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SEVENTY-FOURTH CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 19, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, most merciful and gracious, we praise Thee that it is Thy will to bear with men, to be patient with them, to be gentle toward them, and to be forbearing with them. O hear our Savior's prayer: "Thy will be done in earth as it is in heaven." Untaught, undisciplined, and ungrown as we are, open our understanding to Thy truth. Be our light in the darkness, our strength when we walk in weakness, our food when we are hungry; when we are friendless, bless us with an outpouring of divine love. We rejoice, our Heavenly Father, that Thou dost for us exceeding abundantly more than we ask or think. Work through our affections, cleanse and purify them with Thine own nature. We beseech Thee that divisive influences may be overthrown and that the things that make for peace and uprightness may be richly and freely multiplied. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

FARMERS WILL BE PAID

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, the news that first steps have been taken to insure payment of obligations to farmers under the production-adjustment programs of the Agricultural Adjustment Act will be welcomed by tillers of the soil everywhere.

In response to many letters and telegrams from agriculturists of my congressional district, I have repeatedly expressed the confidence that the present administration would see to it that no farmer suffers any loss and that the payments would be made with scrupulous care and sincerity. It is gratifying to know that my prophecy is being vindicated.

The President has just approved H. R. 10464, providing $296,185,000 for payments to producers in accordance with the adjustment program. This action was made necessary because of the Supreme Court's decision declaring the production-control provisions of the Agricultural Adjustment Act unconstitutional.

Farmers throughout the country will be grateful because of the earnest effort being made by the Federal Government to have every farmer paid the sum due him under the A. A. A. law. There certainly can be no doubt about the good faith and integrity of the administration in this regard. In spite of the adverse action of the Supreme Court, and in spite of the numerous obstacles placed in its way by plutocratic interests, the agricultural class will be paid in full. The Government is discharging an obligation conscientiously and painstakingly, although the Supreme Court has laid down barriers that have made the undertaking extremely difficult.

A statement from the Agricultural Adjustment Administration which has just come to my attention says:

The major portion of the $296,185,000 will be expended to discharge unpaid obligations resulting from contracts entered into during the 1935 and prior adjustment programs. The appropriation also included funds for discharging moral obligations to producers who, conforming to adjustment programs for 1936 crops, had complied with the requirements of these programs, although they had not actually entered into contracts prior to the decision of the Supreme Court on January 6. The measure signed by the President also made available approximately $700,000 for the completion of agricultural projects, including insect and rodent control, in Hawaii and Puerto Rico. The money already had been collected and set aside for these projects. Additional legislation, however, was necessary after the decision of the Supreme Court.

MAGNITUDE AND IMPORTANCE OF THE DAIRY INDUSTRY IN THE UNITED STATES

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein some statistics relative to the dairy business.

The SPEAKER. Is there objection?

There was no objection.

Mr. REED of New York. Mr. Speaker, the proposed farm legislation which will soon be considered in the House makes no specific provision to aid the dairy farmer.

Inasmuch as dairy products constitute 19.729 percent of the total gross farm income of the United States, this branch of agriculture ought not to be ignored, impaired, nor sacrificed under any proposed plan to aid agriculture.

To the end that Members of the Congress may obtain a picture of the magnitude and the importance of the dairy industry in this country, I am presenting statistics obtained largely from governmental sources dealing with this subject; also statistics relating to competition, direct and indirect, from foreign nations.

I believe that legislation that has for its purpose a solution of problems affecting the dairy industry, so far as it can be done by legislation, should be formulated in the light of the true facts existing here and abroad and divorced from all political consideration.

Number of farms in the United States—Acreage and value, by States

State	Number farms, Jan. 1, 1935	Acreage, Jan. 1, 1935	Value of farms (land and buildings), Jan. 1, 1935
Maine	41,907	4,721,842	$143,539,330
New Hampshire	17,695	2,115,548	66,936,940
Vermont	27,061	4,042,658	115,996,472
Massachusetts	35,094	2,195,714	257,676,839
Rhode Island	4,327	307,725	35,237,660
Connecticut	32,157	2,097,933	283,883,908
New York	177,027	18,708,581	1,046,365,510
New Jersey	29,375	1,914,110	234,313,485
Pennsylvania	191,284	15,855,429	861,849,905
Ohio	255,146	22,874,667	1,278,575,572
Indiana	200,835	20,532,803	1,041,192,366
Illinois	231,312	31,668,028	2,208,013,198
Michigan	196,517	18,497,681	827,138,102
Wisconsin	199,817	23,466,629	1,247,352,260
Minnesota	203,302	32,822,259	1,383,137,534
Iowa	221,986	34,361,158	2,462,465,384
Missouri	278,454	35,083,839	1,100,514,768
North Dakota	84,606	39,129,478	707,685,025
South Dakota	83,303	37,108,451	693,322,881
Nebraska	133,616	46,644,221	1,564,515,534
Kansas	174,589	48,033,581	1,479,029,708
Delaware	10,381	921,251	51,475,728
Maryland	44,412	4,383,641	241,064,142
District of Columbia	89	2,801	7,183,087
Virginia	197,242	17,635,274	592,767,036
West Virginia	104,747	9,423,655	237,514,420
North Carolina	300,967	19,970,092	622,834,983
South Carolina	165,504	12,386,698	286,967,057
Georgia	250,544	25,306,056	429,853,766
Florida	72,822	5,936,253	317,335,618
Kentucky	278,298	20,698,570	620,408,700
Tennessee	273,783	19,088,208	555,769,791
Alabama	273,455	19,655,484	368,094,212
Mississippi	311,683	19,655,487	371,418,757
Arkansas	253,013	17,751,909	376,228,375

Number of farms in the United States—Acreage and value, by States—Continued

State	Number farms, Jan. 1, 1935	Acreage, Jan. 1, 1935	Value of farms (land and buildings), Jan. 1, 1935
Louisiana	170,299	10,444,288	$295,515,197
Oklahoma	213,325	35,401,560	784,534,341
Texas	501,058	137,918,745	2,582,664,909
Montana	50,562	47,536,118	376,035,255
Idaho	45,113	9,956,085	308,187,147
Colorado	17,487	28,161,911	166,773,697
New Mexico	41,369	34,397,205	170,150,410
Arizona	18,824	14,018,540	132,088,163
Utah	30,695	6,239,318	158,303,329
Nevada	3,696	3,621,769	42,568,709
Washington	84,381	14,694,933	550,392,832
Oregon	64,826	17,302,127	449,861,857
California	150,360	30,519,194	2,329,050,986
Total	6,812,049	1,055,180,009	32,884,342,378

Source: Department of Commerce, Bureau of Census. Release of July 26, 1935.

Value of dairy cattle in the United States, by States

State	Cows and heifers 2 years old and over, kept for milking, 1935	Value per head, 1935
Maine	147,000	$38.00
New Hampshire	82,000	48.00
Vermont	276,000	43.00
Massachusetts	136,000	68.00
Rhode Island	21,000	70.00
Connecticut	115,000	71.00
New York	1,359,000	55.00
New Jersey	133,000	84.00
Pennsylvania	931,000	45.00
North Atlantic	3,200,000	52.53
Ohio	985,000	31.00
Indiana	795,000	31.00
Illinois	1,178,000	34.00
Michigan	893,000	35.00
Wisconsin	2,124,000	33.00
East North Central	5,975,000	32.90
Minnesota	1,734,000	26.00
Iowa	1,545,000	28.00
Missouri	922,000	22.00
North Dakota	596,000	23.00
South Dakota	587,000	22.00
Nebraska	712,000	27.00
Kansas	855,000	24.00
West North Central	6,951,000	25.18
Delaware	36,000	41.00
Maryland	192,000	39.00
Virginia	398,000	28.00
West Virginia	239,000	27.00
North Carolina	343,000	29.00
South Carolina	156,000	28.00
Georgia	382,000	20.00
Florida	103,000	32.00
South Atlantic	1,849,000	28.02
Kentucky	554,000	24.00
Tennessee	521,000	21.00
Alabama	434,000	19.00
Mississippi	558,000	16.00
Arkansas	463,000	15.00
Louisiana	297,000	24.00
Oklahoma	733,000	18.00
Texas	1,388,000	19.00
South Central	4,498,000	19.21
Montana	194,000	26.00
Idaho	196,000	28.00
Wyoming	64,000	28.00
Colorado	264,000	25.00
New Mexico	65,000	27.00
Arizona	44,000	40.00
Utah	104,000	26.00
Nevada	21,000	37.00
Washington	324,000	37.00
Oregon	270,000	36.00
California	631,000	45.00
Western	2,177,000	34.92
United States	25,100,000	30.38

25,100,000 times $30.38 (value per head) equals $762,538,000. Value of dairy cows and heifers 2 years old and over, kept for milk.

In addition, there were, in 1935, 4,286,000 heifers between 1 and 2 years old being kept for milk cows and 4,653,000 heifer calves under 1 year old being kept for milk cows.

(1) Preliminary.

Source: U. S. Department of Agriculture Yearbook, 1935: table 389.

For the year 1935 the total gross farm income, as reported by the United States Bureau of Agricultural Economics, which includes unmarketed crops, rentals, and benefit payments, amounted to $8,110,000,000, of which, income from all dairy products amounted to $1,600,000,000. Dairy products equaled 19.729 percent of the total gross farm income.

Name of countries competing with the United States in dairy products and from whom the United States imported during the calendar year of 1934 over $2,000 worth of dairy products in the aggregate

Country	Value	Products
Argentine	$275,052	Cheese, casein, butter.
Canada	147,163	Cream, whole milk, skim milk, buttermilk, dried whole milk, butter, cheese.
Albania	39,432	Cheese.
Austria	11,220	Do.
Bulgaria	9,910	Butter, cheese.
Czechoslovakia	10,365	Cheese.
Denmark	452,181	Butter, cheese.
Finland	138,199	Cheese.
France	1,235,709	Do.
Germany	129,758	Butter, cheese, casein.
Greece	232,799	Butter, cheese.
Italy	5,973,716	Do.
Latvia	13,966	Do.
Netherlands	235,792	Evaporated and condensed milk, cheese.
Norway	95,683	Cheese.
Poland and Danzig	2,096	Do.
Spain	4,656	Butter, cheese.
Sweden	10,639	Cheese.
Switzerland	1,873,458	Butter, cheese, condensed and evaporated milk.
Russia	3,705	Dried milk.
United Kingdom	41,274	Dried whole milk, butter, cheese.
Yugoslavia	6,899	Cheese.
Uruguay	2,423	Do.
Persia	2,012	Do.
Syria	2,164	Butter, cheese.
New Zealand	53,270	Butter, cheese, casein.

Source: Foreign Commerce and Navigation for the United States, 1934, U. S. Department of Commerce.

Dairy products admitted at lower tariff duty rates under trade treaty with Canada, showing old rate and new rate

Product	Old rate	New rate
Fresh and sour cream	56.6 cents per gallon	35 cents per gallon.
Cheddar cheese	7 cents per pound but not less than 35 percent ad valorem.	5 cents per pound but not less than 25 percent ad valorem.
Cows weighing 700 pounds or more or not more than 20,000 head annually.	3 cents per pound	1½ cents per pound.
Cattle weighing 700 pounds or more on 155,799 head.	3 cents per pound	2 cents per pound.
Cattle weighing less than 175 pounds on not more than 51,933 head.	2½ cents per pound	1½ cents per pound.

QUOTAS APPLICABLE IN TRADE TREATIES WITH OTHER COUNTRIES CONCERNING DAIRY PRODUCTS

Canadian treaty: A quota of 1,500,000 gallons, sweet and sour cream, applied on the aggregate imports of sweet and sour cream coming from all countries, not only Canada. When the quota is reached the tariff rates on sour and sweet cream automatically revert to the old tariff rate of 56.6 cents per gallon.

There is no quota on importation of Cheddar cheese, a product of which Canada produces much.

There are quotas on cows and cattle as mentioned in no. 10.

Switzerland treaty: No quotas, unlimited shipments.

Netherlands treaty: No quotas, unlimited shipments.

Imported fats and oils compete direct with butter through the replacement of butter sales by oleomargarine. There is no other dairy product with which these fats and oils come into direct competition excepting through the replacement of butter by oleomargarine which causes a shift from butter.

COUNTRIES FROM WHICH THE UNITED STATES IMPORTS FATS AND OILS THAT COMPETE WITH DAIRY PRODUCTS

Imports entering United States during 1934 and country of origin (most important sources are in italics):

Oleomargarine: Norway, Netherlands.

Coconut oil and copra: *Philippine Islands,* Canada, British Honduras, Panama, Jamaica, *British Malaga, Netherlands India, French Oceania,* British Oceania, Australia.

Palm oil: *Netherlands India, Belgian Congo, Nigeria, Canada,* Belgium, Netherlands, United Kingdom, British Malaga, Gold Coast, Liberia.

Palm-kernel oil and nuts: *Germany, United Kingdom,* Netherlands, *Nigeria,* Brazil.

Sunflower oil and seeds: *Kwangtung, Netherlands, Russia,* United Kingdom, China, Germany.

Sesame oil and seeds: *China, Hong Kong,* British India, Irak, Japan, Kwangtung, Australia.

Barbassue oil and seed: *Brazil.*

Mustard seed and oil: *Netherlands, United Kingdom, China,* Denmark, Italy, Rumania, Russia, Germany, Hungary.

Oils and fats of domestic origin used in oleomargarine production but which have competition from imports and the countries competing:

Cottonseed oil: *United Kingdom, Mexico,* Egypt, Japan, Brazil, Denmark.

Peanut oil: *China,* Netherlands.

Soybean oil: *Japan,* China.

Corn oil: *United Kingdom, Netherlands, Germany, Belgium, Japan,* Mexico, France.

Oleostearin: *Argentina,* Canada, Uruguay, Australia.

EXTENT TO WHICH IMPORTED FATS AND OILS ENTER INTO MANUFACTURE OF BUTTER SUBSTITUTES

Keen competition exists between import fats and oils and butter. These foreign fats and oils used in the production of oleomargarine constituted in the first 11 months of 1935, 57.36 percent of the total fats and oils used. For the same period of time in 1934 this percentage was 57.74 percent. These foreign ingredients consisted of coconut oil, palm-kernel oil, sesame oil, derivatives of glycerin, barbassue oil, with a host of others to fall back on, if those most frequently used became too high in price.

Of the 346,000,000 pounds of oleomargarine produced in the United States for the first 11 months of 1935—this was a production increase of 67.3 percent over the same period last year—42.87 of the total ingredients used were of foreign origin, of which coconut oil contributed 42.13 percent, leaving 0.74 percent divided among other foreign ingredients used. Of the domestic ingredients used to produce oleomargarine, 57.13 percent for the first 11 months of 1935, milk and butter combined constituted slightly over 21 percent.

Other ingredients domestically produced and used to make oleomargarine were oleo oil, oleostearin, oleo stock, cottonseed oil, peanut oil, soybean oil, neutral lard, and salt.

There is such a high degree of interchangeability in the use of fats and oils in oleomargarine production that a low price of one of the oils or fats usable in such production tends to depress other oils and fats prices, and all prices tend to seek the level of the lowest price.

Hence, if the price of coconut oil was materially reduced, the manufacturers would turn from the use of cottonseed oil—a domestic oil—to coconut oil. This replacement of cottonseed oil would have a depressing effect on the price of cottonseed oil, and so on down the list of oils and fats a price reduction would follow.

For Federal and State taxes imposed on the manufacture of butter substitutes see pages 100 and 101 of The Farmer Looks at the Oleomargarine Picture, tables 40, 41, 42.

Canada passed legislation in general assembly in 1914 forbidding the importation, manufacture, and sale of butter substitutes.

COUNTRIES HAVING TAX ON OLEOMARGARINE (BUTTER SUBSTITUTES)

Norway: The internal revenue on margarine was recently increased from 13 to 15 ocre per kilogram (2.20 pounds). Based on the rate of exchange for December 1935, this tax is equivalent to approximately 1.7 cents per pound.

Hungary: Imposed consumption tax, effective October 15, 1935, on margarine and margarine cheese amounting to 3.4 cents per pound.

Sweden: Increased their excise tax on oleomargarine August 1, 1934. This change was from 0.2 to 0.3 crown per kilogram. Determined from the December 1935 rate of exchange, this tax is equivalent to 3.85 cents per pound.

Finland: On May 9, 1934, the Finish Government imposed a tax of 6 marks per kilogram on the production of margarine. This tax is equivalent to 5.92 cents per pound in United States currency. Comparing with this tax of 5.92 cents a pound, the total tax received from all sources in the manufacture and sale of oleomargarine in the United States which for 1935 averaged slightly over one-half cent per pound, one can see that there is a wide variance.

Czechoslovakia: A notice of the Czechoslovak Ministry of Commerce, dated December 17, 1935, obligates every local margarine producer to buy 0.51 kilograms (approximately 1 pound) of the 1934 and 1935 soybean crops for each 100 kilograms (220 pounds) of the respective factory's margarine production contingent for 1935. These soybeans must be worked up into oleomargarine. Also, all soybean growers are obligated to buy back from such factories soybean cake in a ratio of 83 to 85 percent of quantities of soybeans supplied.

The list is complete so far as I have been able to obtain available information.

The most complete data available in regard to dairy tariffs are in a report to the Senate of the first session of the Seventy-third Congress, document no. 70, entitled "World Trade Barriers in Relation to American Agriculture." How many of these conditions in effect in 1933 and still exist today is not known.

The British Empire operates a tariff on a three-layer basis; the lower rates apply to their own possessions; the second level or preferential tariff level applies to preferred countries; and all countries not classed as preferred must pay the general or higher tariff. These rates are subject to revision in the different possessions by the action of the legislature in those possessions.

Germany as of November 15, 1932, extends a quota on importations of butter not to exceed 121,000,000 pounds yearly. Each pound of this butter entering Germany must pay an import duty equivalent to 8 cents per pound.

France also adopted the idea of establishing periodically certain import quotas on butter, effective September 28, 1932, to apply for 1 year. The general tariff on butter was increased to the equivalent of 24.09 cents per pound at the rate of exchange as of that date. With the minimum tariff at 12½ cents per pound, the additional charge of 15 percent ad valorem on butter from countries that had left the gold basis is unofficially reported as having been returned under the new tariff rates. Under these rates no import quota was established.

Belgium set up increases in tariff in late 1931; also imposed an import license requirement—what the requirements were is not known—but the effect had increased the butter price 30 percent on Danish butter. This increase was as of September 1932.

To encourage better conditions in Switzerland, a fixed price was guaranteed for a certain quality of table butter. Even with this guaranty the Swiss producers could not supply the demand, and butter still had to be imported. On April 1, 1932, butter could be imported only under license. This, along with higher tariff rates, helped decrease importations of butter.

The Netherlands, from March to January 1932, limited butter importations to 1,295,000 pounds for the 4-month period. Whether they still maintain a quota basis we are not able to say.

Effective March 4, 1932, Italy greatly increased the tariff on butter. Under the present upset condition of their country and lack of information we cannot say whether this policy has been changed.

Besides the above-mentioned foreign countries, there are some others, namely, Australia, Irish Free State, Union of South Africa, the Netherlands, and Finland, that as of 1932 paid export bounties to those butter producers who sold in a foreign market. There are one or two countries at the present time, we understand, who are paying export bounties to their producers. Switzerland maintains such a program for the exportation of cheeses, and although no definite infor-

mation can be found it is reported that Italy maintains some form of this export butter system.

From incomplete reports of the progress made by various bovine diseases, mainly tuberculosis and Bang's disease, one must draw the conclusion that other countries are far from comparable with the United States on this issue.

First, let us consider the advancement made by the United States. It is estimated that by September 1, 1936, all the cattle in the United States will be tested for tuberculosis. This great eradication program, it is estimated, has already cost the farmer and Federal and State Governments over $400,000,000 for indemnities, veterinarians' services, and so forth.

Second, a Bang's disease eradication program is beginning to show favorable results and is now accepted as past the experimental stage. The Federal Government is proceeding with the Bang's eradication program, reporting that rapid progress is being made in freeing herds of Bang's reactors.

The country whose tuberculosis eradication campaign, which more nearly equals that of the United States, is Canada. The advancement made does not nearly equal the advancement made in the United States. Canada, having not over 30 percent of her cattle under the tuberculosis test, is testing cattle at the rate of 500,000 yearly, which is equivalent to approximately 6 percent of her total cattle numbers. There have been practically no cows tested in Canada for Bang's with the possible exceptions of a few large cattle breeders whose American market demands cattle free of such disease.

Incoherent reports and a lack of statistical data make the task of giving first-hand information on foreign disease-control programs difficult. No governmental department in this country has at their finger tips a résumé of the foreign situation pertaining to cattle testing for either bovine tuberculosis or Bang's, but certain general information is known.

Bulgaria, Germany, Czechoslovakia, particularly Finland, Denmark, and Sweden, are more in advance of other countries. With the possible exception of Denmark and Sweden, these countries do not compete for the United States dairy market.

The large exporters of dairy products, which include Argentine, Australia, New Zealand, Switzerland, France, and Italy, are the laggards in any kind of disease-control measures. They have failed either through a lack of interest because such steps were never necessary to insure them a foreign market or because those countries had a lack of money to institute such disease-control programs as the United States and Canada. Switzerland apparently has done more constructive eradication work than any of the above-mentioned export countries.

Additional information has just been received from the dairy industry commissions of Australia and New Zealand. The Australia report is not up to date, being issued in 1929, but indications point to very little activity either in eradication of bovine tuberculosis or the Bang's disease, but admitted in the report are the facts that both diseases exist although infection is not so great as in other countries where cattle are stabled for indefinite periods. The Australian cattle are on pasture the year round day and night, only brought into a shed to be milked.

The report goes further, to say that the contagious (streptococcic) mammitis infection appears to be a serious trouble in dairy cows and is causing considerable economic loss. There seems to be a very close correlation between Bang's disease infection and mammitis infection in the same animal. Bang's disease so weakens the udder that mammitis infection takes place easily; the mammitis streptococcic bacteria then multiplies and continues living in the udder. Such infection causes poor quality milk that is practically unmarketable besides reducing the amount of milk a cow is able to produce, through the break-down of udder tissue.

A report dated 1934 and issued by the Dairy Industry Commission of New Zealand indicates that bovine tuberculosis infection among dairy cattle to be approximately 9 percent. This report goes further in saying:

In Denmark a considerable amount of tuberculin testing has been carried out in recent years, and although the average incidence has been estimated to be 40 percent, instances are on record showing that many badly affected herds have been effectively cleaned up, and that the general position in Denmark is improving.

Those people connected with the New Zealand dairy industry are anxious to start a disease-control program for both the eradication of bovine tuberculosis and Bang's disease. Their reason is because of the fear of losing their foreign markets in the United States and the United Kingdom through the placing of embargoes on those dairy products originating from herds infected with the mentioned diseases.

POLITICAL FOG

Mr. ROMJUE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ROMJUE. Mr. Speaker and Members of the House of Representatives, when I think of the eagerness with which Mr. Al Smith and Mr. Herbert Hoover are continually assailing the administration of our President, Franklin D. Roosevelt, I know of no better name to ascribe to their endeavors than designating them as "fog", political fog.

For the past few years we have been going through a period and experience which calls for more clear thinking, more fair conduct, and more concern for the general public welfare than it does for mere billingsgate, slander, falsification, misrepresentation, and criticism.

It is the easiest matter in the world to find fault and criticize, but the critics should offer something equally as good or better than that which has been done or is being done by those who are being criticized. This is no time to get excited; it is a time to weigh well and ponder well what the condition of the country is and what it has been and was a few years ago. It is not an easy matter to be President of the United States, and, of course, it is not possible for any man to please everybody; but there is one rule which, if adhered to by any man in public life, whether he be President, other public official, or whether he be an official at all or not, will prove to be of greater help than any other, and that is to weigh all the facts and information that can be obtained and then act in accordance with what one's own judgment dictates to be right, proper, and fair; and those who follow that rule will at least be of greater peace of mind and be more nearly right than by adopting any other plan or policy.

Among the major problems that have confronted the country for the past few years, one of very outstanding importance, is the agricultural question. I feel like I know something of the farmer's problems and the task he has had to meet. My father before me was a farmer and livestockman, and so also were both of my grandfathers, and my life has been identified with and interested in it from childhood; and I have yet to meet the first critic of Mr. Roosevelt and his program in trying to help the farmer who was really as much materially interested in the farm problem and livestock as I am myself.

Now, what are the facts about which all this fog is being raised by the critics of the President? To begin with, I remember once upon a time one, Herbert Hoover, was President of the United States, and I know very well that during the last year of Mr. Hoover's administration, in the autumn of 1932, corn was selling all over the congressional district which I represent as low as 15 cents per bushel, and while the territory in the First Congressional District is mostly devoted to corn, hogs, sheep, cattle, horses, mules, and oats and other crops—it is not so much a wheat country as many other sections of the United States—oats were selling for 10 cents per bushel at the same time and during the last year of Mr. Hoover's reign.

I remember I bought a few suckling mules that very fall, and the highest price I paid was $25 per head, and generally they could be bought for less. The farmers' condition had become almost unbearable among a great many of them,

and a good many of them were going to the wall and losing their possessions because of the low prices they were getting on the livestock and crops they were producing.

This is a diversified country, and it is not expected to be run, and should not be run, solely for the benefit of one class of people against all others; neither should it be run in a way to be detrimental to one class with the benefits going to other industries, and so it is the purpose of the Government to balance and put in proper relationship one business with another throughout this country so that all legitimate business may have a reasonable return for the honest endeavor, patient toil and labor that is spent in connection with any particular line of legitimate business.

What money many a bank depositor had deposited in the bank during the administration of Mr. Hoover was swept away. Banks were breaking not by the few or by the dozen or by the scores, but by the hundreds, and in fact they had closed by the thousands throughout the United States during Mr. Hoover's administration, and this was the picture that President Roosevelt and the Congress who had been elected along with him met and had to face when he took charge of affairs of Government.

Almost immediately—in fact, it was immediately—upon his assumption of power the first act of Congress was to pass legislation that enabled the President and empowered him to stop the closing of the banks throughout the country. Soon after that Congress enacted and the President signed and approved the guaranty bank deposit law, which guaranteed and made certain that a man who had his money in the bank, up to $2,500—and later increased to $5,000—would stand not to lose it, but would be guaranteed to be paid to him upon his call and upon his demand; and while these critics of Mr. Roosevelt are raising so much fog against his administration, what answer have they to make to that legislation? Was it wise or unwise? Of course, there is only one answer. It was legislation of the most valuable character, and many a man would have some money today if that law had been enacted when Mr. Hoover first came in office instead of its being delayed by him and his Congress until after many of the deposits were lost; and it was left to Mr. Roosevelt and his Congress to enact it. To say the least, it is helpful to the future—a guaranty to the depositor against his future losses.

It is worth while for one to sit down occasionally and meditate and let the head work some as well as the tongue, because it enables one to recall some things that have happened in the past and gives one a better view and better understanding of the future.

I remember in the campaign of 1924 when John W. Davis was candidate on the Democratic ticket for President; Mr. La Follette was also a candidate at the same time, and Mr. Coolidge was a candidate. The leaders of the Republican Party were then saying it is necessary to elect Mr. Coolidge in order to save the Constitution. They then said that the election of either Mr. Davis or Mr. La Follette would imperil the Constitution, so they went through that campaign handing that sort of stuff out to the people. The Literary Digest, at that time, went so far as to indicate that Mr. La Follette would probably be the second man in the race. Of course, any man could put his own interpretation on the cause or the purpose of that, and so in the campaign of 1928, when Al Smith was a candidate for the Presidency, the Republican leaders again came forward and indicated all over the country that poor Al would wreck the Constitution if he were elected, and so now here and there some person who probably never read more than 15 lines of the Constitution flutters about with the great fear that it is likely to be destroyed, and the funny part about it now is that these same Republican leaders, who lack a lot of being the Republican Party, by the way, because there are a lot of people in the Republican Party doing their own thinking, despite that which is being dished out by Mr. Hoover and a few other recognized party leaders, just because Mr. Davis and Mr. Smith do not endorse Mr. Roosevelt's plan to aid the farmers they sight them now as great frontiersmen in the interest of the Constitution. Well, everybody knows Mr. Davis is practicing law, and Mr. J. Pierpont Morgan is one of his chief clients, and most everyone seems to know what is the matter with Mr. Smith.

When Mr. Roosevelt came into the Presidency, he set about in an effort to rectify—I will not say so much the abuses as the neglect on the part of Mr. Hoover's administration to care for—and properly legislate in behalf of the greatest industry in the United States and, for that matter, in the world, and that is agriculture; and legislation was enacted.

No President, from the foundation of this Government down to now, has had as much work to do as has Mr. Roosevelt. No President has confronted so gigantic and momentous questions as he has had to handle. Bankruptcy was stalking in the land; unemployed people by the thousands were walking the streets; farmers were losing their homes, which in many instances it seemed impossible for them to hold—then legislation was enacted that was calculated to aid the farmers of the country and put men back to work. Now, what has been the result? What has happened since the passage of the A. A. A. legislation? Keep in mind that the President was struggling valiantly to bring the country out of the depressed condition in which it was; also keep in mind that the country was in the worst condition that any man now alive in America had ever seen. Instead of everybody joining in and trying to aid the President in having a general recovery for the benefit of the entire country, here and there bobbed up leaders of sordid and selfish interests that wanted to strike the President down and break down his influence and power with the people.

It now remains to be seen whether the leaders of the Republican Party, which same leaders are led, in my opinion, by the same sordid, selfish interests that have never been willing that the agricultural interests of the country should have any reasonable show to receive and maintain its proportionate and proper place in the successful affairs of this Government, can lead the farmers of this country to condemn the President, who has been their greatest benefactor, and turn the Government back to those who had it in charge when it was thrown into collapse under Mr. Hoover's administration.

Mr. Hoover was President of the United States during the time this tragic drop in farm prices took place. I regret that he has been the only ex-President that I can recall who raced all over the country after he was defeated for office, getting on the radio at every opportunity, and offering nothing except criticism and vilification.

Well, going forward to just what change has taken place among the farmers from the days of Hoover to the days of the present time, I am not talking by guesswork; I am talking from experience, because on my own farm I have cattle, horses, mules, hogs, and sheep, and most all kinds of farm crops, and I recall that during the first year of Mr. Roosevelt's administration prices had advanced considerably over what they were in 1932, and they have continued to advance until everything the farmer produces on the farm is from two and one-half to four times higher than it was when Mr. Hoover went out of office.

It is my judgment and opinion that the legislation which has been enacted by this Congress and Mr. Roosevelt's administration has put this country so far on its way to recovery that the continued benefits will be felt for considerable time to come, regardless of all the criticism that may be launched against President Roosevelt and his policies, and also regardless of the decision of the Supreme Court.

This Congress expects before the close of this session, and that very soon, to enact other legislation that will approach the program which will greatly sustain the benefits that have been brought to the farmers by the A. A. A. legislation.

It is almost unbelievable that a few certain individual groups have worked themselves up into such fever heat until it would seem they must lie awake at night grieving over the possibility of the administration's doing something for the farmers of the country. It is unbelievable that they could be so blind as not to realize that they can never manufacture and sell their goods unless they have purchasers, and in

order for there to be purchasers the purchaser must have an opportunity for gaining a livelihood and an opportunity to dispose of the products of his labors at a reasonable compensation.

The root of the whole evil is basically selfishness, and every legitimate calling, agriculture as well as industry, is entitled to be respected in its rights. The industries certainly ought not forget in this short time that when the farmers lost their prices for their products, and were unable to meet the interest, and in many instances were in debt and lost their homes, that now since President Roosevelt and this Congress have enabled the farmers to get back on their feet, with much higher prices for what they produce, and just getting them set up for some years of prosperity, they cannot afford to strike down agriculture again as it has been done in the past.

Notwithstanding the selfish interests that vilify and criticize President Roosevelt and his policies, he is going forward with his work, and I have every belief and confidence that the common man, the average man, the worker, the farmer, and, in fact, the level-headed businessman will so understand the beneficial fruits of this administration that they will register an overwhelming approval for Mr. Roosevelt and his efforts next November, and all the political fog stirred up for one purpose, and one purpose only, will be brushed aside.

LEAVE OF ABSENCE

Mr. FIESINGER. Mr. Speaker, my colleague the gentleman from Ohio, Mr. HARLAN, is detained in Dayton because of a slight cold. I ask unanimous consent that he be excused for 3 days.

The SPEAKER. Is there objection?

There was no objection.

INVESTIGATION OF OLD-AGE-PENSION SCHEMES

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 418, which I send to the desk and ask to have read.

Mr. BOLAND. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

Mr. BOEHNE. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 21]

Allen	Dear	Hoeppel	Parks
Ayers	Delaney	Hollister	Perkins
Barden	Dickstein	Kee	Peterson, Fla.
Bolton	Dingell	Kelly	Pettengill
Brennan	Doutrich	Kennedy, Md.	Pfeifer
Buchanan	Duffey, Ohio	Knutson	Powers
Buckbee	Dunn, Miss.	Kvale	Randolph
Buckley, N. Y.	Englebright	Lambertson	Russell
Bulwinkle	Fenerty	Lesinski	Sabath
Burch	Gasque	McMillan	Sanders, La.
Cannon, Mo.	Gassaway	McSwain	Sandlin
Casey	Gearhart	Maloney	Schneider, Wis.
Chapman	Goldsborough	Mason	Somers, N. Y.
Clark, Idaho	Gray, Ind.	Mead	Steagall
Clark, N. C.	Greenway	Merritt, Conn.	Sullivan
Connery	Harlan	Merritt, N. Y.	Taylor, Colo.
Corning	Hartley	Montague	Thomas
Cox	Hennings	Mott	Tinkham
Crowther	Hill, Ala.	O'Day	Underwood
Curley	Hill, Samuel B.	Oliver	White

The SPEAKER. Three hundred and fifty Members have answered to their names, a quorum.

Mr. O'CONNOR. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The gentleman from New York calls up a resolution, which the Clerk will report.

The Clerk proceeded to read House Resolution 418.

Mr. MONAGHAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MONAGHAN. Mr. Speaker, at what stage would an amendment to this resolution be in order?

The SPEAKER. The gentleman from New York [Mr. O'CONNOR] has the floor and is in control of the resolution. It is not in order to offer it now. The Clerk will continue the reading of the resolution.

The Clerk resumed and concluded the reading of House Resolution 418, as follows:

House Resolution 418

Resolved, That the Speaker appoint a select committee of eight Members of the House and that such committee be instructed to inquire into the acts and conduct of any person, partnership, group, trust, association, or corporation claiming or purporting to promote, organize, or further old-age pension schemes and that such committee be further instructed to inquire into the history and records of the various operators, promoters, or schemers now engaged in promoting such schemes and to inquire into their various methods of raising and collecting money, and to examine their books, papers, and records and inquire as to the disposition, holding, spending, or appropriation of such moneys so collected. The committee shall have the right to report to the House at any time the results of its investigations and recommendations, if any.

That said committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpena or otherwise, and to take such testimony, as it deems necessary. Subpenas shall be issued under the signature of the chairman and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any questions pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102, chapter 7, of the Revised Statutes of the United States, second edition, 1878.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, this is a resolution reported from the Committee on Rules authorizing the appointment of a special committee to investigate what are called old-age-pension rackets. Before the Rules Committee we invited whoever we thought might be interested, and there was no opposition from any source whatever to the passage of the resolution.

Mr. DUNN of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. DUNN of Pennsylvania. Does this apply only to those who solicit funds for old-age pensions?

Mr. O'CONNOR. It pertains to the collection of money and the methods used in collecting it and the disposition of the money.

Mr. DUNN of Pennsylvania. Does it pertain to what Father Coughlin is doing?

Mr. O'CONNOR. I could not say. If the reverend father is engaged in an old-age-pension racket, it would pertain to him.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. CELLER. The resolution undoubtedly aims at the Townsend plan promotional scheme.

Mr. O'CONNOR. Not solely, but all such plans. There are several other plans, we were informed.

Mr. MONAGHAN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes; for a question.

Mr. MONAGHAN. To ask whether or not this resolution will be opened up for amendment under the 5-minute rule so that we may include everything, the Liberty League and others as well.

Mr. WARREN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. WARREN. I call the gentleman's attention to what I think is probably a defect in the resolution as presented. The resolution provides that the report may be made to the House at any time. If the House is in adjournment, there is no provision made for receiving this report, and with the permission of the gentleman from New York, I ask if he would agree to the following amendment on page 2, line 2: To add a comma at the end of the sentence and insert the following:

and in the event the House is not in session, such report may be submitted to the Speaker for printing as a public document.

Mr. O'CONNOR. I think that amendment should be placed in the resolution, and I have no objection to the gentleman's offering it now.

Mr. WARREN. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

On page 2, add a comma at the end of the sentence and insert the following: "and in the event the House is not in session such report may be submitted to the Speaker and be printed as a public document."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

Mr. O'MALLEY. Will the gentleman from New York yield?

Mr. O'CONNOR. I yield for a question.

Mr. O'MALLEY. That amendment being adopted, I was under the impression that the resolution was open for amendment. Why is it that only an investigation of old-age pensions is provided for? Why not open it up so that the Liberty League can be investigated and other organizations raising money for any legislative purpose? Why pick on old people alone?

Mr. O'CONNOR. The resolution was introduced with that one purpose in mind, to investigate the old-age-pension rackets. The committee did not think it should bring in other organizations which had no connection with or similarity to such rackets.

Mr. Speaker, I yield 15 minutes to the gentleman from Missouri [Mr. BELL].

Mr. BELL. Mr. Speaker, Members of the House, I have been allotted a limited amount of time to speak, and I should like to pursue my subject without interruption. For that reason, I respectfully request my colleagues not to interrupt me or ask me to yield.

I am sure that nothing which I shall say today will be construed as a reflection upon any Member of this House. The introduction of this resolution is intended only for the purpose of throwing light upon a subject in which every Member is interested in knowing all the facts. There are those here who have, in their judgment, seen fit to endorse the Townsend plan. Members have a right to differ, and I certainly have no word of censure for any one of them.

For generations the American people have dreamed of the day when a just and beneficent Government would make adequate and proper provision for its aged and infirm citizens. We have ever recognized the fact that in the hard and uneven struggle of life while some have had the good fortune to be able by industry, by ingenuity, by frugality, or perhaps by good luck, to lay aside a competence for their declining years, many of our citizens have never been able to do so. They have reached the winter of life after years of honest toil and labor only to find that they were dependent upon their children or upon relatives, or possibly upon the unkind and uneven whims of charity. Every right-thinking man long has felt that provision should be made by the State so that the necessities of life, the right to live with reasonable creature comforts, should be guaranteed to those who have outlived the active and aggressive period of their lives.

Administrations came and administrations went, but during the last session of this Congress for the first time in all the history of America the passage of the Social Security Act brought about the beginning of a well-planned, organized system of old-age pensions. Many of us felt that the act perhaps was not everything that it should be; we felt that there were defects and errors in the plan, but we felt that it was a good start, a splendid beginning, the nucleus from which eventually would be worked out a satisfactory plan for the proper care and maintenance of the aged and infirm. I have always been an advocate of and a believer in the necessity for old-age pensions.

From time immemorial the human race has been subject not only to its social ills but its physical ills. The service of the medical profession, with the noble, untiring efforts of the great throng of self-denying, hard-working doctors and surgeons has been a glorious chapter in the history of the human race. But even the medical profession has had its quacks, its charlatans, and its imposters. There have been those doctors who unselfishly gave their lives, with every ounce of energy of mind and body, to the service of the human race; and there have been those charlatans and vultures who thought only of personal profit, who would adopt any method, advocate any theory, practice any deception, so long as it offered the possibility and the opportunity to enrich themselves. Thank God these men have been few and far between.

And so it has been in the field of social service. There are thousands of those who have sincerely and earnestly worked for and advocated real and constructive programs of human betterment. We also find our charlatans and quacks who are willing to offer anything, no matter how impossible or fantastic or extravagant, so long as it catches the fancy of the public and so long as it means a personal profit and enrichment of themselves.

The late years of depression, with the widespread human want and suffering and unemployment, have been a fertile field in which these quacks and charlatans, these false prophets of social reform, have promoted their schemes and rackets, representing vast sums in unholy profits at the expense of tens of thousands of good and faithful but deluded followers. Like the typical quack in the medical profession who advertises and guarantees a cure for everybody and everything, some of these quacks in the social world have offered to their followers a utopia which we know is impossible of fulfillment.

It was not more than 2 years ago that the first of these quack doctors of social progress, Dr. J. E. Pope, came forward and proclaimed himself as a prophet of better conditions and as an advocate of old-age pensions. He claimed to operate the National Old Age Pension Association. He was its president and permanent chairman. He also claimed to be a doctor, and it turned out that he had spent some time as a foot doctor.

He advertised widely through the mails, established an old-age-pension paper, organized his so-called clubs, collected monthly dues, and at the time that a congressional committee began investigating him he publicly claimed that he had a membership of 750,000 members, and although his books and records were in a thorough state of confusion, he admitted, according to his statement, that he had collected more than $60,000, as of February 15, 1934, from people who could ill afford to donate for this or any other purpose.

He made glowing statements to the members of his clubs about looking after their interests and seeing that Congress enacted pension legislation. The great volume of literature that he sent out was of the usual type utilized by people of his kind. It was designed to bring in the money, and it accomplished that result.

An inquisitive congressional committee found that over a long period of years in spite of the fact that he claimed to be a doctor he had made his living by fraud and crookedness; that in 1904, at Houston, Tex., Pope was sentenced to serve 18 months in the United States penitentiary for using the mails to defraud; that in 1919, at Tyler, Tex., Pope was arrested for using the mails to defraud, was convicted at Dallas, Tex., and sentenced to pay a fine of $500. In 1923 Pope plead guilty to another charge of using the mails to defraud, and he was sentenced to serve 60 days in jail and pay a fine of $500. In 1927 Pope again was indicted by the United States grand jury at Denver, Colo., for using the mails to defraud. At that time he agreed to reform and to quit engaging in such practice, and upon this promise the case against him was dismissed. But he is still at large and still preying upon the faith and credulity of the old and infirm people of this country as are other pension-plan promoters. Within the past week I have received letters from some of his victims, who have sent him money for subscriptions to his old-age-pension paper and have never received a copy of the paper.

It has always been true in our history that when some man discovers a scheme or racket which returns large profits to its promoters that others, envious of his good fortune, seek to enter the field in competition with him. And so true to form it was not long until Dr. Pope had an active and aggressive competitor.

Another doctor far out on the Pacific coast was heard from as an advocate of the Old Age Revolving Pension Association. Soon the country began to hear of the organization of Townsend clubs and the establishment of the Townsend Weekly, of the charging of initiation fees and monthly dues.

At this point I pause for a moment to say I cast no reflection whatsoever on Dr. Townsend as a medical doctor. I assume that when he was in pursuit of his duties as a doctor of the physical ills of humanity he was a good doctor, but as a doctor of the ills which afflict our social structure he is a charlatan and a quack. [Applause.]

While Dr. Pope had not been very definite in his promises to the people whom he contacted in his wide and mail-order campaign, Dr. Townsend was very precise and definite in the promises that he made to his followers.

While he followed the same scheme of organization in a general way, he introduced some innovations, and in the ordinary parlance of the street, he "went Dr. Pope one better." His plan seemed simple in its general outline. He proposed to give every man and woman in the United States past 60 a pension of $200 a month, or $2,400 a year as a minimum, with the understanding that they should quit work, if still employed, and spend the entire amount every month. He and his associates claimed that their plan would do everything short of bringing the millenium itself, that it would restore national prosperity without inflation; that it would reduce crime, reduce taxes, and balance the Budget.

Dr. Townsend, in his testimony before the Senate Finance Committee, admitted that in order to put his scheme into effect it would take the vast sum of twenty-four thousand millions of dollars a year. This he proposed to raise largely by a transactions tax levied upon the people of the United States.

According to Dr. Townsend's admissions in the congressional hearings—and his estimate is backed by figures from the United States Census Bureau—there would be somewhere between ten and twelve million people in the United States old enough to come under the Townsend plan. Dr. Townsend said that the probabilities were that some of those who had reached sufficient age would not care to come under the plan and others might not be eligible. But it was generally estimated that at least 10,000,000 would claim their rights under the plan. Ten million times $2,400, of course, is twenty-four thousand millions.

Now, how do they propose to raise every year this vast sum of money? They propose, among other taxes, to levy a transactions tax in such a percent as will be large enough to raise this huge sum. They propose to levy a tax against the daily earnings of every worker in the United States. They propose to levy a tax upon every article of food and clothing, upon every luxury and necessity that changes hands in the marts of trade and commerce.

There is nothing new in the forms of taxation. Every kind of taxes known to modern government was used by the Roman Empire 20 centuries ago. They had real-estate taxes, personal taxes, poll taxes, tariffs, estate taxes, collateral inheritance taxes, and excise taxes, sometimes now spoken of as transactions taxes. Centuries of experience have taught those who have read the pages of history that a people can endure only about a certain percent of taxes, and governments have generally taxed about as much as people could stand.

During the reign of Augustus Caesar, after the civil wars, he levied a 1-percent transactions tax against the people of the Roman Empire. This tax placed such a grievous burden that nothing but the well-drilled Roman legions were able to prevent a general rebellion over the Empire. Even the 1-percent transactions tax levied for the purpose of maintaining the army was soon repealed, because a despotic Roman Government found that it placed so great a burden that it could not be collected.

The Townsend crowd proposes a tax at least twice as heavy as the infamous excise tax of Augustus Caesar. Caligula, one of the Emperors of decadent Rome, raised the collateral inheritance taxes from 5 to 10 percent and quickly rescinded the tax on account of an incipient rebellion that immediately began to form all over the Empire. Generations have learned that 5 percent is about all that people can stand in the way of a collateral inheritance tax. Why should we ignore every lesson to be learned by studying the past history of the race? Mind you, the Townsend tax is to be a transactions tax, not a simple sales tax that we are so familiar with.

Governments have always seen fit in a large measure to levy taxes upon those who could best afford to pay. Never before has any group of unthinking men proposed a tax so cruel and iniquitous until Dr. Townsend and his group proposed their plan.

Taxes have always been planned and levied with a kindly fairness to those least able to pay. The tax on corporations touches the earnings of organized industry; the estate tax collects its tribute from the property of those who have passed to the Great Beyond; a tax on real estate hits only the owners of the soil; the income tax gives its merciful exemptions to people of small means; the tax on personal property and on stocks and bonds is levied largely against those most able to pay; but the Townsend tax, like a blood-sucking octopus with countless tentacles reaching into every home, would be no respecter of persons. No living human being is so poor and humble as to escape its exactions. Every man, woman, and child who labors or who eats would have to pay. The carpenter, the mechanic, the stenographer, the clerk, the mill hand, the street sweeper, the waitress, the taxi driver, the railroad worker, and the street-car man will all be caught in the relentless undertow. The factory girl, with pale face and aching brow, will find that in order to work she must pay her daily tribute to the Townsend fund. The struggling widow with her hungry brood about her knee—she, too, will have to pay, if her children are to eat. Even the man upon the dole must pay before he can eat his crust of bread. The farmer will be taxed every time he sells a pig. He will pay a tax on every bushel of wheat, corn, oats, or rye that leaves his bins. When his wife sells a pound of butter or a dozen of eggs, she will have to pay a tax.

If the Townsend plan should become a law, no one may hope to escape its throttle hold. You men will pay a tax upon the shirts you buy, upon your shoes and socks and ties and suits and hats. You will pay a tax upon the coffee you have for breakfast, upon your ham and eggs, and upon the bread you eat. If you buy a home, the tax will hit you; and if you put a mortgage on your home, they will tax you again. If you ride a street car, you will pay the tax. You will pay a tax upon the gas and light and water that you use about your home. They will tax you for the candy that your child would buy. In fact, there is not anything that you can buy or sell in all the daily walks of life that can escape this all-inclusive tax for funds.

You people who are groaning under taxes that you think are heavy stop and listen to this: "You haven't seen anything yet." According to the 1930 census figures, there were, in round numbers 30,000,000 families in the United States. Any schoolboy can tell you how much tax that means per family. If you will get your pencil and do a little figuring you will learn that to raise the sum of money that Dr. Townsend admits must be raised in order to put his plan into effect you will find that the average for every family in America will be $800 a year. Is it any wonder that sane, conscientious, thinking people from coast to coast are branding the Townsend plan as "fantastic, impossible, and fraudulent"?

Can the average family in America afford to pay $800 a year in addition to taxes they are already paying? Why, you know and I know there are literally thousands upon thousands who must eat and drink and wear clothes and have shelter whose total incomes never reach the sum of $800 a year.

In subsequent testimony Dr. Townsend claimed that possibly many of those who are old enough to come within the pension plan might fail to take advantage of it and that the total number of people might not be more than 8,000,000, and that the sum necessary to be raised might be reduced thus to twenty thousand millions of dollars a year. In that event the sum of $600 per year per family would pay the bill. But let me ask you, my friends, how many American families

today either can or will stand an additional $600 a year in taxes?

Let us look at this proposition from another angle. Let us get down to a smaller group and see what each group would have to pay. The population of the United States is about 130,000,000. That includes men, women, and children of all ages and conditions; 130,000,000 people to pay $24,000,000,000. And we find that every group of 130 people in the United States would be required to pay $24,000 a year. Just visualize before you the average audience of 130 people, men with their wives and children making up the group; and when you understand that the Townsend crowd would require every such group in America to raise, before they could eat, the vast sum of $24,000 a year, you realize something of the enormity and of the impossibility of the Townsend scheme. Why, the total income of all the people of the United States from all sources and for every purpose for the year 1932, for which we have the last available figures, was less than fifty billions.

According to the census figures, those over 60 years of age represent only 8½ percent of the entire population, yet this small group would receive this sum of money raised by taxation upon all the people.

I dare say there is not an aged person in the United States who is eligible for this pension that would like to collect the pension and find that their sons and daughters could not provide themselves and their families with the necessities of life. Yet this would be the inevitable outcome if such burdensome taxation was placed upon them as the Townsend plan provides.

Dr. Townsend has surrounded himself by a group of shrewd promoters, skillful organizers, and able spellbinders, and under the stimulus of their glowing promises and aggressive organization the movement has swept the western part of our country like a great forest fire.

The SPEAKER. The time of the gentleman has expired.

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 10 minutes more.

Mr. O'MALLEY. Will the gentleman yield?

Mr. BELL. I have requested that I be not interrupted.

Mr. O'MALLEY. Then I make the point of order, Mr. Speaker, that the gentleman is not speaking to the resolution. The resolution is for the investigation of old-age pension schemes, and the gentleman is not speaking to the resolution.

The SPEAKER. The Chair thinks that the resolution is broad enough to include a discussion of any plan of old-age pensions.

Mr. BELL. Mr. Speaker, with a keen understanding of human nature they have sought to appeal to the best and noblest sentiments in the hearts of those they planned to victimize. They have opened their meetings with prayer. They have whipped great audiences to a religious fervor by singing hymns and holy songs. In the beginning they attracted numbers of high-minded, able men to their ranks as organizers.

But as time went on and people began to think and analyze, from almost every community where the movement had gained a foothold, there were those who began to inquire what was becoming of the vast sums that were being collected, sent in through the generosity of those who were ill able to pay. Demands were made for an accounting, inquiries were made as to the character and history of the key men who were backing the Townsend movement, and within the last week Members of Congress have received petitions and letters and resolutions from groups of citizens and from people who were former followers of the Townsend movement demanding that a congressional investigation be made.

It might be of interest to pause for a few moments and examine some of the ways and means of raising money. To begin with, the O. A. R. P. is a closed corporation. According to report, the officers and directors and stockholders are Dr. Townsend, Mr. Clements, and a brother of Dr. Townsend. I am told by former associates of the Townsend group that the brother is merely a straw man and that Townsend and Clements are the owners of the corporation. The initiation fees, dues, gifts, and voluntary donations and profits from the sale of buttons, badges, and pictures and medallions all find their way into this central depositary.

Early in the history of the movement the Townsend Weekly was established. We are told the money to put this paper on its feet was taken from the ill-gotten gains from the followers of Dr. Townsend, and yet when Dr. Townsend testified before the Senate Finance Committee he stated that the Townsend Weekly was the property of himself and Mr. Clements, lock, stock, and barrel. I have in my files a letter from Dr. Townsend addressed to one of his former associates who was demanding an accounting, in which he uses this language:

> Now, as to the Townsend Weekly (more information for your great intellect) it is owned lock, stock, and barrel by Mr. Clements and myself.

One of the great daily newspapers of the city of Baltimore recently quoted Mr. Elgin, the editor of the Townsend Weekly, as admitting that Townsend and Clements have a private rake-off out of the paper in excess of $195,000 a year.

Various statements have been made by Dr. Townsend as to the extent of the general income from dues and initiation fees. For instance, at the so-called Chicago convention it is reported in the public press that Dr. Townsend, on his arrival at Chicago, had told newspaper reporters that the organization had taken in approximately $1,200,000, but the report to the delegates at the convention only admitted $636,805.

Dr. Townsend, in a sworn pleading filed in a lawsuit in Federal court in Colorado, set forth the number of Colorado members, the amount collected in initiation fees and dues and voluntary contributions, and it is calculated that at that time they ran more than $200,000 a year in the State of Colorado alone.

Although the Townsend Weekly has claimed at various times to have as many as 30,000,000 signers to the plan, they have at other times claimed from six to eight millions of pay members. If these claims are true, then the initiation fee of 25 cents a member alone would produce from a million to two million dollars a year. The 10 cents a member dues would produce from six to ten million dollars a year; so that it seems well within the realm of possibility that according to their own claims they are taking from the people of the United States many times the amounts admitted in their offhand statements or reported to their delegates at the so-called convention.

It is not strange that we hear of revolts from all parts of the country in the Townsend ranks from people who are demanding to know what has become of the money.

But the initiation fees and monthly dues and profits from the newspaper are not the only sources of revenue from which funds pour into this well-oiled machine.

Frequently, I am told, the meetings are held in churches and in public buildings, and at the entrance to the meeting hall are to be seen great piles of Townsend medallions looking like gold coins, with Dr. Townsend's picture engraved upon the surface like that of the Caesars of old. Those attending the meetings are urged to buy these at a dollar apiece, and I am told that great numbers of them have been sold. Coat lapel buttons are sold for a dime apiece. Photographs of Dr. Townsend were sold at varying prices, ranging from 50 cents to $5.

Mr. BURDICK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BURDICK. How much time is allotted for this entire debate?

The SPEAKER. One hour. The gentleman from New York has the floor and is entitled to an hour, and he yielded one-half hour to the gentleman from Pennsylvania.

Mr. BURDICK. I do not think the gentleman should take one-half of the entire time.

Mr. BELL. Mr. Speaker, in the Western States, where the Townsend movement has gained great foothold, storekeepers are required to place Townsend placards in the windows, and they have to pay for those. Townsend Clubs are urged to raise money by picnics, barbecues, dances, card parties, socials, and rummage sales. It has been the custom in Townsend meetings for exhorters to urge upon the audience the giving of voluntary contributions, and the hat is passed.

But all of these devices, sometimes referred to as the Townsend 57 varieties, seem prosaic until we get down to the Townsend National Legion. The Townsend promoters, relying upon the enthusiasm and the generosity of their victims, have decorated them with a showy badge, which evidences that they belong to the "National Legion." For this honor they pay from a dollar to five dollars a month, depending upon the locality in which they live. And this is not all.

When H. R. 7415 was introduced into Congress by our distinguished colleague from California, although this bill did not guarantee $200 a month as advertised in the Townsend Weekly, yet the promoters had thousands of copies of this bill printed covering both sides of a couple of sheets of paper. They captioned it as the "Revised Townsend Old Age Pension Revolving Pension Plan", and sold these copies to great numbers at 25 cents apiece.

From various sections of the country where the Townsend plan has gained a foothold Members of this body have been receiving communications from former associates of Townsend and Clements charging that a number of the key men in the organization are people of questionable character and that some of them have been indicted for various crimes and have been guilty of fraudulent practices and that others are aliens in our midst. In fact, some of these charges have even appeared in the public press. They give the names and state the charges.

I feel, however, that it would be unfair for me to publicly state the names of these people until the question of their guilt or innocence is settled beyond any possibility of a doubt by proper and thorough investigation, and for that reason I am not going to make any of them public at this time. The charges are, however, a matter of such common talk that most of you are familiar with them.

If these men who were charged with these things are innocent, they should be the first to welcome a public investigation in order that their names might be cleared of suspicion.

If they are guilty and the unquestioned proof and records are obtained, then it is only just and fair that the innocent victims of the Townsend movement should know the truth in regard to the character of men whom they are following.

Briefly, in conclusion, let me say the people of this country are demanding that an explanation be made, demanding that an investigation be made, in order that they may know what is becoming of the vast sums of money that are being raised. The other day I received a petition and resolution which were adopted by a group of 1,100 people from the State of Minnesota. They are people who had originally joined the Townsend plan. They said, in effect, "We have been looking into it and we find it is fraudulent, and we want the people of the United States to know what is going on." They sent that resolution down here. I have it in my files.

This morning in a special-delivery letter I received from the State of Massachusetts another communication from a group up there, stating that the promoters back of this thing are not doing the right thing by the followers. The other day a man came into my office from the State of Texas. He is a man who started out as a Townsend organizer. He said, "I have been going into this thing and I found out something about the character and records of the men who are promoting it", and he said, "I do not want my name connected with it any longer. I have withdrawn my name from the movement."

Just yesterday I received a letter and petition from another group out in California, urgently demanding that the Townsend crowd be investigated. They said: We want an investigation so that the people of the United States can know." These things are coming in from all over the country. I think every Member of this Congress will be glad to know the real facts behind this thing. [Applause.]

The SPEAKER. The time of the gentleman from Missouri [Mr. BELL] has again expired.

Mr. BELL. I submit, Mr. Speaker, that the demands of these groups of citizens from various parts of our country to have a fair and impartial investigation and disclosure of all the facts regarding the various pension plans and rackets should be granted. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Washington [Mr. SMITH].

Mr. SMITH of Washington. Mr. Speaker, I am glad to have the privilege of saying, in behalf of the Members of the House who favor the Townsend plan, that we welcome the proposed investigation.

I appeared before the Rules Committee and stated that the Townsend organization had no objection to the proposed investigation, although they took the position that there was no justification for the investigation.

At a convention of Townsend clubs, which was held in Chicago last October, which was declared by the newspapers of that city to be probably the most representative gathering ever held in America, nearly every hamlet, village, town, city, and community in the country being represented by delegates numbering nearly 7,000, a complete audit by certified public accountants of all the books, records, and files of the Townsend organization from its inception down to that time, the end of the month of September, was submitted to that convention, ratified, and approved by the unanimous vote of that great conclave of American citizens. While we are acting here today there are probably between four and six million American citizens in every one of the 48 States of the Union who have been holding these Townsend meetings for the past 2 years in the schoolhouses, in the grange halls, in the churches, in the city halls, in the county courthouses, in the large auditoriums in the great centers of population in America, and they believe in the integrity and good faith of the leaders of this movement which, as the gentleman from Missouri [Mr. BELL] has correctly stated, has swept this country. These citizens probably resent this investigation, and it is certainly open to serious question, I think, whether we are doing ourselves any credit when we single out a movement like that, favored by so great a body of our constituents as are interested in this movement, and at the same time fail to investigate the grave problems which confront the American people, out of which has arisen the Townsend movement and many other movements which are appealing to the people in this country today.

Mr. CELLER. Will the gentleman yield?

Mr. SMITH of Washington. I am sorry, but I only have 5 minutes.

On one side of the picture we have an increase in bank clearings, in postal receipts, in freight-car loadings, in electricity consumption, in steel production, in pay rolls, and a general improvement in business as the result of the efforts of this administration, but to our utter dismay and disappointment, on the other side of the picture we find we have today over 11,000,000 American citizens, honest, God-fearing, stalwart men, who are bowed down with grief, walking the streets idly, because they cannot even secure employment to support their families and little children. We have, according to the last statement of Harry Hopkins, Works Progress Administrator, over 20,000,000 citizens who are on relief, eating the bitter bread of charity provided by our Government. We have over 5,000,000 young men and women who have graduated from the high schools and colleges of this country with their diplomas under their arms, who have never as yet been able to secure any employment in our Nation since they were graduated from the schools. According to Miss Perkins, the Secretary of Labor, we have nearly 8,000,000 undernourished, underfed children in this country. Yet we are proposing to investigate what has become of the nickels and dimes that these citizens have freely and voluntarily contributed to a cause in which they believe, which would provide a solution for the social and economic problems of our country. We welcome the investigation, Mr. Speaker, but we fear that we are fiddling here while America is burning. [Applause.]

The SPEAKER. The time of the gentleman from Washington has expired.

Mr. RANSLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. MAIN].

Mr. MAIN. Mr. Speaker, the gentleman from Missouri [Mr. BELL], talking upon his own premises, made out a very good case. In talking upon the supposed merits of the bill, but not upon the merits of the resolution, he proved to his own satisfaction that the idea is absurd. Because he proved this absurdity to the evident satisfaction of so many Members, we have some explanation for the frequent adjectives which have been applied in the press and upon the floor of this House to the idea such as "fantastic", "absurd", "witches' dream", "fairy tale." When the results of the special primary and election in Michigan were announced in November and December 1935, the press said that the politicians in Washington had been afflicted with a severe case of political jitters.

At that time I did not know the symptoms of political jitters, but when I got down here and found a Democrat from Texas jumping around and shouting that a Democrat could not be elected in the Third District of Michigan, no matter what he advocated, and, on the other hand, a Republican from Michigan accusing a fellow Republican of fraud and misrepresentation in his campaign, then I commenced to recognize the symptoms of political jitters. [Laughter.] Now, I realize that a majority of the present Members of the House consider this idea a fairy tale without any more basis than the story of Jack and his wonderful bean stalk, and yet we repeatedly hear these gentlemen on opposite sides of the aisle blowing hot and cold and thus holding up this bean stalk as one of the most outstanding features of the political landscape. Now the critics of Dr. Townsend come before you in an effort to get Congress to appropriate $25,000 or $50,000 to find out why Jack does not fall.

Why all of this tilting with windmills? Now, if, as I suspect, you are attempting to stem the rising tide of sentiment in favor of a just and generous pension for our law-abiding elderly citizens, then, in that case I suggest that you are attempting to do that which Canute of old failed to do when he made his futile gesture of commanding the ocean tides to recede.

I am in favor of the investigation, but I am not in favor of spending $25,000 or $50,000 to send eight Members of this House junketing about this country merely to find out why Jack does not fall.

Why should we ask them to spend time and energy attempting to do that? Is not such a proposal a real case of fantastic and ridiculous action on the part of a legislative body that seems to think the organization to be investigated is fantastic and ridiculous?

Let us get at the merits of the bill itself and get a vote, a record vote, showing the sentiment of the present membership of this House on the merits of the plan. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Montana [Mr. MONAGHAN].

Mr. MONAGHAN. Mr. Speaker, I wish at the outset to say that I favor this resolution. You cannot kill truth; you cannot destroy ideals.

A certain divine Man lived about 2,000 years ago WHO had an ideal—an ideal for humanity similar to that which the good Dr. Townsend is sponsoring. By crucifying that Man the money changers and the money lenders hoped they would destroy that ideal, but they could not destroy it, because you cannot destroy truth. That is why I am for this resolution. I wish to say, however, that an organization for promoting truth can be destroyed not from outward attack, because persecution promoted Christianity, but from inward chaos, and this I propose to discuss later by reading a letter if allowed sufficient time. Attack from without can be withstood, but corrosion from within is dangerous beyond measure.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. MONAGHAN. Yes.

Mr. ZIONCHECK. I read from the Townsend Weekly of February 13 the following:

Of course, we, here in the First Congressional District of Washington, are particularly interested in our representatives. MARION ZIONCHECK, our Congressman, is openly and brazenly opposed to the plan. Loyal Townsendites are not going to waste any more time discussing the matter with him. They are going to see to it that someone else takes his place who is favorable to the Townsend plan when the next election is here. Loyal Townsendites of this district are going to see to it that he does not return to Congress.

Mr. MONAGHAN. The only way you can possibly destroy rackets, and there are some racketeers in this cause, is to enact a decent and adequate pension for the millions of the aged people of this country that are calling upon this Congress for action, and action now on their behalf. You will not destroy it by persecution; you will promote it.

I regret that the House was so alert in bringing in a resolution to investigate this cause but failed to have the Rules Committee bring in a resolution which might bring the McGroarty bill before this House for a vote. [Applause.] By disposing of this issue through consideration of the bill on its merits and by proper amendments to change the bill in whatever respect the Members fairly wished to change it, and then vote on the issue, in that way and that way alone can you stop the taking of money from the people of this country to promote the cause of old-age pensions.

Earlier in my remarks I said I proposed to discuss the destruction that might come from within. There is, I believe, an insidious force in the Townsend movement today that is designed to destroy this movement, not the ideal of old-age pensions, mind you, but this particular movement that is designed to back this great ideal. I propose in that connection to read this letter and ask unanimous consent that I be permitted to read it in its entirety.

MY DEAR MR. CLEMENTS: In view of the fact that you are the owner of the Townsend Weekly, the official national publication of the Townsend activities, I submit for your consideration the following questions with reference to the policy of that paper:

Why is it the policy of the paper to ignore legislative activities on behalf of the Townsend plan? Activities on behalf of the plan which have not been made known to date through your columns are: First, the original and initial organization of 63 Congressmen into a group for the purposes of promoting the plan; second, the adoption at that meeting of my resolution making the McGroarty bill, H. R. 7154, the legislative forum upon which the battle of the Townsend plan should be waged in the Congress, to which resolution Dr. Townsend officially agreed; third, at the suggestion of Dr. Townsend, upon my motion, the formation of a steering committee to promote the Townsend cause and to circumvent the assertion that the plan is sectional and confined to the West, the committee was organized by Dr. MCGROARTY so as to include one member from each State—a fact the publicity of which would have been most beneficial to the plan—let me here make grateful acknowledgment to my good friend, Congressman MCGROARTY, for selecting me as chairman of this committee; fourth, the adoption by the steering committee at one of its three meetings of the following resolution:

"At a meeting of the steering committee sponsoring the passage of the McGroarty-Townsend national old-age-pension bill, called to consider proposed perfecting and clarifying amendments and ways and means to secure the passage of the bill, the report that the Townsend organization was considering the formation of a Townsend third party was brought up for discussion and it was the consensus of opinion of the committee that any movement toward a Townsend party is unwise and against the best interests of the Townsend movement in Congress."

My second question is: Why does the Townsend Weekly ignore the dictates of common honesty and the urging of the strategy committee to come out in its columns and give the public the definite advice as to just what the McGroarty bill provides by way of an annuity and why, on the contrary, misleading statements have been made with respect to the plan? Why is it that in a redraft you submitted at the last meeting of the steering committee attended by you, you suggested the deletion of income, gift, and inheritance taxes? Are you allowing the antagonistic press which is basing its attack chiefly on the tax method proposed by you, namely, transaction tax, to get its innocuous influence into the organization of the Townsend plan by the deletion of the more progressive and fair means of taxation? If so, I protest that it is not in the best interest of the movement.

The SPEAKER (interrupting the reading of the letter). The gentleman's time has expired.

Mr. MONAGHAN. I had asked, Mr. Speaker, unanimous consent to read this letter in its entirely. At that time my request was not put to the House, but I presumed that silence gave consent.

The SPEAKER. Is there objection to the request of the gentleman from Montana that he may read the letter referred to in its entirety outside the hour fixed by the rules?

Mr. CELLER. Will this be taken out of the hour that has been allotted to debate on this resolution?

The SPEAKER. It will not, if the House consents. Is there objection?

There was no objection.

Mr. MONAGHAN (reading):

As the chairman of the steering committee, which has as its object the promotion of this plan in Congress, these questions cause me grave concern. I feel that any failure in form or in substance, in spirit or in passivity, in action or omission on the part of this official organ to cooperate with the group that has been formed to promote the plan in Congress is, in effect, a betrayal of the plan itself. Without congressional support, from whatsoever source or party or person, the plan never can be effectuated into law. More important still, if betrayal of the membership be grave, then betrayal of the leadership *a fortiori* is a still graver offense. It has been a sort of thrilling experience in my public life to be a part of any movement that was designed to put an end to the curse of want and distress amongst the elderly people of our country. I have endeavored in a humble way to become a part of this great plan to promote the cause of adequate pensions in this country. In short, my ideal in public life is the abolition of that abominable eyesore and disgrace to our American civilization, the poorhouse.

It was because of my loyalty to the cause of old-age pensions that I undertook to bring about the enactment of the railroad pension bill and twice circulated a petition to block adjournment of Congress to bring about enactment of that and other progressive legislation. It was because of this that prior to these activities, I introduced a bill of my own to provide an annuity for the aged people of this country. Before the Townsend plan was heard of by the people of this country, my activity was made known through the press.

President Franklin D. Roosevelt once said, in substance as nearly as I can recollect: "The power of public opinion, once united in a fixed purpose, is the most irresistible force in the world." Realizing it takes power of that character and a united effort of the forces of public opinion behind a movement, I wedded myself to the Townsend plan. At that time I realized that the demand for $200 a month, if not itself achieved, would lead eventually to some such pension. I have tried always in matters of state to place the welfare of my constituents, and the people above my own personal welfare as was evidenced by the part I played in the Butte strike.

Mr. SNELL (interrupting the reading of the letter). Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. How did the gentleman from Montana get all this time?

The SPEAKER. The gentleman got the time by asking that he be permitted to read the letter in its entirety, and the House gave its consent.

Mr. SNELL. I guess the House did not understand the request.

Mr. MONAGHAN (reading):

I headed a group which went to the White House with a view to trying to obtain liberalization of the security legislation. Failing in that, I presented the McGroarty bill as an amendment to the Social Security Act in the last session of Congress. It was only after I went to Dr. McGROARTY's office and told him it was a serious mistake not getting the weight of public influence behind the petition to bring the McGroarty bill to a vote that any support was given in the columns of the Townsend Weekly. My own efforts on behalf of the petition will be made clear by the letter which I directed to the membership of the House, a copy of which is enclosed herewith.

Mr. O'CONNOR. Will the gentleman yield?

Mr. MONAGHAN. I cannot yield. [Reading:]

During this session of the Congress, in addition to activities as chairman of the legislative steering committee for the Townsend bill, I presented the McGroarty bill as an amendment to the deficiency appropriation bill. What reason deterred the Townsend Weekly from making this fact known to the followers of the plan? On the floor of the House my good friend, Congressman McGROARTY, defended the Townsend plan. No mention, to my knowledge, was made of this defense. In defense of the Townsend plan I took the floor in 1935 on April 4, April 11, April 15, April 16, April 18, and this year on January 8, January 15, January 17, and January 23. No mention ever has been made in your columns of the Townsend Weekly. On January 24, this year, Congressman McGROARTY and myself, in a National Broadcasting Company hook-up, addressed the Nation in support of the Townsend plan, as we did the year previous. No previous notice was given by you, nor was any subsequent report made of either of these speeches. I challenge you to justify your actions in that those Members of the House who so loyally and fearlessly took the jeers, the jibes, and sneers now are being tossed to the oblivion of obscurity, and in many instances being abused, because of misrepresentation of what the plan actually purports to do.

The following headlines and stories accompanying occupy almost a whole page of printed matter in the Townsend Weekly: "Hoover Kept Busy," "Borah Announces," "Landon Starts His Campaign," "Knox Leads." How do these men, some of whom have termed the plan "visionary", "great illusion", etc., merit publicity in your columns? Those who have any knowledge of politics whatsoever will realize that 20 percent of the voters vote on "name familiarity." This, likewise, is a fact with merchandising. Twenty-five percent or more of the purchases are made on the basis of the publicity given to the name of the commodity. Do you think it wise strategy—do you think it is proper to ignore the men who have been the targets for the Townsend plan—or to accord them derogatory mention as, for example, Mr. TAYLOR of Colorado, Mr. MARTIN of Colorado, and Mr. ZIONCHECK, of Washington? It just doesn't ring true. To give conclusiveness to my argument, my secretary, as I dictated this last paragraph, asked me this question: "Mr. MONAGHAN, Congressmen TAYLOR, ZIONCHECK, and MARTIN are not for the Townsend plan, are they?" And I directed to her this question, "What gave you the impression that they were not for the plan?" To which she responded, "The Townsend Weekly."

It is most unpleasant for me to be thus compelled to inject myself into this discussion. It is unpleasant that I should have to make reference to my own personal activities. Personally, may I say, with all candor, however, I have long been of the opinion that if the Townsend plan shall ever be enacted into law, it will be enacted only when we have a leadership in the Senate that is as aggressive, vigilant, and as vigorous on its behalf as has been maintained in the House. Because I have seen a lack of leadership for the movement in the Senate, I have tossed my hat into the ring for that office. Your own leadership in my State have seen fit to respect the attitude of your paper relative to my candidacy for that position as evidence the following A. P. dispatch:

"TOWNSEND MANAGER SAYS NO CANDIDATES HAVE BEEN ENDORSED

"GREAT FALLS, January 9.—Abe Weaver, State manager of the Townsend old-age revolving pension, announced tonight that no Montana congressional candidate will be endorsed by the group 'until such endorsement comes from the national organization.'

"Weaver said that while JOSEPH P. MONAGHAN, of Butte, United States Representative, who has announced his candidacy for the Senate, 'has been a supporter of the plan and appreciated by Townsend members of this State, neither he nor any other candidate will be endorsed until such endorsement comes from the national organization.'"

Mr. BUCK. Will the gentleman yield?

Mr. MONAGHAN. I refuse to yield. [Reading:]

An attempt has been made to give the impression that my candidacy for the Senate would be harmful to the Townsend cause. On the contrary, I challenge that view and I call to witness the founder of the Townsend movement, who on January 14 of this year directed the following telegram to Abe Weaver, Montana State chairman of the Townsend organization:

"Glad Congressman MONAGHAN is a candidate for the United States Senate. In view of his outstanding work for the Townsend plan in Congress, his election will be a victory for us.

"Dr. F. E. TOWNSEND."

The SPEAKER. How much more has the gentleman to read?

Mr. MONAGHAN. I have only this last page, and I ask that I be accorded the same respectful hearing given those who preceded me.

The SPEAKER. Since the gentleman is proceeding in order, the House will please be in order.

Mr. MONAGHAN (reading):

Why is it that neither this telegram nor any mention of my candidacy ever occurred in the Townsend Weekly? To all these questions which were first directed to you at a meeting of the Townsend group held in the office of Congressman CONNERY, of Massachusetts, Monday evening, February 17, you gave no satisfactory response. However, in response to my question as to whether or not my millionaire opponent had anything to do with our actions, you stated boldly: "It might interest you to know that we will accept a paid advertisement from your millionaire opponent." I am certain that the Townsend forces of my State—aye, even of the Nation—will deeply resent the disloyalty embodied in your brazen remark.

Approximately 20,000,000 Americans are hanging upon every word that is being said and done in this Congress to bring about adequate security, and I, for one, do not propose to sit idly by and see a great movement being made a political football to advance the personal fortune of men who have sat idly by while those 63 loyal Members who stood by us in our hour of great need are being betrayed on the cross of political aspiration. I refuse idly to permit any sort of betrayal of the aged people who are basing their hopes and aspirations and dreams and plans upon an adequate security.

In conclusion, may I say that my reason for making these facts known and public is my great belief in the wisdom of that Biblical quotation that so long graced the pages of the La Follette progressive paper of Wisconsin: "Ye shall know the truth, and the truth shall make ye free."

Very truly yours,

JOSEPH P. MONAGHAN.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 2, 1935.

MY DEAR COLLEAGUE: Insistent is the clamor for an old-age pension; not a pauper's dole but a system that will be a proper step toward national recovery; a pension reasonably high enough to encourage aged men of all trades and occupations, even in the

more remunerative walks of life, to leave their posts and thereby create opportunity for the employment of middle-aged and younger men.

As chairman of the congressional legislative strategy committee for the promotion of social security, I will place on the Clerk's desk in the House of Representatives Monday noon, March 4, a petition for the discharge of the Ways and Means Committee from further consideration of the McGroarty bill (H. R. 3977), asking that it be considered on the floor of the House on either the second or fourth Monday of April.

As you, of course, know, the signing of this petition in nowise is a commitment to the Townsend old-age-pension plan, but merely an indication of desire for free and open debate on the measure and opportunity for proposing amendments.

Machines have robbed a large portion of the American public of a decent livelihood through pursuit of normal occupations, and a sound old-age-pension system, based upon the proper means of raising the money, would go far toward solving the problem of maldistribution. Therefore I urge you to sign this petition for the purpose of establishing a sound system of pensions that will permit the aged American citizen to raise his head high to heaven and proudly walk as a man amongst men.

Respectfully submitted.

JOSEPH P. MONAGHAN,
Chairman, Congressional Legislative Strategy Committee for the Promotion of Social Security.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I shall not read from a tome or volume, as the last Speaker did, but shall simply address myself to the proposed members of this committee which will investigate the Townsend plan, because undoubtedly this resolution will pass and the investigational committee will be set up.

When Dr. Townsend attended the convention in Chicago recently he was asked, and it is so reported in the magazine Time—

> How much has been collected by the Townsendites throughout the country?

Dr. Townsend readily responded that they had collected $1,200,000. Yet in that convention, and according to their auditor's statement, they only accounted for $600,000. Mr. Speaker, whose pockets have been lined with the balance of $600,000? I commend that query specifically to the eight members of the proposed committee.

When Dr. Townsend made that statement he was either a fool or a knave. If he is a fool, then this committee should show him up as such to all his innocent followers throughout the length and breadth of the Nation. If he is a knave, he should be shown up as such, as one who very likely has used the mails deliberately to defraud the poor and the aged of this Nation.

Mr. Speaker, I should like this committee to find out something about the bank accounts of this man Clements, as well as of Dr. Townsend and the other cohorts who are in league with those men. It has been stated that the Townsend Weekly yields no less than $2,000 per week clear profit to Townsend and $2,000 a week clear profit to Clements. It might be well to examine also into the operations of that paper; how it attempts to browbeat and sandbag Congressmen and unduly coerce other public officials.

Mr. Speaker, I verily believe that the list of subscribers to the Townsend Weekly is well calculated to become the best "sucker" list one can find. Very likely the owners of Townsend Weekly are trafficking in that list, because every get-rich-quick operator, every charlatan that tries to get something for nothing, every freebooter, every fake-stock promoter, has paid a good price to Townsend and Clements, the sole owners of the Townsend Weekly, for the use of this list.

Mr. Speaker, it is a tragedy, indeed, how these men have played upon the credulity of the aged in this country. May I read, for example, from Christian Century as to what is happening with reference to machinations of Townsend and Clements and with reference to the fact that these poor old deluded people are actually thinking they already have the $200 per month:

> The Townsend Weekly is crowded with ads recommending cures for rheumatism, neuritis, deafness, diseases of the aged; and he will travel (Daytona Beach Townsendites were on the job handing out leaflets ready to cash in on the pension to come). His visions are very real to him. It is reported that in San Diego, where the movement has been very popular, at the time the McGroarty-Townsend plan bill was being pressed before the California Legislature, hosts of elderly people tried to buy radios, autos, furniture sets, on the credit basis of the $200 they daily expected to find in their mail. From various States come rumors of similar incredible stories.

Most Townsendites claim that about 8,000,000 persons would be eligible for the pension, and that therefore the total cost, with the expense of administration, would be about $20,000,000,000 per annum. That is two-thirds of our national debt. That yearly cost would place a burden upon us equal to about seven times the revenue received by the Federal Government in 1934. We would have to tax ourselves about seven times our present rates.

According to the August 1935 survey of current business of the Department of Commerce the national income for 1934 amounted to $49,440,000,000. Let us say fifty billion Thus, to pay the Townsend pensions of twenty billion would require 40 percent of our national income. In other words, it is proposed to give to 6 percent of the population 40 percent of the national income and leave for the 94 percent of the population the other 60 percent.

According to Dr. Walter E. Spahr, chairman, department of economics, school of commerce, New York University:

> If the national income of $50,000,000,000 were distributed evenly among the 127,000,000 population, each person would receive $394. Since the Townsend plan proposes to take 40 percent of it, each person would have left $236. Thus 94 percent of the citizens of this country would have their incomes cut to an average of $236 per year so that 6 percent of the citizens may enjoy net incomes of $1,440 per year—$2,400 less the 40-percent tax—or more than six times as much.

How any man in his right senses can fall for this Townsend bosh is beyond me. Testifying before the House Ways and Means Committee, Townsend said (687 of the hearings of Jan. 21 to Feb. 12, 1935):

> * * * We shall not restrict that expenditure at all * * *.

And of the pensioner, he said (ibid):

> * * * Let him have carte blanche. Let him buy whisky with it if he wants to kill himself off as quickly as he chooses. That is immaterial * * *.

He was questioned:

> Would it be permissible for those children to live with them, and be supported from the provisions supplied with this pension money in the home?

He replied:

> * * * Why not? Why not let the elders buy commodities and give to their children, if they like? That is immaterial * * *.

What about the constitutionality of the plan? That does not apparently concern them. In cavalier fashion they toss that aside. Townsend in his testimony said he gave it no consideration. The plan is, I assure you, palpably unconstitutional, especially in view of the A. A. A. decision. It should be assigned to the place where it belongs—limbo.

What about the Southland and the gathering of the cotton crops? What about the West and the gathering in of the wheat? That presents a very serious and difficult situation. To a husband and wife in the South, or anywhere else, $4,800 a year probably would keep in the household sons and daughters and probably some shiftless relatives; nobody would want to work in some sections of the South and the West; there would be no reason or incentive to work. Pa and ma each get $2,400 a year, $95 a week between them, less the tax. Why work? What would happen to the cotton crop? To the wheat crop? See how serious the situation would be in the Southland. I advise all those who are afflicted with the rash of Townsenditis to pause a moment on that score.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, it is the exploitation of the poor by conscienceless Townsend officials and organizers I

object to, and which from the beginning of the Townsend orgy, I have tried to stop and prevent.

The admissions of Dr. Townsend himself condemn him. He admits that up to the 1st day of October 1935, when the audit of his books was made, he had then received from the poor people of the United States, exclusive of Townsend Weekly receipts, the stupendous sum of $600,000 in cash. Note that that sum was exclusive of the Townsend Weekly receipts, for the Townsend Weekly is owned by him and his partner, Clements, and they get for themselves all receipts from the Townsend Weekly. And Mr. Frank Peterson and others who have been close to and associated in business with Dr. Townsend say that Dr. Townsend and Clements are receiving $2,000 a week in receipts from the Townsend Weekly, which is their money, and is not turned into the treasury of the Townsend organization. Peterson says, also, that Dr. Townsend has been and is receiving large sums for his speaking engagements, which he puts into his own lockbox, as his property, and which is not passed upon by the auditor.

CONGRESSMAN MAIN'S THIRD DISTRICT OF MICHIGAN

Since mention was made here today about "jitters" and "Jack and the Bean Stalk", it caused my mind to revert to Kalamazoo, Mich. The officers of the Kalamazoo Humane Society are: Harry B. Parker, president; W. G. Kelley, first vice president; B. Moser, second vice president; Mrs. George V. Weimer, third vice president; John K. Walsh, fourth vice president; Rudolph Frisk, treasurer; and Mrs. B. O. Rhodes, secretary. The directors of said Kalamazoo Humane Society are: Mrs. Chapin Dewing, Don B. Sharpe, Mrs. E. M. Sergeant, William Reinholt, Mrs. Harry B. Parker, Mr. Frank Brown, Mrs. Mary Palmer, Mrs. Evelyn Pratt, Mrs. Alice Warren, Blanche Hull, Bert O. Rhodes, Miss Lucile Desenberg, Mrs. W. G. Kelley, Mrs. Nellie Rupert, Mrs. B. M. Hopper, Paul Todd, Mrs. Alice Walsh, Mrs. Pauline Ihling, Dwight Curtenius, Mrs. Carl Blankenburg, Mrs. Irene Kleinstuck, Ralph Chapman, Dr. Paul Fuller, Suzanne Todd, Mary Jane Todd, Mrs. Dwight Curtenius, Virginia Pratt, Dr. Rudolph Light, and Isadore Graff.

SOCIETY SHOWS THIRD MICHIGAN DISTRICT CANNOT AFFORD TO BE ROBBED

I have before me a letter which Mr. Harry B. Parker, president of said Kalamazoo Humane Society, on February 14, 1936, wrote to a prominent gentleman here in Washington, and, with permission of the House, I will quote a few excerpts from President Parker's letter, to wit:

Kalamazoo County is facing the most desperate relief situation in its history with less than 5 cents per meal available in food budgets; entire families without coal, bedding, food, or facilities to reach them with medical attention.

With three investigators working day and night during the past month of severe weather we have been unable to even scratch the surface, so far as rendering anything but emergency relief to these stricken families.

Children are trying to travel to school over impassable roads with frostbitten feet, improperly clothed, and hungry.

The above letter is signed Kalamazoo Humane Society, by Harry B. Parker, president. Is not that an awful situation to exist in any Member's district? I had hoped that our friend would deem the present situation to be of sufficient seriousness to omit all references to "political jitters" and "Jack-in-the-bean-stalk."

INVESTIGATE TOWNSEND CONTROL OF KALAMAZOO, MICH.

I want this investigating committee to be sure to investigate Townsend manipulations in Kalamazoo. I have in my hand some very interesting documents, which, with permission of the House, I will incorporate in my remarks. Did you know that merchants in Kalamazoo have been intimidated into signing contracts to pay into the Townsend exchequer 2 percent on all sales of merchandise made to Townsendites in Kalamazoo? No wonder that Townsendites could elect a Republican in a district that has a normal Republican majority of 45,000 votes.

THE TOWNSEND 2-PERCENT TRANSACTION DONATION

I quote the following from the Townsend Bulletin, which I hold in my hand, showing the contract, and the merchants who have signed it in Kalamazoo:

BULLETIN

The Townsend movement in California is largely financed by a 2-percent transaction donation made by dealers on all Townsend purchases. The enclosed list of Kalamazoo dealers have signed the following statement:

KALAMAZOO, MICH.

To Kalamazoo Townsend Clubs:

The undersigned firm agrees to pay a 2-percent transaction donation on all purchases made by Townsendites, said donation to be computed at the end of each month from sales forms to be furnished us, said forms to be made available to all customers asking for same.

It is understood that there shall be no increase in prices to Townsend customers; that at some easily seen place a small sign "Townsend station" shall be displayed; that this agreement may be canceled by either party on written notice.

Townsend donations are not to be paid to customers, but to an authorized collector from Townsend headquarters. All such donations are to be used in helping to finance the activities of the Townsend movement in and about Kalamazoo.

MERCHANTS ON 2-PERCENT LIST

Art goods: Labadie Art Store, State Theater Building, phone 6743.

Automobile salesmen: Jack Benton, Buick Sales and Service, 449 West Michigan Avenue, phone 4350.

Bakeries: Reisch & Son, 420 North Burdick Street, phone 6636.

Barbers: Rickman Hotel Barber Shop, 343 North Burdick Street, phone 2-0241; J. L. Stevens, Oakwood, phone 4062; Wolff's Barber Shop, Portage Street at Jackson; Long's Barber Shop, 426 Portage Street.

Body work (commercial): Joseph Swartz, 117 East Water Street.

Building supplies: Lake Street Used & New Lumber Co., 1634 Lake Street, phone 2-0607.

Cistern work (also septic tank): I. Bassett, 827 Walbridge Street.

Confectionery: Dallas Sweet Shop No. 1, 336 North Burdick Street, phone 7333.

Dentists: A. D. Leitch, 803 Washington Avenue, phone 9831.

Doctors: Dr. R. T. Fuller, 422 South Burdick Street, phone 6917; Dr. J. Maxwell Jennings, osteopathic physician and surgeon, 803 Washington Avenue, phone 8411.

Dressmaking: Mrs. Mollie Cole, 824 South Rose Street.

Drug stores: Witter's Pharmacy, corner Lake and Portage Streets, phone 2-8515.

Dry goods: Power's Department Store, 111 West Michigan Avenue, phone 4155.

Fuel: Conyer Coal Co., Mossell Avenue, phone 3-1236; Creed Oil Co., 428 East Michigan Avenue (rear), phone 4612; Crystal Ice & Coal Co., 738 East Walnut Street, phone 2-3338.

Fumigators: A. J. Barker, Rural Route 5, Foley Street, phone 2-4147; L. F. Parmeley, 518 West Ransom Street, phone 2-4589.

Furniture: Goldberg Furniture Co., 340 North Burdick Street, phone 2-8625.

Furriers: P. D. Robertson, 138 West Michigan Avenue, phone 5958.

Floor coverings: Ideal Floor Covering Co., 243 North Burdick Street, phone 2-6054.

Funeral directors: Joldersma & Klein, 211 East Lovell Street, phone 3-1221.

Groceries: Joseph Dornack, 727 North Park Street; Houseknecht Grocery, Oakwood, phone 9674; Upson Grocery, 318 North Burdick Street, phone 2-2730; Upson Grocery, 333 North Burdick Street, phone 2-0772; Economy Market, 1333 Portage Street, phone 9255; Temple Market, 306 North Rose Street; Bean's Market, 1203 Mill Street; Vanderville's Fruit Store, Portage near Winsted Street.

Gas stations: Joseph Otten, 245 South Burdick Street, phone, 2-3011; Harvey Hill, 134 West Water Street; Johnson & Vollmar, corner Ransom and Westnedge; C. C. Cook, Phillips 66, corner Oakland and White's Road.

Instruction: Lockwood Art School—correspondence work, art supplies, phone, 2-9730.

Laundries: Lin Sing Laundry, 442 North Burdick Street.

Men's furnishings: T. Eisenberg, 214 North Burdick Street; Bill's Clothing Store, 214 East Michigan Avenue.

Musical supplies: Blanchard Music Shop, 175 East South Street, phone, 8921; Honolulu Studio, 320 North Burdick Street, phone, 2-7129; The Music Shop, 408 South Burdick Street, phone, 6743; Kalamazoo Musical Instrument Co., 412 South Burdick Street, phone, 7397.

Mills: Bert Spencer Feed Mill, 531 West Willard Street, phone, 4330.

Painting, paper hanging, and decorating: Ivar Anderson, 1018 Clarence Street; John Bos, 829 Walbridge Avenue; W. L. Graham, 233 East Cedar Street; A. J. Jackson, 674 Lake Street; Bert Knowles, 216 North Rose Street; Jay Mannes, 1230 Blakeslee Street, phone, 5349; J. D. Smit & Son, 722 Mable Street, phone, 2-8742; George A. Taylor, 529 Trimble Avenue, phone, 7351.

Paint stores: De Voe Paint Store, 439 Portage Street, rear of North Lumber Co. (retail only), phone 5197.

Photographers: Burton Studio, 415 North Burdick Street, phone 2-2902.

Plumbers (also furnace work and electric pumps): Leonard Thysse, 4029 King Street, phone 7925.

Printers: William Klomp, 417 North Burdick Street; Globe Press, 207 West Frank Street, phone 2-4740.

Radio sales: Green Radio Sales, 1356 Portage Street, phone 2-8610.

Restaurants: Speedway Lunch, 410 North Burdick Street; Scotty's Inn, 448 North Burdick Street; Pike's Cabin, 1347 Portage Street.

Salesmen: F. Bludhardt, 448 West Water Street, razor blades; Charles Carroll, 610 West Kalamazoo Avenue, vending machines, phone 2-2558.

Second-hand stores: W. B. Spaid, 314 North Burdick Street.

Sewing machines: E. R. Sanderson, 817 South Westnedge Avenue, phone 7823.

Shoe stores: Richardson & Louden, Dewing Block, North Burdick Street; Harry Okun, 143 West Water Street.

Shoe repairs: Ideal Shoe Shop, 440 North Burdick Street; Abe Berenstein, 414 North Burdick Street; Tom the Shoe Doctor, 1321 Portage Street; Sam Okun, 119 West Water Street; Charles L. Mead, 611 Portage Street.

Sheet-metal works: Metzger & Overloop, 119 West Cedar Street, phone 4036.

Tailors: Brown the Tailor, 420 South Burdick Street, phone 6254.

Trucking service: W. H. Romig, 412 West Willard Street, phone 2-1900.

Upholsterers: Overton Upholstering Studio, 703 South Westnedge Avenue, phone 2-1549.

Variety stores: Robinson's 5 to $1 Store, 1337 Portage Street (sales over 25 cents).

BARTER AND TRADE

If you have anything to sell or barter list it with us. Five percent on all such transactions must be handled through headquarters.

Job printing outfit, press, proofpress, stitcher, galley cabinet, Elliot addressing machine, Burroughs adding machine. Phone 4011.

Townsend members are hereby urged to patronize our local Townsend stations. If your dealer is not on the list, use the above blank and secure his name and hand same in to headquarters.

In making purchases on this plan when you go into a Townsend station ask for a Townsend purchase blank. Make out in duplicate with carbon sheet, firm name, and your name and club number, let the clerk do the rest. Keep the white blank and hand same to headquarters before the end of each month.

Then there is a printed form, to be used in duplicate with carbon copy, showing the firm's name, the purchaser's name, and the number of the Townsend Club of which he is a member, and blank lines for listing the goods bought and the price paid for same, and the total of purchases. At the bottom is printed:

NOTE.—Make in duplicate, store retains blue, customer returns white to headquarters. The above is a copy of the purchase blank. Goods purchased need not be itemized, the total amount purchased is all that is needed, and the kind of goods, such as "dry goods" or "groceries", etc.

Then on the back page is printed a file card, showing the name of the person, his ward, his precinct, his address, his phone, his age, his politics, his religion, whether or not he is registered, his occupation, his nationality, and by whom he was interviewed. And then the following:

ORGANIZATION

An effort is being made to interview and register every voter in Kalamazoo County. A 3 by 5 card, as printed above, is being used and the name of every voter is filed in his right ward and precinct, with such information as can be secured concerning his stand on the Townsend plan.

We need the help of every active Townsend Club member to get this information. Call at headquarters and secure cards and instructions for filling in same, and then make a house-to-house canvass of your immediate neighborhood.

You can also fill in cards of people you know in any part of the city or county, same will be properly filed where they belong.

A REGULAR BIMONTHLY BULLETIN

It has been proposed that we publish a bimonthly bulletin, size, 4 sheets 9 by 12. We have figured that this can be done for 10 months, 20 issues, at 25 cents subscription. To get a second-class mailing permit on this we have to present a bona-fide subscription list of at least 1,000. This bulletin is badly needed to enable headquarters to keep in touch with the membership and to furnish a means of refuting local adverse propaganda, also as a sheet for general house-to-house distribution.

If you are in favor of this, and are willing to assist by subscription to same, sign your name and address below and hand in to headquarters. How many subscriptions could you secure?

Name_____ Date_____

Address _____

SIDESHOWS, BALLOONS, POPCORN, RED LEMONADE, SHELL GAMES, MAIN SHOW, AND FINALLY WILD-WEST TICKETS FOR THE CONCERT

You will notice, Mr. Speaker, that the firm of Townsend and Clements has more schemes for separating poor people from their money than any circus staff ever devised and put over. The initiation fee is so much. Then so much for the plan pamphlet. Then the 10-cents-per-month dues. Then the $2 per year for the Townsend weekly. Then the 2 percent transaction donation. And last 25 cents for the bimonthly bulletin, which is to be used to refute local "adverse propaganda." Why do you suppose that Townsend and Clements ever discerned that adverse propaganda would arise locally? They knew it was inevitable.

I have in my hand copies of the duplicate sales tags, one blue for the merchant to retain, and one white for the customer to retain and return to headquarters, so that headquarters could check up on each merchant and be sure that the merchants were not short-potting headquarters. Why do you suppose that Townsend and Clements do not have confidence in the honesty of Kalamazoo merchants? Why should they be checked up on and watched?

TO REGISTER EVERY VOTER IN KALAMAZOO COUNTY

Why is it that Townsend and Clements deem it necessary to interview, card index, appraise, and register every voter in Kalamazoo County? Why that county is in the Third Michigan District. The Third Michigan is represented by our friend whom Dr. Townsend claims is one of the Townsend henchmen. Has something happened to make Townsend and Clements uneasy? Have they heard of a maiden speech here which at no time mentioned the Townsend plan? Do the Townsendites contemplate a change? Are they dissatisfied?

ABUSE OF MAILING PERMIT

Does the firm of Townsend and Clements imagine that they can get subscribers at 25 cents each for 10 months for a campaign circular such as they have prepared, and have the Post Office Department admit it as second-class matter and granted mailing privileges? I sincerely hope that our able and efficient Postmaster General, Jim Farley, will tell them that they have another guess coming, and that he will instruct his officials in the Post Office Department to watch such applications, and promptly refuse to grant same.

Usually, I am against wasting money on investigations. They rarely ever result in anything worth while or of value to the people. As a general thing, the money is wasted. But this is such an important question, where the poor and aged in every city, town, village, and rural community are being robbed by a house-to-house canvass by racketeers, that I shall support this resolution.

SPENDING PEOPLE'S MONEY WITHOUT BENEFITING THEM

Last year a lawyer on Townsend's pay roll went to one of my counties and persuaded an official there to draw up Townsend petitions, and circulated a dozen of them all over the county, getting my constituents to petition our two Senators and myself to support the Townsend plan. Then this outside paid lawyer on Townsend's pay roll persuaded this official in one of my counties to mail said petitions to Senator CONNALLY and to write me about them.

But instead of supporting this impossible monstrosity that would impoverish 90 percent of all the people in the United States, I made a speech against it and denounced it, and warned the people of my district that they were being robbed of their money, with no chance whatsoever of receiving any benefit.

Lately the official in one of my counties, who drew the petitions for the lawyer and who, at the said lawyer's suggestion, sent these Townsend petitions to Senator CONNALLY, has announced against me for Congress and is to be my opponent this year in the coming elections. And today he is here in Washington spending somebody's money on a useless visit here, imagining that he can accomplish more than 2 United States Senators and 21 Congressmen from the State of Texas. But I am a friendly enemy to him and have sent him an invitation to have lunch with the Texas delegation tomorrow as my guest.

RETURNING TO MY SUBJECT—KALAMAZOO

I want to warn Townsend and Clements, in closing, that however much they make a house-to-house canvass in Kalamazoo County, and even though they card-index and register every voter in the county, that the Congressman who will be chosen from the Third District of Michigan in November will

not be elected by Townsendites, but will be elected by Republicans. [Laughter and applause.]

Mr. RANSLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Speaker, 2 minutes is a very short time in which to say anything, but I want to remark here and now that I have been deeply impressed, after these days of strife, by the wonderful—nay, beautiful—harmony between the Republican and Democratic leadership in favor of this resolution.

No such harmony could be possible in this election year unless it were inspired by either patriotism or fear. And who is afraid of the big bad wolf of elections and the votes in favor of old-age pensions, I wonder.

I attempted to inquire of the gentleman who introduced the investigating resolution but who did not refer to it in his talk, just how much this investigation is going to cost the taxpayers of the United States; how much this junketing committee expects to ask of the Committee on Accounts to carry on this investigation. Of course, the gentleman from Missouri did not yield to me. Now, I am entirely in favor of this resolution. My sense of humor alone would compel me to vote for it. I am pleased that the gentleman from Texas referred to a humane society in Michigan. I think the Congress today verges on the ridiculous when it passes this resolution—a resolution strictly confined to investigating old-age-pension advocates—and thereby sets itself up as a great, big humane society whose purpose is to use Government funds and the authority of Congress to dictate how the people of the Nation shall spend their nickels and dimes. Since I have always wanted to belong to a humane society I will vote for this resolution so that I may become a member of the congressional humane society established here today.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. O'MALLEY. I cannot yield now. I dare say there is not a Member of this House who at one time or another did not need the protection of some self-constituted policeman or guardian to prevent his investing in phoney oil stocks or betting on some doubtful race horse on a sure tip. This resolution and any investigating committee cannot prevent people from giving donations to any organization that seeks their aid if the people themselves wish to contribute toward some cause in which they have been led to believe.

I dislike, however, to be put in the position by the leadership of this House of voting for a resolution which is discriminatory and does not take in all organizations soliciting funds. I dislike also to be put in the position, as this resolution places us, of saying to the people of my State who see fit to support any organization that the Congress of the United States does not think they have brains enough to know what to do with their own money or to whom to give it. So we are going to take over the job of becoming their guardians. This, in effect, is what the resolution before us means.

However, I am going to support the legislation. I think that all organizations raising money to promote legislation or oppose legislation ought to be investigated to see what they are doing with the money they raise from the people who are members of their organization. I do not think, however, that the Congress ought to confine itself to just one type of organization. This resolution indicates that the Congress is not so much interested in investigating what becomes of the peoples' money in all organizations as they are in raising a smoke screen to put one or two particular organizations out of business. I can think of many other organizations who raise their funds in exactly the same way as those groups supporting old-age pensions. Why does not this legislation include authority to investigate these other organizations? Undoubtedly there are unsavory characters who attach themselves to all legislative movements for the purpose of enriching themselves at the expense of the people in favor of any legislation. In my own State such characters have attached themselves to various movements time and again for the purpose of fattening their pockets. Some of these ought to be in jail, because they could hide behind a corkscrew without moving a muscle. But unsavory characters have attached themselves to the Democratic, Republican, and other parties, but the only way the racketeers in any organization can be stopped and put out of business is by the united action of the members of the organizations themselves. The surest way to promote the growth of any group is to put them in a position where they may be able to justly claim they are being persecuted by the powerful and the mighty.

I have sent to the Clerk's desk an amendment to this resolution which would include all organizations raising money from the people of the United States for the purpose of opposing or supporting legislation. If I am not prevented by parliamentary tactics on the part of the leadership sponsoring this legislation, I shall ask for a vote upon my amendment at the proper time.

Mr. RANSLEY. Mr. Speaker, I yield 1 minute, the balance of the time I have, to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, I know nothing about the facts behind this resolution, or about the charges or countercharges that have been made here today. The only fact that is preeminent, as put forth by all the speakers, is that every man here is in favor of the resolution. If this is true, let us adopt the resolution; and if any man has any facts, let him present these facts to the committee set up for this specific purpose. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. MCGROARTY].

Mr. MCGROARTY. Mr. Speaker, a number of Members have said that I should speak for 1 minute or less before this debate closes, in order that I may state, having been recognized more or less as the sponsor of the Townsend plan in Congress, how we stand. We are in favor of the resolution. I trust that every Member of the House will vote for this resolution and that the vote will be unanimous. We welcome it; we want it; we will be disappointed if nothing comes of it. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 240, noes 4.

Mr. SWEENEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SWEENEY. Mr. Speaker, I have a proposed amendment, which I have sent to the Clerk's desk, to investigate the American Liberty League, the Crusaders, the Carnegie Foundation, and every organization or group opposed to old-age-security legislation. Do I understand that the ordering of the previous question has precluded my amendment from consideration?

The SPEAKER. It has.

Mr. KENNEY. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from New Jersey demands the yeas and nays. The Chair will count. [After counting.] Four gentlemen have risen, not a sufficient number.

So the yeas and nays were refused.

The resolution was agreed to.

On motion of Mr. O'CONNOR, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

CHANGE OF REFERENCE

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that the bill (H. R. 9481) to amend title 2, section 251, of the Code of Laws of the United States of America, in force January 3, 1935, also adding thereto sections 251A and 251B, relating to offenses in elections and providing penalties therefor, which was referred to the Committee on Election of President, Vice President, and Representatives in Congress, be re-referred to the Committee on the Judiciary. I have talked with the chairmen of both committes.

The SPEAKER. Is there objection?

There was no objection.

THE FARM BILL

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 419.

The Clerk read the resolution as follows:

House Resolution 419

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3780, an act to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes. That after general debate, which shall be confined to the bill and continue not to exceed 5 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider as a substitute amendment for the Senate bill S. 3780 without the intervention of any point of order the provisions of H. R. 10835. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, this is a rule for the consideration of what is called the farm bill, and I offer the following amendment to the resolution.

The Clerk read as follows:

Page 2, line 9, before the period, insert "and such motion shall be in order, notwithstanding the fact that it may propose an amendment to an amendment previously adopted.

Mr. O'CONNOR. Mr. Speaker, the purpose of this amendment is to preserve to the minority the real purpose of a motion to recommit. It occurred to the Rules Committee and to others that under this resolution if the House bill were offered as a substitute to the Senate bill and was adopted by the House, that a motion to recommit with instructions to strike out or change a part of the House bill so adopted would not be in order. That would not be fair to the minority or to any Member who wanted to make a motion to recommit. I do not feel that we should provide as we do in this amendment I have offered, except under very rare circumstances, and I do not submit it as a precedent for any future procedure. But under the particular circumstances in this case we thought it was only fair to any Member who was recognized to offer a motion to recommit that he or she should not be stopped by a technical point of order.

The SPEAKER. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. CLARK].

Mr. CLARK of North Carolina. Mr. Speaker, I do not care to discuss the rule now under consideration. It is an open rule providing for 5 hours' debate and for amendments to the proposed legislation. I wish to speak only briefly on the bill itself.

I do not think that the proposed legislation, if enacted into law, will prove so practical or so effective or so satisfactory to the farmers of America as was the Triple A. I fear that it will not produce concrete results in a practical way, as was the case under the Triple A. And I think it is important that the country and those who will be peculiarly affected by this legislation should realize that whether this bill is as effective as the Triple A or not, whether it is more or less satisfactory to the farmers of America than the former legislation, it should not be forgotten that the proposed bill, whether it be good, bad, or indifferent, represents the maximum power of the Congress of the United States to keep removed from the American farmers the injustices which they had for years suffered prior to the adoption of the Triple A.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. CLARK of North Carolina. Yes.

Mr. MOTT. The gentleman says that the farmers of the country should know that in passing this that Congress is doing the utmost that it can under the Constitution to help the farmer. The gentleman is not suggesting that Members of Congress generally agree that that statement is true, is he?

Mr. CLARK of North Carolina. I state that as my own opinion.

Mr. MOTT. I rose simply to suggest that in the opinion of some 209 or 210 Members of Congress another program is much better.

Mr. CLARK of North Carolina. I was undertaking to express my own views about that proposition, and I stick to it, as far as I am concerned, that under the Constitution as it now is and under the decision of the Supreme Court in the Triple A case this legislation represents the maximum that Congress can do within its constitutional powers.

Mr. JOHNSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. CLARK of North Carolina. Yes.

Mr. JOHNSON of Texas. The gentleman believes that under the recent decision of the Supreme Court this bill will be constitutional, does he not?

Mr. CLARK of North Carolina. There is always uncertainty about any border-line case, but I think that the Supreme Court in the Triple A decision has significantly pointed the way to constitutional legislation for farm relief, and I believe this is the way.

Mr. MOTT. Mr. Speaker, will the gentleman yield further?

Mr. CLARK of North Carolina. Yes.

Mr. MOTT. If the gentleman now could convince Members of Congress that the bill under consideration or about to be considered meets any of the objections raised by the Supreme Court in the Triple A decision, he would go a long way toward getting the bill passed. It is my own view that the bill being introduced now, the administration bill, does not meet a single objection raised by the Court's opinion in the Triple A case.

Mr. CLARK of North Carolina. Mr. Speaker, I wish I might feel justified in taking enough of the time of the House to state my own views upon the constitutional question, but I cannot do so now. I do say this. In any legislation that even approaches the border line of constitutionality, there is always in every case doubt and division of opinion.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. CLARK of North Carolina. Mr. Speaker, the chairman of the Committee on Rules, the gentleman from New York [Mr. O'CONNOR], has placed the time at my disposal. I yield myself 3 additional minutes.

We not only find doubt upon constitutionality in this Chamber, but we find it in the Court chamber. We know that some of the greatest constitutional decisions in the history of our Nation were rendered by a sharply divided Court. It is no reflection upon any man to be in doubt upon the constitutionality of any law that approaches the border line. The line of demarcation between validity and invalidity is hard to find in many cases, but I say that the duty of a legislator who entertains an honest doubt about constitutionality is to go further and to inquire into the merits of the proposed legislation. He should ask himself whether it is economical—whether there is a widespread, genuine public demand for its enactment, and whether the results of the legislation would be beneficial to the country as a whole. If he answers those questions affirmatively in his own mind, then it seems to me his duty is to resolve the doubt in favor of the enactment of the legislation just as the courts resolve every doubt in favor of the validity of any law enacted. [Applause.]

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. CLARK of North Carolina. Yes.

Mr. CULKIN. This bill, as I understand it, which will come in as a result of this rule, offers a program of relief to the corn, wheat, and cotton farmers. It excludes from its terms the dairy farmer, but it puts out of cropping in wheat, cotton, and corn some 25,000,000 acres of land which are coming into grass crops. It is the opinion of those who are advising the

dairy interests of the country that those 25,000,000 acres will go into dairying. Does not the gentleman believe that it would be constitutional to extend this bill to the aid and protection of the dairy interests in that situation?

Mr. CLARK of North Carolina. This bill is based upon the broad policy of conservation of the soil of the Nation.

Mr. CULKIN. But it follows from that that those lands do go into dairying? That has been the history of the A. A. A.

Mr. CLARK of North Carolina. It may be so.

Mr. CULKIN. But why is it proper and reasonable to exalt three groups of farmers and destroy the fourth? Should they not all be treated equally under this legislation?

The SPEAKER. The time of the gentleman from North Carolina has again expired.

Mr. CLARK of North Carolina. Mr. Speaker, I am sorry I cannot take the time to answer the gentleman's question.

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to have a matter inserted in the RECORD. On yesterday I made a request for the insertion, but it exceeds the limit by one-half page. I have the estimate from the Printing Office, and it will exceed the limit by one-half page. I should like to have permission to extend that in the RECORD, regardless.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, it is encouraging to return to legislative sanity again and consider this measure under an open rule, which permits debate and gives the membership the opportunity of amendment. It is a refreshing change from the method employed in the passage of the neutrality bill, where no Member could offer an amendment, and only a selected few could have the opportunity of speaking on what unquestionably was the most important bill to be considered in the present session of Congress.

I had hoped it would be possible for me to support the new farm legislation. All of us appreciate there is a genuine farm problem, and we all should like to contribute to its solution. All, I am sure, realize prosperity in the Farm Belt will be reflected in the industrial sections. And those who dwell in the farm regions must not forget they can never be prosperous if the purchasing power of the urban sections of the country is not sufficiently high to permit the buying, in increasing quantities, of the products of the farm.

The pending measure will bring only relief to a comparatively few farmers. An effort will be made to make the farmer believe he is being aided, but the vast majority will find that as far as they are concerned, it will be a "dud." The dairy and livestock farmer, a very important factor in our agricultural life, may find increased competition and greater difficulties than he has been forced to face in recent years.

At its best the bill is a mere makeshift, an effort to keep on the Government pay rolls the 150,000 county political agents and to continue the shower of subsidy checks until after the next election. When November is passed it will be found the law is just as unconstitutional as the one kicked out recently by the Supreme Court. How could it be otherwise? It is the same old proposal of scarcity and high prices. Dr. Wallace has just dressed up the old A. A. A. bill in a new gown and calls it a soil-erosion act. The doctor is trying to circumvent the decision of the Supreme Court. He would do indirectly what the highest tribunal in the country says he cannot do directly. Can anyone be dumb enough to believe in the end he will be successful? Of course, the law will be thrown out, but in the meantime the Roosevelt administration hopes to pass through the political rapids. The fact it means confusion to the farmers, that it will mean higher taxes and higher costs of living is nothing to the New Dealers. All they are thinking about is their own political hides.

Talk about the delegation of power; the strengthening of the powers of bureaucracy. This bill gives more power to Dr. Wallace than the bill lately sent into oblivion. The Secretary for the next 2 years can make payments to farmers for the prevention of soil erosion and for "otherwise properly using their land." That language is broad enough to pay anyone any amount and for any purpose that might be set up. Of course, the object, "curtailment", is not mentioned, but it is just around the corner. It will be found at the right moment, for there is nothing to this farm program if it be not found in crop curtailment.

The Supreme Court has forbidden contracts. It will be a difficult task to spend $440,000,000 without some kind of a contract. But the "hot dog" boys will find a way. At any rate, they will spend the money and take a chance on what comes afterward.

When the 2 years of Federal operation are over it is planned to dump the problem back to the 48 States. The Federal Government will continue to receive Federal funds, and one need not look at the bill to be sure all of the operations must be satisfactory to the gentlemen who dominate the Agricultural Bureau here in Washington. There is no intention to loosen for one moment the grasp of Federal control over the millions of farmers. They are to be dominated and regimented for all time. No longer are they to be free men. For a few pieces of silver they are asked to give up their freedom of action.

There is no mention in this bill as to where the $500,000,000 is coming from to pay for the subsidy. The administration wants to play tag with the people. They want the power and the legislation to be enacted, and they know full well the taxes will come when it is too late for the people to protest effectively. So certain is the administration of its power to dominate this "rubber stamp" Congress that they have already passed in the Senate the appropriation for the expenditure of $440,000,000. Just think that over for a few serious moments. The bill creating the law and the expenditure has not as yet received action by the House of Representatives, but the appropriation has been made by the Senate. If the majority can stand up under that indictment, there can be no hope of any free action or independent thought.

In one respect this farm bill is worse than the one recently discarded. Under the old measure there was an effort to protect the consumers by restricting curtailment when farm prices reached a parity with industrial prices.

Of course, no one ever expected the Wallaces and the Tugwells to observe this mandate. But nevertheless, it was there. Congress at least had tried to perform its duty to the vast army of consumers; but it is missing in this proposal, and purposely so. When an effort was made to give some measure of protection to the consumers in the Senate, the amendment was rejected, and, of course, it will meet the same fate here. This is a political bill and such things as fairness and a square deal must be cast aside.

But I want to be bold enough to say the people are looking more closely into governmental activities than formerly. They no longer believe in all the honied phrases and promises. They are pushing aside the buncombe and demanding the real truth. And when the truth is fully known as to the reason for this measure, and its full significance is grasped, it will not be popular in either the urban or rural sections of our great country.

I repeat, I should like to see enacted constructive farm legislation, legislation born of the spirit of helping the farmers instead of trying to build their political opinions. I should like to see, as that able Congressman from Kansas [Mr. HOPE] suggests, action taken to preserve the great American market for the American farmer. It is a cruel joke to make the American farmer curtail his crops and throw hundreds of thousands out of work, and then import increasingly quantities of our food supplies from abroad. This is a labor and income which belong to the American farmer.

I should like to see a farm policy which would make it possible to sell more of the products of our farms abroad, instead of less. Under the Wallace plan of "scarcity and

high prices", and the Hull reciprocal treaties, we are losing our markets both at home and abroad.

Unless the American farmer is rescued from these so-called friends of his, he can contemplate the future only on a vastly smaller plane than in the past. Surely, the farmer may well exclaim: "Preserve me from my friends; I can take care of my enemies."

I should like to see the farmer who tills the soil and actually works get a larger share of what he creates. Surely, through some cooperative effort, this can be obtained. There is no question of the high prices which the consumers are forced to pay, and there must be some reasonable way to give the farmer a "better break."

I should like to see the farmer rescued from excessive interest rates. He is entitled to generous consideration and I am sure none of us would deny him his fair chance to live and prosper in this great American country.

But we have a right to demand the money which is secured from the American people through taxes shall be prudently expended. We have a right to insist that hundreds of millions of dollars shall not go for political relief, either for an administration or for 150,000 farm agents. By all means, give the farmer a chance to live happily but do not sell him into slavery. [Applause.]

Mr. CLARK of North Carolina. Mr. Speaker, I yield 9 minutes to the gentleman from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein excerpts from a brief prepared in 1917 by Hon. Charles Evans Hughes.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

RELIEF FOR AGRICULTURE

Mr. ROBERTSON. Mr. Speaker, before the Congress takes action on any proposed farm legislation it should be able to answer affirmatively three questions:

First. Does a farm problem exist?

Second. Can legislative action aid in its solution?

Third. Has the Congress power to take the action that has been proposed?

I desire to briefly discuss the pending farm bill in the light of those three propositions.

When our ancestors took over the fertile acres of this country from the Indians no farm legislation was needed, because no farm problem existed. Agriculture was the principal occupation of the Colonies, and for many years the sole occupation. Roughly speaking, for the first 200 years after the first permanent white settlement was made in this country there was no farm problem. Our farmers were prosperous and happy. Land was fertile and cheap. Cost of production was low. The needs of the farmer were simple and the price of the manufactured articles he bought was on a parity with the price of what he sold. Among the educated farmers there was leisure, both as defined by Mr. Morgan and by Mrs. Roosevelt. Out of that leisure grew a ripe scholarship that was the foundation for the remarkable type of leadership furnished by the rural sections of America during the formative period of the Nation. Agriculture, both as a means of livelihood and as the background for social and political leadership, reached its fullest fruition in the last years of the eighteenth century.

And then came agriculture's first problem in the world-wide depression, which extended even to our country following the Napoleonic wars. In the midst of that depression, land in Virginia, for instance, that had been worth as much as $100 per acre went as low as $10 per acre, and the products of the land declined in value accordingly. However, by 1830 there had been a substantial recovery, and I note from contemporary Virginia papers of that day that wheat was quoted at $1 per bushel, corn at 65 cents, and other farm products were in line with the prices of those staples. It was in February of 1830 that the condition of agriculture as a national problem was brought to the Congress in a most striking manner. I refer to the memorable debate between Hayne, of South Carolina, and Webster, of Massachusetts, which occurred in the small room recently vacated by our Supreme Court situated between this Chamber and the present Senate Chamber. In 1830 that room was occupied by the United States Senate, and it was there that Hayne in a brilliant discourse that lasted for nearly 2 days so eloquently presented the rights, the hopes, and the aspirations of southern agriculture.

As early as 106 years ago American agriculture began to feel the effects of a tariff system designed to protect and foster American industry. The inherent strength and the almost irrefragable resistance to adverse conditions of the American farmer can be no better illustrated than by the simple statement of the fact that for 100 years he was able to keep going, while throughout the period he paid tribute through a protective tariff to industry. But the Hawley-Smoot-Grundy tariff of 1930 was the straw that broke the camel's back, and between that date and the fall of 1932 American agriculture came nearer to a state of general bankruptcy than at any previous time in the history of this country. The figures on 1932 farm prices, farm mortgages, farm foreclosures, and so forth, are too familiar to justify repetition. In the 4-year period preceding the World War 15 bushels of wheat had been exchanged for a plow, and in June 1932 three times as many were required to make the same purchase. Approximately the same ratio applied to all other farm products and to all other farm implements for which they were exchanged. Farm prices dropped below anything known in the past 100 years. One would naturally assume that under such conditions there would be a material reduction in the price of what the farmer bought. But what were the facts? The production of farming implements fell off 80 percent, but the great manufacturers of farming implements were so well protected by tariffs and so closely affiliated in price-fixing operations that the price of farm implements declined only 6 percent. The same tariff laws that protected the manufacturer of farm implements from the operation of the natural law of supply and demand also prevented its operation with respect to the sale of farm products abroad. In other words, the farmer was being ground between the upper millstone of controlled prices for what he must buy and the nether millstone of a greatly curtailed market for what he must sell. And between those two adverse forces he was by the fall of 1932 brought to the verge of bankruptcy. Even in the year of 1926, a period regarded by farm leaders as one of relative prosperity, the average farm income was only $600, of which only $200 was in cash, and with the loss of a large portion of this income by 1932 there were thousands of farmers who could not earn even their fixed charges of taxes and interest.

Fortunately, during the past 3 years there has been a remarkable improvement in the economic condition of agriculture. Farm mortgages have been refinanced at the lowest rate of interest that has ever prevailed in this or any other nation. The deposits of farmers in banks have been made secure. The prices of farm commodities have tremendously increased until their ratio now stands at only 15 percent below what we are pleased to call parity. However, we still have the Hawley-Smoot tariff except in the few instances in which its rates have been lowered by reciprocal-trade agreements. We still have the disinclination of some foreign countries and the inability of others to buy our surplus farm products. We still have a large mortgage indebtedness, which means increased cost of production. We have some 10,000,000 horses and mules supplanted by tractors, trucks, and automobiles that can eat neither corn nor hay, and we have the sudden termination, by order of the Supreme Court, of cash benefits heretofore going to farmers in the yearly amount of about $500,000,000.

Under these circumstances our first question, "Does a farm problem exist?" must be answered in the affirmative. And so say all of the candidates for the Presidency.

In approaching an answer to the second query, "Can legislative action aid in its solution?" I am reminded that Goldsmith said:

> Of all the ills that human hearts endure,
> How small that part that kings or laws can cause or cure.

I have long felt that Jefferson was right when he said, in effect, that the least governed country is the best governed. Especially is that true of so vast and intricate a problem as agriculture. The farm group is the largest single group in the country. It is a group that operated, as I have indicated before, for 200 years without a problem and without restriction or control by either the Federal Government or that of the States except in some minor particulars. It is a group that has been of all groups the most independent and self-reliant. It is a group which even during the 100 years it has had a problem has merely asked that the laws of supply and demand be permitted to operate freely without the interference of man-made laws. History does not disclose that American agriculture has ever asked for special privilege or special benefits until, as my distinguished colleague [Mr. WARREN] of North Carolina would say, "it was beaten to its knees" by the forces I have described heretofore. Then it was, for the first time, that agriculture not only asked but demanded that the Congress furnish a remedy for its problem.

Those of us who represent agricultural districts and seek to furnish by legislative action assistance to agriculture would be less than frank if we did not admit that the problem has baffled the leading economists as well as the farm and political leaders of the country. On no major subject has there been a greater divergence of opinion, and all the while all proposals calculated to take from industry any of its special privilege or from the consumer his right to purchase farm commodities on the basis of world prices have been stoutly resisted by those groups. Therefore, I was as much surprised as gratified to read the recent statement of the economist of the Chase National Bank to the effect that general prosperity in this Nation was, to a large extent, dependent upon agricultural prosperity, and he urged the cooperation of all other groups to that end. This economist pointed to the fact that in the banner year of 1929 we consumed $900,000,000 of foreign-made goods, and he gave it as his opinion that we could consume that much again and $1,000,000,000 on top of it without undermining the so-called American standard of living of our industrial workers. To the same effect was a recent editorial in the conservative New York Times, quoting with approval the statement of Dr. B. M. Anderson, who said at Indianapolis:

> The real solution, and the only real solution, to the farm problem is the restoration of the export market, the thoroughly constitutional path of lower tariffs, letting a wide diversification of foreign manufactures come in to pay for our agricultural exports.

The economists have noted with interest the improvement during 1934 and 1935 in industrial lines, which followed and did not precede a corresponding improvement in the purchasing power of the farmers. In 1932 the net losses of our railroads were $139,203,821. In 1935 both gross revenue and net operating income were the largest of any calendar year since 1931, when the net income was $134,761,911. Steel mills that operated at 15 percent of capacity in 1932 were operating at approximately 50 percent of capacity in 1935. The automobile industry had its best year of any since 1929. The Manufacturers' Record, one of the greatest trade journals in the country, stated that last year the South spent in the North $1,000,000,000 more than the North spent in the South. In other words, the proceeds from the sale of southern cotton and tobacco in foreign markets went to the North for the purchase of farming implements, automobiles, and so forth, and the listed value of securities on the New York Stock Exchange increased about $20,000,000,000. During the calendar year of 1935 this increase averaged $1,000,000,000 monthly. But for the impetus given to northern industry by the increased purchasing power of southern and western farmers many a factory wheel in the North would still be idle. Farsighted businessmen in the North are at last beginning to appreciate the truth of that situation and do not wish to see agriculture slide back to the impoverished status of 1931 and 1932.

A plan was worked out in 1933 for the aid of agriculture that had the support and endorsement of all of the major farm organizations and of some industrial leaders. That plan was thrown out by the Court. Farm leaders have formulated a new plan, which is embodied in the pending bill. No one claims that it is a perfect plan, but so far no one has come forward with a better one. In my humble opinion the plan not only is not perfect but neither will it be permanent. It in nowise solves two of our major farm problems—tariff discrimination and the recapture of lost foreign markets—although section 12 of the bill is a gesture in the latter direction. However, the plan has two virtues: First, it is calculated to stop the terrific loss by soil erosion, which is estimated at $400,000,000 annually, and through the widespread planting of legumes and other soil builders the lost fertility of many acres of now submarginal land will be restored; secondly, it is proposed to distribute directly to farmers cash to the extent of $400,000,000, but not to exceed $500,000,000 per year, and farm income will be increased to that extent. In my opinion those two benefits are sufficient to justify our favorable consideration of this bill.

That leaves to be answered the third and last question, Has Congress the power to take the action that has been proposed? I do not claim to be an authority on constitutional questions. When I voted for the original farm bill I thought it was constitutional, but six of our nine members of the Supreme Court declared otherwise. Better constitutional lawyers than I claim that the pending bill is within the ruling of the Court in the Hoosac Mills case. The Federal Government not only has the powers expressly granted to it but likewise the additional powers that are the necessary implications of powers specifically granted. When legislation comes within the twilight zone where Federal power ends and State power begins it is not easy to say where the dividing line is. When legislation involves the rather abstract proposition of what is and what is not for the general welfare, reasonable and fair-minded men may well differ.

Since, therefore, I do not claim to be an authority on such difficult problems, I prefer to submit as my authority for the belief that the Congress has the power to appropriate the public money for the purpose of advancing agriculture, the Chief Justice of our Supreme Court, Hon. Charles Evans Hughes. On May 4, 1917, Mr. Hughes had under consideration, as counsel for certain firms dealing in Federal land-bank bonds, the right and power of Congress to pass legislation analogous to the pending bill. In the course of that brief he said:

> Putting aside mere method and form, I come to the question as to the power of Congress thus to appropriate the public money and provide for the borrowing of money, with the object of securing agricultural development throughout the country.
>
> The objects to which the public money may be devoted are implied in the provision of the Constitution relating to the taxing power. This is that Congress shall have power—
>
> "To lay and collect taxes, duties, imposts, and excises, to pay the debts, and provide for the common defense and general welfare of the United States" (art I, sec. 8, subd. 1).
>
> There have been three views, representing serious differences of opinion, as to the meaning and scope of the clause "provide for the common defense and general welfare of the United States."
>
> One view, which at times has been advanced, is that these words do not qualify the preceding clause with respect to the laying of taxes, etc., but confer an independent power. The conclusive reason for rejecting this interpretation is that it would render nugatory the subsequent specification of the powers of Congress, as the Constitution would thus be deemed, in one sweeping clause, to confer upon Congress the authority to do anything which in its judgment might be regarded as conducive to the general welfare of the United States. Accordingly, the accepted view is that this clause does not create an independent power but qualifies the provision giving the taxing power; that is, it states the purposes for which the taxing power may be exercised.
>
> With this postulate, a second view is that the clause has no separate significance, but is limited and explained by the subsequent enumeration of the powers of Congress, to which it is a mere introduction. (See President Madison's letter to Mr. Stevenson, Nov. 27, 1830; Virginia Resolutions, Jan. 7, 1800; 4 Elliot's Debates, 236, 280–281; Tucker on the Constitution, secs. 223–238.) But, as Mr. Justice Story says, "there is a fundamental objection to the interpretation thus attempted to be maintained, which is, that it robs the clause of all efficacy and meaning. No person has a right to assume that any part of the Constitution is useless or is without a meaning; and a fortiori no person has a right to rob any part of a meaning, natural and appropriate to the language in the connection in which it stands. Now, the words have such a natural and appropriate meaning as a qualification of the preceding clause to lay taxes. Why, then, should such a meaning be rejected?" (Story on the Constitution, sec. 912). In *Holmes v. Jennison* (14 Pet. pp. 570, 571) it was said by Chief Justice Taney:

"In expounding the Constitution of the United States, every word must have its due force, and appropriate meaning; for it is evident from the whole instrument, that no word was unnecessarily used, or needlessly added. * * * No word in the instrument, therefore, can be rejected as superfluous or unmeaning." The arguments in support of this second view would seem to ignore this principle. Their elaboration cannot avail to obscure the fact that they endeavor to explain away the express words which qualify the taxing power; instead of expounding and applying, they seek to rewrite the constitutional provision.

The third view is that the clause does not confer an independent power and yet is not superfluous as a mere introduction to or as limited by the subjoined enumeration of powers, but has its separate significance as prescribing the limits of the taxing power, and thus, by necessary implication, defining the objects for which the public money may be appropriated by Congress. This view has most weighty support.

Mr. Hamilton, in his report on manufacturers (Dec. 5, 1791), said:

"The National Legislature has express authority 'to lay and collect taxes, duties, imposts, and excises, to pay the debts, and provide for the common defense and general welfare', with no other qualifications than that 'all duties, imposts, and excises shall be uniform throughout the United States; and that no capitation or other direct tax shall be laid, unless in proportion to numbers ascertained by a census or enumeration, taken on the principles prescribed in the Constitution'; and that 'no tax or duty shall be laid on articles exported from any State.'

"These three qualifications excepted, the power to raise money is plenary and indefinite, and the objects to which it may be appropriated are no less comprehensive than the payment of the public debts and the providing for the common defense and general welfare. The term 'general welfare' were doubtless intended to signify more than was expressed or imported in those which preceded; otherwise numerous exigencies incident to the affairs of a nation would have been left without a provision. The phrase is as comprehensive as any that could have been used, because it was not fit that the constitutional authority of the Union to appropriate its revenues should have been restricted within narrower limits than the 'general welfare', and because this necessarily embraces a vast variety of particulars, which are susceptible neither of specification nor of definition.

"It is, therefore, of necessity left to the discretion of the National Legislature to pronounce upon the objects which concern the general welfare, and for which, under that description, an appropriation of money is requisite and proper. And there seems to be no room for a doubt that whatever concerns the general interests of learning, of agriculture, of manufactures, and of commerce are within the sphere of the national councils, as far as regards an application of money. The only qualification of the generality of the phrase in question which seems to be admissible is this: That the object to which an appropriation of money is to be made be general, and not local; its operation extending in fact or by possibility throughout the Union, and not being confined to a particular spot.

"No objection ought to arise to this construction, from a supposition that it would imply a power to do whatever else should appear to Congress conducive to the general welfare. A power to appropriate money with this latitude, which is granted, too, in express terms, would not carry a power to do any other thing not authorized in the Constitution, either expressly or by fair implication." (See also Hamilton's Opinion on the Bank of the United States, Feb. 23, 1791.)

There would seem to be no doubt that President Washington took the same view (Story on the Constitution, sec. 978, note).

In the paper of President Monroe, entitled "Views of the President of the United States on the Subject of Internal Improvements" (transmitted to Congress in connection with his veto of the Cumberland road bill, May 4, 1822), which Mr. Justice Story describes as "the most thorough and elaborate view which, perhaps, has ever been taken of the subject", it was argued that the clause in question does not confer upon the Federal Government additional powers of control, but does authorize the laying of taxes and consequently the making of appropriations for purposes within the stated limits, thus enabling Congress to appropriate money in aid of enterprises which the General Government cannot undertake or directly control. (See Willoughby on the Constitution, sec. 269; Story on the Constitution, secs. 979–990.)

President Monroe said:

"If we look to the second branch of this power, that which authorizes the appropriation of the money thus raised, we find that it is not less general and unqualified than the power to raise it. More comprehensive terms than to 'pay the debts and provide for the common defense and general welfare' could not have been used. So intimately connected with and dependent on each other are these two branches of power that had either been limited the limitation would have had the like effect on the other. * * * Had it been intended that Congress should be restricted in the appropriation of the public money to such expenditures as were authorized by a rigid construction of the other specific grants, how easy would it have been to have provided for it by a declaration to that effect. The omission of such declaration is therefore an additional proof that it was not intended that the grant should be so construed * * *.

"If, then, the right to raise and appropriate the public money is not restricted to the expenditures under the other specific grants according to a strict construction of their powers, respectively, is there no limitation to it? Have Congress a right to raise and appropriate to any and to every purpose according to their will and pleasure? They certainly have not. The Government of the United States is a limited Government, instituted for great national purposes, and for those only. Other interests are committed to the States, whose duty it is to provide for them. Each government should look to the great and essential purposes for which it was instituted and confine itself to those purposes. * * * My idea is that Congress have an unlimited power to raise money, and that in its appropriation they have a discretionary power, restricted only by the duty to appropriate it to purposes of common defense and of general, not local, National, not State, benefit."

(See also Mr. Adams' letter to Mr. Stevenson, July 11, 1832; 2 Elliot's Deb., 170, 183, 195, 328, 344; 3 id., 262, 290; 4 id., 226; Jefferson's Opinion on the Bank of the United States, Feb. 15, 1791; Miller's Lectures on the Constitution, pp. 229–231, 235.)

In the course of an exhaustive examination of the question, Mr. Justice Story thus states what is deemed to be the true construction of the constitutional provisions (secs. 922–924): "A power to lay taxes for any purposes whatsoever is a general power; a power to lay taxes for certain specified purposes is a limited power. A power to lay taxes for the common defense and general welfare of the United States is not in common sense a general power. It is limited to those objects. It cannot constitutionally transcend them. If the defense proposed by a tax be not the common defense of the United States, if the welfare be not general, but special or local, as contradistinguished from national, it is not within the scope of the Constitution. If the tax be not proposed for the common defense or general welfare, but for other objects wholly extraneous (as, for instance, for propagating Mohammedanism among the Turks, or giving aids and subsidies to a foreign nation to build palaces for its kings or erect monuments to its heroes), it would be wholly indefensible upon constitutional principles. The power, then, is, under such circumstances, necessarily a qualified power. If it is so, how, then, does it affect or in the slightest degree trench upon the other enumerated powers? * * * Each has its appropriate office and objects; each may exist without necessarily interfering with or annihilating the other. * * * But then, it is said, if Congress may lay taxes for the common defense and general welfare, the money may be appropriated for those purposes, although not within the scope of the other enumerated powers. Certainly it may be so appropriated, for if Congress is authorized to lay taxes for such purposes, it would be strange if, when raised, the money could not be applied to them. That would be to give a power for a certain end and then deny the end intended by the power. * * * That the same means may sometimes or often be resorted to to carry into effect the different powers furnishes no objection, for that is common to all governments. That an appropriation of money may be the usual or best mode of carrying into effect some of these powers furnishes no objections, for it is one of the purposes for which the argument itself admits that the power of taxation is given. That it is indispensable for the due exercise of all the powers may admit of some doubt. The only real question is whether, even admitting the power to lay taxes is appropriate for some of the purposes of other enumerated powers (for no one will contend that it will of itself reach or provide for them all), it is limited to such appropriations as grow out of the exercise of those powers. In other words, whether it is an incident to those powers, or a substantive power in other cases, which may concern the common defense and the general welfare. If there are no other cases which concern the common defense and general welfare, except those within the scope of the other enumerated powers, the discussion is merely nominal and frivolous. If there are such cases, who is at liberty to say that, being for the common defense and general welfare, the Constitution did not intend to embrace them? * * * The circumstance that, so construed, the power may be abused, is no answer. All powers may be abused; but are they then to be abridged by those who are to administer them, or denied to have any operation? If the people frame a constitution, the rulers are to obey it. Neither rulers nor any other functionaries, much less any private persons, have a right to cripple it, because it is, according to their own views, inconvenient or dangerous, unwise or impolitic, of narrow limits or of wide influence."

I have quoted these observations at length, for the argument could not be stated more convincingly and, in the absence of an explicit determination by the Supreme Court of the United States, no words are entitled to greater weight.

The Supreme Court has not definitely passed upon the construction of the clause with reference to the scope of the power of appropriation. (See *United States* v. *Realty Co.*, 163 U. S. 427, 440.) There are general expressions supporting the view that the words "provide for the common defense and the general welfare of the United States" are to be taken as qualifying the power to lay taxes. The statement of Chief Justice Marshall in *Gibbons* v. *Ogden* (9 Wheat., p. 199) is so construed by Mr. Justice Story (Story on the Constitution, sec. 927). Again, in *United States* v. *Gettysburg Electric Railway Co.* (160 U. S., p. 681), it is said: "It (Congress) has the great power of taxation to be exercised for the common defense and general welfare"; and this statement was made as a part of the reasoning of the Court in sustaining the power of the United States to condemn land for the preservation of the battlefield of Gettysburg as being for a public use. When the validity of the sugar-bounty provision in the Tariff Act of October 1, 1890 (26 Stat. 567, par. 231), was challenged, the Court found it unnecessary to decide the question (*Field* v. *Clark*, 143 U. S. 649, 695). Later, when, after the repeal of that provision, Congress passed the act of March 2, 1895 (28 Stat.

910, 933), providing a similar bounty upon sugar manufactured and produced before the repeal, it was held that the appropriation was valid, as being in the discharge of a moral obligation which Congress was entitled to recognize as a debt within the fair meaning of the constitutional provision (*United States* v. *Realty Co.*, supra; *Allen* v. *Smith*, 173 U. S. 389, 394, 402).

Congress, from the foundation of the Government, has proceeded upon the view that the powers specified in the subsequent provisions of the Constitution do not limit its power to appropriate money for the common defense and general welfare of the United States under the clause relating to taxes. Appropriations have never been limited to cases falling within the other enumerated powers, whether these are broadly or strictly construed. In addition to the instances mentioned by Mr. Justice Story (sec. 991), we have numerous illustrations afforded by the action of Congress since his day. The annual appropriations show a practically continuous assertion of broad authority in the application of money, as, for example, in the support of the Bureau of Education (including the special provision for aiding the education of the blind, act of Mar. 3, 1879, ch. 186, 20 Stat. 467), of the Smithsonian Institution, and of the constantly expanding and varied work of the Department of Agriculture (sec. e. g., act of Aug. 11, 1916, ch. 313, 39 Stat., pp. 452–456, 463–467, 470). The validity of such action has not been questioned, and, as Professor Willoughby says, "the doctrine has become an established one that Congress may appropriate money in aid of matters which the Federal Government is not constitutionally able to administer and regulate" (Willoughby on the Constitution, sec. 269). Mr. Justice Story sums up the matter by saying (sec. 977): "The argument in favor of the power" (to appropriate money for the common defense and general welfare) "is derived, in the first place, from the language of the clause conferring the power (which, it is admitted, in its literal terms, covers it); secondly, from the nature of the power, which renders it in the highest degree expedient, if not indispensable, for the due operations of the National Government; thirdly, from the early, constant, and decided maintenance of it by the Government and its functionaries, as well as by many of our ablest statesmen, from the very commencement of the Constitution. So that it has the language and intent of the text, and the practice of the Government, to sustain it against an artificial doctrine set up on the other side."

It is manifest that if Congress is entitled to apply the public money for the common defense and the general welfare of the United States, it necessarily has a wide range of discretion with respect to the objects to be selected. This discretion is not vested in the courts but in Congress, and the authority of the courts to enforce constitutional restrictions does not entitle them to substitute their judgment for that of Congress as to any question of expediency or policy (*Wilson* v. *New*, decided Mar. 19, 1917; *Champion* v. *Ames*, 188 U. S., p. 363; *McCray* v. *United States*, 195 U. S., p. 55). As has been said by Judge Cooley (Taxation, 3d ed., pp. 188, 189):

"It is otherwise with the Federal Union also, for though its powers are not general, like those of the State, but are limited and defined by the Federal Constitution, yet as they concern the most important matters of government and relate to subjects not of domestic concern merely, but of international intercourse, and to other matters which sometimes require broad and comprehensive views and make a policy of liberal expenditures wise and statesmanlike, it would be neither reasonable nor prudent to subject its action in the matter of taxation to critical rules. That which it decides to be an object of public expenditure must generally be so accepted, and error in its action must be corrected by discussion and through public opinion and the elections."

And if the action of Congress in appropriating money may be judicially controlled, it is clear that this control could properly be exercised only in a case where it was perfectly plain that the broad limits of legislative discretion had been exceeded and that the appropriation could not from any reasonable point of view be regarded as conducive to the common defense and general welfare.

It will hardly be disputed that the agriculture interests of the country, broadly considered, are of national and not merely of State concern. Any view that would treat the food supply of the people as not a matter directly related to the common defense and general welfare of the United States would be so narrow as to be quite inadmissible. The deliberate judgment of Congress, as already stated, is shown in the wide range of its departmental appropriations. The objection to the validity of the action of Congress in the present case, so far as it relates to the appropriation of money—as distinguished from the actual conduct of agricultural activities within the States—(*Kansas* v. *Colorado*, 206 U. S., p. 87) must rest, it would seem, not upon the fact that the appropriation is in aid of the agricultural interest of the United States but upon the ground that it takes the form of an investment designed to provide loans to individual owners of farm lands.

It has been held to be a fundamental proposition that taxation must be for a public purpose. On this principle State legislation authorizing municipalities to issue bonds in aid of private enterprises has been declared to be invalid. (See *Loan Association* v. *Topeka*, 20 Wall. 655; *Parkersburg* v. *Brown*, 106 U. S. 487; *Cole* v. *LaGrange*, 113 U. S. 1.) It may be assumed that the provision conferring upon Congress the power to lay taxes, and hence the power to appropriate the public money to "provide for the common defense and general welfare of the United States", cannot be deemed to confer authority to do either for a purpose essentially private. The question is whether the purpose disclosed by this act must be judged to be of that character. It is established, however, that it does not necessarily follow that a purpose is essentially a private one from the constitutional standpoint simply because private individuals may secure direct benefits through its execution. When direct individual benefit is involved the question must always be, on a fair analysis, whether that benefit constitutes the object or is merely incidental to the public advantage which it is competent for the legislature to secure. Great measures of an undoubted public nature and advantage often carry with them benefits to individuals or to classes of persons whose immediate gain does not obscure the relation of the measures to the general welfare. Thus it is recognized that while irrigation and drainage plans, which have become familiar subjects of legislation in many States, may directly benefit the owners of the property which is to be watered or drained, the scheme may still bear such a relation to the public welfare as to accord with the legal conception of a public use; and, in this view, legislation providing for the organization of irrigation and drainage districts in order to improve the property within them has been sustained.

It was said by the Supreme Court of the United States in *Fallbrook Irrigation District* v. *Bradley* (164 U. S. 112, 161, 164):

"To irrigate, and thus to bring into possible cultivation these large masses of otherwise worthless lands, would seem to be a public purpose and a matter of public interest, not confined to the landowners or even to any one section of the State. The fact that the use of the water is limited to the landowner is not, therefore, a fatal objection to this legislation. It is not essential that the entire community or even any considerable portion thereof should directly enjoy or participate in an improvement in order to constitute a public use. All landowners in the district have the right to a proportionate share of the water, and no one landowner is favored above his fellow in his right to the use of the water. It is not necessary, in order that the use should be public, that every resident in the district should have the right to the use of the water * * *. Taking all the facts into consideration * * * we have no doubt that the irrigation of really arid lands is a public purpose, and the water thus used is put to a public use." (See also *Clark* v. *Nash*, 198 U. S. 361; *O'Neill* v. *Leamer*, 239 U. S. 244; *Houck* v. *Little River Drainage District*, 239 U. S. 254.)

The Supreme Court of the United States in enforcing the fourteenth amendment has recognized the propriety of giving weight to State exigencies and of regarding with great respect the judgment of the State courts upon what should be deemed public uses within the State. (See *Harrston* v. *Danville & W. R. Co.*, 208 U. S. 598, 606, 607.) And when it is contended that an appropriation by Congress of public money is for a purpose essentially private, it cannot be doubted that due respect to the judgment of Congress requires the consideration of all the circumstances and conditions which can possibly support its action; and although this action takes a form through which direct advantages are to accrue to individuals, or groups, there must still be the inquiry whether, notwithstanding this fact, the appropriation of the public money can be regarded as being for a purpose not special, private, or local, but in truth general and national. Is, then, the plan of the Federal Farm Loan Act primarily in aid of private or individual interests, as distinguished from the common defense and general welfare of the United States?

With respect to the features of the plan it is to be noted—

(1) The act provides a system designed to promote agricultural development.

(2) The loans are made only to those who are, or are about to become, actual cultivators of the soil, and are made upon the security of farm mortgages.

(3) These mortgage loans are made only for the following purposes: (a) To provide for the purchase of land for agricultural uses; (b) to provide for the purchase of equipment, fertilizers, and livestock necessary for the proper and reasonable operation of the mortgaged farm; (c) to provide buildings and for the improvement of farm lands ("equipment" and "improvement" to be defined by the Federal Farm Loan Board); and (d) to liquidate indebtedness of the owner of the land mortgaged existing at the time of the organization of the first national farm loan association within the county, or indebtedness subsequently incurred for the purposes above mentioned. No loan is to exceed 50 percent of the value of the land mortgaged and 20 percent of the value of the permanent insured improvements thereon, and the amount of loans to any one borrower is not to exceed $10,000.

(4) The system is for continental United States (save Alaska); that is, the mortgage loans are to be available to actual cultivators of the soil throughout the country.

(5) The act creates an organization for pecuniary aid alone; that is, it is concerned only with the application of money. There is no attempt to conduct agricultural activities within the State, to undertake the management of farm property, to manage or control any internal concerns of the State, or to interfere with the exercise of the authority of the States over the lands within their borders.

It may thus be conceived that the act provides for systematic aid to the development of agriculture, so devised as to be generally available throughout the country and so limited as to indicate the purpose to promote the actual cultivation of the soil in every part of the United States where cultivation is possible and where aid is needed for that specific purpose.

Nor can the legislation be condemned as being wholly outside the sphere of permissible Federal action without taking into consideration the existing exigencies within the contemplation of Congress. While the United States was not at war when this legislation was enacted and the question is not one relating to the exercise of power incident to the conduct of war, it remains true that the act was passed at a time when many of the civilized nations were at war and the question of the maintenance of the

food supply was of first importance. The exigency existing today, with respect not only to the food supply of this country but of the world—a condition generally appreciated through current discussions—it was within the power of Congress to foresee. If the words "provide for the common defense and general welfare of the United States", while certainly not creating an independent power, do qualify the power to lay taxes and to make appropriations, and are not deemed to be limited by the succeeding specification of powers; and, if proper regard be had to the scope of legislative discretion in the selection of means appropriate to accomplish permitted ends, I am unable to conclude that in this plan Congress has transcended its authority in appropriating the public money. That the power is one which may be abused is no ground for stripping Congress of the discretion with which it is entrusted by the Constitution. The question is not whether the measure is wise or expedient; that is a political question to be determined by Congress according to its judgment of the Nation's needs (*Julliard* v. *Greenman*, 110 U. S. 450).

What has been said has had reference to the application of the public money through investment in the capital of the Federal land banks to be employed in the making of the described loans on farm lands. Additional moneys required for these loans are to be obtained through the issue by the Federal land banks of farm-loan bonds, and the issue of these bonds in the circumstances stated also raises a question with respect to the borrowing power of Congress when the moneys borrowed are to be used for this purpose.

The Constitution provides (art. I, sec. 8, subdivision 2) that Congress shall have power "to borrow money on the credit of the United States." It is well settled that this power is an independent power which is given without limitation. As was said by Mr. Justice Gray in *Julliard* v. *Greenman* (110 U. S. 444): "The words 'to borrow money', as used in the Constitution, to designate a power vested in the National Government for the safety and welfare of the whole people, are not to receive that limited and restricted interpretation and meaning which they would have in a penal statute or in any authority conferred by law or by contract upon trustees or agents for private purposes."

I find no reason for the conclusion that the power to borrow money can possibly be deemed to be more restricted than the power to appropriate the public money or to lay taxes.

If Congress has the power to appropriate the public money through the investment in the capital stock of the Federal land banks in order to encourage agricultural development throughout the country by the making of the described loans, it has also the power, in my judgment, to provide for the issue of farm-loan bonds for the same purpose.

Further, if Congress has the power to appropriate the public money for this purpose, it follows that it may create a suitable organization as a means of exercising its power. It can provide officers, bureaus, and corporations to this end (*McCulloch* v. *Maryland*, supra). It can require appraisements, the taking of security, and the handling and investment of moneys received in the discharge of loans, as well as authorize the loans themselves.

So, if Congress can exercise the borrowing power to the end stated, it would seem to follow, according to accepted principles, that Congress can provide an appropriate organ so as to adapt its action in a practicable manner to the exigency with which it is competent to deal. The standards, requisites, and conditions of the action it authorizes with respect to the issue of farm-loan bonds under the approval in each instance of the Bureau established in the Treasury Department are prescribed in the act; and in view of these provisions there seems to me to be no sufficient ground for holding the act to be invalid as an unwarrantable delegation of the authority vested in Congress. (See *Field* v. *Clark*, 143 U. S. 681–694; *Buttfield* v. *Stranahan*, 192 U. S. 496, 497; *Union Bridge Co.* v. *United States*, 204 U. S. 377–388; *St. Louis, I. M. & S. R. Co.* v. *Taylor*, 210 U. S. 287; *Intermountain Rate Cases*, 234 U. S. 486.)

The question, in the aspect of the case I have been considering, is whether the provisions of this scheme for applying money in this systematic manner in aid of the cultivation of the soil throughout the country are within the power of Congress. My opinion is that they are.

That is as clear an exposition of the power of Congress to aid agriculture under the Constitution as I have seen. It sets at rest any doubts I may have entertained concerning the constitutionality of the pending measure, and therefore this bill will have my support.

Mr. MAPES. Mr. Speaker, at the request of the gentleman from Pennsylvania [Mr. RANSLEY], I yield 10 minutes to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Speaker, I am glad that we are today considering legislation affecting agriculture. On January 15 I took the floor of this House and suggested that Congress appropriate the necessary funds to care for all outstanding obligations due on crop-adjustment contracts where compliance could be made previous to January 6, 1936. This appropriation has since been voted, and the Government will soon pay this moral obligation. Today we begin consideration of legislation—both temporary and permanent—that will assist agriculture in securing its fair and just share of our national income.

Senate bill 3780, to make further provision for the conservation and proper utilization of our soil resources, is now before us for consideration. There can be no question as to the need of a constructive national land-use policy. This is imperative if we are to have a prosperous agriculture; and to use the words of Gifford Pinchot, who said, "As the farmer prospers, so prospers the Nation."

Let us examine some facts which are necessary to an understanding of the problem.

Going back some 85 years and taking 1850 as a starting place, the total national income divided into individuals gave each man, woman, and child $68 per annum. But the average farm man, woman, and child got only $48 per annum. Stated otherwise, the farm worker received 67 percent of the average income of the total workers of the Nation. It must be considered that the farm income also includes the labor of his family, which is true to the lesser degree in the general average.

By 1900 the average income had risen to $204, compared to which the farmer received $96. In that year the average farmer received 47 percent as much income as the average worker of the Nation as a whole.

By 1932 the national income averaged $385 for each individual, but the average farm income was only $115 per individual. That is 30 percent of the average for the Nation. Since 1850 the farmer has equaled his proportion of that year only in 1919, when his percentage relation was 67, the same as 1850. In every other year it was less, and in 1932 it reached the absolute low mark. Agriculture in 1932 was prostrate and bankrupt and could not carry on.

No group of producers of a primary necessity of life can carry on in an industrial age when its income, taken as a group, is only 30 percent—less than one-third of the average of the Nation as a whole.

With this background, the only question is the method of approach to this great problem of national concern.

The present bill before us for consideration is the only bill that we will consider this session. I intend to support it, and I hope that we will enact it into law. To me this is not a political issue, but it is an economic issue, and the farmers and citizens of my district who are interested in the future of our national life will resent any effort on the part of any individual or party who tries to make political capital out of it.

Legislation should be enacted into law that embodies the following two principles.

First. That the American farmers be given machinery by which they may adjust supply and demand by legal means—with something like the same effectiveness with which American industry adjusts supply and demand.

Second. The right of the American farmer to receive prices for his products which will give him an average purchasing power equal to that he had in 1909 to 1914.

I do not believe the bill under consideration will give the farmer the equality he must have if we are to have a prosperous agriculture, but I do believe it is a step in the right direction and should be a part of a general program. For years we have discussed the effects of soil erosion, and when you realize that 50,000,000 acres of our total cultivated area of 360,000,000 acres have been lost by erosion, 100,000,000 acres were well on the way to destruction, and 100,000,000 acres more had started to lose its fertility, a total of 65 percent of our cultivated area, you begin to visualize the need of the program. The pending legislation has taken this problem into consideration with a view of developing it to a point where it would actually work as a regulator of crop production.

This is not a program of scarcity, but one of its objects is to maintain a continuous and stable supply of agricultural commodities adequate to meet consumers' demand at prices fair to both the producers and consumers.

Mr. Speaker, again I wish to state that I believe this measure should be only a part of a general program to assist agriculture and should not be regarded as the solution of the problem.

The price of farm commodities has greatly increased during the last 3 years because of a reduction of the surplus of

the basic crops, due largely to a general drought, and as soon as weather conditions become normal or average we will again be burdened with this surplus. The surplus of a farm product above home consumption determines the price that the farmer receives.

We must demand that everyone recognize the right of the farmer to parity, equality, and security. In order to secure this, we must have a general farm program which will attack the problem from several angles. First, we must maintain the American market for the American farmer. There is a growing fear and distrust among our farmers that the reciprocal trade agreements being drawn are working to their disadvantage. This has been especially true since the negotiation of the Canadian reciprocal trade agreement. Second, every effort must be made to develop foreign markets for the agricultural surplus. This can be brought about by adopting the policy suggested by George N. Peak, of using bilateral trade agreements. Third, the Department of Agriculture and the Department of Interior should agree on a coordinated land-use policy. Under the pending legislation the Department of Agriculture, through the Secretary, will be empowered to pay farmers for their cooperation in a soil-erosion program while the Secretary of the Interior will be spending hundreds of millions of dollars for the purpose of bringing arid lands into production. Congress should insist that these Departments coordinate their program.

Mr. CLARK of North Carolina. Mr. Speaker, at the request of the gentleman from New York [Mr. O'CONNOR], I yield the remainder of the time on this side to the gentleman from Ohio [Mr. LAMNECK].

The SPEAKER. The gentleman from Ohio is recognized for 10 minutes.

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein certain tables.

The SPEAKER. Without objection, it is so ordered.

Mr. LAMNECK. Mr. Speaker, we today are considering a most important piece of legislation. I remember my first session of Congress under the Hoover administration. The agricultural problem at that time was more acute than it is now. It is needless to say that the Hoover program was an absolute failure, and did not solve our agricultural problem. The question became one of the great issues of the campaign of 1932. The Democratic administration came into power in one of the greatest landslides of our modern political life, and one of our claims was that we would solve the American farm problem.

We have been in power now since March 4, 1933. We depended upon the A. A. A. for the solution of the farm problem. Our program in brief provided that in order to raise prices we should curtail production by compulsion or otherwise, thereby creating a scarcity, and as a direct result, higher prices.

Our program further provided that in order to raise the price level to the 1909–14 level quickly it was necessary to levy a tax against processors of farm commodities and pay benefits to farmers to accomplish the results.

The Supreme Court, in invalidating the A. A. A. Act, said in no uncertain terms that the Congress of the United States had no power to control production and no power to tax one class of citizens and pay to another class of citizens for not producing.

Today we are considering a bill which incorporates in its provisions, in effect, the very thing that the Supreme Court said we could not do. I know the advocates of this bill will probably say that this is a soil-conservation program and not a crop-control program at all, but the facts are that it is as much a crop-control bill as the original A. A. A. bill was. After this bill is passed, if it is passed—and I expect it will be—it is proposed to pass a tax bill which will levy a tax for the purpose of paying benefits to farmers to take out of production a certain amount of farm land estimated to be from twenty to thirty million acres. The Supreme Court has said we cannot do this; and I ask, Why do we constantly insist on passing legislation that we know or at least are reasonably certain is unconstitutional? If the original A. A. A. Act was unconstitutional the so-called Soil Erosion Act is unconstitutional, and the tax act which will follow it is also unconstitutional.

There is no overproduction of agricultural commodities in this country with 30,000,000 people hungry this very minute. In my congressional district, consisting of one county in the great State of Ohio, we have 30,000 undernourished, underfed, underclothed law-abiding American citizens, and every civilized nation in the world has a similar condition. What we should be worrying about is to see to it that 30,000,000 of our American citizens are supplied with the necessary food and clothing and also to plan that the hungry people of the world are likewise afforded an opportunity to secure a sufficient amount of food, clothing, and shelter. Why, think of it, ladies and gentlemen, at least 200,000,000 people in China on the verge of starvation, with a hundred million people in Russia similarly situated, with at least one-third of the population of Germany underfed, and with 75 percent of the citizenship of Italy suffering for the lack of food and shelter and clothing—how can we as sane men and women argue that we have an oversupply of agricultural commodities in this country?

What makes America great? It is our ability to produce new wealth each and every year. Under normal times America produces about $20,000,000,000 worth of new wealth, this being the products of the farm, mill, and mine. It is absolutely necessary that we produce this amount of wealth to promote our national prosperity and to support our debt structure. When we advocate a proposal to decrease our very source of power 25 percent, we decrease our ability of being a great producing nation by just that much. If the argument is sound that a 25-percent reduction is good for America, why not make it 50 percent? Why not make it 75 percent? Or why not for the next year or two—until we get rid of all our so-called surplus—start out on a program of not producing at all? But would anyone be so foolish and ridiculous as to advocate that we should not produce at all? I think it is equally absurd to say that we should decrease our producing power by 25 percent, or any other amount by advocating an unconstitutional bill to deal with the great farm problem after our sad experience with the A. A. A. This bill further provides that the system shall only prevail for 2 years, and then we are going to turn back the burden to the States by making State grants. I suppose the motive back of that move is that in 2 years from now the Supreme Court will probably get to the question of the constitutionality of the soil-conservation and the soil-erosion farce of 1936 and declare it unconstitutional.

I want to impress upon the Members of this House who are from the dairy districts the effect this bill will probably have upon that great agricultural activity. It is proposed that the surplus acreage taken from production is to be planted in grasses and legumes and other cover crops. Experts agree that this plan will force the farmers who are using this program to increase their dairy herds to enormous proportions. The A. A. A. program increased the dairy herds in the States of Mississippi by 41,000; Arkansas by 32,000; in the State of Louisiana 36,000; in the State of Georgia 28,000; 19,000 in Kentucky; 18,000 in North Carolina; 36,000 in Kansas; and 48,000 in Nebraska. These are cotton-, tobacco-, wheat-, and corn-producing States, and when they were required to reduce production in their regular lines they immediately infringed upon the dairy production to the extent mentioned above, and I predict that if the soil-conservation bill becomes a law, the dairy herds in such States as I have named and in others will increase to an even greater extent. What then will the dairy-producing sections of the country say? They will be here for a relief bill of their own.

The great mistake the legislative and the executive branch of the Government have made since 1930, in my opinion, is that in passing legislation they have dealt entirely with the effect of the depression and not with the cause. As I see it, the cause of this depression and most other major depressions has been a break-down in our monetary and credit system. Of course, the acuteness of the situation was added to by many other factors, but the principal cause has been the break-down of the money system and the

credit structure. Therefore, I am of the opinion that before we can cure the depression on a sound economic basis we must cure the monetary and credit structure.

Economists and money experts agree that the price level of America and the world could be controlled by a proper monetary system. A committee of the House of Representatives in 1932 pointed this out and made such recommendations to the Hoover administration. A committee of the House of Representatives since our party has been in power made the same recommendations, but it was like a voice calling out in the wilderness—no attention paid—and we proceeded to pass a lot of legislation trying to cure the condition, and in many cases the cure was worse than the disease. Wake up, Members of the House! Let us give consideration to the cure of the farmer's problem and not try to alleviate their illness by giving them a little injection of morphine. It can and must be done.

I am for the farmer 100 percent. I know there can be no permanent prosperity unless the farmer is prosperous. I know, in order to be prosperous, he must have a price level that will entitle him to more than the cost of production. Why, then, not proceed on a plan that will guarantee him this sort of thing and that will not make necessary such idiotic legislation as you are suggesting today?

In the early part of my remarks I said that the bill proposed today provided that in 2 years we are going to turn over to the States the problem of agriculture, and that the Federal Government was going to assist by giving to the States a certain amount of cash to permit them to carry on the program. On the question of State grants, I want to point out the fallacy of our tendency to tax the various States and to take from the great tax-paying States five and six times more than they get back. At this point I want to insert a table from the report of the Secretary of the Treasury showing the income taxes, miscellaneous internal-revenue taxes, and the agricultural adjustment taxes collected from the various States for the fiscal year ending June 30, 1935.

TABLE 9.—*Internal-revenue receipts, by States and Territories, for the fiscal year 1935*

States, etc.	Income taxes	Miscellaneous internal revenue	Agricultural adjustment taxes	Total
Alabama	$3,149,562.37	$2,027,327.19	$7,532,275.60	$12,709,165.16
Alaska	281,165.82	83,606.12	3,888.62	368,660.56
Arizona	711,230.67	640,677.57	393,386.85	1,745,295.09
Arkansas	1,536,006.04	1,348,206.03	294,105.86	3,178,317.93
California	69,350,379.64	87,665,576.02	19,828,891.11	176,844,846.77
Colorado	7,199,016.05	5,368,208.74	13,758,931.00	26,326,155.79
Connecticut	20,637,181.18	14,729,787.41	1,359,124.50	36,726,093.09
Delaware	19,864,154.94	7,545,684.70	536,427.01	27,946,266.65
District of Columbia	8,195,647.23	4,442,497.44	146,775.82	12,784,920.49
Florida	7,610,060.07	6,663,175.21	932,546.52	15,205,781.80
Georgia	7,866,999.49	3,998,130.83	20,678,114.74	32,543,245.06
Hawaii	4,253,875.56	1,285,028.91	153,192.33	5,692,096.80
Idaho	712,492.26	545,592.33	612,181.02	1,870,265.61
Illinois	90,382,682.74	132,267,604.74	100,488,646.17	323,138,933.65
Indiana	13,849,381.60	43,158,572.23	10,007,852.78	67,015,806.61
Iowa	6,005,405.63	4,344,154.16	20,629,504.23	30,977,064.02
Kansas	3,815,447.12	5,875,557.67	14,349,183.13	24,039,187.92
Kentucky	8,571,512.95	71,863,608.20	9,187,972.75	89,623,093.90
Louisiana	7,155,175.60	11,304,414.79	6,598,308.74	25,057,899.13
Maine	3,764,511.27	1,651,860.80	1,254,029.35	6,670,401.42
Maryland	22,055,364.36	26,034,648.29	4,831,014.87	52,921,027.52
Massachusetts	50,882,728.01	43,386,934.01	19,874,136.95	114,143,798.97
Michigan	49,435,227.07	79,990,056.98	6,428,687.36	135,853,971.41
Minnesota	13,105,321.84	16,801,392.39	27,604,498.17	57,511,212.40
Mississippi	1,101,835.32	812,871.59	619,172.96	2,533,873.87
Missouri	28,586,921.85	37,668,401.59	20,246,805.01	86,502,128.45
Montana	1,211,068.07	2,610,375.78	2,343,729.80	6,165,173.65
Nebraska	3,905,469.84	3,506,511.36	5,042,113.13	12,454,094.33
Nevada	1,711,749.90	351,964.00	62,907.41	2,126,621.31
New Hampshire	2,196,853.96	1,516,914.90	1,559,178.48	5,272,947.34
New Jersey	50,028,893.81	60,232,602.20	4,167,098.19	114,428,594.20
New Mexico	482,419.34	443,128.95	112,915.68	1,038,463.97
New York	337,866,880.88	275,763,842.24	58,842,770.85	672,473,493.97
North Carolina	14,647,490.43	235,318,455.69	33,793,393.71	283,759,339.83
North Dakota	489,532.19	321,939.28	937,186.22	1,748,657.69
Ohio	52,643,766.48	95,193,873.69	16,241,633.00	164,079,273.17
Oklahoma	9,478,969.08	29,813,120.48	4,085,404.07	43,377,493.62
Oregon	2,625,211.43	2,511,801.67	4,022,720.53	9,159,733.63
Pennsylvania	89,542,324.84	136,212,489.88	18,600,912.60	244,355,727.32
Rhode Island	7,804,085.11	5,783,456.70	1,862,519.65	15,450,061.46
South Carolina	3,090,228.81	1,281,602.12	17,126,284.94	21,498,115.87
South Dakota	495,536.52	619,693.39	425,565.58	1,540,795.49
Tennessee	8,303,599.99	6,689,888.24	6,494,674.89	21,488,163.12
Texas	24,944,952.54	36,116,158.91	13,149,693.73	74,210,805.18
Utah	1,750,246.63	1,371,886.80	3,182,087.80	6,304,221.23
Vermont	933,816.13	644,997.50	210,918.29	1,789,731.92
Virginia	10,792,203.15	119,338,901.26	11,217,495.25	141,348,599.66
Washington	5,847,749.98	7,930,112.88	5,165,708.39	18,943,571.25
West Virginia	5,305,394.59	4,391,541.65	908,229.98	10,605,166.22
Wisconsin	$12,306,618.72	$33,531,697.55	$5,720,386.42	$51,558,702.69
Wyoming	746,033.60	581,581.56	212,831.62	1,540,446.78
Philippine Islands		403,716.62	867,201.64	1,270,918.26
Puerto Rico			1,517,142.94	1,517,142.94
Total	1,099,230,382.70	1,673,982,831.24	526,222,358.24	3,299,435,572.18

The total amount collected from all the States is $3,299,435,572.18.

At this point in the RECORD, ladies and gentlemen, I want to insert a table showing the amount of money paid to the various States, under the Agricultural Adjustment Act, to show you what an unfair, uneconomic plan is being pursued by the grants to States, and there is no more glaring example of it than the agricultural program.

Rental and benefit payments through Dec. 31, 1935, analyzed by States

State	Schedule	Total
Alabama	2	$29,938,661.70
Arizona	3	2,273,696.31
Arkansas	4	35,313,740.02
California	5	13,104,109.10
Colorado	6	15,526,943.68
Connecticut	7	1,944,539.54
Delaware	8	364,717.27
Florida	9	2,852,837.16
Georgia	10	30,947,145.52
Hawaii	11	11,243,515.28
Idaho	12	12,138,628.81
Illinois	13	56,886,049.18
Indiana	14	36,126,463.50
Iowa	15	93,292,030.60
Kansas	16	86,755,192.42
Kentucky	17	20,631,910.04
Louisiana	18	29,549,383.54
Maine	19	6,065.00
Maryland	20	2,905,039.76
Massachusetts	21	1,267,126.21
Michigan	22	8,880,286.13
Minnesota	23	32,817,104.00
Miss ssippi	24	34,379,868.30
Missouri	25	42,522,601.29
Montana	26	18,733,470.82
Nebraska	27	57,634,849.86
Nevada	28	153,735.98
New Hampshire	29	63,027.45
New Jersey	30	520,899.64
New Mexico	31	3,684,740.92
New York	32	509,601.44
North Carolina	33	30,731,379.44
North Dakota	34	41,270,711.28
Ohio	35	27,885,711.07
Oklahoma	36	53,128,471.86
Oregon	37	7,598,769.08
Pennsylvania	38	3,282,107.11
Philippine Islands	39	8,648,182.79
Puerto Rico	40	3,887,480.72
Rhode Island	41	6,319.46
South Carolina	42	21,823,284.69
South Dakota	43	31,831,366.55
Tennessee	44	19,263,792.28
Texas	45	132,776,927.75
Utah	46	4,013,984.44
Vermont	47	103,851.60
Virginia	48	7,074,492.76
Washington	49	15,587,206.72
West Virginia	50	793,705.06
Wisconsin	51	12,127,606.29
Wyoming	52	3,249,538.84
Total		1,108,322,870.30

As an illustration: Alabama, in round figures, paid seven million in A. A. A. taxes and received thirty million in benefits. Arkansas paid two hundred and ninety-four thousand and received thirty-five million. Georgia paid twenty-one million and received thirty-one million. Indiana paid ten million and received thirty-six million in benefits. Iowa paid twenty and received ninety-three million. Kansas paid fourteen and received eighty-six million. Kentucky paid seven million and received twenty million. Louisiana paid six million and received twenty-nine million. Minnesota paid twenty-seven and received thirty-two million. Mississippi paid six hundred and nineteen thousand and received thirty-four million in return. Nebraska paid five million and got back fifty-seven million. North Dakota paid nine hundred thirty-six thousand and received in benefits forty-one mil-

lion. Oklahoma paid four million and got back fifty-three million.

[Here the gavel fell.]

Mr. PIERCE. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 1 additional minute. He ought to have this time; he is talking about things that are of special interest, and I should like to ask him a question.

The SPEAKER pro tempore (Mr. RICHARDSON). Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. LAMNECK. Now let us compare that sort of a record with some of our industrial States and see where they come out. New York paid $58,000,000 in taxes and got back $569,000. Massachusetts paid nineteen million in taxes and received one million in benefits. Illinois paid one hundred million and received fifty-seven million.

I think I have gone far enough to show the tendency on the part of the Government of the United States on the question of collecting taxes and paying back to the various States. In short, the result is that the manufacturing States of the East and Middle West are taxing their citizens to an unbearable degree, and the Federal Government is turning around and paying these enormous taxes to the other States without any consideration. I think the time must come when Congress must give consideration to the question of abolishing the policy of grants to States; and if this were done tomorrow the Budget could be balanced, in my judgment, and the burdens that are now being carried by Federal taxation could be carried by the various States at about half of what they are now costing. A speech that would show the enormous amount of money spent for administration purposes through the bureaucracy in Washington would be an eye opener, and some day I may take the time to infringe upon your patience to point out the evils of this system.

[Here the gavel fell.]

Mr. MAPES. Mr. Speaker, I yield the remainder of the time on this side to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Speaker, the last speaker [Mr. LAMNECK] in a forceful, eloquent plea made clear to the Members of the House from the Southern and Western States that the industrial areas made grave sacrifices in order to carry out the agricultural program. May I say that I am definitely for the establishment of a parity between agriculture and industry. I believe this is due to agriculture and is somewhat belated. However, I rose to call your attention to the fact that this bill not only imposes a burden on the industrial States but affects very largely the dairymen in the Northeastern and Northern States. It strikes not only at those groups but at the dairymen who have already entered that field in the Southern States.

Mr. Speaker, the gentleman from Ohio has also pictured the intrusion into dairying by various Southern States. I will not go over that field anew, other than to say a half million additional cows have been brought into dairying by reason of the acreage-reduction plan of the A. A. A. The dairymen of the north and northeast, who paid the processing tax in large part, have been obliged to meet the competition of lands that were withdrawn from production and put into dairying by the Southern States. I do not suppose, Mr. Speaker, that ever in the history of legislation in any civilized government was class legislation so disastrous to another group of coworkers. The dairymen of the country, due to the nature of their farming, conserve soil fertility. If they take anything from the soil, they put it back.

This bill purports to be a bill providing for soil conservation. If passed in its present form, it will not effect soil conservation, because these 25,000,000 or more acres withdrawn as a result of this legislation will be used as pasture or for forage, and, of course, used largely, and almost entirely, for dairying. Soil conservation becomes a fiction under that policy.

I do not claim to be a technician in this field. I am, therefore, forced to rely upon the economists who represent the dairying interest. There is no abler agricultural economist in Washington or elsewhere in the country than Mr. Charles H. Holman, secretary of the National Producers Federation. I place in the RECORD at this point a letter from him which tells the real story. Every Congressman who wishes to vote intelligently on this amendment should read it with care. The letter is as follows:

THE NATIONAL COOPERATIVE MILK PRODUCERS' FEDERATION,
Washington, D. C., February 10, 1936.

Hon. FRANCIS D. CULKIN,
House Office Building, Washington, D. C.

DEAR MR. CULKIN: We would like to call to your attention a situation existing in the pending agricultural relief bill (H. R. 10835) now being considered by the Senate, under which the dairy farmers of this country will be heavily and unjustly penalized unless this situation is corrected by an amendment to the proposed bill.

Under the terms of the proposed bill payments are to be made out of the Treasury of the United States to farmers for the promotion of soil conservation in the United States. The program contemplates the taking out of production of cotton, wheat, corn, and tobacco, and the planting of the acreage so withdrawn in clovers, alfalfa, grasses, and other forage crops. No limitation is placed in the bill upon the use of such withdrawn acres, and we are advised that both the Secretary of Agriculture and the Administrator of the Agricultural Adjustment Act admitted before the House Committee on Agriculture that the program would result in an increase in the production of livestock and dairy products.

Only a small percentage of dairy farmers will be eligible for the benefits provided for in this bill. Dairy farmers have in the past and are continuing to practice a type of farming which promotes soil conservation and prevents soil erosion. They already have a system of rotation in effect which provides for the production of grasses and forage crops, and thus they will be unable to make shifts in their production which would entitle them to benefit payments.

The result of the program will be that corn, cotton, wheat, and tobacco farmers will withdraw part of their acreage from these crops and receive benefit payments. In addition, they will be permitted to plant the withdrawn acreage in grasses or forage and will put cows out into this acreage and increase the production of dairy products to the detriment of the more than 3,000,000 farmers engaged in whole or in part in commercial dairying.

This program will result in a substantial increase of two-and-three-cow farms, with a resultant increase in the production of butter, cheese, and other manufactured dairy products.

We believe that it is absolutely essential for the protection of the dairy farmers of this country that a provision be placed in the bill H. R. 10835 at the end of section 8 to read as follows: "and any payment or grant of other aid which is conditional, in whole or in part, upon the growth of soil restoration, soil conservation, or erosion-preventing crops on any land, or any change in the kind of crop to be grown on any land, shall be subject to the further condition that no crops intended for sale be harvested from, and no livestock intended for sale, or the products of which are intended for sale, be grazed or pastured on such land."

The contention which has been made that such a condition will render the bill unconstitutional is, in our opinion, an unsound one. Certainly if money is to be paid out by the Secretary of Agriculture to farmers who meet certain conditions which are to be fixed by the Secretary of Agriculture, the inclusion in the bill of a condition to be imposed by the Congress of the United States cannot cast further doubt upon the constitutionality of the measure. The argument that conditions fixed by the Secretary of Agriculture will make the bill unconstitutional, but conditions fixed by the Congress itself will render the bill unconstitutional, is, in our opinion, fallacious.

We therefore urge, on behalf of the dairy farmers of this country, who represent in excess of 23 percent of the farm income and who will not be eligible for the benefit payments under the act, that Congress at least, in the enactment of legislation for other farmers, provide proper safeguards against the harmful effect of such legislation on the major agricultural group of the country.

Very truly yours,

CHARLES H. HOLMAN,
Secretary, the National Cooperative Milk Producers' Federation.

The distinguished gentleman from North Carolina [Mr. CLARK] discussed in some measure the constitutionality of this bill. I am not going into that feature at this time, other than to say that in my judgment an amendment to this bill which will be offered in due course, providing that these lands shall not be used for any other crop purposes, would be as constitutional as the measure itself. I say to the Members from the South that you should not by this legislation destroy this great group of farmers who have stood loyally by you in your former legislative attempts to rectify the economic condition of your people. The dairyman's condition is also most difficult. His land is being sold for taxes. He is unable to educate his worthwhile children. Now, through this legislation the Government by one fell swoop puts into competition with him 25,000,000

additional acres of land. It seems to me that in fairness, speaking as one group of husbandmen to another, you gentleman who represent the Southern States, should join with us in amending this bill so that these lands may not be used for forage crops and for dairying purposes. This seems to me to be the only fair solution of the problem.

May I suggest that there are other days coming. You gentlemen from the Southland are in command at this time. You hold the reins in the parliamentary situation now, and are the leaders in this House; but it is possible, and may I say very probable, that next year there will be a shift in the situation. Then it would be difficult, perhaps asking too much of human nature, influenced by the ordinary human instincts, for them to legislate so willingly as they have in the past for the farmers of great southern States. When the proper time comes those Members representing the dairy States will ask the Members of this House to write this proposed amendment into the bill. If that is not done, and if you use the parliamentary strength which you now have to destroy these 4,000,000 dairymen who, with their dependents, constitute a purchasing group of 14,000,000 in America, then in the future, and when power in the House is shifted, it may be difficult for the friends of the South to aid in their program.

Mr. GREEVER. Will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Wyoming.

Mr. GREEVER. Does not the gentleman believe that the amendment to which he refers should apply to all livestock as well as dairy livestock?

Mr. CULKIN. I may say to the gentleman from Wyoming that the amendment which will be offered to this bill will include livestock. What I said about dairying applies with equal force to livestock. May I say in conclusion that the majority House should not destroy these groups, the cattlemen and the dairymen, in an endeavor to aid their own conditions. We are all Americans, whether we live in the North or South.

Mr. JONES. Will the gentleman yield?

Mr. CULKIN. I yield to the distinguished chairman of the committee.

Mr. JONES. Does not the gentleman think that the cattlemen and the dairymen have fared pretty well under the program which has been in effect?

Mr. CULKIN. I think under the program heretofore in effect the condition of the dairyman has in large part been embarrassed. An attempt was made under the A. A. A. 2 years ago to nationalize milk. An attempt was made under the A. A. A. to destroy what solidarity the dairymen had gained through cooperative organizations. I waited honestly and faithfully for the A. A. A. to do something for the dairymen, but I am unable to see where they ever did anything to help or aid their condition. I voted for the A. A. A. I believe that the gentleman himself is sympathetic with the dairymen. I hope he can be for this amendment.

Mr. JONES. I am in sympathy, of course, with the dairymen. May I say, however, their prices have been increased more than 50 percent during the previous program. They have received in various ways nearly $100,000,000. They have had a program and a number of other things, and if there is any one group in America that has been given some advantages it is the dairy group. [Applause.]

Mr. CULKIN. I will say to the gentleman that the condition of the dairyman has been and remains an embarrassing one. His land is being sold for taxes, and nine-tenths of them are on the verge of actual bankruptcy. This is the dairyman's situation, I will say to the gentleman.

Mr. JONES. There have been no taxes on dairy products, as the gentleman knows.

Mr. CULKIN. Now is the time to help them, I will say to the gentleman from Texas, by supporting this amendment.

Mr. SAUTHOFF. Mr. Speaker, will the gentleman yield?

Mr. CULKIN. I yield.

Mr. SAUTHOFF. I want to call the attention of the gentleman from New York to the fact that the reciprocal trade agreement with Canada broke the cheese price 2 cents a pound and has cost my State of Wisconsin six and a half million dollars this year already, according to the statements of the secretary of the Cheese Association for Wisconsin.

Mr. JONES. Reciprocal trade agreements are not involved in this bill.

Mr. SAUTHOFF. One minute. I have the floor.

Mr. CULKIN. I agree with the gentleman from Wisconsin and concur in his statement. It now appears that the dairyman has been sacrificed on the altar of foreign trade by these trade agreements. The fact is based on conditions in my own district and the country generally that the dairyman today is in a more grievous situation, despite these alleged high prices, than he has been at any time in his history. [Applause.]

[Here the gavel fell.]

INVESTIGATION OF TOWNSEND PLAN

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on House Resolution 418.

The SPEAKER pro tempore (Mr. RICHARDSON). Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, it was my intention to oppose this resolution to investigate old-age-pension movements, until I learned that the leaders of the Townsend movement had gone before the Rules Committee and stated that they invited the investigation. Since the investigation is motivated principally against the Townsend movement, this action on the part of its leaders places a greater degree of responsibility on the investigating committee to see that the investigation is fair and impartial.

I am glad, from a Democratic standpoint, that there was no party division in the Rules Committee and that there is none in the House over the question whether the rule shall be adopted and the investigation held. Such a course appears to be unanimously agreed upon and the sponsor of the Townsend bill, Mr. MCGROARTY of California, himself, asks that it be done. This relieves the proposed investigation of any charge of partisanship. Both parties, or rather all parties, concur.

And yet, Mr. Speaker, I doubt the wisdom, the necessity, or the benefit of this investigation. I am apprehensive that it may appear to the Townsend movement at large as an attempt by Congress to exercise its powers to persecute Dr. Townsend and discredit his movement, and his followers will not be reassured by the consent of their leaders to an investigation, which these leaders well knew could not be stopped, and to attempt to stop which would have put them in bad at the outset. They acted wisely.

It will be well for the committee to act as wisely. Those Members who are familiar with this movement, who come from sections of the country where it is active and controlling, would, I think, concur in the view that Dr. Townsend cannot be discredited or the movement frustrated by anything the committee may bring out regarding the financial affairs of the movement. I believe they would concur in the view that whatever disclosures the committee may make reflecting on the founder of the movement would serve only to increase the loyalty and intensify the zeal of his followers.

Mr. Speaker, one thing is sure, it cannot be complained that Congress is being high-pressured by any lobby in Washington, paid or otherwise, to pass the McGroarty bill. All the lobbying of which I know anything, comes from home in the mails. My chief complaint thus far is that so little money is being spent in Washington. I have urged that experts be employed to study, revise, and perfect the bill. I am convinced that this must be done. Nothing of this nature is being done.

Since no money is being used in Washington on the bill, we are not confronted with a situation requiring the investigation of individuals who are charged with the corrupt use of money to promote or influence legislation. On the other hand, I am not interested in what becomes of the dimes and

quarters contributed by the followers of Dr. Townsend, and I venture the opinion that the committee will find out that the people who contribute them are not concerned.

An exceptionally considerate, impartial investigation, and with no hint of persecution or of an attempt to break down a pension plan under the pretext of concern for the aged poor who are contributing their dimes and quarters in support of it, would be the wise thing. The plan itself and the zeal of millions for it, demanding its acceptance without change or argument, is, after all, the main thing confronting Members of Congress, and this the investigation cannot go into or affect. A heavy and peculiar responsibility will rest on the investigating committee.

EXTENSION OF REMARKS

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a resolution introduced by me on January 6 and a resolution introduced by the gentleman from Missouri [Mr. BELL] on the 29th of January, an amended resolution of mine of the 6th of February, and an amended resolution of the gentleman from Missouri [Mr. BELL] of the 14th day of February.

Mr. MAPES. Mr. Speaker, reserving the right to object, I think we are getting into a bad habit here of injecting all kinds of foreign matter into our proceedings after we begin the consideration of a particular subject, and for this reason I object to the request at this time.

Mr. CLARK of North Carolina. Mr. Speaker, I move the previous question on the pending resolution.

The previous question was ordered.

Mr. ANDRESEN. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER pro tempore. The Chair will count.

Mr. ANDRESEN. Mr. Speaker, I withdraw the point of no quorum.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. KENNEY) there were—ayes 118, noes 16.

So the resolution was agreed to.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a brief letter from the National Cooperative Milk Producers' Association.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent at this time to extend my own remarks in the Appendix of the daily RECORD and to include therein four short resolutions on the Townsend investigation.

Mr. SNELL. Mr. Speaker, reserving the right to object, it seems to me a bad practice has grown up here of late to reprint in the RECORD public documents that are now available. All of these resolutions have been printed and are now available and the gentleman from Washington can get as many copies as he may desire, and for the present at least, and I think for the future as well, I shall object to reprinting them in the RECORD because it is against the policy of this House. [Applause.]

The SPEAKER pro tempore. Objection is heard.

CONSERVATION OF AGRICULTURAL LAND RESOURCES

Mr. JONES. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3780, with Mr. FULLER in the chair.

The Clerk read the title of the bill.

Mr. JONES. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Without objection, it is so ordered.

Mr. JONES. Mr. Chairman, I yield 15 minutes to the gentleman from Mississippi [Mr. DOXEY].

Mr. DOXEY. Mr. Chairman, from the wide range of discussion in regard to this bill while the pending resolution—House Resolution 419—was before the House, it is very evident that there is quite a diversity of opinion and many different ideas in regard to farm relief and also no doubt different opinions on this bill we are considering here today.

However, in opening the discussion of this bill on the floor of the House today, I feel that within the limit of time allotted to me that I should devote that time not to answering some of the political issues injected into this discussion and some of the extravagant statements that have been made and perhaps will be made, but to a discussion and analysis of the general farm situation, the efforts of this administration in behalf of agriculture, and the problems with which we are faced today, as well as an explanation of the bill before us to the best of my ability in the time allotted to me.

The resolution calls for consideration of the Senate bill, but we intend to adopt in a parliamentary way the House bill 10835.

It matters not what criticisms are hurled at the farm program of this Roosevelt administration, all fair and right-thinking people must admit that this administration has not only tried but has done something really worth while for agriculture.

Consider the plight of the farmer in the early days and those preceding the spring of 1933, when we began to work on this program. The farmers of this country know that they had to sell the products of their farms at starvation prices. The farmers know that after we shaped and passed in Congress the Agricultural Adjustment Act and its force began to be reflected in benefits to the actual producer he began to get a fairly good price for his crops that he sold in the fall of 1933.

Since then many obstacles have been encountered by the administration. Necessarily, in a program as broad as our farm program, many mistakes have been made; but with courage, hope, and determination we marched on, with the banner of agriculture lifted high.

The farmers were coming into their own. They were beginning to receive not only recognition but equality at the hands of their Government. Agriculture was approaching a balance with industry. Long-range programs were being fashioned in behalf of the farmer.

Under the provisions of the A. A. A., the country generally and all business throughout this Nation were on the upward grade. The pump had been primed and the flow of increased purchasing power of the farmer was beginning to spread and to be felt throughout the land. We were making progress even though under difficulties. However, as is always the case, where some are benefited others are dissatisfied. Whenever and wherever constructive forces are at work, the destructive attack is inevitable. However, all that had been said and done by those who opposed the farm policies of this administration had not stopped the great effort that this administration was making in behalf of the people engaged in agriculture.

Time rolled on. Conditions generally improved. Those favoring the organized, planned, and balanced policy of the Government regarding agriculture fought on in behalf of the farmer. Those opposed became all the more determined to stop the onward march of the administration. The opposition resorted to the courts of our land, and finally the issues were drawn along constitutional lines, and the Agricultural Adjustment Act of 1933 was fought out in a great legal battle before the highest judicial tribunal in the land—the Supreme Court of the United States.

On the eventful day of Monday, January 6, 1936, the United States Supreme Court rendered its decision in the case of United States of America, petitioner, against William M. Butler, and others, receivers of Hoosac Mills Corporation.

It was a divided opinion of the Court—6 to 3.

Mr. Justice Roberts delivered the majority opinion of the Court in which Chief Justice Hughes and Justices Van Devanter, McReynolds, Sutherland, and Butler concurred, and Mr. Justice Stone delivered the dissenting opinion in which Justices Brandeis and Cardozo concurred.

With no intention of being critical but as a statement of fact as I see it, when the Supreme Court of the land declared the Agricultural Adjustment Act of 1933 unconstitutional, agriculture and the farming interests of this country were dealt a severe blow, from which agriculture will not soon recover.

I have been interested from the beginning in this case and followed it closely. I was present when it was first argued before the Supreme Court on December 9 and 10, 1935. I was there when the opinions were rendered on January 6, 1936, and have studied both the majority opinion and the minority opinion, and I am convinced that the language of the majority decision of the Supreme Court makes it exceedingly difficult for Congress now to enact practical and beneficial legislation in behalf of the farmers, especially the small farmer—the tenant and the sharecropper.

Well do I remember what a battle we had last year to pass in this House the Doxey bill, H. R. 6424, to grant certain exemptions to the small farmer and help the tenant and the sharecropper. This Doxey bill also provided pay for the ginners, and we have only recently—nearly a year later—secured an appropriation to pay the obligations relating to cotton ginners as set forth in my bill, H. R. 6424.

I am not disposed nor do I here have the time to discuss at length the Agricultural Adjustment Act decision. Suffice it to say that as a member of the House Committee on Agriculture and also having been selected as one of the House conferees on agricultural legislation, I helped to write the original Agricultural Adjustment Act of 1933.

On March 21, 1933, while we were debating this bill on the floor of this House, I made a speech here endeavoring to explain the bill and favoring its passage. As a conferee, I attended all conferences on the bill between the Senate and the House. By invitation I was present at the White House when President Roosevelt signed the original act on May 12, 1933.

My Committee on Agriculture was working on amendments to the original Agricultural Adjustment Act when the Supreme Court, on May 27, 1935, handed down its famous decision in the Schechter case, declaring the N. R. A. unconstitutional. Immediately thereafter my committee prepared, proposed, and passed in this House amendments to the original Agricultural Adjustment Act which were known as H. R. 8492, proposing to strengthen the original A. A. A. of 1933.

On June 17, 1935, while we were considering this legislation in this House, I made a speech here favoring these amendments and this legislation and pleased to call the title of my speech "Trying to Save the A. A. A." These amendments became a law, but the A. A. A. was not saved.

What did the majority opinion of the Supreme Court recite regarding these amendments that we had worked so hard on in our efforts to strengthen the original A. A. A.? Among other things discussed in the Supreme Court's majority opinion regarding the A. A. A., Mr. Justice Roberts said with reference to these amendments to the original act, in the concluding paragraph of the opinion, that—

> Since, as we have pointed out, there was no power in the Congress to impose the contested exaction, it could not lawfully ratify or confirm what an executive officer had done in that regard. Consequently, the act of 1935 does not affect the rights of the parties.

In other words, as I interpret the meaning of this decision, it is in substance with reference to these amendments of 1935 about as follows: The original A. A. A. of 1933 is dead. Congress cannot by a subsequent act breathe life into it.

As one Member of Congress vitally interested in the welfare of agriculture, with the highest regard and respect for the courts of our land and a deep and fervent love for our Constitution, I bow submissively to the opinions of our great Supreme Court. I am sure that is the sentiment of most all of us. I know that is the attitude of my committee that at all times has had the responsibility of all legislation in this branch of Congress relating to agriculture.

So, with memories of the past and hopes for the future, the House Committee on Agriculture, in the light of the Supreme Court's decision, immediately began the task of writing and submitting to this Congress some really worthwhile legislation that will be of actual benefit to the farmers and stand the constitutional test. We realize that this is some large assignment under existing circumstances. We are not unmindful of the opposition that we have already had and will encounter as we go on. It is a long and hard road to travel to get back where we were before the Supreme Court's decision regarding the A. A. A., so that we can really help the farmer, but we have resolved to make a determined effort to do the best we can in getting a law enacted as soon as possible as a substitute for the A. A. A.

My Committee on Agriculture has been working night and day on this problem for weeks. We have brought to this House for your consideration H. R. 10835, which, for the present, at least, will serve as a stopgap.

As a friend and supporter of this proposed legislation, I do not claim it is perfect or that if it is attacked in the courts that it will be declared constitutional. I do know we have written and rewritten it. Some of us on the committee have proposed drafts of bills differing greatly from this one. Many proposals we advocated are not incorporated in this bill. There are some provisions in the bill that some of us wanted modified and changed, some—broadened, some—limited, and others—deleted, but in order to get a bill we had to give and take, yield here and agree there.

Knowing some of the weak points and complaints against the A. A. A., I tried in the draft of this bill to definitely and specifically incorporate provisions that would directly help the small farmer—the tenant and the sharecropper. However, my efforts in this regard met with little success. The general nature of the bill had to deal with generalities and leave it to the discretion of the Secretary of Agriculture as to how it would be administered. We fervently hope the small farmer will be taken care of if possible. I stand ready, anxious, and willing to cooperate with any of you in amending this bill, when we reach that stage, so as to insure, if possible, adequate and just benefits to the little farmer, the tenant, and the share cropper.

So, in the last analysis, those of us on the committee who truly wanted to help the farmer and do something constructive for agriculture, felt we must get this new farm program under way as quickly as possible if we were going to help the farmer this year. We knew it would soon be time for the farmer to pitch and plant his crop and we wanted to help him if we could. This bill may be just a basis for the approach to the future farm program. We do not know how it is going to be administered. How successful this type of legislation will be depends largely on how it is administered. Congress has nothing to do with that. The administration of the act is the responsibility of the executive branch of the Government. We, the legislative branch, can only make the laws. The executive branch administers them. The judicial branch interprets them.

As practical men acquainted with conditions, and many of us having been farmers ourselves and owning farms, we know that the benefits the farmers have received for the past few years can all be wiped out if we do not provide them as soon as possible with the best we can, even though it be a temporary and imperfect program. I for one, and I believe it is the intention of my committee, expect to go right on trying to fashion and pass other bills of a more permanent nature in the interest of agriculture. On this job we must work and cooperate, for we are still faced with a grave crisis and a serious responsibility. Right now the time element is of vast importance, and I trust we will improve this bill if we can and pass a real farm bill as speedily as possible.

My colleagues, Mr. Roosevelt is not the only President that has been in the White House during my service here, but President Roosevelt is the only President who has been sympathetic with our agricultural problems and cooperated

with the friends of agriculture in an effort to do something really worthwhile and beneficial for the farmer since I have been in Congress. [Applause.]

In my opinion, no true friend of the farmer rejoices that this agricultural program has been wrecked. Gloom and despair prevail throughout the agricultural sections of this country.

It is our duty and responsibility to go forward as quickly as possible with the best substitute program we can enact into law that meets the test of the decision in the Butler case, so far as we are able to determine.

To say the least, the immediate and future farm policies of this country will be greatly affected by our votes on this bill that we have brought before you today. My committee, in reporting this bill favorably to this House, realized we had a fight to pass it. We know it can and will be attacked from many sources. We appreciate the fact that if it becomes a law and is not wisely, justly, and properly administered, great hardships and inequalities will result not only to individual farmers but also to certain classes of farmers and certain types of farming.

I say to those of you who are opposing it, we want the very best we can get for the farmer. You have not offered us anything to better it or to take its place. Talking, wisecracking, demagoguery, criticizing, and indulging in glittering generalities do not enact laws or put into operation farm programs designed to help agriculture.

It is much easier to criticize and destroy than it is to create and build. We ask you to help us build an agricultural program that will truly rehabilitate agriculture. It will take time, and no doubt other legislation, but you will never reach the goal if you do not make a start. That is the purpose of this bill. It gives us a starting point. It is twofold: First, to serve an urgent immediate need; second, to form a basis for future agricultural permanent legislation.

The first part of the bill relating to the temporary plan is known as the soil-conservation program and is considered as an emergency to be in operation only for the years 1936 and 1937.

The second part of the proposed legislation has to do with the establishment of a permanent plan for agriculture to begin in 1938. This program will later be worked out with the suggestion that it provide for Federal grants of money to States to enable each State to carry out its own programs for agricultural rehabilitation. The respective States will have from now until January 1, 1938, to work out their own program and have their own legislatures to pass the necessary farm legislation in order to get further Federal aid. In the meantime this temporary program will be in operation only for the years 1936 and 1937, or until a permanent State farm plan can be worked out by the States and be approved by the Federal authorities.

Let us briefly analyze the general provisions of this bill, H. R. 10835, considering first the part relating to the proposed temporary agricultural program, known as the soil-conservation plan for 1936 and 1937.

This is just an amendment to the original Soil Conservation Act reported by my Committee on Agriculture and enacted into law April 27, 1935, and known as H. R. 7054, Public Act No. 46, Seventy-fourth Congress.

The bill before us amends this act by inserting after section 6 of the original act the provisions of this bill and designating the next section as section 7 and sets out the purposes of this act as—

1. Preservation and improvement of soil fertility.
2. Promotion of the economic use of land.
3. Diminution of exploitation and unprofitable use of national soil resources.
4. Provision for and maintenance of a continuous and stable supply of agricultural commodities adequate to meet domestic and foreign consumer requirements at prices fair to both producers and consumers thereof.
5. Reestablishment and maintenance of farmers' purchasing power.

Three of the five general purposes relating to both the temporary and permanent features of this bill are the same. But the temporary program only gives the Secretary of Agriculture the right under certain conditions to aid and make benefit payments to agricultural producers as individuals to January 1, 1938. After that the permanent program begins, and benefits are paid and made in the form of grants to the respective States under certain conditions.

Then the States in turn deal with the individual farmers.

Under the temporary program, where the Secretary of Agriculture deals directly with the farmer, through his authorized agents, he derives his power to carry out the purposes specified as—

1. Preservation and improvement of soil fertility.
2. Promotion of the economic use of the land.
3. Diminution of exploitation and use of national soil resources.

The land conservation feature relates strictly to these three purposes and does not deal with agricultural commodities or with the farmer's purchasing power.

In other words, the farmers are paid benefits based on—

(1) Their treatment or use of their land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion.

(2) Changes in the use of their land.

(3) A percentage of their normal production of any one or more agricultural commodities designated by the Secretary of Agriculture which equals the percentage of the normal national production of such commodities required for domestic consumption.

A check-up is made by county committees or other authorized agencies approved by the Secretary of Agriculture as to just how the farmer has used and treated his land, and if he has cooperated and complied with the purposes and requirements of the program, then the Secretary of Agriculture, taking into consideration the productivity of the land affected by the farming practices adopted during the year with respect to benefit payments, can make them direct to the farmer in proportion to the extent and to the amount of land so used and treated by the cooperating producer. There is no contract. Nothing is binding on anyone. If the producer wants to cooperate, he knows the condition and history of his land. He works it and uses it as he pleases. The program is open and known to him. He can either follow it or leave it alone. If he has cooperated and at the end of the crop season he is checked up and it is found that he has treated and used his land in conformity with and according to the provisions of this bill, he is paid cash benefits in proportion to the method he used and the usual productivity of the land so affected.

There is no contractual relations between anyone, as was condemned and outlawed by the A. A. A. decision of the Supreme Court in the Butler case. The object and purpose of this program is based on a conditional expenditure, not in pursuance of a contract, which has as its object the accomplishment of the purpose of soil building by the farmer to promote the general welfare. If the farmer does it, he is paid in proportion to his efforts. If he does not, he is not paid any benefits.

Each and every farmer is completely free to do as he pleases with his land. Whether or not he receives any benefits or aid from the Government depends entirely upon what the farmer does and how he treats and uses his land.

The object of this bill is expressly stated to be soil conservation and the powers conferred are powers to carry out this purpose. If the methods proposed make it unconstitutional, then I am frank to admit it is going to be almost an impossible task to pass any benefits on to the farmer or enact any legislation that will directly benefit the man who tills the soil or owns the land.

If this bill becomes law and is properly administered and is then declared unconstitutional by the courts, goodness knows what will become of the farmer and what will happen to agriculture in general.

I realize that the success or failure of this program depends largely on the rules and regulations prescribed by the Secretary of Agriculture and how it is administered by those working under him.

Just what crops or what definite methods will be considered and employed in carrying out this temporary soil-conservation plan are of necessity left to the discretion of the Secretary of Agriculture. It would be practically impossible

in writing a law of this character to spell out the exact duties or give a yardstick to be used in the administration of the law. That necessarily has to be left to the judgment and discretion of the executive officer who is charged with the responsibility of administering the law.

Section 12 of this bill confers the power on the Secretary of Agriculture to use such sums of money as he in his discretion deems necessary out of the appropriated funds in the expansion of our domestic and foreign markets and for seeking new or additional markets for our agricultural commodities or the products thereof or for the removal or disposition of surpluses of such commodities or the products thereof.

These powers given to the Secretary of Agriculture do not relate to the soil-conservation program, but are incident to purposes 4 and 5 as set forth in section 7 of this bill, and are not classed as a temporary program, and are known as the domestic allotment plan.

Section 2, on page 8 of this bill, proposes to amend the provision adopted at the last session of Congress under which an amount equal to 30 percent of the customs receipts was devoted to certain expenditures for farm relief. The effect of the amendment is to clarify and confirm the construction that the Secretary need not find that the expenditure contemplated will both increase exportation and increase domestic consumption, and that the section contains an alternative exercise of power. The amendment also extends the power to any one or more of the three objects of expenditure therein authorized without preference as between them.

Section 3, pages 8 and 9 of this bill, purposes to permit the unexpended balance of the funds already appropriated to be used and made available for the treatment and eradication of "Bangs" disease and cattle tuberculosis until June 30, 1937.

The "Domestic allotment plan", the 30-percent use of custom-receipt expenditures for farm relief, and the continuing of the cattle appropriations certainly are not affected by the rulings of the Supreme Court. Congress can expend public moneys for the general welfare.

That is the theory that the provisions of the permanent State-aid plan of this bill is based on. Each State is left free to accept or refuse the benefits. No citizen or producer of any State has any relation, contractual or otherwise, with the Federal Government. Whatever program is adopted by the State is one of local concern, based upon State power, and not limited by any denial of powers to the Federal Government in the Constitution.

When the State agricultural program becomes effective and is put into operation, then the Federal Government aids the respective States by providing payments to the State for State distribution under the State plan.

Necessarily the State plan must conform to the purposes of this act and be approved by the Secretary of Agriculture before the State can secure Federal aid for agriculture.

In determining the amount of money to be apportioned to any State there must be taken into consideration—

(1) Farm population of the State;

(2) The value of agricultural commodities produced in the respective States during a representative period; and

(3) The acreage and productivity of land devoted to agricultural production in the respective States during a representative period.

If the State by January 1, 1938, has no agricultural program or if the program is not satisfactory or fails, no Government aid is available. But if this bill becomes a law and the plan works, agricultural States will secure Federal aid, just as at present the Government is assisting the States to construct their main highways under a State program and supervision.

The original Senate bill and the bill reported by the Senate Agriculture Committee—S. 3780—did not contain this permanent and long-range farm program. The Senate bill only contained the temporary program known as the soil-conservation plan. However, when the bill came on the floor of the Senate for discussion, consideration, and amendments, our House Agricultural Committee bill—H. R. 10835—was practically substituted in the Senate for the original Senate bill No. 3780.

The Senate has just recently passed substantially our bill. If we pass this bill I will likely be appointed one of the House conferees, and I believe we very quickly can work out satisfactorily in conference a bill that will be acceptable to both the House and the Senate, and one that will be signed immediately by the President.

Then, my friends, the farmer will have some assurances that there is going to be not only a temporary farm program for 1936 and 1937, but also that if his State legislature acts on a satisfactory farm program before 1938 his State will receive Federal aid and he in turn will receive the benefits through and in accordance with the agricultural plan adopted by his State.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield for a brief question?

Mr. DOXEY. I am delighted to yield to my colleague on the committee from Minnesota.

Mr. ANDRESEN. The gentleman has mentioned four or five different provisions in the bill, certain ones relating to soil conservation and others to State grants or the permanent part of the program. Is it to be understood that the soil-conservation program will terminate within 2 years, when the State program becomes effective?

Mr. DOXEY. That is a matter that I do not think there is much understanding about, except the gentleman knows that the soil-conservation plan is provided for only 2 years, 1936 and 1937. The permanent plan or the proposed permanent plan is to begin January 1, 1938. The reason for that is that the States will have to adopt a farm policy in conformance with the purposes of this act. Their legislatures cannot immediately meet and pass legislation and inaugurate a farm policy, but when they do, we give them to January 1, 1938. I feel if a State, in the practical administration of this law, wants to obtain before January 1, 1938, the benefits provided by the bill, and shows that its State legislature has adopted a sound, satisfactory plan, that State will be just getting ready before the time set in this bill. As to when one policy begins and another stops, that is, of course, up to the executive branch of the Government, and depends a great deal on available appropriations.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. I yield to my chairman, the gentleman from Texas.

Mr. JONES. As I understand the bill, the permanent plan can embody all five features, while the temporary plan is limited to the three.

Mr. DOXEY. I certainly tried to make that clear.

Mr. JONES. I think the gentleman did, but some gentlemen did not seem to understand it.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. Mr. Chairman, I try to be generous in yielding; but if my position is going to be misunderstood to that extent, I better refuse to yield, although I want to yield to as many of my colleagues as possible.

Mr. GREEN. I was anxious to get information on no. 4, on page 7.

Mr. DOXEY. Let me interrupt the gentleman—and I ask his pardon. If he will permit me to conclude without further interruption, then, if I have not answered the question which he has in mind, I shall be delighted to yield.

The CHAIRMAN. The gentleman from Mississippi refuses to yield?

Mr. DOXEY. No; I do not refuse to yield; I just suggest that I not be interrupted. [Laughter.]

In the light of the recent Supreme Court decision on the A. A. A. we have not in this bill attempted to definitely and specifically tell the Secretary of Agriculture how to administer the bill nor have we attempted to define his duties thereunder.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. Yes; gladly to the gentleman from Georgia.

Mr. TARVER. If we cannot define these things, is it the gentleman's thought that the Secretary of Agriculture can by regulation do something that is not within our power?

Mr. DOXEY. No; I do not exactly say that; but if we take to writing a piece of legislation with that detail, we will never, in my judgment, get it through this House at all.

It will be loaded down with all kinds of amendments—some possibly good—others no doubt would be bad and possibly wreck this program. I am willing to include in the bill as many definite and specific instructions for the administration of this act as is possible. If the gentleman has any definite and specific instructions that will be in conformity with this general program, I shall be delighted, as one member of the committee, to have him propose them. I realize it is going to be a big job to administer this act satisfactorily.

Mr. FULMER. Will the gentleman yield?

Mr. DOXEY. I yield to the gentleman from South Carolina, a member of my committee.

Mr. FULMER. If I understand the gentleman from Mississippi correctly, it would be almost impossible to outline in the bill the real machinery for administering this bill, but after 1938 the States will have absolute right and control of setting up machinery for the administration of this bill, as far as the State is concerned, and as far as the farmers operating within that State are concerned.

Mr. DOXEY. To my mind, the gentleman is correct only in part. Of course, this bill does provide that the State shall use the facilities of the land grant colleges and those agencies that the Secretary of Agriculture must approve.

Mr. FULMER. In other words, the Secretary perhaps would not accept any other organization except the land-grant colleges, as in the case under the A. A. A., but when a State passes legislation to create this machinery, then it will be up to the legislature to set up the machinery, composed of farmers or a commissioner or any other machinery they may desire to administer the law?

Mr. DOXEY. However, I should like to make this observation: That if they propose a plan that is not acceptable, the Federal Government does not have to extend the grant to the respective States.

My colleagues, in conclusion, permit me, as a friend of agriculture, to make this final observation:

It takes money and a great deal of it for the Federal Government to really help agriculture. Congress levied a processing tax to finance the A. A. A. program. The Supreme Court said in substance that Congress cannot tax one specific class for the benefit of another particular group. In other words, thou shalt not tax the processor and pay it to the producer.

So, as a result of the Supreme Court's decision in this regard, all that Congress can do now toward providing funds to finance any agricultural program is to appropriate directly out of the Federal Treasury money to be used for the benefit of agriculture.

We have just appropriated out of the United States Treasury nearly $300,000,000 to take care of the existing contracts and unpaid benefit obligations entered into by the Government with the farmer under the Agricultural Adjustment Act. It will take at least $500,000,000 a year to operate successfully this proposed temporary soil-conservation farm program. We have not made that direct appropriation yet. Then, if we are to have any permanent farm program by making payments directly to the States or otherwise, you can conservatively estimate it will take one-half billion dollars each year to be appropriated directly out of the Federal Treasury.

I believe we can pass in this Congress these necessary appropriations for agriculture benefits this year, but, my friends, in this year's election, if we lose many friends of agriculture either in the House or in the Senate, it is going to be exceedingly difficult to pass these necessary appropriations for agriculture next year and the years following. So even if we have an agricultural program and no money to finance it, certainly we will fail agriculture. Therefore, permit me to suggest that we be thinking of some method that will, if possible, stand a constitutional test whereby the Federal Government can finance whatever program for agriculture we might have and not depend entirely on direct appropriations by Congress from the Federal Treasury.

We all realize—no money, no program; no plan, no benefits; no Government aid, no prosperous farmer; sick agriculture, weak Nation.

This is a problem of national concern. So long as we legislate in behalf of industry, we must help agriculture and effectuate a sound, practical, lasting, effective, and constitutional legislative policy beneficial to the farmers of this Nation. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. DOXEY] has expired.

Mr. HOPE. Mr. Chairman, I yield 20 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, at the outset I want to say to the members of the Committee that during the past few years, while we have been considering farm legislation, I have supported legislation that was intended for the benefit of all sections of the country. I supported the original Agricultural Adjustment Act, but I did not do so until I was given assurance that if that bill were enacted into law there would be no shifting of crops in such a way as to bring about any direct injury to the section of the country I represent, and particularly the dairy industry. With the assurance that lands taken out of production under the A. A. A. would not be put into the production of grasses and other feed for dairy cattle, I gladly supported the bill, although there was not much hope in my mind at the time that any real benefit would come to the dairy industry. I did feel at least there would be no harm done to my section of the country, and I was glad to support that act to assist the corn-hog farmers, the wheat farmers, the cotton and tobacco farmers of the country.

Then a little later we came along with the Bankhead Cotton Control Act. Perhaps some of the Members on the floor today recall that on that occasion I took the floor and added what support I might to that bill. To the best of my ability, I supported that legislation, not only in committee but upon the floor of this House, because in the committee those of us who are representing dairy interests were able to convince the members of the committee that it was just and fair that land taken out of cotton production should not be used for the expansion of other lines of agriculture. We convinced the committee of that fact, and the committee accepted that amendment. I was given the honor of offering that amendment, and I was grateful to the committee for the consideration given to me in accepting the amendment. By an overwhelming vote you Members from the South, the cotton farmers, the corn-hog farmers, and the wheat farmers all agreed to our amendment.

I want to say to you that we are grateful for the protection you gave us. Although there was nothing in that cotton bill for us, we dairymen supported the legislation because we knew it was going to help you and because you felt it was going to be helpful and because you were fair enough to go along and give us the protection that we asked. You agreed that you should not take the land taken out of cotton production and use it for the purpose of producing other agricultural commodities. That was written into the bill, and, with that written into the bill, we went along with you, although we paid a penalty for it by a tax placed upon the cotton goods which we purchased. However, we did not object to that, but we went along with you so long as you would not use those lands to compete with us. We were justified in our position in that respect, I believe.

Now, this is not a new proposition that I offer here today, but I do want to submit to you, in fairness, that if we carry on a program such as is written into this bill we should have a provision in it to the effect that lands taken out of production of any commodity shall not be put into the commercial production of other agricultural commodities, and through Government subsidies go into competition with others farmers, who now find it almost impossible to get along at the present time.

We are asking the same consideration you gave us before. You were not penalized then. There was no harm done to your sections under the operations of those bills. In the amendment I shall offer at the proper time—and it appears in the minority report accompanying the bill, should you care to study it—provision is made as follows:

Any payment or grant or other aid which is conditioned in whole or in part upon the growth of soil restoration, soil conservation or erosion preventing crops on any land, or any change

in the kind of crop to be grown on any land, shall be subject to the further condition that no crops intended for sale shall be harvested from, and no livestock intended for sale, or the products of which are intended for sale, be grazed or pastured on, such land.

The simple purport of this amendment is to prevent farmers of any section of the country using land taken out of production for commercial competition with farmers of other sections of the country. What can be more fair? Is there any man here who will say that this is not a fair and just demand on our part? I have heard no one thus far complain about the fairness of our demand.

But they do say, "Why, it is going to be impractical to enforce such a provision." Let me say to you, my friends, that we have ample precedent for this type of legislation in the corn-hog contracts under the Agricultural Adjustment Act. The Secretary of Agriculture wrote into such contracts provisions even more severe than that I now propose. The Secretary of Agriculture admitted the fairness involved in this principle. Here is the provision of the corn-hog contracts which were in existence for the year 1934:

The farmer shall not increase on his farm in 1934 above 1932 or 1933 whichever is the higher: * * *

(d) The number of any kind of livestock other than hogs designated as a basic commodity in the act (or a product of which is so designated) kept on this farm for sale (or the sale of product thereof.)

The corn-hog contracts provided specifically that the farmer should not increase the number of livestock kept on his farm, meaning cattle and dairy products, because it refers to basic commodities. It specifically prohibited these corn-hog farmers from increasing their dairy cattle.

Talk about impracticality of enforcement! Does any man here know of any instance where it was difficult to enforce this provision in the corn-hog contracts if, forsooth, any attempt was made to enforce it? Was that an obstacle in the enforcement of the A. A. A.? No. I say to you, my friends, that I do not believe there is a single man on the floor who can say it was a serious obstacle in the way of enforcing the Agricultural Adjustment Act. If it had been, the Secretary would not have put it into his contracts because he was not obliged to do so under the Agricultural Adjustment Act.

A little further down the same contract contains the following statement:

The producer—

Meaning the farmer—

shall use or permit to be used the contracted acres only as may be prescribed by administrative rulings, unless otherwise prescribed, such acres—

That is, the land taken out of production of corn—

shall not be used except for planting additional permanent pasture; for soil-improving and erosion-preventing crops not to be harvested; for resting or fallowing the land; for weed eradication; or for planting farm wood lots.

These are the provisions of the corn-hog contracts, provisions that are practically identical with what I have in my amendment; and may I remind you that these constituted no obstacle to the enforcement of the act. No one can say with any degree of honesty that this presents even as difficult a problem of enforcement as that which existed under the A. A. A.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from New York.

Mr. WADSWORTH. Will the gentleman inform the House—perhaps he did when I was not here—whether or not the contract from which he is reading applied to the corn crop of 1935, or was it the proposed contract for 1936?

Mr. BOILEAU. This is the contract for the year 1934.

Mr. WADSWORTH. For 1934?

Mr. BOILEAU. That was the contract that was put in effect in the year 1934.

Mr. WADSWORTH. Does the contract for 1935 contain the same provisions?

Mr. BOILEAU. I am not prepared to say about that; I do not know.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Briefly.

Mr. MAHON. Would there be any reason why the Secretary of Agriculture could not incorporate in future contracts a similar provision without the passage of the gentleman's amendment?

Mr. BOILEAU. I am very much indebted to the gentleman for bringing up this proposition. The Supreme Court said that there may not be any contracts hereafter. We cannot have contracts. If it were possible in the future to have contracts, I might be willing then to leave it to the good faith of the Secretary of Agriculture, but he is prevented from making these contracts under the Supreme Court decision. Therefore I am of the opinion we should incorporate the provision specifically in our law, incorporate it among the other conditions which the farmer must meet in order to be entitled to the benefits.

Mr. MAHON. Mr. Chairman, will the gentleman yield for a further question?

Mr. BOILEAU. Certainly.

Mr. MAHON. Would there be any reason why the Secretary could not refuse to give benefits where the land taken out of cultivation was used for the growing of competitive crops?

Mr. BOILEAU. I was just coming to that point in my argument. This bill does not prevent him. The Secretary of Agriculture can make rules and regulations. No one in the world can say that he cannot make such regulations, under the provisions of this bill.

But I know he is not going to do it. Why do I know he is not going to do it? Because the Secretary of Agriculture and the Agricultural Adjustment Administrator, Mr. Davis, both appearing before the Committee on Agriculture, made it very clear that they would not. Now, I would have some hesitancy in referring to statements by these gentlemen made in an executive meeting, but the reports of the committee show that such statements were made. It is very clear, not only from the statements of those gentlemen but from pronouncements made by other responsible authorities in the Department of Agriculture, that they propose to take about 30,000,000 acres of land out of production, principally corn, cotton, wheat, and tobacco lands, and on those 30,000,000 acres they say very clearly that they propose to plant grasses, legumes, and feed for livestock. And they say they propose to feed the livestock. We say, "Go ahead; raise all the grasses and feed you want. Fallow your land if you want to. Plow it under. But do not create more competition for the people already engaged in commercial dairying."

Mr. MAY. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Kentucky.

Mr. MAY. How can this be considered to be a soil-conservation measure unless they do put these lands retired from the various crops into the growing of legumes?

Mr. BOILEAU. That brings up the question of constitutionality, and I will answer the gentleman's question in a minute.

Mr. Chairman, some people say my amendment will make the bill unconstitutional. I do not think anyone who has given the matter thorough consideration can make such claim. There is no foundation for the statement, because, in the first place, the bill in its present form gives the Secretary of Agriculture the right to make identical regulations.

If we pass a law that gives him the right to impose conditions by regulation, would such a law be more unconstitutional than if Congress should provide that the Secretary must impose the same regulations? Is it any more unconstitutional to say that the Secretary must provide such a condition upon making payments than it is to say he can if he sees fit? We say this is a soil-conservation and soil-erosion-prevention measure, and that it is not a controlled production measure.

Replying to the gentleman from Kentucky [Mr. MAY], may I say that if this really is a soil-conservation and soil-erosion-prevention measure, then, as the gentleman from Kentucky suggested, the best way to preserve the soil and prevent erosion is to plant the land, and plow it under, or leave it fallow,

or let it rest, and that is exactly what my amendment proposes. Therefore, this amendment would make it very clear that we are going into a soil-conservation and erosion-prevention program which strengthens rather than weakens the constitutionality of this bill.

Mr. TREADWAY. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. I notice in the gentleman's report, and also the other minority report, that they refer to the fact that there was no hearing on this very important measure before the Committee on Agriculture, and although requested, no officials other than those from the Department of Agriculture appeared? Will the gentleman explain that a little further?

Mr. BOILEAU. The gentleman is absolutely correct in the statement there were no hearings. The testimony of the representatives of the Department of Agriculture was brief, not exhaustive, and not fully informative. It was unsatisfactory because there was not sufficient information furnished and because we did not get information from other interested parties.

Mr. HOOK. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Michigan.

Mr. HOOK. Will the gentleman inform us as to what farm organizations are in favor of his amendment?

Mr. BOILEAU. I may say to the gentleman that on the 10th and 11th of January, in the city of Washington, there were gathered together 200 of the farm leaders of the Nation. I make this statement in the presence of the members of the Committee on Agriculture who are present. There was here in Washington, as I stated, on the 10th and 11th of January a meeting of 200 of the outstanding farm leaders, who were asked to come here immediately after the Supreme Court knocked out the A. A. A. They were invited to come here by Secretary Wallace and other administration representatives. Those men, in a meeting held on January 10 and 11, discussed this whole proposition.

I was advised, and have been advised as late as this afternoon out here in the corridor by two prominent farm leaders who attended the meeting, that the sentiment of these farm leaders was unanimously in favor of the principle enunciated in my amendment. Of course, I did not have my amendment prepared at that time. You cannot show me a farm leader in the country worthy of the name who will oppose this amendment.

Mr. HOOK. Will the gentleman explain to me why the American Farm Bureau has favored this present bill without the gentleman's amendment, while the Michigan State Farm Bureau says the amendment should be adopted?

Mr. BOILEAU. I do not know.

Mr. HOOK. Why do they have internal dissension in their own organization?

Mr. BOILEAU. I do not want to attack the National Farm Bureau. They are all fine gentlemen. However, may I say that the men back in Michigan are closer to the farm, and it might not be a bad idea to follow their suggestion.

Mr. KNUTSON. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Minnesota.

Mr. KNUTSON. The gentleman's amendment would provide for plowing under anything that is raised on these lands taken out of production?

Mr. BOILEAU. No. I merely suggest that as one way of conserving the soil. My amendment provides that they cannot harvest crops or feed livestock from these lands on a commercial basis.

Mr. KNUTSON. And if the land was plowed under you would bring about soil improvement?

Mr. BOILEAU. Yes. We have been carrying on this same sort of a program at our own expense in your State of Minnesota and in my State.

Now, I want to call attention to a matter that is of some importance. I do not want to appear to be attacking Secretary Wallace. I know he has a difficult job on his hands. I have no quarrel with him, and it is not the purpose of my remarks to find fault with his program. On the contrary, I want to laud him. In 1921 he was the editor or publisher—I do not know which—of a great farm paper. I heard him make the statement that he was quite proud of the fact that in 1921 he had developed a slogan for Iowa. He coined in 1921 a slogan for Iowa farmers, "Less corn, more alfalfa, more money."

I call attention to the fact that was in 1921. I should like to quote the figures covering creamery-butter production in Iowa along about that time. In 1920 the creamery-butter production in Iowa was 84,000,000 pounds, in round figures. Then in 1921, with the slogan "Less corn, more alfalfa, more money", the production jumped up from 84,000,000 to 106,000,000 pounds.

In 1922 it went up to 129,000,000 pounds.
In 1923, 151,000,000 pounds.
In 1924, 159,000,000 pounds.
In 1925, 156,000,000 pounds.
In 1926, 168,000,000 pounds.
In 1927, 177,000,000 pounds.
In 1928, 196,000,000 pounds.
In 1929, 214,000,000 pounds.
In 1930, 216,000,000 pounds.
In 1931, 219,000,000 pounds.
In 1932, 219,000,000 pounds.
In 1933, 239,000,000 pounds.

So this slogan worked out pretty well in Iowa, and I am finding no fault with this. I congratulate Editor or Publisher Wallace on the success of the program carried on in his paper for the State that is his home State. I congratulate the State upon using good judgment in diversification of farming. Diversified farming is a wonderful thing. I congratulate Secretary Wallace and I congratulate and wish well the farmers of Iowa for this splendid showing in the increased production of creamery butter which means, generally, an increase in dairying.

This was fine. They carried out a fine program, but they did this at their own expense. Any cost involved they paid out of their own pockets. They worked this program out in a normal, natural way, and not through a Government subsidy.

I submit that if the farmers in the South want to carry on such a program, I would wish them just as well as I do the farmers in Iowa. I find no fault with that.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman from Wisconsin 3 additional minutes.

Mr. BOILEAU. I hope your farmers in the Southland can do it, but do not ask us to give you a subsidy.

You cannot compete with us in dairying. There are many reasons why you cannot. In the first place, you have not the soil and you cannot produce good pasture. You cannot raise the proper feed, and more than this, you have not the proper climate. You have too much warm weather, and any man who ever got up in the morning and milked a cow knows you do not get as much milk the day after a hot day and hot night as you do when you have a moderate temperature.

Hot weather, with flies and vermin associated with hot weather to some extent, makes it impossible for dairy cows to do well in warm climates. Look at the history and you will find that in every country of the world where you have dairying as a principal industry they have a cool climate and that they have good grass. You cannot compete with us, but here is what you can do: If the United States Government is going to pay you money to compete with us, then you can produce some butterfat and you can produce enough butter to make a surplus, and this surplus will ruin us and ruin you, and when the Federal Government stops paying you a subsidy you will have to get out of the business, because you cannot compete with the North in dairying.

I do not say this boastfully. It is just because the climate is more favorable with us than it is with you, and that is the whole situation.

Now, let me say with reference to this slogan—"Less corn, more alfalfa, more money"—that it appears to me—and I say this again without any reflection upon anyone down in the Department of Agriculture—that they are going to try

to make this a national slogan, with modifications, and they are going to say, "Less corn, cotton, wheat, and tobacco—more alfalfa, clover, soybeans, and pasture—more money for the cotton, wheat, tobacco, and corn farmer—to hell with the dairy farmer."

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. ROMJUE. If I understand the gentleman correctly, he states that other sections of the country cannot compete with his section in the dairying business?

Mr. BOILEAU. That is absolutely right. The South cannot compete with the North in dairying.

Mr. ROMJUE. If that is true, then what harm can come to you?

Mr. BOILEAU. I thought I had explained that.

Mr. ROMJUE. I cannot understand how the growth of grass somewhere else could compete with you.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. BOILEAU. I should like to say to the gentleman from Missouri that I appreciate his point of view. Many people entertain the same point of view; but if you produce 1,000,000 pounds of cheap butterfat over here in one county in the South in addition to present production, and add to that a million pounds of butterfat produced in another county and another million pounds of butterfat produced in some other county, and so on, extending over many counties, even though each pound of that butterfat was produced at a loss, except for the Government subsidy—you add that altogether and it makes a large sum total of cheap, poor-grade cream that goes into dairy products and floods the market and ruins the industry. It creates a surplus.

And bear this in mind: You cannot have good cream from a farm with two or three cows, because you cannot afford to have a separator, you cannot afford to keep your milk properly, you cannot afford to take your cream to the cheese factory or the creamery every morning, but you must put it in a can and keep it for a week, and at the end of the week you have a can of sour, poor-grade cream. You put this on the market, and even though the butter or cheese produced from it is not fit for human consumption, nevertheless it goes upon the market and is sold to an unsuspecting public or is used to build up a surplus. The public buys it because it is cheap, and in this way you demoralize the market for good dairy products and build up a surplus that is ruinous to the dairy farmer. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, first I call attention to the repeated statement here in the House about the large proportion of processing taxes that have been paid by the industrial East. They are simply the collectors of those taxes. They sold products all over the country and the purchasers paid the processing taxes. It is not fair to Oklahoma or Oregon or any other State that has not within its borders those processing centers, where cotton is made into cloth, or wheat is ground into flour, or hogs are finished into bacon, to credit the industrial States where the processing takes place with the taxes which those processors collect and charge back to consumers throughout the country. The tax was not paid by those processing centers. It was paid to them, collected from the entire country.

I call attention to the fact further, that the Triple A Act brought a great deal of help and a better life and hope into the agricultural centers everywhere. Before its enactment my country was practically ruined. Our schools were closed, our banks were broke, mortgage foreclosures everywhere, no one buying goods from your industrial centers in the East. It was wreckage. Now it is different. The schools have been running, many of the banks that were not supposed to have paid anything when they closed have been able to pay very good dividends to the depositors. We purchased the goods from the industrial centers and prosperity came to us all. The decline which will be caused by the defeat of the Triple A has not yet gone far enough to wreck us again, because the prices of agricultural products have not yet declined seriously. Of course, we have lost the 16 cents a bushel on wheat that the processing tax gave us. That much is out now and there has been somewhat of a decline since the Supreme Court declared the act unconstitutional.

I call attention to the fact that I have introduced a constitutional amendment which I hope the Rules Committee will consider. I am one Member of the House who does not believe we are going to reach this problem by any legislative act increasing the judges on the Supreme Court or curtailing their jurisdiction. Through 150 years during the existence of this country it has been imbedded in the minds of the American people that the Supreme Court's decisions are final and that they have a right to review our acts. It is a part of the unwritten law of the land, and I think we might as well acquiesce in that and then proceed to add to the Constitution an amendment so that the Supreme Court will say, as it could have said and would have said under such amendment, that the Triple A is constitutional.

I deeply regret the decision of January 6, but I do not see how we can reverse it by any legislative act of ours.

I call attention further to the fact that this act is far from being satisfactory to the men who are so ardently in favor of the Triple A, but it is the best that we can get. I am almost reaching the place where we have to say, perhaps, that we must have a fixed price of products. Why should it not be so? France fixes the price of wheat today, and so does Germany, and so does Canada, and so does the Argentine. During the World War we fixed the price of wheat at Chicago at $2.20 per bushel. If we could do it during a war, why not during days of peace? Have we reached that place? I am inclined to think that that is worthy of discussion. As a member of the Agricultural Committee, I regret that we did not have hearings on all these subjects, so that a bill might be brought in and presented covering some of these very questions on the agricultural situation, but this is the only bill that the farmers can have, and therefore I shall support it.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes.

Mr. CULKIN. The gentleman heard the discussion of the gentleman from Wisconsin stating that he was going to offer an amendment. Does the gentleman intend to support that amendment?

Mr. PIERCE. I am familiar with that amendment. It is very hard for me to vote against that amendment.

Mr. CULKIN. Then, the gentleman intends to support it?

Mr. PIERCE. I can see justice in the argument made by the gentleman from Wisconsin.

Mr. BOILEAU. Will the gentleman yield?

Mr. PIERCE. I yield.

Mr. BOILEAU. This would only be doing in the new act what was done under the old act?

Mr. PIERCE. Yes; I so understand.

The CHAIRMAN. The time of the gentleman from Oregon [Mr. PIERCE] has expired.

Mr. JONES. Mr. Chairman, I yield to the gentleman from Kansas [Mr. HOUSTON] such time as he may desire.

Mr. HOUSTON. Mr. Chairman, we have under consideration one of the most important pieces of legislation that will be submitted during this session of Congress, commonly known as the farm bill, to provide for the curtailment of production and the conservation and proper utilization of the soil resources of the Nation.

Experience of the past 3 years in dealing with the farm problem has demonstrated the fact that equality for agriculture can be achieved by adjusting production to effective demand and that farmers are in no mood to relinquish the right to work together toward this objective.

Of equal importance has been the demonstration of the necessity for greater farm-purchasing power in the foundation upon which to build national prosperity. Increased farm income, either directly or indirectly, has stimulated every type of business.

The farm picture which is clearest in my mind, of course, is the situation in my home State, Kansas. The greatest

benefits came through the wheat and corn-hog programs, although all farm commodity prices benefited from the reduction of surpluses, and even those farmers who failed to cooperate in adjustment benefited to some extent by the efforts of those who did cooperate.

The seriousness of drought and crop shortage in Kansas made the crop-insurance features of the adjustment programs of more importance to my State than to many of the more fortunate States, but drought and adjustment also served to demonstrate that in our present situation, with restricted world markets, fair prices are more important to farm income than prolific production.

In 1932, with more than 120,000,000 bushels of wheat but with a farm price of only 33 cents per bushel and no benefit payments, Kansas farmers received a little more than thirty-nine and one-half million dollars for their crop. In 1933 drought cut the Kansas wheat crop to 48 percent of the previous year's volume, but the farm price more than doubled, so that Kansas farmers received more than a million dollar increase for a crop of less than half the volume of the previous year. The increase in price was not much help to growers whose crop was wholly or almost wholly destroyed. But in addition to the nearly $41,000,000 farm value of the 1933 crop, growers received twenty-four and one-half million dollars in benefit payments. Farm value plus benefit payments to Kansas wheat growers in 1933 totaled $65,000,000. Had the wheat crop failure been complete that year in Kansas, the benefit payments alone would have provided an income more than half as great as the farm value of the bumper 1932 crop.

Crop failure again cut wheat production in Kansas in 1935, this time to 49 percent of the 1932 volume. Farm price had advanced still further, to 89 cents per bushel, with the result that the farm value of the crop was more than $53,000,000—$13,000,000 more than the value of the larger crop in 1932. In addition, strengthening the position of growers whose crops failed, more than $28,000,000 in benefit payments was provided for under the adjustment contracts applying to the 1935 crop. This brought total farm value of the crop, plus benefit payments, up to more than $81,000,000.

In the case of hogs, there has been a steady decline since 1933 in the number on Kansas farms. But this decline in supply was not accompanied, as in the case of wheat, by a rise in farm value until in 1935. Large supplies in relation to demand, both domestic and foreign, and forced marketings, due to feed shortage brought about by the drought, continued to depress prices until 1935.

In 1932, when there were more than 3,000,000 hogs on Kansas farms, the average farm value per head was $5.40, and the total farm value was sixteen and three-fourths million dollars. In 1933 hog numbers had increased to three and one-fourth million and the situation was worse. These three and one-fourth million hogs were worth four and one-fourth million dollars less than the smaller number in 1932. Average value per head had gone down to $3.80.

In 1934 benefit payments improved the situation for Kansas hog farmers. Hog numbers on January 1, 1934, had gone down to about two and one-half million head and total farm value was only nine and one-third million dollars, but benefit payments in connection with the 1934 adjustment program amounted to nearly $11,000,000—a sum more than equal to the farm value of the hog crop. Benefit payments plus farm value in 1934 amounted to more than $20,000,000, which was 164 percent of the farm value of hogs on farms in Kansas in 1933.

The full effect of the feed shortage brought about by the drought was evident by the beginning of 1935, when forced marketings had brought hog numbers on Kansas farms down to one and one-half million, or 43 percent of the 1933 numbers. Average farm value, however, had arisen to $5.50, or $1.70 more than in 1933. Combined farm value and benefit payments amounted to eleven and one-third million dollars, or more than 91 percent of the value for only 43 percent of the numbers on farms in 1933.

Corn production in Kansas in 1932 reached a total of more than 136,000,000 bushels—nearly 9,000,000 bushels more than the 1928–32 average. At an average farm price of 27 cents per bushel the crop was worth thirty-six and three-fourths million dollars. In 1933 production dropped more than 40 percent, but farm price went up to 44 cents per bushel, and the total farm value was 96 percent of what it had been in 1932.

The drought of 1934 almost completely destroyed the Kansas corn crop. Production was less than 8 percent of what it had been in 1932. However, farm price rose to 97 cents per bushel, and together with benefit payments of more than $6,000,000 totaled 44 percent of the farm value of the 1932 crop with only 8 percent of the 1932 production.

Damage to the 1935 Kansas corn crop was somewhat less severe than in 1934, but production was only 25 percent of the 1932 crop. Farm price dropped to 70 cents. Benefit payments, added to farm value, however, totaled more than $30,000,000—82 percent of the farm value of the 1932 crop, which was four times the size of the 1935 crop.

Benefit payments made under adjustment contracts with Kansas farmers, from the beginning of the programs in 1933 through October 31, 1935, by commodities, were as follows:

Benefit payments through Oct. 31, 1935

Commodity:	
Wheat	$61,841,060.38
Corn, hogs	21,032,395.71
Sugar	118,918.65
Tobacco	14,369.27
Cotton	5,779.66
Total	83,012,523.67

In addition, Government emergency purchases of drought-endangered cattle and sheep in Kansas totaled $7,545,156 for 521,171 cattle and 9,569 sheep.

The estimated total of benefit payments to be made to Kansas farmers under all adjustment programs is $104,863,200. Through October 31 there had been paid a total of $83,012,523.67, leaving a balance due under contracts then in force of $21,850,676.33.

In 1932 Kansas farmers' cash receipts from marketings of the principal farm products amounted to $146,245,000. For the first 10 months of 1935 cash receipts were $191,472,000. The cumulative increase in cash receipts over the 1932 income level up to October 31, 1935, was $83,748,000. Add to this amount the $83,012,523 benefit payments received by Kansas farmers up to October 31, 1935, and the $7,545,156 received from Government purchases of drought-endangered cattle and sheep and the total is $174,305,679, added to the income of Kansas farmers in the last 3 years through Federal farm programs.

Now let us look at the Nation-wide effects. A recent study by the Bureau of Agricultural Economics of the Department of Agriculture shows that sales by general stores in small towns under 5,000 population during the first 11 months of 1935 averaged 19 percent above 1934. If the change in the price level of commodities is considered, the volume of sales by these stores has apparently been almost as large as in 1929. The volume of sales handled by mail-order houses in 1935 was the largest on record.

The relations between increased farm income and increased automobile sales has been recognized by the automobile industry. Automobile Facts and Figures, a publication of the Automobile Manufacturers' Association, points out that the 1934 retail-sales gain was greatest in small towns and on farms, evidenced by the fact that new passenger-car registration in towns under 10,000 population increased 38 percent over the 1933 figure, while in cities over 10,000 population the increase was only 18 percent. In my State—Kansas—which is one of the more predominantly agricultural States, the increase in new passenger-car registrations in towns under 10,000 population was 50 percent greater than the previous year.

A study made by the Agricultural Adjustment Administration showed that carlot shipments of commercial and industrial goods, excluding coal, from 16 northeastern industrial States to 19 agricultural States in the Southeast, Southwest, and Pacific coast increased 38 percent in the 12 months ending June 30, 1934, over shipments for the preceding 12 months' period before adjustment programs had been inaugurated.

Fertilizer-tag sales, compiled for 17 Southern and Midwestern States, indicate a steady and substantial increase in fertilizer sales since 1932. For the first 9 months of 1935 the increase was 12 percent over 1934 purchases. Gasoline consumption in 1934 showed an increase of 7.5 percent over 1933, and for the first 7 months of 1935 it showed an increase of 5.2 percent over the same period in the preceding year. Sales of new ordinary life insurance in 1934 showed an increase of 10 percent over the previous year. Shipments of Portland cement from mills increased 18 percent in 1934. Rural retail sales showed a 20-percent gain for the first 9 months of 1935, as compared with the first 9 months of 1934. The effect of such increases has been improved economic conditions all along the line from the retail merchant to the manufacturer and producer of raw materials.

Agricultural adjustment served the farmer and the Nation in the emergency as no other farm-aid plan has ever served. Aided by drought, the adjustment programs have removed the price-depressing surpluses that destroyed farm purchasing power. Benefit payments have served as crop insurance for drought-stricken farmers who had little or no other source of income. While these benefit payments were important, and especially so to those farmers who had no crops to harvest, most of the improvement in farm income has come about through improved prices resulting from adjusted production. Farm income in 1935 was nearly $3,000,000,000 greater than in 1932, but less than half a billion of this increase was in the form of benefit payments. Gross farm income in 1935 was 12 percent greater than in 1934, in spite of the fact that benefit payments totaled about $114,000,000 less than in 1934.

The gross income from farm production for 1935 is estimated at $8,110,000,000, compared with $7,266,000,000 for 1934, $6,406,000,000 for 1933, and $5,337,000,000 for 1932, the low point of the depression. The cumulative total of these increases over the level of farm income in 1932 amounts to five and one-half billion dollars which has been added to the income of farmers in 3 years.

Legislation is needed to protect farmers against collapse of prices in the future.

Kansas is our foremost wheat-producing State, but Kansas wheat farmers could not hope to hold the advantages which they have gained without the cooperation of wheat growers in other States. It has taken 2 years of drought and adjustment to reduce the wheat surplus to normal. Two years of good crops with unrestricted production would put wheat growers right back in the same price and surplus situation which existed before the wheat-adjustment program unless steps are taken to protect the growers against this sort of calamity.

The farm-relief bill now under consideration does provide for that protection. Its purposes are to preserve and improve soil fertility, to promote the economic use and conservation of land, and to lessen the exploitative and wasteful and unscientific use of national soil resources. The payments to the farmer will depend on his acreage of crop land, or his acreage of soil-improving or erosion-preventing crops, or changes in farming practices during such year on the land with respect to which such payment is made, or a percentage of the normal production on such land of any one or more agricultural commodities designated by the Secretary of Agriculture which equals that percentage of the normal national production of such commodity or commodities required for domestic consumption through normal channels, or by any combination of the foregoing.

The Secretary will also take into consideration the productivity of the land affected by the farming practices adopted during the year with respect to which the payment is made. If there be too much cotton, wheat, or corn to yield the farmer a fair price, conservation and erosion measures will be applied to land planted in these crops.

To facilitate exports a provision in the A. A. A. is embodied in strengthened form in this bill in the authority given the Secretary of Agriculture to use—

Such part as he deems necessary of the sums appropriated to carry out this act for the expansion of domestic and foreign markets or for seeking new or additional markets for agricultural commodities or the product thereof, or for the removal or disposition of surpluses of such commodities or the products thereof.

The bill authorizes an appropriation of $500,000,000 for the purpose of carrying out this program, and the machinery for its administration is in readiness. It is our moral obligation to continue agricultural relief, and I urge the enactment of this legislation in order that the purchasing power of the farmers may be maintained. [Applause.]

Mr. JONES. Mr. Chairman, I yield to the gentleman from Tennessee [Mr. MITCHELL] such time as he may desire.

Mr. MITCHELL of Tennessee. Mr. Chairman, I regard farm legislation of greater importance to the country than any other subject with which Congress has to deal. The prosperity of the farmer is essential to the prosperity of the entire country. It is the foundation of our economic structure. Its well-being is essential to the well-being of the American people.

This fact is now recognized by all. We are striving to enact legislation that will place the farmer in a just relation to industry in our national life. The A. A. A. had this for its purpose, and, while it was experimental and had its faults in administration, it has accomplished much to restore the farmer to his rightful place in business and to give him a square deal with all others. He asks no more than this and will not be content with less.

Farm organizations and cooperation has been stimulated. The farmers approved this legislation by a great majority. New legislation is now necessary to retain the gains that have been made. The decision of the Supreme Court finding the act unconstitutional has made this necessary.

Congress must act to protect the farmer. He cannot buy in a tariff-protected market without parity prices for his crops and livestock. The A. A. A. did more for the farmer than any other act ever passed by Congress. Without parity prices for agriculture, the general welfare of the Nation is threatened. No other demand so great at this hour in our Nation's history. The farmer must have an income and realize a profit for himself and family if America is to carry on. Happy home owners are essential to every nation's happiness and freedom.

We cannot exist one-half slave and one-half free any more successfully now than in the past. We must act to insure the benefits which resulted from our previous efforts. We must pass an act in harmony with the Constitution of the United States. We must enact legislation that will conform to the recent decision of the Supreme Court. We cannot say that the present bill will or will not be held constitutional by the Supreme Court. All we can do, as Members of Congress, is to support legislation of undoubted benefit to the farmers of the Nation, which seems to meet the decision of the Court and which we think conforms to the Constitution.

Love of country, love of home, and love of church are the cornerstones upon which America is built. We have the greatest form of government of any people. We are the most independent of all the nations of the earth. It has been said that in America every citizen is a sovereign, an uncrowned king. May this ever be true. We love the history and tradition of our people. We revere the landmark of the fathers. We believe in the principles of the Declaration of Independence. We believe in the Constitution, honor and respect the decrees of our courts—from the highest tribunal, the Supreme Court of the United States, to the most humble civil district court, the justices of the peace in our respective counties. These latter and local courts have administered justice and aided in administering and enforcing the local laws in every community. They have made this country a land of law and order. They have given security and protection to the people in every State in the Union. They have afforded protection to personal and property rights. Let us not forget the debt we owe and the allegiance we should give the judiciary, in our desire for an immediate remedy of the evils growing out of a world-wide and Nation-wide depression. We can bring about, through the orderly processes of the law, an adjustment of present wrongs and conditions without destroying the fundamental forms of our Government. No remedy is desired that would come at so great a price or demand so great a sacrifice. Let us not, in troublous

times, when disappointments and reverses have overtaken us, forget the long journey we have taken during the past 150 years in building our great structure of liberty and good government which has been obtained at so great a price and so great a sacrifice. We are debtors to the past. We are trustees for those to come in the future, and our responsibilities can best be assumed and carried out by standing by the Constitution and respecting the courts—the sheet anchor of our safety—than by criticizing and complaining at decrees rendered by those whom we trust and respect, so long as these decrees are honestly and deliberately arrived at by learned and honorable judges composing the courts of our land and country.

They have saved America in the past; they will save it in the future.

Every wrong can be corrected by the people through the Constitution. If, in the wisdom of the people, amendments are desired to this great charter of liberty, let them be made in the usual and orderly way, by the votes of the people as therein provided. Let us approach the solution of present-day difficulties in a spirit of fairness and deliberation—not in confusion or panic but in calm reflection and due deliberation. The people themselves will determine the issues. They rule America, and in the final analysis will write its decrees. I have an abiding faith in their judgment. They will direct the course of the ship of state in wisdom and judgment through the present crisis, as they have done in the past. America is ruled by Americans. Ours is a land of law. The people are supreme and will, through their Representatives here, and in the respective States, finally write into law their opinions and decrees under the Constitution. This should and will be the solution of present-day difficulties.

If we make mistakes, as we have and will continue to do, in our effort to serve and bring relief in laws passed in these disturbed and troublous times, this is no more than may be expected. We are not perfect. None of us claim superior wisdom or to be perfect in our conclusions. If in the great mass of bills passed and rushed through the House and Senate—more than 100 at last session—a few of these measures fail to meet the requirements of the Constitution and the approval of the Supreme Court, then let us not undertake to tear down and destroy that which has been builded up in the past, but rather strengthen and modify it, so as to conform to the needs of the present. For every wrong there is afforded a remedy. We must find and enforce it.

The Triple A was a great boon and blessing to agriculture. Under its provisions the farmer was benefited and greatly profited. It afforded him the same protection that industry enjoys. To this he is justly entitled. It gave him parity prices. It provided a tariff under which he prospered. We must continue to afford the farmer protection and give him the same advantages that are enjoyed by the manufacturers and the corporations. The future of America and of our democratic form of government is dependent upon the farmers, the producers, and the home owners. Unless they are prosperous and happy and enabled to buy and consume, then all business and industry fails. Bankruptcy will overtake us just as it did in 1929 to 1933.

Let us compare some of the prices received now by the farmers to those they were receiving in 1933. My district in Tennessee is very largely agricultural. It has some of the most fertile lands of any in the United States. Its people are generous and hospitable. It is in the center of the South. Its climate is of the best. Its farmers are industrious and live within their income. They practice thrift and economy. They are asking not for bounties but for justice and equal opportunities. To this they are entitled. Did they receive it under the Hoover administration? Let us look to the record. Here are the prices received in 1933 compared with those they now receive.

1932–33 PRICES

Corn, $1 to $1.25 per barrel.
Hogs, $2.65 per hundred.
Tobacco, 8 cents per pound.
Wheat, 35 cents per bushel.
Fat cattle, $2.50 to $4 per hundred.

1935 PRICES

Corn, $4 per barrel.
Hogs, $9 to $11 per hundred.
Tobacco, 17 cents per pound.
Wheat, $1 per bushel.
Fat cattle, $7 to $10 per hundred.

No reduction in taxes in 1933, that the farmer paid, but in many instances in 1935 taxes have been reduced, because more have paid—not so many now with back taxes. No reduction in prices on farm machinery existed at any time during the depression. These prices are, and have been, out of proportion for years. The Machinery Trust should be investigated and prosecuted under the antitrust laws. They have robbed the American farmer all too long. They should be prosecuted in the courts and forced to let go the throttle hold they now have on American farmers. They have been guilty of extortion for many, many years.

As a result of the Supreme Court declaring the A. A. A. unconstitutional it has united the farm organizations of the Nation. It has united the farmers of America in a determination and resolution to support unitedly a program of legislative aid for agriculture. At least such program as will give the farmer an equal opportunity on the market with other lines of business. He should not be required to support the whole economic structure without an equal opportunity. He is entitled to a fair share of the national income. He does not seek more. He will not be content with less.

A united front is now presented by the farmers and farm organizations for the first time. A crisis is on that must be met. Some legislation that will act as a stopgap to prevent falling prices must be enacted.

The National Farm Bureau Federation and all other kindred organizations are endorsing this program as a temporary measure, at least, until a more permanent program can be enacted.

Congress should pass a bill seeking to bring into the Treasury all processing taxes paid up to January 6 last which have not been passed to the consumers. All farmers will be paid who had planned a reduction program in 1935. This moral obligation has been recognized and an appropriation made accordingly. To permit the processors to retain the tax would be wholly unfair and unjust.

The present bill seeks to give the farmer economic equality within the limitations of the Constitution. Agriculture cannot and does not control production as does labor and industry. The manufacturer shuts down his plant when faced with overproduction. The farmer, in the very nature of things, cannot do this. He has not been able to in the past and the future holds the same prospect for him. It is therefore necessary that proper adjustment of production be had. This relates directly to soil preservation and soil fertility. It means that we must have crop rotation, the removal of some of our land from active cultivation and resting the soil. It means the raising of livestock in some instances, and grazing lands heretofore used in unprofitable crop production. It means the growing of cover crops to rebuild the soil. It means the growth of more timber to conserve the moisture and retain natural climatic conditions.

This bill means a program of soil conservation for the people. It provides for the rental of certain lands and their withdrawal from commercial crop production, so as to increase soil fertility and to provide a reasonable and profitable price for crops that are produced.

All the provisions of the A. A. A. that have been held valid are retained and strengthened.

The marketing agreements are retained; also the 30 percent of import duties for the expansion of foreign and domestic markets for farm products.

Business has all benefited by the increase in the price of the farmers' products. It is necessary that the farmer have purchasing power in this country before we can ever have prosperity.

We all favor the expansion of the foreign market, but the farmer must have an income. We must preserve the American market for the American farmer. The American farmer must have the machinery by which he can adjust supply and demand by legal means as does industry. In safeguard-

ing the farmer, the consumer's welfare must also be guarded. One is dependent on the other.

No one advocates a policy of scarcity or high prices to the injury of the consumer. Just prices must obtain for both the producers and the consumers.

The purpose of the program is to afford the farmer a market and purchasing power for what he sells, equal to that he had from 1909 to 1914. In these years his prices were not excessive. It was fair to all concerned.

Let us make the future secure for our farmers. They feed and clothe the world. Let us make their burdens less. Let us give them a new faith and a new hope. I commend the sentiment in the following poem which I know is shared by all of us.

SOMEBODY'S MOTHER

The woman was old and ragged and gray,
And bent with the chill of the winter's day;

The street was wet with a recent snow,
And the woman's feet were aged and slow.

She stood at the crossing and waited long,
Alone, uncared for, amid the throng

Of human beings who passed her by,
Nor heeded the glance of her anxious eye.

Down the street, with laughter and shout,
Glad in the freedom of "school let out",

Came the boys, like a flock of sheep,
Hailing the snow piled white and deep.

Past the woman so old and gray
Hastened the children on their way,

Nor offered a helping hand to her,
So meek, so timid, afraid to stir,

Lest the carriage wheels or the horses' feet
Should crowd her down in the slippery street.

At last came one of the merry troup—
The gayest laddie of all the group;

He paused beside her, and whispered low,
"I'll help you across, if you wish to go."

Her aged hand on his strong young arm
She placed, and so, without hurt or harm,

He guided the trembling feet along,
Proud that his own were firm and strong.

Then back again to his friends he went,
His young heart happy and well content.

"She's somebody's mother, boys, you know,
For all she's aged and poor and slow;

And I hope some fellow will lend a hand
To help my mother, you understand,

If ever she's poor and old and gray,
When her own dear boy is far away."

And "somebody's mother" bowed low her head
In her home that night, and the prayer she said

Was, "God, be kind to the noble boy,
Who is somebody's son and pride and joy."

[Applause.]

Mr. JONES. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN of Pennsylvania. Mr. Chairman, I have with me the Constitution of the United States, printed in the Braille system. Many of you know that almost every State in the Union has a school for the blind, and in those schools they teach the blind to read and write the Braille system. Today I am going to take advantage of this opportunity and read a part of the Declaration of Independence and talk on this particular part.

Mr. Chairman, before I begin to read the part of the Declaration of Independence to which I referred, I want to say that if the bill which is now being considered by the House will benefit the poor farmer, it should be enacted into law. I know there is another bill pending in Congress which, in my opinion, if it were enacted into law, undoubtedly would benefit the farmers of our country, and that is the Frazier-Lemke bill. [Applause.]

Five minutes is insufficient time for me to say all that I want to say. However, in the balance of my time I am going to make a statement that I desired to make yesterday, when I was unsuccessful in getting the floor. Many Members of Congress heard Father Coughlin's address last Sunday afternoon. I am not going into the details of his address, but I do want to substantiate the statements he made, and I am going to challenge the Members of this House to take exception to my statements.

Father Coughlin made the statement that there are certain Members of Congress who put pressure on other Members, and if they do not respond to their wishes, they lose their patronage. I desire to say that is a true statement. My colleague Mr. BOLAND, from Pennsylvania, denounced Father Coughlin yesterday for statements he had made against him in his address. However, what Father Coughlin said about Mr. BOLAND using his influence to get Congressmen to take their names off the Frazier-Lemke petition is true. Last year Mr. BOLAND approached me and said, "Matt, your name is on the Frazier-Lemke petition." I said, "Yes." He said, "Why don't you take it off?" I replied, "Listen, Pat; I will take it off if you will guarantee me something." He asked, "What is the guaranty you want?" I said to him, "Guarantee me my eyesight." [Laughter and applause.]

About 3 weeks ago a gentleman from the other end of the Capitol asked me, "Matt, are you a friend of the President?" I replied, "Yes. I have in the past defended the President and supported a great deal of his legislation." This gentleman then stated, "If you are a friend of the President, why do you not take your name off that Frazier-Lemke petition?" I responded by saying, "The President is not opposed to the bill." He said, "If the President is not opposed to that bill, why does he not request Mr. O'CONNOR, chairman of the Rules Committee, and the Speaker, Mr. BYRNS, to have the Members sign the petition?" I replied that last year the President was in favor of the original Wheeler-Rayburn utility bill, and yet many Members of the Democratic Party did not support the President on that legislation. Continuing my conversation with the gentleman who was in Senator GUFFEY's office, I stated that if the removal of my name from the Frazier-Lemke petition would guarantee my return to Congress for many years I would not remove it. I also stated that if I was sure that I would be defeated for reelection to Congress because I did not remove my name I would not have my name taken off the petition.

About a week ago I received a long-distance telephone call from Homestead, Pa., which is located in the Thirty-fourth Congressional District which I represent, informing me that a gentleman whom I was instrumental in having retained as postmaster was requested to vacate and that another gentleman was appointed in his place. I called the Post Office Department here in Washington to have that statement confirmed. One of the Assistant Postmasters told me that it was correct. If that kind of treatment toward a Congressman who is making an effort to represent the masses and not the privileged few, is not cowardly, I do not know what is. The man who was removed can prove by receipts that he supported the President, Senator Guffey, Governor Earle, and myself. I wish to state that I would rather live in a shed and content myself by reading my Braille books and smoking my corncob pipe than to hold the highest office in the land and have to submit to the wishes and dictates of unprincipled demagogues; however, while I am a Member of Congress I am going to continue to sponsor and support legislation which will benefit the farmers, ex-service men, and all who labor for a livelihood, and I will continue to support the program of the National Union for Social Justice, because it is humane and practical. I hope that Father Coughlin continues his fight for social justice, and I also hope that Father Cox, of St. Patrick's Church, of Pittsburgh, Pa., Reverend Eisele, of the Protestant Evangelical Church, of Pittsburgh, Pa., and all other clergymen of the Christian, Jewish, and all other faiths who have been speaking in the interest of unfortunate humanity will continue their advocacy of human rights above property rights.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. DUNN] has expired.

Mr. MARTIN of Colorado. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania be given 5 additional minutes.

Mr. JONES. Mr. Chairman, the debate is supposed to be confined to the bill. I could have made a point of order against the gentleman from Pennsylvania when he started, but out of courtesy I let him consume his 5 minutes. I have not made any point of order against him, but there is no further time to be yielded.

Mr. DUNN of Pennsylvania. I beg your pardon. I was under the impression that this was general debate; in fact, I received that information from one of the other Members before I started my address.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DUNN of Pennsylvania. Well, what Father Coughlin said last Sunday about Congressmen using their influence in having Members take their names from the petition and taking their patronage away from them if they do not respond to their wishes is absolutely right. [Laughter and applause.]

Mr. HOPE. Mr. Chairman, I yield 20 minutes to the gentleman from Minnesota [Mr. ANDRESEN].

Mr. ANDRESEN. Mr. Chairman, I shall confine my remarks to the bill before the Committee and will not discuss any extraneous matter.

The gentleman from Kansas said a few moments ago that this was the most important piece of legislation before the present Congress. I concur in that statement; but when I look over the small membership present here today I am led to believe that it is the most insignificant piece of legislation that has been considered by this or any other Congress. When I go back into the committee action on the bill and find that there were no hearings and that we were not permitted to have witnesses from the administration or from the farm organizations appear before our committee, I am constrained to believe that the measure before us is not of such great consequence.

I have served on the Committee on Agriculture for nearly 10 years. During this time it has been my endeavor to forget partisan politics when it came to farm legislation and to sit across the table with members of the opposition party and with farm leaders generally to try to work out farm legislation that would be of real benefit to all agriculture in this country.

If this measure is of such great importance, I believe Congress should have a right to know just what is in the bill and just how the administration proposes to carry it out.

We are led to believe that it will cost approximately $500,000,000 to administer this measure for 1936. The bill makes no provision for raising this money. I am not opposed to this bill because it will mean possibly the distribution of a large amount of money to the farmers of the country. My concern is that the farmers of my district and State and the people of the Northwest get their just share of whatever distribution of funds is made, whether it be for political or conservation purposes. They are entitled to it, and no discrimination should be shown in the distribution of this $500,000,000, so that one section gets any larger share than any other section. But I am opposed to the bill in its present form because I believe that its administration, as has been indicated to us by the Secretary of Agriculture, will absolutely dislocate organized agriculture throughout the United States.

The proposal to take from 20,000,000 to 30,000,000 acres of land out of cotton, wheat, tobacco, and corn production and to plant this land with grasses, clover, and alfalfa is bound to dislocate the normal production of agriculture in the United States. I have no disposition to criticize a normal and natural advance in the dairy industry. This must come of itself.

During the last 5 years, from 1930 to 1935, there has been an expansion of the livestock and dairy industry throughout the United States. In 1930 the cattle population was approximately 63,895,000 head. In 1935, on January 1, according to the recent census, we find the total is 68,284,000, an increase of over 5,000,000 head of cattle. This increase has taken place largely throughout the Southern States. It has taken place there more so than in the States usually engaged in the production of livestock and dairy products.

I rise here today in support of the amendment which will be proposed by my colleague the gentleman from Wisconsin [Mr. BOILEAU]. I do so because I feel that I would be derelict in representing a great dairy State, unless I would join with him and other Members from dairy and livestock sections in seeking to protect the one great industry in agriculture which brings in daily cash returns to the farmers engaged in it.

In the hearings before the committee, if we can call them hearings, the only two people who appeared in connection with this bill were the Secretary of Agriculture and Mr. Chester Davis, the Chief of the Agricultural Administration. They told us definitely that they proposed to increase grasses for pasture, increase the production of clover and alfalfa, and that they also proposed to increase dairy and livestock production throughout the United States.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for a brief question?

Mr. ANDRESEN. I yield for a brief question.

Mr. BANKHEAD. I have not given the matter any legal study but it has been suggested with great force to my mind that the so-called Boileau amendment is directly in the teeth of the recent decision of the Supreme Court on this matter. What has the gentleman to say of the legal effects of the amendment?

Mr. ANDRESEN. We asked the Secretary of Agriculture whether or not this program would injure the dairy and livestock industry. The Secretary said that he could handle that by way of regulation and that it was not necessary to have anything in the law on it. So, if he can handle it by regulation, it would appear that Congress might write it into the law without jeopardizing its constitutionality.

Mr. BANKHEAD. If the gentleman will permit a further interruption, what is the gentleman's opinion as to whether or not the amendment itself flies in the teeth of the principle laid down by the Supreme Court?

Mr. ANDRESEN. I do not think it flies in the teeth of that decision any more than some of the other provisions of the bill, which provisions have for their ultimate aim the control of agricultural production throughout the United States, because it is proposed to take from 20,000,000 to 30,000,000 acres of cotton, corn, wheat, and tobacco land out of their present production and use them for some other crop.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. ANDRESEN. I yield.

Mr. BOILEAU. The bill provides, I may say to the gentleman from Alabama, that the Secretary of Agriculture can control the planting of soil conservation crops and crops which will prevent soil erosion. This is merely another way of saying what the Secretary can and cannot do. If one be more unconstitutional than the other I cannot see it.

Mr. ANDRESEN. To proceed, Mr. Chairman, we have nothing by way of printed hearings to submit to this committee as to what was said by the Secretary of Agriculture and by Mr. Davis.

If we had, we probably could give more accurate statements in harmony with their views.

Fortunately, however, I was able to secure a copy of a release from the Acting Chief of the Production Planning Section of the A. A. A., in the Department of Agriculture. He has outlined very definitely within the past 2 months how they will carry out this program in different sections of the United States. May I take the time to read here briefly certain quotations from what he said. This gentleman is Mr. Oris V. Wells, Acting Chief of the Planning Section. He makes the following statement:

In the South, the chief recommendations are for a decrease in cotton acreage and production below the 1929 or normal level, but for increases in total crop land, in pasture land, and in the production of all of the Southern feed crops, except corn. These recommended changes are designed to lessen soil depletion and control soil erosion, and to furnish a more adequate feed base for livestock production in the South. As a result considerable increases are recommended for all classes of livestock production.

In the Corn Belt he recommends as follows:

For the Corn Belt. The recommended shift from corn to hay and pasture would be accompanied by an estimated decrease in the number of hogs kept, * * * and a substantial increase in dairy cow numbers and milk production * * *.

In the wheat section he recommends:

It is recommended increases in production of grain sorghums in order to supply a greater feed base for livestock.

In the Northeast, up in the New England States, and the Northeastern States, he says:

The recommendation indicates that production would be stabilized at about the present level.

Therefore there will be no material increase under this program, as they are recommending that it be stabilized at the present level.

Mr. Wells proposes an increase in the production of hay, principally in the lake States and the South, from the normal level of about 68,000,000 acres to 82,000,000 acres, which would yield 115,000,000 tons in place of a normal production of 83,000,000 tons.

He proposes an increase in the production of alfalfa from 20,000,000 tons to 40,000,000 tons.

He recommends an increase in the production of milk from the normal level of 11,590,000,000 gallons to 14,000,000,000 gallons, an increase of two and a half billion gallons.

Mr. HOOK. Will the gentleman yield?

Mr. ANDRESEN. I yield to the gentleman from Michigan.

Mr. HOOK. Will the gentleman tell me whether the legumes and grasses increased during the years 1933 to 1935 in the South when other crops were taken out of production?

Mr. ANDRESEN. I do not have those figures here, but I may say that livestock production in the South was increased materially from 1930 up to the time of the census in 1935.

Mr. HOOK. Can the gentleman explain why there were less products shipped out of the South into the northern markets during the years 1933 to 1935 than during the years 1930 to 1932?

Mr. ANDRESEN. The answer to the gentleman's question is probably because a great many people were on relief down in the South, and the Government bought those products.

The argument was used that they would cut down on corn, and by cutting down on corn the dairy cows would produce less milk. They have a proposal here to take care of that situation. At the present time, according to the figures submitted by the Department and by Mr. Wallace, the average feed per cow in hay is 1.1 tons. It is proposed that each cow be fed on the basis of 1.45 tons instead of 1.1 tons, in order to increase the production of milk on a lower-cost basis. On this feed ration there can be an increase in livestock from 68,000,000 head to 80,000,000 head. This increase, which is contemplated in the next 5-year period, would place this country decidedly on the export basis for livestock and dairy products, with no foreign market or outlet, and at the same time depress the prices received by the producers for that part of the production used in domestic consumption.

Mr. WADSWORTH. Will the gentleman yield?

Mr. ANDRESEN. I yield to the gentleman from New York.

Mr. WADSWORTH. Does the release indicate that in the event the hay ration of a dairy cow is to be increased according to this grandiose scheme that the other elements of her ration are also to be decreased?

Mr. ANDRESEN. There is no indication along that line, although they do propose to give the cows more food made from sorghum, which would probably make up for some of the other crops.

Mr. WADSWORTH. That is interesting. How is the eastern farmer going to get sorghum?

Mr. ANDRESEN. They will have to comply with the program and change their crop production.

It is also proposed to increase the production of hogs throughout the South, not by feeding them corn but by feeding them peanuts and other crops that can be raised throughout the South.

Mr. Chairman, I am not mentioning these things in a critical manner. I mention them so that the Members of Congress and the farmers of the country may get some idea how the plan is to be worked out and what the Department proposes to do, which information has not been available either to the committee as a whole or to the individual members thereof.

Mr. TREADWAY. Will the gentleman yield?

Mr. ANDRESEN. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. Will the gentleman give us what information he can as to the reason no public hearings were held on this bill and no information obtained from anyone except departmental officials?

Mr. ANDRESEN. I cannot give the gentleman an answer to that, because I personally asked for hearings, and I know other members of the committee asked for hearings. We were anxious to find out how the Department proposed to work out this measure. We were anxious to find out if the farmers or farm organizations were in favor of it, but we were unable to secure the desired hearings.

Mr. TREADWAY. What excuse was given by those in charge of the committee work?

Mr. ANDRESEN. It was stated that the time was very short; that this was a stopgap piece of legislation which had to be enacted at once on account of the fact that early plantings were to take place in February.

Mr. TREADWAY. Does the gentleman think that on a subject of as much importance as the one before us information of value should have been given to the committee other than by the officials of the Department?

Mr. ANDRESEN. Possibly so.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. ANDRESEN. I yield.

Mr. PIERCE. Was the reason we did not have hearings influenced by the fact that our hearings were quoted by the Supreme Court in its decision?

Mr. ANDRESEN. I am pleased to know that that was the reason. I did not know that.

Mr. PIERCE. I do not know that that was the reason, but I know the hearings were quoted.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. ANDRESEN. I yield to the gentleman from Michigan.

Mr. MICHENER. As I get it, then, the real purpose of this legislation is to carry on the A. A. A. insofar as possible, and bearing out this theory, the only witnesses permitted to appear before the committee were the advocates of the A. A. A. from the Department, and what they said was not taken down, but was stated in a quasi-executive session and the opponents of the bill have not been permitted to go before the committee and make any statement whatever. Is this correct?

Mr. ANDRESEN. That is substantially correct; yes.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. ANDRESEN. I yield.

Mr. ROBSION of Kentucky. Does the gentleman mean to say that none of the great farm organizations of this country or their representatives were permitted to appear before your committee and give their views on this important legislation?

Mr. ANDRESEN. That is correct. The only information we have that any farm organization is for this measure is the letter received by some of the Members either yesterday or this morning from Mr. O'Neal, the head of the Farm Bureau, that he and his organization are supporting this bill.

Mr. ROBSION of Kentucky. How do the other great farm organizations stand?

Mr. ANDRESEN. All of the dairy organizations throughout the country are in opposition to this bill as it is now written. If the Boileau amendment were adopted so the dairy industry would be protected, it is probable many of them would either take no part in the legislation or support it.

Mr. ROBSION of Kentucky. How about the Grange and the Farmers Union?

Mr. ANDRESEN. We have no expression from the Grange except that they are in support of the Boileau amendment, and so it is with other farm organizations.

Mr. ALLEN. Mr. Chairman, will the gentleman yield?

Mr. ANDRESEN. I yield.

Mr. ALLEN. The gentleman has not any doubt about the fact that the Farm Bureau, which is nonpolitical, is in favor of this bill?

Mr. ANDRESEN. I have found that the head of the Farm Bureau, Mr. O'Neal, who is a very good friend of mine, has supported about everything the present administration has proposed.

Mr. ALLEN. But the gentleman knows that the American Farm Bureau is for the bill as it stands.

Mr. ANDRESEN. Only from the letter I have received from Mr. O'Neal. I did receive a wire from one who, I think, is the president of a Farm Bureau unit in a county in my district urging me to support the legislation. I called up the office of the Farm Bureau in Washington and asked them whether or not this telegram was inspired by the Washington office, and they said it was. I said, "Do you know what is in the bill?" and they said, "No; except what we have heard." I then asked, "Are you for the bill?" and they said, "Yes; we are for the bill."

This is the extent of my conversation with the Farm Bureau, and I have very great respect for the Farm Bureau, both here and out in the State of Minnesota, but what I have tried to point out here is the lack of information on this particular piece of legislation on the part of the members of the committee, on the part of farm leaders, on the part of the men in the administration who intend to carry it out, and I think we have a right to know what we are legislating about here, particularly when this is considered to be one of the most important pieces of legislation that is to be considered by this Congress.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. ANDRESEN. Now, getting back to the dairy problem and to the general scheme of soil conservation, I believe all the Members are for the general scheme of soil conservation. Personally, I favor such legislation, but I do not want to dislocate all of agriculture and carry out a soil-conservation program at the expense of the largest branch of the agricultural industry.

One of the men at our State university in Minnesota, connected with the Department of Agriculture, said this in regard to the program:

> If we do not proceed with care, we may start a program which appears expedient at this time but which, over a period of years, may lead to the unbalancing of agricultural production in other directions.

This is the danger that faces the dairy industry now. We have a surplus of dairy products. With nearly 40,000,000 pounds of butter in storage, we are producing more dairy products than the country can consume, and on top of the production in this country we are confronted with an enormous importation of dairy products which this year, due to the reciprocal trade agreements, is being increased by leaps and bounds.

During the calendar year 1935, more than $15,000,000 in dairy products were shipped into the United States, consisting of 22,674,000 pounds of butter and more than 52,000,000 pounds of cheese and other products. We find importations of livestock also coming in—364,000 head of steers, valued at more than $8,863,000, were imported into this country from Mexico and Canada.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ANDRESEN. It is difficult for me to comprehend the consistency of a Nation-wide program which calls for a reduction in acreage of farm production and at the same time for the administration to permit the importations of large quantities of the same commodities which are taken out of production in this country. I desire here to call the attention of the Committe to some of the major farm imports for the year 1935. These imports are depriving the American farmer of his own home market.

Livestock valued at $8,863,370, consisting of 364.623 head of cattle, 3,414,317 head of hogs, and small quantities of poultry and sheep.

Fresh, canned, and cured beef, pork, veal, and mutton, valued at $19,177,835.

Dairy products valued at $15,000,570, consisting of 22,674,642 pounds of butter and more than 52,000,000 pounds of cheese and other dairy products.

Grains and preparations from grains valued at $73,313,894, consisting of 4,839,678 bushels of barley; 320,000,000 pounds of barley malt, which is equivalent to more than 10,000,000 bushels of actual barley; 43,242,000 bushels of corn; 10,106,000 bushels of oats; rye, 9,642,000 bushels; 27,438,000 bushels of wheat upon which duty was paid and another 12,000,000 bushels of wheat in bond.

Twelve million nine hundred and thirty-two thousand dollars' worth of hay and other fodders, including cottonseed meal, 59,743,000 pounds, soybeans and linseed meal.

Vegetables and preparations valued at $18,648,000, consisting of beans, cowpeas, Irish potatoes, turnips, onions, and other vegetables.

Two hundred and forty-five million eight hundred and fifty thousand pounds of tallow valued at $13,104,000.

While figures are not available for imports and exports for the month of January 1936, it is reported by the State Department since the reciprocal trade agreements have gone into effect exports have increased only 7 percent and imports increased 24 percent. The 24-percent increase in goods received from treaty countries was made up largely of farm products. This plainly indicates that American agriculture is again being sacrificed. The law passed by the Seventy-third Congress which gave authority to the President to negotiate reciprocal trade agreements should be repealed at once and the agreements already entered into canceled. I will offer such an amendment.

I will also offer an amendment to cut imports of dairy products, livestock, pork, and grains, so that not more than 10 percent of the amount imported during the calendar year of 1935 may enter this country after March 1, 1935.

I favor and will support a legislative program for soil conservation and the prevention of soil erosion. Adequate appropriations should be made for these purposes for the general welfare of the country.

My criticism today is directed to the proposed administration of this bill. The meager information available indicates that the Secretary of Agrculture intends to carry out the soil-conservation program at the expense of the dairy industry, and therefore I am urging the adoption of the Boileau amendment so as to limit the artificial expansion of dairying under a Government subsidy. I can take no other position, as I represent one of the greatest dairy districts in this country. If legislation is to be enacted, then all classes of farmers should be treated on an equal basis.

The bill as it now reads will materially permit an increase in dairying and livestock in the Southern States. This will bring an increase in dairy products, and the tendency for such increase will be to place our dairy industry on an export basis with no foreign market in sight in which to sell our surplus. It will bring the dairy farmers now engaged in this type of agriculture down to a world basis on price. It will mean from 10 to 14 cents per pound reduction in price on butter, and a material reduction for other dairy products.

This measure alone will not solve our difficult farm problem. If this bill is properly amended so as to protect all branches of agriculture, it will serve a very useful purpose. In addition legislation should be passed to curtail importations of cheaply produced foreign farm commodities. The reciprocal trade agreements should be repealed. The irrigation program, which has for its ultimate aim the creation of nearly 5,000,000 acres of new irrigated land, at a cost of hundreds of millions, should be abandoned. Interest rates on Federal land-bank loans should be reduced. The Government could well purchase marginal farm lands for the public domain. The payment of an export bounty so as to reestablish our foreign markets for farm commodities. The adop-

tion of an allotment plan which will give a subsidy to producers in this country on that part of the crop which is used in domestic consumption, in order to give the farmers the benefit of the tariff, and at the same time insure cost of production plus a fair profit.

Hearings should be held at once for the purpose of drafting a sound and constitutional program for agriculture. The proposals mentioned by me are but some suggestions which I believe should be a part of the program. Others could be developed, and, all in all, I am convinced that profitable legislation could be passed for the benefit of all agriculture.

I hope that when the Boileau and other amendments are offered the Members from all sections of the country will give them their support. [Applause.]

Mr. JONES. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOOK].

Mr. HOOK. Mr. Chairman and Members of the Committee, there is no more important question before the Congress of the United States than the problem of what shall be done for American agriculture. The decision of the Supreme Court of January 6, invalidating the Agricultural Adjustment Act wrecked a program that, with all its faults, had restored to agriculture something like its proper position in American economic life. It is our present task to formulate a program that will consolidate present gains and make possible future progress. I take this opportunity to submit for your consideration some of my observations on this subject.

Let me approach the problem with something of a background. It is axiomatic, I believe, that the present plight of agriculture can be properly understood only when viewed in its historical perspective. There was a time in the history of our Nation when farming was not the great commercial enterprise which it is today. Comparatively speaking, up to the middle of the nineteenth century American agriculture, except for the cotton-growing regions of the South, was a pioneer, subsistence type of farming. The farmer planted and reaped and managed his farm, not with the purpose of selling goods on a market, but rather to satisfy the needs of his family, directly from the production of his farm. The farm family 100 years ago ground their own meal, made their own clothes, fashioned their own tools, and in general were largely self-sufficient. Foreign markets were no problem, for little farm produce, except again for cotton, found its way to a world market.

All this changed, however, in the 50 years following the American Civil War. American agriculture became capitalistic and commercial. The farmer no longer farmed for himself alone. Industrial centers grew whose population had to be fed, both in America and in Europe. The vast land areas of the American West and the liberal land policy of the United States made possible an enormous increase in agricultural production. In the 40 years from 1860 to 1900 acreage in American farms increased from 407,000,000 to 841,000,000. Before the end of the century American farm production in all staples far exceeded the demands of the home market. The farmer came to be dependent on a world market for the prices of his products and for the maintenance of his prosperity. Our farmers were not alone interested in this development of a world trade in agricultural products. The exportation of American agricultural products made possible the development of American industry in the post Civil War period. Indeed, the exportation of farm produce was a vital necessity to pay the interest on foreign capital used in the expansion of our industrial plants and of our means of communication. In one sense the American farmer was the victim of American capitalism, for while he made possible with his exports the growth of American industry he was forced also to pay high prices for the protected products of our manufacturers. Those industrialists who today weep at the thought of governmental assistance to agriculture would do well to remember that the development of our great industrial system took place at the expense of the farmer. The farmer's exports paid off the interest on foreign borrowings and the farmer paid the tariff that allowed industry to grow free from competition.

The American farmer was able to maintain himself for some time under this lopsided arrangement for two primary reasons: First, until the last decade of the nineteenth century the American farmer controlled the world market. He had no competition until the 1880's and 90's saw the opening of the grass lands of Australia, Russia, and the Argentine to grains and meats. Second, and more important perhaps, the American farmer was farming land that was cheap and virgin. The farms were the gift of the Government, they could always be mortgaged to cover short-term obligations, and ever-rising land values protected the farmer against loss. The farms were virgin, of unbelievable fertility, and by mining the fertility from the soil, by taking away the productive power of the soil, by continued cropping of an extensive nature, the farmer was able to prevent bankruptcy. Indeed, in some cases he was able to retire with considerable wealth. But it should be borne in mind that his success was possible at the expense of his descendants who were to take over the farms when their fertility was gone.

The situation was unsound, of course, and bound to result in disaster. In the late 1880's and 1890's, when foreign competition first crowded the American farmer on the European market, the farmers were hit by falling prices and rose in what is known as the Populist revolt. When populism passed the situation was eased until 1920. Heavy immigration and rapid industrial growth made for less dependence on the world market; farm prices rose and the disappearance of the free land of the West brought a pressure on the land that kept land values steadily mounting. The World War added a bubble of unsound prosperity; but the war also reversed the trend of farm exports and made the farmer again dependent on a world market. Acreage increased by 9 percent between 1910 and 1920, and much land put under production under the stimulus of wartime prices was clearly submarginal. Farmers, under the stimulus of fictitious war prosperity, expanded their plants and made improvements, most of this, of course, on credit.

But the bubble of prosperity was pricked in 1920, and between 1920 and 1932 all the ills of American agriculture came home to roost. The day was past when the fertility of the soil could be mined; the day of homesteads was gone; the farmer's plant was now capitalized; but, paradoxically, farm values melted away. And thus the two chief factors in whatever farm prosperity existed prior to 1920, rising land values and a virgin soil, were gone. I venture the assertion that without these two factors American commercial agriculture, if figured on a legitimate business basis, would never have returned a profit.

To cap the climax, on the one hand, American agriculture became more efficient than ever, and, on the other, the world market bid fair to disappear. Mechanization of agriculture and the application of science to crops, soils, and farm animals made possible a greater farm production than ever before. The slowing of population growth, the restriction of immigration, and important dietary changes restricted the domestic market. The expansion of agriculture into the fertile, virgin regions of Canada, Russia, North China, South Africa, and elsewhere made competition in the world market unmeetable. And, finally, the European nations, angered at the high-tariff policy of the Republicans and crazed by a war hysteria, placed tariffs and quotas on the importation of farm produce and moved heaven and earth to become self-sufficient so far as foodstuffs was concerned.

I need not recount in detail what happened to agriculture from 1920 to 1932. In 1919 total farm income was fifteen billions; in 1932, five billion two hundred million. In 1932 the farmers' dollar, in terms of what he sold and what he purchased, was 47 percent of the prewar average. Mortgage indebtedness tripled from 1910 to 1931. Farm values for March 1, 1933, were 27 percent under those for 1912–14. By 1932 the farmer's equity in his mortgaged land was wiped out completely.

Everyone now admits that something must be done to save the farmer from potential doom. Even the Republicans now admit the necessity—but for 12 years through Harding, Coolidge, and Hoover the American farmer was permitted to continue his descent into permanent serfdom. Laissez

faire was the Republican policy, except, of course, for those industries protected by a high tariff—the shipping interests, subsidized by direct grant and otherwise, and a whole host of other special interests who were allowed to fatten at the expense of the farmer and the laborer.

With the enactment of the Triple-A program American agriculture was given a new lease on life. Farmers were given the same preference as industry. The program was one of balanced production, based primarily on the needs of the domestic market, but using every legitimate means to gain and hold foreign trade. Farm prices rose, agricultural income increased, and farm prosperity returned. The Democratic administration promised the farmer an effective program to establish price parity. That promise was faithfully kept.

Recently we have witnessed the wrecking of the Triple-A program. The Supreme Court has ruled that the act was unconstitutional. If I read the decision correctly the majority decision runs somewhat as follows: That the Triple-A program was a program of agricultural control; that the Constitution gives Congress no power to control agriculture and that hence the act was unconstitutional. Warily the Court refused to rule directly on the question of whether the problems of agriculture come within the general-welfare clause of the Constitution, but by implication the Court has told us that the problems of agriculture—these problems affecting 30,000,000 of our population—are local problems and within the meaning of the Constitution to be handled only by the individual States.

The Court scarcely a year ago handed down a similar decision in the case of the N. R. A. Problems of labor and industry, of unemployment and unfair competition, are local problems and not within the power of Congress to solve, we were told then. Now the Court has added agriculture to the list of local problems. These grave national problems of industry, labor, and agriculture are to be solved, I take it, by the action of the States. I grant the value of the States in our Federal Republic, but I warn the Supreme Court that we are dealing with problems of economics and not with constitutional metaphysics.

None of us will deny that when the Constitution was written, 148 years ago, the problems of agriculture and labor were in the main of local concern, but we have grown in the past century and a half, whether the Supreme Court recognizes it or not, and I doubt whether even the most reactionary Republican will deny that agriculture and labor are national problems. Even ex-President Herbert Hoover has admitted that the farmers' problems affect the general welfare. There is no doubt in my mind that the Court could have reasonably and intelligently upheld the Triple A and the N. R. A., but it seems that economic reality has no place in court.

Are we to believe that our National Government should supinely refuse to act to aid the farmer and laborer? If we accept the decisions of the Supreme Court as final, then we have no recourse. I favor the bill which the Agriculture Committee has reported. I shall vote for it. I believe it is our duty as Representatives of the people to prevent the lapsing of agriculture into the poverty of the days of Herbert Hoover. I believe that our bill is constitutional, but I agree with the senior Senator from Nebraska that there is some doubt as to whether our Supreme Court, guided as it will be by the Triple-A decision, will allow the act to stand.

I hope that the Court will admit the constitutionality of the act. We must have action now; we cannot wait. But, of course, there is only one sensible course of action. Since our Supreme Court persists in blinding itself to reality we must amend the Constitution so as to permit no doubt as to the legality of national action in the field of national economic problems. If the problem of agricultural control is constitutional as soil conservation, it should have been, and was, in my opinion, constitutional as the Triple A. If our Supreme Court based its ruling on the mere wording and phraseology of the Agricultural Adjustment Act, and will permit a new program to function because the language is different, then we need lexicographers rather than legislators in Congress.

There is something nauseating in the actions of certain of our so-called Republican leaders—and a few reactionary Democrats—who have been using the Constitution to cover a distaste for social and economic reform. The Constitution is a great document, but it is the work of man, and it must be a living, virile instrument; one fitted to the facts of our economic life if it is to function. Some of my Republican friends speak of the dangerous trend toward centralization as if centralization were, as a general proposition, completely subversive of all that is held dear in our democracy. I invite these gentlemen to study the history of our Nation. When did the trend toward centralization begin? It began in earnest after the Civil War and received its first impetus from the administrations of Republican Presidents.

I ask you, has not our economic life become centralized? That is admitted. Then we should be honest enough to admit that the pattern of economic life sets the fashion for political institutions. It is not intelligent to condemn or to condone centralization as a general proposition. Each activity of government must be treated as a separate problem, and whether the activity should be centralized or local is a question that should be decided according to the same formula used by the makers of our Constitution when they made the original division of powers between State and National Governments. The formula these men used was this: Power should be given by the National Government when the problem is of national or general interest; local problems should rightfully be left to local action.

I wonder whether those who decry national action as to the problems of agriculture and labor, saying that power over these was reserved to the States, really believe that the States are competent to act in these fields. There is something humorous in even this suggestion. No; of course the vested, profit-seeking industrialists and bankers of our Nation, who want no regulation by the National Government, do not believe that the States are competent to act. They do not want action by either State or National Government. They want a vague and ill-defined field in which they can despoil and ravage without fear of control or hindrance. Only centralization of control will bring justice here, and a constitutional amendment is the only solution of our problem. It is not really a question of whether the State or the National Government shall act, but, rather, a question of whether we shall have any action at all.

If I know the temper of the American people, they will not fail to accept the challenge facing them today, and they will meet it with the resoluteness of spirit and courage of their pioneer forefathers, who dared to tackle the problem of building a civilization in the wilderness that was once America. The American people cannot be humbugged with loose talk about the Constitution. Our problems are economic and social. Do we want the National Government to have power to deal with the national problems of labor and agriculture, or do we not? That is the question which the American people must decide, and I challenge the opponents of the Democratic administration to go to the people on that issue. They will not do so, of course. It would be expecting too much of the Republican leaders to expect them to expose so clearly their subservience to entrenched greed. We can expect a continuation of the use of the Constitution as a smoke screen to blind the people to the true economic issues which confront the Nation.

Mr. CULKIN. Will the gentleman yield?

Mr. HOOK. I yield.

Mr. CULKIN. Does the gentleman believe that the Boileau amendment is a proper amendment to this bill?

Mr. HOOK. I do not believe it is, and I will tell the gentleman why. Because of the fact that the record shows that even if there was an increase in the grasses and legumes in the South during 1933 and 1935, there was less milk and dairy products shipped into the North. That is why I do not agree with it.

I do not agree with it because of the fact that I do not think we should shove any more onto this bill than we can get along with.

Mr. FULMER. Will the gentleman yield?

Mr. HOOK. I will.

Mr. FULMER. Is it not a fact, and does not the record show, that when cotton was selling for 5 cents a pound the shipping out of the product increased from the South?

Mr. HOOK. That is correct, and one reason why I cannot go along with the Boileau amendment is because the great automobile industry of Michigan leaps forward in great bounds, and why? Because the agriculturists of this Nation, and a great many from the South, were benefited by the Triple A. [Applause.] That is why Michigan is for the agricultural program.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. HOOK. Yes.

Mr. CULKIN. The gentleman then disagrees with the economists, the hard and paid economists, who were advising the dairy group that there is no danger in this situation?

Mr. HOOK. I disagree with whom?

Mr. CULKIN. With the economists——

Mr. HOOK. I agree with the economists who gave the proper foundation to go along with the Triple A, and the economists who gave us the foundation to go along with this bill.

Mr. CULKIN. The gentleman is going along with the administration.

Mr. HOOK. Let me speak one final word as to the agricultural program which we have here for consideration. Its emphasis on the problem of soil conservation is so legitimate as to preclude all argument. As I have stated, the American farmer, because he was chained to an economic rack, was forced to mine the fertility from the soil. One need only acquaint himself with the work of the present Chief of the Soil Conservation Service—Mr. H. H. Bennett—to appreciate the importance of this problem. If we can through national assistance aid the farmer today in the restoration of the fertility of his soil, we shall have made an outstanding contribution to American civilization. That any effective soil-conservation program sufficient to meet the danger of today is possible by individual State action is ridiculous.

I doubt whether the program of national assistance to the individual States as contemplated by the present bill after 2 years will prove satisfactory. This action simply confuses the problem and makes more difficult its solution.

We should be careful, too, to protect those farmers who are not producers of the staples. I refer to the dairy and vegetable farmers. Any program that will protect the grain, cotton, and meat producer and leave the dairy and root-crop farmer to the mercy of increased competition is not complete and should be amplified. We must make this program one of assistance to all the farmers. When we have done this we can rest assured that the citizens of America will approve our work. [Applause.]

I believe that this legislation does not need the Boileau amendment because of the following facts:

The minority report of the Committee on Agriculture and the views of Mr. BOILEAU in regard to the Soil Conservation Act present statements in regard to the possible effect of the act on the dairy industry that are contrary to the experience of the past 3 years of the adjustment program and to the effect that may reasonably be expected, according to sound dairy and agricultural authorities, in the carrying out of soil conservation and crop-rotation adjustment phases of the new Soil Conservation Act.

Dr. E. W. Gaumnitz, Chief of the Dairy Division of the Agricultural Adjustment Administration, states that the remarkable shift to grass and forage crops that occurred on the contracted acres during the past 3 years has not adversely affected the dairy industry through the production of surpluses or through dislocations of dairy-producing areas.

Dr. O. E. Reed, Chief of the Bureau of Dairy Industry, United States Department of Agriculture, has officially stated that "the noticeable trend toward more acreage in grass and forage crops is in line with good dairy practices." As pointed out by Dr. Reed in his report to the Secretary of Agriculture, 1935, experiments show that cows produce from 65 to 75 percent as much butterfat when fed exclusively on good roughage as when fed so-called full-grain rations, and 90 percent as much when fed roughage and a half-grain ration. Thus fear of overproduction of dairy products through substitution of roughage crops for grain is unfounded.

From the standpoint of livestock management the health of herds and flocks is greatly increased by a proportionate increase in the use of pasture and by the feeding of greater amounts in rations of well-cured legume and grass hay. The lightening up of rations through the use of more pasture and more hay is essential in the control of such diseases as bovine tuberculosis, Bang's disease, mastitis, and other livestock ailments.

The minority report and the opinion of Mr. BOILEAU fail to recognize the fact that what they term is an additional acreage in grass and hay crops is in fact a shift in production. In accordance with the program contemplated under the Soil Conservation Act, the grass increase will be largely at the expense of such surplus crops as corn, wheat, and cotton, all important sources of concentrated dairy feeds recently produced in surplus beyond needs.

The minority report states that "representatives of dairy organizations" consider that the Soil Conservation Act would be harmful. It would be of interest to know just who these representatives are, and who pays for their salaries and office expenses. I believe that it would be found that the gentlemen referred to may not be qualified to speak for dairy farmers, but are possibly paid representatives of processors. This might be worthy of investigation by the congressional committee.

On the other hand, I believe that Dr. Reed and his staff in the Bureau of Dairy Industry, and Dr. Gaumnitz, of the Dairy Division of the Agricultural Adjustment Administration, may be looked upon as the soundest sources of authoritative opinion in regard to the interests of dairymen and of the consumer of dairy products, with due regard, also, to the equitable interests of processors.

I note that the dairy industry is apparently on a better footing after 3 years of the Adjustment Act than during the period 1930 to 1933. The State Department of Agriculture of New York stated, February 10, for instance, that incomes of dairy farmers aggregated $8,084,000 more in 1935 than in 1934:

> The aggregate value at the farms of milk delivered at dairy plants through New York State last year was $98,068,000, as compared with $89,984,000 the previous year. There was an increase in volume of milk sold last year, also, of 24,000,000 pounds. The price paid to producers for milk in all classifications was up 14 cents a hundred pounds, the department reported, the highest rate since 1931.

Another fact of interest is that shipments of dairy products from Southern States such as Alabama, Georgia, Texas, Mississippi, and Tennessee to northern markets—New York, Boston, Philadelphia, and Chicago—were much greater during the years 1930, 1931, and 1932 than during the years of the Adjustment Act, 1933, 1934, and 1935. During the period of 6- to 8-cent cotton, milk products from the South moved in comparatively larger quantities to northern markets in competition with northern dairymen. During the period of 12-cent cotton, the 3 years of the Adjustment Act, the South apparently consumed its own dairy products and, undoubtedly, increased the use of dairy products shipped into the South from Northern and Corn Belt States. Dr. Gaumnitz stated that he would secure such information as is available on shipments of dairy products into the South during the 3 years of the adjustment program as compared to the 3 previous years.

I am certain that the criticism of the program of increasing grasses and legumes, primarily to conserve the soil, and also to bring our agricultural production into balance, made by certain interests who claim that dairying will be injured, is exceedingly short-sighted, based on false premises, detrimental to the interests of dairymen and to the consuming public, and to agriculture as a whole. Soil conservation and adjustment in feeding practices to secure greater economy are essential to the future of the dairy interests and to the interests of the consuming public.

Mr. JONES. Mr. Chairman, I now yield to the gentleman from Mississippi [Mr. FORD].

Mr. FORD of Mississippi. Mr. Chairman, the decision of the Supreme Court of the United States delivered on January

6 nullified as unconstitutional the past attempts of Congress to aid our farmers in the manner provided by the Agricultural Adjustment Act. The Court was divided, 6 to 3, on the question of constitutionality, the majority being of the opinion that the Agricultural Adjustment Act was "a statutory plan to regulate and control agricultural production, a matter beyond the power delegated to the Federal Government"; in other words, an invasion of the reserved powers of the several States.

I have every respect for the legal learning and the integrity of our highest Court, as I have for all the courts of our land, and I am sorry that in view of the restrictions of our Constitution, the supreme law, the Court has found it necessary to destroy the fruits of the efforts that have been exerted, forcing the inauguration of a new plan of agricultural assistance to replace a program already in operation.

The responsibility of formulating such a plan is now clearly on the Congress, and as one of the Members I gladly assume my portion of the burden which falls upon us all. I have repeatedly made known my earnest conviction that we are charged with a paramount duty to furnish our farmers with enacted legislation that will be of the greatest possible benefit to each and all alike.

I want a law that will work fairly for all—the small farmer as well as the large landowner. I want the benefits to be distributed equally to all according to the merit of each case.

In coping with the problem now before us we realize that we must adopt a plan that will not invade the reserved power of the States; and we also must avoid provision for a contractual relationship between farmer and Government requiring compliance to Federal regulation. The Supreme Court, interpreting constitutional restrictions, frowned severely on that type of arrangement.

To escape these difficulties just mentioned the proposal now under consideration has an expressly stated purpose which is entirely different from that embodied in the Agricultural Adjustment Act. The conservation of valuable national resources, the preservation of the fertility of our agricultural lands, and the improvements of the soil are the declared purposes of the pending legislation. No taxes are levied and no contracts are required. In fact, contracts are prohibited.

Public Law No. 26, "An act to provide for the protection of land resources against soil erosion", was approved by the President on April 27, 1935.

We now intend to so amend that law as to make available the same benefits denied us in the recent decision of the Supreme Court, but in a constitutional manner.

Payments by the Federal Government will be made direct to the farmer up until December 31, 1937, practically 2 years away. After that date grants will be made to the States for payment to farmers within its borders who voluntarily comply with the purposes of the act by taking portions of their land out of production of commercial crops like cotton and substituting instead a soil-building legume or grass. Of course, a State has to make its own plan, and if it does not do so before December 31, 1937, the grants will be withdrawn. This allows the State to do as it desires, and there is thus no invasion of the reserved rights of the States.

There was considerable objection to the Bankhead Act because of the high penalty a cotton farmer had to pay if he marketed any cotton in excess of the amount allotted to him in accordance with the specifications of his contract with the Secretary of Agriculture. Many instances came to my personal attention wherein a farmer was given so small an allotment that he did not have a praying chance to properly feed and clothe his family, much less pay his taxes and meet other imperative obligations. Since the Supreme Court decision Congress has specifically repealed the Bankhead Act. Farmers will no longer have to execute contracts, have their crop acreages measured, fight for gin certificates, or pay a penalty if the crop exceeds the quota of certificates given them.

Instead, under the measure I am now discussing, they will not be punished for failure to cooperate, but will receive a bounty in return for the cooperation they care to give, it being entirely up to the producer as to whether or not he desires to participate in the program which will be inaugurated when we have finished with this legislation.

The objection comes to my mind that in administering the law, when enacted, there may be regulations on the part of the Secretary of Agriculture that will pay much money to the farmer who is so fortunate as to have rich, valuable soil, with a meagerly, scanty sum at the same time being paid to those who have poorer fields. That poor soil is the type to which most attention should be paid, if we are to preserve good faith with the announced purpose of the act, retiring enough of it from production to maintain a supply advantageous to the farmer and at the same time compensating him for his cooperation. I hope that no inflexible, complicated regulations will be devised so as to work hardship on any farmer.

A question also occurs as to what this act will do to help the tenant farmer. I feel that the Secretary of Agriculture is clothed with powers sufficiently broad to allow him to make payments to tenant farmers for their cooperation, and in supporting this measure I expect that to be done. The bill states that payments may be made to agricultural producers, which certainly should include tenant farmers.

I think it is the implied policy of this legislation, even if not clearly announced, that the States, although on the basis of State cooperation, will never have to match any funds or furnish any money with which to finance the program. The expense will be borne entirely by the Federal Government.

On April 18, 1935, I warned this body that Mississippi and other States in similar financial condition could never have old-age pensions for its aged citizens if States were forced to match funds furnished by the Federal Government. The House refused to listen to my pleas in behalf of all people, wherever they might reside, in rich State or in poor State, and voted down my amendment, which sought direct Federal payments. The result is that Mississippi, as well as numerous other States, cannot see its aged participating in the benefits furnished by the Federal Government to the other States because they are richer and can match funds.

I do not want any such financial requirements on the States to come up and defeat my purposes in supporting this bill. It would mean disaster to my district and State.

We are authorizing the appropriation of $500,000,000 to pay for this program; and if it helps our farmers, it is money that will be well spent. It should be spent.

We are clothing the Secretary of Agriculture with extensive authority—a proposition that normally would probably fail to meet with my approval as a matter of sound governmental science—but anyone must admit that a serious emergency now exists that makes immediate action imperative. Many different crops are involved, and millions of farmers who have the right to a profit from their labors are watching hopefully for something to be done in their behalf. The Supreme Court decision came late, and farmers are preparing for a new crop without knowing what to expect. They need beneficial legislation, and they need it now. No one is better equipped with organization and personnel than the Secretary of Agriculture to meet the many diverse problems and make regulations for their solution. Practically the same powers were delegated under the Agricultural Adjustment Act.

I feel that the benefits to flow from what we now propose to do will far outweigh any defects.

Mr. Chairman, I therefore heartily support this new program for assistance to our farmers and plead with my colleagues to do likewise.

Mr. JONES. I yield to the gentleman from Texas [Mr. MAVERICK] such time as he desires.

CONSERVATION AND THE CONSTITUTION; DEPENDENCE OF CITY LIFE ON AGRICULTURE

Mr. MAVERICK. Mr. Chairman, in the report on the House bill we find the following:

> If means can be found to rehabilitate the agricultural industry by methods not in conflict with the Constitution, the national welfare will be promoted.

There must be an implication there that if it happens to be against the written words of the Constitution, or the

opinion of five as against four human beings on a court, that it would be against the general welfare of the people. I do not criticize the way that was written, but I think what we really mean is:

The national welfare will be promoted if means can be found to rehabilitate the agricultural industry, and because the very purpose for which we adopted the Constitution and formed the Union of States, was to promote the general welfare.

That is what the Constitution of the United States, in effect, says and means. We have said a great deal about saving the farmer, and there has been a lot of sentimental talk about the farmer, but the big problem is the conservation of our natural resources for all the citizens of the United States as a whole. This has been more or less minimized in the discussion of the direct plight of the farmer.

But all parts of the body politic are dependent on each other, and this point I should like to mention: That I have recently visited the industrial districts of many cities in the East. These people are alive to the danger to the people who live by the soil, because they have sense enough to know that city people also live by the soil. The A. A. A. decision is as unpopular in the industrial districts of New York, Pittsburgh, and other eastern cities, as it is on the farms. They know the Congress of the United States is responsible to the people, and they, the people, know they can vote on Congressmen but cannot vote on courts, and these people realize the supreme importance of the necessity of Congress legislating on behalf of the people, and especially for the purpose of conserving the resources for the benefit of all the people.

That is how I view this bill, not as special legislation for farmers but as general legislation for the American people.

Concerning these statements, the preamble to the Constitution says:

We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

It says it again in article I, section 1 and section 8:

SECTION 1

All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

SECTION 8

The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

ENEMIES MARCH RELENTLESSLY ACROSS THE UNITED STATES OF AMERICA; AND NO COURTS—ONLY CONGRESS—CAN STOP THEM

From what I have just quoted, it seems to me that it is not only a right of the Congress but a duty of the Congress to provide for the general welfare of the United States and its common defense, and one as much as the other. Although the law may be interpreted away, it is just as sensible to provide for the common defense, which provides protection of every part of the United States, as to provide for the general welfare, thereby providing for the preservation of farms and lands, wherever located. If Oregon was attacked by an enemy, we would send the Army there. And, under this general welfare, we have a right to protect the farms in the Mississippi Valley from water which comes across the Canadian line and through some 10 or 15 States into still other States as we have to protect the United States from an enemy that might march from a coast to another coast across various State lines.

The only enemies we have are not enemy soldiers. We have the enemies of wind and water erosion and the ceaseless effect of Nature upon the lives of the people. We have as much right, in preserving our country, to make a treaty with Nature as we have to make a military treaty. A drop of water may fall close to the Continental Divide in Canada; it passes into our Nation; then it passes State line after State line; and no decisions, even if all of them were unanimous of all the courts of the world, could stop this single drop. And neither would this little drop of water pay any attention to a writ of contempt. Since this is true, then Congress must by legislation provide the means whereby this section of humanity can save itself. Congress can do this by proper conservation legislation such as this.

It seems to me that the right of existence, the right of survival, not only permits Congress but imposes upon it an imperative duty that it shall provide for the protection of the soil of this country from the effects of Nature. Congress has as much right to protect the people from a barrage of enemy shells that will kill the people as it has to protect the people against a barrage of water and wind that will wash and blow our country away and starve the people. Congress has as much right to blow a bugle of military death as it has to blow a bugle of civil life.

AMENDMENT CONCERNING INTERSTATE DRAINAGE AREAS TO BE PRESENTED

I shall offer an amendment showing the interstate necessity of this legislation and its constitutional basis for enactment. I do not claim to be an authority on the Constitution. That Constitution has been covered very well many times before by able constitutional lawyers on this floor.

The amendment that I shall offer will be substantially as follows:

Page 2, line 6, after the comma, insert: "to safeguard areas involving interstate drainage and its effect upon interstate traffic by water and land, its effect upon floods, the use of bridges, post and interstate roads; to promote the prevention of soil erosion caused by waters carried into the United States of America from other nations and from various States to each other; to provide conservation of national natural resources in land, water, plant, and wildlife."

Personally I think that the Triple A Act was constitutional. I agree with the minority. These three men's opinion may be right and the other six wrong. In any event, the Supreme Court has reversed itself before and may do so again. Being convinced of the right of the National Legislature to legislate for the national benefit of the people. I voted against the repeal of those various agricultural acts. And I think there is no question of the constitutionality of the act now being discussed, but, of course, I am not the Supreme Court.

CONGRESS SHOULD MAKE THE PURPOSES OF THIS LEGISLATION CLEAR

I think it is necessary, however, that the Congress of the United States inform the people of the United States of the full import of this type of legislation. Lately, when we discuss a subject, we generally spend most of our time on the Supreme Court of the United States. Looking at this from a personal viewpoint, as everyone knows, I was strong for the Tennessee Valley Authority, and I had a more or less kindly feeling toward the Supreme Court when they held that constitutional, but that is not the point. We have problems that transcend everything formal in this country, and if the Republican Party should be successful in defeating any effective program of legislation on account of its alleged unconstitutionality, then if they get control of the Government some day, they will be prevented from effectually representing the people of the United States. In other words, if they raise so many smoke screens as to obstruct true legislative government, then they cannot legislate themselves if they ever get in power.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. MAVERICK. I yield to the distinguished gentleman from New York.

Mr. SNELL. Did I understand the gentleman to say that the Supreme Court held the T. V. A. constitutional?

Mr. MAVERICK. Yes.

Mr. SNELL. As I read Chief Justice Hughes' specific statement, he said the only thing they passed on was the question of selling power from the Wilson Dam.

Mr. MAVERICK. I think technically the gentleman from New York may be correct, but, in any event, the T. V. A. will go on; that is the important thing to the American people. It is also important in that it may be the basis of great national conservation. The practical effect of the decision is that we will have public ownership of public power and the sale of such power at cheap rates to the public.

When I get to the Supreme Court, as I say, there are certain decisions I like. I did not like the A. A. A. decision. I did not like the North Dakota railroad case that threw

out the State rights to tax; but I did like the Mississippi case, wherein they gave three Negroes the right of fair trial and protected human rights, even if the citizens were black. I did like the newspaper case of Louisiana, where the Constitutional right of free speech and press was upheld; and I did like the T. V. A. case. But the point is in the Constitution of the United States there are two divisions of power of the Supreme Court in its relation to Congress. One, in which there are specific prohibitions, like freedom of speech, the granting of letters of marque and reprisal and establishing a state religion, and other subjects. Then there are those that concern the general welfare, affirmative rights. The Supreme Court itself has said in numerous cases, and in a recent opinion of Mr. Justice Brandeis, that the Supreme Court should not interfere with the legislative functions when there is any question about it whatsoever.

I think we should make this plain, that if a farmer takes 20 acres out of cultivation and puts it back in its natural form of grass or trees, that is a benefit to the United States of America, because it protects the United States of America against wind and water and soil erosion and saves the fertility of the soil.

The Mississippi Valley drains from way up in Canada. Those waters empty onto the United States of America, and the conservation, or lack of it, on a farm in Canada has its effect on a farm in the United States of America. Likewise, the manner in which our natural resources are protected east of the Continental Divide in Colorado has its effect all the way down through many States to the Gulf of Mexico. National conservation, as a matter of direct, sincere fact, is constitutional from many angles; and if the Supreme Court acts on its previous opinions not to interfere in acts of Congress when there is a reasonable doubt, this act will be constitutional.

PRECEDENTS AND GROWTH OF CONSTITUTION

Now, let us discuss the Supreme Court again. The laws or statutes of this country are supposed to be written by Congress, pursuant to the Constitution. They are supposed to be interpreted by the Court. As we all know, the Supreme Court has no written power in the Constitution to declare any act of Congress void. And not being in the Constitution, it cannot even be said to be implied. However, the people believe that the Supreme Court has such a right; but, in any event, we have the strange situation of the Supreme Court using an assumed or arrogated right, or, to put it in more pleasant language, an unwritten right, to declare laws of Congress void and unconstitutional because no written authority is given in the Constitution itself for such laws. Although the Supreme Court has no written right to declare acts of Congress unconstitutional, it goes even further and declares acts of Congress to provide for the general welfare as being unconstitutional.

But I admit most of my argument in this case is academic. As I said, the people believe the Supreme Court has the right; so do most of us here in Congress; and so do 80 percent of the lawyers in this country.

However, to repeat, no one denies that no such power is written in the Constitution.

But let us talk about laws and upon their formation. Some laws are created by precedent; by custom. You will remember in Blackstone the phrase that a certain practice is created by immemorial custom, and that it has been so long that it has become the law—"Till men's minds runneth not to the contrary." On the other hand, there is such a thing as progress in law and such a thing as progress in the interpretation of the Constitution. This is all obvious, too. For when the Constitution was written it was impossible for the people at that time to anticipate the industrial, agricultural, and scientific progress of this country. And, furthermore, the laws and the interpretation of the laws have actually progressed under the Constitution of the United States. If they had not, we would not have progressed at all in this Nation.

The Washington Post of this morning, February 19, 1936, quotes Senator BORAH as follows:

That's the beauty of the Constitution. It grows as the country grows.

This was in reference to the Tennessee Valley Authority opinion.

CONSERVATION NECESSARY FOR PRESERVATION OF NATION

But let us return to the discussion of conservation as it applies to the Constitution of the United States. We know that we are going to have to conserve our resources if this country is to survive. Therefore, if it is necessary to amend the Constitution in order to save the country, we should amend the Constitution rather than destroy the country. Personally I do not think it is necessary to either destroy the country or to amend the Constitution. I believe this act is entirely constitutional and entirely within the authority of Congress, even if the Supreme Court has the right to declare our acts unconstitutional.

Now, I repeat, Congress is under certain direct prohibitions and is held accountable to the people under the Constitution. Certain acts by this body would be void no matter whether they were declared void by the Supreme Court or not. The Constitution says that Congress shall not abridge speech and press, prevent assembly, shall not quarter soldiers in time of peace in any house, and so on. It goes without saying that if Congress violates any of these direct inhibitions, such act would be void.

Now, as I stated in the first place, I believe that the Constitution was created for no other purpose than the general welfare and national defense, and certainly there is no prohibition in the Constitution on the subject of general welfare. You cannot find anywhere in the Constitution where Congress is prohibited from providing for the national welfare—that is, of governing the United States for the people who live in it.

NO BRANCH OF GOVERNMENT SHOULD BE SUPREME—PEOPLE SHOULD HAVE FINAL CHECK

In all this it seems to me that we have the proposition that no part of the Government—legislative, executive, or judicial—should be the final judge as to any other department of Government. It seems to me that the people of the United States should be the final judge. Many amendments have been offered to the Constitution for the purpose of rectifying various situations believed to stand in the path of economic welfare; what amendment exactly should be offered and what should be the exact procedure I do not know.

But to review the general powers of the Court, at least based on common sense, they are in two divisions: First, those acts of Congress which are directly and specifically in violation of the Constitution; and, second, those that concern the general welfare, or the legislative right of Congress, of providing for the preservation of the people who compose the Nation.

We all know that England has a Constitution. The Constitution is not written. The Constitution of England, being unwritten in the sense that it is not a document, is not like ours, but is nevertheless imposed upon the people of England, and by their Parliament, by themselves. Many times it has been impossible to change the fundamental law of England, because it has been believed to be in violation of the Constitution, or of immemorial precedent. Yet when the people really found out what they wanted, and the Parliament has understood it, they have proceeded to legislate for the welfare of the English people.

Now, it seems to me that public opinion should be considered by the Supreme Court, when public opinion is well advised and of long standing; and when that public opinion knows what is safe and proper, and when that public opinion is for a governmental proposition that is not destructive of our form of government and is actually, affirmatively for the general welfare. This, it seems to me, is the recognition of progress mentioned by Senator BORAH. I do not mean by this that the Supreme Court should bow to the will of mobs, or temporary prejudices and passions; I do not mean that they should permit even the slightest destruction of our form of government, but I do mean that they should acknowledge the proposition of progress in the affairs of men.

Therefore, inasmuch as the Supreme Court's right to hold an act unconstitutional is admittedly not in the Constitution, and is admittedly a vague one, even by the Court itself, it seems to me that they might eventually adopt the two classi-

fications; that is, if an act of Congress is in direct violation of the Constitution, that they should immediately declare the act to be void; and, second, that if an act of Congress, even though lacking in merit and discretion, is for the purpose of the general welfare and for the common defense, and not specifically prohibited by the Constitution, that this province should not be invaded by the Supreme Court, because to do so is for the Supreme Court itself to legislate.

This condition can be gradually effected by custom or by constitutional amendment. Or it can be effected by a Federal statute, since Congress has power to regulate the appellate jurisdiction of the Supreme Court. In any event, there should be a check on the Supreme Court as well as on Congress, and that should be the people. If the Supreme Court interprets the laws and blocks any invasion of the people's liberties, and if Congress acts either discreetly or indiscreetly for the general welfare, the people can always in the end protect their rights at the ballot box.

COURT ITSELF DOUBTS RIGHT TO DECLARE ACTS OF CONGRESS VOID

Recently Justice Brandeis, in his opinion on the jurisdiction of the T. V. A. case, quoted various opinions, and some of them are as follows:

Mr. Justice Iredell said, as early as 1798, in *Calder* v. *Bull* (3 Dall. 386, 399):

> The authority to declare it void is of a delicate and awful nature. The Court will never resort to that authority, but in a clear and urgent case.

Mr. Justice Washington said in *Ogden* v. *Saunders* (12 Wheat. 213, 270):

> It is but a decent respect due to the wisdom, the integrity, and the patriotism of the legislative body, by which any law is passed, to presume in favor of its validity until its violation of the Constitution is proved beyond all reasonable doubt.

Mr. Chief Justice Waite said in the *Sinking Fund Cases* (99 U. S. 700, 718):

> This declaration (that an act of Congress is unconstitutional) should never be made except in a clear case. Every possible presumption is in favor of the validity of a statute, and this continues until the contrary is shown beyond a rational doubt. One branch of the Government cannot encroach on the domain of another without danger. The safety of our institutions depends in no small degree on a strict observance of this salutary rule.

It is, therefore, seen that the Court is quite suspicious of its own assumed right to declare an act unconstitutional; and although the Court is not supposed to be susceptible to the whims and caprices of temporary public opinion, it can, by long judicial experience, in the light of the foregoing decisions, consider these two divisions of making opinions.

CONSERVATION—"LOCAL" AND "NATIONAL"

Now, Mr. Chairman, the question always presents itself as to what is "local" and "national." The care of a farm in Texas or Maine seems to be held by the Supreme Court of the United States as being a "local" matter. In the writing of this legislation, it would seem also that to give any special attention to a given farmer, living within a certain State, would be invading certain local affairs; however, when we look at the whole matter as the conservation of the soil of the United States in its relation to interstate drainage areas, and its effect in an interstate way, such as in floods and other matters concerning the Nation as a whole, then in that event it is clearly within the constitutional right. This is not circumvention of the Constitution.

I do not think that I have revealed any information that is new, but the question of conservation involves great drainage basins, affecting not only farm life but city life. Every piece of land in the country, which naturally includes farms, is in some drainage area; such areas cannot be protected unless each part of the land, which may be a farm, a public or private forest, is preserved against the ravages of erosion. This must be done by a national program. It cannot be done locally.

Every single farm, every single road, bridge, forest, creek, rivulet—every natural or artificial piece of matter in any given drainage area has something to do with the conservation of the whole country. If fine, slick concrete roads are constructed—and they are now so built all over the Nation—the water runs faster, and goes on its destructive path hundreds of miles away and over State lines.

It is, therefore, absolutely imperative that we maintain the strictest type of protection of all of the drainage areas of the United States, and all of the United States is divided up into drainage areas. If we do not, of course, the Nation will be destroyed, and agriculture is vitally and directly connected with all this. Aside from agriculture—looking at it only from a viewpoint of national welfare—this law appears to be in accordance with the purposes of the Constitution and Government and should be enacted into law.

Mr. JONES. Mr. Chairman, I yield 8 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, like the gentleman from Texas [Mr. MAVERICK], I was of the opinion that the A. A. A. was within the Constitution. I believe that the minority decision of the Supreme Court has a sounder basis than that of the majority. At the same time, I have more confidence in the judgment of the Supreme Court with regard to the question of constitutionality of legislation than I have in the judgment either of the gentleman from Texas [Mr. MAVERICK] or myself; and, as far as I am concerned, I propose to respect their decisions.

I should like to vote for this bill. I still hope that the bill may be so amended or that some of its points, which I do not perhaps thoroughly understand, may be so explained in the course of the debate that I may be able to give it my support. I voted for all farm relief legislation which has been passed during the period of 10 years that I have served in Congress, except the continuance of the Bankhead Act and the iniquitous potato legislation. I even supported the Farm Board legislation proposed under the administration of President Hoover. I do not have any particular pride in that, but I felt then, and I feel now, that President Hoover was engaged in a sincere effort to be of benefit to American agriculture; and, as far as I am concerned, I propose to uphold the hands of any President, whether he be a Democrat or Republican, who I think is engaged in good faith in an effort of that sort.

But what is this pending bill? To my mind, it might read something like this:

> Whereas the Congress of the United States for a number of years has been engaged in an effort to accomplish something for the benefit of the American farmer, and perhaps has not succeeded as well as it could have hoped: Therefore be it
>
> *Resolved*, That the Congress now dumps the entire question into the lap of the Secretary of Agriculture and vests him with power and authority to make such regulations as he sees fit, having the effect of law, under which an effort shall be made to bring about farm relief in this country; and we place in his hands the authority to spend a half billion dollars a year: *Provided, however*, That in no event shall he be permitted to pay out any of these benefits to the tenant and share cropper class, who comprise more than a majority of the agricultural population of this country.

That, in substance, it seems to me, is what this proposed legislation means. I may be mistaken, but if I am mistaken I hope that in the course of the argument relating to the bill the chairman of the Committee on Agriculture, who has not yet been heard, and other members of that committee may succeed in pointing out wherein I am in error.

Mr. JONES. Will the gentleman yield?

Mr. TARVER. I cannot yield at this time, because I only have a few minutes and there is a great deal I should like to say.

One thing I do not like about this proposition is that we have the cart before the horse. We provide for spending this money before we provide for raising it. We know there is going to be brought in within a few days tax legislation to raise a half billion dollars a year that we are asked to provide for expending today. We do not know what that tax legislation is going to be. We do not know whom they are going to propose to tax, nor in what amount. We do not know how odious and obnoxious to the American people the taxes provided by that legislation may be or how fair it may be; yet those of us who vote for this bill bind ourselves in honor to support legislation which will bring about the collection of the money necessary to pay those benefits. The position of the Representative who votes for appropriations and against collecting taxes to pay them with is indefensible. I think we ought to have the whole program before us at one time before we are asked to vote on whether or not we are going to pay out $500,000,000 or $440,000,000, as the case may be, and that

we should be advised as to what legislation we are going to be asked to support to get that money into the Treasury.

In the next place I think we invest the Secretary of Agriculture in this bill with entirely too much power. I am not willing for the Secretary of Agriculture to legislate for me. I do not think he ought to be permitted to legislate for the American Congress. It is not necessary as to any question of the constitutionality of this legislation to place such tremendous power in the hands of the Secretary. It would be very foolish for any man who pretends to be a lawyer to insist that Congress, while it could not make certain provisions itself under the Constitution because of the decision of the Supreme Court in the A. A. A. case, can yet vest in the Secretary of Agriculture the authority under which he can make regulations of that character and not be interfered with by the courts. Every lawyer knows that the administration of an act and the effect of its administration will be looked to by the courts in determining the question of its constitutionality; and you cannot place in the hands of the Secretary of Agriculture any greater power under the Constitution than you can exercise yourselves.

The next consideration is that you are not doing anything for the sharecropper and the tenant farmer. If you will examine this bill carefully you will find that no reference is made to the payment of any benefits except to the landowner. It would be a matter of comparatively little difficulty to write into the bill, if you intend to take care of the sharecropper, if you intend to take care of the tenant, some provision which would insure that the tenants and the sharecroppers will receive consideration.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. TARVER. Yes.

Mr. ANDRESEN. It is proposed to leave it to the Secretary of Agriculture to determine how the tenant and the sharecropper shall be taken care of.

Mr. TARVER. Why leave it to the Secretary of Agriculture? In connection with the enforcement of the Bankhead Act, the Secretary of Agriculture permitted the tenant, and the sharecropper, and the small farmer, in many instances, to be the victims of rank and unjust discrimination. I say this advisedly. The head of the cotton section of the A. A. A. testified before the Committee on Agriculture last year in connection with the Doxey bill which we passed here, but which received no attention in the Senate—and I have just read his testimony in the hearings today, after having heard it delivered last year—that nobody is a farmer except a man who owns land. This man is charged with the administration of the cotton section of the A. A. A. He frankly stated and reiterated before the Committee on Agriculture his position that a tenant and a sharecropper are not regarded as farmers, but only those are recognized as farmers who own land.

Do not shake your head, Mr. Chairman, because on page 75 of the hearings in connection with the Doxey bill which I read today, and on the succeeding pages, that testimony of Mr. Cobb is set out.

[Here the gavel fell.]

Mr. TARVER. Will the gentleman from Texas yield me the 2 additional minutes he promised?

Mr. JONES. I yield the gentleman 2 additional minutes.

Mr. TARVER. I thank the chairman. Now, I yield to the gentleman from Texas, who indicated a moment ago he desired to ask a question.

Mr. JONES. For the gentleman's information I may say that section 11 is to come out and there will be other provisions in the bill which will take care of the matter.

Mr. TARVER. I certainly hope that section 11 will come out, because that is the section which vests the absolute autocratic power in the Secretary of Agriculture to do exactly as he sees fit. But section 7 (g) should be amended also. This section provides for the method of apportionment under the permanent plan of benefits as between the States. You simply say that the Secretary of Agriculture, in making those apportionments, shall take into consideration certain things such as farm acreage, farm population, and productivity of the soil. You do not say how much consideration he shall give to these different factors in arriving at the amounts of his allocations. One factor, productivity of the soil, is not susceptible of being mathematically ascertained. But when you appropriated money to the States for the purpose of aiding road construction, you laid down certain definite methods by which the amounts of the allocations could be arrived at to a mathematical certainty.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I do not yield.

There is no reason why we could not do the same thing now rather than vest absolute authority in the Secretary of Agriculture.

There is no assurance that these benefits will be equitably distributed throughout this Nation. That is left entirely to the will of the Secretary of Agriculture. In the permanent plan there are detailed certain things, such as farm population, value of agricultural commodities, acreage, and productivity of land, which the Secretary shall "take into consideration" in apportioning funds among the States, but what consideration he shall give them, or how they shall affect his judgment, is not provided. Besides, he is given absolute discretion in deciding whether a State has submitted a proper plan, or if he thinks it has, whether it has complied with that plan. He first decides, therefore, without any mandatory provision to guide him, how much he will allow each State, and if he decides to give Iowa ten times as much as Georgia, there is nothing that can be done about it. He then decides whether such State has submitted a satisfactory soil-conservation plan and woe be to that State whose plan does not meet his approval, for from his judgment there can be no appeal. He next decides whether that State is satisfactorily carrying out the plan, and if any State fails in all respects to conduct itself as he thinks it should, he can wipe its part off the slate.

The temporary plan which is to be effective until a permanent plan is devised, but not later than January 1, 1938, gives him even wider discretion. There are not even any suggestions as to how he shall apportion the money. He is simply given blanket authority to pay out benefits in such amounts and in such States as he may approve when he feels that to do so will accomplish the purposes of the act. And to make it doubly sure that nobody can interefere with his discretion the bill expressly provides in section 11:

> The Secretary shall prescribe such rules and regulations as he deems necessary to carry out this act.

And again in section 14:

> Notwithstanding any other provision of law, the action of any officer or employee in determining the amount of or in making any grant or payment under sections 7 or 8 shall not be subject to review except by the Secretary of Agriculture.

Will the Secretary be fair to your State or to my State? I hope he will; but I do not know. I do know that if we will do it, we can make sure that each State will receive a fair share of this money by simply writing provisions that will make that certain into the law itself. We have done it with road moneys. Certain definite rules, based upon road mileage, population, and other considerations that can be definitely and mathematically ascertained, govern the distribution of road money, and the Secretary of Agriculture is not allowed to distribute it according to his own ungoverned will. That appropriation is limited under the Hayden-Cartwright law to $125,000,000 annually. Here we are dealing with four times that amount, and are making no effort to direct in a mandatory way as to how it shall be apportioned so as to assure every State its fair share.

It would be much easier to drift with the tide than to say these things. It may be that you will later devise a fair method of taxation to raise this money; that the Secretary will apportion it equitably between the States; that his regulations will be satisfactory; that the tenants and sharecroppers will be fairly treated. If so, I shall be happy. But I am tired of jumping in the dark. If the powers that be have

a tax plan, let us have it before we pass this bill. If we want the money equitably distributed between the States, let us provide mandatorily how it shall be done, whether by rural population, farm acreage, or otherwise. If we want the tenant farmer taken care of, let us say so in this bill. The Secretary already has his regulations drafted in anticipation of the passage of this bill. Would it be a crime for the Committee on Agriculture to send for the Secretary and say: "Mr. Secretary, before we pass this bill let us have a look at whatever regulations to carry it out you have in mind." Can there be any harm in Members of Congress knowing what is to be done before they pass legislation authorizing it, or insisting on doing themselves things they want done rather than leaving those things to somebody else who may or may not do them? I think not, and unless this bill is substantially changed by amendment and we secure more information about what is to be done than we now have I shall be compelled, regretfully, to vote against it.

Mr. JONES. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FULLER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes had come to no resolution thereon.

EXTENSION OF REMARKS—FARM BILL

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, I wish to make a few brief remarks on the so-called soil-preservation and erosion-prevention farm bill now before the House. This legislation is designed to replace the Agricultural Adjustment Act, which was declared unconstitutional by the United States Supreme Court. Under the terms of this bill it is contemplated that benefit payments to farmers will be made, providing they comply with regulations to be made by the Secretary of Agriculture. Payments are to be based on one or more of the following: First, the acreage of soil-improving or erosion-preventing crops; second, the total acreage of crop land; third, the changes in the use of the land; fourth, a percentage of the normal production of any one or more agricultural commodities designated by the Secretary which equals that percentage of normal national production of such commodities required for domestic consumption.

In view of the fact that this legislation is an attempt to duplicate the results obtained under the A. A. A., I believe it is proper at the outset to consider our experience under that law. There is no question but what the A. A. A. increased purchasing power of the farmers raising those products for which benefit payments were made. It put money in the pockets of some of the farmers. The amount received by the farmers varied greatly, however. Dairy farmers got no direct payments. The average payments to other farmers in Wisconsin amounted to only $60.67 per farm, while Iowa farmers received $420 per farm; Texas farmers got $264 per farm; and the rate in Alabama was $109.83. The five States of Texas, Iowa, Illinois, Oklahoma, and Missouri received more than a third of the total benefit payments under the A. A. A., Texas and Iowa together receiving $226,000,000, which was nearly double the combined receipts of the farmers in Wisconsin, Michigan, Ohio, Minnesota, and Kentucky. There is no difference of opinion with reference to the effect of the processing tax by which the A. A. A. was financed. It was a form of sales tax on food and clothing and resulted in higher prices being paid by the consumer. In many cases the farmer paid the tax. Processors told him that because of the tax they could not pay him the market price expected.

MORE DEFECTS THAN A. A. A.

The proposed legislation which is before this House today, Mr. Speaker, has all of the defects of the A. A. A. There are, however, additional hazards for the dairy farmer, and we have tried to correct them by amendment. Most of the dairy farmers have been practicing soil conservation as a part of their regular farm operations. It is hardly possible that under this act they will be eligible to receive payments for continuing their present crop practices. This bill will result in paying farmers for withdrawing land from production of cotton, corn, tobacco, and wheat. In order to preserve the soil and prevent erosion the farmers are to plant the land thus withdrawn in grasses, legumes, or forage and pasture crops.

It is only natural that the farmer who plants such forage and pasture crops will make use of them by going into or increasing the production of livestock and dairy cattle. This was our experience under the A. A. A., and under this act there is much greater danger of disastrous competition with the dairy farmer.

For instance, the production of creamery butter in Iowa, where land was withdrawn from corn production, jumped from 219,000,000 pounds in 1932 to 239,000,000 pounds in 1933. It has been repeatedly stated here on the floor that the number of dairy cattle has increased in Kentucky, Missouri, Texas, Mississippi, and other States where A. A. A. benefits were paid for withdrawal of land.

DAIRY AMENDMENT REJECTED

With this situation in mind those of us who come from the dairy section asked that the dairy farmer be protected by adoption of the so-called Boileau amendment. This amendment provided—

> Any payment or grant of other aid which is conditioned, in whole or in part, upon the growth of soil-restoration, soil-conservation, or erosion-preventing crops on any land or any change in the kind of crop to be grown on any land shall be subject to the further condition that no crops intended for sale be harvested from, and no livestock intended for sale or the products of which are intended for sale, be grazed or pastured on such land.

On two occasions, however, the leadership here has succeeded in defeating this amendment to safeguard the dairy farmer. The chairman of the Agriculture Committee has attempted to assure us that the Secretary of Agriculture and others charged with the administration of the program will protect the interests of the dairy industry. The majority leader has argued during the debate, however, that this dairy amendment is unconstitutional. Manifestly, if the dairy amendment is unconstitutional when written into the law by Congress, the Secretary of Agriculture as an administrative officer has no constitutional power to do the same thing, as we have been assured by the gentlemen here this week.

MARKET CONTROL AID DENIED

Recognizing that restoration of farm purchasing power is desirable, we have made another attempt to improve this bill through the La Follette amendment, which was approved by the Senate, but which has just been rejected by the House. This amendment, in which the Northwest farmers' legislative groups were particularly interested, provides that sufficient sums of money be set aside to enable a national association of cooperatives to operate in the principal farm markets. In this manner it was proposed to give the farmers through their cooperatively owned organizations some control of the marketing machinery and their own surpluses. The farmer has always purchased his machinery, clothing, and other necessities at the prices set by the sellers and has sold his produce at the buyers' price. The majority party has seen fit, however, to reject this amendment which would have given the dairymen an opportunity to get some benefit out of this legislation.

We have attempted to improve the bill further by placing a limitation of $2,000 on the amount to be received by any one farmer, but again the proposed amendments have been rejected.

SECRETARY GIVEN CONTROL

It is planned to spend $500,000,000 to carry out the provisions of this bill. Almost unlimited power is delegated to the Secretary of Agriculture under the terms of the bill. The Secretary not only is given authority to "prescribe such rules and regulations as he deems necessary to carry out this act", but he is given similar control over grants to States to carry on their own programs, if they adopt such programs,

starting 2 years from now. The bill provides further that the action of any "officer or employee in determining the amount of or in making any payment shall not be subject to review or audit except by the Secretary of Agriculture." An attempt has been made to correct this situation by providing for a board of appeals to which farmers who are dissatisfied with rulings could complain, but this amendment also has been rejected.

TARIFF POLICIES HURT FARMERS

Mr. Speaker, I have pointed out some of the injustices and inequalities of the bill we now have under consideration. The pending measure is not only unfair and inequitable but it is entirely inadequate to correct the fundamental maladjustments which are rapidly forcing our farmers into bankruptcy. Even prior to the depression of 1921 the farmers suffered from decidedly disadvantageous bargaining conditions. The tariff laws favored the eastern and industrial sections of the country. Farmers had to buy their necessities at prices held high by tariff laws, as well as by great financial combinations and trusts, which controlled prices. The farmer, on the other hand, got scant tariff protection. Due to this unfavorable situation the farmer even then was only able to break even by working unusually hard and by living in an extremely thrifty and economical manner. Our tariff juggling continues to plague the farmer. The Reciprocal Trade Act, passed in 1934, when I was not a Member of this House, gives the President and State Department authority to raise or lower tariffs as much as 50 percent. On several occasions during the last session of this Congress I called the attention of this House and the State Department to the tremendous increase in importations of farm products, especially from Canada. Despite these warnings and protests, the Canadian reciprocal-trade agreement was approved. Lower tariff concessions on agricultural products were made to Canada. In return, Canada reduced its tariff on manufactured goods. Again industry wins tariff privileges while the farmer loses.

I have just received the report of the Department of Commerce for the month of January 1936, which shows that our exports of dairy products again decreased as compared with January 1935. Our exports in January, last year, amounted to $380,000, and this year, in January, the amount of dairy products exported amounted to $285,000. Imports of dairy products, on the other hand, increased from $870,000 in January 1935 to $941,000 in January 1936. The same discouraging trend, more pronounced at times, has prevailed for the past several years.

FARM DEPRESSION SINCE 1921

After fighting an uneven battle for many years, the farmer was plunged into a real depression in 1921 as a result of the deliberate action of Federal Reserve officials, prompted by Republican and Democratic politicians, doing the bidding of the financial pirates who have control over our credit. Since this deliberate deflation of the farmer by the credit manipulators, agricultural interests have experienced a steady depression extending over a 15-year period.

It is common knowledge that there is entirely too great a spread between the amount the farm producer receives and the amount which the consumer pays for the products of the farms. This unfair distribution system under which the gambler and speculator frequently get the hog's share of the consumer's money, has been more pronounced since 1928. During that year the farmer got 47 cents of the consumer's dollar while the distributor, processor, and other middle men got 53 cents. Two years later, in 1931, the farmer got only 38 cents of the consumer's dollar while the processor, distributor, and so forth, got 62 cents. In 1932 the farmer was receiving only 33 cents while 67 cents of the dollar went to the middle men. This downward drift in the returns to the farmer was checked to some extent in 1933 and 1934, but even now the farmer is getting only 36 cents out of every dollar spent by the consumer. As a result of these injustices the farmer is staggering under a great burden of debt. Unable to get cost of production for his produce he has constantly been compelled to borrow money and mortgage his property in order to keep his farm and his home.

An attempt was made to help distressed farmers by passage of the Frazier-Lemke moratorium bill in 1934. This law was declared unconstitutional by the Supreme Court, however, and the new Frazier-Lemke moratorium bill gives scant protection from foreclosure to the debt-ridden farmers.

PASS FRAZIER-LEMKE FINANCE BILL

In order to give any genuine farm-credit relief it will be necessary to enact the Frazier-Lemke refinancing bill, which gives the farmer a better opportunity to refund his indebtedness by payment of lower interest rates. This bill provides for interest rates of 1½ percent and payment of 1½ percent in reduction of the farm mortgage. This legislation has been reported favorably by the Committee on Agriculture, but we have been unable to get a vote on it due to opposition of the House leadership, which determines what bills shall be voted on. Those of us who have signed the petition to force a vote are now making every effort to get the necessary signatures to bring this bill up for consideration.

Mr. Speaker, I wish to urge upon the Members the necessity of the enactment of this bill at this session of Congress. The money changers are opposed to it. The creditor class is opposed to it. All those who dominate the farmers because of control of credit are opposed to passage of this bill. Everybody knows we would give the farmer genuine relief from his burden of indebtedness and high interest rates.

OLEO TAX BILL NEEDED

The situation of the dairy industry has been made more difficult due to the increasing competition of the artificial competitor of butter, oleomargarine. This synthetic substitute is inferior to butter as a food, deficient in the vitamin content, and lacking in other desirable qualities which make butter a valuable part of our daily diet. The bulk of oleomargarine manufactured in the United States is now made of coconut oil and cottonseed oil. Practically all of the coconut oil is, of course, imported from foreign countries. The latest figures available for the years 1934 and 1935 show that about 53 percent of the fats and oils used in oleomargarine and other butter substitutes manufactured consisted of coconut oil. In other years the proportion of foreign fats and oils used has reached as high as 70 percent. State laws against oleomargarine are difficult of enactment. Industrial States or States not having dairy products are disinclined to place them on the statute books. It is necessary, therefore, that the Federal Government not only act to control the sale of oleomargarine in interstate commerce, but we must pass and enforce the bills which have been introduced with the united backing of the midwestern farm Representatives to impose a Federal tax of at least 5 cents more per pound on oleomargarine and other butter substitutes and an equivalent levy on all imported fats and oils.

It seems clear to me, Mr. Speaker, that the entire agricultural problem must be considered. A comprehensive farm program must be adopted which will protect the farm industry against unfair competition, relieve the debt burden, and permit this business to attain a sound basis by enabling the farmer to secure cost of production and a reasonable return for his enterprise and his service to society.

Mr. HOOK. Mr. Speaker and Members of the House, any soundly administered national farm program is not only to the advantage of the country as a whole but is of immediate and direct benefit to the State of Michigan. With an increase in returns to the farmer comes a proportionate increase in his purchasing power of industrial commodities, as is evidenced in the automobile industry. On the other hand, increased returns to industrial workers likewise boost the returns to the farmer.

We must realize that the farmer is one of the chief cogs in the economic machinery. Therefore, it is incumbent upon us to promote his welfare, if from no other than a selfish viewpoint.

After investigation, I have found that the Michigan farmer has been materially benefited by the farm program that has been enacted and carried out by the present administration.

My conclusions are based upon facts and figures taken from farm and industrial reports.

With your permission, gentlemen, I shall present to you what I consider to be fair and conclusive evidence.

The cash receipts from the sale of principal farm products in Michigan were $200,339,000 in 1930 and $142,020,000 in 1931. By 1932 the cash receipts had dropped to the low level of $108,902,000. Then in 1933 the receipts climbed to $121,001,000, including rental and benefit payments, and mounted in 1934 to $143,682,000, with rental and benefit payments. In 1935 the farm cash receipts were $167,042,000, counting in rental and benefit payments.

The farm cash receipts in Michigan increased 53.4 percent from 1932 to 1935.

From the beginning of the adjustment program through December 31, 1935, Michigan farmers received $8,880,286.13 in rental and benefit payments. Of this amount, $2,217,385.69 went to wheat farmers, $4,084,199.04 to corn-hog producers, and $2,578,701.40 to beet-sugar farmers.

Now, let us analyze the average prices of a few of the major farm commodities, comparing the low prices of 1932 with the considerably improved prices of 1935. On August 15, 1932, wheat was selling at an average price of 43 cents a bushel in Michigan, and on November 15, 1935, the average price was 79 cents a bushel, an increase of 83.7 percent.

Hogs, on August 15, 1932, were selling for $4.40 per 100 pounds, and on November 15, 1935, they were bringing $8.80 per 100, which was an increase of 100 percent.

On August 15, 1932, milk cows were selling at the average price of $38 a head. On November 15, 1935, the price was $55 a head, showing an increase of 44.7 percent.

Butter increased from 20 cents a pound in August 1932 to 31 cents a pound in November 1935, a rise of 55 percent.

Despite these increases and similar increases in other States, the farmer is still receiving less than his share of the national income. The price that he gets for the commodities he sells is still below parity and out of line with the price he pays for the commodities he buys. The need for a national program for agriculture has not passed nor has industry's need for such a program passed.

The extent to which increased farm income has enabled Michigan farmers to increase their purchases of city-made goods is reflected in several ways. New automobile registrations in Michigan were about 66,588 in 1932, 94,767 in 1933, and 126,054 in 1934. For the first 9 months of 1935 registrations were about 152,159, compared to approximately 110,234 for the corresponding period in 1934, or an increase of 38 percent. According to Automobile Facts and Figures, a publication of the Automobile Manufacturers' Association, the 1934 retail automobile sales gain in my State was greatest in small towns and on farms. What is true about Michigan in this respect is largely true of the country as a whole. With a rise in the Nation's farm cash income has come an increase in the Nation's new automobile registration.

The relationship between this increased automobile business and increased farm income has been recognized not only by the Automobile Manufacturers' Association but by leaders in the automobile industry itself.

Edgar W. Smith, vice president of the General Motors Export Co., in an address at Detroit, reminded the export managers of the Automobile Manufacturers' Association that—

> The greatest improvement in our total business in the past 2½ years has come in the agricultural areas right here in the United States. That improvement has come, I think, because the farmer is getting prices for the things he produces which are high enough to enable him to begin buying motor cars and other consumer goods on which the prices have not changed.

A rise in the value of farm real estate and a stimulation of sales in Michigan has been another result of the increased farm income. Voluntary sales and trades of farms increased from 18.1 per thousand for the year ending March 15, 1934, to 18.6 per thousand for the year ending March 15, 1935. During the same period the number of forced farm sales per thousand declined from 50.4 to 36.5. Further improvement in these respects is indicated for the year ending March 15, 1935. For the first time since 1920 the decline in value of farm real estate halted in the year ending March 1, 1933, when it stood at a low of 80. From this low of 80 in 1933 the estimated value per acre of farm real estate rose to 83 for the year ending March 1, 1935.

Now, gentlemen, let us turn to a consideration of the effects of the Canadian reciprocal treaty and see how it will affect my State. In the outset we should remember that two countries that are as closely related, both economically and geographically, as the United States and Canada must, of necessity, have commerce with each other. In order to trade more freely trade barriers must not be too high.

The reductions made by Canada in the treaty cover farm products which were imported from the United States to a total value of approximately $50,000,000 in the Canadian fiscal year 1929–30. The United States, on the other hand, made reductions in duties on Canadian agricultural products, the imports of which in the calendar year 1929 were valued at approximately $45,000,000. In the fiscal year 1934–35 the value of Canadian imports of American farm products upon which duties were reduced in the agreement was a little over $15,000,000, as compared with the American farm imports of Canadian dutiable agricultural products in the calendar year 1934 of only about $9,000,000.

This country's farm-product exports to Canada last year were $35,000,000 less than in 1929. To recapture even half of that lost $35,000,000 worth of foreign agricultural business would surely be worth while. Five years ago American industry exported to Canada $400,000,000 worth of nonfarm products included in the list on which Canada is now making concessions; last year that total was down to $100,000,000. To get that trade even part way back to the $400,000,000 figure on nonfarm products would surely put many of our unemployed to work, would increase industrial pay rolls, and would improve the American market for American farm products, and especially for beef and farm products produced in Michigan. The increased business will help both the farmer and the industrial worker. If we cannot sell what we produce at home and cannot sell what we produce to foreign countries, then we must naturally curtail production.

It is very evident that the farmers and the general public of Michigan are misinformed in regard to the effect of the reciprocal-trade treaty with Canada.

Only three truck crops are included in the agricultural commodities on which the United States gave concessions to Canada in the reciprocal-trade treaty, namely, green peas, turnips, and rutabagas. The concession for green peas represents a deduction in the tariff rate from 3.9 cents to 2 cents per pound for the months of July to September, inclusive.

The rate on turnips and rutabagas has been reduced 50 percent. It should be made clear that these are the only market garden crops which are included in the concessions and further that the concessions represent a decrease in tariff rates instead of placing these commodities on the free list. It would appear that all other truck crops which are grown in Canada and sold in Detroit have not been affected at all by the terms of this treaty. The benefits to Michigan farmers resulting from the concessions which Canada has made under this treaty will, I believe, far outweigh the concessions on the two crops I have named. Many of the farm commodities which are produced on a commercial basis in Michigan have been given reduced tariff rates by Canada. For example, the tariff rate on beans has been reduced 25 percent, for soybeans and potatoes, 100 percent, and for truck crops and market garden products the decrease ranges from 50 percent to 100 percent, for canned beans, corn, tomatoes, and peas these rates have been reduced one-third. For fresh fruits, including apricots, cherries, cranberries, peaches, pears, plums, prunes, strawberries, raspberries, quinces, apples, grapes, and cantaloupes, the concessions represent an approximate reduction of 25 percent from the tariff rates to Canada for each of these products.

Concerning the fruit and vegetable aspects of the treaty, Secretary of Agriculture Henry A. Wallace said:

> The trade agreement removes many of the tariff restrictions that hampered the sale of fruits and vegetables to Canada after 1930. The basic duty on fresh vegetables prior to 1930 was 30 percent

ad valorem, while on fresh fruits it was 20 percent. After that year there were added to the basic duties such charges as minimum specific duties, chargeable during the season when the Canadian crop was being marketed, and arbitrary additions to invoice valuations, known as advanced valuation. These increased duties contributed to a decline in Canadian purchases of American fruits and vegetables from $28,000,000 in 1929 to around $11,000,000 in the 1935 fiscal year.

The trade agreement also offers lower Canadian duties to American livestock producers on many meat products, giving them an opportunity to regain the lost Canadian market for meats.

The concession made by the United States on several livestock items are not of any particular significance. In 1930 the rate was 3 cents a pound for beef cattle weighing more than 700 pounds, and under the trade agreement the rate was reduced to 2 cents a pound on three-fourths of 1 percent of the average slaughter of cattle in the United States, or 156,000 head. For cattle weighing less than 700 pounds there is a flat rate of 2½ cents a pound. Since the majority of the cattle imported from Canada, weigh more than 700 pounds, it can be assumed that the average rate of duty is 2 cents a pound, or $2 a hundred pounds. The average shipping rate from Winnipeg, the Canadian focal shipping point, into Michigan is around 42 cents per 100 pounds. Thus the import duty plus the shipping charge totals $2.42 per 100 pounds—the cost the imported cattle must bear before they can compete in the American market. The estimated price of cattle in 1935 in the United States averaged $6.21 per 100 pounds.

The charge has been made that the dairy industry will be adversely affected. I do not believe that. Our dairy industry depends almost entirely on the domestic market, and this results in a close relationship between the money income of consumers and the return from the production of dairy products. Therefore, any national action which stimulates industrial and business activity and brings about some increase in the buying power of domestic consumers is beneficial to the dairy farmers.

The agreement places quantity limitations on cream and dairy cows—two of the three dairy-industry items on which concessions have been granted, and there are certain economic limitations which would prevent any material increase in imports of Cheddar cheese, the third item.

Coincident with the granting by the United States of limited concessions on cream, dairy cows, and Cheddar cheese, Canada extended to the United States most-favored-nation treatment on American butter, making a 2-cent reduction in the duty, lowering the rate from 14 cents to 12 cents per pound.

Although the United States concession on a maximum of 1,500,000 gallons of cream involves a reduction in the duty on this quantity of fresh or sour cream from 56.6 cents per gallon to 35 cents per gallon, this rate still is higher than the 20-cent per gallon rate which prevailed from 1922 to June 1929 when it was increased to 30 cents. In 1929, when rates of duty ranged from 20 cents to 30 cents, this country imported approximately 3,000,000 gallons of cream from Canada. Under the new agreement cream shipments from Canada in excess of 1,500,000 gallons will be subject to the 56.6 cents per gallon rate. The concession on Canadian cream applies to a quantity of cream equivalent to only about thirteen-hundredths of 1 percent of the total butterfat production on farms in the United States, and about eight-tenths of 1 percent of the butterfat production on farms in the North Atlantic States in 1934.

The duty on Cheddar cheese, reduced from 7 cents per pound but not less than 35 percent ad valorem, to 5 cents per pound but not less than 25 percent ad valorem, now is at the rate that was in effect from 1922 to 1930.

Imports of cheese from Canada during the period 1925 to 1929, inclusive, averaged 2,400,000 pounds a year, or less than 1 percent of the domestic production of Cheddar cheese. Since 1925 production of cheese in Canada has decreased markedly. It is estimated that Canadian cheese production has decreased by about 45 percent since 1925, while total Canadian cheese exports have fallen off 59 percent.

Economic limitations on Canadian cheese imports into the United States involve price relationships and transportation costs not favorable to extensive importations at the present time. The average price of no. 1 American cheese, single daisies, fresh, at New York for the first 8 months of this year was only 3.4 cents higher than the price of whole new Cheddar cheese at Toronto. This difference, it is said, would not be sufficient to induce extensive imports from Canada, in view of the fact that Canadian cheese would have to bear a duty of 5 cents per pound and transportation costs from Canada to the United States. It should be noted also that Canada continues to regard Great Britain as the most favorable foreign outlet for Canadian cheese.

Through the agreement, the United States duty on dairy cows coming from Canada was reduced from 3 cents to 1½ cents per pound. Imports at the reduced rate of 1½ cents per pound are limited to 20,000 head per year, and dairy cows imported in excess of this number will be subject to the former rate of 3 cents per pound. In 1929, when the rate of duty was 1½ cents per pound on cows weighing less than 1,050 pounds, imported from Canada, and 2 cents per pound on cattle weighing more than 1,050 pounds, the United States imported approximately 28,000 head.

The provisions of the agreement in regard to livestock feeds are more or less of a matter of protection to growers and feeders in years when either country has a shortage, an analysis of the agreement shows. The United States, however, has maintained the duties on the principal cash grain crops, the duty on wheat still being 42 cents, on corn 25 cents, and on rye 15 cents per bushel. The concessions made do not figure largely in the normal trade between the two nations, because both are important producers of the main grain and hay crops, and in years of normal production there is a low volume of trade between the two countries.

Secretary Wallace has expressed the opinion that the agreement makes possible the gradual recapture of at least a part of the previous market for nonfarm products.

He has stated that if as much as $300,000,000 of annual trade were ultimately regained, approximately half of the increase would go into factory wages, directly or indirectly, and that in turn, this increased purchasing power would mean an increase of approximately the same amount in farm cash income. Translated into increased income for States, according to past relationships between their farm cash income and factory pay rolls, this means an addition of about three to seven million dollars to the annual farm cash income in Michigan.

As a means of furthering the welfare of the farmer and of alleviating further the economic position of the farmer, we have before us the present bill—a bill designed to conserve and improve the soil fertility; to promote the economic use of land; to curb the unprofitable use of national soil resources; to provide for and maintain a continuous and stable supply of agricultural commodities, adequate to meet domestic and foreign consumer requirements at prices fair to both producers and consumers; and finally, to reestablish and maintain farm purchasing power.

Gentlemen, we have before us a means of contributing constructively to the welfare and betterment of the farmer; to conserve the fertility of the soil of Michigan and the Nation.

The conserved fertility of the soil, by making for more efficient production, will result in higher income and standard of living for farmers not only for the present but for the future. It will mean that adequate food supplies for consumers are being protected at prices which will not tend to rise through high production costs due to impoverishment of the soil.

The Soil Conservation Service estimates that besides the 50,000,000 acres essentially ruined for crop use by erosion, and another 50,000,000 acres in almost as bad condition, there are now in cultivation 100,000,000 acres of land that is seriously impaired by erosion and another 100,000,000 acres on which erosion has begun.

My State is naturally concerned with the prospects for the dairy farmer. The net results of the proposed program will help not only the producer of surplus crops but the dairy farmer as well.

It is true that a reduction in soil-depleting crops will result in more pasture and legumes. It has been assumed by some that returning surplus crop-producing farm lands to grass or legumes would increase livestock and dairy production, and that therefore the dairy and livestock industries would have to bear the brunt of the soil-conservation program.

The fundamental facts show the falsity of the assumption. The facts show that the greatest menace to the dairy industries is a return to the days of 32-cent wheat and 19-cent corn, when grain farmers were forced to shift from grain, hog, and beef production into dairying in order to get hold of a little cash; that the dairy and livestock industries have prospered since 1933, and will continue to prosper if agriculture as a whole improves and existing protective measures continue to be used when needed.

Agricultural authorities agree that the volume of livestock products—meat and dairy products—is dependent primarily upon the volume of feed grains, which volume is related directly to the amount of plow land. O. E. Reed, Chief of the Department of Agriculture's Dairy Bureau, says experiments show that cows produce from 25 to 35 percent less butterfat when fed exclusively on grass and other roughage than when fed on grains.

I believe that a shift from soil-depleting grain crops to soil-building grass crops will not have the bad effect upon dairying that some have assumed.

More pasture feeding, by keeping dairy animals in sunlight for a greater part of the time and by allowing more exercise, has also been demonstrated to lessen the danger of disease. Not only is the danger of disease decreased by more pasturing and roughage, but the costs of producing meat and milk products are reduced. It has been estimated that savings up to 40 percent in the cost of dairy and meat production can be made by substitution of forage and pasture for more concentrated feeds.

The thing that wrecks the dairyman is the existence of seasonal surpluses, which are bought up and stored by speculators. So the Government to protect dairymen and cattlemen against these seasonal slumps can slide a plank under the market whenever there is need.

The Agricultural Administration has effectively used these surplus-removal powers. These powers are buttressed by milk agreements and orders to help fluid-milk producers, and producers of dry skim and evaporated milk, and to further protect dairymen and the public by eradicating diseased dairy cattle.

The record since 1933 shows that the dairy and beef industries have made fine strides ahead under the Administration.

By early 1933 the dairy industry was suffering the bad effects of the depression and from the forced competition of farmers driven into dairying as the result of low grain and meat prices. Dairy prices reached the lowest levels in a generation, as the milk strikes testified.

But by December 1935, after 3 years of adjustment programs and other assistance, butterfat prices stood at 91 percent of parity, compared with 53 percent in March 1933. The 91 percent of parity for butterfat compares with 66 percent for corn, 81 percent for wheat, and 73 percent for cotton.

From the facts and figures I have presented, I think it apparent that the economic position of the farmer and the city worker in my State was improved by the Agricultural Adjustment Administration's program. I feel also that the reciprocal treaty with Canada will be to the advantage of the entire United States, including my own State. And we all know that the farmer still needs help if he is to maintain the progress that he has made since March 4, 1933.

HOUSE RESTAURANT

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Speaker, at various times I have made reference to the House restaurant, sometimes commendatory of that institution, which I think it well deserves. I think the gentleman from North Carolina is doing a fine job in running this restaurant, but there are criticisms which can be made.

Mr. Speaker, I happen to have in my hand at this moment an editorial taken from one of the leading metropolitan newspapers which I think is quite apropos to present conditions. It reads as follows:

NOTE TO A DIETITIAN

Representative BLANTON, of Texas, offered to fight all the physicians of Washington one at a time.

Representative O'CONNOR, of New York, expressed a desire to kick Father Coughlin the length of Pennsylvania Avenue.

Representative MARCANTONIO, of New York, would like to meet Police Commissioner Valentine in a gymnasium.

The House restaurant had better take raw meat off the bill of fare.

EXTENSION OF REMARKS

Mr. JONES. Mr. Speaker, I ask that all Members may have 5 legislative days in which to extend their own remarks on the pending bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DAMIEN'S REMAINS LEAVE LEPER COLONY

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RABAUT. Mr. Speaker, as one with Belgian blood flowing in my veins, being, I believe, the first of such lineage ever to enter the American Congress, I feel it a privilege today to make mention of an event of this month that had its origin in far-away Hawaii.

On February 3 the remains of Father Damien were placed aboard the United States transport *Republic*, the ship which will make the first part of the journey bearing the martyr's ashes to his homeland, Belgium, where they are to be enshrined in tribute to his noble and self-sacrificing life.

Father Damien was born in the hamlet of Tremeloo, Belgium, January 3, 1840, and christened "Joseph", after his patron "Joseph the Just", and "Damien", after a celebrated physician of an earlier century. Although Joseph's family lived in poverty, his boyhood was a happy one, and when he was 20 years of age he joined the Congregation of the Sacred Heart, and 3 years later, though not yet ordained, volunteered to do missionary work in the Hawaiian Islands.

On October 29, 1863, Father Damien arrived at Hawaii, and in the course of his work his attention was drawn to those poor exiled people who were outcasts of society because infected with the dread disease of leprosy. His genuine sympathy for them soon changed to a fervent desire to be of assistance, and so it is not surprising that when after his ordination he heard Bishop Maigret lament that Molokai, the place of the lepers, had no priest he answered him with these words: "Here I am, send me."

Father Damien received permission to go, and setting out that very night arrived at his destination destitute and alone. Needless to say, he labored earnestly in the field of his new endeavors, being both physician and priest, father and servant.

Truly it can be said that his life exemplified two sayings of Christ:

What shall it profit a man, if he gain the whole world, but lose his own soul?

And that other:

He who would be My disciple let him take up his cross daily and follow Me.

At length the good priest was himself stricken with the loathsome disease, but even then in all sincerity he declared that if he could be cured by leaving the island he would not go until his work was finished. Although the labor was

beyond his strength, he continued to serve his people, even assisting in the building of the Church of St. Philomena at Kalawao. It was on Monday of Holy Week, April 15, 1889, that he died.

And now, at the request of his people, through the Belgian King, the United States is permitting Father Damien's remains to be transferred to his native land, Belgium.

As a final mark of respect and love from the people for whom he suffered so much and worked so diligently his ashes were enclosed in a koa casket and a Solemn Requiem Mass was celebrated at the Cathedral of Our Lady of Peace at Hawaii. As the procession which accompanied the bier entered the cathedral the sun went behind a cloud, as though proving an old legend, "The skies weep when an alii leaves Hawaii."

Seated in the pews were the high and the low, officials of state, the clergy of the island, gray-gowned Sisters of St. Francis, black-robed Maryknowll nuns, and white-robed ladies of the Sacred Heart, among whom was Sister Damien Joseph, a niece of the famed priest, all to do honor to him who had taken the lowly position of servant to the outcast.

The cathedral, brilliant with candles and perfumed with flowers, was filled to capacity. Children lined the streets to pay their tribute, and many a mother cautioned her child to look at the bier and remember the name of the martyred priest of the lepers, the Belgian Damien.

And thus, although the people of Hawaii have said farewell to their beloved hero, he will long be remembered as the self-sacrificing exiled martyr of the forgotten and neglected lepers at Molokai.

No wonder, Mr. Speaker, that the invocation for the sermon over his remains proceeded with the words, "Greater love hath no man than this, that a man lay down his life for his friends."

DISTRICT WOMEN PROTEST EFFECT OF "RED RIDER"

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter received from the American Association of University Women and a statement prepared by the District unit of the League of Women Voters, which is very short.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. SNELL. Reserving the right to object, how long an article is this?

Mr. SCOTT. It is very short.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCOTT. Mr. Speaker, under leave to extend my remarks, I insert a letter received by me from the District unit of the American Association of University Women and a statement prepared by the District unit of the League of Women Voters on the subject of the so-called "red rider", as follows:

NATIONAL HEADQUARTERS AND CLUB OF THE
AMERICAN ASSOCIATION OF UNIVERSITY WOMEN,
Washington, D. C.

DEAR SIR: The Washington branch of the American Association of University Women earnestly petitions you to use your power and influence for the protection of the public schools of the District of Columbia. We believe that the so-called anti-Communist rider on the District appropriation bill defeats its own end by seeming to fear that an honest, well-informed study of the Russian Government might make American children less loyal to their own. Further than this, we are convinced that when public-school teachers are intimidated by such a prohibition as this rider, the real sufferers are the children themselves. Schools that are subjected to repression of this kind cannot provide either sound instruction or those ideals of integrity and independence which ought to be our children's birthright as American citizens.

May we count upon your whole-hearted support for the enlightened education of our children?

Very sincerely yours,

(MRS.) HOWARD G. NICHOLS,
President Washington Branch.
MARY LOUISE CHACE,
Recording Secretary.

STATEMENT OF THE DISTRICT UNIT OF THE LEAGUE OF WOMEN VOTERS

The "red rider" in the District Appropriation Act had nothing to do with any communistic teachings in District public schools, for none has been unearthed either before or after its passage. The rider came up as an incident in the contest over the adoption of the character education project.

In the spring of 1934 the District appropriation bill carried funds for beginning a 3-year experiment in character education in District public schools. After much argument on both sides the project was approved, and the first year of the work was carried through in the school year 1934–35. Instruction was given my District teachers, but educational experts from outside were consulted on phases in which they had specialized.

DR. CHARTERS

In the summer of 1935 the character education contest was renewed, because the 1936 bill carried funds for the program's second year. Those who opposed the project then alleged that one of the outside experts consulted had Russian connections. This was Dr. W. W. Charters, a psychologist, director of curriculum research at Ohio State University. Dr. Charters once served on an advisory council invited by the Institute of International Education, New York, to arrange for exchange visits between American and Russian university instructors. The council is no longer in existence. Dr. Charters has never even traveled in Russia, and his studies have been confined to the field of psychology. The point was brought up only as a weapon against the character education experiment.

The "red rider" was then offered as the price of the life of the character education project. It was buried among miscellaneous school items, and before most Members of Congress had heard about it the rider had been enacted.

EFFECT ON SCHOOLS

The rider is a violation of the spirit of the Constitution, and its effect upon Washington schools has been disastrous. Teachers are literally afraid to mention Russia even in connection with ordinary history and geography lessons. Unscrupulous pupils are provided with a means of terrorizing teachers, which is fatal to discipline. Teachers are already obligated to sign an oath supporting the Constitution. No possible good can therefore be attained by compelling them to do more. Conscientious teachers are handicapped in their attempts to instill ideals of citizenship, and will continue to be until this discreditable episode is wiped out.

OLD-AGE PENSIONS

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein some excerpts from certain resolutions, as little as possible, in order to get the thought over.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. SNELL. Mr. Speaker, I objected to that request once before today, and I object again to the incorporation of resolutions that are in print at the present time. They are available for distribution.

Mr. ZIONCHECK. Then, Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. ZIONCHECK. Mr. Speaker, under the unanimous consent that I might extend my own remarks in the RECORD, I remark as follows:

On the 3d day of January 1936, the opening day of Congress, I tried to obtain unanimous consent to have the Clerk read and have printed in the RECORD a letter I sent in answer to the Townsend questionnaire whether I was for or against the measure. In that letter, which I had printed in the RECORD on January 6, I told them that I would vote for the Townsend bill, the McGroarty bill, or a similar bill if and when it came before this or other sessions of Congress, if I was still a Member.

That same day I introduced a resolution H. Res. 386, which resolved that the Committee on Ways and Means, as a whole or by subcommittee, was authorized and directed to investigate any and all charges of attempt or attempts to intimidate or influence Members of the House of Representatives with respect to the bill H. R. 7154, or any other bills affecting old-age-pension schemes or rackets, by which the dimes and dollars of the poor aged enrich the promoters, during the Seventy-fourth Congress, by any person, partnership, trust, association, or corporation, and especially the Townsend set-up. The committee shall report to the House as soon as practicable the results of its investigation, together with its recommendations, if any. The remaining portion of the resolution is the same as the remaining portion of the three resolutions to which I shall refer.

On January 29, 1936, House Resolution 405 was introduced by the gentleman from Missouri [Mr. BELL], which was referred to the Committee on Rules and ordered to be printed.

The resolved portion provided that the Speaker appoint a select committee of seven Members of the House and that such committee be instructed to inquire, and so forth, and so forth.

The second page of this resolution gave the committee authority to sit and act during the present Congress at such times and places within the United States whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses, and the production of such books, papers, and documents, by subpena or otherwise, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the chairman and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any questions pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102, chapter 7, of the Revised Statutes of the United States.

This particular paragraph is exactly the same as the paragraph of House resolution prepared by the Committee on Ways and Means last year, authorizing itself to investigate lobbying activities. I got the language from that resolution.

I am sure that if the gentleman from New York [Mr. SNELL] understood just what I wanted to do, and that I merely wanted to keep the record straight, he would not have objected to my having reprinted in the RECORD, by unanimous consent, the four resolutions with the dates and names thereon.

POOR AND GOOD LOSERS

Mr. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a one-page letter, double spaced, which I received from a farm constituent.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ANDRESEN. Mr. Speaker, I desire to call the attention of the Members of the House to a letter received by me from Mr. M. C. Olson, of Red Wing, Minn. Mr. Olson is a farmer and has always been a close student of governmental matters. I commend a careful reading of his communication, which is entitled "Poor and Good Losers."

Hon. A. H. ANDRESEN,
Member of Congress.

DEAR MR. ANDRESEN: There is considerable discussion about the profit system and also about the United States Supreme Court. The discussion on the profit system resolves itself into something like this: "It is alright for one to make a profit, but if one makes no profit and instead some others make it, then the profit system is all wrong." Not much principle in that idea. Similarly, "the Supreme Court is alright so long as it decides in one's favor, but if it decides in favor of others, the Court should be abolished or its power curbed." Such style of thinking, if thinking it be, is a good sign of being a poor loser. It depends upon whose ox is gored. Some people do not hesitate to gore others, but when they have to take their own medicine, they begin to howl. They can't take it. What some individuals and organizations want is some sort of a tribunal that will always decide matters in their favor.

Section 2, article III, of the United States Constitution does not say in so many words that the United States Supreme Court can declare an act of Congress void, but it seems to be implied in the language of said section that the Court has such right. If not, then we have no agency or tribunal by which to decide upon the constitutionality of laws.

We are being told that in a 5-to-4 decision of the United States Supreme Court one judge decides the case. That is not true. The nine judges help to decide. Suppose it required six judges out of the nine to decide upon the constitutionality of an act of Congress, then four judges could defeat the opinion of the five. Or if it required seven judges out of the nine, then three judges could defeat the opinion of the six. Again, if it required eight judges out of the nine, then two judges could defeat the opinion of the seven. Lastly, if it required unanimity, one judge could defeat the opinion of the eight.

As this writer understands it, it is not the duty of the United States Supreme Court to determine if an act of Congress is economically good or not. That is one of the duties of Congress to look out for. It is the duty of the United States Supreme Court to determine if an act of Congress is constitutionally sound or not. If the Court finds the law to be in harmony with the Constitution, it upholds the law. If no such harmony is found by the Court, it declares the law invalid, regardless of its merits as an economic measure. If a law wanted by the people of our country is unconstitutional, let changes be made in the Constitution as set forth in that document, and not by indirection, as some in high and low places would like to have done.

The United States Supreme Court in its appellate jurisdiction has the benefit of the arguments pro and con, produced in the lower courts, and this, coupled with the combined insight of its nine judges in constitutional matters, make the present set-up of the United States Supreme Court not only a good one but probably the best that humanly can be devised. One cannot expect every decision of the Supreme Court to be made in one's favor. We are bound to lose out on some Court decisions, and when we lose let us be good losers.

Respectfully,

M. C. OLSON.

RED WING, MINN.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. DUFFEY of Ohio (at the request of Mr. SWEENEY) for the balance of the week, on account of illness.

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 491. Joint resolution extending and amending the joint resolution (Pub. Res. No. 67, 74th Cong.), approved August 31, 1935.

ADJOURNMENT

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 20 minutes p. m.) the House adjourned until tomorrow, Thursday, February 20, 1936, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON THE PUBLIC LANDS

The Committee on the Public Lands will meet on Thursday, February 20, at 10:30 a. m., room 328, to consider H. R. 10303, National Resources Board.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

673. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to amend the act entitled "An act making appropriations for the fiscal year ending June 30, 1921, and for other purposes", approved June 4, 1920, with respect to the conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves; to the Committee on Naval Affairs.

674. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, Architect of the Capitol, for the fiscal year 1937, in the sum of $2,273,984 (H. Doc. No. 413); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DARDEN: Committee on Naval Affairs. H. R. 10135. A bill to authorize the construction of a model basin establishment, and for other purposes; with amendment (Rept. No. 2022). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHANDLER: Committee on the Judiciary. H. R. 10490. A bill to amend chapter 9 of the act of July 1, 1398, entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; with amendment (Rept. No. 2023). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 11210) granting a pension to Jane Armstrong; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 8707) for the relief of Philena Roach Thompson and Olive Roach; Committee on Military Affairs discharged, and referred to the Committee on World War Veterans' Legislation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolution were introduced and severally referred as follows:

By Mr. McCORMACK: A bill (H. R. 11295) providing for the promotion of employees in the Customs Field Service; to the Committee on Ways and Means.

By Mr. DUFFY of New York: A bill (H. R. 11296) to amend section 29 of the Bankruptcy Act; to the Committee on the Judiciary.

By Mr. PETERSON of Florida: A bill (H. R. 11297) to authorize the Secretary of War to acquire by donation lands in De Soto and/or Charlotte and/or Highlands County, Fla., for expansion of Dorr and/or Carlstrom Fields or other fields for the use of the air forces of the United States Army, and for other military or other public purposes; to the Committee on Military Affairs.

By Mr. WERNER: A bill (H. R. 11298) to extend the provisions of the act entitled "An act granting a leave of absence to settlers of homestead lands during the year 1935", approved May 22, 1935, and for other purposes; to the Committee on the Public Lands.

By Mr. HART: A bill (H. R. 11299) to amend section 260 of the Judicial Code (U. S. C., title 28, sec. 375) as heretofore amended; to the Committee on the Judiciary.

By Mr. MAVERICK: A bill (H. R. 11300) to provide that the sale of or dealing in beer, wine, or intoxicating liquor in Army post exchanges and military establishments shall be subject to regulation by the Secretary of War; to the Committee on Military Affairs.

By Mr. SANDLIN: A bill (H. R. 11301) to authorize the attendance of the Marine Band at the United Confederate Veterans' 1936 Reunion at Shreveport, La., June 9, 10, 11, and 12, 1936; to the Committee on Naval Affairs.

Also, a bill (H. R. 11302) to authorize the Secretary of War to lend to the reunion committee of the United Confederate Veterans, 3,000 blankets, olive drab, no. 4, 1,500 canvas cots, to be used at their annual encampment to be held at Shreveport, La., in June 1936; to the Committee on Military Affairs.

By Mr. RANKIN (by request): A bill (H. R. 11303) to liberalize effective date of award of death compensation and receipt of application therefor, claim for reimbursement for burial and funeral expenses and marriage to World War veterans contained in Veterans' Regulations; to the Committee on World War Veterans' Legislation.

By Mr. KRAMER: A bill (H. R. 11304) to protect American citizens, to aid in the enforcement of the naturalization laws, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. RANKIN (by request): A bill (H. R. 11305) to amend the act approved June 28, 1934, to compensate widows and children of persons who died while receiving monetary benefits for disabilities directly incurred in or aggravated by active military or naval service in the World War; to the Committee on World War Veterans' Legislation.

By Mr. McFARLANE: A bill (H. R. 11306) to amend section 115 of the Revenue Act of 1934; to the Committee on Ways and Means.

Also, a bill (H. R. 11307) to amend subsection (1) of section 23 of the Revenue Act of 1934; to the Committee on Ways and Means.

Also, a bill (H. R. 11308) to amend the Revenue Act of 1934; to the Committee on Ways and Means.

Also, a bill (H. R. 11309) to amend the Revenue Act of 1934; to the Committee on Ways and Means.

Also, a bill (H. R. 11310) to amend the Revenue Act of 1934; to the Committee on Ways and Means.

Also, a bill (H. R. 11311) to amend section 203 (a) (2) of the Revenue Act of 1934; to the Committee on Ways and Means.

Also, a bill (H. R. 11312) to amend section 23 (b) of the Revenue Act of 1934; to the Committee on Ways and Means.

By Mr. DARDEN: Resolution (H. Res. 420) providing for the consideration of H. R. 10135; to the Committee on Rules.

By Mr. WHITE: Joint resolution (H. J. Res. 494) authorizing loans to fruit growers for rehabilitation of orchards during the year 1936; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYLAN: A bill (H. R. 11313) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on certain claims of Joseph and Josephine A. Gatti et al. against the United States; to the Committee on Claims.

By Mr. COSTELLO: A bill (H. R. 11314) for the relief of A. S. Koyer; to the Committee on Claims.

By Mr. EDMISTON: A bill (H. R. 11315) for the relief of John W. Farnsworth; to the Committee on Claims.

By Mr. McCORMACK: A bill (H. R. 11316) granting an increase of pension to James S. Morton; to the Committee on Pensions.

By Mr. McLEAN: A bill (H. R. 11317) for the relief of Otto Mendle; to the Committee on Claims.

By Mr. RICHARDS: A bill (H. R. 11318) for the relief of J. F. Bookout; to the Committee on Claims.

By Mr. ROMJUE: A bill (H. R. 11319) granting a pension to Effie T. McElhiney; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 11320) granting an increase of pension to Kathryn Bruce; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10180. By Mr. CULKIN: Petition of the Board of Supervisors of Jefferson County, N. Y., favoring adoption of Senate bill 1632; to the Committee on Interstate and Foreign Commerce.

10181. Also, petition of the New York State Senate, urging that Congress enact such legislation as may be necessary for an immediate beginning of such physical construction as may be recommended by the Chief of Engineers of the United States Army to prevent the occurrence of disastrous floods, such as occurred in 1935, in the 16 counties of New York State; to the Committee on Flood Control.

10182. By Mr. GOODWIN: Petition of the Flood Control Council of Central-Southern New York, offering advice, aid, cooperation, and good counsel for improving the conditions and to further the general program on flood control in the State of New York; to the Committee on Flood Control.

10183. By Mr. HAINES: Petition signed by 72 patrons of star route 10549, Franklin County, Twenty-second Congressional District of Pennsylvania, urging enactment of legislation to extend existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10184. By Mr. HILDEBRANDT: Resolution of the Farmers National Farm Loan Association of Hecla, S. Dak., relative to securing passage of a law making the 3½-percent interest rate permanent to the farm borrowers of the Federal land bank, etc.; to the Committee on Banking and Currency.

10185. Also, resolution of the Elk Point Nation Farm Loan Association, urging Congress to use every effort possible to secure the passage of a law making the 3½-percent interest

rate permanent to the farm borrowers of the Federal land bank, or at least extending same for a period of not less than 3 years; to the Committee on Banking and Currency.

10186. Also, resolution of the department executive committee of the American Legion, in session at Pierre, S. Dak., February 2, 1936, requesting that the Federal Government start the construction of veterans' hospital at Hot Springs, S. Dak., as soon as possible; to the Committee on World War Veterans' Legislation.

10187. Also, resolutions of the South Dakota stockmen, assembled at their second annual State round-up held at Brookings, S. Dak., on February 4, 5, and 6, relative to livestock conditions, etc.; to the Committee on Agriculture.

10188. By Mr. JOHNSON of Texas: Petitions of F. B. Peyton, of Fairfield, and 78 other citizens of Freestone County, and James F. Baker, of Fairfield, and 84 other citizens of Freestone County, State of Texas, favoring House bill 10756, providing for the issuance of permanent contracts to all contractors and subcontractors of star routes, compensation thereon established preferred list covering former contractors, etc.; to the Committee on the Post Office and Post Roads.

10189. By Mr. KENNEDY of New York: Memorial of the Legislature of the State of New York, that the Secretary of War, and through him the Chief of Engineers of the United States Army, respectfully urging that the report and recommendations for permanent flood-control works in these flooded counties of New York State be properly considered as an emergency measure to the end that with the greatest expedition consistent with the efficiency these recommendations be placed before the second session of the Seventy-fourth Congress at the earliest possible moment; to the Committee on Flood Control.

10190. By Mr. KRAMER: Resolution of the Board of Directors of the American Petroleum Institute relative to the purchase of asphaltum made from domestic crude oil, etc.; to the Committee on Interstate and Foreign Commerce.

10191. By Mr. LARRABEE: Petition of Valorons C. Recor and others, of Markleville, Ind., requesting Congress to enact legislation at this session that will indefinitely extend all star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10192. By Mr. LORD: Petition of 14 residents of the town of Colchester, Delaware County, N. Y., endorsing the Townsend old-age-pension plan; to the Committee on Ways and Means.

10193. Also, petition of Mary Madigan and 450 members of Townsend Club No. 4, Binghamton, N. Y., endorsing the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

10194. Also, petition of 14 residents of the town of Colchester, Delaware County, N. Y., endorsing the Townsend old-age-pension plan; to the Committee on Ways and Means.

10195. Also, petition of 19 residents of Downsville, Delaware County, N. Y., endorsing the Townsend old-age-pension plan; to the Committee on Ways and Means.

10196. By Mr. MORAN: Petition of citizens and patrons of star route no. 1293 from Camden-Lincolnville-Northport to Belfast, urging enactment of legislation that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10197. By Mr. MOTT: Petition signed by Rita Norris and 16 other members of the Eugene Central Woman's Christian Temperance Union, urging the enactment of House bill 8739; to the Committee on the District of Columbia.

10198. Also, petition signed by Sam W. Pearce and 11 other Spanish War veterans, urging the enactment of House bill 9472, known as the Philippine travel pay bill; to the Committee on War Claims.

10199. By Mr. REED of Illinois: Telegram signed by Robert Pottinger and 58 other residents of Elmhurst, Ill., requesting passage of House bill 8163; to the Committee on Immigration and Naturalization.

10200. Also, telegram signed by H. Wahl and 28 other residents of Elmhurst, Ill., requesting passage of House bill 8163; to the Committee on Immigration and Naturalization.

10201. By the SPEAKER: Petition of the Indiana State Bar Association; to the Committee on the Library.

10202. By Mr. RICH: Petitions of citizens of McKean, Clinton, and Lycoming Counties, in Pennsylvania, favoring House bill 10756; to the Committee on the Post Office and Post Roads.

SENATE

THURSDAY, FEBRUARY 20, 1936

(Legislative day of Thursday, Jan. 16, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, February 18, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, returned to the Senate, in compliance with its request, the bill (S. 3093) to provide funds for cooperation with Sanish School District No. 1, Mountrail County, N. Dak., for extension of public-school buildings to be available for Indian children.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 3227. An act to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931;

S. 3277. An act authorizing a preliminary examination of the Nehalem River and tributaries, in Clatsop, Columbia, and Washington Counties, Oreg., with a view to the controlling of floods;

S. J. Res. 118. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; and

H. J. Res. 491. Joint resolution extending and amending the joint resolution (Pub. Res. No. 67, 74th Cong.) approved August 31, 1935.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Lewis	Radcliffe
Ashurst	Couzens	Logan	Robinson
Austin	Davis	Lonergan	Russell
Bachman	Dieterich	Long	Schwellenbach
Barbour	Donahey	McAdoo	Sheppard
Barkley	Duffy	McGill	Smith
Benson	Fletcher	McKellar	Steiwer
Bilbo	Frazier	McNary	Thomas, Okla.
Bone	George	Maloney	Thomas, Utah
Borah	Gibson	Metcalf	Townsend
Bulkley	Gore	Minton	Trammell
Bulow	Guffey	Moore	Truman
Burke	Hale	Murphy	Tydings
Byrd	Harrison	Murray	Vandenberg
Byrnes	Hastings	Neely	Van Nuys
Capper	Hatch	Norbeck	Wagner
Caraway	Hayden	Norris	Walsh
Chavez	Holt	Nye	Wheeler
Clark	Johnson	O'Mahoney	White
Connally	Keyes	Overton	
Coolidge	King	Pittman	
Copeland	La Follette	Pope	

Mr. LEWIS. I announce the absence of the junior Senator from Alabama [Mr. BANKHEAD], the Senator from Rhode Island [Mr. GERRY], and the senior Senator from Alabama [Mr. BLACK], occasioned by illness, and I further announce that the senior Senator from North Carolina [Mr. BAILEY], the Senator from New Hampshire [Mr. BROWN], the Senator from Nevada [Mr. MCCARRAN], and the junior Senator from North Carolina [Mr. REYNOLDS] are unavoidably detained from the Senate.

Mr. BYRD. I announce that my colleague the senior Senator from Virginia [Mr. GLASS] is detained from the Senate because of illness in his family.

Mr. AUSTIN. I am requested to announce the necessary absence of the Senator from Wyoming [Mr. CAREY], the Senator from Iowa [Mr. DICKINSON], and the Senator from Minnesota [Mr. SHIPSTEAD].

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

RESCUE OF GREEK SEAMEN BY STEAMER "CITY OF NEWPORT NEWS"

Mr. TYDINGS. Mr. President, we have always been proud whenever there have been any rescues at sea by American vessels. Because the State of Maryland is a seaport State, many ships have gone down to the sea from her ports and have taken part in many thrilling rescues at sea.

A few days ago the steamer *City of Newport News*, of a comparatively new line, the Baltimore Mail Line, in command of Captain Wright, had the good fortune to hear the call of a Greek freighter in distress and, in the midst of high seas, to pick up her entire crew of 33 men.

Naturally, as a Maryland Senator, I feel great pride in this incident, and simply rose to make a short comment upon the fine conduct of this comparatively new shipping line and the fine service the captain and crew of the *City of Newport News* rendered in that emergency.

REVERSION TO OLD ORDER—LETTER BY SOUTH TRIMBLE

Mr. WHEELER. I ask unanimous consent, out of order, to send to the desk and have read a letter written by South Trimble, Clerk of the House of Representatives, to Mr. Harper Sibley, president of the United States Chamber of Commerce.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

HOUSE OF REPRESENTATIVES,
CLERK'S OFFICE,
Washington, D. C., February 19, 1936.

Mr. HARPER SIBLEY,
President, United States Chamber of Commerce,
Washington, D. C.

Mr. R. V. FLEMING,
President, American Bankers Association,
Washington, D. C.

GENTLEMEN: On October 16, 1935, there appeared in the Washington Herald a dispatch of a speech made in Philadelphia by Mr. Harper Sibley, president of the United States Chamber of Commerce. The article in the paper was headlined "Recovery Lies in Old System", which was the substance of the speech.

On January 23, 1936, the Washington Herald printed an excerpt from a speech made in Philadelphia by Mr. R. V. Fleming, president of the American Bankers Association, in which he was quoted as saying "The American people cannot legislate themselves back to prosperity."

Here we have two gentlemen, presidents of two of the most powerful organizations in the country, of virtually the same opinion who want to go back to the old order of things—surely a gloomy outlook if your opinion prevails.

I wonder if you two distinguished gentlemen ever calmly meditated in an effort to ascertain the basic cause of this depression.

Is it providential? No. It would be rank blasphemy to accuse the great Creator of being responsible for all the sorrow, suffering, hunger, rags, and wretchedness in a land of plenty.

Then, if it is not providential, is it man-made? Yes.

If it is man-made, what manner of man is responsible?

Is it the farmer? No. He is accused of producing too much.

Is it the merchant and the manufacturer? No. Hundreds of thousands have been thrown into bankruptcy.

Is it the laboring man who earns his bread by the sweat of his brow? No. Fifteen million were tramping the highways and byways of the Nation, looking for work they could not get before the New Deal came to their assistance.

Then who is responsible?

My answer is the international bankers, with headquarters in London, operating in this country through emissaries and their satellites, principally the bankers who—to be charitable—are unwittingly and ignorantly the pliant tools of the emissaries of the international bankers.

You say, "The American people cannot legislate themselves back to prosperity. We must go back to the old order of things." I say—and facts justify my opinion—that the vicious, pernicious legislation on the statute books today is the basic cause of this depression, and all other panics and depressions. The people are governed by law, for good or for evil, from the cradle to the grave.

The records of history reveal that individual selfishness, crystallized into the laws of nations, is the cause of the overthrow of republics. Whenever the people, by education and training, become worshipers of Mammon, laws, as a rule, are made and construed in the interest of property and humanity is neglected.

When the people permit a class of citizens to do their thinking for them on a question of national policy, it results in that class influencing legislation in its selfish interest and against the interests of the masses; and, in the end, if not checked, results in revolution. Where greed and vanity are cultivated in a republic, the people lose sight of the elementary truths on which they started, and then the republic drifts more rapidly toward disintegration.

For you to understand how republics once begun may be destroyed, you must understand what effect laws may have that are intended to benefit a class. To make this clear I will use as an illustration an old English law. It was a law that permitted the owner of land to settle it on the oldest son, to descend indefinitely from oldest son to oldest son. It is known as the law of entail. Once entailed the land could not be divided and sold to others, but would be held by the oldest living son to pass at his death to the next oldest son or other person named in the deed entailing the land.

It is an historical fact that the effect of this law was that, in time, 99 percent of all the lands in England, Scotland, and Ireland passed into the ownership of less than 1 percent of the people, thus reducing 99 percent of the people to tenantry. It created a class that lived vain lives of idleness and luxury, while depriving others of land that would have served them for homes. Our forefathers understood the effect of this law on civilization that reduced a people to tenantry and provided against the law of entail in our Constitution.

Permit me to admonish you that the most dangerous subterfuge now being preached by plutocracy in the interest of monopoly is the doctrine that the industrial masses have no remedy at the hands of the law.

This doctrine destroys faith in Government and gives rise to the most dangerous sentiment of revolution. Convince the toiling millions in every line of endeavor that, for all these hard times, idleness, low wages, and oppression, they have no remedy at the hand of the Government they are taxed to maintain, and their love of the flag and their hope in the Government is destroyed.

Once the common people become thoroughly convinced that the Government is powerless to protect them against the oppressive encroachment of aggregated wealth—unless restrained by force—they will grind cities into dust and desolate the country with fire and sword.

The man who teaches working people that the Government cannot remedy, by law, the social, industrial, and financial ills from which they suffer fosters anarchy. This hopeless doctrine held out to the masses on the one hand is equivalent to presenting a dynamite bomb on the other.

We have on our statute books laws which that type of money changers that Christ drove out of the temple (after he forgave his crucifiers, the thief, and erring woman) by manipulation, are concentrating the wealth of this Nation in the hands of a favored few 10 times more rapidly than the law of entail concentrated the land of England in the hands of nobility. For the ultimate result, turn back and read the dusky pages of history and you will find the answer. Already the hopelessness of the poor is a menace to the public peace, and the general unrest and distrust will continue to increase unless the power of the Government to protect the rights of the masses against the invasion of organized wealth, is acknowledged and demonstrated by law.

The great masses of the people (not including J. P. Morgan's "leisure class" which he defines: "A family that can afford one servant" and "the Nation's hope to avert revolution and save civilization") have been bamboozled and sandbagged by plutocrats until they are losing faith in everything but brute force. Already anarchy is rife in the great cities and communism is spreading in the country like a prairie fire. But the danger still remains—will remain as long as people educated to believe themselves the equal of kings and the superiors of princes, cannot obtain sufficient food for themselves and families.

Is it not wise to reduce the pressure somewhat, to loosen the thumbscrews a little? Is it not better for capital to be satisfied with a reasonable increment than, by grasping for more, lose all? Is it not the part of wisdom to give to toil the full meed of its earnings lest it appropriate that of both labor and capital? Is it not better to yield gracefully to an irresistible force than to stubbornly oppose it and be destroyed?

In conclusion, I want you to understand that I am not posing as a philanthropist who is trying to reform the country for the fun of the thing or who is willing to starve to death for the sake of an attractive tombstone. However, I do want to see the con-

dition of the farmer, laborer, merchant, and mechanic so improved that they will be contented, prosperous, and happy, and when conditions improve for them they will be improved for you and me and for every man who, with pick and pen, brawn and brain, honestly earns his daily bread.

I also want you to understand that I hold both of you gentlemen in high esteem and believe you to be sincere, conscientious men who voice your honest convictions. I also believe you are like all human beings—creatures of environment—and look only through the rose-tinted glasses of plutocracy.

Pardon me for burdening you with this long letter.

Very respectfully yours,

SOUTH TRIMBLE.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the Legislature of the State of Virginia, which was referred to the Committee on Agriculture and Forestry:

Whereas Irish potatoes are one of the more important agricultural crops of the State of Virginia; and

Whereas the value of the Irish-potato crop in the State of Virginia has declined from a total of $25,688,000 in 1927 to $6,811,000 in 1935; and

Whereas it is the sense of the General Assembly of Virginia that Irish potatoes should be included on the same basis with other agricultural commodities in any national program for the relief of agriculture: Now, therefore, be it

Resolved by the senate (the house of delegates concurring), (1) That the Congress of the United States be memorialized to include Irish potatoes on the same basis with other agricultural commodities in any national program for the relief of agriculture; and

(2) That the clerk of the senate be directed to forward copies of this resolution to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, to the Secretary of Agriculture of the United States, and to each member of the Virginia delegation in the Congress of the United States; and,

(3) That a committee of five be appointed, two of the members thereof to be appointed by the president of the senate and three of the members thereof to be appointed by the speaker of the house of delegates, to confer with the Secretary of Agriculture of the United States and the members of the Virginia delegation in the Congress of the United States, with reference to the matters contained in this resolution.

The VICE PRESIDENT also laid before the Senate a resolution of the board of directors of the Texas Bar Association, opposing any attempt, whether by law or constitutional amendment, to impair in any degree the existing jurisdiction, powers, or functions of the courts, and especially of the Supreme Court of the United States, which was referred to the Committee on the Judiciary.

He also laid before the Senate letters from the Acting Director of the Division of Territories and Island Possessions, office of the Secretary of the Interior, embodying cablegrams in the nature of petitions, addressed to the Department from the city manager of San Juan, the Commerce Employees Association, of Mayaguez, and Antonio R. Barcelo, president of the caucus of liberal senators and representatives, all of Puerto Rico, praying for the confirmation of Benigno Fernandez Garcia to be attorney general of Puerto Rico, which were referred to the Committee on the Judiciary.

He also laid before the Senate resolutions of the Association of the Bar of New York City, the board of governors of the Philadelphia (Pa.) Bar Association, the Indiana State Bar Association, and the Lawyers Association of Kansas City, Mo., favoring the enactment of House Joint Resolution 237, for the establishment of a trust fund to be known as the Oliver Wendell Holmes Memorial Fund, which were referred to the Committee on the Library.

He also laid before the Senate a resolution adopted by the fifth annual convention of State aviation officials at Detroit, Mich., favoring the creation in each branch of Congress of a committee on civil aviation, which was referred to the Committee on Rules.

Mr. WALSH presented a letter from the Board of Selectmen of Northborough, Mass., endorsing a resolution adopted by the Massachusetts State Association of Selectmen, relative to Federal relief projects, and favoring the employment of persons on such projects on recommendation by the local authorities, which was referred to the Committee on Appropriations.

He also presented a petition of members of Mary J. Pettengill Auxiliary, No. 31, United Spanish War Veterans, of Everett, Mass., praying for the enactment of the bill (S. 3545) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the war with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace April 11, 1899, which was referred to the Committee on Claims.

He also presented a letter in the nature of a petition from the New England Watch and Ward Society, Boston, Mass., praying for the enactment of Senate bill 6, prohibiting the transportation in interstate or foreign commerce and carriage through the mails of certain gambling devices, which was referred to the Committee on Interstate Commerce.

He also presented letters in the nature of petitions from the Central Labor Union of Lowell, and Local Unions Nos. 2178 and 2446, of Millbury; Local Union No. 2332, of Northbridge; and Local Union No. 30, of Salem, all of the United Workers of America, in the State of Massachusetts, praying for the enactment of the so-called Ellenbogen bill, H. R. 9072, being a bill relating to the textile industry, which were referred to the Committee on Education and Labor.

He also presented a letter in the nature of a petition from Joseph B. Howland, M. D., superintendent of Peter Bent Brigham Hospital, Boston, Mass., praying for the enactment of the so-called Guffey-Dockweiler bill, to remove the excise tax on denatured Philippine coconut oil, which was referred to the Committee on Finance.

He also presented the petition of Old Bay State Chapter, Daughters of the American Revolution, of Lowell, Mass., praying for the enactment of the bill (H. R. 3263) to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4), which was referred to the Committee on Interstate Commerce.

He also presented letters in the nature of petitions from several citizens of the State of Massachusetts, praying for the enactment of legislation indefinitely extending all star-route contracts, which were referred to the Committee on Post Offices and Post Roads.

He also presented a letter in the nature of a petition from the Board of the Worcester (Mass.) Branch, League of Women Voters, praying for the maintenance of a strict American neutrality policy, which was ordered to lie on the table.

He also presented a letter in the nature of a petition from the Fitchburg (Mass.) Food Dealers' Association, praying for the enactment of the so-called Robinson-Patman fair-trade bill, which was ordered to lie on the table.

He also presented a letter from Fraternal Council No. 15, Junior Order United American Mechanics, of Haverhill, Mass., relative to pending immigration legislation, which was ordered to lie on the table.

He also presented a letter in the nature of a memorial from the Retail Trade Board of the Boston (Mass.) Chamber of Commerce, remonstrating against the enactment of Senate bill 3154, the so-called Robinson-Patman fair-trade bill, which was ordered to lie on the table.

He also presented the petition of the Building Trades Council of Newton, Mass., praying for the enactment of the so-called Frazier bill, being the bill (S. 3475) to provide for the establishment of a Nation-wide system of social insurance, which was referred to the Committee on Education and Labor.

He also presented a letter in the nature of a memorial from Enterprise Council, No. 1, Junior Order United American Mechanics, of Haverhill, Mass., remonstrating against the enactment of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, which was ordered to lie on the table.

Mr. COPELAND presented a resolution of the Kings County (N. Y.) Master Plumbers Association, Inc., favoring extension of the Federal Housing Act after its expiration on

April 1, 1936, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted at the annual meeting of the New York State Bar Association, favoring the elimination of capital gains and losses in the determination of net income under Federal and State income-tax laws, and the segregation and separate taxation of net capital gains at a moderate flat rate, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Board of Supervisors of Jefferson County, N. Y., favoring the building of the proposed Great Lakes-St. Lawrence seaway and power project, and the special handling of any funds that may be appropriated in connection therewith, which was referred to the Committee on Foreign Relations.

He also presented a letter in the nature of a petition from the chairman of the public affairs committee of Rambam Lodge, No. 300, Independent Order of Brith Sholom, New York City, N. Y., praying for the enactment of the bill (H. R. 8163) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States to certain classes of aliens, and for other purposes, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Jamestown (N. Y.) Traffic Club, protesting against the enactment of legislation providing for the Government ownership and operation of railroads, the 6-hour day, the full crew, Government track and signal inspection, etc., which was referred to the Committee on Interstate Commerce.

He also presented a resolution of Hermann Koch Unit, No. 72, of the Steuben Society of America, of Elmhurst, Long Island, N. Y., favoring the maintenance of a strict American neutrality policy, which was ordered to lie on the table.

He also presented a resolution adopted by the Hudson Branch, American League Against War and Fascism, New York City, N. Y., protesting against the enactment of legislation abridging the freedom of speech and of the press, which was ordered to lie on the table.

He also presented resolutions of the board of supervisors of Jefferson County, and the Ladies' Auxiliary to the New York, Ontario Western Veterans' Association of the Northern Division, of Norwich, both in the State of New York, favoring the enactment of the bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, which were ordered to lie on the table.

He also presented petitions of sundry residents of Puerto Rico, praying for the enactment of legislation extending the benefits of the Federal social-security plan to Puerto Rico, which were referred to the Committee on Territories and Insular Affairs.

Mr. WAGNER presented a resolution of the Ladies' Auxiliary to the New York, Ontario, and Western Veterans' Association of the Northern Division, Norwich, N. Y., favoring the enactment of the bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, which was ordered to lie on the table.

CAPITAL GAINS AND LOSSES

Mr. WAGNER. I ask unanimous consent to have printed in the RECORD and appropriately referred a resolution adopted by the New York State Bar Association dealing with the subject of capital gains and losses under Federal and State income-tax laws.

There being no objection, the resolution was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Whereas in the opinion of this association the treatment of capital gains and losses under Federal and State income-tax laws has been economically unsound and detrimental to the public welfare, and in particular has resulted in instability of revenues, the impairment of normal market conditions, discouragement of buying when prices are low, prevention of selling when prices are high, inequities as between one taxpayer and another, and generally abnormal economic conditions; and

Whereas it is clear that capital gains differ essentially in nature from ordinary or recurrent income and should not be treated as such for the purposes of taxation; and

Whereas this association believes that proper treatment of capital gains and losses for tax purposes will have the present effect of encouraging the improvement of business conditions and the revival of trade and will tend to prevent future economic disturbances such as have been experienced in the past decade: Therefore be it

Resolved, That this association recommends the elimination of capital gains and losses in the determination of net income under the Federal and State income-tax laws and the segregation and separate taxation of net capital gains at a moderate flat rate.

OLIVER WENDELL HOLMES MEMORIAL FUND

Mr. WAGNER presented a resolution of the Association of the Bar of the City of New York, N. Y., which was referred to the Committee on the Library and ordered to be printed in the RECORD, as follows:

Whereas under the will of the late Justice Oliver Wendell Holmes his residuary estate was bequeathed to the United States; and thereafter, on June 15, 1935, the House of Representatives unanimously passed a resolution (known as H. J. Res. 237) that the income from said residuary bequest be used for the purpose of building up and maintaining a collection of legal literature in the law department of the Library of Congress to be known as the Oliver Wendell Holmes Collection; and said resolution is now pending before the Senate Committee on the Library; and

Whereas it is believed that such establishment of said residuary fund for the support of such collection of legal literature would constitute an appropriate means for commemorating one of the most distinguished minds in our judicial history and for the strengthening of the law department of the Library of Congress: Now, be it

Resolved, That the Association of the Bar of the City of New York does hereby authorize and request the president of the association to transmit a copy of this resolution to the President, to the Vice President, to the Chief Justice, and to the Speaker of the House, also to the chairmen and each member of the Senate and House Committees on the Library and on the Judiciary of both Senate and House, and to the Senators representing the State of New York; and that, in transmitting such copy to such chairmen, committee members, and Senators, the president of the association also urge upon them the enactment of said House Joint Resolution 237.

PREVENTION OF UNFAIR TRADE PRACTICES—PETITIONS

Mr. BENSON. Mr. President, I am in receipt of 53 telegrams and letters from individuals and officials of organizations representing in all more than 15,000 independent merchants in Minnesota, which communications are in the nature of petitions urging the enactment of Senate bill 3154, the so-called Robinson-Patman fair-trade bill.

In behalf of these petitioners and in order that their support of this measure may be duly noted, I ask that the communications be noted in the RECORD with the names of the senders, that their stand in behalf of fair-trade practices may be known to every Member of Congress. I also ask that the communications may lie on the table.

The VICE PRESIDENT. Without objection, it is so ordered.

The telegrams in the nature of petitions praying for the enactment of Senate bill 3154 (H. R. 8442), the so-called Robinson-Patman fair-trade bill, presented by Mr. BENSON and ordered to lie on the table, are from Northwestern Shoe Retailers Regional Association, by H. S. McIntyre; Adrian Commerce Association, by George J. Lewis, secretary-treasurer; Lyman E. Johnson Co.; the Kuehn Hall Co., by Frank O. Kuehn; John J. Grace; Walter Dalldorf; George R. Guptil; Frank O. Kuehn, Jr.; William K. Kuehn; Dean Beaudry; M. M. Bergquist; S. Mules; R. L. Sandin; Paul Burton; Norman Thompson; Frank Timmons; Kenneth Rude; E. C. McBurney; C. W. Martinka; R. T. McBath; Ed Erickson; Walter Downey; Twin City Storage Co.; Erickson Food Products Co.; Charles T. Heller; Maurice Lifson; Sam Lifson; Urssell Lifson; A. J. Alboehten; Hennepin Hardware Co., by C. V. Leaertt; Wohler Hardware Co., by W. J. Wohler; Billman's, Inc., by Dan E. Billman; T. Callaghan; Wetterlin Hardware, by Al. N. Wetterlin; Hodne Hardware Co., by S. W. Hodne; Cleveland Hardware, by Bliss S. Cleveland; Carl A. Dreves; Decker & Sitz, by F. E. Decker; Park Rapids Hardware, by R. R. Bartosch; Minnesota Retail Hardware Association, by C. J. Christopher, manager; National Mer-

chants Association, by W. T. Coulter; Community Builders, by C. N. Christopher, president; Minnesota State Pharmacy Board, by Edward J. Prochaska and Frank W. Moudry; Minnesota Retail Hardware Association, by George Herreid, president; Minneapolis Retail Hardware Association, by Louis Egler, president; St. Paul Hardware Association, by James Hurley, president; Bruce Publishing Co., by J. R. Bruce, president; St. Paul Association of Retail Druggists, by W. C. Kregel, president, and John F. Sheady, secretary; Minnesota State Pharmacicial Association, by K. K. Keller, president; St. Paul Retail Grocers Association, representing 500 grocers, by J. E. Kroemer, president, and James Daley, secretary; John Hyslop; O. Widstrand; C. A. Pearson Wholesale Grocery Co., by C. B. MacDonell, president; H. H. Christensen; and Hanson Hardware, by A. J. Hanson.

OLIVER WENDELL HOLMES MEMORIAL FUND

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted by the Dauphin County (Pa.) Bar Association endorsing House Joint Resolution 237, providing for the maintenance of the late Oliver Wendell Holmes' collection of legal literature.

Among all of the eminent jurists who have graced the supreme tribunal of our Nation none has held a more honored place in the esteem of his fellow countrymen than has Mr. Justice Holmes. His scholarship, his liberality, and his love of justice have rendered his decisions of lasting significance. It is therefore fitting that the collection of legal literature which he assembled should be accorded the care suitable to its great value. I ask that the resolutions be referred to the Committee on the Library.

The VICE PRESIDENT. Without objection, it is so ordered.

The resolutions were referred to the Committee on the Library, as follows:

Whereas the late Justice Oliver Wendell Holmes has bequeathed his library, consisting of more than 2,000 volumes, to the Law Library of Congress; and

Whereas Justice Holmes also left his residuary estate to the United States; and

Whereas House Joint Resolution 237 provides that "the residuary fund be credited to the Library of Congress Trust Fund Board and that the income of this fund be used for the purpose of building up and maintaining a collection of legal literature in the law department of the Library of Congress to be known as the Oliver Wendell Holmes Collection"; and

Whereas this resolution was unanimously passed by the House of Representatives on June 15, 1935, and is now before the Senate Committee on the Library for consideration; and

Whereas Dauphin County Bar Association is a local bar association affiliated with the Pennsylvania Bar Association: Now, therefore, be it

Resolved, That the Dauphin County Bar Association in annual meeting assembled does hereby most heartily endorse the substance of House Joint Resolution 237 and urge upon the proper authorities the adoption of the aforesaid joint resolution; be it further

Resolved, That copies of this resolution of endorsement shall be mailed by the secretary of the Dauphin County Bar Association to His Excellency President Franklin D. Roosevelt; Vice President Garner; Speaker of the House Byrns; Chief Justice Hughes; Hon. Alben W. Barkley, chairman of the Senate Library Committee; Hon. Henry F. Ashurst, chairman of the Senate Judiciary Committee; Hon. Kent E. Keller, chairman of the House Library Committee; Hon. Hatton W. Sumners, chairman of the House Judiciary Committee; Hon. James J. Davis and Hon. Joseph F. Guffey, Senators of the Commonwealth of Pennsylvania.

REPORTS OF COMMITTEES

Mr. WHEELER, from the Committee on Interstate Commerce, to which was referred the bill (S. 2243) relating to the allocation of radio facilities, reported it with an amendment and submitted a report (No. 1588) thereon.

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the bill (S. 3998) to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season to season, reported it without amendment and submitted a report (No. 1589) thereon.

Mr. MALONEY, from the Committee on Commerce, to which was referred the bill (H. R. 10316) to legalize a bridge across Poquetanuck Cove at or near Ledyard, Conn., reported it without amendment and submitted a report (No. 1590) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 10465. A bill to legalize a bridge across Second Creek, Lauderdale County, Ala. (Rept. No. 1591); and

H. R. 11045. A bill to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky. (Rept. No. 1592).

Mr. COPELAND, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 8030. A bill to authorize a preliminary examination of Republican River, Smoky Hill River, and minor tributaries of Kansas River, in the State of Kansas, with a view to the control of their floods (Rept. No. 1594);

H. R. 8901. A bill to provide for the establishment of a Coast Guard station at or near Apostle Islands, Wis. (Rept. No. 1595); and

H. R. 9062. A bill authorizing a preliminary examination of the Esopus Creek and its tributaries of Birch, Bushnelville, Woodland, Warner Bushkill, and Beaverkill Creeks; Sawkill, Rondout, and Neversink Creeks, Ulster County; Schoharie and Catskill Creeks, Greene County; Neversink, Beaverkill, East Branch of Delaware, Willowemoc, and Lackawack Rivers, Sullivan County; Schoharie Creek and its tributaries, Schoharie County, all located in the State of New York, with a view to the controlling of floods (Rept. No. 1596).

Mr. CLARK, from the Committee on Commerce, to which was referred the bill (S. 3868) to amend section 32 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes", approved August 30, 1935, reported it without amendment and submitted a report (No. 1597) thereon.

Mr. GUFFEY, from the Committee on Commerce, to which was referred the bill (H. R. 10262) to extend the times for commencing and completing the construction of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa., reported it without amendment and submitted a report (No. 1598) thereon.

AIRPLANE ACCIDENTS IN INTERSTATE AIR COMMERCE—LIMIT OF EXPENDITURES

Mr. COPELAND, from the Committee on Commerce, reported a resolution (S. Res. 237), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the limit of expenditures under Senate Resolution 146, Seventy-fourth Congress, first session, agreed to June 7, 1935, to investigate certain airplane accidents and interstate air commerce, is hereby increased by $25,000.

ASSISTANT CLERK TO COMMITTEE ON ENROLLED BILLS

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 223, submitted by Mrs. CARAWAY on the 30th ultimo, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Committee on Enrolled Bills is hereby authorized to employ until the end of the present session an assistant clerk to be paid from the contingent fund of the Senate at the rate of $1,800 per annum.

MYRTLE C. PATTERSON

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 226, submitted by Mr. PITTMAN on the 3d instant, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items,

contingent fund of the Senate, fiscal year 1935, to Myrtle C. Patterson, widow of C. C. Patterson, late messenger to the Committee on Foreign Relations, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

CONTINUATION OF THE GENERAL SURVEY OF INDIAN CONDITIONS

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 230, submitted by Mr. THOMAS of Oklahoma on the 6th instant, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That Senate Resolution 79, agreed to February 2, 1928, and continued by subsequent resolutions, authorizing the Committee on Indian Affairs, or any subcommittee thereof, to make a general survey of the condition of the Indians in the United States, is hereby continued in full force and effect throughout the duration of the Seventy-fifth Congress.

SUPERINTENDENT OF SHILOH NATIONAL PARK

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 231, submitted by Mr. MCKELLAR on the 6th instant, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That Senate Resolution 198, agreed to June 13, 1934, authorizing a select committee to investigate charges of incompetency and abuse of official duties by the superintendent of the Shiloh National Park, hereby is continued in full force and effect until the end of the Seventy-fourth Congress.

MESSENGER FOR THE PRESS GALLERY

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 236, submitted by Mr. ROBINSON on the 14th instant, reported it with an amendment.

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendment was, in line 3, before the word "an", to strike out "until otherwise ordered by the Senate" and insert "during the sessions of the Congress."

The amendment was agreed to.

The resolution, as amended, was agreed to, as follows:

Resolved, That the Sergeant at Arms and Doorkeeper of the Senate is hereby authorized to employ, during the sessions of the Congress, an additional messenger for service to press correspondents, to be paid from the contingent fund of the Senate at the rate of $1,440 per annum.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHEELER:

A bill (S. 4055) to supplement existing antitrust acts, to protect the public against combinations in restraint of trade, to prevent unnecessary and wasteful cross-hauling of commodities, to restore and preserve purchasing power, and to aid in the prevention of the recurrence of economic stringency, and for other purposes; to the Committee on Interstate Commerce.

By Mr. COUZENS:

A bill (S. 4056) to provide for the establishment of an air base for the United States Air Corps Reserve at the Wayne County Airport, Wayne County, Mich.; to the Committee on Military Affairs.

By Mr. McNARY:

A bill (S. 4057) granting an increase of pension to William Franklin DeSpain (with accompanying papers); to the Committee on Pensions.

By Mr. RUSSELL:

A bill (S. 4058) to extend the boundaries of the Fort Pulaski National Monument, Ga., and for other purposes; to the Committee on Public Lands and Surveys.

(Mr. COPELAND introduced Senate bill 4059, which was referred to the Committee on the Library, and appears under a separate heading.)

By Mr. WALSH:

A bill (S. 4060) for the relief of Minnie M. Sears; and

A bill (S. 4061) for the relief of Reuben Robbins (Rollins); to the Committee on Claims.

By Mr. POPE:

A bill (S. 4062) to provide for the development of hydroelectric power at Cabinet Gorge on the Clark Fork of the Columbia River in the proximity of the Montana-Idaho State line, and for the rehabilitation of irrigation districts, and for other purposes; to the Committee on Irrigation and Reclamation.

A bill (S. 4063) for the exchange of lands adjacent to the Clearwater National Forest in Idaho; and

A bill (S. 4064) for the relief of the owners of lots in the unflooded portion of the old town site at American Falls, Idaho; to the Committee on Public Lands and Surveys.

By Mr. NEELY:

A bill (S. 4065) granting an increase of pension to Susan Powell; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 4066) to readjust the pay of warrant officers;

A bill (S. 4067) to confer the Medal of Honor for service in the Philippine Insurrection on William O. Trafton; and

A bill (S. 4068) to correct the military record of Ray McDonald; to the Committee on Military Affairs.

By Mr. BYRD:

A bill (S. 4069) to cancel certain charges entered on the accounts of the Treasurer of the United States; to the Committee on Claims.

(Mr. COPELAND introduced Senate bill 4070, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

By Mr. CAPPER:

A bill (S. 4071) to increase agricultural purchasing power and provide for the payment of tariff-equivalent benefits on that part of the production of certain farm commodities which is consumed within the United States, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. SCHWELLENBACH:

A bill (S. 4072) for the relief of Edwin McGuire; to the Committee on Naval Affairs.

By Mr. LOGAN:

A joint resolution (S. J. Res. 214) directing that no further taxes be collected by the Treasury Department under the provisions of Public Law No. 483, Seventy-third Congress; to the Committee on Finance.

By Mr. BARKLEY:

A joint resolution (S. J. Res. 215) authorizing the selection of a site and the erection of a pedestal for the Albert Gallatin Statue in Washington, D. C.; to the Committee on the Library.

By Mr. BORAH:

A joint resolution (S. J. Res. 216) authorizing loans to fruit growers for rehabilitation of orchards during the year 1936; to the Committee on Agriculture and Forestry.

FEDERAL SERVICE MEDALS

Mr. COPELAND. I wish to introduce for appropriate reference a bill providing for Federal service medals. I ask in connection with the introduction of the bill that a brief resolution of an organization of the Federal employees be printed in the RECORD and referred with the bill.

The VICE PRESIDENT. Without objection, it is so ordered. The bill introduced by the Senator from New York will be received and appropriately referred.

The bill (S. 4059) providing for Federal service medals of honor to Government employees for distinguished service was read twice by its title and referred to the Committee on the Library.

The resolution of the Thirteenth Convention of the National Federation of Federal Employees was referred to the Committee on the Library and ordered to be printed in the RECORD, as follows:

OUTSTANDING SERVICE AWARD

Whereas it has been the constant desire of the Federal Government to attract ambitious men and women of high standards into its employ, for the establishment of their careers in the civilian branches of its service, that the Nation might thereby greatly profit by their increasing efficiency in their various vocations; and

Whereas the services of many such civilian employees often bring outstanding honor and credit to the Nation or produce many highly beneficial results from a monetary point of view; and

Whereas up to the present time provisions have been made only for the following awards by the Army, Navy, and Treasury Departments:

Awarded by the War Department: Medal of Honor, Distinguished Service Cross, Distinguished Service Medal, Silver Star, Purple Heart, Soldier's Medal, Distinguished Flying Cross, and Oak Leaf Cluster;

Awarded by the Navy Department: Medal of Honor, Distinguished Service Medal, Navy Cross, and Distinguished Flying Cross;

Awarded by the Treasury Department: Gold Life Saving Medal and Silver Life Saving Medal; and

Whereas various members of the civilian personnel of the Federal Government likewise perform just as valiant, and sometimes just as dangerous though less spectacular, service to their country, and whose valuable achievements of various natures continually accrue to the Federal Government with practically no recognition or special reward of any nature; and

Whereas we firmly believe that outstanding, meritorious service of Federal civilian personnel should receive due recognition by the Nation in the form of a Federal service medal, to be presented by the President of the United States to the employees who have been selected for such distinction by a committee of award, said committee to be selected in a manner to be later determined, and that after the first 25 awards a maximum of 10 such awards be made in any Federal fiscal year: Therefore be it

Resolved, That this, the Thirteenth National Convention of the National Federation of Federal Employees, assembled in Old Faithful Lodge in Yellowstone National Park, hereby voices its approval of a Federal service medal for outstanding service over a considerable period of years rendered by civilian Federal employees; and be it further

Resolved, That the executive council of the National Federation of Federal Employees be hereby instructed to study and to formulate a plan for the selection of such distinguished civilian Federal servants, and—in cooperation with such Federal authorities as may be deemed advisable—to work out such other details as may be necessary to accomplish the purpose of this resolution.

AMENDMENT TO RIVER AND HARBOR BILL—ATLANTIC-GULF SHIP CANAL, FLORIDA

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

AMENDMENT TO WAR DEPARTMENT APPROPRIATION BILL

Mr. FLETCHER submitted amendments intended to be proposed by him to House bill 11035, the War Department appropriation bill, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 3, line 10, to change the figures "$903,960" to "$323,960."

On page 67, line 2, following the word "navigation", to insert the following: "and to include waterway improvements undertaken pursuant to the Emergency Relief Appropriation Act of 1935."

On page 68, line 10, to change the figures "$138,677,899" to "$167,677,899."

TAXATION OF LIQUOR—AMENDMENT

Mr. TYDINGS submitted an amendment intended to be proposed by him to the bill (H. R. 9185) to insure the collection of the revenue on intoxicating liquor, to provide for more efficient and economic administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

PREVENTION OF UNFAIR TRADE PRACTICES—AMENDMENT

Mr. SCHWELLENBACH submitted an amendment intended to be proposed by him to the bill (S. 3154) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors, which was ordered to lie on the table and to be printed.

ADDITIONAL COPIES OF "THE LIFE AND MORALS OF JESUS"

Mr. FLETCHER submitted the following concurrent resolution (S. Con. Res. 31), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That there be printed and bound, with illustrations, by the photolithographic process, in such style and manner as may be directed by the Joint Committee on Printing, 4,600 additional copies of House Document No. 755, Fifty-eighth Congress, second session, entitled "The Life and Morals of Jesus of Nazareth", by Thomas Jefferson, as the same appears in the National Museum; of which 1,500 copies shall be for the use of the Senate and 3,100 copies for the use of the House of Representatives.

DISCIPLINE IN THE MILITARY FORCES—NOTICE OF MOTION TO SUSPEND RULES

Mr. LA FOLLETTE submitted a notice of a motion to suspend the rules, which was read, as follows:

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraphs 1 and 2 of rule XIII for the purpose of permitting a motion to be made to reconsider the vote on the passage of the bill (S. 2253) to make better provision for the government of the military and naval forces of the United States by the suppression of attempts to incite the members thereof to disobedience.

REFUND OF PROCESSING TAXES (S. DOC. NO. 178)

Mr. NORRIS. Mr. President, on the 13th of this month I addressed to the Secretary of Agriculture a letter in which I asked for information, as follows:

Will you be good enough to supply me with such data as you may now have conveniently available which will show (1) the profits of the important industries involved in the processing-tax refunds; (2) the relation of the impounded and other outstanding processing taxes to those profits; and (3) the way processors altered or failed to alter their operating and profit margins when processing taxes were in effect and since they have been removed?

I have this morning received a reply from the Secretary of Agriculture enclosing a memorandum of Mr. Bean, the economic adviser of the Agricultural Adjustment Administration, in answer to those questions. I think the information would be very valuable to Senators, and perhaps to others. I, therefore, ask unanimous consent that my letter and the reply of the Secretary, together with the memorandum of the economic adviser, be printed as a Senate document, with illustrations.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

PILLARS OF GOVERNMENT—COSTIGAN OF COLORADO—ARTICLE FROM THE FORUM

Mr. WHEELER. Mr. President, in the February Forum of this year is an article by Oswald Garrison Villard, under the title "Pillars of Government—Costigan of Colorado." The article presents facts and conclusions, as reported and appraised by a distinguished journalist and author, with respect to the career of the senior Senator from Colorado.

I ask unanimous consent that the condensation of the article which I send to the desk may be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Forum for February 1936]

PILLARS OF GOVERNMENT—COSTIGAN OF COLORADO

By Oswald Garrison Villard

No Senate spellbinder here, no silver-tongued orator to split the ears of the groundlings. No promiser of all things to all men. Not one to bow the knee to power and wealth. Not even one to conceal his thoughts, speak softly because of an election in the offing, or play Jack and Tom and Jim with the next man. Nothing of the domineering, ruthless leader seeking to impose his will upon all who may come along, COSTIGAN, of Colorado, works in different ways his wonders to perform—the wonder of ceaseless, selfless, exhausting, unremitting toil; the wonder of a man long in public life refusing to take counsel of his fears, never asking what any advocacy may do to him, only whether it be sound, constructive, progressive, in accord with a deep-lying need of the hour; the wonder of a never-ceasing compassion for the disadvantaged; the wonder of a complete devotion to the public weal.

Colorless, some who know not, call COSTIGAN, because he does not stir the Senate to mutiny and rage; because, unlike another, lately dead, he is no mountebank dancing for the galleries on feet nimbler than his wanton wits. Colorless, it is said, because he shakes no leonine head to impress his legal lore upon those listening at their desks. Colorless because quiet, too modest, unassuming, self-controlled, he wreaks himself upon his tasks by day and by night to explode only at times and then with astounding force.

In 1930, when COSTIGAN entered the Democratic primary, there was no lack of color when he convinced the members of that party that he should be their choice and went on to defeat the Republican candidate with the greatest majority ever given a candidate for the Senate from Colorado. There was no lack of color when he

returned to Colorado after serving 12 years on the United States Tariff Commission and, without benefit of organization, convinced thousands from every walk of life, from the farms, the mines, and the offices, that he was their leader. Crowds came to his meetings from curiosity and left convinced of his sincerity, his ability, and his leadership. COSTIGAN'S campaign was the most colorful in Colorado's history. His oratory and ability cannot be questioned.

Nothing colorless about him when he took the witness box in 1915 before the Commission on Industrial Relations to say with scorn:

"Society has a right to demand that a charity shall no longer cover a multitude of economic sins. Mr. Rockefeller, who appears to the world in the relief afforded Belgium a liberal benefactor, stands convicted before the workers of Colorado as a narrowly biased and visionless moneymaker. Philanthropy so conducted from the beginning of the world to the present day has been a barrier to the correction of economic wrongs. It has promoted aristocracy; it has retarded the democratic quality of opportunity; and so considered, the Rockefeller Foundation and other like philanthropic undertakings may themselves be counted by this Commission vital causes of the present-day industrial unrest."

COSTIGAN IN ACTION

COSTIGAN was burning when he gave that testimony because of the Ludlow massacres of men, women, and children, who were shot or burned alive by soldiers and deputies for daring, when in Rockefeller employ, to strike and fight for the right to a decent wage. He burned deeply when, as a member of the Senate Subcommittee on Manufactures, he cross-examined Walter S. Gifford, head of the great American Telephone & Telegraph Co., and then director of the President's organization on unemployment relief. Others may have forgotten this. It is safe to say that Mr. Gifford has not. The subject of the hearing was the two bills introduced in the Senate by LAFOLLETTE and COSTIGAN on December 9, 1931, to give Federal cash aid to the unemployed—something then considered nothing less than heresy. The whole incident is illuminatingly characteristic of COSTIGAN and the thoroughness with which he attacks any problem. He arrived in Washington weeks before the opening of Congress. Mr. Hoover in the White House was unalterably opposed to Costigan's plan. He preferred to have Americans starve rather than to weaken their morale by Federal aid—curiously enough local aid is not character-destroying.

Senator COSTIGAN promptly instituted detailed inquiries into the present and prospective needs rising from unemployment; the adequacy of existing resources * * * and the character and extent of Federal aid, if any, which should supplement State and local agencies.

It took the Senator no time to show that Mr. Gifford and his organization were going ahead with extremely little concrete knowledge of what was the actual situation.

"You have been most indefinite with respect to the needs of the country as a whole."

Mr. Gifford opined that—

"it is a human equation that we are dealing with, and we cannot add it up in figures."

"But in any event," COSTIGAN went on, "your organization has made no affirmative effort to tabulate the facts with respect to the human needs throughout the United States?"

Mr. Gifford could only say, "That is correct." Then COSTIGAN pounced upon Mr. Gifford's statement that his organization was seeking by advertisement to arouse people locally to giving. Didn't he think it would be a more dignified or effective procedure to turn to taxable resources for meeting the difficulties? Well, Mr. Gifford was theoretically for the tax system, but he could only remember that in normal times we had community chests and in view of the grave situation—

"I think," he said, "it is a dangerous thing to change the practice, whatever the final evolution may be."

Which must make sad reading for Mr. Gifford today.

"It is your feeling that we, as a people, ought to follow the practice of advertising ourselves into the thrill of great spiritual experiences?"

Mr. COSTIGAN had taken those words, "thrill of a great spiritual experience", out of one of Mr. Gifford's Nation-wide advertisements of October 1931.

CHAMPION OF THE UNDERPRIVILEGED

COSTIGAN still burns within today because of many wrongs. He will burn within as long as he lives. But he holds his emotions in check, perhaps lest they sweep him away, perhaps lest he lose the influence which is his by too frequent and too earnest appeals to those so often unmoved and uncomprehending. But go to him with any righteous cause and you will have his sympathy and, if possible, his aid—his counsel, of course, and since that is wise and shrewd it is sought after by many, day in, day out. Still waters flow deep—if you doubt this, probe COSTIGAN to his depths, and you will find that there is no social wrong or injustice which does not set him to vibrating in protest.

Of COSTIGAN it has been written that he is "a pathetic, personal illustration of the travail of an intelligent man seeking a place in American politics."

But he is anything but pathetic, however limited he may find the circle of his close and confidential friends, however lonely he may feel at times. No man is pathetic who has stuck to his guns and gone on to repeated victories while others have fallen by the wayside. His great personal following has stood with him while he fought for the rights of the miners, when one risked one's life to do so and was lucky not to be beaten up frequently. They saw him espouse prohibition, honestly and sincerely, when it was not popular to do that; when he organized in Denver the Honest Election League, the Law Enforcement League, when he was attorney for the Anti-Saloon League in local-option cases, when he was chairman of the Dry Denver Campaign Commission, when he backed direct primaries and direct legislation, when he was president of the Civil Service Reform League and leader of the Citizens' Party, which swept his city in 1912.

It is significant that COSTIGAN has been a trusted ally of the two great progressive Presidents, Woodrow Wilson and Franklin Roosevelt. For him the Bull Moose platform was a charter of liberty, but he has gone far beyond it. To use his own words, he is enlisted in "the same, long, age-old fight of those idealists who stand for the good of humanity against those betrayers of the human race whose only purpose is the aggrandizement of the few. I care not what name may be applied for the moment in these successive battles in the war for humanity against the powers of greed."

COSTIGAN STANDS HIS GROUND

In December 1934 he issued his Fourteen Points—it is significant of his growing influence that it was carried in full by the Associated Press. This program included higher-speed public works on a much larger scale, the social-security legislation now in some degree adopted, and the principles of the Wagner labor bill, also enacted into law at the last session. He was for more aid for the veterans; against tax-exempt securities; for increased Government control of credit and currency.

He urged a bill to curb the private electric-power interests and to strengthen municipal and Federal power projects and undertakings—he is for Government ownership and operation of all public utilities. Then, as always, he stood for higher income, gift, and estate taxes; for blotting out the national disgrace of lynching; for the control of our munitions industry, coupled with international and national measures to avert war. Yes; he is an internationalist—let all who will, tremble. That means that he voted for our entry into the World Court and for the recent legislation to safeguard our neutrality. He is for every possible means of controlling war, either by the United States alone or in concert with other powers; he knows what a humbug and a failure the World War was, and he is bitterly opposed to American intervention by force of arms anywhere in Central or South America. In other words, he is a highly civilized man, who sees that if the world cannot conquer war, war will destroy it.

But this by no means exhausts the positions COSTIGAN has taken. His battle with Senator WAGNER for the removal of the greatest disgrace to our country—the lynching of human beings, white or black—was magnificent.

For the Wagner labor bill, with its assurance to the workers of the right to collective bargaining, of the end of the company union, and of an independent Federal Labor Board—the first two were promised in the N. R. A., but never enforced—Senator COSTIGAN naturally stood. He voted for the income-tax publicity, and for the Guffey coal bill, which he helped to shape with unsurpassed knowledge gained as counsel for the Rocky Mountain Fuel Co., of which the Assistant Secretary of the Treasury, Josephine Roche, is the enlightened head and owner—her devoted friendship for the Senator and Mrs. Costigan is one of their most cherished possessions. When the income-tax publicity was defeated the Senator drafted an amendment regulating the access of the various authorities to this information, which was gladly accepted, and voted by both Houses of Congress. He is for the bonus, no matter what the President, whom he always upholds when he can, and others may think.

Long months before the wiping out of the N. R. A. by the Supreme Court, COSTIGAN anticipated it. On January 4, 1935, the first day when bills could be introduced in that session of Congress, COSTIGAN offered this joint resolution for a constitutional amendment of which we may hear in the years to come:

"SECTION 1. The Congress shall have power to regulate hours and conditions of labor and to establish minimum wages in any employment and to regulate production, industry, business, trade, and commerce to prevent unfair methods and practices therein.

"SEC. 2. The due-process-of-law clauses of the fifth and fourteenth amendments shall be construed to impose no limitations upon legislation by the Congress or by the several States with respect to any of the subjects referred to in section 1, except as to the methods or the procedure for the enforcement of such legislation.

"SEC. 3. Nothing in this article shall be construed to impair the regulatory power of the several States with respect to any of the subjects referred to in section 1, except to the extent that the exercise of such power by a State is in conflict with legislation enacted by the Congress pursuant to this article."

The brevity and clarity of this resolution and its comprehensive character are all the more interesting in view of the frank confession of Walter Lippmann, press pundit extraordinary, that he found himself unable to draft any workable amendment and in view of Raymond Moley's refusal to accept Lippmann's public challenge that he do the drafting.

It is COSTIGAN who looks ahead and supplies the brains, who breaks ground, as witness his leadership in the case of soil erosion, his ungranted demand for a census of the unemployed, his insistence on Government aid to State school systems. Naturally he voted against our huge naval appropriations and as enthusiastically fought for the public-utility bill, even to the famous "death sentence." In the entire Congress there is no more ardent protagonist of free speech and the preservation of the daily violated rights of free assembly and fair trial by a jury of one's peers—

no one is keener than he to recognize the growing danger of fascism and the absolute necessity of defending the fundamental principles of this Republic if it is to survive.

RESOURCEFUL LEADERSHIP

As Senator from Colorado, two difficult problems at once confronted COSTIGAN. It is a gold- and silver-mining State and it contains a large and powerful beet-sugar industry. The latter became increasingly prosperous under high Republican tariffs, the benefits of such protection finding their way into the pockets of manufacturers and stockholders, while conditions of the sugar-beet growers and laborers became increasingly worse. Years ago the industry discovered that the drudgery of work in the fields could best be done by Mexican and Russian labor, which could be obtained cheaply.

It was the practice of the sugar companies to enlist labor in Mexico and the Southwest, bringing entire families to Colorado for the summer months, returning them later to their homes. They were contracted to farmers, receiving an agreed sum per acre for their services. In order to obtain a partial living, laborers had to contract to take many acres, which necessitated the work of every member of the family in the fields—men, women, and children. After experimentation, it was found to be cheaper to keep the laborers in Colorado during the winter, and the practice of returning them to Mexico was discontinued. Thus began the Mexican relief problem in Colorado.

It was characteristic of COSTIGAN in facing the sugar-beet problem to attack it from the standpoint of the farmer and laborer. In campaigning for the Senate in 1930 he proposed something quite novel—a direct bounty to the growers, giving to them a share of the tariff tax. Farmers were interested, while manufacturers scoffed. The latter were not for his election—he was far too radical for them and much too much in favor of lower tariffs. They little dreamed that COSTIGAN'S suggestion of 1930 would result in a bill drafted by him in 1933 and adopted by Congress in 1934, which would save the entire industry from collapse just 4 years after they fought him with every power at their wealthy command.

Once in Washington, COSTIGAN was in a position of having to take cognizance of both the mining and beet-sugar interests and to present their demands to the Congress and the Federal Government.

COSTIGAN, having the official responsibility, brought about the passage on May 9, 1934, of the Costigan-Jones sugar law. Under it Colorado beet-sugar farmers have received benefits increasing their returns per acre by a fraction less than 50 percent in 1935, as contrasted with 1933, when the largest sugar-beet crop in history was raised. Between February 2, 1935, and September 1, more than 20,000 sugar "benefit payment" checks were sent to Colorado sugar growers, totaling more than $3,000,000. These benefit payments to the farmers are made possible by a processing tax of one-half cent a pound on sugar sold in the United States, paid by the companies, when the conversion of sugar beets or sugarcane into sugar takes place, or by the importers, upon the entry of foreign sugar into this country, the objective being to guarantee the farmers a return equal to their pre-war parity. The interest of the consumer was protected, COSTIGAN felt, because simultaneously with signing the Costigan-Jones bill President Roosevelt signed an Executive order reducing the tariff on sugar in an amount equal to the processing tax.

Next, this measure gave to the Secretary of Agriculture power to grant to each sugar-producing region supplying the domestic market a definite quota of that market. The immediate effect was to stabilize a demoralized industry, not only in the continental United States but also in the insular possessions and Cuba. In order to accomplish its objective it was necessary for the Costigan-Jones Act to provide that both beet and cane sugar be recognized as basic agricultural commodities under the A. A. A.

Whether one agrees with the principle of this legislation or not, no one can deny that it proved the Senator's fertility of resource and his desire to do justice to everyone. The immediate results of this legislation have been a living return to the farmers; increased wages to labor brought about through contracts negotiated by the Secretary of Agriculture; the elimination of child labor, which was one of the basic reforms contained in the act; and an assured market for each sugar-producing area. The criticism made of the law, which will expire on December 31, 1937, are those leveled against all similar use of the processing tax to pay farmers cash to create and maintain artificial prices justifiable only as emergency measures. Thus the late secretary of the National Beet Growers' Association, J. D. Pancake, declared that "the sugar industry is in the healthiest condition it has been for years. We now have a Government guaranty of parity and a Government guaranty of settling disputes over the terms of the beet contract."

As for the Colorado miners, the Roosevelt gold and silver policies have played into the Senator's hands, notably the purchases of silver.

THE INCORRUPTIBLE

There is no greater expert on the tariff in the country than EDWARD P. COSTIGAN, for he served 11 years on the United States Tariff Commission, applying his able and thorough mind to its problems throughout that period. But nothing about his service on that Commission "became him like the leaving of it." He resigned voluntarily. It sounds incredible, but there the fact is.

It is one of the misfortunes of our public life that the habit of resignation is so little established. In England it is one of the safety valves. Men do not hesitate to save their self-respect by freely resigning if their consciences no longer permit them to uphold the policies of their chiefs or of the government. With us resignations are, normally, practically unheard of; at worst one accepts a kicking upstairs or an office "equally as good." But most of the officeholders find it easy to salve their consciences—and to continue to draw their salaries.

Costigan stood intolerable and impossible conditions as long as he could and then he resigned, clearly, publicly, with a resounding bang. He called men by their right names, denounced at least two Presidents, and showed how the whole Tariff Commission had been made the football of politics, the basketball of the protected industries, and the roosting place of several former paid lobbyists who neither could nor desired to hold the scales even and attack the problem in a purely scientific way.

That resignation is a masterpiece. It gives the history of the Commission in a nutshell. It records the Presidential sale of the Commission to the protected interests it was created to control and discipline. It scores, as said, some of the individuals with whom he served and reveals, more clearly perhaps than its author intended, how protection corrupts whenever it touches national life. It records how at the end of 5 years, at a cost of $3,000,000, the Commission had made only 32 reports to the President under the flexible tariff provisions of the law creating it and had actually reduced the tariffs on only these five articles of profound moment to the country: Millfeed, bobwhite quail, paintbrush handles, phenol, and cresylic acid.

He showed how in really important cases President Coolidge had refused to act, notably on the sugar tariff (now finally lowered), by stalling, delaying, and sending the Commission's report back to be "restudied." In the case of linseed oil, the President held the Commission's report, calling for a reduced tariff, for 3 years!

"In the face of such continuing offenses, both of omission and commission [wrote COSTIGAN], I have decided to end my official experience. * * * Public service still demands public fidelity. And the ancient right of remonstrance remains. An official witness of law violations, I have successively appealed to the President and to the Congress. One further dissent is in order. I am therefore returning my official commission to the Government."

Thus the picture of COSTIGAN, of Colorado, lean, gaunt, apparently physically delicate but doing the work of 10 ordinary men, obviously unathletic, of dark skin—a heritage of the Iberian part of his Irish, English, and Spanish ancestry. Dark shadows are under his restless eyes—hallmarks of the profound student whose work knows no end and of a conscience that grants no rest. "Scholar", "gentleman", "cultured academician", "literary figure"—these are some of the descriptions pinned to him which one writer declares he is compelled, in Congress, to live down. Would there were more to whom they could be applied!

More and more I find it harder to endure the public misconception of the Senate as a house of talkers only. Nowhere do men work harder or more devotedly than does the senatorial group to which COSTIGAN belongs. Omniscience in small things, eloquence, outspokenness, silence, great administrative skill, the highest constructive talent, tolerance, passion against wrong—these are but a few of the qualities demanded of them, in addition to all the virtues. Few can measure up to what is asked of them, for they are but frail humans after all. None the less, when the roll is called of those who have given their all, their best, without stint, without thought of self or their advancement, in order to serve their country, the name of EDWARD P. COSTIGAN must stand very high. In his case public service still does receive public fidelity.

KENTUCKY IN THE LIFE OF THE NATION—ADDRESS BY SENATOR LOGAN

Mr. McGILL. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting address delivered by the junior Senator from Kentucky [Mr. LOGAN] before the Kentucky Club, at the Willard Hotel in the city of Washington, Wednesday evening, February 19, 1936, on the subject Kentucky in the Life of the Nation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Those who bear the name "Kentuckian" have greater reason to be proud than those who bore the proud title of "Roman" when Rome was in her glory. Kentucky is a land of romance, song, and story, and her history and traditions are not equaled by the history and traditions of any other State in the Union. In the life of the Nation, Kentucky has occupied her place on every stage of action. She was the first pioneer State, and when Washington and his ragged continental troops were engaged in a war to make the Colonies of America independent, Kentuckians were reclaiming a wilderness, fighting savages, clearing forests, and building homes. Engaged as she was in these great tasks to build and protect homes in the wilderness, yet she found time to do her part in fighting for the freedom of the Colonies. Technically, Kentucky was a part of Virginia, but the Virginians at Williamsburg, and the old towns of Virginia, knew as little of Kentucky, and perhaps less than they knew of England herself.

A few had ventured across the mountains before the coming of Daniel Boone, perhaps the greatest of all pioneers. John Finley and Dr. Thomas Walker had seen the virgin forests in eastern Kentucky filled with wild game, but it was Boone who blazed the trail across the mountains into Kentucky and found a land that possessed all of nature's bounties smiling alone in the solitude of its hills and plains. He was a leader in every movement carried on by pioneer Kentuckians, but as an Indian fighter and

scout he made a name for himself that will live as long as men love the hardihood of pioneers.

Gen. Benjamin Logan was another of the great pioneers who made history, and as an official in civil life and in the militia he wrought well. He is easily the outstanding leader in the military life of the early pioneers in Kentucky. He led his untrained troops against the Indians in the State, and also conquered them on their native soil north of the Ohio River. James Harrod gave his life for the pioneers, and no one is aware of his last resting place. Simon Kenton, the Todds, the Bowmans, the Shelbys, the Stewarts, and many others of such heroic names were opening up a domain equivalent to an empire while Washington and his troops were conducting the long and successful War for Independence. Among these hardy pioneers there was one young man who shone across the firmament like a meteor. Gen. George Rogers Clark endured hardships indescribable, with a handful of men, to wrest the Illinois country from the British, and by so doing he gave to the Union in territory almost as much as was won by Washington and his armies. Not only did he protect Kentuckians from extermination but he added to the public domain of the Nation the great States of Illinois, Indiana, Ohio, and Michigan. If it had not been for the exploits of this Kentuckian, Virginia-born, perhaps the Ohio River would have been the boundary between the Dominion of Canada and the United States. If those who are interested in the history of Kentucky desire to know that which will make them prouder still of their State, let them read the acts and deeds of George Rogers Clark and his men along with the story of the heroic deeds of Boone, Kenton, Logan, and others.

The printing press has always followed progress, and the wilderness had hardly been felled in favored spots when newspapers began to flourish, and one cannot know the part which Kentucky has contributed to the Nation and the world in public affairs and in the dissemination of knowledge unless he knows the work of such great editors as John Bradford, Thomas T. Skillman, George D. Prentice, Amos Kendall, Shadrach Penn, Jr., Albert G. Hodges, Walter N. Haldeman, John P. Morton, Henry Watterson, and W. C. P. Breckinridge. These editors and publishers form a galaxy made brilliant by their scintillating wisdom. We look in vain among the editors of today for one equal to the great Watterson, or with the polish of a Prentice, or a Breckinridge.

The medical profession has been enriched by contributions of such great doctors and surgeons as Ephraim McDowell, Daniel Drake, Benjamin W. Dudley, Joshua Taylor Bradford, Robert Peter, Dr. Flexner, and Dr. J. N. McCormack. Dr. McDowell, by reason of his skill as a surgeon, achieved a fame that extended throughout the world. Dr. J. N. McCormack did more to organize the medical profession into units to promote public health than any man in America.

When we come to mention the outstanding statesmen that Kentucky has furnished the Nation we are at a loss to select those most outstanding from a group so numerous. John Breckinridge who, with Jefferson, announced the doctrine of State rights in the Virginia and Kentucky resolutions, was outstanding as a member of Jefferson's Cabinet and an expounder of the Constitution and, as strange as it may seem to us of this generation, he gave utterance many times to the same sentiments and ideas expressed by the distinguished Senator from Nebraska [Mr. NORRIS]. He was afraid of the Supreme Court and did not believe that it should have the power to nullify acts of the Congress. Henry Clay is the best known of Kentucky statesmen, having three times been a candidate for President, and his record in the Congress was more outstanding than the record made by the other two of the great triumvirate—Webster and Calhoun. It was his wise counsel which prevented a fratricidal war for many years, and it is well believed by many that if the life of Clay could have been spared for another generation the War between the States may have been avoided. He was a great orator, a profound thinker and of a brilliancy of intellect excelled by none. The youth of today may draw inspiration for the guidance of his career through familiarizing himself with the history of this great statesman's work.

John J. Crittenden came of a very distinguished family and his services in the trying period of the War between the States are not as well known as they should be, but his efforts to find some common ground to preserve the Union and avoid the war are deserving of the highest commendation. John Rowan was a typical Kentuckian who loved the soil of Kentucky and whose service in many public places, including the United States Senate, marks him for distinction. James Guthrie was recognized as one of the outstanding financiers of his day, and his statesmanship served his Nation well. Richard H. Menifee died young, but his oratory marked him as a genius. The handsome and brilliant John C. Breckinridge, who loved the South more than he loved his life, and who gave up positions of great honor to cast his lot with the land he loved, was a Kentuckian of whom we should all be proud. Richard M. Johnson, whom we have almost forgotten, the slayer of Tecumseh, and Vice President of the United States, contributed his share to the greatness of the Nation in his day and generation. Humphrey Marshall, historian and statesman, was an example of fearlessness, courage, and sagacity. John G. Carlisle, Speaker of the House of Representatives, United States Senator, and a member of Cleveland's Cabinet, has left us a heritage of calm judgment and devotion to public duty that all Kentuckians should highly prize.

In every war in which our country has engaged, Kentucky has furnished her quota of great military leaders. In the War of 1812 there are Shelby, Adair, and others, and the Kentucky riflemen at New Orleans with Andrew Jackson when he won his brilliant victory over the trained British troops. In the War with Mexico Gen. Zachary Taylor commanded with such high degree of military strategy that he won the war and thereafter was elected President of the United States. In the War between the States Kentucky sought to be neutral, and her struggle to prevent taking part in that war, which was always so abhorrent to Kentucky, is noteworthy. She soon found her borders invaded by troops from both sides, and her people, divided as they were in sentiment, sent their sons in great numbers to the South and also to the North. Among the great Union generals furnished by Kentucky may be mentioned John W. Finnell, Lovell H. Rousseau, William Nelson, Robert Anderson, Thomas L. Crittenden, Jerry J. Boyle, and Thomas J. Wood. It was General Anderson who commanded at Fort Sumter when the shot was fired upon him that marked the beginning of the strife. While these Union generals of Kentucky nobly did their part for the Army of the North, even more brilliant perhaps were the generals who cast their lot with the South. Some of the greatest generals of the southern armies were Kentuckians. There were John H. Morgan, John B. Hood, Simon B. Buckner, Albert Sidney Johnston, William Preston, and Lloyd Tilghman. Albert Sidney Johnston was among the most brilliant of southern generals and, had he not fallen at Shiloh, the result of that great battle at least would have favored the southern armies; and if the South had won that battle, the effect would have been to demoralize the North greatly. John H. Morgan was a Cavalry leader whose exploits read like fiction.

Those who have worked for the extension of the kingdom of heaven have found in Kentuckians many who have carried the message with eloquence and great appeal to the people, not only in Kentucky but throughout the Nation and in foreign lands. Among the great preachers of Kentucky may be mentioned H. B. Bascom, M. J. Spaulding, Ben B. Smith, Barton W. Stone, John C. Young, John L. Waller, and H. Holley.

Kentucky has reason to be proud of the great jurists that she has produced and whose opinions have done much for the jurisprudence of the Nation. Volumes could be written dealing with their integrity, their judicial temperament, and the honors they have rendered to their State and Nation. Among the outstanding jurists, made so by reason of their length of service and devotion to duty, may be mentioned William Owsley, Robert Trimble, George M. Bibb, George Robertson, Aaron K. Wooley, John Boyle, William Pryor, John D. Carroll, and Warner E. Settle. The opinions of these judges have been quoted with approval by the courts throughout the Nation. I shall not mention judges from Kentucky who have served in important judicial positions outside of Kentucky other than call attention to those who have served as Justices of the Supreme Court of the United States. Those who have served on that greatest judicial tribunal in the world are John Catron, John McLean, John McKinley, Samuel F. Miller, Thomas Todd, Robert Trimble, John M. Harlan, and perhaps others whose names I do not recall.

Other Kentuckians have served on the Supreme Court by appointment from other States. Kentucky need not be ashamed of the part her judges have played in the judicial branch of the government in the State and Nation.

I think we should all know that Kentucky has produced great artists, among whom may be mentioned, Joseph H. Bush, Matt H. Jouett, Joel T. Hart, and Thomas Noble. Their work has received the plaudits of those familiar with the fine arts.

I shall not attempt to mention the inventors, naturalists, scientists, and philosophers that Kentucky has produced, but, in passing, I will call attention to John Audubon, one of the greatest naturalists the world has ever produced.

Two Presidents have been natives of Kentucky, Abraham Lincoln and Zachary Taylor, while the only President of the Confederate States was a native Kentuckian, Jefferson Davis. Two Kentuckians, John C. Breckinridge and Richard M. Johnson, served as Vice Presidents. Perhaps more than 50 native Kentuckians have served as Governors of other States, and more than 100 Kentuckians have filled the position of Ambassador, or Minister, to other important nations.

More than 30 Kentuckians have been appointed to the Cabinet from Kentucky, among whom may be mentioned Henry Clay, George M. Bibb, James Guthrie, Joseph Holt, Amos Kendall, Charles A. Wickliffe, John Breckinridge, and John J. Crittenden. Five or six Kentuckians, while serving in the Senate, have held the position of President pro tempore, and a greater number have served as Speaker of the House of Representatives. One familiar with the public records of Kentuckians who have held important positions would be familiar with the history of this Nation from its establishment down to the present time.

No name has been mentioned and no event has been referred to that could not be discussed without exhausting the subject for the whole evening. Kentuckians owe a duty to their State to familiarize themselves with her glorious history. No State has been more greatly blessed by nature and no people have greater heritage.

SUSAN B. ANTHONY—ADDRESS BY SENATOR CHAVEZ

Mr. HATCH. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by my colleague the junior Senator from New Mexico [Mr. CHAVEZ] at the Susan B. Anthony exercises held in this city last Saturday.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We are gathered here today to honor a great woman, Susan B. Anthony.

The world has for many years acknowledged and appreciated the services of this great friend and champion of equal rights. There is no reason for me to recount why she was a great woman and a truly transcendent personality of her century. It is enough to know that her work was for a worthy and vital cause and that her lifelong struggle in its behalf is a worthy example for us today.

It is significant that with the fulfillment of her task, which, of course, was not accomplished in her lifetime, but which certainly was the result of logical completion of her lifelong efforts—that a new generation has grown up to enjoy equal suffrage under the nineteenth amendment. Realizing that there may be a tendency to forget her struggles to reach this goal, it should be our aim in honoring her today to reconsecrate ourselves to those ideals to which she aspired.

I might suggest that her work is not yet done and would urge the feminist leaders of today to devote their energy in behalf of one of the cardinal maxims of this their great leader, "Equal pay for equal work." Recently we moved a step forward in this respect when we abolished the sweatshops and in the control of home work under the N. R. A. This was a worthy attempt that recognized the rights of labor in an attempt to avoid discrimination against female workers. I know of no cause that Susan B. Anthony would have gloried more in fighting for, and it was just such a situation as this that impelled her toward her defense of women's rights.

We are told that as a young school teacher she received but $8 per month, while men, doing the same job less ably received between $24 and $40; and it was the obvious injustice of this that drove her to seek justice for her sex.

Today it is the Tory industrial baron who is so jealous of his liberties and so busy seeking his profits out of child labor and miserable wages to female employees that he forgets there is a natural right—a God-given right—that such things should not happen.

It has been the custom of late for educators to deplore the lack of feminist leaders. They overlook the worthy part that the woman voter is playing. In my opinion the feminine voter is our strongest bulwark against radicalism. The foul breath of communism can never taint our shores so long as our mothers, wives, and daughters exercise their influence.

In Spain we have the recent example of radical and communistically inspired parties that were soon toned and tempered by the wholesome weight of feminine opinion that came when women there were granted equal suffrage.

It is hoped that with the granting of suffrage in Mexico much of the oppression and radicalism can be softened and social values we all stand for will be substituted in their place. A recent move toward this end was the granting to women the right of voting within the primaries of the National Revolutionary Party, the leading party in Mexico.

In our country there is no lack of feminine power. I pity the party leader or candidate who ignores or fails to take it into consideration or fails to encourage it.

There is no worth-while cause today in which woman does not exert her influence. The timely demand for neutrality and freedom from foreign entanglements is but the cry of anguished mothers demanding that we stay clear of trouble that in no way concerns us. That is our true spirit of isolation. It is easy for me to vision a mother desiring to protect her son and voicing her opinion by the ballot, but it is difficult for me to vision a mother who would want her son to take the cowardly and ridiculous attitude of taking an oath not to fight for his country. Let the statesmen who go meddling into affairs that are wholly foreign to our interests beware lest they feel the wrath of true feminine opinion.

That is the fruit of Miss Anthony's work. Hers was not a feminine movement that demanded rights and favors as a class, but one possessing equal rights under the law and able to assert its inspired influence for the benefit of the Nation as a whole. So long as this spirit, that burned so constantly in her soul, is rekindled in the hearts of all of us on occasions such as this, we can go away resolved that equal rights shall be accorded to all. By this you will be doing her the greatest honor, for hers was a soul devoid of vanity and submerged in service.

NEUTRALITY AND THE NAVY—ADDRESS BY SENATOR GERRY

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD a very timely radio address by the junior Senator from Rhode Island [Mr. GERRY], on February 18, 1936, on the subject of Neutrality and the Navy.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

If there is one outstanding desire which is shared by practically every American, it is the desire that America, if possible, remain at peace and not be drawn into war. Much thought, painstaking study, and unselfish endeavor have been given to this great problem, which is so important. The questions that we have to answer are: What are the correct steps that should be taken and what are the best methods that should be pursued to bring about the objects we have in mind, that of maintaining our peace and retaining our high ideals?

The views of those in Congress, as well as all those who have given attention to the subject, have been widely divergent. All are striving for the same result, but sometimes those with the best intentions in the world, who are endeavoring to accomplish this objective, are suggesting a program of legislation that would have exactly the opposite effect.

Any proposal for the maintenance of peace for our country that has been thoughtfully and carefully worked out by able and patriotic people is entitled to every consideration, but the problem is so vast and the ramifications are so great that much thought and study of history and international law are required before any action should be taken. Any fundamental policy which may have such far-reaching results must be searchingly examined, deliberated upon, and discussed.

Last year, when a resolution was introduced and passed by the Congress—the so-called neutrality resolution—I voted against it because I felt it had been too hastily drawn, without proper consideration, and there was a chance that it might draw us into difficulties rather than keep us out. My thought was that legislation of this type, even of a temporary nature, establishing a precedent which would invariably result in further legislation, should not be enacted without much wider discussion in the body and time for the Nation at large to consider and debate its wisdom.

The Foreign Relations Committee has found, as I felt sure it would, that the problem was much more difficult than appeared on the surface. It is now understood that many worthy people who were in favor of it were led astray by the enthusiasm created by the worthiness of the objective and without anything like a full realization of the difficulties that had to be met and the dangers that would be encountered.

The resolution as originally introduced provided that upon the outbreak or during the progress of war between or among two foreign states the President shall proclaim such fact, and it shall thereafter be unlawful to export arms, ammunition, or implements of war from any place in the United States for the use of a belligerent country. This, without technical language, was the main purpose of the legislation.

It was a very sweeping departure from the old established principles of international law and at once raised many questions as to what the practical working out of such a policy might be. One thing was apparent, and that was that the country that was not prepared for war was at a decided disadvantage because it could not look to us or any nation that followed this policy for any assistance in obtaining implements of war to defend itself. Then, it also brought to our minds the position in which we might be placed if Mexico, Canada, or the Central or South American countries were engaged in armed strife with a great military power. Would we be willing to stand by and see them conquered or a foreign military power set up in a country that is our next-door neighbor? Such a policy would be inviting future wars and abandoning all belief in the Monroe Doctrine. As a matter of fact, it is inconceivable that America would allow a foreign power to invade either Canada or Mexico and not render assistance, certainly to the extent of selling her arms and ammunition. The change that has been made in the resolution from the wording as originally introduced has recognized this situation to some extent.

The resolution today passed by the Senate extending the life of the resolution heretofore adopted contains provisions that take care of some of the difficulties not met by the original draft. It likewise attempts to cover some other difficulties that may arise. It is an example of what I said above, that as discussion progressed on the resolution, it brought out additional factors that might mean danger to this country because they were likely to provoke war rather than to keep us at peace.

John Bassett Moore, generally acknowledged as one of the greatest international lawyers of our time, points out very clearly that a policy of embargo which it is urged should be extended still further than in the resolution is beset by many dangers. The extending of it to other commodities cannot help but lead us into more serious difficulties, for the declaring of commodities as contraband would often affect one nation at war more than the other and then be likely to make that nation feel that it has been treated unfairly, creating such a situation as would lead to war.

This goes to show that up to now many of the problems that are involved in the subject were lost sight of, and that it would have been wiser not to attempt to pass the continuing legislation without a great deal more consideration being given to all the problems that are involved.

The more we study the policies that will go to keep America from being drawn into any war, the more it becomes apparent that no country, unless it is able to defend itself, is free from the possibility of its rights being trampled upon and even aggressive attacks being made upon its territories and its sovereignty. History has always shown this to be true. China is the outstanding example of what can happen to a nation that is defenseless. Lack of proper preparedness means that we are not taking precautions to ensure and protect ourselves in the event of aggressive acts, nor are we helping our Government to have its opinions respected throughout the world.

This does not make for peace. History since the World War has clearly shown that however much we should wish to the contrary, the great foreign powers are resting their actions fundamentally on strength—the power of protecting themselves. It is clear that no matter what statutes we may pass indicating our attitude on the question of neutrality, they will be open to the construction put upon them by other nations at war, who may treat such acts as unfriendly and cause for aggression.

The point that is frequently lost sight of is that one nation cannot determine what is neutrality. Other nations may disagree with our idea of what this all-important word may mean. We may consider a certain course of action as absolutely neutral, but the nations concerned may feel that our contention is anything but

neutral. They may well rely upon what has been heretofore established by international law as the real definition of neutrality. With this in mind, it is very easy to see that when we are desirous of being neutral we may get into serious difficulties. It may be wise to consider whether we can expect to have a principle, heretofore established, changed unless there is an agreement among the nations upon the particular point involved.

For example, in the joint resolution passed last August, there is a restriction on the use of our ports to submarines of foreign nations and giving the President wide latitude in regard to it. This is a change in the usual practice well established by international law, and any regulations issued under it would undoubtedly be open to close scrutiny by any power affected by it. No doubt it would raise questions of protest, with possibly very harmful diplomatic consequences, and might well create situations that might lead to war.

This also illustrates that our Government realizes that submarines may be operating off our own coast in such a way as to create difficulties and even interfere with the security and protection of our own coastwise shipping.

How are we going to protect our rights as a nation while this situation exists and there is no general disarmament or agreement for disarmament?

Above all things, it means that we must have an adequate navy. It is our first line of defense. It is the one weapon with which we can keep the enemy away from our shores and protect ourselves from attack. It is the really sound policy of insurance for our Government.

For it is well to remember that our Navy not only makes a line of defense with its ships but it also carries airplanes far out to sea and enables our airplanes to be effective at very great distances from our shores, and this establishment of our defense can be kept in first-class condition with a force of something like 200,000 men.

There is no such thing as a defensive navy. It must be able to attack the enemy and repel it; otherwise you may be in a position in which Germany found itself—that is, bottled up in port.

Nobody can think of peace for America and protection to its Territories without considering our long coast lines and our extensive Territories.

How are we going to protect Alaska from the covetous eyes of any foreign nation unless we have a formidable Navy, sufficient to prevent attack on its shores?

How are we going to protect the Panama Canal and keep it free from being dominated by a foreign power in time of war, even if the United States is not engaged in it, unless we have a Navy adequate to prevent its being blockaded?

We should not be unmindful of the importance of Hawaii, approximately 2,000 miles from our shores, giving a distant base from which the Navy can operate. The naval maneuvers last year showed how we would be able to fight an enemy in the Pacific, miles from our own coast.

In the Atlantic, how can we protect Puerto Rico, the Virgin Islands, and our own great Atlantic coast unless the Navy is to do it?

Let us not forget that when we yield certain rights that are ours, established, under international law, an effort will be made for us to forsake other rights and agree, perhaps, to allow a nation to establish a blockade over wide areas, as was attempted by Germany during the World War.

We fought one war on the doctrine of visit and search. What is to prevent another nation at war from insisting on this same policy, especially with the development of the submarine.

Freedom of the seas, people are apt to think, is only protection of commerce. Freedom of the seas means that and much more than that. It is something that the United States has always insisted upon for its own welfare and protection.

While we are determining on legislation that we hope will be helpful in keeping us at peace, we cannot lose sight of the necessity, in the meantime, of seeing that we exercise all our powers to protect our Nation from attack.

We have no desire for aggression, but every thoughtful American who has any red blood in his veins certainly does not want to adopt the old policy of China and permit our country to be dictated to or overridden.

The men who say that there is no provocation that will cause them to fight and the representatives of the Nation who state that there is no provocation so great that will cause them to defend themselves do not belong to the race of freemen and violate every American tradition that made this country what it is.

Self-respect, restraint, but determination to defend certain rights not only of his home and fireside but fundamental ideals, should be the mark of a citizen or of a free nation; and this spirit in America makes for peace and not for war.

A war of aggression is entirely contrary to the spirit of our people, and a desire for peace is especially marked, but we will protect ourselves and our rights, and this knowledge has done and will do more than anything else to prevent acts of aggression from other nations.

Neither the jingoist nor the pacifist represents the true American spirit.

THE PROBLEM OF PROBLEMS: WORK—ARTICLE BY SENATOR WAGNER

Mr. COSTIGAN. Mr. President, in the New York Times of February 16, 1936, appeared an article by the Senator from New York [Mr. WAGNER], written with his customary knowledge, sympathy, and foresight, on The Problem of Problems: Work for All. I ask unanimous consent that the article may be incorporated in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times Magazine of Feb. 16, 1936]

PROBLEM OF PROBLEMS: WORK—SENATOR WAGNER STATES THE ISSUE AND OFFERS REMEDIES FOR THE EVIL OF UNEMPLOYMENT

By ROBERT F. WAGNER, Senator from New York

Our Government's valiant and effective efforts to overcome the depression will rank among the rarest feats of statecraft. The exact measure of our accomplishments will be easier to determine when the administration of unemployment insurance supplies accurate and complete official records of unemployment.

But in a larger sense the question whether the peak of unemployment was 3,000,000 or 5,000,000 during the boom years ended in 1929, whether it was 13,000,000 or 17,000,000 in the chaos of the depression, whether it is 8,000,000 or 10,000,000 today, is somewhat overrefined. For even if one acknowledges only those minimum figures upon which all factions are agreed, the staggering mass of the jobless is the most challenging problem facing our civilization. If nothing were done toward its solution it would threaten its immediate victims with demoralization, the Government with bankruptcy, and society at large with disintegration.

The imperative tone of this threat is diminished but not silenced by recent economic developments. We may, with good cause, rejoice in the fact that both industrial production and factory employment during the past few months have reached the highest levels in 5 years, and that business profits in 1935 increased by about 40 percent over those of 1934. But at the same time the number of men who are regaining their jobs has lagged far behind the increase in the production of goods.

To paint this picture in its true colors, moreover, emphasis must be placed upon the trend of total pay rolls rather than upon reemployment alone; for, while it would be theoretically possible to put everyone to work simply by reducing hours and sharing jobs, such progress is illusory unless accompanied by the maintenance of the full earning capacity of the individual worker. With this in mind, it is disconcerting to find that during 1935, while the index of factory production rose to 90 percent of normal, the index of factory pay rolls mounted only to 70.2 percent.

These tendencies must and shall be corrected; for a recovery drive that advanced along certain select lines, but that left the unemployed straggling in the rear, would have as much chance of retaining the ground won as an army that moved into new territory while forgetting its food supply.

What then are the causes of this lingering malady, which has such a poisonous effect upon our whole social system? No one pretends that the definitive answer has been found. Economists and public men can no more isolate and weigh with exactitude all the causal factors of depression than a physician can tell exactly why a man dies. All they can do is to bring to bear upon this problem the ever-multiplying resources of reason and experience. And at the very inception, just as the doctor has eliminated the theory of witchcraft from his consideration of mortality, so must the social scientist drive superstition away from contemporary popular thinking about unemployment.

"Overproduction"—that is perhaps the most popular of all the myths regarding the cause of unemployment and its attendant miseries. As this current theory runs, tremendous surpluses are piled up every 7 years or so, and then millions of willing workers must lay aside their tools until our modern Pharaoh's granary can be exhausted. Although this process constitutes quite a variation upon the fine biblical account, which illustrated the triumph of human intelligence over natural forces rather than an abject surrender to them, that seems never to have bothered anyone much.

"Underproduction", or scarcity, is the theme of a somewhat less popular explanation of recurrent deprivation. Expressed in the more precise language of the scientist, it is an elaboration of the gloomy Malthusian hypothesis that populations tend to outstrip natural resources and technical skills. It is perfectly obvious that this theory is in direct conflict with the one heretofore mentioned, and for that very reason the fact that both of them emanate so frequently from the same sources illustrates the unwitting confusion and the deliberate obscurantism that have so long hedged in the whole unemployment question.

Quite aside from the clash of these two theories, neither one of them can explain the phenomenon of unemployment. An overabundance of goods might account for a wider enjoyment of comfort and leisure, but it could not explain the typical destitution of the unemployed. On the other hand, were the niggardly nature theory true, we should expect that everyone in the country would have to work like a beaver to eke out a threadbare existence, rather than that the Nation could afford to allow one-third of its working force to remain idle.

In addition to the absurdities into which these theories lead, they are based upon the assumption of facts that have never existed. Whether this country has ever been confronted by the danger of not being able to produce enough to care properly for all its people has been only an academic question, because it has never tried its best to do so.

During the first three decades of this century the awful tragedy of waste was reflected in the fact that at least 20 percent of our fully developed productive facilities remained idle. In 1932 this

wastage amounted to 42 percent; in 1934 it stood at 40 percent; and despite the gratifying upswing of the business cycle, the recapitulated figures for the last year will probably show a plant idleness of more than 25 percent. The claim of unavoidable scarcity is not only contrary to the record but also alien to the American philosophy which places justified faith in our practically limitless technical and inventive ingenuity.

The claim that general overproduction (as distinguished from the temporary oversupply of a few commodities which made so necessary the emergency agricultural adjustment program) has ever existed is equally false. Even in 1929, the year of alleged plenty immediately preceding the collapse, 12,000,000 families in the United States, or more than 42 percent of the entire population, had incomes of less than $1,500 a year.

Would anyone who really knows the lives of these terribly underprivileged families have the temerity to suggest that they could not well have used incomes of twice $1,500 a year for adequate housing, for palatable food and attractive clothing, for education and cultural development, for recreation and for security against the unexpected hazards of modern economic society? To provide the additional goods and services necessary for such a lifted standard of living would have required in 1929 an increase in the production of consumption goods amounting to $18,000,000,000, or about 25 percent more than were actually on hand. Clearly it is ridiculous to speak of general overproduction in the presence of these facts.

This simple mathematical demonstration shows how far we fell short, even during so-called good times, of attaining even a fairly modest goal. Part of this failure was due no doubt to the wastage and idleness of plant capacity to which I have referred. But it has been estimated that even if every factory in the land had been going full blast every day in the year, the total output of consumption goods in 1929 would have been increased by only about $15,000,000,000. If we think in terms of satisfying the needs of all the people, the much-dreaded overproduction has never been even in dim prospect.

This somewhat summary discussion of actual wastage and spurious overproduction has not been a mere exercise in knocking over straw men. On the contrary, by a process of elimination it leads directly to the heart of the problem of unemployment. It shows clearly that, when the markets become glutted and factories commence to discharge workers wholesale, the truth is not that the real needs of the country have been satisfied but rather that the purchasing power of consumers has not kept pace with the advancing surge of industrial output. The search for the causes of unemployment must therefore comb the long-neglected charts of income statistics.

In 1929, while over 16,000,000 families, or far more than one-half of all America, received incomes of less than $2,000 a year necessary to insure their health and comfort, the one-tenth of 1 percent (29,000) of the families at the top of the economic ladder in the United States were earning as much as the 42 percent (12,180,000) at the bottom. Contrasted with a 10-percent rise in the total wages between 1922 and 1929, the production of machinery increased 91 percent and of capital equipment 70 percent. When plant facilities had expanded beyond any possibility of having their products absorbed at current scales of wages, the long deflationary period set in.

If the foregoing analysis is correct, and I think it represents the preponderance of competent opinion, the basic requirement of sound public policy is to obtain and preserve a better coordination between the expansion of industry, in terms of production and profit, and the flow of income into the hands of the vast majority of the consuming public. Until this is accomplished, the various ameliorative undertakings, such as public works and social insurance, necessary though they may be in a supplementary sense, will only partly accomplish their purposes.

The single question worthy of debate concerns not what must be done, but rather the respective spheres that government on the one hand and private industry on the other should occupy in doing it, and the extent to which their efforts should coalesce.

Many years of observation and effort have convinced me that, in order to protect not only the wage earner but also the well-intentioned employer, the bedrock of minimum wages and the ceiling of maximum hours must be established by public authority. Those who contend that the National Recovery Administration revealed the tremendous difficulties of governmental intervention in this task forget too frequently that the recovery administration also demonstrated more conclusively than ever before the utter futility of hoping for the desired results without the guidance of government.

Whether the revivification of the N. R. A. principle, with many of its administrative mistakes guarded against, will take place on a Federal basis or by the more individualized methods of State minimum-wage and maximum-hour regulations remains to be seen. My own judgment is that a Nation-wide problem demands a Nation-wide remedy. But, putting aside that preference, I fear that if neither alternative is taken, our new period of prosperity will be as spotty and impermanent as the last.

At the same time, if we are resolved to purify rather than to discard our American system, governmental action must play second fiddle to the voluntary efforts of industry and labor, working together. Successful effort in that direction is inconceivable without the practice of collective bargaining.

The National Labor Relations Act, which I sponsored, seeks merely to guarantee absolute freedom of such bargaining. For that reason the act, despite the taunts of radicalism that have been flung at it by some, is more conservative than N. R. A. or most of the other proposals for economic recovery and reform. It simply recognizes that the democratization of industry is the indispensable complement to political democracy. When this measure has passed its first court tests successfully, and when its values become widely appreciated, it will prove to be one of the most important permanent agencies evolved during the past few years for resetting the economic dislocations that produce unemployment.

Aside from the central task of coordinating the major factors in industry, there are a few special problems of unemployment that may be treated in relative isolation. The first of these is technological unemployment, or the displacement of men by machines. Of this, an excellent example is afforded by the automobile industry. If we compare 1935 with 1934, we find that the increase in the production of cars and trucks amounted to about 1,280,000, representing a gain of nearly 45 percent. But the resultant increase in employment was only 8.3 percent, and in pay rolls only 18.5 percent. Undoubtedly the same forces are operative in all industry, because during the 5-year period succeeding 1929 the hourly productive capacity of the average worker mounted by 25 percent.

In the long run, most technological unemployment has been overcome without public aid. This is self-evident from the fact that vastly more persons are employed today than 100 years ago, despite the changes in economic processes that have meant a veritable industrial revolution. But it is, nevertheless, the duty of society to provide a more rapid and painless reabsorption of men who lose their jobs through no fault of their own. It is no answer to millions of idle workers and their suffering families to say that within 10 or 15 years something new may turn up for them, or for their children after they are gone. Furthermore, with inventions increasing in a geometric ratio, the general public is becoming less and less able to stand the strain of an ever-enlarging volume of technological unemployment.

In this aspect of the unemployment problem initial responsibility rests largely with government. Public agencies naturally can inaugurate new enterprises much more rapidly than private business, especially during the periods when private business is affected by the very shocks that make the new undertakings necessary. That is why planned public-works programs must be ever ready to serve as economic gyroscopes steadying the course of the business cycle.

But by their very nature these public-works projects are devoted to activities that would be performed by private industry if private industry were well. That is why private industry has the responsibility, and I am sure is eager to assume the responsibility, of relieving the Government of its rescue role as rapidly as possible.

One expedient lies in creating more jobs by shortening the average working week. While this should not be pushed to the point where it impairs efficiency or reduces production, there are a number of industries today in which it has not been pushed far enough, whether judged in terms of economic desirability or of purely humane considerations. As I have said, it will probably be necessary for the Government to set the standards below which none shall sink; but it is even more vital that every business should rise voluntarily as far above this low-water mark as is possible.

At present there is no field so inviting for the interplay of public and private enterprise as a large-scale housing program. Such a program will legitimately call for the partial participation of government, at least for the portion of the population who have incomes so low that they cannot afford decent housing without some public assistance. But the overwhelming preponderance of new construction of all types involves the activity of every phase of private industry.

No trade languished so completely as building during the depression; no need has been so sorely neglected, not only for the poor but also for those of fair income and even the well-to-do, as the need for modern housing. The release during the next 10 years of a huge building program, springing almost entirely from voluntary individual enterprise, would be the most invigorating tonic to our industrial progress, and would mean the permanent direct employment of several million men.

To provide the spark for such a program I introduced a bill during the last session of Congress, and the remarkably widespread interest now being shown in its subject matter augurs well for comprehensive legislation at the present session.

Mention should perhaps be made of the more ameliorative aspects of dealing with unemployment. There will be some workers in their prime who will become unemployed from time to time despite our best efforts. There will always be millions of others who, having attained the age of 65 or 70, will be retired involuntarily and should be retired systematically and humanely. Still others will be incapacitated by industrial diseases and accidents. For such there is need of unemployment insurance, old-age pensions, and workmen's compensation.

All of these social-insurance measures have triple virtues: They provide a steady flow of purchasing power for those who are idle; they afford physical and mental security for those who are working; and they invigorate the whole business system by increasing efficiency and reducing costs. In the final analysis, however, they are the ambulances, the hospitals, and the breastworks in the campaign against unemployment. They are not the heavy artillery that will win the war.

If the steps outlined above constitute the major portion of our permanent program against unemployment, the question

might be asked what remains to be done, since most of this program has already been written upon the statute books.

Such a query would be as inappropriate as a statement that the American experience in government was completed when the Constitution was written. The laws enacted since 1933, and those in immediate prospect, are merely recognitions of the fact that unemployment is a man-made evil and that it can be cured by human intelligence. That recognition is a tremendous gain. But the application of that intelligence is a constant problem of ever-increasing intensity. It requires freedom from the onslaughts of reactionary influences, freedom from excessive pride in what has already been accomplished, freedom from the petrifying influences of inertia.

We are still a long way from solving the riddle of unemployment, but we have made the first beginnings in a program that should carry us far toward abolishing the most terrible of all the plagues that infest the world.

THE T. V. A. DECISION—STATEMENT BY SENATOR NORRIS

Mr. LA FOLLETTE. Mr. President, yesterday the senior Senator from Nebraska [Mr. NORRIS] issued a very interesting and significant statement giving his interpretation of the decision of the Supreme Court in the Tennessee Valley Authority case. I ask unanimous consent that the statement may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The apparent attempt participated in by unfriendly newspapers to belittle the 8-to-1 decision of the Supreme Court, and to convey the idea that it doesn't mean anything, is an effort to pull the Power Trust's "chestnuts" out of the fire. Attention is editorially called to the fact that no dam except Wilson Dam was involved in the litigation and that, therefore, all the other dams may ultimately be held by the Supreme Court to be unconstitutional. It is true that no dam except Wilson Dam was involved in this suit, but the Supreme Court held that the Tennessee River was a navigable stream and that it was perfectly constitutional for Congress to improve its navigability by the construction of Wilson Dam. This fact had never been controverted, so far as I know.

The vital question, however, was whether such a dam, so constructed, would have the right to generate power, and, after the power was generated, to carry it on transmission lines to any place where it could be sold. The Court held this to be a legitimate constitutional prerogative, and one that naturally followed from the constitutional right to build the dam. The same reasoning will apply to any other dam constructed on the Tennessee River or any of its tributaries, and it would be preposterous and foolish to say that the governmental authority had the right to transmit the electricity generated at Wilson Dam, and did not have the same right to transmit the electricity generated at any other dam erected on the Tennessee River.

To make the Tennessee River navigable, it must have less water in it at flood season and more water in it during dry seasons. It would naturally follow that a dam not constructed on the Tennessee River but on one of its tributaries which had this effect would be one of the necessary activities to make the Tennessee River navigable. The Tennessee River cannot be made navigable unless some dams are constructed on some of its tributaries to hold back the flood waters when the river is high and let the water into the Tennessee River when the river is low. The man who says this decision does not apply to any part of the Tennessee River except that part controlled by the Wilson Dam is simply whistling to keep up his courage.

However, there are some questions which the Supreme Court did not touch, because they were not involved in this litigation. The questions of reforestation, of soil erosion, and of the manufacture of fertilizer were not involved, and hence the Supreme Court had nothing to say about any of these questions. But erosion and reforestation are intimately and necessarily connected with navigation. Unless soil erosion is prevented by reforestation through the planting of trees, legumes, and other necessary measures, the dams on the Tennessee River and its tributaries will ultimately be filled up with silt and become entirely useless in making the Tennessee River navigable.

The decision is as far-reaching as the issues involved in the case will permit, and there is no reason why the principle of transmitting electricity from Wilson Dam will not apply to any other dam in the Tennessee Valley. This decision definitely settles the right of the Tennessee Valley Authority to generate and transmit electricity at every dam constructed or being constructed in the Tennessee Valley.

Great stress is laid by some of these editorial writers on the dissenting opinion of Justice McReynolds. Haven't these same writers, including the lawyers of the Liberty League, been trying to make the people believe that dissenting opinions amount to nothing and should be disregarded? Then, why all the attention they are giving to the dissenting opinion of one justice? Why give it such prominence? Why are they relying on that dissenting opinion to keep up their courage?

It is argued that this dissenting opinion states that if the majority opinion must stand, it will ultimately mean that the Tennessee Valley Authority will put the private power companies out of business, and that, therefore, it is unwise, as a governmental policy. The facts are, that if all the natural resources belonging to all the people in our navigable streams were developed, and every kilowatt of power produced that it were possible to produce, and that power were then sold at a fair and reasonable price to the people who own all these natural resources, there would not be half enough electricity developed on all the streams of the United States to supply the demand. When electricity is sold at a fair and reasonable price to the consumers of electricity in the Tennessee Valley, it will be found that production of electricity in that valley will not come anywhere near supplying the demand of its agricultural and commercial uses.

But for argument's sake, let us assume that the governmental authority will supply electricity to the consumers at a price so low that the Power Trust cannot compete with it. What of it? What business is that of the Court's? That objection, if it is an objection, only goes to the wisdom of the legislation. That is a question with which no court has anything to do. The remedy there, if any is needed, is at the ballot box, and not in the courts. Under our Constitution the wisdom or unwisdom of legislation is submitted to the legislature and it is not within the province of the courts to set aside as unconstitutional an act of Congress or a legislature simply because the judge does not agree with the legislation.

Moreover, the Power Trust has always claimed that they could supply electricity cheaper than any public authority. If that argument be true, then why is the Power Trust spending millions of money to prevent any public authority from developing and distributing electricity?

The argument that they pay taxes and the Government does not, while misleading and often deceptive, does not apply to the Tennessee Valley Authority or any of the municipalities buying electricity from the Tennessee Valley Authority. In lieu of taxes, the Tennessee Valley Authority pays to the States where the dams are located a percentage of their gross sales and every municipality buying this power is, in turn, required to pay, in lieu of taxes, an amount equal to what would be paid as taxes, if the distributing system were privately owned.

RECORD OF THE ADMINISTRATION—ADDRESS BY WILLIAM COLE JONES

Mr. GEORGE. Mr. President, I ask unanimous consent to have inserted in the RECORD a radio address by William Cole Jones, associate editor of the Atlanta Journal, incorporating an editorial which was published in that newspaper on January 31, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ANSWERING A CRITIC OF THE ROOSEVELT RECORD

In the Journal's Republic of Letters today appears a communication from a valued reader, in which he takes us to task for our editorial on Al Smith's tirade against the Roosevelt administration and calls upon us to state our position on "the issues and charges" involved. We cheerfully give space to our critic's views and welcome the opportunity to answer his questions, not in a controversial temper, but simply to clear up, if we can, certain misapprehensions under which he, and perhaps others, seem to labor.

"Do you claim," he asks, "that the administration has shown any inclination to carry out its platform pledges?"

Yes. It has not only shown the inclination but has done so, as an open-minded study of the 1932 Democratic platform and of the party's record since March 1933 will clearly reveal. Consider, for example, the following planks, quoted directly from that platform:

"We advocate the extension of Federal credit to the States to provide unemployment relief wherever the diminishing resources of the States make it impossible for them to provide for the needy. We advocate the spread of employment by a substantial reduction in the hours of labor, the encouragement of the shorter week by applying the principle in Government service. We advocate planning of public works. We advocate unemployment and old-age insurance under State laws. We favor the restoration of agriculture, the Nation's basic industry; better financing of farm mortgages through recognized farm bank agencies at low rates of interest on an amortization plan, giving preference to credits for the redemption of farms and homes sold under foreclosure. Extension and development of the farm cooperative movement and effective control of crop surpluses so that our farmers may have the full benefit of the domestic market. The conservation, development, and use of the Nation's water power in the public interest. We advocate the protection of the investing public by requiring to be filed with the Government and carried in advertisements of all offerings of foreign and domestic stocks and bonds true information as to the bonuses, commissions, principal invested, and interests of the sellers. Regulation to the full extent of Federal power of (a) holding companies which sell securities in interstate commerce; (b) rates of utility companies operating across State lines; (c) exchange in securities and commodities. We advocate quicker methods of realizing on assets for the relief of depositors of suspended banks, and a more rigid supervision of national banks, for the protection of depositors, and the prevention of the use of their moneys in speculation to the detriment of local credits. We advocate the repeal of the eighteenth amendment. We advocate continuous responsibility of Government for human welfare, especially for the protection of children."

The foregoing are 15 of the salient pledges in the Democratic platform of 1932; and no one can deny, within the record, that these have been faithfully performed. Al Smith did not so deny. He simply ignored, except for a casual reference to prohibition repeal and security exchanges, this great body of constructive achievements. Some who lightly assert that the administration has "scrapped" or "side-stepped" the 1932 platform do so either because they have never read or else have forgotten the contents of that document. But Al Smith had it before his eyes while he spoke. He willfully disregarded and sought to suppress essential evidence on the case at issue; that is why the Journal said, and says again, that he played the part of an unsportsmanly pettifogger. Furthermore, the agitators who now clamor loudest for "a return" to the Democratic platform of 1932 are, for the most part, self-avowed enemies of its every proposition for social security and human rights.

"But," our critic may properly interpose, "what about the planks on a reduction of governmental expenditures and an annually balanced Budget?" The fact is, of course, that these two have not been carried out. We shall show that there were unavoidable and compelling reasons why they could not be carried out. But even if we put them unconditionally on the negative side of the sheet, do they blot out all else that the Roosevelt administration has done? Do they alter the historic fact that the President and Congress grappled heroically and effectually with an economic crisis which Al Smith himself described as causing "more domestic damage" than our participation in the World War?

Does failure to reduce governmental expenditures and to balance the Budget outweigh the millions of human lives rescued from starvation and despair, or totally offset the renewed faith and courage which a brave leadership inspired when men's hearts were sinking? Does it set at naught the fact that "in 3 years of the New Deal, as compared with the last 3 of the old deal, unemployment has declined 30 percent; cotton, wheat, and corn have increased in farm value 100 percent or more, industrial production has gone up 51 percent, listed stocks have advanced 134 percent in value, and listed bonds 22 percent"? Granting unqualifiedly that governmental expenditures have increased and increased greatly, is it either good sportsmanship or good sense to take no account of the human values and the business values which such increase have undergirded, revitalized, and restored?

The voices that now berate the Roosevelt administration for not sticking to the letter of the platform's economy plank were not calling for retrenchment in the lean, grim days of 1933. The Liberty League magnates whose possessions then were being guarded by Government loans said never a word about "reckless spending"; and Al Smith, who now would damn the administration because it has not reduced Government expenses 25 percent, declared, just 4 years prior to his renegade speech, "If it is all right to put the credit of the Government behind business, let the credit of the Government be used to keep the wolf of hunger from the doormat of millions of people." Faced with the alternative of saving money or saving people, President Roosevelt and the Congress chose the humane, the prudent, the honorable course.

Our critic asks further, "Can you say that the administration is not guilty of Al Smith's charge of seeking to array class against class?"

Yes. Nor can we imagine anyone who has pondered recent history and who truly interprets the President's words and deeds, giving a moment's credit to such a charge. Here is a quotation: "There is too much disposition to mistake the part for the whole, the body for the head. I plead not for class control, but for a true concert of interests. This Government is not and never shall be governed by a plutocracy. This Government never shall be governed by a mob." Whose words are those? They are Franklin D. Roosevelt's. And whose are these? "Betrayal of trust, manipulation, monopoly, exploitation, improper influence upon government, and all the other manifestations of predatory greed * * * are traitorous to the high purposes of American life." They are words of one Herbert Hoover, who can hardly be called a radical, and are from his book, "The Challenge to Liberty." If it be arraying class against class to oppose what President Roosevelt calls "the autocracy of entrenched greed", and what his ultraconservative predecessor in office terms "the manifestations of predatory greed", then Al Smith would have been warranted in his charge. But the deadliest invokers of class spirit that this country has known in two decades are those who, fighting bitterly every effort to give the rank and file a fair deal, insist that the law of the land shall be the servant of their own privilege. They are the worst enemies of the Constitution of the United States and the blindest breeders of revolution.

Once more, our earnest critic asks, "Can you deny that the administration has followed the Socialist platform much more closely and completely than the Democratic platform?" Well, the most competent witness on this point should be the head and front of the Socialist party in the United States, Mr. Norman Thomas. He was Socialist candidate for President in 1928 and in 1932, and in all likelihood will lead that same forlorn hope in 1936. He declared, in a radio address a few evenings ago, "Emphatically, Mr. Roosevelt did not carry out the Socialist platform, unless he carried it out on a stretcher." Then Mr. Thomas drew his bill of particulars against the New Deal, some of his indictments running thus: "There is nothing socialistic about trying to regulate or reform Wall Street; socialism wants to abolish the system of which Wall Street is an appropriate expression. There was no socialism about taking over the banks that fell into Uncle Sam's lap, putting them on their feet again, and turning them back to the bankers." He rebukes the President for not having come to the aid of Upton Sinclair in California, and condemns him because he accepts the capitalist system, "which uses planning, insofar as it uses planning at all, to stabilize and maintain the profits of private owners." President Roosevelt and the Democrats, as well as Herbert Hoover and the Republicans, rails Mr. Norman Thomas, "want somehow to keep the profit system; socialism means to abolish that system."

The character of the Roosevelt administration is shown by nothing more plainly than by the sorts of opposition it has aroused. Socialists, Communists, Fascists, reactionary Republicans, and that last infirmity of political minds, the Liberty League, all are fighting the Roosevelt administration on different grounds, but with the common aim of destroying its usefulness. The Bourbons and the Bolsheviki alike are against the President—and that is why so many Americans are for him.

Al Smith's speech was hardly worth the notice we gave it in the editorial with which our respected correspondent takes issue. But the record which the Roosevelt administration has made and the public interests and rights for which it stands mean so much to our country's welfare that every citizen, regardless of party lines or prejudices, should seek the truth and the whole truth concerning them. Let the platform be read as a whole and in the light of the New Deal as a whole, let conditions as they are today be calmly compared with those of 3 years gone by, let the Roosevelt character speak for itself. Then, we believe, all such questions as our correspondent has asked will be found answered.

PRICE OF COPPER—ADDRESS BY HOVAL A. SMITH

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD an address relative to the price of copper, delivered by Mr. Hoval A. Smith before the International Mine, Mill, and Smeltermen Union, Bisbee, Ariz., May 23, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The production value of copper is necessarily a composition of poundage times price.

It is important that a vitally essential basic industry, such as the domestic production of copper, should be fostered and protected each passing moment of its industrial life.

The domestic copper-consuming market can be readily accorded the domestic copper producer through the medium of adequate import restrictions.

The question of securing a domestic commodity price for copper is dependent on rigid sale control of the domestic copper-consuming market. Such sale control is likewise dependent on adequate tariff protection and certain control factors.

During this era of economic nationalism, when every important basic domestic commodity is of equal and vital necessity in caring for national requisites, equity decrees that such commodities be allotted their equitable portion of the national income.

Those of us who reside within the domestic copper areas and are dependent on the domestic production of copper, are distressingly familiar with the noncommodity price conditions which now prevail and have existed during the post-war period.

Due to your familiarity with general domestic copper mining statistical data through addresses and memoranda already presented here, the discussion tonight will be rather closely confined to actual details emphasizing the necessity of domestic-mined copper being accorded a domestic commodity price.

It is incumbent upon us copper dependents to formulate policies to correct the existent noncommodity copper price situation. When a remedial policy has been decided upon we should resolutely fight to make same effective in the minimum possible time. We dependents must rely on our own efforts—no one else will have the motive to fight on and on, until economic justice is attained.

PART ONE

PRESENTATION OF DATA

National economic factors

In order to understand somewhat the present discriminatory domestic copper distress situation, it is enlightening to compare domestic-copper income with certain general national income factors during the existent depression period. Such comparative data will be found in table A.

Table A vividly sets forth the income relationship items of United States and Arizona copper value details with the national and domestic agricultural income value factors.

We note that averages for the 3-year depression period, 1932–34, show that national and agricultural income factors were about 50 percent, while those for copper, both nationally and Arizona, were less than 10 percent of the 1929 value.

The individual ratio of both national and agricultural income to national copper production value for 1929, compared to the ratio average for 1932–34 each show a loss of 81 percent.

This means that the copper miner only received 19 percent of the national income to copper production value ratio during the past 3 years, compared to the ratio he received during 1929.

In other words the copper miners' income from selling the end stage of his labor effort, namely, the copper ingot, was less than one-fifth of the national and agricultural percentage income average. This low ratio confirms the fact that the present and unusual distress which has virtually destroyed our domestic cop-

per dependents the past 3 years is directly chargeable to their being denied an equitable part of the national income.

Economic distress during the past 3 years has prevailed nationally and agriculturally due to a 50-percent lowering of their 1929 income. However, their degree of economic suffering is vastly less, proportionally, than the unparalleled misery that has beset the copper miner.

TABLE A.—*Industrial income factors, 1929–34*

Year	United States		United States agricultural		United States copper		Arizona copper	
	Billion dollars	Percent	Billion dollars	Percent	Million dollars	Percent	Million dollars	Percent
1929	83.0	100.0	11.9	100.0	352.5	100.0	145.9	100.0
1930	70.3	84.7	9.5	79.8	181.3	51.5	74.2	50.8
1931	54.6	65.8	7.0	58.8	94.9	27.0	36.4	24.9
1932	39.4	47.5	5.3	44.6	34.3	9.7	12.7	8.7
1933	40.7	49.0	6.3	52.9	28.8	8.2	7.8	5.4
1934	47.6	57.4	[1] 7.0	58.8	38.1	10.8	14.3	9.8
Average, 1932–34	42.6	51.3	6.2	52.1	33.7	9.6	11.6	7.9

[1] Estimated.

If economic suffering prevailed within the national general and agricultural divisions, during the past 3 years, table A graphically confirms the fact that the copper miner's misery proportionately was five times greater.

Certain domestic price-index factors

The economic discrimination directed against the copper miner's labor product during the past 3 years, as shown in table A, naturally suggests a query into the status of domestic copper value income relationship to certain specific, comparable, and collateral domestic commodity factors over a longer period span.

The data submitted in table B was secured from United States Department of Labor, Bureau of Labor Statistics, publications.

The 32-year period span, 1903–34, embraces 83 percent of all the copper mined during our industrial life. Consequently this price period analysis virtually represents the economic life factor relationship of total domestic mined copper with the important comparative data stated in table B.

TABLE B.—*Price index numbers, 1903–34*

Period	Union wages	Cost of living	All commodities	Copper		Steel		Lead		Zinc	
				Ingot	Sheet (diff.)	Ingot	Sheet (diff.)	Pig	Pipe (diff.)	Slab	Sheet (diff.)
1915–18	114	135	150	166	159	185	184	155	167	202	405
1919–30	224	176	156	99	160	151	166	150	232	118	236
1931–34	[1] 248	138	100	49	173	110	109	83	322	71	386
1934	------	138	107	56	141	110	127	85	333	79	373

[1] Average for 1931–33 (differential) equals price differential between metal and sheet.

1903–14 equals 100 except for columns 1, 2, and 3, where 1913 equals 100.

Assuming the pre-war, 12-year span, 1903–14, to equal 100, we have a broad and most representative basing period for copper, steel, lead, and zinc details. It was impossible to secure union wages and cost-of-living data for the whole pre-war period, consequently the Bureau of Labor Statistics base of 1913 equals 100, was used for these and the all-commodities price-index factors.

Time does not permit presenting a detailed analysis of all the interesting economic relationships set out in table B. Only the most general phases can be touched upon in this discussion.

Referring to the data for the 4-year war period, 1915–18, we note that the period average price index for all commodities equals 150. This means that during the 4-year war period the average all-commodities index was 50 percent higher than the average for 1913. In turn we note that the cost of living had only increased 35 percent and union rate of wages a mere 14 percent. We also find that the percentage average for the four metals—copper, steel, lead, and zinc—show, respectively, 66-, 85-, 55-, and 102-percent increases for 1915–18, when compared with the 12-year pre-war period, 1903–14. We also find that the manufactured differential increase for the foregoing four metals show, respectively, increases of 59, 84, 67, and 385 percent. As a résumé we note that the percentage increase of 66 percent for the copper ingot exceeded the manufactured sheet differential increase of 59 percent; also that the copper-ingot increase exceeded the all-commodities, cost-of-living, union rate of wages, and pig-lead percentage increases; however, it was less than the increase rate for steel ingots and slab zinc.

A review of the average data stated in table B for the 12-year post-war period, 1919–30, when compared with the 12-year pre-war period, 1903–14, shows large increases for every column except ingot copper. We find that the price differential for the manufactured copper sheet even exceeded the war-period rate. Furthermore, while the copper-ingot price index for the war period was 7 percent greater than the sheet differential, we note during 1919–30 that the ingot sold 61 percent less than the sheet rate.

During the 4-year depression period, 1931–34, we find in table B that the copper-ingot price-index rate had dropped to 49 percent, about one-half the average for 1903–14. In turn, we find that the copper-sheet differential had increased to 73 percent above the pre-war average rate.

As a résumé we find that table B clearly outlines the progressively lowered copper-ingot price rate during the whole post-war period, while, in turn, the manufactured copper-sheet differential showed a progressive increase.

Table B, therefore, emphasizes that the discriminatory noncommodity copper price conditions shown in table A, during the depression years 1932–34, continued back throughout the whole post-war period.

A further and more detailed research must therefore be submitted of domestic copper price conditions during 1903–34 in order to demonstrate conclusively the exact degree of economic discrimination directed against the copper miner's labor product, thereby enabling him to accurately correct same through the medium of a definitely proven domestic commodity price for his ingot.

Commodity value of copper

The data set out in table A and table B, and the preceding analysis thereof, clearly indicate that a most unusual degree of economic discrimination has been directed against the domestic copper miner's labor product during the whole 16-year post-war period.

In view of this indicated discrimination and the necessity of accurately gaging its degree, it was deemed essential to analyze in detail the relationship of copper prices with the prices of other major basic domestic commodities produced during 1903–34.

In order to ascertain the foregoing price relationship of copper and other basic domestic commodities, a most careful research was made of governmental publications to secure accurate and unbiased data as to volume and price details of all the most important basic domestic commodities produced within the agricultural and mineral divisions during the past 32 years.

The data outlined in table C only embodies a condensed and special arranged part of my compilation of volume and price relationship statistics of domestic commodities with copper. It was believed that a more comprehensive and detailed idea of price relationship could be conveyed through the barter-equivalent arrangement herewith submitted.

The average parity relationship of basic domestic commodities, during the 12-year pre-war period, 1903–14, as shown in table C, is concrete and rigid evidence of the exchange value between all the most important domestic produced basic agricultural and mineral products. This broad pre-war 12-year parity relationship basing average for basic domestic commodities is a definite criterion for basic commodity value comparisons during the post-war period. Restoration of pre-war purchasing power or parity-value exchange is the goal of the present administration.

Explanatory notes

In order to understand the magnitude of the value phase from which the factors stated in table C were derived, the following explanatory details are submitted.

The period analyzed in table C, 1903–34, embraces 83 percent of the copper mined during 1845–1934. We also find that of the 1903–34 copper output that 30.8 percent was produced during 1903–14; 18.2 percent during 1915–18; 51.0 percent during 1919–34. The value of copper produced during 1903–34 equals $6,300,000,000.

We also ascertained that 74 percent of the total given, or $184,000,000,000 worth of agricultural products, analyzed in table C for 1903–34, that 28.3 percent was produced during 1903–14; 19.2 percent in 1915–18; 52.5 percent during 1914–34. Ninety percent of the agricultural remainder not submitted, which equals 26 percent of the total given, was an aggregate of the farm value of nuts, fruits, forest products, and farm gardens.

The value of mineral products analyzed in table C had a value of $78,000,000,000, which equals 70 percent of total produced during 1903–34. We find that 19.7 percent of said $78,000,000,000 was produced during 1903–14; 15.3 percent in 1915–18; and 65 percent during 1919–34. The remainder of mineral products not submitted in table C, which equals 30 percent of the total production, is an aggregate of nonmetallics to metallics in the ratio of 4 to 1, namely, 80 percent thereof represents the value of nonmetallics, such as cement, clay products, natural gas, natural gasoline, building sand, gravel, stone, etc.; the 20 percent consists of metallics, such as aluminum, gold, silver, etc.

The 4-year war period, 1915–18, was eliminated in table C due to the sustained high and most unusual price index conditions existent as evidenced by table B. This period value equals 18.1 percent of the 1903–34 span value for the 19 basic commodities.

A résumé of the foregoing explanatory details denotes that the derivative factors submitted and analyzed in table C are based on 19 basic domestic commodities having an aggregate production value of 268.3 billion dollars for the period 1903–34.

Table C—Tabulation Details

It will be seen that table C vertically has three subdivisions, marked A, B, and C.

We also note that, horizontally, table C is divided into four period divisions.

TABLE C.—*Actual barter equivalent value per pound of copper and principal basic domestic commodities during 1908–14—based on 1903–14 average. Likewise shown certain comparative price index factors. Also statement of copper value losses due to not receiving domestic commodity price for domestic mined copper*

Basic domestic commodities	Pre-war—12 years, 1903–14			Post-war—12 years, 1919–30			3 years, 1931–33		Estimated 1934 equivalent copper price	Weighted 1919–34 equivalent copper price
	Barter value (pounds)	Equivalent copper price	Percent of total value	Barter value (pounds)	Equivalent copper price	Percent of total value	Equivalent copper price	Percent of total value		
A										
Copper	1.00	14.80	2.7	1.0	14.87	2.0	7.75	1.2	8.0	13.97
Agricultural products (farm value as of Dec. 1), U. S. Department of Agriculture.										
Corn	16.0	14.80	25.17	11.1	21.4	19.58	8.7	17.81	13.7	
Cotton	1.4	14.80	12.04	.8	27.0	11.69	9.9	11.09	15.9	
Hay (tame)	27.4	14.80	13.25	21.4	19.1	9.71	10.8	11.78	16.6	
Wheat	10.6	14.80	10.71	7.6	20.8	9.45	8.1	7.47	12.4	
Oats	12.8	14.80	7.09	11.3	16.8	4.94	8.4	4.78	18.7	
Subtotal	14.4	14.80	68.26	9.9	21.7	55.37	9.3	52.93	15.1	
Potatoes, white	15.3	14.80	3.47	8.8	25.8	3.42	12.4	3.77	13.5	
Tobacco	1.5	14.80	1.52	.7	31.9	2.76	15.8	3.11	23.0	
Cottonseed	16.0	14.80	1.94	9.0	26.3	1.81	8.9	1.57	12.0	
Barley	13.2	14.80	1.75	11.9	16.3	.15	8.1	1.43	15.7	
Sweetpotatoes	13.3	14.80	.67	8.8	22.3	1.62	11.1	.77	11.4	
Subtotal	12.6	14.80	9.35	7.2	26.2	9.76	12.2	10.65	16.1	
Rye	11.8	14.80	.44	9.7	18.2	.45	7.5	.24	11.2	
Sugar beets	55.4	14.80	.49	36.6	22.5	.57	15.0	1.12	13.9	
Rice	8.0	14.80	.32	5.6	21.4	.46	10.4	.52	15.4	
Flaxseed	7.0	14.80	.48	4.0	26.4	.34	14.2	.25	19.1	
Subtotal	20.3	14.80	1.64	13.7	22.1	1.82	13.0	2.13	14.7	
Summary agricultural products	14.4	14.80	79.25	9.6	22.4	66.95	9.9	65.71	15.3	21.0
Mineral products (U. S. Bureau of Mines data):										
Coal	232.0	14.80	10.70	110.0	31.8	15.16	21.4	16.09	22.2	
Petroleum	60.4	14.80	2.47	29.7	30.3	10.40	13.8	13.11	20.0	
Pig iron	20.5	14.80	6.98	15.5	19.6	6.78	14.0	4.63	15.9	
Lead	3.3	14.80	.60	2.2	21.8	.71	11.5	.46	11.8	
Summary, mineral products	138.8	14.80	20.75	69.3	24.5	100.00	12.5	100.00	17.0	23.2
Total	39.2	14.80	100.00	23.8	28.7	33.05	17.3	34.29	20.3	27.3
B										
Certain comparative price-index factors:										
R. G. Dun & Co. wholesale price index (1908–14—100)		14.80			25.8		20.8		24.7	25.3
U. S. Bureau of Labor:										
Union wages (1913—100)		14.80			33.2		36.6		34.9	33.6
All commodities (1913—100)		14.80			23.0		14.4		15.8	22.0
Cost of living (1913—100)		14.80			26.0		20.3		20.3	25.3
C										
Copper commodity (received and loss value state):										
Commodity value copper (based on mineral production, factors)				$4,997,236,000	28.70		17.30	352.3	20.3	27.30
Received value, copper	$1,177,961,000	14.80		2,578,976,000	14.87		7.75	158.0	8.0	13.97
Loss				2,398,260,000	13.83		9.55	194.3	12.3	13.33

Under subdivision A we find derivative factors, pertaining to the 19 domestic basic commodities.

Subdivision B embraces certain comparative price-index factors derived from analyzing the R. G. Dun & Co. wholesale price index; likewise the United States Bureau of Labor statistics pertaining to union wages, all commodities, and cost of living.

Under subdivision C we find a compilation stating the resultant loss suffered through failure to receive a commodity price for copper, based on mineral production commodity price factor averages.

Table C—Subdivision A

It is manifestly impossible in view of the limited time allotted, to review all the varying interrelationships shown by the stated factors for the 19 basic commodities. A step relation analysis of one product will suffice to explain the method used in computing the derivative factors.

Analyzing the corn value derivative factor we find that the 25.17-percent item means that the farm value of domestic-grown corn during the 12-year pre-war period, 1903–14, represents 25.17 percent of the combined value of the 18 basic commodities listed. Under the Barter value (pounds) heading for 1903–14, we find 16.0—this means that with copper selling at the average period price of 14.80 cents during 1903–14, 1 pound of copper could buy 16 pounds of corn. Under the post-war heading, 1919–30, we note that with copper selling at the average period price of 14.87 cents per pound, 1 pound of copper could only buy 11.1 pounds of corn. Therefore in order for 1 pound of copper during 1919–30 to buy 16 pounds of corn—its pre-war barter equivalent—copper would have sold at 21.4 cents per pound, as stated under column head, Equivalent copper price.

We also note that the value of corn for 1919–30 equals 19.58 percent of the 18 basic commodity value aggregate. In turn we note under 1931–33, that with copper selling at the average period price of 7.75 cents, it should have sold for 8.7 cents per pound in order for 1 pound of copper to buy its pre-war parity barter equivalency of 16 pounds of corn. For the year 1934 we find, estimated, that with copper only averaging 8 cents per pound it should have sold for 13.7 cents in order to buy its pre-war parity equivalency of 16 pounds of corn.

The remaining 17 basic commodity factors were also reduced to a pound barter equivalency basis per pound of copper for the respective time periods. The step explanatory details for corn are parallel and applicable for those remaining 17 commodities.

The summary for agricultural products show that in order to obtain the pre-war 14.4 pounds of agricultural barter equivalency value for 1 pound of copper during 1919–30, copper should have sold for 22.4 cents instead of the period price of 14.87 cents per pound.

We also find that for 1931–33 and 1934 the equivalent copper price should have been, respectively, 9.9 and 15.3 cents, instead of the actual price of 7.75 and 8 cents per pound. We likewise ascertain that the weighted equivalent copper price for the 14 agricultural commodities during 1919–34 equals 21 cents per pound.

We likewise note that in order to secure the pre-war barter equivalent of 133.8 pounds of mineral products for 1 pound of copper during 1919–30, the price of copper should have averaged 28.7 cents. In turn, the equivalency pre-war barter value of mineral products for 1931–33 and 1934, denote that copper should have sold, respectively, for 17.3 and 20.3 cents per pound, instead of 7.75 and 8 cents. The computed weighted average copper price equivalent for 1919–34 equals 27.3 cents.

A total of 39.2 pounds of a composite mixture of the 18 basic commodities was the barter equivalency for 1 pound of copper during the pre-war period. In order to obtain this same poundage during 1919–30 copper should have sold at 24.5 cents per

pound. We also note that copper should have sold for 12.5 and 17 cents per pound, respectively, instead of 7.75 and 8 cents during 1931–33 and 1934. The average weighted equivalent copper price equals 23.2 cents per pound for 1919–34.

The weighted average price of copper for 1919–34 equals 13.97 cents per pound.

Table C—Subdivision B

We find under subdivision B, that with the R. G. Dun & Co. wholesale price index average for 1903–14 equals 100, when copper averaged 14.80 cents per pound, that for the period 1919–30 copper should have sold at 25.8 cents when the index averaged 174, instead of the period price of 14.87 cents. Likewise, copper should have sold at 20.8 and 24.7 cents, respectively, for 1931–33 and 1934, instead of 7.75 and 8.00 cents, in order to equal the Dun wholesale price index ratio increase.

Data for union wages were not available prior to 1907, consequently the pre-war average 1913 equal 100 was used instead of the average for 1903–14. In order for copper to equal the ratio increase in union wages, it should have sold respectively for 33.2, 36.6, and 34.9 cents instead of 14.87, 7.75, and 8.00 cents during the respective periods 1919–30, 1931–1933, and 1934.

The United States Bureau of Labor all-commodities index of 1913 equal 100 was used, as stated in table C. We note that the price of copper, based on this index ratio increase, should have sold respectively for 23.0, 14.4, and 15.8 cents instead of 14.87, 7.75, and 8.00 cents during the respective periods.

The cost of living data, 1913 equal 100, denotes that copper should have sold for 26.0, 20.3, and 20.3 cents instead of 14.87, 7.75, and 8.00 cents during the respective three post-war periods.

It is interesting to note the nearly equal and parallel ratio factors of all-commodities copper prices with those for the total of the 18 basic commodities shown in subdivision A. The weighted average equivalent copper price based on the all-commodities price-index factors for 1919–34 equals 22 cents, compared with 23.2 cents per pound of copper for the total factors of the 18 basic commodities.

We also find that the weighted average equivalent copper price for cost of living during 1919–34 equals 25.3 cents per pound and is identical with the weighted average copper price of 25.3 cents, based on Dun & Co. wholesale price index for the 16-year period.

For the period 1919–34 the average of the weighted copper prices for all commodities, wholesale price index, and cost of living equals 24.2 cents. Including the union wage weighted average of 33.6 cents with the foregoing three, we have an average of 28.7 cents per pound.

Table C—Subdivision C

This subdivision shows the relationship of copper values lost during the post-war period through failure of copper not selling at the commodity equivalency prices as stated under summary of mineral products.

Copper is a mineral product and its value output during 1903–14 equals 2.7 percent of the value of the 18 basic commodities during the 12-year pre-war period.

We also find that the value ratio of copper was 13 percent of the value of the four mineral products during 1903–14.

During the 12-year post-war period, 1919–30, we note that the value of copper only equaled 2 percent of the value of the 18 basic commodities and 6 percent of the 4 mineral products' value. If copper had received 13 percent of the four mineral products' value during 1919–30, its period price should have been 32 cents instead of 14.87 cents per pound actually received.

For the 3-year period 1931–33 the value of copper only equaled 1.2 percent of the 18 commodities and 3.5 percent of the 4 mineral products' value. Assuming that copper had been allotted its pre-war ratio of 13 percent of the four mineral products' value, it should have sold at 28.7 cents, instead of 7.75 cents actually received during 1931–33.

The foregoing analysis shows that the copper equivalency prices based on the pre-war 13 percent of the four mineral products' value for the two stated post-war periods, equal, respectively, 32 and 28.7 cents per pound. This denotes that copper proportionally should have sold higher than either coal or petroleum, likewise higher than the average for the four mineral products.

Consequently in view of the foregoing higher comparative value ratios that should have been accorded copper, it seems fair to assume the lower copper equivalency price stated for the summary of the four mineral products, in arriving at an estimate of the loss incurred by the domestic copper-mining industry during the post-war period, through failure to receive a fair domestic commodity price for copper.

The computation details stated in subdivision C show that the loss suffered by the domestic copper miner during 1919–30 equals a total of $2,398,260,000 or 13.83 cents per pound; for 1931–33 the loss equals $194,300,000 or 9.55 cents per pound; and during 1934 the loss is stated at $58,500,000 or 12.30 cents per pound. The weighted average loss per pound during the 16-year post-war period, 1919–34, equals 13.33 cents per pound through failure to receive a fair domestic commodity price for copper.

Copper commodity value loss distribution

In order to visualize the magnitude and ratio losses suffered by leading domestic copper-producing States during the post-war period through failure to receive a domestic commodity price for copper, the following data, marked "Table D", are submitted.

TABLE D.—*Copper commodity value loss distribution*

[Millions of dollars]

State	1919–30		1931–33		1934, loss [1]	1919–34	
	Loss	Percent	Loss	Percent		Average annual loss	Percent
Arizona	1,000.1	41.7	69.0	35.5	20.8	68.1	41.1
Montana	352.6	14.7	35.0	18.0	10.5	24.9	15.0
Utah	338.2	14.1	29.0	14.9	8.7	23.5	14.2
Michigan	256.6	10.7	22.9	11.8	6.9	17.9	10.8
Nevada	136.7	5.7	14.0	7.2	4.2	9.7	5.8
New Mexico	110.3	4.6	11.8	6.1	3.6	7.8	4.7
United States, remainder	203.8	8.5	12.6	6.5	3.8	13.8	8.4
Total, United States	2,398.3	100.0	194.3	100.0	58.5	165.7	100.0

[1] State distribution estimated.

Table D shows that the average annual loss suffered by Arizona during the past 16 years, 1919–34, equals $68,100,000, a total of $1,089,900,000, through failure to receive a domestic commodity price for copper mined within the State; also that Arizona's period loss represents 41.1 percent of the domestic total, or greater than the combined total loss of the other four leading Western copper-producing States, namely, Montana, Utah, Nevada, and New Mexico.

We further find that the average annual loss suffered by Arizona during the 12-year period 1919–30 equals $83,300,000, as against $23,000,000 average annual loss during 1931–33 and $20,800,000 for 1934.

The foregoing stated average losses suffered by Arizona were likewise borne proportionately, as shown by table D, by all the other leading domestic copper-producing States.

The total loss incurred by the domestic copper-producing States during the 16-year period 1919–34 equals $2,651,100,000, or $165,700,000 annually. About 90 percent of this loss was borne by the western eight Mountain States area.

The continued lack of domestic parity wage, tax, and exploratory details lie within this huge annual loss—a domestic commodity price for copper will correct this vicious inequality and reestablish equities due copper dependents.

Responsibility for copper commodity, value losses

It is a comparatively easy matter to ascertain the leading domestic copper-producing factors that have controlled the domestic mined copper output during the post-war period.

A review of said domestic copper-producing agencies denotes that three thereof, constituted control, namely, Kennecott, Anaconda, and Phelps Dodge lead in the order named, during the 16-year post-war period, 1919–34.

We also find that these three domestic copper-producing agencies, hereinafter termed the "KAP group", were important copper producers within foreign countries.

In order to more easily understand this domestic and foreign dual copper-control detail, table E is submitted.

TABLE E.—*Stating combined domestic and combined foreign production percentage ratios for Kennecott, Anaconda, and Phelps Dodge Cos. in relation to United States—also Chile plus Mexico copper production*

Year	Combined KAP domestic production, percentage of United States copper production	Combined KAP foreign copper production, percentage of Chile plus Mexico copper production	Combined KAP domestic and foreign copper production percentages of total KAP production		
			Domestic	Foreign	Total
1915–21	49.5	41.1	86.4	13.6	100.0
1922–28	55.3	81.4	65.7	34.3	100.0
1929–32	57.8	83.4	59.1	40.9	100.0
1933	68.4	85.7	44.4	55.6	100.0
1934 [1]	70.0	90.0	40.0	60.0	100.0

[1] Estimated.

Table E clearly states the control percentages that the KAP group exercised domestically the past 20 years. We note their control of the domestic production for the 7-year period 1915–21 averaged 49.5 percent. For the 7-year period 1922–28, when the KAP group entered the domestic copper fabricating industry, we find their control of the domestic copper output equaled 55.3 percent. During the 4-year period 1929–32 it rose to 57.8 percent. The average percentage control equals 53.7 for the 18-year period 1915–32.

The control percentage for 1933 rose to 68.4 percent, and 1934 equals about 70 per cent. The afore-stated domestic-mined copper control percentages for KAP show a constant increase over the 20-year period 1915–34.

In the second column of table E we find that KAP mined 41.1 percent of the combined copper output of Chile plus Mexico during 1915–21. It is interesting to note that for the 7-year period 1922–28, when the KAP group became copper fabricators, their control of total copper mined for Chile plus Mexico rose to 81.4 percent. In turn, we find KAP control had increased to 83.4 percent during the 4-year period 1929–32. The year 1933 records an increase to 85.7 percent. It is very evident from the foregoing that foreign copper-production control within Chile plus Mexico is synonymous with KAP control. Attention is directed to the fact that 48.8 percent of all the copper imported into the United States during the 14-year period 1919–32 came from Chile and Mexico. The poundage of these imports represents 60.6 percent of the total Chile plus Mexico copper output and 79 percent of total KAP Chile plus Mexico copper production during 1919–32.

Referring to the third column of table E, we note the period relationship of total KAP domestic and foreign copper-mine output segregated percentagely. During the period 1915–21 KAP secured 66.4 percent of their total output from their domestic mines and only 19.6 percent from their foreign-controlled areas. For the period 1922–28, when KAP became copper manufacturers, they only secured 65.7 percent domestically and 34.3 percent abroad. The 4-year period, 1929–32, KAP data show that 59.1 percent was mined within the United States and 40.9 percent within their foreign copper districts. The year 1933 data clearly proves that KAP secured more copper from their foreign mines than domestic areas, as evidenced by the respective ratios of 55.6 and 44.4 percent.

A résumé of the factors stated in table E clearly shows the domestic copper-mine-output control exercised by the KAP group during the 20-year period 1915–34. We also note that the copper output control of Chile plus Mexico has likewise been dominated by KAP during the past 20 years. The record also discloses that KAP was responsible for about one-half the copper imported into the United States during the whole post-war period. The unquestioned economic internationalism of the KAP group is clearly proven by their mining more copper abroad than within their own country during the past 2 years.

A most extended, diligent, and careful search of all congressional agencies for the post-war period fails to disclose that the KAP trio, individually or collectively, ever lifted their voices in pleading supplication for a domestic commodity price for copper during the past 16 years. The only cry they emitted before congressional committees during all these years was a piteous appeal to save their eastern fabricating adjuncts.

PART TWO

DISCUSSION OF DATA

General statement

This address is presented primarily to show the relationship of dependent agencies within our domestic copper-mining districts and a domestic commodity price for copper.

A review of the data presented aforegoing emphasizes the deplorable conditions existent within our domestic copper areas, and the forces responsible for the debacle.

The present desperate conditions confronting the domestic copper miner and his dependents can be checkmated, and the industry can be rehabilitated, provided our dependent citizenship devote their individual attention and united effort to accomplish same.

Commodity wage details

A study of the factors presented show that the copper miner's income during the past 3 years is equivalent, proportionally, to only one-fifth the national increase. The copper miner has been and is palpably the victim of a most brutal degree of economic racketeering. He has been deprived of 80 percent of his equitable income during the past 3 years and at least one-third thereof during the whole post-war period.

The crafty, designing, and beneficiary agencies responsible for the foregoing degree of calloused exploitation are the internationalists who, having obtained for their domestic copper-fabricating plants, copper ingots at slave-labor prices, nevertheless secured an excessive domestic price for their manufactured products.

Dependent labor within our domestic copper-mining districts must interest themselves in the price structure of domestic-mined copper.

We find John L. Lewis, president, United Mine Workers, in convention at Indianapolis, January 1934, stated that the soft-coal industry had sunk into—

"An almost obscene degredation in the ritual of competition."

* * * * * * * *

"The members of the United Mine Workers of America are vitally interested in maintaining the price structure of the industry as the maintenance of this price structure is essential to the maintenance of the negotiated-wage structure."

A review of coal price details, table C, clearly demonstrates that President Lewis has secured for the coal miner a satisfactory post-war domestic commodity price. The copper miner should have received 31.8 cents instead of 14.87 cents per pound during 1919–30 to equal the price paid for coal. If the coal miner was in the midst of obscene degradation economic conditions, it surely is aromatically difficult to approximate the economic filth engulfing the copper miner.

The only way that the dependent copper miner can receive an American standard of living wage is through domestic copper being accorded a domestic commodity price.

It is axiomatic that the sale price of any product must embody all items constituting its cost. If certain cost details are out of alinement and cannot care equitably for the dependent human element an adjustment should be made and such increase added to the other items.

We find that the price of domestic copper during the 87-year period 1845–31 averaged 16 cents per pound. In other words, an average price of 16 cents for copper during the past 90 years laid the foundation of the present invaluable domestic copper-mining industry.

The broad subdivisional agencies vitally dependent on securing a domestic commodity price for copper are the labor, supply, transportation, tax, and profit factors.

About one-quarter of the sale price of domestic copper the past 30 years, or 4 cents per pound, cared for the supply, transportation, and tax items.

Four cents, or 25 percent of the past 30 years, 16 cents per pound for copper, was the approximate profit.

Of the foregoing stated five factors we find that directly dependent labor received about 8 cents per pound or one-half the average sale price of copper during the past 30 years. In other words, labor has been the dominant recipient factor, and labor in turn should therefore initiate and maintain the fight to rehabilitate the domestic copper-mining industry, in order to constantly insure a domestic commodity price for copper, which makes possible a commodity or parity price or an American standard of living wage for dependent labor.

Parity price details

It is not alone essential to effect a balanced price parity between agricultural commodities and manufactured goods but also between all basic commodities and manufactured products—for example, a commodity price should be paid for copper as well as the manufactured article.

It has been stated that the purpose of the farm program is to restore farm prices, and a continued effort will be made to do so until conditions are equalized and the purchasing power of the farmer is restored. The foregoing degree of civic intent and equity should likewise be accorded the domestic copper miner's product.

We also find that the intent of the agricultural-curtailment program was to reduce the huge surplus that had glutted the market for years and had ruined farm prices. When the program was initiated there was a cotton surplus sufficient to supply the domestic requirements and foreign demand for a year. It is certainly fair for the copper miners to demand the same proportional degree of Federal aid to reduce his price depressant surplus equivalent to the assistance rendered his agricultural brother.

We further note that the farmer does not intend to surrender the world market for domestic products. He desires a domestic commodity price for the portion absorbed domestically, irrespective of the price received for that portion sold abroad. The copper miner is surely entitled to the foregoing degree of equity while trying to dispose of his copper ingot.

President Roosevelt said recently that the domestic price level must be further increased. It is pertinent to inquire if copper will then be accredited a domestic commodity or parity price when this new executive-directed price level is initiated? The copper miner's labor product has been held down to a slave-labor price level through KAP post-war practices and their control of the existent copper code. The President is the only agency powerful enough to counteract the machinations of these internationalists.

Referring to table C, we note that the post-war period, 1919–30, farm-value price of domestic cotton, tobacco, corn, and wheat averaged about 60 percent higher than the 12-year pre-war prices during 1903–14, while the price of copper was equal for the two periods. In other words, cotton, tobacco, corn, and wheat received about a domestic commodity price during the 12-year post-war period, whereas copper failed to receive within 50 to 100 percent of its true commodity price value during 1919–30. In view of the foregoing the copper miner resents the selfishness of certain Cabinet officials who are manipulating reciprocal-tariff treaties to destroy the domestic miner's livelihood. We note particularly the satisfaction displayed by Secretary Wallace when Cuban copper was let in free of duty while the Cubans in turn were hamized, larded, and baconized by the Iowan's pork products. In turn, Secretaries Hull and Roper were also willing to trade off the domestic miners' product, hoping thereby to export a maximum quantity of their high domestic commodity post-war priced cotton and tobacco.

It is a notorious fact that when it comes to "mining" irreplaceable natural mineral resources, the cotton, corn, wheat, and tobacco "miners" lead as national wastrels. Their exporting champions, like Wallace and Hull, had best seek to retain whatever remnants of domestic soil minerals we still possess for our future progeny rather than permit these invaluable domestic "minerals" to be frittered away within the illusory free-trade world market.

Specifically, the only equitable criterion should be one of equivalent economic justice. Each subdivisional part of basic domestic industrial activity must be accorded a domestic commodity or barter or parity price for their output quota of national production.

It is unfair, un-American, to compel any part of our industrial citizenship to accept a domestic nonparity price for their labor product.

A forced domestic noncommodity price within any of our industrial subdivisions immediately suggests that some sinister influence is directly responsible.

The nonparity prices of domestic-mined copper during the whole post-war period is directly chargeable to the sordid intrigues of internationalists who have dominated our domestic copper-mining industry during the past 16 years.

A nonparity price for domestic copper makes impossible the maintenance of an American standard of living for dependents within our 217 domestic copper-mining districts.

A domestic commodity or parity price for copper will provide an American standard of living for all subdivisions of labor, consequently this degree of economic equity is demanded by the 700,000 citizens directly and indirectly dependent on the domestic copper-mining industry.

Subversive control factors

Our domestic copper districts afford ghastly evidence of the havoc wrought by internationalists who greedily seek copper at slave-labor prices for their domestic fabricating plants. In turn, these subversive domestic copper-mining control factors have secured an ever-increasing exorbitant price differential for their manufactured product.

Economic assassination is just as deadly whether the destructive agency is designated "a code of fair competition" such as the present notoriously discriminatory copper code, which is one of the weapons the internationalists are using to destroy our domestic copper-mining industry.

The internationalist KAP group, through the vicious copper code of April 21, 1934, were accorded monopolistic control of domestic copper production and prices; this coterie, that mines more copper in foreign lands than their own beloved country, absolutely dominate the value, income, and life equities of domestic copper dependents. Such delegated power vested in foreign copper producers on its very face has a skunky aroma.

The controlling purpose of the National Recovery Act was to increase wages, restore purchasing power, and enhance employment. In accomplishing the foregoing it necessarily follows that every avenue of national endeavor would be stimulated and soon approach normality. The domestic copper miner visioned an opportunity in all this renewed prosperity, believing that he would receive an equitable portion thereof. However, the same degree of past exploitative practices on the part of the KAP agency still persists during this New Deal N. R. A. code era, just as they existed prior thereto.

A persistent degree of smug complacency is exhibited by the KAP trio midst the unparalleled past 3 years of distress and destruction which has obliterated the life equities of countless dependents within our domestic copper areas. This long-continued placidity indicates the KAP group's determination to stabilize and make maximum the past 3 years of minimum standards of living.

No more cunning scheme could be devised than the present KAP controlled copper code to destroy domestic copper production and ore explorations. These KAP internationalists have fixed the domestic copper price at one-half its true domestic commodity price and allocated an unusual portion of the domestic copper sales quota to secondary producers and surplus copper stocks largely of foreign origin. The one-half noncommodity domestic price for copper alone effectively prevents the nonfabricator independent copper miner from operating. Furthermore, an arbitrary allocation of the major portion of the domestic copper-consuming market by these international code controllers to themselves emphasizes the constrictive domestic monopolistic control they exercise.

Paraphrasing Wren's epitaph, we have "Seekest thou ruins—gaze about you", certainly applies to the Kaponized copper camps of Ray, Inspiration, and Morenci. These RIM camps are economic cemeteries. The only noise that could disturb the economic dead is one of dismantling plants during this era of noncommodity copper that were built during commodity-period prices.

The human element is gone despite the propaganda of paved roads and lucrative gain through selling sunshine, sandwiches, and gasoline to the itinerant tourist—instead they are encircled and RIM-med areas of remorse, illusion, and misery. This KAP-RIM copper camp trio possesses one-half of the 15,000,000,000 pounds of known copper poundage within Arizona's present copper reserves, and during the 15-year period 1916–30 mined 2,700,000,000 pounds of copper, having a value of $461,700,000, or 17.1 cents per pound, the same equaling 28 percent of Arizona current production. During this near domestic commodity price 15-year period some $350,000,000 was paid for dependent labor, supplies, transportation, and tax items—these areas then afforded ever-increasing opportunities for the dependent human element. This present era of internationalistic noncommodity copper price-control conditions within these RIM camps brought economic death to the human factors, but an ever-expanding areal activity for stope bats, rats, and polecats. These devastated copper camps can be revived in a very short time through securing a domestic commodity price for copper.

One would expect the KAP group control factors to accord economic fealty to the domestic copper areas that initiated their industrial life. Instead of aiding the districts that gave them industrial birth, we find even during this tragic period that this internationalistic trio is persistently continuing policies that have practically destroyed our domestic copper-mining industry during the post-war period. Our citizenship would have been on guard as against intrusive foreign individuals or corporations, but this domestic trio were able to virtually destroy the domestic industry without arousing suspicion. Our western copper areas have been most generous to the KAP coterie—have showered them with hundreds of millions of dollars in mine profits; have lifted them from economic mediocrity to stratospheric heights within the domestic and foreign realm of finance.

KAP group agencies are smirkingly asserting that they are for an "adequate" copper tariff, yet when challenged one finds their maximum rate to be a 4-cent-per-pound temporary excise tax—which, of course, means stabilizing copper at its present slave-labor, ruinous, one-half commodity-price rate.

The N. R. A. copper code during the past year has utterly failed to benefit dependent citizenship within our domestic copper-mining districts. The code as administered by KAP internationalists is a tragic and ghastly farce as an agency to rehabilitate the domestic copper-mining industry. The code was conceived by internationalists, they fought to make it effective, and internationalists, more vitally interested in foreign than domestic copper production, have rigidly controlled the code the moment it was unctuously handed them by Hugh Johnson April 21, 1934. A detailed congressional investigation of the brazen activities of the internationalistic copper-code personnel who are sardonically "death watching" the economic agonies of our dying copper industry, will confirm and emphasize how greedy foreignized agencies are permitted legally to operate domestically to further their sordid ambitions.

Corrective legislation

The internationalist-scourged citizenship within our copper districts are well aware that it will take more than temporary relief palliatives to correct the economic disaster that has become a stabilized fact within our domestic copper area the past 3 years. Relief aid is only transitory and will soon be denied the needy copper miner and his dependents. Basic and detailed protective legislative policies must be made effective immediately in order to checkmate the brazen, calloused, discriminatory economic practices which have virtually destroyed the livelihood of our domestic copper miner. Dispensation of economic justice to copper dependents will restore their national equities.

The KAP group, under the copper code, can legally agree, one with the other, thereby receiving great benefits without being prosecuted under the antitrust laws. They can agree on trade practices, copper prices, and production ratios.

Dependent labor under the copper code have received no benefits comparable with those accorded the KAP group.

Even though section 7 (a) of N. R. A. is clarified and continued, dependent labor should insist that the KAP code of April 21, 1934, be radically modified, particularly so as to provide embargo rates as against foreign copper imports during the relief period; segregation and removal of the existing huge domestic copper surplus during the rehabilitation period of the industry; maintenance of a domestic commodity price for copper; allocation of the domestic production of copper amongst the various domestic districts based on past average production ratios; and the laying of a permanent 15-cent copper tariff rate.

It is essential that the domestic copper miner, in order to secure a domestic commodity or parity price for his copper ingot, should be accorded rigid control of the domestic consuming market, thereby enhancing the value of his product. In other words, the domestic copper miner should have the right to utilize methods and practices to insure him a domestic parity income parallel to the ways and means utilized by domestic industry, business, and agriculture in a solution of their economic income problems.

Conclusion

The post-war price for domestic copper is a world competitive price—a price that is the resultant of world-wide and unbridled forced competition within the domestic market from all the cheap and slave-labor copper-producing areas scattered throughout the world.

This destructive competition has prevented the securing of a domestic commodity price for copper, thereby preventing a domestic commodity price being paid dependent labor, and tax items likewise made impossible the development of additional domestic copper-ore reserves through lack of exploratory funds or incentive.

Internationalistic agencies, as stated herein, are responsible for the post-war economic misery which has engulfed the life equities of the domestic copper miner.

It is a ghastly farce to allow internationalists continued power of economic life or death over dependent citizenship within our 217 domestic copper-mining districts.

The splendid communities builded by the 700,000 citizens directly and indirectly dependent on the copper mined within our domestic districts are too fine and essential to be sacrificed on the altar of international greed.

It is dangerous to entrust to the argosies of the internationalists the carrying of wartime copper necessities, for these would most likely become sunken sarcophagi of our aspirations and liberty when war overwhelms us.

Let us follow the well-marked economic commodity price pathway henceforth—this is the way to ameliorate present distress and conserve the invaluable domestic copper industry for our progeny during the generations to come.

DECISION OF SUPREME COURT IN A. A. A. CASE

Mr. NORRIS. Mr. President, I hold in my hand what I consider a very ably written editorial entitled "A Death Sentence for Agriculture." This editorial was written by Mr. J. E. Lawrence, editor of the Lincoln Star, of Lincoln, Nebr.

I intended to read the editorial, or to have it read, at the time the farm bill was before the Senate; but I had loaned the editorial to a friend, and he had not returned it at that time. Nevertheless, I think the editorial is still of great interest, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Lincoln Star of Jan. 7, 1936]

A DEATH SENTENCE FOR AGRICULTURE

"The change in public opinion and feeling in relation to the African race which has taken place since the adoption of the Constitution cannot change its construction and meaning, and it must be construed and administered now according to its true meaning and intention when it was formed and adopted." (Extract from the opinion by Chief Justice Taney delivered in the United States Supreme Court at the December term in 1856 in the case of *Dred Scott* v. *Sanford*.)

"The change in public opinion and feeling in relation to American agriculture, which has taken place since the adoption of the Constitution, cannot change its construction and meaning, and it must be construed and administered now according to its true meaning and intention when it was formed and adopted." (Paraphrase of the legal finding of the Court's ruling in the Dred Scott case by the substitution of the words "American agriculture.")

Great jurist that he was, with his incalculable services in the development of American constitutional law, the fact remains that 5 years after Justice Taney delivered that opinion sustaining the view of unchanging and unchangeable constitutional limitations, the American people were engaged in a great struggle, and ultimately government did come to recognize a principle which Justice Taney said could not be legalized within what was then at the time he delivered it the Court's judgment, constitutional conceptions of government.

The words spoken by Justice Roberts of the United States Supreme Court in Washington Monday, embracing the majority opinion of the Court in pronouncing a death sentence upon the Triple A may foreshadow the beginning of another great historic struggle. It will be weeks, months, and perhaps as long a period as 8 or 10 years before the full significance of the Court's ruling will be reflected in practical terms of everyday living in the farm homes of America and in the cities which look to those farm homes for their prosperity.

Before nightfall Monday Treasurer Morgenthau had issued orders halting all processing-tax collections under the law, and in that connection said that—

"For the present, no checks will be issued for benefit or rental payments, or refunds, or for administrative purposes."

Since 1933 the American farmers have received $1,127,000,000 for reducing crop production under A. A. A.'s plan of Federal control. In Nebraska, since the inception of the Triple A, corn-hog and wheat adjustment checks have enriched the farmers of a sorely pressed agricultural State to the extent of $61,000,000, and, in turn, the aggregate processing taxes amounted to approximately 9½ millions on corn and 6½ millions on wheat. In this fashion the people of Nebraska may get the real picture of the actual workings of the Triple A in its effort to readjust the economic disparity which for years existed between rural or farming and urban or industrial populations within the country.

And yet, it would be unfair in this column not to record that here in this region, in the very heart of America's agricultural domain, there was a lack of unanimity in the viewpoint toward the Triple A. There were broad smiles and chuckles on the streets in Lincoln, in Omaha, even on the farms, as news of the Supreme Court's decision was flashed from Washington Monday. Nor was all of that elation to be attributed to pure blind, stupid, and unreasoning political partisanship. Some of it was genuine, although that which was genuine was far less vocal and audible than that which was partisan. We are inclined to believe that the Missus, who does the thinking in our family, propounded rather a pertinent question on the way down town last night:

"If all this was unconstitutional and illegal", she asked, "why did not they start these suits sooner; why didn't they even attempt to head it off before it was inaugurated, through appeal to the court?"

The answer is they did not have the nerve and the courage.

The boys in the great cities, the captains of industry, the captains of finance, the supermen of business, were frightened pretty badly in those days when the Triple A was born. They were shaking their heads dazedly, gloomily, despairingly while they looked out from ornate offices upon darkened and silent factories, and listened to the echoing footsteps of millions of men and women trudging the streets, without work, without funds in their pockets, without the prospect of food, clothing, or shelter, and without hope.

The boys in these great cities, now chortling and snorting with glee, were a wee bit shaken in their self-assurance back in those days when cans of milk, and now and then a drop or two of blood, were being spilled by angry mobs of holiday farmers along the country highways, when corn was 8 cents a bushel, wheat 40 cents, oats had no market, hay, both wild and tame, was a drug, pork brought 1½ cents, and beef 5 to 6 cents. These boys, now so brave, now talking so loudly about constitutional government, in those days had gelatin spines and foggy brains. And it was but yesterday! How short is memory, and how fleeting is that tutoring to which the swaggering conservative, when he is able to talk at all, refers to as experience!

To the tune of advancing prices, he once again became the bold leader and the far-visioned statesman. To the melody of disappearing fears, he once again took up the old refrain of an unchanging and an unchangeable constitutional government. He sings today, loudly and lustily, where yesterday he held his head and gazed through eyes filled with tears and with misery. He's a great guy, this brave undaunted industrialist; this great financier, in fair weather; but if the record of recent years means anything at all, he's a hell of a poor pilot in a storm.

Certain portions of the majority opinion of the United States Supreme Court merit special reading:

"From the accepted doctrine that the United States is government of delegated powers, it follows that those not expressly granted, or reasonably to be implied from such as are conferred, are reserved to the States or to the people. To forestall any suggestions to the contrary, the tenth proposition, otherwise stated, is that powers not granted are prohibited. None to regulate agricultural production is given, and therefore legislation by Congress for that purpose is forbidden. It is an established principle that the attainment of a prohibited end may not be accomplished under the pretext of the exertion of powers which are granted."

Perhaps even more significant was this statement of Justice Roberts in the majority opinion:

"None (powers) to regulate agricultural production is given, and therefore legislation by Congress for that purpose is forbidden."

And then again, Justice Roberts said in announcing the Court's decision, that if farm legislation were valid, it would be possible for Congress "to regulate industry in its most meticulous form."

That is the challenge which American agriculture faces today. We said there had not been a unity of feeling on farm programs. At one time, what is described as the McNary-Haugen plan of regulating and disposing of surpluses was before the American people. At the same time, there was the debenture program to provide for the dumping of surpluses in foreign countries. The true import of the majority opinion of the Supreme Court under reasonable construction in the light of its exact language seemingly would justify the reasonable conclusion that any legislative attempt in the face of present constitutional limitations to establish a parity between agricultural and industrial populations is beyond the province of government. If that be true, then the fact should be faced bravely and honestly, and it should be recognized there has been enthroned in its entirety, and its destructiveness, the complete philosophy of rugged individualism.

That is where overjoyed Republican leadership, industrial leadership, this very minute is misleading the American people. Scarcely had the words died in the chambers of the United States Supreme Court than distinguished Republicans began talking about "a constitutional farm program.' What is a constitutional farm program, in the light of the language of the Court?

Any attempt to regulate production is beyond the province of Congress, the mandate thunders.

So once again the American people come face to face with a really urgent crisis. The path is open to uncontrolled production. The invitation is extended to each farm family to plow every acre of ground, to plant every foot of productive earth in all of its varying degrees of fertility, to pile up those surpluses of grains and other foodstuffs, which in other years glutted the markets within the boundaries of this country, depressing prices, and bringing ruin and bankruptcy to the American farmer. The door is open to unlimited production. Nor is that the final answer. The American farmer may not have recognized that within the last 75 years here in these Middle Western States a very substantial part of his substance, of his accumulation, of his security in old age came from the increasing values, the accrement, of his farm, during its period of development and during the era of settlement. He'll not have that to look forward to in the years to come, for the period of settlement is finished, and in this future which stretches ahead, land values will rest in part, at least, on the return which can be realized by the occupation of tilling the soil.

What merit is there in the foolish suggestion, made by a reputable spokesman for the Republican Party, to dip directly into the Federal Treasury to pay a subsidy to farmers for the surpluses which they produce? Within the language of the majority opinion, is this a constitutional exercise of the taxing power to place the farmer on his feet? And if it were, to what ghastly limits would it extend? What abuses against common sense and sanity would it invite?

Against that majority opinion of the Court are these words, through which Justices Brandeis, Cardozo, and Stone express their views of the province of government:

"The limitation now sanctioned must lead to absurd consequences. The Government may give seeds to farmers, but may not condition the gift upon their being planted in the places where they are most needed or even planted at all. The Government may give money to the unemployed, but may not ask that those who get it shall give labor in return, or even use it to support their families. It may give money to sufferers from earthquake, fire, tornado, pestilence, or flood, but may not impose conditions—health precautions designed to prevent the spread of disease, or induce the movement of population to safe or more sanitary areas. All that, because it is purchased regulation infringing State powers, must be left for the States, who are unable or unwilling to supply the necessary relief.

"Courts are not the only agency of government that must be assumed to have the capacity to govern. Congress and the courts both unhappily may falter or be mistaken in the performance of their constitutional duty.

"But interpretation of our great charter of government which proceeds on any assumption that the responsibility for the preservation of our institutions is the exclusive concern of any one of the three branches of government, or that it alone can save them from destruction is far more likely in the long run 'to obliterate the constituent members' of 'an indestructible Union of indestructible States' than the frank recognition that language, even of a constitution, may mean what it says: That the power to tax and spend includes the power to relieve a nation-wide economic maladjustment by conditional gifts of money."

On the one hand is that rigid, unswerving interpretation so eloquently enunciated by Chief Justice Taney in 1856; reiterated again by Justice Roberts in 1935; to which Justices Brandeis, Cardozo, and Stone give stinging retort that nothing in the conceptions of constitutional government precludes a Congress and a President from recognizing, and from acting to relieve a wretched, menacing economic maladjustment which was threatening the very foundations of government.

Let's go back. Let's go back to those days when we erected insurmountable tariff barriers to destroy foreign trade under an "enlightened" Republican leadership which saw America as an industrial democracy. Let's go back to those days when people were lulled into a false sense of security by overrushed factories and "flourishing agriculture"—thanks to billions of dollars of foreign loans advanced to Europe, now in default and uncollected. Those loans contained the condition that the credit advanced should be spent in America, and the bonds issued against them were sold to the American people. There was, shall we say, an unlimited market for the products of American farms and American factories. Let's go through all of this thing all over again, because we have forgotten that which was ailing us, and now we are well and strong. Let's pile up surpluses without end, and let the farmer sweat and labor, hanging tenaciously on the cliffs. Let's turn the country over to industrial barons to exercise their hereditary privilege to plunder and to exploit through the device of a protective tariff which fattens their pocketbooks and flattens the pocketbooks of millions upon the farm.

But, thanks to the combined agencies of the A. A. A. and drought, it isn't quite so bad as that. Thank God and the leadership of Franklin Roosevelt for a Triple A, which carried these Corn Belt States through the greatest drought in all American history, and except for which the agony and the suffering of these farming States would have been indescribable. Thank God there are no surpluses today confronting us. Prices are restored and farm faith, despite this blow, remains unshaken. For never in any great historic struggle in America, no matter how protracted it has been, has the cause of justice failed. It is not the American conception of justice that American agriculture should drift into peasantry. It is not the American doctrine of economics that urban populations can live in plenty and in luxury while rural populations drift to lower and lower standards.

ORDER OF BUSINESS

Mr. COPELAND. Mr. President, I should like to ask my leader a question. Some time today I should like to speak for 5 minutes, but I want to do it at a time when it will not embarrass the program of the leader or the activities of the Senate.

Mr. ROBINSON. Mr. President, may I inquire of the Senator from New York whether it is of importance to him to speak before we proceed with the regular order?

Mr. COPELAND. Oh, no; that is not important to me at all, and I do not want to detain Senators who do not wish to remain to hear me.

Mr. ROBINSON. I suggest that the Senator defer his remarks until later in the day when we may have considered at least a number of bills on the calendar.

Mr. COPELAND. I shall be glad if at some time later in the day I may have that privilege.

Mr. ROBINSON. Very well.

CONSIDERATION OF UNOBJECTED BILLS ON THE CALENDAR

The VICE PRESIDENT. Under a special order entered last Tuesday, the Senate will now proceed to the consideration of unobjected bills on the calendar.

The clerk will state the first bill in order on the calendar.

The bill (S. 944) to amend section 5 of the Federal Trade Commission Act was announced as first in order.

Mr. ROBINSON. Mr. President, this bill has been pending for a considerable period. Apparently it is a measure of importance. I think the author of the bill should give an explanation of it. I do not object to its consideration.

Apparently the Senator from Montana [Mr. WHEELER] has been called away from the Chamber; and perhaps the bill had better go over for the present.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909, Thirty-fifth Statutes 1109 (U. S. C., title 18, sec. 203), and for other purposes, was announced as next in order.

Mr. DUFFY. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 574) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

SEVERAL SENATORS. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

RESOLUTION INDEFINITELY POSTPONED

The resolution (S. Res. 35) authorizing the Committee on the Judiciary to investigate certain phases of the National Industrial Recovery Act was announced as next in order.

Mr. KING. Mr. President, this is a resolution which I submitted sometime ago. I ask that it be indefinitely postponed.

The VICE PRESIDENT. Without objection, the resolution will be indefinitely postponed.

BILLS, ETC., PASSED OVER

The bill (S. 509) to prevent the use of Federal offices or patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1452) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities, in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States, and codes, agreements, and licenses under the National Industrial Recovery Act was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The joint resolution (S. J. Res. 38) for the adjustment and settlement of losses sustained by the cooperative marketing associations was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The joint resolution will be passed over.

The bill (S. 1460) to fix standards for till baskets, climax baskets, round-stave baskets, market baskets, drums, hampers, cartons, crates, boxes, barrels, and other containers for fruits or vegetables, to consolidate existing laws on this subject, and for other purposes, was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 212) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve Banking System, and creating a Board of Agriculture to supervise the same was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1476) to provide for unemployment relief through development of mineral resources; to assist the

development of privately owned mineral claims; to provide for the development of emergency and deficiency minerals, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

PARK, PARKWAY, AND RECREATIONAL FACILITIES

The Senate proceeded to consider the bill (S. 738) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof, which had been reported from the Committee on Public Lands and Surveys with amendments.

Mr. WAGNER. Mr. President, I ask that in place of Senate bill 738 there be substituted House bill 10104, which is Calendar No. 1611, and incorporates the amendments desired by those who formerly objected to Senate bill 738.

There being no objection, the Senate proceeded to consider the bill (H. R. 10104) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof, which had been reported from the Committee on Public Lands and Surveys with amendments.

Mr. KING. Mr. President, does the Senator from New York desire to have the bill considered today? I shall be glad if he will not ask to have that done, because I am compelled to leave the Chamber, and I have an amendment to offer to the bill.

Mr. WAGNER. I may say to the Senator from Utah that I have just conferred with the junior Senator from Utah [Mr. THOMAS] and with others who are interested in the proposed legislation, and they are quite satisfied with the bill as it now is. It is a very important piece of legislation, and I should like to have it considered today. If the Senator will suggest his amendment, perhaps it will be found that it has already been made.

Mr. McNARY. Mr. President, the senior Senator from Wyoming [Mr. CAREY] is necessarily absent, and at his request I ask that the bill go over.

Mr. WAGNER. I may say to the Senator from Oregon that the senior Senator from Wyoming was in the conference held by a subcommittee of the Committee on Public Lands and Surveys and participated in redrafting the proposed legislation and approved it as redrafted.

Mr. McNARY. That is the information I have received; but, in any event, I assume all responsibility. I wish to look into the matter, and I ask that the bill be passed over.

The PRESIDENT pro tempore. House bill 10104 has been substituted for Senate bill 738; and, without objection, Senate bill 738 will be indefinitely postponed. At the request of the Senator from Oregon, the House bill will be passed over.

BILLS PASSED OVER

The bill (S. 476) relating to promotion of civil-service employees was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1952) extending the classified executive civil service of the United States was announced as next in order.

Mr. DUFFY. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2405) to provide for a special clerk and liaison officer was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1975) to authorize certain officers of the United States Navy, and officers and enlisted men of the Marine Corps, to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered was announced as next in order.

Mr. BORAH. Mr. President, this bill authorizes certain officers to accept medals, and so forth, from whom?

Mr. ROBINSON. From foreign governments.

Mr. BORAH. I ask that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 916) to carry into effect the decision of the Court of Claims in favor of claimants in French spoliation was announced as next in order.

Mr. McKELLAR and Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2583) establishing certain commodity divisions in the Department of Agriculture was announced as next in order.

Mr. KING. Let that go over.

Mr. LA FOLLETTE. Mr. President, this is a very important measure, and I do not think it should be considered on an occasion of this kind. I therefore ask that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 379) to provide for the deportation of certain alien seamen, and for other purposes, was announced as next in order.

Mr. COPELAND. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2998) to control the trade in arms, ammunition, and implements of war was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. McNARY. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2825) to provide for the establishment of a National Planning Board and the organization and functions thereof was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

REGULATION OF COMMERCE IN FIREARMS

The bill (S. 3) to regulate commerce in firearms was announced as next in order.

The PRESIDENT pro tempore. Let the bill go over.

Mr. COPELAND. Mr. President, I wish the Senator who objected to the consideration of this bill would withhold his objection for a moment.

I feel that on every occasion I must make an effort to have this bill passed. It has to do with the shipment of firearms to criminals. It has to do with the shipment of firearms from which the serial number has been filed. It does not interfere with private ownership of firearms nor with their shipment by private individuals to a reputable person; but it puts every pawnbroker and every crook in the country on notice that, if a firearm is received through the mails or across a State line, its possession is evidence of his possible criminality.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. COPELAND. Yes, sir.

Mr. ROBINSON. What is the provision with respect to machine guns?

Mr. COPELAND. They may not be shipped at all; and I will state to my leader that that matter is already regulated by a law on the statute books. Machine guns may not be shipped at all; but this bill emphasizes the fact that the machine gun and the sawed-off shotgun may not lawfully be shipped across State lines.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. VANDENBERG. Is it not true that all the previous organized opposition to legislation of this character has been withdrawn respecting the form in which this bill is written?

Mr. COPELAND. The Senator from Michigan states the situation exactly as it is. There has been violent opposition to bills on this subject from the American Rifle Association and the American Pistol Association and other organized groups, but this bill has met their approval and was formulated with their assistance.

So far as I know, there is no informed person in the United States of America who is not in favor of this bill. It is the desire of the Attorney General's Office that it be passed. It is the desire of everybody who is interested in reducing criminality that it be passed; so I beg that the Senate may give it favorable consideration.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Senate resumed the consideration of the bill.

The PRESIDENT pro tempore. Several amendments of the committee have been heretofore agreed to, and the clerk will state the next amendment.

The next amendment of the committee was, in section 2, on page 5, line 13, after the word "been", to strike out the word "so"; on page 5, line 23, before the word "receive", to insert the word "knowingly"; and on page 6, line 3, after the word "received", to insert the words "as the case may be, by the possessor", so as to read:

(g) It shall be unlawful for any person to transport or ship or cause to be transported or shipped in interstate or foreign commerce any stolen firearm or ammunition knowing, or having reasonable cause to believe the same to have been stolen.

(h) It shall be unlawful for any person to receive, conceal, store, barter, sell, or dispose of any firearm or ammunition or to pledge or accept as security for a loan any firearm or ammunition moving in or which is a part of interstate or foreign commerce, and which while so moving or constituting such part has been stolen, knowing, or having reasonable cause to believe, the same to have been stolen.

(i) It shall be unlawful for any person to transport, ship, or knowingly receive in interstate or foreign commerce any firearm from which the manufacturer's serial number has been removed, obliterated, or altered, and the possession of any such firearm shall be presumptive evidence that such firearm was transported, shipped, or received, as the case may be, by the possessor in violation of this act.

The amendments were agreed to.

The next amendment was, in section 3, on page 6, line 14, to strike out the word "or" and insert in lieu thereof the word "and"; on line 15, after the word "firearms", to strike out the word "or" and insert in lieu thereof the word "and"; and after the word "interstate", to strike out the word "or" and insert in lieu thereof the word "and"; on page 6, line 25, after the words "case of", to strike out the words "an appeal from such conviction the Secretary of Commerce shall suspend such license until he is notified by the clerk of the court of last appeal as to the final disposition of the case" and to insert in lieu thereof the words "appeal from such conviction the licensee may furnish a bond in the amount of $1,000, and upon receipt of such bond acceptable to the Secretary of Commerce he may permit the licensee to continue business during the period of the appeal, or should the licensee refuse or neglect to furnish such bond, the Secretary of Commerce shall suspend such license until he is notified by the clerk of the court of last appeal as to the final disposition of the case", so as to make the section read:

SEC. 3. (a) Any manufacturer or dealer desiring a license to transport, ship, or receive firearms or ammunition in interstate or foreign commerce shall make application to the Secretary of Commerce, who shall prescribe by rules and regulations the information to be contained in such application. The applicant shall, if a manufacturer, pay a fee of $100 and, if a dealer, shall pay a fee of $1.

(b) Upon payment of the prescribed fee, the Secretary of Commerce shall issue to such applicant a license which shall entitle the licensee to transport, ship, and receive firearms and ammunition in interstate and foreign commerce unless and until the license is suspended or revoked in accordance with the provisions of this act: *Provided*, That no license shall be issued to any applicant within 2 years after the revocation of a previous license.

(c) Whenever any licensee is convicted of a violation of any of the provisions of this act, it shall be the duty of the clerk of the court to notify the Secretary of Commerce within 48 hours after such conviction and said Secretary shall revoke such license: *Provided*, That in the case of appeal from such conviction the licensee may furnish a bond in the amount of $1,000, and upon receipt of such bond acceptable to the Secretary of Commerce he may permit the licensee to continue business during the period of the appeal, or should the licensee refuse or neglect to furnish such bond, the Secretary of Commerce shall suspend such license until he is notified by the clerk of the court of last appeal as to the final disposition of the case.

(d) Licensed manufacturers and dealers shall maintain such permanent records of manufacture, importation, shipment, and other disposal of firearms and ammunition as the Secretary of Commerce shall prescribe.

Mr. ROBINSON. Mr. President, hearing the reading of the amendment, it would apparently authorize a bond by the shipper in the nature of a supersedeas bond to be in effect pending the decision on appeal, and during the time of appeal under supersedeas the licensee would be permitted to continue business.

Mr. COPELAND. That is true. The feeling of the committee was that it would be too harsh to put out of business a manufacturer who had a license from the Government because through some mishap there was a wrong shipment. It was thought wise by the committee, until the question had been determined, to permit him to continue in business by giving bond.

The PRESIDENT pro tempore. The question is on agreeing to the amendments.

The amendments were agreed to.

The next amendment was, in section 4, on page 7, line 20, after the words "agents of", to insert the word "licensed", and before the word "dealers" to insert the word "licensed", so as to make the section read:

SEC. 4. It shall be unlawful for any person to transport, ship, or receive in interstate or foreign commerce, or to import, any machine gun. The possession of a machine gun shall be presumptive evidence of a violation of this act: *Provided*, That the provisions of this section shall not apply to agents of licensed manufacturers or licensed dealers who may be required in the performance of their duties as such agents to transport or ship a machine gun for purposes of demonstration or instruction to those governmental units, departments, independent establishments, agencies, commissioned officers, or agents thereof, or to public carriers, express and armored-truck companies described in section 5 of this act.

The amendments were agreed to.

The next amendment was, in section 5, on page 8, line 16, after the word "any", to strike out the word "nonprofit", so as to make the section read:

SEC. 5. The provisions of this act shall not apply with respect to the transportation, shipment, receipt, or importation of any firearm, ammunition, or machine gun sold or shipped to, or issued for the use of, (1) the United States or any department, independent establishment, or agency thereof; (2) any State, Territory, or possession, or the District of Columbia, or any department, independent establishment, agency, or any political subdivision thereof; (3) any duly commissioned officer or agent of the United States, a State, Territory, or possession, or the District of Columbia, or any political subdivision thereof; (4) or to any bank, public carrier, express, or armored-truck company organized and operating in good faith for the transportation of money and valuables; (5) or to any research laboratory designated by the Secretary of Commerce: *Provided*, That such bank, public carriers, express, and armored-truck companies are granted exemption by the Secretary of Commerce; nor to the transportation, shipment, or receipt of any antique or unserviceable firearms, ammunition, or machine guns possessed and held as curios or museum pieces.

The amendment was agreed to.

The next amendment was, in section 6, on page 9, line 3, after the word "than", to insert "$2,000", and on line 4, before the word "years", to insert the word "five", so as to make the section read:

SEC. 6. Any person violating any of the provisions of this act or any rules and regulations promulgated hereunder, or who makes any statement in applying for the license or exemption provided for in this act, knowing such statement to be false, shall, upon conviction thereof, be fined not more than $2,000, or imprisoned for not more than 5 years, or both.

The amendments were agreed to.

The next amendment was, in section 7, page 9, line 5, after the word "effect", to insert the word "thirty", so as to make the section read:

SEC. 7. This act shall take effect 30 days after its enactment.

The amendment was agreed to.

The next amendment was, on page 9, line 10, to strike out section 9, as follows:

SEC. 9. The act entitled "An act declaring pistols, revolvers, and other firearms, capable of being concealed on the person, nonmailable, and providing penalty", approved February 8, 1927, and the act entitled "An act to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof", approved June 26, 1934, are hereby repealed.

The amendment was agreed to.

The next amendment was, on page 9, line 19, to renumber the section, and on line 22, to renumber the section.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3072) to amend the Tariff Act of 1930, as amended, was announced as next in order.

Mr. FRAZIER. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

CHANGE OF NAME OF THE DEPARTMENT OF THE INTERIOR

The bill (S. 2665) to change the name of the Department of the Interior and to coordinate certain governmental functions was announced as next in order.

Mr. SMITH. Let that go over.

Mr. LEWIS. Mr. President, I rise to suggest the absence of the Senator from Alabama [Mr. BANKHEAD] because of illness, and to state his desire to have this bill go over, as he intends to address the Senate on it.

The PRESIDENT pro tempore. Under objection, the bill will be passed over.

BILLS PASSED OVER

The bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, was announced as next in order.

Mr. RUSSELL. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1826) for the retirement of employees in the classified civil service to include employees in the legislative branch was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

RESIDENCE OF APPLICANTS FOR CIVIL-SERVICE EXAMINATION

The bill (S. 3160) to amend the law relating to residence requirements of applicants for examination before the Civil Service Commission was announced as next in order.

Mr. KING. Let that bill go over.

Mr. ROBINSON. Mr. President, does this bill amend the existing law? I think we should give a little consideration to it. I see the Senator from South Dakota in the Chamber. However, I understand someone has made objection to the consideration of the bill. I myself have not objected, but I should like to have an explanation of it.

The PRESIDENT pro tempore. On objection, the bill will be passed over.

THE MERCHANT MARINE

The bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid in national defense, and for other purposes, was announced as next in order.

Mr. COPELAND. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

VACATIONS FOR GOVERNMENT EMPLOYEES

The Senate proceeded to consider the bill (H. R. 8458) to provide for vacations to Government employees, and for other purposes, which had been reported from the Committee on Civil Service with amendments.

The first amendments were, in section 1, page 1, line 4, after the word "Columbia", to insert the words "and officers and employees of the Panama Canal and Panama Railroad on the Isthmus of Panama, and except as provided in section 4 hereof"; in line 8, after the word "States", to insert the words "wherever stationed"; on page 2, line 2, after the words "entitled to", to strike out the word "thirty" and insert in lieu thereof the words "twenty-six"; on line 6, after the word "exceeding", to strike out the words "one hundred and twenty" and insert in lieu thereof the word "sixty"; in line 15, to strike out "1935" and insert in lieu thereof "1936", so as to make the section read:

Be it enacted, etc., That with the exception of teachers and librarians of the public schools of the District of Columbia and officers and employees of the Panama Canal and Panama Railroad on the Isthmus of Panama, and except as provided in section 4 hereof, all civilian officers and employees of the United States wherever stationed and of the government of the District of Columbia, regardless of their tenure, in addition to any accrued leave, shall be entitled to 26 days' annual leave with pay each calendar year, exclusive of Sundays and holidays: *Provided*, That the part unused in any year shall be accumulated for succeeding years until it totals not exceeding 60 days. This act shall not affect any sick leave to which employees are now or may hereafter be entitled. Temporary employees, except temporary employees engaged on construction work at hourly rates, shall be entitled to 2½ days leave for each month of service. The annual leave herein authorized shall be granted at such times as the heads of the various departments and independent establishments may prescribe. This act becomes effective July 1, 1936.

The amendments were agreed to.

The next amendment was, in section 2, page 2, line 19, after the word "employees" and the period, to insert a new sentence, so as to make the section read:

SEC. 2. Each head of a department or independent establishment shall issue general public regulations, not inconsistent with law, setting forth the hours of duty per day and per week for each group of employees. Before issuing such regulations the heads of departments and independent establishments shall meet and consult among themselves and make such regulations as nearly uniform as possible so that all employees in all departments and independent establishments shall receive like treatment as nearly as may be practicable: *Provided*, That the heads of departments and independent establishments may appoint a subcommittee to draft such regulations.

The amendment was agreed to.

The next amendment was, on page 3, to strike out section 3, as follows:

SEC. 3. All work performed, in excess of the work required by departmental regulations issued in conformance with section 2 hereof, may be added to and accumulated with annual leave as set forth in section 1 hereof, unless otherwise compensated for in accordance with existing law.

The amendment was agreed to.

The next amendment was, on page 3, line 8, to renumber section 4, and in line 11, after the word "service", to insert the words "and in the mail equipment shops", so as to make the section read:

SEC. 3. Nothing in this act shall affect the Postmaster General and officers and employees in or under the Post Office Department: *Provided*, That officers and employees in the departmental service and in the mail equipment shops of the Post Office Department shall be included within the provisions of this act.

The amendment was agreed to.

The next amendment was, on page 3, line 14, to renumber section 5, on line 19, to renumber section 6, and on page 4, line 1, to renumber section 7.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time and passed.

SICK LEAVE OF CIVILIAN EMPLOYEES

The Senate proceeded to consider the bill (H. R. 8459) to standardize sick leave and extend it to all civilian employees, which had been reported from the Committee on Civil Service with amendments, on page 1, line 3, to strike out "1935" and insert in lieu thereof "1936, except as provided in section 4 hereof"; on line 5, after the word "States", to insert the words "wherever stationed"; on line 9, after the word "Columbia", to insert the words "and other than officers and employees of the Panama Canal and Panama Railroad on the Isthmus of Panama"; on page 2, line 5, to strike

out "1935" and to insert in lieu thereof "1936"; on line 8, after the word "exceed", to strike out the words "one hundred and twenty" and insert in lieu thereof the word "sixty"; on line 12, after the word "service", to insert the following proviso: "*Provided*, That all such employees shall furnish certificates satisfactory to the head of the appropriate department or independent establishment"; on page 2, line 22, after the word "service", to insert the words "and in the mail equipment shops of such department"; on page 4, line 5, before the word "controlled", to insert the word "wholly", so as to make the bill read:

Be it enacted, etc., That after July 1, 1936, except as provided in section 4 hereof, all civilian officers and employees of the United States, wherever stationed, and of the government of the District of Columbia, other than teachers and librarians of the public schools of the District of Columbia and officers and members but not the civilian personnel of the police and fire departments of the District of Columbia and other than officers and employees of the Panama Canal and Panama Railroad on the Isthmus of Panama, shall be entitled to sick leave with pay, regardless of their tenure, as described herein.

SEC. 2. On and after July 1, 1936, cumulative sick leave with pay, at the rate of 1¼ days per month, shall be granted to all civilian officers and employees, the total accumulation not to exceed 60 days. Temporary employees, except temporary employees engaged on construction work at hourly rates, shall be entitled to 1¼ days' sick leave for each month of service: *Provided*, That all such employees shall furnish certificates satisfactory to the head of the appropriate department or independent establishment.

SEC. 3. Administrative officers may advance 30 days' sick leave with pay beyond accrued sick leave in cases of serious disability or ailments and when required by the exigencies of the situation.

SEC. 4. Nothing in this act shall affect the Postmaster General and officers and employees in or under the Post Office Department, except those serving in the departmental service and in the mail equipment shops of such Department.

SEC. 5. Nothing in this act shall be construed to prevent the continuance of any existing leave differential now obtaining for the benefit of employees of the Federal Government stationed outside the continental limits of the United States.

SEC. 6. The employees of any corporation created under authority of an act of Congress which is wholly controlled or owned by the United States Government, whether or not the employees thereof are paid from funds appropriated by Congress, shall be included within the provisions of this act.

SEC. 7. The leave of absence herein provided for shall be administered under such regulations as the President may prescribe, so as to obtain, so far as practicable, uniformity in the application of this act.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILLS PASSED OVER

The bill (S. 3420) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate and foreign commerce and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1424) to amend the Packers and Stockyards Act of 1921 was announced as next in order.

Mr. ASHURST. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3393) to create a Federal Board of Foreign Trade was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes, was announced as next in order.

Mr. SMITH. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

INVESTIGATION OF COSTS OF PULPWOOD

The resolution (S. Res. 195) submitted by Mr. BORAH, directing the Tariff Commission to investigate the production costs of wood pulp or pulpwood, was announced as next in order.

Mr. ROBINSON. Mr. President, I am informed by the chairman of the Tariff Commission that under the law there is no authority for the investigation under a Senate resolution or House resolution of the subject matter of the proposed investigation. I am also informed that a full and complete investigation is being made by the Tariff Commission under general law, and I should like to suggest to the Senator from Idaho that if he has no objection the resolution ought to be recommitted to the committee.

Mr. BORAH. Mr. President, I think, as the Senator from Arkansas has stated, that an investigation is proceeding, which investigation by the Tariff Commission, as I understand, covers practically everything that would be covered by this resolution. I also assume that, in view of the Canadian reciprocity agreement, the information which would be acquired under the resolution would not be of any practical benefit for the next 3 years. I therefore have no objection to the resolution being indifinitely postponed.

The PRESIDENT pro tempore. Without objection, the resolution will be indefinitely postponed.

ADJUSTED-COMPENSATION PAYMENTS TO PROVISIONAL OFFICERS

The Senate proceeded to consider the bill (S. 3257) to amend the World War Adjusted Compensation Act, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 4, after "1922" and the period, to insert the words "*Provided*, That applications under this act must be made within 1 year from the date of enactment", so as to make the bill read:

Be it enacted, etc., That subsection (b), section 202, of the World War Adjusted Compensation Act is amended to read as follows:

"(b) Any individual holding a permanent or provisional commission or permanent or acting warrant in any branch of the military or naval forces, or (while holding such commission or warrant) serving under a temporary commission in a higher grade—in each case for the period of service under such commission or warrant or in such higher grade after the accrual of the right to pay thereunder. This subdivision shall not apply to any noncommissioned officer, nor to any provisional officer of the Army under the grade of major, who was honorably separated from the military service prior to January 1, 1922: *Provided*, That applications under this act must be made within 1 year from the date of enactment."

Mr. SHEPPARD. All this bill does is to enable provisional officers, under the grade of major in the World War, to apply for adjusted compensation. There is a provision in the Adjusted Compensation Act which prohibits them, as well as Regular Army officers, from receiving adjusted compensation, whereas emergency officers under the grade of major in the World War are entitled to apply for such compensation. This bill removes a very evident discrimination against the provisional officers who performed the same services as those performed by all other officers.

Mr. VANDENBERG. How many officers are involved?

Mr. SHEPPARD. About 2,250.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

USE OF EMERGENCY RELIEF FUNDS FOR CONSTRUCTION OF ARMORIES

The bill (S. 2869) to legalize the use of emergency relief funds for the construction of armories for the National Guard was announced as next in order.

Mr. SHEPPARD. Mr. President, what this bill does is to authorize the construction of National Guard armory building projects out of relief funds on proper application and showing. For the purpose of these projects it also repeals the existing law requiring that when a building costs more than $20,000 it must be the subject of a special act of Congress.

Mr. LEWIS. The proposed legislation will serve a very much needed and useful purpose.

Mr. SHEPPARD. Yes. It will enable National Guard units, and others interested, to make application for the use of emergency relief funds in the construction of armories.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2869) to legalize the use of emergency relief funds for the construction of armories for the National Guard, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the proviso in the Emergency Relief Appropriation Act of 1935, approved April 8, 1935, reading as follows: "*Provided further*, That no part of the appropriation made by this joint resolution shall be expended for munitions, warships, or military or naval matériel; but this proviso shall not be construed to prevent the use of such appropriation for new buildings, reconstruction of buildings, and other improvements in military or naval reservations, posts, forts, camps, cemeteries, or fortified areas, or for projects for nonmilitary or nonnaval purposes in such places", shall not be construed to prevent the use of funds appropriated in said act for the construction of armories for the use of the National Guard; and not to exceed $80,000,000 of the funds made available in said act may be used, in the discretion of the President, for that purpose: *Provided*, That the provisions of Revised Statutes 1136, as amended (U. S. C., title 10, sec. 1339), requiring prior authority to construct a building where the cost exceeds $20,000, shall not apply to such armories when and if constructed under said Emergency Relief Appropriation Act of 1935.

SAFETY AT SEA—BILLS PASSED OVER

The bill (H. R. 8599) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board and increase efficiency in administration of the steamboat inspection laws, and for other purposes, was announced as next in order.

Mr. COPELAND. Mr. President, this bill and the next bill on the calendar, being Senate bill 2003, Calendar No. 1518, are included in the purview of the Committee on Commerce. We are now formulating one or two amendments which we desire to attach to each bill, and therefore I ask that these two bills go over today without prejudice. I had held them up sometime ago because of the desire of the Senator from Wisconsin [Mr. LA FOLLETTE], but he assures me that he would be willing for them to be passed now. However, I am not willing that they be passed now, because we desire to add the amendments. So I ask that House bill 8599 and Senate bill 2003 go over.

The PRESIDENT pro tempore. The two bills will be passed over.

APPLICATION OF DISTRICT TRAFFIC LAWS TO NONRESIDENTS

The bill (S. 3161) to amend section 13 (c) of the District of Columbia Traffic Acts was announced as next in order.

Mr. KING. Mr. President, the only amendment this bill makes to existing law is to provide that nonresidents who are operating cars within the District of Columbia shall be subjected to the same reasonable rules and regulations as are those who are residents of the District of Columbia.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with an amendment, on page 1, to strike out lines 3 to 6, inclusive, and to insert in lieu thereof the following: "That section 13 (c) of the act entitled 'An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, etc.', approved March 3, 1925, as amended, be, and the same is hereby, amended so as to read as follows", so as to make the bill read:

Be it enacted, etc., That section 13 (c) of the act entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, etc.", approved March 3, 1925, as amended, be, and the same is hereby, amended so as to read as follows:

"The Commissioners of the District of Columbia, or their designated agent, may suspend or revoke the right of any nonresident person as defined in section 8 (title 6, sec. 245 (a), D. C. Code) to operate a motor vehicle in the District of Columbia, for any cause they or their agent may deem sufficient, and the proper authority at the place of issuance of the permit, or other authority to operate a motor vehicle, shall be notified of such suspension and the reason therefor, immediately: *Provided*, That such order of suspension or revocation shall take effect 10 days after its issuance, and the same be subject to review and appeal in the manner and under the same conditions as are provided for such matters in section 13 (a) (title 6, sec. 250 (a), D. C. Code)."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend section 13 (c) of the act entitled 'An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, etc., approved March 3, 1925, as amended."

ISSUANCE OF LICENSE TO DR. ARTHUR B. WALKER

Mr. KING. Mr. President, I am compelled to leave the Chamber for a few moments; but while I am on my feet, if the Senate will indulge me, I should like to call up Calendar No. 1604, being House bill 8437, which provides for the issuance of a license to practice the healing art in the District of Columbia to Dr. Arthur B. Walker. He happened to be out of the city when the law was passed requiring practitioners to obtain a license.

Mr. ROBINSON. Mr. President, I do not object to the consideration of the bill. It would seem pertinent, however, to ask whether the same requirements are made as to this individual that were made as to others who have been licensed under the law.

Mr. KING. Absolutely. All come within the same category. This doctor was a qualified practitioner, and happened to be out of the city at the time the bill was passed.

Mr. ROBINSON. Is he required to stand an examination?

Mr. KING. No; not now. If he had not been an active practitioner, of course, he could not come within the purview of the act, and the permission contained in the bill would not be granted.

Mr. ROBINSON. All individuals within that class—that is, active practitioners—were not required to take examinations?

Mr. KING. No.

Mr. COPELAND. Mr. President, I may say that all those who were engaged in practice at the time of the enactment of the legislation were excluded from examination, but this man happened to be absent at the time the act took effect.

Mr. ROBINSON. It is merely according him the same treatment that has been accorded others?

Mr. COPELAND. Exactly.

Mr. ROBINSON. I have no objection.

There being no objection, the Senate proceeded to consider the bill (H. R. 8437) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Arthur B. Walker, which was ordered to a third reading, read the third time, and passed.

BILL INDEFINITELY POSTPONED

The bill (S. 3596) to provide for making rental and benefit payments to farmers who have made crop-adjustment contracts with the Secretary of Agriculture was announced as next in order.

Mr. McNARY. Mr. President, the benefits contemplated by this bill seem to have been carried in the appropriation bill. For that reason I ask that the bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, the bill will be indefinitely postponed.

DEFINITION AND PUNISHMENT OF BRIBERY

Mr. KING. Mr. President, I ask the further indulgence of the Senate, and call attention to Calendar No. 1649, being House bill 8821, to define the crime of bribery and to provide for its punishment.

We have a singular situation here. Persons who are officials of the District government, and who in the discharge of their duties receive, surreptitiously or otherwise, gratuities or any funds whatever in order to expedite the consideration of matters may not be punished; and the Commissioners of the District of Columbia have insisted that something be done, because a number of persons who have been flagrantly

violating ethics, morality, and justice have escaped punishment. The bill merely provides that those who offer gratuities and make payments for the purpose of inducing employees of the District government to do their duty or to stretch a point shall be punished.

Mr. ROBINSON. Is there no provision of existing law directed against those acts?

Mr. KING. There have been efforts to punish them, and the district attorney advises me that there is no existing law to punish them.

I ask for the present consideration of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 8821) to define the crime of bribery and to provide for its punishment was considered, ordered to a third reading, read the third time, and passed.

Mr. KING. Mr. President, I ask that the report of the Committee on the District of Columbia to accompany House bill 8821 be printed in the RECORD at this point.

There being no objection, the report (no. 1585) was ordered to be printed in the RECORD, as follows:

Mr. AUSTIN, from the Committee on the District of Columbia, submitted the following report (to accompany H. R. 8821):

The Committee on the District of Columbia, to whom was referred the bill (H. R. 8821) to define the crime of bribery and to provide for its punishment, having considered the same, report favorably thereon and recommend that the bill do pass.

PURPOSE OF THE BILL

The existing statute with respect to bribery in connection with the government of the District of Columbia (31 Stat. 1330, ch. 854, sec. 861) was approved on March 3, 1901. Since that time it has become apparent that it is impossible to successfully prosecute certain types of offenses under the language of the existing legislation. The statute in force at present was intended primarily to permit the prosecution of those tendering money or other reward to executive, judicial, or other officers of the government of the District of Columbia for the purpose of inducing the commission of a fraud. The language has not been considered susceptible of use in preparing indictments for the prosecution of persons guilty of accepting money or other rewards for the performance of unauthorized acts in the course of their official duties, and in other instances prosecution has failed where the offense consisted of the demand or receipt of gratuities for the performance of acts lawfully constituting a portion of the duties of the accused.

The proposed statute was drafted after a review of similar legislation in effect in Illinois, New York, and a number of other States and recommended for adoption by investigating committees which have considered the subject matter at length. It is believed that under the proposed act adequate prosecution of graft or bribery may be had. The bill as reported was requested by the Commissioners of the District of Columbia.

BILLS PASSED OVER

The bill (S. 3646) to repeal an act of March 3, 1933, entitled "An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes" was announced as next in order.

Mr. SHEPPARD. Mr. President, the Senator from Wisconsin [Mr. LA FOLLETTE] wishes that bill to go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3154) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases, and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors was announced as next in order.

Mr. ROBINSON. Mr. President, that bill will require somewhat prolonged consideration by the Senate, and I cannot ask that it be taken up under the present order. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

RAMEY BROS.

The bill (H. R. 1362) for the relief of Ramey Bros., of El Paso, Tex., was announced as next in order.

Mr. ROBINSON. Mr. President, I inquire why the form that is adopted was used in this bill, and why the claim is not, in accordance with custom, referred to the Court of Claims.

I do not wish to object to the consideration of the bill, but it seems that the language of the bill is somewhat unusual.

Mr. LOGAN. Mr. President, the procedure is unusual, but it is not without precedent. I did not report the bill, neither did I consider it; but I do remember what happened.

The contractor—I believe he was a contractor—who is interested in the bill, insisted that all he wanted was what a court, upon fair consideration, would give him; and the Senator from North Carolina [Mr. BAILEY], in reporting to the committee, said it seemed to him that it was only fair to give the contractor a chance to have his case tried in the Federal district court in his own State, rather than to put him to the expense and trouble of coming to Washington.

I think that has been done on one or two occasions. I know of no reason why the Committee on Claims reported the bill favorably, other than for the convenience of the man who desired to bring his suit, who seemed to be making his request in good faith, and who seemed entirely fair about the matter.

Mr. ROBINSON. In view of the report and the statement of the Senator from Kentucky, I do not object to the present consideration of the bill.

There being no objection, the Senate proceeded to consider the bill (H. R. 1362) for the relief of Ramey Bros., of El Paso, Tex., which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert in lieu thereof the following:

That jurisdiction is hereby conferred upon the United States District Court for the Western District of Texas to hear, determine, and render judgment upon the claim of R. A. Ramey, doing business as Ramey Bros., of El Paso, Tex., against the United States for additional compensation in connection with the reconditioning of the pipe line serving the city reservoir at the marine hospital, Fort Stanton, N. Mex., under contract no. T2sa–2930, dated September 11, 1931.

SEC. 2. In the determination of such claim the United States shall not be held liable for any amount in excess of $8,432.22.

SEC. 3. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, and appeals from and payment of any judgment thereon, shall be in the same manner as in the cases of claims over which such court has jurisdiction under the provisions of paragraph "Twentieth" of section 24 of the Judicial Code, as amended.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act conferring jurisdiction upon the United States District Court for the Western District of Texas to hear, determine, and render judgment upon the claim of R. A. Ramey, doing business as Ramey Bros."

JAMES GAYNOR

The bill (S. 3367) for the relief of James Gaynor was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General be, and he is hereby, authorized and directed to cancel the charge, in the amount of $652.55, entered on the accounts of James Gaynor, postmaster at Springfield, S. Dak., by reason of his deposit of postal funds of the United States in the First National Bank of Springfield, S. Dak., and the subsequent failure of such bank.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to said James Gaynor the sum of $74.55, such sum representing the amount paid by him to the United States in settlement of charge entered on his account by reason of the deposit of Treasury savings funds in such bank and its subsequent failure.

BILL PASSED OVER

The bill (H. R. 762) for the relief of Stanislaus Lipowicz was announced as next in order.

Mr. ROBINSON. Mr. President, I should like to have a statement made concerning this bill. It seems that the beneficiary of the bill was fined, and that the bill is designed to reimburse him for a fine which was assessed against him. I suggest that the bill go over for the present.

The PRESIDENT pro tempore. The bill will be passed over.

MRS. AMBER WALKER

The bill (H. R. 2527) for the relief of Mrs. Amber Walker was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Amber Walker, of Railroad, Pa., the sum of $65.93. Such sum shall be in full settlement of all claims against the United States for salary as acting postmistress at Railroad, Pa., from February 25, 1933, to March 31, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

GLADYS ROBEINS

The bill (H. R. 3864) for the relief of Gladys Robbins was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gladys Robbins the sum of $1,120 in full settlement of all claims against the United States for reimbursement of cash bail deposited with former United States Commissioner Arthur G. Fisk at San Francisco, Calif., and misappropriated by said official: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

BILL PASSED OVER

The bill (H. R. 3184) for the relief of H. D. Henion, Harry Wolfe, and R. W. McSorley was announced as next in order.

Mr. McKELLAR. Mr. President, I should like to have an explanation of this bill. As the Senator who reported it does not appear to be present at the moment, I will ask that it go over.

The VICE PRESIDENT. The bill will be passed over.

GEORGE CURRENT

The Senate proceeded to consider the bill (H. R. 5525) for the relief of George Current, which was read, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and is hereby, authorized to consider and determine, in the same manner and to the same extent as if application for the benefits of the Employees' Compensation Act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of George Current, on account of disability due to epilepsy alleged to have been proximately caused by an injury received while on duty during his employment in the service of the United States between May 6, 1929, and March 14, 1934: *Provided*, That no benefits shall accrue prior to the enactment of this act.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill?

Mr. BULKLEY. Mr. President, this claimant was employed as an attendant at the veterans' hospital at Chillicothe, Ohio. He was injured by an insane patient. The seriousness of the injury was not appreciated at the time and he did not make his claim within the year as required by the statute. This bill simply proposes to remove the limitation of 1 year and to allow the Employees' Compensation Commission to hear the claim on its merits.

Mr. McKELLAR. I have no objection to the consideration of the bill.

The bill was ordered to a third reading, read the third time, and passed.

HOWARD DONOVAN

The bill (H. R. 2157) for the relief of Howard Donovan was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Howard Donovan, former consul at Bahia, Brazil, the sum of $500, in full settlement of all claims against the Government of the United States for the cost of embalming the body of his wife, Ruth Curtiss Donovan; burial; and subsequent transportation of the body from Bahia, Brazil, to its burial place at New Haven, Conn.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

BILL PASSED OVER

The bill (H. R. 8069) for the relief of Mr. and Mrs. A. S. Mull was announced as next in order.

Mr. McKELLAR. Mr. President, a large amount seems to be involved in this bill, and I should like to have some member of the committee explain it. I do not see present at the moment the Senator who reported the bill, and I will therefore ask that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

VERMONT TRANSIT CO., INC.

The Senate proceeded to consider the bill (S. 3655) for the relief of the Vermont Transit Co., Inc., which had been reported from the Committee on Claims with an amendment.

Mr. McKELLAR. Mr. President, will the Senator from Vermont explain this bill?

Mr. AUSTIN. Mr. President, this is a claim growing out of damage to a bus, or passenger coach, engaged in the public service by a Government vehicle driven by a chauffeur who was under the influence of intoxicating liquor. He turned to the left and collided with the bus of the Vermont Transit Co. and damaged it beyond the amount which the general law permits the War Department to pay. That is the only reason the bill appears in Congress. The War Department had the case investigated by a board which found the Government liable. The foundation of the claim has been established.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. AUSTIN. Certainly.

Mr. ROBINSON. I understand from the report that the War Department recommended payment and that the reimbursement or compensation would have been made by the War Department but for the limitation of $1,000 on the amount it is authorized to pay on such claims.

Mr. AUSTIN. That is true.

Mr. McKELLAR. Does the Senator know what was done with the employee of the Government who caused the injury?

Mr. AUSTIN. I do not.

Mr. McKELLAR. Of course, he ought to be discharged.

The PRESIDENT pro tempore. If there be no objection to the consideration of the bill, the amendment reported by the committee will be stated.

The amendment reported by the committee was at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Vermont Transit Co., Inc., of Burlington, Vt., out of any money in the Treasury not otherwise appropriated, the sum of $1,648.33 in full satisfaction of its claim against the Government of the United States for damage to motor passenger coach (or bus) no. 151, as a result of an accident involving a Government vehicle operated in connection with the Civilian Conservation Corps, at Montpelier,

Vt., on August 31, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ALICE MARKHAM KAVANAUGH

The bill (H. R. 7001) for the relief of Alice Markham Kavanaugh was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (U. S. C., title 5, secs. 767 and 770), are hereby waived in favor of Alice Markham Kavanaugh, widow of Lewis T. Kavanaugh, late an employee of the Inland and Coastwise Waterways Service, who was drowned in the Mississippi River on April 14, 1920, at Memphis, Tenn., and her case is authorized to be considered and acted upon under the remaining provisions of such act, as amended, if she files a claim for compensation with the United States Employees' Compensation Commission not later than 60 days after the date of enactment of this act: *Provided*, That no benefits shall accrue prior to the approval of this act.

BILL PASSED OVER

The bill (H. R. 6297) for the relief of Leon Frederick Ruggles was announced as next in order.

Mr. McKELLAR. Mr. President, I find that the bill is not reported favorably by the Veterans' Administration, and I ask that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

MARY WELLER

The Senate proceeded to consider the bill (S. 2336) granting compensation to Mary Weller, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, after the words "sum of", to strike out "$15,000" and insert "$4,848.45", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $4,848.45 to Mary Weller, of New Haven, Conn., in full settlement of all claims against the Government of the United States for injuries, resulting in the loss of her left eye, which she sustained in automobile accident caused by negligence of driver of Government-owned truck, on October 5, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McKELLAR. Mr. President, will the Senator from Connecticut explain the bill?

Mr. MALONEY. Mr. President, the Senator from Connecticut will endeavor to explain it. This claimant was injured as the result of an automobile accident involving a truck owned by the Government and operated by a C. C. C. employee. There was an admission of liability on the part of the governmental authority, and payment of the amount proposed is recommended by the head of the department in Washington.

Mr. McKELLAR. Very well.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROSE STRATTON

The Senate proceeded to consider the bill (S. 2922) for the relief of Rose Stratton, which had been reported from the Committee on Claims with an amendment, in section 1, page 2, line 2, after the word "city", to insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Rose Stratton, of New Haven, Conn., the sum of $1,097.77, in full satisfaction of all claims of the said Rose Stratton against the United States for damages for personal injuries sustained by her as the result of a collision at the intersection of Wall and College Streets, New Haven, Conn., on November 4, 1930, between a United States mail truck operated by John H. Farrell, Jr., an employee of the Post Office Department, and the automobile in which she was a passenger, operated by Margaret Lawrence, of such city: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act, in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SEC. 2. Payment shall not be made under this act until the said Rose Stratton has released all her claims against the said John H. Farrell, Jr., in a manner satisfactory to the Secretary of the Treasury.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CECELIA CALLAHAN

The bill (H. R. 2156) for the relief of Cecelia Callahan was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay the sum of $475.20 to Cecelia Callahan, being a gratuity of 6 months' pay under the act of June 4, 1920, compensating her for the death of her nephew, Joseph Francis O'Neil, who died as the result of an injury received while serving in the United States Navy, on the United States ship *Gilmore*.

JAMES ZANETTI

The bill (H. R. 4047) granting 6 months' pay to James Zanetti was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to pay, out of the appropriation "Pay of the Navy, 1935", to James Zanetti, father of the late Joseph Zanetti, United States Navy, an amount equal to 6 months' pay at the rate said Joseph Zanetti was receiving at the date of his death.

SILVER SERVICE OF U. S. S. "PADUCAH"

The bill (H. R. 8872) authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Woman's Club of the city of Paducah, Ky., the silver service in use of the U. S. S. *Paducah* was considered, ordered to a third reading, read the third time, and passed.

DISPOSITION OF MATERIAL NOT NEEDED BY NAVY

The Senate proceeded to consider the bill (H. R. 1381) to amend Public Law No. 249, Seventy-first Congress, entitled "An act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy", which was read, as follows:

Be it enacted, etc., That Public Law No. 249, Seventy-first Congress, approved May 23, 1930, entitled "An act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy", is amended by striking out the word "and" before the word "tools" and inserting after the word "tools" a comma followed by " boats and boat equipment."

Mr. McKELLAR. Mr. President, will the Senator from Florida give the facts in connection with this bill?

Mr. TRAMMELL. Mr. President, the measure under consideration amends the existing law by providing that the Navy Department may dispose of obsolete properties, including boats and boat equipment, which are not specified as property which may be disposed of in this way under the present law.

Mr. McKELLAR. I understand the Navy Department recommends the passage of the bill.

Mr. TRAMMELL. The Navy Department recommends it; the bill has passed the House and has been approved by the Senate Committee on Naval Affairs.

Mr. McKELLAR. Very well.

The bill was ordered to a third reading, read the third time, and passed.

MEDAL OF HONOR FOR GEN. ROBERT H. DUNLAP, DECEASED

The Senate proceeded to consider the bill (H. R. 7110) to authorize the President to bestow the Congressional Medal of Honor upon Brig. Gen. Robert H. Dunlap, United States Marine Corps, deceased, which had been reported from the Committee on Naval Affairs with an amendment to the title.

The bill was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States is hereby authorized to bestow the Navy Cross upon Brig. Gen. Robert H. Dunlap, United States Marine Corps, for distinguishing himself conspicuously by extraordinary courage on May 19, 1931, at LaFariniere, Cinq-Mars-la-Pile, France, where he met his death in a supreme effort to save the life of a French peasant woman, and to deliver said medal to Katherine W. Dunlap, the widow of Brigadier General Dunlap.

The title was amended so as to read: "An act to authorize the President to bestow the Navy Cross upon Brig. Gen. Robert H. Dunlap, United States Marine Corps, deceased."

BILL PASSED OVER

The bill (H. R. 3604) to place William H. Clinton on the retired list of the Navy was announced as next in order.

Mr. ROBINSON. Mr. President, I should like to have a justification for this bill. Apparently it is unfavorably reported upon by the Navy Department. On page 4 of the report I find this language:

In view of the above, the Navy Department recommends against the enactment of the bill.

I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

LT. WALTER M. GRAESSER, UNITED STATES NAVY, RETIRED

The bill (S. 2517) to provide for the advancement on the retired list of the Navy of Walter M. Graesser, a lieutenant (junior grade), United States Navy, retired, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That from and after the date of enactment of this act Walter M. Graesser, lieutenant (junior grade), United States Navy, retired, shall have the rank of a lieutenant on the retired list of the United States Navy: *Provided*, That the said Walter M. Graesser shall not receive any increase in retired pay, allowances, or other benefits as a result of the passage of this act.

LT. DEFOREST LOYS TRAUTMAN, UNITED STATES NAVY

The Senate proceeded to consider the bill (S. 3333) for the relief of DeForest Loys Trautman, lieutenant, United States Navy, which had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 8, after the word "Navy", to insert: "*Provided*, That said Lieutenant Trautman shall establish to the satisfaction of the Secretary of the Navy, by examination, his mental, moral, physical, and professional qualifications to perform all the duties of the next higher grade", so as to make the bill read:

Be it enacted, etc., That the President is authorized and directed to commission Lt. DeForest Loys Trautman, United States Navy, a lieutenant commander, United States Navy, as of the date that he originally made his number for promotion; that is, next junior to Lt. Comdr. C. R. Jeffs, United States Navy: *Provided*, That said Lieutenant Trautman shall establish to the satisfaction of the Secretary of the Navy, by examination, his mental, moral, physical, and professional qualifications to perform all the duties of the next higher grade.

Mr. ROBINSON. Mr. President, in view of the requirement in the amendment, I inquire what is the necessity for the bill? Why is the beneficiary of the bill not subject to promotion in due course, and why is it necessary to pass a special act authorizing his promotion?

Mr. McNARY. Mr. President, the Senator from Pennsylvania [Mr. DAVIS], the author of the bill, has been called from the Chamber. He is interested in the bill. I quote from the report on the bill, as follows:

It is the opinion of the committee that no officer should be promoted without first passing examinations calculated to determine his fitness to serve in that capacity.

With the above amendments, this committee recommend that the bill do pass.

I think that answers the questions of the Senator from Arkansas.

Mr. ROBINSON. No; if the Senator will pardon me, it does not answer the inquiry I made. In view of the fact that an examination is made necessary, why should the Congress require the promotion of the officer? In other words, why not let him take his chances for promotion with other officers?

Mr. TRAMMELL. Mr. President, may I say a word?

Mr. ROBINSON. I yield.

Mr. TRAMMELL. As I understand the situation, this officer was eligible for promotion under the seniority rule prior to the establishment of the selective system. He had requested an examination, which at that time involved nothing but a physical examination upon which he would have been entitled to his promotion under the seniority rule. However, for some reason, not at all to his prejudice, he was not examined although eligible for some 3 or 4 months prior to the change in the law.

The purpose of the bill is that he may be promoted if he is physically and mentally fit for the promotion to which he was entitled, and that he may be relieved of the requirements of the selective system because he was entitled to promotion prior to the time that system was adopted. That is my understanding of the case presented to the Senate committee.

Mr. ROBINSON. Mr. President, will the Senator from Oregon yield to enable me to ask the Senator from Florida two questions?

Mr. McNARY. Certainly.

Mr. ROBINSON. First, there does not appear to be any report on the bill from the Navy Department, at least there is none in my file. Why was not the measure submitted, as such bills usually are, for consideration by the Navy Department?

Mr. RUSSELL. Mr. President, may I answer the Senator's question?

Mr. ROBINSON. Certainly.

Mr. RUSSELL. There are a number of bills to the same effect pending before the Committee on Naval Affairs in cases where, for some reason, the officer was not available for an examination at the time when promotions were made solely by seniority and before the enactment of the law providing for selection. In the instant bill the officer was at a Civilian Conservation Corps camp, and therefore was not available for the examination. That fact appears in the report.

The bill is exactly similar to the bill just passed by the Senate which was recommended by the Navy Department. A number of officers could not be examined because of circumstances not to their prejudice and not under their control, and they did not get the benefit of promotion under the seniority rule.

Mr. ROBINSON. The other question I intended to ask the Senator from Florida—and I may direct it just as well to the Senator from Georgia, who apparently is informed on the subject—is this: What is the number of officers who are in the class of the beneficiary under this bill?

Mr. RUSSELL. I do not recall, but when the committee was examining and considering one of these bills, it is my recollection the officer then before the committee stated there are some 15 or 16. That is my recollection. There is no great number involved.

Mr. ROBINSON. It occurs to me that if this is proper legislation the desired end could be accomplished by general legislation which would apply to all officers in this class. I am not going to object to consideration of the bill, but I should like to suggest that our procedure could be very materially simplified in the interest of justice by enacting a simple statute providing that all officers who were unable, without fault or carelessness on their part, to avail themselves of the opportunity for an examination should be accorded that privilege.

We will probably be called on for the next 3 or 4 years to consider special bills of this character when it would better be done by a general statute applying to all officers who are within the class. I would not assume here to try to frame the language. I think the committee might very well take that suggestion into consideration.

Mr. TRAMMELL. Mr. President, the committee made inquiry of the Navy Department and, as I recall, 16, as stated by the Senator from Georgia, is the number of officers involved. We are preparing a bill, with the cooperation of the Navy Department, to include the entire list.

Mr. ROBINSON. Very well. I am not going to object to the present consideration of the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

Mr. O'MAHONEY. In line 3, of the bill I move to strike out the words "and directed".

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 3, after the word "authorized" it is proposed to strike out the words "and directed;" so as to read:

That the President is authorized to commission Lt. DeForest Loys Trautman, United States Navy, a lieutenant commander.

And so forth.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wyoming.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

VOCATIONAL EDUCATION—BILL PASSED OVER

The bill (S. 2883) to provide for the further development of vocational education in the several States and Territories was announced as next in order.

Mr. GEORGE. Mr. President, this is a bill which I introduced and which has been favorably reported from the Committee on Agriculture and Forestry. There are a great many amendments to the bill. It enlarges the vocational-education program of the Government. It is a most important measure. I think it ought not to be considered under the rule obtaining this morning.

There are some amendments to the bill which do not change but which enlarge and extend the scope of the vocational-education program already provided for by act of Congress. I think there ought to be further time for the consideration of the bill. I ask that the bill go over without prejudice, and make the suggestion that at an early day I shall ask for special consideration of the bill.

The PRESIDENT pro tempore. The bill will be passed over.

NAVAL AIR STATION, PENSACOLA

The bill (S. 3395) to authorize the acquisition of the railroad tracks, trestle, and right-of-way of the Gulf Power Co. at the naval air station, Pensacola, Fla., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to accept on behalf of the United States, free from encumbrance and without cost to the United States, all the right, title, and interest of the Gulf Power Co. of Pensacola, Fla., in its railroad tracks located upon the United States Naval Air Station, Pensacola, Fla.; its railroad trestle, including railroad tracks thereon, across Bayou Grande, beginning at the northern end of said trestle and extending across said Bayou Grande to the said naval air station; and its right-of-way 40 feet wide upon which the northern end of said trestle is located, and extending from said northern end of the trestle to the north shore of said Bayou Grande, together with all sidings, equipment, and appurtenant structures.

EXCHANGE OF LAND—BILL RECOMMITTED

The bill (S. 3521) to authorize an exchange of land between the Waianae Co. and the Navy Department was announced as next in order.

Mr. TRAMMELL. I move that the bill be recommitted to the Committee on Naval Affairs.

The motion was agreed to.

APPOINTMENT OF MIDSHIPMEN FROM HONOR SCHOOLS

The Senate proceeded to consider the bill (H. R. 7486) to authorize the appointment of midshipmen from among honor graduates of honor schools, and from among members of the Naval Reserve Officers' Training Corps, which was read, as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized to appoint not more than 20 midshipmen annually to the Naval Academy from among the honor graduates of educational institutions which are designated as "honor schools" by the War Department and the members of the Naval Reserve Officers' Training Corps: *Provided*, That such appointments shall be made under such rules and regulations as the Secretary of the Navy may prescribe.

Mr. ROBINSON. Mr. President, I notice that the bill was reported by the Senator from Georgia [Mr. RUSSELL]. A reading of the report discloses that there are some 26 of the so-called honor schools in the United States from which these appointments are to be made. May I ask the Senator from Georgia why the appointments are not made in the regular way and whether the appointments are in addition to those now authorized by law?

Mr. RUSSELL. Mr. President, as I understand the measure, the appointments will be in addition to those now authorized by law. However, it does not mean that there will be 20 appointments made annually. The number will vary. The number of honor schools designated by the War Department varies from year to year. Some years there will be only 18 or 20 which will have a standing which will entitle them to rating of an honor school. In other years the number has gone as high as 27 or 28.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. ROBINSON. As I read the bill, the maximum number of midshipmen who may be appointed under its provisions is 20.

Mr. RUSSELL. Twenty each year.

Mr. ROBINSON. And only one may be appointed from each of the schools?

Mr. RUSSELL. The Senator from Arkansas is correct.

The passage of the bill is recommended by the Navy Department. There has been in effect for a number of years an act permitting the appointment from these honor schools of the same number of cadets at West Point. This bill merely gives to each of these honor schools, up to the number of 20 in each year, the right to make one appointment to the Naval Academy, in addition to the one appointment each of them for some years has had the right to make to the Military Academy at West Point.

The bill is recommended by the Navy Department and has already passed the House.

Mr. ROBINSON. In the Senator's opinion, will the enactment of the bill involve any question of an excess number of officers who will be eligible for commissions?

Mr. RUSSELL. I should be influenced by the report of the Navy Department on that question. The Navy Department strongly recommends the passage of the bill.

Mr. ROBINSON. I see that it does.

Mr. RUSSELL. And in view of the increase in our Navy which is necessarily brought about on account of the mania for increasing armaments throughout the world, I should not think the enactment of this bill would in any wise over-

officer the Navy or give the Naval Academy more cadets than were necessary for the annual increment.

Mr. ROBINSON. The Senator, then, does not understand that the passage of the bill would occasion the enactment of additional legislation in connection with the commissioning of the midshipmen upon the completion of their course?

Mr. RUSSELL. In my judgment, it would not.

Mr. O'MAHONEY. Mr. President, may I ask the Senator from Georgia in what manner the 20 midshipmen will be selected?

Mr. RUSSELL. They will be selected just as they are at the present time selected for the Military Academy, by 20 of these honor schools, usually the honor graduates of the institutions.

Mr. O'MAHONEY. But the report says there are 26 schools, and only 20 cadets may be appointed. How will the 20 midshipmen be selected from the 26 schools?

Mr. RUSSELL. If the Senator will notice, the last proviso in the bill is:

That such appointments shall be made under such rules and regulations as the Secretary of the Navy may prescribe.

I assume that the Secretary of the Navy would provide that the 20 ranking schools should have these appointments in years when more than 20 might qualify as honor students.

Mr. O'MAHONEY. Does not the Senator believe it might be advisable to amend the bill to that effect?

Mr. RUSSELL. I should be glad to accept an amendment to that effect if the Senator from Wyoming thinks it is necessary. Personally, I am confident that the Secretary of the Navy would prescribe that the 20 ranking schools should have the appointments. I cannot conceive that he would discriminate in favor of a school ranking sixth and against one ranking as no. 1 on the records of the War Department.

Mr. WALSH. Mr. President, I should like to ask the Senator from Georgia what are honor schools.

Mr. RUSSELL. If I am able to answer that question, the War Department annually inspects all the institutions of the country where R. O. T. C. and Naval Reserve units are maintained, and classifies as honor schools the ones that make the best showing on the examinations. I am not quite clear as to just exactly the rating that is required, whether the school must have a rating of 90 percent, or what the percentage must be; but each year a number of schools where the R. O. T. C. units are unusually proficient are selected by the War Department as honor schools, and for a number of years a student from each of these institutions has secured an appointment to the Military Academy at West Point.

Mr. WALSH. Are the honor schools to which the bill refers schools that maintain R. O. T. C. units?

Mr. RUSSELL. Only those that have R. O. T. C. units are eligible. The designation "honor schools" relates to the military proficiency of the R. O. T. C. units, not to the scholastic standing of the students.

Mr. WALSH. I have in mind such semimilitary schools as the one at Norwich University, which at the present time has the right to designate a cadet for entrance to West Point. That is not necessarily an R. O. T. C. school. It is a university which receives funds by reason of the fact that it maintains a military unit.

Mr. RUSSELL. I may say to the Senator from Massachusetts that that is an R. O. T. C. school. Any school which comes in under the Morrill Land Grant Act, or which receives its uniforms and equipment from the War Department, is an R. O. T. C. school. They are designated in two classes in the War Department, as junior and senior units; but if that school qualifies as an honor school and has an appointment to the Military Academy, the same institution will also, by virtue of this bill if it shall be enacted into law, have an appointment to the Naval Academy.

Mr. WALSH. Do I understand correctly that the principal or president or other officer in charge of each of these honor schools would have the right to designate a midshipman to the Naval Academy?

Mr. RUSSELL. I am not sure as to the method of selection. It happens that I attended a school of this kind, and at that time the faculty of the institution selected an honor student; and I am of opinion that the appointee has to rank among the first three in the honor schools. They are permitted to select one of the first three for the appointment, according to my recollection.

Mr. WALSH. The only doubt I have is as to whether the designated midshipmen should not have to take the same examination that all applicants for admission to the Naval Academy are required to take.

Mr. RUSSELL. Oh, they would be required to take the usual entrance examination at the Naval Academy. This bill in nowise relieves them of the necessity of doing that.

Mr. WALSH. Very well. That eliminates any objection I might have to the bill.

The PRESIDENT pro tempore. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

LAND IN WAMSUTTER, WYO.

The bill (S. 3761) authorizing the Secretary of the Interior to patent certain land to the town of Wamsutter, Wyo., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That upon payment therefor at the rate of $1.25 per acre, the Secretary of the Interior be, and he is hereby, directed to cause patent to issue to the town of Wamsutter, Wyo., for the northeast quarter northwest quarter section 34, township 20 north, range 94 west, of the sixth principal meridian, Wyoming, under the provisions of sections 2387 to 2389 of the Revised Statutes having reference to town sites: *Provided*, That the coal deposits contained in the land are reserved to the United States, together with the right to prospect for, mine, and remove the same.

LAND IN CHARLOTTE, MICH.

The bill (H. R. 7875) to provide for the transfer of certain land in the city of Charlotte, Mich., to such city was considered, ordered to a third reading, read the third time, and passed.

RICHMOND NATIONAL BATTLEFIELD PARK, VA.

The bill (H. R. 1415) to provide for the establishment of the Richmond National Battlefield Park, in the State of Virginia, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

LANDS IN ARIZONA

The bill (H. R. 8172) to authorize the transfer by the United States to the county of Mohave, Ariz., of all public lands in sections 20, 28, and 30, township 20 north, range 15 west, Gila and Salt River meridian, for public park, recreational, and other municipal purposes, was considered, ordered to a third reading, read the third time, and passed.

GEORGE P. MONEY

The bill (H. R. 4925) to authorize and direct the Comptroller General to settle and allow the claim of George P. Money for fees for services rendered was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3450) to regulate the sale of goods in the District of Columbia was announced as next in order.

Mr. McNARY and Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

FRANK B. NILES

The Senate proceeded to consider the bill (S. 2188) for the relief of the estate of Frank B. Niles, which was read, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed, in the settlement of the account of Frank B. Niles, former collector of internal revenue for the tenth district of Ohio, to allow the sum of $2,811.53 now standing as a disallowance in the accounts of said Frank B. Niles, representing sums erroneously paid out by him in good faith to deputy collectors for meals and lodging at designated posts of duty from June 1, 1918, to March 31, 1919, as set forth in fiscal officers' certificate no. 17576.

Mr. McKELLAR. Mr. President, may we have a statement regarding this bill?

Mr. BULKLEY. Mr. President, this bill is to authorize a credit in the accounts of Frank B. Niles from a disallowance made by the Comptroller General on account of an error on the part of the late collector of internal revenue in understanding instructions with respect to the distribution of his deputies. He paid these amounts for travel and subsistence of deputies on the theory that they were away from home. The Comptroller held that they were not away from home on account of the instructions which had been given for a redistribution of the deputies. The Secretary of the Treasury has ruled that it was an excusable mistake, and recommends the passage of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DAVID N. AIKEN

The bill (H. R. 6254) for the relief of David N. Aiken was considered, ordered to a third reading, read the third time, and passed.

TRAFFIC IN NARCOTIC DRUGS IN THE DISTRICT

The bill (S. 3514) to regulate the manufacturing, dispensing, selling, and possession of narcotic drugs in the District of Columbia was announced as next in order.

Mr. McKELLAR. Mr. President, the author of this bill, the Senator from Utah [Mr. KING], seems not to be here. It is an important bill, and I ask that it go over.

Mr. COPELAND. Mr. President, if the Senator from Tennessee will withhold his request for a moment, when the Senator from Utah left the Chamber he asked me to protect certain bills for the District of Columbia, so I feel free to do so.

This is a long bill. Its purpose is simply to implement the officials here in the District as similar officials in the various States are now given the power to deal with narcotics. Of course, under the Harrison law there is that power; but that was a revenue bill, and there are situations where other laws are needed.

Similar bills have been enacted in practically this form by 29 States. The bill is recommended by the American Bar Association and by the various medical associations. It is endorsed by all the boards in this city which could have any possible interest in it. So I hope the bill may be passed, because I am very confident that it embodies legislation which is needed for the protection of society.

The PRESIDENT pro tempore. Is the objection withdrawn?

Mr. McKELLAR. Mr. President, this seems to be a most worthy bill. It is true that it is quite a long one, and it seems to me its purposes ought to be set forth more fully; but, in view of what the Senator from New York says, I shall withdraw the objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with amendments.

The amendments were, on page 11, line 5, after "(2)", to strike out "nor" and insert "not"; on page 14, line 21, after the word "section", to strike out "8" and insert "10"; on page 17, line 10, after the word "section", to strike out "5" and insert "6"; and on page 25, line 14, after the word "section", to strike out "8" and insert "10", so as to make the bill read:

Be it enacted, etc., The following words and phrases, as used in this act, shall have the following meanings, unless the context otherwise requires:

(a) "Person" includes any corporation, association, copartnership, or one or more individuals.

(b) "Physician" means a person authorized by law to practice medicine or osteopathy in the District of Columbia.

(c) "Dentist" means a person authorized by law to practice dentistry in the District of Columbia.

(d) "Veterinarian" means a person authorized by law to practice veterinary medicine in the District of Columbia.

(e) "Manufacturer" means a person who by compounding, mixing, cultivating, growing, or other process produces or prepares narcotic drugs, but does not include an apothecary who compounds narcotic drugs to be sold or dispensed on prescription.

(f) "Wholesaler" means a person who supplies narcotic drugs that he himself has not produced nor prepared, on official written orders but not on prescription.

(g) "Apothecary" means a licensed pharmacist as defined by the laws of the District of Columbia, and, where the context so requires, the owner of a store or other place of business where narcotic drugs are compounded or dispensed by a licensed pharmacist; but nothing in this act shall be construed as conferring on a person who is not registered nor licensed as a pharmacist any authority, right, or privilege that is not granted to him by the pharmacy laws of the District of Columbia.

(h) "Hospital" means an institution for the care and treatment of the sick and injured, approved by the health officer of the District of Columbia as proper to be entrusted with the custody of narcotic drugs and the professional use of narcotic drugs under the direction of a physician, dentist, or veterinarian. The word "hospital" shall include dental and medical clinics: *Provided*, That said dental and medical clinics are approved by the health officer of the District of Columbia.

(i) "Laboratory" means a laboratory approved by the health officer of the District of Columbia as proper to be entrusted with the custody of narcotic drugs and the use of narcotic drugs for scientific and medical purposes and for purposes of instruction.

(j) "Sale" includes barter, exchange, or gift, or offer therefor, and each such transaction made by any person, whether as principal, proprietor, agent, servant, or employee.

(k) "Coca leaves" includes cocaine and any compound, manufacture, salt, derivative, mixture, or preparation of coca leaves, except derivatives of coca leaves which do not contain cocaine, ecgonine, or substances from which cocaine or ecgonine may be synthesized or made.

(l) "Opium" includes morphine, codeine, and heroin, and any compound, manufacture, salt, derivative, mixture, or preparation of opium.

(m) "Canabis" includes the following substances, under whatever names they may be designated: (a) The dried flowering or fruiting tops of the pistillate plant Cannabis sativa L., from which the resin has not been extracted, (b) the resin extracted from such tops, and (c) every compound, manufacture, salt, derivative, mixture, or preparation of such resin, or of such tops from which the resin has not been extracted.

(n) "Narcotic drugs" means coca leaves, opium, cannabis, and every substance not chemically distinguishable from them.

(o) "Federal narcotic laws" means the laws of the United States relating to opium, coca leaves, and other narcotic drugs.

(p) "Official written order" means an order written on a form provided for that purpose by the United States Commissioner of Narcotics, under any laws of the United States making provision therefor, if such order forms are authorized and required by Federal law, and if no such order form is provided, then on an official form provided for that purpose by the health officer of the District of Columbia.

(q) "Dispense" includes distribute, leave with, give away, dispose of, or deliver.

(r) "Registry number" means the number assigned to each person registered under the Federal narcotic laws.

ACTS PROHIBITED

SEC. 2. It shall be unlawful for any person to manufacture, possess, have under his control, sell, prescribe, administer, dispense, or compound any narcotic drug, except as authorized in this act.

MANUFACTURERS AND WHOLESALERS

SEC. 3. No person shall manufacture, compound, mix, cultivate, grow, or by any other process produce or prepare narcotic drugs, and no person as a wholesaler shall supply the same, without having first obtained a license so to do from the health officer of the District of Columbia.

QUALIFICATION FOR LICENSES

SEC. 4. No license shall be issued under the foregoing section unless and until the applicant therefor has furnished proof satisfactory to the health officer of the District of Columbia of the following:

(a) That the applicant is of good moral character, or, if the applicant be an association or corporation, that the managing officers are of good moral character.

(b) That the applicant is equipped as to land, buildings, and paraphernalia properly to carry on the business described in his application.

No license shall be granted to any person who has been convicted of a willful violation of any law of the United States, or of any State, relating to opium, coca leaves, cannabis, or other narcotic drugs, or to any person who is a narcotic drug addict.

The health officer of the District of Columbia may suspend or revoke any license issued by said health officer under the provisions of this act for cause.

USE OF OFFICIAL WRITTEN ORDERS

SEC. 5. An official written order for any narcotic drug shall be signed in duplicate by the person giving said order or by his duly authorized agent. The original shall be presented to the person who sells or dispenses the narcotic drug or drugs named therein. In event of the acceptance of such order by said person, each party to the transaction shall preserve his copy of such order for a period of 2 years in such a way as to be readily accessible for inspection by any public officer or employee engaged in the enforcement of this act. It shall be deemed a compliance with this subsection if the parties to the transaction have complied

with the Federal narcotic laws respecting the requirements governing the use of order forms.

SALE ON WRITTEN ORDERS

SEC. 6. (a) A duly licensed manufacturer or wholesaler may sell and dispense narcotic drugs to any of the following persons, but only on official written orders:

(1) To a manufacturer, wholesaler, or apothecary.

(2) To a physician, dentist, or veterinarian.

(3) To a person in charge of a hospital, but only for use by or in that hospital.

(4) To a person in charge of a laboratory, but only for use in that laboratory for scientific and medical purposes.

(b) A duly licensed manufacturer or wholesaler may also sell narcotic drugs to any of the following persons:

(1) On a special written order accompanied by a certificate of exemption, as required by the Federal narcotic laws, to a person in the employ of the United States Government, or of the District of Columbia, or of any State, territorial, district, county, municipal, or insular government, purchasing, receiving, possessing, or dispensing narcotic drugs by reason of his official duties.

(2) To a master of a ship or a person in charge of any aircraft upon which no physician is regularly employed, or to a physician or surgeon duly licensed in some State, Territory, or the District of Columbia to practice his profession, or to a retired commissioned medical officer of the United States Army, Navy, or Public Health Service employed upon such ship or aircraft, for the actual medical needs of persons on board such ship or aircraft, when not in port: *Provided*, That such narcotic drugs shall be sold to the master of such ship or person in charge of such aircraft, or to the physician, surgeon, or retired commissioned medical officer of the United States Army, Navy, or Public Health Service employed upon such ship or aircraft only in pursuance of a special order form approved by a commissioned medical officer or acting assistant surgeon of the United States Public Health Service.

(3) To a person in a foreign country if the provisions of the Federal narcotic laws are complied with.

POSSESSION LAWFUL

(c) Possession of or control of narcotic drugs obtained as authorized by this section shall be lawful if obtained and used in the regular course of business, occupation, profession, employment, or duty of the possessor.

SEC. 7. A person in charge of a hospital or of a laboratory, or in the employ of the District of Columbia or of any State, or of any political subdivision thereof, or a master of a ship or a person in charge of any aircraft upon which no physician is regularly employed, or a physician or surgeon duly licensed in some State, Territory, or the District of Columbia, to practice his profession, or a retired commissioned medical officer of the United States Army, Navy, or Public Health Service employed upon such ship or aircraft who obtains narcotic drugs under the provisions of section 6 of this act, or otherwise, shall not administer, nor dispense, nor otherwise use such drug, within the District of Columbia, except within the scope of his employment or official duty, and then only for scientific or medical purposes and subject to the provisions of this act.

SALES BY APOTHECARIES

SEC. 8. (a) An apothecary, in good faith, may sell and dispense narcotic drugs to any person upon a written prescription of a physician, dentist, or veterinarian, dated and signed, on the day when issued, by the physician, dentist, or veterinarian prescribing said narcotic drugs. The prescription when issued shall also state the full name and address of the patient for whom, or of the owner of the animal for which, the drug is dispensed, and the full name, address, and registry number under the Federal narcotic laws of the person prescribing, if he is required by those laws to be so registered. If the prescription be for an animal, it shall state the species of animal for which the drug is prescribed. The person filling the prescription shall write the date of filling and his own signature on the face of the prescription. The prescription shall be retained on file by the proprietor of the pharmacy in which it is filled for a period of 2 years, so as to be readily accessible for inspection by any public officer or employee engaged in the enforcement of this act. The prescription shall not be refilled.

(b) The legal owner of any stock of narcotic drugs in a pharmacy, upon discontinuance of dealing in said drugs, may sell said stock to a manufacturer, wholesaler, or apothecary, but only on an official written order.

(c) An apothecary, only upon an official written order, may sell to a physician, dentist, or veterinarian, in quantities not exceeding 1 ounce at any one time, aqueous or oleaginous solutions of which the content of narcotic drugs does not exceed a proportion greater than 20 percent of the complete solution, to be used for medical purposes.

PROFESSIONAL USE OF NARCOTIC DRUGS

PHYSICIANS AND DENTISTS

SEC. 9. (a) A physician or a dentist, in good faith and in the course of his professional practice only, may prescribe, administer, and dispense narcotic drugs, or he may cause the same to be administered by a nurse or interne under his direction and supervision.

VETERINARIANS

(b) A veterinarian, in good faith and in the course of his professional practice only, and not for use by a human being, may prescribe, administer, and dispense narcotic drugs, and he may cause them to be administered by an assistant or orderly under his direction and supervision.

RETURN OF UNUSED DRUGS

(c) Any person who has obtained from a physician, dentist, or veterinarian any narcotic drugs for administration to a patient during the absence of such physician, dentist, or veterinarian, shall return to such physician, dentist, or veterinarian any unused portion of such drug, when it is no longer required by the patient.

PREPARATIONS EXEMPTED

SEC. 10. Except as otherwise in this act specifically provided, this act shall not apply to the following cases:

(a) Prescribing, administering, dispensing, or selling at retail of any medicinal preparation that contains in 1 fluid ounce, or, if a solid or semisolid preparation, in 1 avoirdupois ounce, (1) not more than 2 grains of opium, (2) not more than one-quarter of a grain of morphine or of any of its salts, (3) not more than 1 grain of codeine or of any of its salts, (4) not more than one-eighth of a grain of heroin or of any of its salts, (5) not more than one-half of a grain of extract of cannabis, nor more than one-half of a grain of any more potent derivative or preparation of cannabis.

(b) Prescribing, administering, dispensing, or selling at retail of liniments, ointments, and other preparations that are susceptible of external use only and that contain narcotic drugs in such combinations as prevent their being readily extracted from such liniments, ointments, or preparations, except that this act shall apply to all liniments, ointments, and other preparations that contain coca leaves in any quantity or combination.

The exemptions authorized by this section shall be subject to the following conditions:

(1) No person shall dispense, or sell under the exemptions of this section, to any one person, or for the use of any one person or animal, any preparation or preparations included within this section when he knows, or can by reasonable diligence ascertain, that such dispensing or selling will provide the person to whom or for whose use, or the owner of the animal for the use of which, such preparation is prescribed, administered, dispensed, or sold, within any 2 consecutive days, with more than 2 grains of opium, or more than 1 grain of morphine or of any of its salts, or more than 4 grains of codeine or of any of its salts, or more than one-quarter of a grain of heroin or of any of its salts, or more than 1 grain of extract of cannabis or 1 grain of any more potent derivative or preparation of cannabis.

(2) The medicinal preparation, or the liniment, ointment, or other preparation susceptible of external use only, prescribed, administered, dispensed, or sold, shall contain, in addition to the narcotic drug in it, some drug or drugs conferring upon it medicinal qualities other than those possessed by the narcotic drug alone. Such preparation shall be prescribed, administered, dispensed, and sold in good faith as a medicine, and not for the purpose of evading the provisions of this act.

Nothing in this section shall be construed to limit the kind and quantity of any narcotic drug that may be prescribed, administered, dispensed, or sold to any person, or for the use of any person or animal, when it is prescribed, administered, dispensed, or sold in compliance with the general provisions of this act.

RECORD TO BE KEPT

PHYSICIANS, DENTISTS, VETERINARIANS, AND OTHER AUTHORIZED PERSONS

SEC. 11. (a) Every physician, dentist, veterinarian, or other person who is authorized to administer or professionally use narcotic drugs shall keep a record of such drugs received by him, and a record of all such drugs administered, dispensed, or professionally used by him otherwise than by prescription. It shall, however, be deemed a sufficient compliance with this subsection if any such person using small quantities of solutions or other preparations of such drugs for local application shall keep a record of the quantity, character, and potency of such solutions or other preparations purchased or made up by him, and of the dates when purchased, or made up, without keeping a record of the amount of such solution or other preparation applied by him to individual patients: *Provided*, That no record need be kept of narcotic drugs administered, dispensed, or professionally used in the treatment of any one patient when the amount administered, dispensed, or professionally used for that purpose does not exceed in any 48 consecutive hours (1) 4 grains of opium, or (2) one-half of a grain of morphine or of any of its salts, or (3) 2 grains of codeine or of any of its salts, or (4) one-fourth of a grain of heroin or any of its salts, or (5) 1 grain of extract of cannabis, or 1 grain of any more potent derivative or preparation of cannabis, or (6) a quantity of any other narcotic drug or any combination of narcotic drugs that does not exceed in pharmacologic potency any one of the drugs named above in the quantity stated.

MANUFACTURERS AND WHOLESALERS

(b) Manufacturers and wholesalers shall keep records of all narcotic drugs compounded, mixed, cultivated, grown, or by any other process produced or prepared and of all narcotic drugs received and disposed of by them, in accordance with the provisions of subsection (e) of this section.

APOTHECARIES

(c) Apothecaries shall keep records of all narcotic drugs received and disposed of by them, in accordance with the provisions of subsection (e) of this section.

VENDORS OF EXEMPTED PREPARATIONS

(d) Every person who purchases for resale, or who sells narcotic drug preparations exempted by section 10 of this act, shall keep a record showing the quantities and kinds thereof received and

sold, or disposed of otherwise, in accordance with the provisions of subsection (e) of this section.

FORM AND PRESERVATION OF RECORDS

(e) The form of records shall be prescribed by the health officer of the District of Columbia. The record of narcotic drugs received shall in every case show the date of receipt, the name and address of the person from whom received, and the kind and quantity of drugs received; the kind and quantity of narcotic drugs produced or removed from process of manufacture, and the date of such production or removal from process of manufacture; and the record shall in every case show the proportion of morphine, cocaine, or ecgonine contained in or producible from crude opium or coca leaves received or produced, and the proportion of resin contained in or producible from the dried flowering or fruiting tops of pistillate plant Cannabis sativa L., from which the resin has not been extracted, received, or produced. The record of all narcotic drugs sold, administered, dispensed, or otherwise disposed of, shall show the date of selling, administering, or dispensing, the name and address of the person to whom, or for whose use, or the owner and species of animal for which the drugs were sold, administered, or dispensed, and the kind and quantity of drugs. Every such record shall be kept for a period of 2 years from the date of the transaction recorded. The keeping of a record required by or under the Federal narcotic laws, containing substantially the same information as is specified above, shall constitute compliance with this section, except that every such record shall contain a detailed list of narcotic drugs lost, destroyed, or stolen, if any, the kind and quantity of such drugs, and the date of the discovery of such loss, destruction, or theft.

LABELS

SEC. 12. (a) Whenever a manufacturer sells or dispenses a narcotic drug, and whenever a wholesaler sells or dispenses a narcotic drug in a package prepared by him, he shall securely affix to each package in which that drug is contained a label showing in legible English the name and address of the vendor and the quantity, kind, and form of narcotic drug contained therein. No person, except an apothecary for the purpose of filling a prescription under this act, shall alter, deface, or remove any label so affixed.

(b) Whenever an apothecary sells or dispenses any narcotic drug on a prescription issued by a physician, dentist, or veterinarian he shall affix to the container in which such drug is sold or dispensed a label showing his own name, address, and registry number, or the name, address, and registry number of the apothecary for whom he is lawfully acting; the name and address of the patient, or if the patient is an animal, the name and address of the owner of the animal, and the species of the animal; the name, address, and registry number of the physician, dentist, or veterinarian, by whom the prescription was written; and such directions as may be stated on the prescription. No person shall alter, deface, or remove any label so affixed as long as any of the original contents remain.

AUTHORIZED POSSESSION OF NARCOTIC DRUGS BY INDIVIDUALS

SEC. 13. A person to whom or for whose use any narcotic drug has been prescribed, sold, or dispensed, by a physician, dentist, apothecary, or other person authorized under the provisions of section 6 of this act, and the owner of any animal for which any such drug has been prescribed, sold, or dispensed, by a veterinarian, may lawfully possess it only in the container in which it was delivered to him by the person selling or dispensing the same.

SEARCH WARRANTS

SEC. 14. (a) A search warrant may be issued by any judge of the police court of the District of Columbia or by a United States commissioner for the District of Columbia when any narcotic drugs are manufactured, possessed, controlled, sold, prescribed, administered, dispensed, or compounded, in violation of the provisions of this act, and any such narcotic drugs and any other property designed for use in connection with such unlawful manufacturing, possessing, controlling, selling, prescribing, administering, dispensing, or compounding, may be seized thereunder, and shall be subject to such disposition as the court may make thereof and such narcotic drugs may be taken on the warrant from any house or other place in which they are concealed.

(b) A search warrant cannot be issued but upon probable cause supported by affidavit particularly describing the property and the place to be searched.

(c) The judge or commissioner must, before issuing the warrant, examine on oath the complainant and any witnesses he may produce, and require their affidavits or take their depositions in writing and cause them to be subscribed by the parties making them.

(d) The affidavits or depositions must set forth the facts tending to establish the grounds of the application or probable cause for believing that they exist.

(e) If the judge or commissioner is thereupon satisfied of the existence of the grounds of the application or that there is probable cause to believe their existence, he must issue a search warrant, signed by him, to the major and superintendent of police of the District of Columbia or any member of the Metropolitan Police Department, stating the particular grounds or probable cause for its issue and the names of the persons whose affidavits have been taken in support thereof, and commanding him forthwith to search the place named for the property specified and to bring it before the judge or commissioner.

(f) A search warrant may in all cases be served by any of the officers mentioned in its direction, but by no other person, except in aid of the officer on his requiring it, he being present and acting in its execution.

(g) The officer may break open any outer or inner door or window of a house, or any part of a house, or anything therein, to execute the warrant, if, after notice of his authority and purpose, he is refused admittance.

(h) The judge or commissioner must insert a direction in the warrant that it be served in the daytime unless the affidavit is positive that the property is in the place to be searched, in which case he must insert a direction that it be served at any time in the day or night.

(i) A search warrant must be executed and returned to the judge or commissioner who issued it within 10 days after its date; after the expiration of this time the warrant, unless executed, is void.

(j) When the officer takes property under the warrant, he must give a copy of the warrant together with a receipt for the property taken (specifying it in detail) to the person from whom it was taken by him, or in whose possession it was found; or in the absence of any person, he must leave it in the place where he found the property.

(k) The officer must forthwith return the warrant to the judge or commissioner and deliver to him a written inventory of the property taken, made publicly or in the presence of the person from whose possession it was taken, and of the applicant for the warrant, if they are present, verified by the affidavit of the officer at the foot of the inventory and taken before the judge or commissioner at the time, to the following effect: "I, ------, the officer by whom this warrant was executed, do swear that the above inventory contains a true and detailed account of all the property taken by me on the warrant."

(l) The judge or commissioner must thereupon, if required, deliver a copy of the inventory to the person from whose possession the property was taken and to the applicant for the warrant.

(m) The judge or commissioner must annex the affidavits, search warrant, return, inventory, and evidence, and at once file the same, together with a copy of the record of his proceedings, with the clerk of the police court.

(n) Whoever shall knowingly and willfully obstruct, resist, or oppose any such officer or person in serving or attempting to serve or execute any such search warrant, or shall assault, beat, or wound any such officer or person, knowing him to be an officer or person so authorized, shall be fined not more than $1,000 or imprisoned not more than 2 years.

PERSONS AND CORPORATIONS EXEMPTED

SEC. 15. The provisions of this act restricting the possession and having control of narcotic drugs shall not apply to common carriers or to warehousemen, while engaged in lawfully transporting or storing such drugs, or to any employee of the same acting within the scope of his employment; or to public officers or their employees in the performance of their official duties requiring possession or control of narcotic drugs; or to temporary incidental possession by employees or agents of persons lawfully entitled to possession, or by persons whose possession is for the purpose of aiding public officers in performing their official duties.

COMMON NUISANCES

SEC. 16. Any store, shop, warehouse, dwelling house, building, vehicle, boat, aircraft, or any place whatever, which is resorted to by narcotic-drug addicts for the purpose of using narcotic drugs or which is used for the illegal keeping or selling of the same, shall be deemed a common nuisance. No person shall keep or maintain such a common nuisance.

NARCOTIC DRUGS TO BE DELIVERED TO STATE OFFICIAL, AND SO FORTH

SEC. 17. All narcotic drugs, the lawful possession of which is not established or the title to which cannot be ascertained, which have come into the custody of a peace officer, shall be forfeited and disposed of as follows:

(a) Except as in this section otherwise provided, the court or magistrate having jurisdiction shall order such narcotic drugs forfeited and destroyed. A record of the place where said drugs were seized, of the kinds and quantities of drugs so destroyed, and of the time, place, and manner of destruction shall be kept, and a return under oath, reporting said destruction, shall be made to the court or magistrate and to the United States Commissioner of Narcotics, by the officer who destroys them.

(b) Upon written application by the health officer of the District of Columbia, the court or magistrate by whom the forfeiture of narcotic drugs has been decreed may order the delivery of any of them, except heroin and its salts and derivatives, to said health officer of the District of Columbia for distribution or destruction, as hereinafter provided.

(c) Upon application by any hospital within the District of Columbia not operated for private gain, the health officer of the District of Columbia may in his discretion deliver any narcotic drugs that have come into his custody by authority of this section to the applicant for medicinal use. The health officer may from time to time deliver excess stocks of such narcotic drugs to the United States Commissioner of Narcotics, or may destroy the same.

(d) The health officer of the District of Columbia shall keep a full and complete record of all drugs received and of all drugs disposed of, showing the exact kinds, quantities, and forms of such drugs; the persons from whom received and to whom delivered; by whose authority received, delivered, and destroyed; and

the dates of the receipt, disposal, or destruction, which record shall be open to inspection by all Federal or District of Columbia officers charged with the enforcement of Federal and District narcotic laws.

NOTICE OF CONVICTION TO BE SENT TO LICENSING BOARD

SEC. 18. On the conviction of any person of the violation of any provision of this act, a copy of the judgment and sentence, and of the opinion of the court or magistrate, if any opinion be filed, shall be sent by the clerk of the court, or by the magistrate, to the board of officer, if any, by whom the convicted defendant has been licensed or registered to practice his profession or to carry on his business, and the said board or officer may in its or his discretion suspend or revoke the license of the convicted defendant to practice his profession or to carry on his business. On the application of any person whose license or registration has been suspended or revoked, and upon proper showing for good cause, said board or officer may reinstate such license or registration.

RECORDS CONFIDENTIAL

SEC. 19. Prescriptions, orders, and records, required by this act, and stocks of narcotic drugs, shall be open for inspection only to Federal and District of Columbia officers whose duty it is to enforce the laws of the District of Columbia, or of the United States relating to narcotic drugs. No officer having knowledge by virtue of his office of any such prescription, order, or record shall divulge such knowledge, except in connection with a prosecution or proceeding in court or before a licensing or registration board or officer, to which prosecution or proceeding the person to whom such prescriptions, orders, or records relate is a party.

FRAUD OR DECEIT

SEC. 20. (a) No person shall obtain or attempt to obtain a narcotic drug, or procure or attempt to procure the administration of a narcotic drug, (1) by fraud, deceit, misrepresentation, or subterfuge; or (2) by the forgery or alteration of a prescription or of any written order; or (3) by the concealment of a material fact; or (4) by the use of a false name or the giving of a false address.

(b) Information communicated to a physician in an effort unlawfully to procure a narcotic drug, or unlawfully to procure the administration of any such drug, shall not be deemed a privileged communication.

(c) No person shall willfully make a false statement in any prescription, order, report, or record, required by this act.

(d) No person shall, for the purpose of obtaining a narcotic drug, falsely assume the title of, or represent himself to be, a manufacturer, wholesaler, apothecary, physician, dentist, veterinarian, or other authorized person.

(e) No person shall make or utter any false or forged prescription or false or forged written order.

(f) No person shall affix any false or forged label to a package or receptacle containing narcotic drugs.

(g) The provisions of this section shall apply to all transactions relating to narcotic drugs under the provisions of section 10 of this act, in the same way as they apply to transactions under all other sections.

EXCEPTIONS AND EXEMPTIONS NOT REQUIRED TO BE NEGATIVED

SEC. 21. In any complaint, information, or indictment, and in any action or proceeding brought for the enforcement of any provision of this act, it shall not be necessary to negative any exception, excuse, proviso, or exemption, contained in this act, and the burden of proof of any such exception, excuse, proviso, or exemption, shall be upon the defendant.

ENFORCEMENT AND COOPERATION

SEC. 22. It is hereby made the duty of the major and superintendent of police of the District of Columbia to enforce all provisions of this act, except those specifically delegated, and to cooperate with all agencies charged with the enforcement of the laws of the United States relating to narcotic drugs.

PENALTIES

SEC. 23. Any person violating any provision of this act shall upon conviction be punished, for the first offense, by a fine not exceeding $1,000, or by imprisonment for not exceeding 1 year, or by both such fine and imprisonment, and for any subsequent offense by a fine not exceeding $5,000, or by imprisonment for not exceeding 10 years, or by both such fine and imprisonment.

EFFECT OF ACQUITTAL OR CONVICTION UNDER FEDERAL NARCOTIC LAWS

SEC. 24. No person shall be prosecuted for a violation of any provision of this act if such person has been acquitted or convicted under any United States statute governing the sale or distribution of narcotic drugs, of the same act or omission which, it is alleged, constitutes a violation of this act.

CONSTITUTIONALITY

SEC. 25. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

INCONSISTENT LAWS REPEALED

SEC. 26. All acts or parts of acts which are inconsistent with the provisions of this act are hereby repealed.

NAME OF ACT

SEC. 27. This act may be cited as the Uniform Narcotic Drug Act.

TIME OF TAKING EFFECT

SEC. 28. This act shall take effect July 1, 1936.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL BOY SCOUT JAMBOREE

The Senate proceeded to consider the bill (S. 3586) to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their National Jamboree to be held during the summer of 1937, which was read as follows:

Be it enacted, etc., That the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury are hereby authorized, at their discretion, under such rules and regulations as they may respectively prescribe, to lend to the Boy Scouts of America, a corporation chartered by act of Congress approved June 15, 1916, for use at the National Jamboree of the Boy Scouts to be held at Washington, D. C., during the summer of 1937, such tents, cots, blankets, and other articles of camp equipage as may be desired by said Boy Scouts of America and available for its approximately 35,000 Scouts and officials: *Provided*, That the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, or the Secretary of the Treasury, before delivering such property, shall take from the Boy Scouts of America such bond and in such amount as will, in the discretion of the Secretary of the department involved, insure the safe return of such property in good order and condition, and the whole without expense to the United States.

SEC. 2. The Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury are hereby authorized to grant permits through the proper service or bureau for use by the said Boy Scouts of portions of parks, reservations, or other public spaces under their control in the District of Columbia and environs as in their opinion may be temporarily spared for that purpose: *Provided*, That such use will inflict no serious or permanent injury upon any of the parks, reservations, or other public spaces: *And provided further*, That the parks, reservations, or other public spaces which shall be so used or occupied shall be promptly restored to their original condition by the Boy Scouts, and the said Boy Scouts shall indemnify the United States for all damages of any kind whatsoever sustained by reason of any such use or occupancy. The privileges and usages granted shall include the temporary erection of tents for entertainment, hospitals, commissaries, and other subsistence quarters, and other purposes; and the said Boy Scouts are hereby authorized to charge reasonable fees for the use of the same, and to sell articles at said commissaries, which sales shall be solely for the convenience of the participants in the jamboree. The net profits derived from such sales or fees shall be used exclusively to aid in meeting expenses incident to the said jamboree. The sale of foodstuffs in or about such tents or elsewhere upon the public spaces used by the Boy Scouts as authorized by this act shall be under the supervision of the health officer of the District of Columbia and in accordance with regulations to be prescribed by him. The use and erection of tents shall at all times be subject to the supervision of the fire marshal of the District of Columbia and shall be subject to such regulations as he may prescribe.

The erection and use of tents for any purpose involving health or sanitation shall be subject to the supervision of the health officer of the District of Columbia and to such regulations as he may prescribe.

Mr. COPELAND. Mr. President, this bill is a repetition of a bill we passed last year to take care of the Boy Scout gathering. It will be recalled that an epidemic of infantile paralysis interfered with their coming here. We are proposing to give them this year the same facilities we provided for them last year.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CARL A. BUTLER

The bill (H. R. 1470) for the relief of Carl A. Butler was considered, ordered to a third reading, read the third time, and passed.

CHARLES A. GETTYS

The bill (H. R. 2165) for the relief of Charles A. Gettys, was considered, ordered to a third reading, read the third time, and passed.

CHARLES D. JERONIMUS

The bill (H. R. 4084) for the relief of Charles D. Jeronimus was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity, was announced as next in order.

Mr. AUSTIN. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

JOSEPH MAIER

The bill (H. R. 605) for the relief of Joseph Maier was announced as next in order.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McNARY. What is the status of Calendar No. 1611, House bill 10104?

Mr. McKELLAR. Mr. President, I may say to the Senator that that took the place of another bill that was indefinitely postponed and is now on the calendar in place of it. That is my understanding.

The PRESIDENT pro tempore. Is there objection to the present consideration of House bill 605?

Mr. McKELLAR. There should be an explanation of this measure.

Mr. BULKLEY. Mr. President, the claimant in this case was injured in 1918 in Columbus, Ohio, by a live wire belonging to the Postal Telegraph Co. while that company was under the control of the Post Office Department. The claimant sued the telegraph company and obtained a judgment for a thousand dollars, but this is really an obligation of the United States Government. The Post Office Department is somewhat deficient in its information. The findings of the court show that it has no reason to resist this claim.

Mr. McKELLAR. It is really a claim of the Postal Telegraph Co. against the Government, then?

Mr. BULKLEY. No; it is not, because at the time of the accident the Post Office Department was operating the Postal Telegraph Co.

Mr. McKELLAR. Was it during the war?

Mr. BULKLEY. It was during the war.

Mr. McKELLAR. I see no recommendation of the Post Office Department. Will not the Senator let it go over for a week until I can look into it?

The PRESIDENT pro tempore. On objection, the bill will be passed over.

W. A. HARRIMAN

The bill (H. R. 2110) for the relief of W. A. Harriman was considered, ordered to a third reading, read the third time, and passed.

ANTHONY NOWAKOWSKI

The bill (H. R. 4210) for the relief of Anthony Nowakowski was considered, ordered to a third reading, read the third time, and passed.

Mr. FLETCHER. Mr. President, I inquire what became of Calendar No. 1611, being House bill 10104.

The PRESIDENT pro tempore. It was substituted for a previous calendar bill, and went over.

HELENA C. VONGRONING AND STEPHAN VONGRONING

The Senate proceeded to consider the bill (H. R. 3557) for the relief of Helena C. VonGroning and Stephan VonGroning, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $11,312.50 in full settlement against the Government, to Helena C. and Stephan VonGroning for and on account of the wrongful transfer of the 50 shares of preferred stock of the American Smelting & Refining Co. seized by the Alien Property Custodian, to Mrs. Henschen, of Hamburg, Germany, instead of to Helena C. and Stephan VonGroning, and for and on account of the failure to return and deliver the same to the said Helena C. VonGroning and Stephan VonGroning, together with the dividends thereon as required by law: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McKELLAR. Mr. President, I should like to have the Senator from Kentucky explain this bill.

Mr. LOGAN. Mr. President, the necessity for this bill for the relief of these two people arose by reason of a mistake made by the Alien Property Custodian during or soon after the war. Certain securities belonging to German subjects were turned over to the Alien Property Custodian. They were thereafter sold and the money was turned over to him.

Three people were interested in this group of securities, and they filed claims for the money after peace had been brought about and negotiations between the countries had been resumed. Through an error, the Alien Property Custodian paid all of the money to one of the claimants who resided in Germany. He admits his mistake, and he has exhausted every effort to collect from this particular person but has never succeeded, so the claim appears to be entirely just.

The PRESIDENT pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

LOOK HOON AND LAN HOON LEONG

The bill (H. R. 4171) for the relief of Look Hoon and Lau Hoon Leong was considered, ordered to a third reading, read the third time, and passed.

PROGRESSIVE COMMERCIAL CO. OF PHILADELPHIA, PA.

The Senate proceeded to consider the bill (H. R. 5181) for the relief of the Progressive Commercial Co. of Philadelphia, Pa., which was read, as follows:

Be it enacted, etc., That the Commissioner of Internal Revenue be, and he is hereby, authorized and directed to receive, consider, and determine, in accordance with law, but without regard to any statute of limitations, any claim filed not later than 6 months after the passage of this act by the Progressive Commercial Co. of Philadelphia, Pa., for the refund of Federal income taxes paid by said company for the years 1923 to 1930, inclusive, in excess of the amount properly due as income tax for such years: *Provided*, That in the settlement of said claim there shall be no allowance of interest: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McKELLAR. Mr. President, I should like to have an explanation of this claim.

Mr. LOGAN. Mr. President, I think I can explain the views of the committee, which were not my own, but after the committee had voted, I fully agreed with its conclusions.

Someone in charge of the Progressive Commercial Co. of Philadelphia, who was quite an expert at defrauding the public, sold stock to the public from time to time and kept the company growing in that way, through the sale of new stock. In order to boost his sales so that he could sell to the public, he made a report to the Bureau of Internal Revenue each year showing considerable income.

At last, when his affairs were investigated, it was found that the concern had been wholly insolvent, had never had an income, and that this man had gotten away with some three or four hundred thousand dollars. The stockholders proceeded to have him sent to the penitentiary, where he justly and richly belonged.

Upon investigation it was found that nearly everything the company possessed had been wiped out, and that none of this money was due to the Government at all.

There seem to be no creditors, the stockholders are trying to save what money they can, and they ask that they may

be permitted to file their claim with the Bureau of Internal Revenue so that they may have considered the question of whether or not they are entitled to a refund.

Mr. McKELLAR. Mr. President, that is one of the things about which I wish to ask. It is rather unusual that the statute of limitations be waived so that the Commissioner of Internal Revenue may hear claims, is it not?

Mr. LOGAN. The statute is waived quite frequently, I may say to the Senator, in cases where there is reason for the filing of a claim within the period of the limitation. In this case the stockholders knew nothing about the fraud that had been practiced upon them until about 1930, and at that time the limitation had already run against them, so that they could not file their claim. They are not to blame at all, because the statute of limitations barred them; and, so far as that is concerned, I think it ought to be waived. The objection I had to the bill was that the stockholders were responsible for this man who had defrauded them, and because he had done so I thought perhaps they ought to be bound by his action; but it was such a palpable fraud, and the Government got money to which it was not entitled, and it was the view of the committee that there could be no harm in allowing the stockholders to present their claims now.

Mr. McKELLAR. The only thing it does is to waive the statute of limitations?

Mr. LOGAN. That is all.

Mr. McKELLAR. I think the stockholders, of course, were culpable in allowing a grand rascal to run their affairs. They ought to have looked into it; it was their duty to look into it; but, at the same time, if the Senator, after having looked into all the facts, believes that the Commissioner of Internal Revenue should hear the case—and that will not decide the matter, anyway, as it will have to come back to Congress—I have no objection.

The PRESIDENT pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

LT. M. T. GRUBHAM

The bill (H. R. 5474) for the relief of Lt. M. T. Grubham was considered, ordered to a third reading, read the third time, and passed.

ELLIS DUKE

The Senate proceeded to consider the bill (H. R. 4086) for the relief of Ellis Duke, also known as Elias Duke, which had been reported from the Committee on Claims with an amendment, on page 1, line 7, to strike out "$1,750" and insert in lieu thereof "$1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ellis Duke, also known as Elias Duke, of the District of Columbia, the owner of the truck hereinafter referred to, the sum of $1,000, to compensate said Ellis Duke, also known as Elias Duke, for the loss of one Dodge truck serially numbered A918785, which said Dodge truck was illegally seized and confiscated by agents of the United States Government on the 16th day of April 1928, and which said Dodge truck was appropriated by the United States, and has never been returned to the said Ellis Duke, also known as Elias Duke: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

DISTINGUISHED FLYING CROSS TO LT. COL. FRANCIS T. EVANS

The bill (H. R. 6708) to authorize the presentation of a Distinguished Flying Cross to Lt. Col. Francis T. Evans, United States Marine Corps, was considered, ordered to a third reading, read the third time, and passed.

J. A. HAMMOND

The Senate proceeded to consider the bill (S. 3125) for the relief of J. A. Hammond, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$1,200" and insert in lieu thereof "$120.10", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. A. Hammond, of Laurel, Miss., the sum of $120.10 in full settlement of all claims against the Government for injuries sustained by him on February 12, 1934, when an automobile in which he was riding collided with a truck of the Forest Service driven by G. A. Smith, Civilian Conservation Corps, enrollee, on a Mississippi highway: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADA MARY TORNAU

The Senate proceeded to consider the bill (S. 536) for the relief of Ada Mary Tornau, which had been reported by the Committee on Claims with an amendment, on page 1, line 6, to strike out "$675" and insert in lieu thereof "$225", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ada Mary Tornau the sum of $225 in full settlement of all claims against the Government for injuries sustained on February 14, 1933, when she was struck by an icicle which fell from the roof of the Federal Building in Dubuque, Iowa: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 3545) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899, was announced as next in order.

Mr. DUFFY. Mr. President, I should like to ask either the senior Senator from Kansas [Mr. CAPPER] or the Senator from Kentucky [Mr. LOGAN], who reported the bill, if this bill is not similar to the one which was twice referred to the Military Affairs Committee and received unfavorable consideration. It seems, on its face, to be the same bill. I was wondering if that is the fact.

Mr. CAPPER. I believe it is a similar bill.

Mr. DUFFY. I ask that it go over for today, until I have a chance to examine it.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3781) limiting the operation of sections 109 and 113 of the Criminal Code, and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases, was announced as next in order.

Mr. AUSTIN. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

CANAL DREDGING CO.

The bill (S. 2747) to authorize Canal Dredging Co. to bring suit in the Court of Claims against the United States for additional compensation under contract terminated as for the Government's best interests was announced as next in order.

Mr. McNARY. Mr. President, I think we ought to have an explanation from the author of the bill.

Mr. McKELLAR. I shall be very happy to explain the bill.

The Canal Dredging Co. did some work in Florida, and was forced into a settlement. All this bill does is to permit the company to sue in the Court of Claims. If the company has a case, it can prove its case in the Court of Claims. If it does not have a case, of course, it cannot prevail.

That is all there is to the bill. It does not provide anything further.

Mr. McNARY. Was the bill favorably reported by the committee?

Mr. McKELLAR. Yes.

Mr. McNARY. Was the report a unanimous one?

Mr. McKELLAR. I believe so. The Senator from Kentucky [Mr. LOGAN] filed a report. So far as I know, it was unanimous.

Mr. McNARY. It does not obligate the Government in advance as to payment?

Mr. McKELLAR. No.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert:

That jurisdiction is hereby conferred upon the United States Court of Claims to hear the claim of the Canal Dredging Co., a corporation under the laws of Illinois, with its principal office in the city of Memphis, Tenn., and to determine and report to Congress the amount of additional compensation, if any, that said Canal Dredging Co. may be justly entitled to for the excavation of rock exceeding the percentage represented in and by the specifications, profiles, and other data relating to the work and for its loss on account of its preparation for doing the work which it was to do in the State of Florida along the south shore of Lake Okeechobee in the area known locally as South Bay between the Miami Canal and Bacom Point, under the contract entered into on the 5th day of August 1932 between the United States and itself designated as "Contract W 436-eng-3071", and supplemental agreement modifying the same between said parties, approved by the Chief of Engineers, United States Army, on the 13th day of July 1933, terminated by supplemental agreement entered into between said parties on the 14th day of June 1934 as for the best interests of the Government, because of the discovery of rock to be excavated in excess of that represented and contemplated as aforesaid, entitling said Canal Dredging Co. to a material increase in the contract price, in order that the Government might construct said work by Government plant and hired labor, of a materially different design as more efficient for the purpose intended and at a less cost to the Government, to which said Canal Dredging Co. consented.

SEC. 2. Such claim may be instituted at any time within 1 year after the passage of this act, notwithstanding the lapse of time or any statute of limitations.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill conferring jurisdiction upon the United States Court of Claims to hear the claim of the Canal Dredging Co."

MUNICIPAL PUBLIC WORKS, SKAGWAY, ALASKA

The Senate proceeded to consider the bill (H. R. 9130) to authorize the incorporated city of Skagway, Alaska, to undertake certain municipal public works, and for such purpose to issue bonds in any sum not exceeding $12,000, and for other purposes, which had been reported from the Committee on Territories and Insular Affairs with an amendment, in section 1, page 1, line 10, after "$12,000", to insert the following proviso: "*Provided*, That the total amount of bonds issued and outstanding at any time under authority of this act and under authority of Public Law No. 174, Seventy-third Congress, approved April 25, 1934 (48 Stat. 611), shall not exceed the sum of $40,000", so as to make the section read:

Be it enacted, etc., That the incorporated city of Skagway, in the Territory of Alaska, is hereby authorized and empowered to undertake all or any part of the hereinafter described municipal public works, to wit: Construction and reconstruction of sidewalks, reconstruction and reconditioning of city hall, and regrading, construction, and reconstruction of streets and crossings, and for such purposes to issue bonds in any sum not exceeding $12,000: *Provided*, That the total amount of bonds issued and outstanding at any time under authority of this act and under authority of Public Law No. 174, Seventy-third Congress, approved April 25, 1934 (48 Stat. 611), shall not exceed the sum of $40,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILLS PASSED OVER

The bill (S. 3113) to provide a government for American Samoa was announced as next in order.

Mr. McKELLAR. Mr. President, this is a very important bill, and I hope it will be explained. If not, I shall ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

GORDON M'GEE

The bill (H. R. 5747) for the relief of Gordon McGee was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF CERTAIN WORLD WAR SOLDIERS

The bill (H. R. 8966) for the relief of World War soldiers who were discharged from the Army because of minority or misrepresentation of age was considered, ordered to a third reading, read the third time, and passed.

VINCENT P. ROUSSEAU

The bill (H. R. 4777) to provide for the advancement on the retired list of the Army of Vincent P. Rousseau was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF NATIONAL DEFENSE ACT

The bill (S. 3860) to amend section 2 of the act entitled "An act to amend the National Defense Act", approved May 28, 1928, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2 of the act entitled "An act to amend the National Defense Act", approved May 28, 1928 (45 Stat. 786; U. S. C., title 32, sec. 181b), is hereby amended by inserting the words "Coast Guard" after the words "Marine Corps", and before the words "National Guard", in the fourth line of said section.

PRESENT LEADER OF ARMY BAND

The bill (S. 3872) for the relief of the present leader of the Army Band was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That from and after the date of approval of this act the present leader of the Army Band shall have the rank, pay, and allowances of a captain in the Army; and in the computation of his pay and allowances all service in the Army of whatever nature rendered by the said leader shall be counted as if it were commissioned service; and the said leader of the Army Band shall, at such time as the President in his discretion may direct, be entitled to retirement as a captain in the Army, in the same manner as other officers of the Army of such rank and length of service, computed as stated above, would be entitled to retirement.

EXCHANGE OF CERTAIN RIGHTS-OF-WAY IN HAWAII

The bill (H. R. 3565) to authorize the Secretary of War to effect exchange of certain rights-of-way in Hawaii was considered, ordered to a third reading, read the third time, and passed.

ARLINGTON & FAIRFAX RAILWAY CO.

The bill (H. R. 4292) to authorize the Secretary of War to grant rights-of-way to the Arlington & Fairfax Railway Co. across the Fort Myer Reservation, Va., was considered, ordered to a third reading, read the third time, and passed.

DISPOSAL OF SURPLUS ARMY MATERIAL

The bill (H. R. 8024) to authorize the Secretary of War to dispose of material no longer needed by the Army was considered, ordered to a third reading, read the third time, and passed.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 205) providing for disposition of certain cotton held by the United States was announced as next in order.

Mr. McNARY. Mr. President, I am not at all familiar with this joint resolution. I think it ought to be explained by the author or by the chairman of the Committee on Agriculture and Forestry.

Mr. VANDENBERG. Let it go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

WILLIAM CONNELLY, ALIAS WILLIAM E. CONNOLEY

The bill (S. 3663) to correct the military record of William Connelly, alias William E. Connoley, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon honorably discharged soldiers William Connelly, alias William E. Connoley, late of Company H, Eighteenth Regiment United States Infantry, in the Indian wars, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on May 23, 1883: *Provided*, That no pension, back pay, bounty, or other allowance shall be held to have accrued prior to the passage of this act.

The title was amended so as to read: "A bill for the relief of William Connelly, alias William E. Connoley."

BILL PASSED OVER

The bill (S. 3627) for the relief of Francis Gerrity was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

ORVILLE E. CLARK

The bill (H. R. 1867) for the relief of Orville E. Clark was considered, ordered to a third reading, read the third time, and passed.

ELMER H. ACKERSON

The bill (H. R. 5876) for the relief of Elmer H. Ackerson was considered, ordered to a third reading, read the third time, and passed.

CARL F. YEAGER

The bill (H. R. 5964) for the relief of Carl F. Yeager was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3483) to provide for rural electrification and for other purposes was announced as next in order.

Mr. GORE. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

MISNER JANE HUMPHREY

The bill (H. R. 2923) for the relief of Misner Jane Humphrey was considered, ordered to a third reading, read the third time, and passed.

ST. JOSEPH, MICH., LIGHTHOUSE SUPPLY DEPOT

The bill (H. R. 5916) to authorize the conveyance by the United States to the State of Michigan of the former United States lighthouse supply depot, St. Joseph, Mich., for State naval force purposes was considered, ordered to a third reading, read the third time, and passed.

TAX-EXEMPTION RECEIPTS FROM OLYMPIC GAMES

The bill (S. 3410) to exempt from taxation receipts from the operation of Olympic Games if donated to the State of California, the city of Los Angeles, and the county of Los Angeles, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That no Federal income tax or gift tax shall now or hereafter be imposed upon any present, past, or future members of the Xth Olympiade Committee of the Games of Los Angeles U. S. A. 1932, Ltd., in respect of any surplus of moneys received by such committee from the operation of the Olympic Games in California in 1932 and donated (1) by such committee, or any of its members, to the State of California, or (2) by such committee, or any of its members, through the Community Development Association, Ltd., to the city of Los Angeles in such State, or the county of Los Angeles in such State.

FIRST GRANITE NATIONAL BANK, AUGUSTA, MAINE

The bill (S. 3777) to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Maine, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to execute, in the name of the United States, and deliver to the First Granite National Bank, Augusta, Maine, upon receipt from such bank of $8,547.83, an agreement of indemnity binding the United States to make reimbursement to such bank upon condition that such bank is required to make payment to bona-fide holders upon presentation of check no. 21874, and dated July 1, 1926, in the amount of $8,547.83, drawn by the First Granite National Bank, Augusta, Maine, on the New York Trust Co., of New York, payable to George W. Wood, president of the board of managers (post fund), at the request of the Eastern Branch, National Home for Disabled Volunteer Soldiers, Augusta, Maine: *Provided*, That the Secretary of the Treasury shall, upon receipt of $8,547.83, as hereinbefore provided, credit the general post fund of the Veterans' Administration in that amount.

PAN AMERICAN EXPOSITION, TAMPA, FLA.

The joint resolution (H. J. Res. 356) to permit articles imported from foreign countries for the purpose of exhibition at the Pan American Exposition to be held in Tampa, Fla., to be admitted without payment of tariff, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. That completes the calendar.

Mr. COPELAND obtained the floor.

AIRPORT AND MILITARY ROAD, ARLINGTON COUNTY, VA.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. DUFFY. From the Committee on Military Affairs I report back favorably, with amendments, the joint resolution (H. J. Res. 488) to close Military Road, and I submit a report (No. 1593) thereon.

The joint resolution pertains to the controversy as to the road across the Washington Airport. I ask unanimous consent for the present consideration of the joint resolution. Before any Senator objects I should like to be permitted to make a brief statement. It will take but a minute.

There has been very considerable controversy about this road, which traverses the Washington Airport, and which is a great hazard to the people arriving there by airplane. However, after numerous conferences by the subcommittee of the Senate Military Affairs Committee together with the House Military Affairs Committee I believe that the House Joint Resolution as now reported with amendments meets the approval of all concerned. It is in the nature of a temporary solution, but something must be done at once, and, inasmuch as the Senate may not be in session tomorrow or the following day, I am asking for present consideration of the House joint resolution. I will say that the Senator from Virginia [Mr. BYRD], who opposed the measure previously proposed, approves the joint resolution as reported, and that the members of the Military Affairs Committee generally approve the House joint resolution as now presented.

Mr. McNARY. Mr. President, may I inquire if the request is for immediate consideration of the House joint resolution?

Mr. DUFFY. Yes; the request is for its immediate consideration.

Mr. McNARY. This is a modification of the House joint resolution?

Mr. DUFFY. It is a modification of the House joint resolution. There is a proposal to close the road. A very serious controversy then arose as to the right to close the road, because when the road was opened it was stated in

the law that it should be a public road. The House joint resolution, which meets the approval of all the contending parties, provides that the road may be open, but under such regulations as the Department of Commerce may prescribe, and there is a penalty for a violation of such regulations. In other words, at the present time nobody has any authority to enforce the traffic regulations. This measure will give the authority at the expense of the national airport.

Mr. McNARY. Has the joint resolution met with the unanimous approval of the committee?

Mr. DUFFY. It has met with the approval of all members of the committee who are in the city. The Senator from North Carolina [Mr. REYNOLDS] was to have presented the report, but was called out of the city, and asked me to present it for him. So far as I know, all members of the committee, with the exception of one or two absentees, have approved the joint resolution, and I have their signed approval of the measure.

Mr. McNARY. I have no objection to the consideration of the joint resolution.

The PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 488) to close Military Road, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the resolving clause and insert:

That permission is hereby granted to the National Airport Corporation to use as a part of the runway of its airport located near the city of Washington, District of Columbia, such part of the road commonly known as Military Road as may be necessary to connect the two parts of the said airport now separated by the said road; that part of the road to be used for such runway to be determined by the Department of Commerce: *Provided*, That the part of the road hereinabove described shall continue in use as a public road and be open to the public, as contemplated by the act of Congress approved August 24, 1912 (37 Stat. 569, 583), except when necessarily closed during its use for the landing and taking off of airplanes: *And provided further*, That the permission herein granted shall be effective only so long as the said National Airport Corporation provides, maintains, and operates such traffic signals or other safety devices as shall be approved by the Department of Commerce to protect airplane and vehicular traffic on and over the part of the road herein authorized to be used.

SEC. 2. Any person who, knowingly, during its use for the landing or taking off of airplanes, enters, attempts to enter, or who at any time parks upon that part of the road herein authorized to be used shall be punished by a fine not to exceed $500, or imprisoned not to exceed 6 months, or both.

SEC. 3. Jurisdiction over offenses committed in violation of this joint resolution is hereby vested in the nearest commissioner, judge, or court of the United States having jurisdiction in the premises.

SEC. 4. Congress reserves the right to alter, amend, or repeal this joint resolution.

The amendment was agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

The title was amended so as to read: "A joint resolution to provide for safeguarding of traffic on Military Road."

DEPORTATION OF CRIMINAL ALIENS

Mr. WALSH. Mr. President——

The PRESIDENT pro tempore. The Senator from New York has the floor. Does he yield to the Senator from Massachusetts?

Mr. COPELAND. I yield.

Mr. WALSH. Mr. President, there is a matter to which I desire to refer which is of special interest to the Senator from New York. I should like to inquire of him—because I was absent from the Chamber when the call of the calendar began—what disposition was made of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes. The bill has been reported favorably by the Committee on Immigration and has been pending on the calendar of the Senate for some time.

Mr. COPELAND. I am very much concerned about the matter referred to by the Senator from Massachusetts. Unless some action shall be taken at once, there will be deported thousands of persons who have been here for years, who have no criminal record, and who, so far as we know, have been good citizens and well-behaved persons. It would seem to me a very cruel thing to permit their deportation to take place.

Mr. WALSH. When will it take place, if this bill shall not be passed?

Mr. COPELAND. On the last day of the present month.

Mr. WALSH. So, unless the Congress shall enact this bill, which I understand gives some discretion to the Department of Labor in determining what cases, under present law, are meritorious and what are not, a large number of aliens will be deported?

Mr. COPELAND. Yes; and, more than that, there will be thousands of dependents, including young children, left here with nobody to take care of them.

Mr. WALSH. Was the bill passed over this morning when it was reached on the calendar?

Mr. COPELAND. It was passed over.

Mr. WALSH. Was anything said about considering it at any specified time?

Mr. COPELAND. There was not. I do not know who objected to it.

Mr. WALSH. Why should not a time be set for its consideration?

Mr. COPELAND. I think that should be done by all means.

Mr. WALSH. I do not know the details of the measure except that several public-spirited men and women from the Senator's State and my own State, and other parts of the country, who have no interest in aliens as such, but who have devoted themselves to humane activities, are deeply interested in this proposed legislation, and have appealed to me, as I know they have to the Senator from New York, to have some action taken on this bill.

Mr. COPELAND. The least that should be done, as I view it, is that a joint resolution be passed deferring action for a period of time, 30 or 60 or 90 days, in order to permit the Congress to give the serious consideration which the matter is entitled to receive.

Mr. WALSH. I suggest to the Senator from New York that he take up the matter with the leader on this side and with other Senators and myself to see if the bill cannot be taken up for consideration.

Mr. SMITH. Mr. President, may I ask the Senator from New York if the aliens who are to be deported come under the ordinary operation of the law and were fully cognizant of the fact that their deportation was imminent or would occur at a certain fixed time?

Mr. COPELAND. I presume that there are many of them who were not so advised.

Mr. SMITH. Do they come under that general law? Of course, we cannot allow them to plead ignorance of the law to set aside any statute we may have, but I am only asking if the aliens who are here now were fully cognizant of the fact that they would be deported at a certain time? Were they cognizant of that fact?

Mr. COPELAND. I venture to say that hundreds, and even thousands of them were not aware of it.

Mr. SMITH. I was a little curious to know how aliens, the heads of families, who were subject to deportation could be in this country, because when I was chairman of the Immigration Committee I think I was the coauthor of the first measure that laid restrictions on immigration; and I was just wondering how aliens, whole families, or at least the heads of families, could be now subject to deportation under the ordinary restrictions that have been in force for the last 15 or 20 years.

Mr. WALSH. Mr. President, if the Senator from New York will permit me, I should like to make another inquiry. I understand some of the aliens subject to deportation cannot technically prove that they entered the country legally.

Mr. COPELAND. That is correct.

Mr. WALSH. Their papers have been lost or the record has been mutilated in some way or other. The Department of Labor is satisfied that they honestly and legally entered

the country, but they have no technical proof. Am I correct in that statement?

Mr. COPELAND. The Senator is correct.

Mr. WALSH. The Department of Labor seems to be very much interested in the bill and is strongly urging action by the Congress.

I desire, Mr. President, at this time to offer for my colleague [Mr. COOLIDGE], the chairman of the Committee on Immigration, and myself and to have inserted in the RECORD several amendments with explanations of each, which the Department of Labor desires to have proposed to this measure. Most of them are of a corrective nature, and possibly they will meet some of the objections of some of those who have been opposing the passage of the bill up to the present time.

The PRESIDING OFFICER (Mr. DUFFY in the chair). Without objection, the matter presented by the Senator from Massachusetts will be printed in the RECORD.

The matter referred to is as follows:

MOTIONS FOR AMENDMENTS TO H. R. 8163 (S. 2969) AND REASONS THEREFOR

1. To section 1, subsection (4), after the word "convicted" on line 19, page 2, insert the following: "of a crime involving moral turpitude and has been convicted."

Reason: This amendment is suggested as it is believed an alien of good character who has had no previous criminal record should not be made subject to deportation solely because of a conviction for carrying concealed or dangerous weapons, it being well known that frequently a person is convicted of a technical violation of law and made subject to but a nominal penalty. If it is limited to cases of persons who have previously been convicted of a crime involving moral turpitude, the law will safeguard the bona fide worker or individual, while providing for the deportation of persons of the criminal class, the thing which it is really intended to accomplish by this subsection.

2. To section 5, subsections (b) and (c), strike out subsections (b) and (c) of section 5, lines 20 to 25, inclusive, on page 7, and lines 1 to 9, inclusive, on page 8.

Reason: The purpose of subsection (c) was merely to continue in effect the refugee registration act until the date of its expiration, June 7, 1935. Inasmuch as that date is now past, the continuing provision is no longer necessary. It would not have been placed in the bill if it had been prepared subsequent to that date.

Subsection (b), providing that any alien permitted to legalize his status by obtaining a certificate of registry must become a citizen or be deported, will tend to discourage naturalization and hence will not accomplish the purpose intended. Two similar provisions in the bill apply to aliens subject to deportation. This, however, applies to aliens not subject to deportation. To make them deportable, if they initiate steps to become citizens but fail for any reason to complete the process, would penalize the very thing which should be encouraged.

To section 9:

3. After the word "Service", on line 2 of page 10, insert "designated by the Commissioner of Immigration and Naturalization, with the approval of the Secretary of Labor."

Reason: This amendment is necessary because it is believed the term "any employee" is entirely too broad, bearing in mind that the Immigration and Naturalization Service has many employees of types who clearly should not be given power to arrest without warrant. Under this amendment only such employees as may be designated by the Commissioner of Immigration and Naturalization, with the approval of the Secretary, would have the power to make arrests without warrants.

4. On line 4, page 10, strike out "this or any other statute" and insert the following: "the immigration laws on the ground that he entered the United States without an immigration visa or without inspection, or has remained in the United States beyond the period for which he has been temporarily admitted."

Reason: This amendment is desirable in order to safeguard the grant of the extraordinary power involved in arrests without warrant by limiting it to the classes who cannot otherwise be readily apprehended, namely, persons who have entered illegally or who have remained in the United States longer than permitted by law. The principal classes of deportable aliens, other than the illegal entrants and those who have remained longer, are criminals and public charges, and these two latter classes can always be apprehended inasmuch as they are taken direct from the prisons and public-charge institutions.

5. On line 6, page 10, after the word "by", insert "the Commissioner of Immigration and Naturalization, with the approval of."

Reason: This amendment merely provides that the immigrant inspector before whom an apprehended alien is brought for examination shall be designated by the Commissioner of Immigration and Naturalization upon the approval of the Secretary of Labor.

6. At the end of line 9, page 10, add the following sentence: "The detention of any alien pursuant to this section shall immediately be reported to the Commissioner of Immigration and Naturalization."

Reason: This amendment is advisable because it would have the effect of the central office at Washington keeping a check on the activities of the field service and will assist the central office in correcting any abuses which may follow from the exercise of the rather broad power granted in this section.

With the above amendments, section 9 reads as follows:

"Any employee of the Immigration and Naturalization Service designated by the Commissioner of Immigration and Naturalization, with the approval of the Secretary of Labor, shall have power to detain for investigation any alien who he has reason to believe is subject to deportation under the immigration laws on the ground that he entered the United States without an immigration visa or without inspection or has remained in the United States beyond the period for which he has been temporarily admitted. Any alien so detained shall be immediately brought before an immigrant inspector designated for that purpose by the Commissioner of Immigration and Naturalization, with the approval of the Secretary of Labor, and shall not be held in custody for more than 24 hours thereafter, unless prior to the expiration of that time a warrant for his arrest is issued. The detention of any alien pursuant to this section shall immediately be reported to the Commissioner of Immigration and Naturalization."

7. To section 11: Amend section 11 to read as follows:

"SEC. 11. The interdepartmental committee, as referred to in this act, shall be composed of a representative of each of the Departments of Labor, State, and Justice. The representatives and one alternate for each of them shall be designated, respectively, by the Secretaries of Labor and State and the Attorney General."

Reason: This amendment is designed to make it definite that the officials in charge of the Departments referred to shall designate the representatives of their respective Departments.

Mr. COPELAND. Mr. President, I should like now to say a word further.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Oklahoma?

Mr. COPELAND. I yield.

Mr. GORE. The Senator from New York said that unless this bill passed a number of good citizens would be deported. I wish to inquire if he did not use the word "citizens" inadvertently?

Mr. COPELAND. Well, residents, then.

Mr. GORE. Yes.

Mr. COPELAND. I should like to say a word further about this bill. If Senators will look at the report which accompanies Senate bill 2969 (Rept. No. 1156), they will find a brief summary of what the bill undertakes to do.

Section 1 of the bill authorizes the deportation of additional classes of aliens, those who violate the narcotic statutes of States, who carry guns, and that sort of thing.

Then the next section requires the concurrence of the interdepartmental committee to pass judgment on the matter; and under section 3 that committee may permit an alien subject to deportation under the present law to remain in the United States if he has lived here 10 years or more, if he has in the United States near relatives who are either citizens or legal residents, and the section precludes the exercise of this authority where the alien is deportable as one of the so-called radical classes.

Section 4 permits an alien under a temporary status to change to a status of permanent residence if he possesses the requisite qualifications by reason of relationship to a citizen, and so forth.

Section 5 permits the registration of aliens who entered the United States prior to July 1, 1924, which has been contended for for years as an important matter.

So, as I view it, I cannot see how anyone who studies the bill and understands the consequence of the present situation if the bill should not pass, can oppose its passage.

Mr. SHEPPARD. Mr. President, I understand that no hearings were held on this bill in the Senate Committee on Immigration. I believe, if the bill should be recommitted for hearings within the next few days, that an agreement might be reached concerning it.

Mr. COPELAND. Mr. President, may I ask the Senator from Massachusetts if the suggestion of the Senator from Texas is perhaps not a wise one?

Mr. WALSH. I would not want to consent to it in the absence of my colleague the chairman of the committee. I am surprised to learn that no hearings were held.

Mr. SHEPPARD. That is my information.

Mr. COPELAND. As a member of the committee I should say that the suggestion made by the Senator from Texas is an excellent one.

Mr. SHEPPARD. In fact, I think it is the only way in which action can be reached. There is considerable objection to the measure as it is now framed.

Mr. COPELAND. I am going to make a 5-minute speech, and in that time perhaps the Senator from Massachusetts may get in touch with his colleague.

Mr. WALSH. It is quite likely that to hold hearings would be to the advantage of all concerned, in view of the fact that some amendments have been proposed by the Department of Labor. I will try to get in communication with my colleague.

Mr. COPELAND. May I say to the Senator from Massachusetts that if he will send for his colleague in the meantime I will perform the other function I have in mind.

Mr. WALSH. Mr. President, may I ask the Senator from Texas if hearings were held on the House side?

Mr. SHEPPARD. I think there were hearings held by the House committee.

Mr. WALSH. Only a few moments ago the chairman of the Immigration Committee of the House spoke to me about this bill, and tried to impress upon me the importance of securing action upon it.

Mr. SHEPPARD. I think there were hearings in the other House, but I have been told by those who are objecting to the measure in the Senate that they desire a hearing before the Senate committee.

Mr. WALSH. The junior Senator from Connecticut [Mr. MALONEY] informs me that there were hearings before the House committee. I will ask him if the Senate committee considered those hearings before reporting this bill?

Mr. MALONEY. I did.

Mr. SHEPPARD. I say to the Senator that it will expedite the matter considerably if a hearing can be held before the Senate committee.

Mr. WALSH. I am always of the opinion that if a member or members of a committee desire a hearing, it ought to be held.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. I inquire what is the question pending before the Senate?

The PRESIDING OFFICER. There is no business before the Senate. The Senator from New York has the floor.

Mr. COPELAND. If the Senator from Oregon desires to bring up some business, I shall be glad to yield for that purpose.

Mr. COPELAND subsequently said: Mr. President, I find that the senior Senator from Massachusetts [Mr. WALSH] has communicated with his colleague, the junior Senator from Massachusetts [Mr. COOLIDGE], chairman of the Committee on Immigration, and, if deemed necessary, hearings on the deportation bill can be arranged for the early part of next week, even if the bill remains on the calendar. It will not be necessary to send the bill back to the committee, but there will be opportunity for those interested to be heard.

Mr. SHEPPARD. In the Senate committee?

Mr. COPELAND. In the Senate committee.

Mr. SHEPPARD. Very well.

SUPPRESSION OF CRIME

Mr. COPELAND. Mr. President, it will be recalled that a subcommittee of the Committee on Commerce has for 2 or 3 years been studying the question of the suppression of crime. Very shortly that committee will submit a rather exhaustive report of what it has accomplished or feels it has accomplished. As a matter of fact, a number of laws have been enacted as a direct result of the work of the committee. We feel, and believe we have a right to feel, some pride in what has been accomplished.

One of the things that has come forcibly to my attention, speaking now as an individual and not in any official capacity as a member of the committee, is that the greatest social problem confronting the American people is the problem of juvenile delinquency. At some time I shall have something to say at length on that subject, because I am greatly concerned over the situation as regards youth.

In my study of crime I have been appalled by the shocking and needless waste of precious human values in our social life. In my opinion this comes through the lack of adequate training and the lack of continuous guidance of the children and youth of the land. Our Committee on Crime has surveyed the causes of crime and the remedies for criminal tendencies. But for the first time in American history an attempt has been made to focus attention upon constructive measures that will reach far beyond the negative purpose of crime suppression.

The cause of crime, in any particular case, can be assigned usually to one or more of six factors:

First. Mental sickness.
Second. Emotional instability.
Third. Immaturity.
Fourth. Antisocial attitude.
Fifth. Ignorance of facts, legal and social.
Sixth. Chance combinations of circumstances.

The prevention of crime in any particular case is to be sought by dealing with these six factors. The home and the church have a primary responsibility for the prevention of these causal factors. But organized society, as represented by government, must place its main dependence upon the statesman, the doctor, and other scientists, and the educator working together to achieve the prevention of crime and the maintenance of health.

This study of crime has opened my eyes to the fact that we must not stop with the negative notion of suppressing crime. We must turn our attention to constructive measures for upbuilding the physical, mental, and moral health of individuals, and of discovering, liberating, and maturing their constructive powers for better citizenship.

Our investigation discloses, and scientific research has proved, to my satisfaction at least, that both remedial and upbuilding measures, to be effective, must begin in early childhood. These remedies involve continuous observation and continuous records of the conduct and of the evolving personality pattern of children and youths. For proper treatment, such persons require not only observation, but also wise supervision of the ever-broadening scope of their activities as they grow older.

Work—useful work—at a much earlier age than it has usually been available during this depression, is necessary to the normal development of youth. As emergency measures, I have been glad to support legislative provisions for work opportunities in the C. C. C.

I feel that the Senator from Massachusetts [Mr. WALSH] is to be congratulated as the author of the bill. I am proud that, as a member of the committee, I had some part in formulating that legislation. Unquestionably its results have been a great factor, during the past few years, in the control of many social as well as economic problems.

I have favored, too, working scholarships for college students. But such activities do not lead directly to suitable permanent community attachments. Moreover, even under most favorable circumstances, improvised camps can care for but a small fraction of all the youths who create our youth problems.

In our study of the crime problem and the youth problem and the means of achieving beneficent results in this field, we have sought the aid of the American Council on Education, which, in turn, commands the most eminent leadership in American education. A committee of that body has recommended that American education organize itself on a plan which has been outlined in the letter I hold in my hand.

The letter asks the approval of the Congress in the development of an agency through which it may cooperate with the Congress. It desires to assist our Committee on Crime and Criminal Practice in making education for character building and constructive citizenship the first concern of all the schools of America. It desires to see established in every city or county seat a new type of institution which it has named the "career institute", to take the leadership in this movement to concentrate the attention of every community on character, on competence, and on social

usefulness. It hopes that the career institute of the future will stand by every boy and girl in the community until they are stabilized in employment and fully equipped for good constructive citizenship.

I ask that the letter of the Council on Education, signed by Dr. C. R. Mann as chairman, and an accompanying statement by Dr. Mann may be incorporated in the RECORD at the end of my remarks.

The PRESIDING OFFICER (Mr. HATCH in the chair.) Without objection, it is so ordered.

(See exhibits A and B.)

Mr. COPELAND. I may say that the bill which I shall introduce in a moment, is one which I shall ask to have referred to the Committee on Education and Labor, under the distinguished leadership of the Senator from Massachusetts [Mr. WALSH]. At the proper time I hope he will appoint a subcommittee to hold hearings. Representatives of the American Council on Education and other educational bodies and leaders in the social and religious fields will be glad to testify and present their views. I may say that the matter has been considered by representatives of all religious faiths. There is a feeling that there may be in this idea the germ of some constructive legislation which may, perhaps, go far toward serving the youth problem.

Mr. WALSH. Mme. President, will the Senator yield?

The PRESIDING OFFICER (Mrs. LONG in the chair.) Does the Senator from New York yield to the Senator from Massachusetts?

Mr. COPELAND. Certainly.

Mr. WALSH. I regret to be obliged to confess my lack of knowledge or information, but I should like to know who the American Council on Education is and what its membership is.

Mr. COPELAND. It is made up of the heads of colleges, universities, high schools, and the leading educators of America.

Mr. WALSH. A Nation-wide organization?

Mr. COPELAND. Yes; and a very dignified and powerful organization. In a sense it may be likened to the American Bar Association as regards the legal profession or the American Medical Association as regards the medical profession.

Mr. WALSH. It is apart from the National Education Association?

Mr. COPELAND. Yes; it is apart from that very important organization, which, by the way, is greatly interested in revised methods in education.

Mr. WALSH. Of course, the Senator realizes that whenever a discussion is held as to what is most helpful in formulating character in the young, we enter the religious domain.

Mr. COPELAND. I am fully conscious of that fact.

Mr. WALSH. And the organizations representing practically all religions feel very strongly that the surest and safest and best preparation for the formulation of good character in youth is religious teaching and training.

Mr. COPELAND. The Senator is correct.

Mr. WALSH. Unfortunately, our public educational system being secular, and being under governmental control in the various States, there is not the opportunity, or, at least, we have not yet taken the opportunity to solve, nor have we solved, the problem in a way which permits religious education to be inculcated side by side with secular education. Does this proposal attempt to enter the field of promoting or encouraging religious training and education?

Mr. COPELAND. I wish it did, but it does not.

Mr. WALSH. I think the Senator will agree with me that the absence of religious education in youth today is unfortunately a very important contributing factor to the development of juvenile delinquency.

Mr. COPELAND. I should like to reply at length to what the Senator from Massachusetts has suggested.

Mr. WALSH. Possibly at this time I should not have opened up the subject, because it is one that goes quite far; but I feel sure the Senator from New York and I are in accord regarding it and that the sooner our State governments find a satisfactory method of providing for religious training and education that will meet the needs of the various religious organizations, the better will be the future citizens of the Nation.

Mr. COPELAND. I am glad the Senator has referred to that matter.

Mme. President, we welcome you to the chair.

There can be no doubt that the first responsibility for character and behavior lies in the home. If we had some way of reaching every home, and inculcating proper teaching and training in the home, we should not have this problem to worry over.

The next responsibility, as I see it, rests upon the church. I have no right to criticize any church but my own. I do not hesitate to do that on occasions. The great church to which the Senator from Massachusetts belongs has always made much of religious instruction in the home and in the schools attached to the churches. I am sorry the same system is not used by all the denominations; but, generally speaking, the influence of the church over the individual child is confined to 1 hour a week. That hour the child spends in Sunday School. The other body which has to do with the education for character—not in character, but for character—is the school system; I do not care whether it is the public-school system or a parochial-school system, or what the system may be. The school system has charge of the child for 25 or 30 hours a week, as against the 1 hour during which the church has supervision of the child. As I see it, there must be placed upon the schools of the country a larger share of responsibility in the training of children and in their education for character than there has been in the past.

Mme. President, I regret exceedingly that so much is made in the schools of the aptitudes of the child. How high does this child stand? What is his record in arithmetic and geography and history? Infinitely more important than the aptitudes of the child are the attitudes of the child. What is his attitude toward life? What is his attitude toward society? What is his attitude toward government?

Mme. President, it seems to me we cannot question that the schools should be called upon to do a better job than they have done in the past.

What happens to the child who fails to progress—the retarded child? What happens to him? In the language familiar to us, the teacher gets "sore" on that child. She "picks" on the child; and pretty soon the child becomes an occasional truant, and directly he becomes a habitual truant. He meets with other bad boys, and that is the beginning of a gang; very soon there is pilfering in that neighborhood, burglary, and even murder.

Mme. President, as I see it, if we are to save the youth of America, and preserve our institutions as we understand them, we must begin with the youth of our country.

I had not intended to go so extensively into these phases of the question. But I am very much obliged to the Senator from Massachusetts for asking the questions, because it is only by the solemn consideration of the leaders of thought in America, as I see it, that we can hope to elevate the standards of character and behavior among the youth of our country. So, Mme. President, I shall present this bill.

The committee of the American Council on Education asks, as a first step, as I have already said, that a hearing be called upon the bill for the creation of an Education, Welfare, and Law Committee. It invites national discussion, both by the general public and the professions, of the proposals that it is presenting. It urges that through this new agency a continuing investigation of crime and criminal tendencies be carried on. It believes this will promote an unceasing interest in crime prevention and crime control, and focus attention upon the needful improvements in education, and in the advancement of the general welfare.

It is not contemplated by any stretch of the imagination that there should be provided a Department of Education, or a Cabinet member who shall devote himself to education. For myself, I have believed that if there is one thing the States have done fairly well, it is the matter of education. Therefore it is not in that direction that we turn the attention of the Senate.

"Suffer little children to come unto Me" is an unheeded admonition, and may well serve as a rebuke. Nineteen centuries ago adult males, in their preoccupation with their own affairs, gave scant attention to children. Current repetition of the adage that "children should be seen and not heard" perpetuates the same spirit of neglect. Autocrats urge women to bear more and more children to provide manpower for their armies. Democracy, on the other hand, is a way of living—material and spiritual—which should make possible the actual realization of that boasted fullness of life, liberty, and equality of opportunity.

America, Mme. President, has been preoccupied with the problems of achieving the benefits of the Democratic way of living for the generations of adults. It has sadly neglected the measures that scientific investigation has now made available to promote corresponding benefits for our children, as well as for posterity.

The purpose of the bill I present herewith is to carry out the idealistic plan of the thinkers in the educational world and to make real their laudable ambitions for a better America.

I ask that the bill may be printed in the RECORD and referred to the Committee on Education and Labor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 4070) to establish a joint congressional committee on education, welfare, and law, was read twice by its title, referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

A bill to establish a joint congressional committee on education, welfare, and law

Be it enacted, etc., That there is hereby established a joint congressional committee to be known as the Joint Committee on Education, Welfare, and Law (hereinafter referred to as the committee), and to be composed of the two ranking members from the majority political party and the two ranking members from the minority political party of the Senate Committee on Education and Labor and of the House Committee on Education. The committee shall elect a chairman from among its members. The portion of the committee on the part of the Senate remaining in office as Senators shall, during the recess of Congress, exercise the powers and discharge the duties conferred by law upon the committee.

SEC. 2. The committee is authorized—

(1) to make such investigations pertaining to education, welfare, and law as may be assigned to it by the Congress;

(2) to assemble and correlate the testimony of experts in connection with such investigations;

(3) to report to the Congress or to the appropriate committee of the Congress the results of, and its findings of fact with respect to, the investigations so assigned to the committee, together with its recommendations for legislation;

(4) To facilitate voluntary cooperation with the Congress by churches, universities, colleges, public schools, nonprofit-making organizations of professional men and women, philanthropic institutions, welfare institutions, research bodies, patriotic societies, nonprofit-making service agencies, and citizens;

(5) To continue the investigations authorized under Senate Resolutions Nos. 74 and 196, Seventy-third Congress, agreed to June 12, 1933, and April 20, 1934, respectively; and

(6) To accept and administer, subject to the approval of the Congress, funds donated for making investigations on the part of the committee in carrying out the purposes of this act.

SEC. 3. (a) For the purposes of this act the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to employ such stenographic, clerical, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers approved by the chairman.

(b) Subpenas shall be issued under the signature of the chairman and shall be served by any person designated by him. The provisions of sections 102, 103, and 104 of the Revised Statutes shall be applicable with respect to any person summoned as a witness under the authority of this resolution, in the same manner as such provisions are applicable with respect to any person summoned as a witness in the case of an inquiry before a committee of the Senate.

SEC. 4. (a) The committee is further authorized, for the purposes of this act, to appoint a temporary advisory board composed of three members, each of whom shall hold office until January 3, 1941; except that any such member appointed to fill a vacancy in such board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. Such board shall cease to exist upon the expiration of the terms of the original members thereof. Each such member shall receive a salary to be fixed by the committee not in excess of $12,000. It shall be the duty of the board to consult with the committee in carrying out the purposes of this act, and to perform such advisory and other duties as the committee may require of it.

(b) The committee is further authorized, when the board appointed pursuant to subsection (a) shall cease to exist, to provide for appointment of a permanent advisory board composed of not less than three nor more than nine members, each of whom shall hold office for a term of 7 years; except that any such member appointed to fill a vacancy in such board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. Each such member shall receive a salary to be fixed by the committee, not in excess of $12,000, and the functions of the permanent advisory board shall be the same as those of the board appointed pursuant to subsection (a).

(c) The limitation with respect to the maximum amount which may be expended for services, personal, professional, or otherwise, contained in any act making appropriations for the contingent expenses of the Senate and the House of Representatives, shall not apply to the salaries of such members or to the compensation of any personnel detailed to the committee pursuant to section 5.

SEC. 5. The executive departments, independent establishments, and agencies of the Government are authorized and directed to cooperate with the committee in carrying out the purposes of this act. Such departments, establishments, and agencies are authorized to detail to the committee, at such times as they may be available, such of their personnel as the committee may need to carry out such purposes. The salaries of such personnel shall, for the period of their detail to the committee, be paid out of the funds available for the expenses of the committee.

EXHIBIT A

AMERICAN COUNCIL ON EDUCATION,
Washington, D. C., December 28, 1935.

Hon. ROYAL S. COPELAND,
Chairman of the Senate Committee on Crime and Criminal Practice,
United States Senate, Washington, D. C.

MY DEAR SENATOR COPELAND: The joint committee of the American Council on Education and the Education and Law Conference is advised that the forthcoming report of the Senate committee may contain proposals designed to strengthen the efforts of the schools to mature positive citizenship qualities in every pupil. The joint committee understands that the Senate committee expects the steady evolution of more satisfying forms of political, industrial, and social conduct as a necessary result of an efficient training program for citizenship.

The members of the joint committee have followed in detail the experiences of the United States during the war and since. The committee recognizes that current school practices are framed to develop a type of scholarship that is appropriate for not more than 10 or 12 percent of the population. In order to provide effective education for the whole people, school practices should be framed to meet the needs of the 90 percent who are not primarily scholars. This school situation is more surprising since Americans possess extended knowledge of the significance and importance of individual differences, and since the basic law of all learning, namely, the law of effect, has been scientifically established for over 25 years. The American Council joint committee is therefore glad to cooperate with the Senate committee in developing a program of education that better serves the whole people.

From the point of view of the schools such cooperation with the Senate committee requires that appropriate action be taken to stimulate the schools to assume their full share of responsibility for the evolution of a citizenship-training program that tends to result in the prevention of crime. The responsibility laid on the schools should include continuing investigation of the processes of character building and of maturing habits of constructive citizenship in every individual within these United States. When such responsibility has been developed the profession may be expected to restructure both elementary and secondary education in a way to facilitate the performance of the redefined functions referred to above.

For schooling beyond the secondary school level, a new institution, called perhaps the career institute, seems to be needed. Such a career institute must obviously give students career counselling appropriate to each of their individual differences in stage of development of skills, in maturity of personality patterns, and in individual satisfying results. This institution should be evolved to supply a continuing service of counselling, instruction, record-keeping, and certification of each student's habit patterns, proficiency, and achievement. Its files will be the usual depository of the continuous records of the elementary and secondary schools. It should be the leader and coordinating center of all adult educational activities in its community. Its continuing influence upon the junior high school and the senior high school and its coordinating influence upon the adult system should tend to develop a unity of function which will throughout make a continuous and effective guidance chain. This guidance thus continually promotes the student's own maturity as a constructive citizen.

In collaboration with the medical profession, the educational profession shall concern itself with the maintenance of mental

and physical health through evolving appropriate school activities that promote that result, the responsibility always remaining upon the medical profession for the treatment of mental and physical disease. It is in entire harmony with the history, traditions, and spirit of American life that the responsibility defined by your committee shall rest upon the educational profession. Insofar as the individual members of this joint committee are privileged to represent the profession and may speak for it, as well as for themselves, they accept the responsibility.

With regard to the support needed from the Congress to strengthen the efforts of schools in this new program of education, it is clear that legislators should sponsor a new policy and, operating in harmony with the policy, sponsor a new attack upon the problem of crime prevention and control. Inevitably, in the statement of the new policy the form of the initial statement will need to be reviewed from time to time in the light of the experience derived from attempts to operate under it. Accordingly, the investigations which have resulted in its initiation should continue for a sufficient period to insure that the statement of policy arrived at is a clear record of the policy intended and is so worded as to facilitate the application of the policy in practice.

To realize this conception in practice requires first that Congress pass Senate bill 16, which gives to all school records kept by the school system of the District of Columbia the same privileged status as is now given to medical records. In addition, there should be established by the Congress a continuing Federal agency that collaborates with the Congress in investigations and advises the Congress with regard to policies that are inherent in proposed legislation before such policies are crystallized into laws that affect education and welfare. This Federal agency should facilitate contact and cooperative activities among the Congress, professions, and community agencies. Federal legislation can then be better guided so that it encourages increase of State and local sense of responsibility for education and welfare. Such an advisory council for Congress can be established as an independent agency, like the Interstate Commerce Commission or the Tariff Commission, or the Federal Trade Commission. It should have no administrative or executive responsibilities or duties assigned to it.

The education and law conference, as now constituted, should be continued as such a facilitating agency until such time as a more permanent and more adequate agency may be established. The joint committee believes that the time is now ripe for initiating appropriate legislation looking toward the establishment of such a permanent agency.

The joint committee believes that professional support for this entire program may best be gained by giving adequate opportunity for public review of the procedures and facts upon which the program is based. The joint committee therefore suggests that this result may best be secured if the Senate Committee on Crime and Criminal Practice and on Education and Labor hold a joint hearing before which competent witnesses may testify concerning the soundness and the practical value of the entire program and the practical means for realizing it.

The joint committee submits this suggestion and requests the public hearing without special authority from the American Council as a whole and without the official action of officers of the council. Such authority and approval cannot be given without a meeting of the council and the regular meeting will not be held until May 1936. The spirit of its assignment by the council in its May 1934 meeting makes it appropriate that the recommendations of the joint committee be published and submitted to public discussion and professional review before legislation shall be passed. The joint committee submits this suggestion to facilitate wide publicity and the establishment of a body of expressed public opinion to guide the decision of the representatives of the people in Congress and of the representatives of the profession in the American Council.

The joint committee submits the foregoing outline of essential factors needed in the proposed new program of schooling and of legislation. If this general outline meets your approval, the members of the joint committee will be glad to cooperate with you in formulating the detailed provisions and actions needed to realize the outline in practice.

Yours very truly,

C. R. MANN, *Chairman.*

EXHIBIT B

EDUCATION FOR CHARACTER, OR USING CLINICAL METHODS IN EDUCATION

For centuries "character" has been accepted as the true objective of education. In the United States one of the early ordinances (1787) states: "Religion, morality, and knowledge, being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged." Since then all court decisions in all States justify expenditure of public funds for support of schools because "intelligence and sterling moral character" are essential to everyone in a democracy. The practical result of this national aspiration is that a greater proportion of the population now attends school or college here for more years than is the case in any other country.

The rapid spread of American schools to include all is evidenced in the steadily increasing intelligence of the people. With regard to "sterling moral character" the results are less obvious. For some years the statistics of crime have shown an upward trend. The costs of courts, of jails, and of police are mounting. Hence, in 1929 President Hoover established the Wickersham Commission on Law Enforcement to determine the facts and causes of crime and draw courageous conclusions which the public would understand and support. Their report states that the Commission finds it impossible to determine the causes of crime, because social science is in transition. To adopt any of the current theories of criminality would only emphasize some phase of current thought. To develop the potentialities of each of the current theories would confuse the public and get no useful action. One of the 13 volumes of this report is devoted to prohibition.

Shortly after the publication of this report of the Wickersham Commission the United States Senate appointed a special Subcommittee on Crime and Criminal Practice, with Senator ROYAL S. COPELAND as chairman. The new committee sought to stimulate public action toward elimination of antisocial conduct. The committee found that social scientists, though they differ widely in their theories concerning the causes of criminality, are in substantial agreement as to the practical action which may be taken in each specific case of antisocial conduct. This distinction between the theories of criminality and the practical action that cures antisocial conduct gives the Copeland committee a sound basis on which to proceed.

The testimony presented before the committee by experts in the fields of education, medicine, and criminology shows that most criminal careers begin in childhood. As is well known, tendencies toward antisocial behavior of any individual child are observable and may be recorded. Diagnosis of such a behavior record by a competent educator makes it possible to distinguish symptoms that indicate normal healthy growth from those that indicate abnormal antisocial tendencies. Such observed symptoms give school authorities the data needed to determine what school treatment will promote normal, healthy growth and what treatment is needed to prevent abnormal children from developing habits of antisocial conduct. By such competent diagnostic treatment of each individual's needs, the school becomes an educational center where everyone gets health-giving treatment. Such treatment of children by schools is called the clinical method of education, because of its analogy with the clinical methods of medicine.

The chairman of this United States Senate Subcommittee on Crime and Criminal Practice is a trained physician with wide experience in public-health service. He has seen the beneficial results that come to the people when public-health officials use the clinical methods of medicine for the general welfare. On this experience with physical health he bases his expectation that school services will correspondingly improve when school authorities evolve corresponding clinical methods in education. From the educator's point of view, the evolution of such clinical practices in schools offers practical chances to increase the benefits that come from scientific studies of teaching techniques, of testing instruments, of behavior records, of individual differences, of rates of promotion, and of many other pertinent school factors.

The public schools in the District of Columbia are authorized by the Congress to begin the evolution of this clinical method of education. Unfortunately, the name first given to this enterprise was "character education." Hence many felt that it is subversive of long-established habits and traditions. Others opposed it because it seemed to them to transfer to the school a vital responsibility which really belongs to the home and the church. Home and church, however, well know that the chief obstacles they encounter in their efforts to help children develop "sterling moral character" arise from the adverse experiences which come to children in school and in other activities of daily life. The schools now have their chance to help the public learn from experience how clinical treatment of children in school enhances the essential services of both home and church in the matter of personal character.

From the evidence submitted to it, Senator COPELAND'S Committee on Crime and Criminal Practice estimates that about one-fourth of our national income is extorted each year from the American people by criminal practices. So widespread are these practices that the term "racketeering" is now universally applied to them. The rapid evolution of clinical methods in education is therefore of vital practical use to all the people. The germ of this evolution has been planted in Washington by the Congress. Its normal healthy growth is now progressing with congressional approval. Thus does the Congress "promote the common defense and the general welfare" by encouraging the development of the "intelligence and sterling moral character" that are necessary to good government.

C. R. MANN.

FEBRUARY 19, 1936.

TARIFF EQUIVALENT TO AGRICULTURAL PRODUCERS

Mr. CAPPER. Mme. President, I have introduced today a bill, Senate bill 4071, providing for the payment of tariff-equivalent benefits to producers of surplus farm crops on that part of their production which is required for domestic consumption in this country. The subject is of such importance that I wish to make a short statement setting forth the purposes of the proposed legislation.

This measure is not intended as a substitute for the soil-conservation program, to which I was glad to give my support. I believe in a national soil-conservation program and in making conditional grants of Federal funds to those who cooperate in such a program.

The bill I have introduced is, I believe, both constitutional and economically justifiable. The measure is similar to a

bill that has been introduced in the House by Representative CLIFFORD HOPE, of Kansas. it is based on what has been called the domestic allotment plan, plus a formula for determining the tariff equivalent to which farmers are entitled on products which they must sell at world-price levels.

I believe it has been demonstrated that commodities produced in exportable surplus quantities are sold inside and outside the United States at prices determined by world market demands.

Except when upheld by artificial support or during occasional years of scarcity, our wheat, cotton, hogs, and tobacco have been sold at world-price levels. The growers of these commodities have been compelled to buy at higher than world-price levels, levels protected by protective tariffs.

This measure I am introducing proposes a means by which the growers of these commodities sold on world-price levels may be given benefits equivalent to the increased prices these growers pay for American goods which benefit from tariff protection.

The equalization-fee and export-debenture plans were proposed to attain this result indirectly. But both those plans depend upon a foreign market that will take our surpluses of wheat, cotton, hogs, and tobacco. Such foreign markets do not today exist. The controlled-production plan in the A. A. A. was intended to raise farm prices through holding down production to the point where the law of supply and demand would have forced parity prices for farm products. Before we had learned whether or not the A. A. A. plan would work the Supreme Court of the United States, I regret to say, declared the program unconstitutional.

So we face this situation, so far as these major farm crops produced on a surplus basis are concerned. Production control is banned by the Supreme Court. Foreign markets do not exist at the present time to an extent that will take care of these surpluses. Unless and until we have foreign markets for these surpluses, the equalization-fee plan and the export-debenture plan fall short of meeting the situation. That means these farmers must sell in an unprotected, low-price market based on world-price levels, but they must buy in a protected high-price market, at virtually the world price plus the amount of tariff protection.

Mme. President, it is estimated that some 200 things which the farmer buys—including services—are sold him at prices around 25 percent higher than world prices.

This bill proposes that the Tariff Commission find the average cost added by tariff protection to the prices the farmer pays. Then that added cost—which, as I said, has been estimated at 25 percent; it may be more, it may be less—would be paid to the growers of these major surplus-produced crops through a subsidy in the proportion of their total production required for domestic consumption.

Let me give an example. Suppose the Tariff Commission finds that the farmer pays an extra 25 percent on what he buys, because of the protective tariff. Domestic wheat requirements are approximately 600 million bushels a year, or a little more, I believe.

Suppose the production were 800 million bushels. Then six-eighths, or three-fourths, of an individual wheat grower's production would be presumed to be required for domestic consumption.

The grower who produced 1,600 bushels of wheat, if this bill were enacted, under such a finding by the tariff commission as to tariff costs, would then be entitled to a subsidy from the Treasury of the United States of 25 percent of the market price on three-fourths of his crop.

Now let us further suppose the price of wheat were $1. Then this farmer would be entitled to a subsidy of 25 cents a bushel on three-fourths of his 1,600-bushel wheat crop, or 25 cents a bushel on 1,200 bushels.

Mme. President, I believe this bill is constitutional, is economically justifiable, and would get results. I hope full hearings may be held upon it, to develop its good and bad points, and that it will receive earnest and fair consideration. It seems to me at least meritorious enough to entitle it to that fair and earnest consideration.

I ask unanimous consent to introduce a bill to increase agricultural purchasing power and provide for the payment of the tariff equivalent benefits on that part of the production of certain farm commodities which is consumed within the United States, and for other purposes.

The PRESIDING OFFICER. The bill will be received and referred to the Committee on Agriculture and Forestry.

(See Senate bill 4071, introduced by Mr. CAPPER today, under the heading "Bills and Joint Resolutions Introduced.")

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mrs. LONG in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. COPELAND, from the Committee on Commerce, reported favorably the nomination of Commander James L. Ahern to be captain in the Coast Guard, to rank as such from October 7, 1935; also the nominations of sundry officers in the Coast Guard.

Mr. ASHURST (for Mr. MCCARRAN), from the Committee on the Judiciary, reported favorably the nomination of Ralph L. Emmons, of New York, to be United States attorney, northern district of New York, vice Oliver D. Burden, whose term expires February 27, 1936.

Mr. McKELLAR, from the Committee on Appropriations, reported favorably the following nominations:

George D. Andrews, of Pennsylvania, to be State director of the Public Works Administration in Pennsylvania; and

Kenneth W. Markwell, of Tennessee, to be State director of the Public Works Administration in Tennessee.

Mr. McKELLAR also, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

THE JUDICIARY

The Chief Clerk read the nomination of Annette Abbott Adams, of California, to be assistant special counsel, employed to prosecute proceedings to assert and establish the title of the United States to sections 16 and 36, township 30 south, range 23 east, Mount Diablo meridian, within the exterior limits of Naval Reserve No. 1 in the State of California, and to prosecute any suit or suits ancillary thereto or necessary or desirable, under the provisions of Public Resolution No. 6, approved February 21, 1924.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL ALCOHOL ADMINISTRATION

The Chief Clerk read the nomination of Capt. Wilford S. Alexander, of Meriden, Conn., to be Administrator.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NATIONAL EMERGENCY COUNCIL

The Chief Clerk read the nomination of Donald Renshaw, of California, to be State director, California.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

WILLIAM DRISCOLL

The Chief Clerk read the nomination of William Driscoll, of Pittsburgh, Pa., to be collector of internal revenue for the twenty-third district of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

MARTIN O. BEMENT

The Chief Clerk read the nomination of Martin O. Bement, of Buffalo, N. Y., to be collector of customs for customs collection district no. 9, Buffalo, N. Y.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The Chief Clerk proceeded to read sundry nominations in the Public Health Service.

Mr. ROBINSON. I ask that the nominations in the Public Health Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

WILLIAM J. FARLEY

The Chief Clerk read the nomination of William J. Farley, of Connecticut, to be State director of the Public Works Administration in Connecticut.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask that the Army nominations go over for the present. The Senator from Massachusetts [Mr. WALSH] on his return next week wishes to make a statement regarding one of these nominations.

Mr. WALSH. I thank the Senator from Texas. I appreciate his courtesy. I am compelled to be absent from the Senate for several days.

The PRESIDING OFFICER. The nominations will go over.

RECESS TO SATURDAY

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon on Saturday next.

The motion was agreed to; and (at 2 o'clock and 45 minutes p. m.) the Senate took a recess until Saturday, February 22, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 20 (legislative day of Jan. 16), 1936

PUBLIC WORKS ADMINISTRATION

Henry H. Ferguson, of Oklahoma, to be State engineer inspector for the Public Works Administration in Oklahoma.

UNITED STATES DISTRICT JUDGES

Arthur F. Lederle, of Michigan, to be United States district judge, eastern district of Michigan, vice Charles C. Simons, appointed circuit judge.

Robert N. Pollard, of Virginia, to be United States district judge for the eastern district of Virginia, an additional position authorized by the act approved August 2, 1935.

POSTMASTERS

ARKANSAS

Thomas C. Hagins to be postmaster at Fordyce, Ark., in place of R. M. Jordan. Incumbent's commission expired January 22, 1935.

James F. Rieves to be postmaster at Marion, Ark., in place of J. F. Rieves. Incumbent's commission expired February 5, 1936.

Gladys L. Hobgood to be postmaster at Monette, Ark., in place of Wilford Flannigan. Incumbent's commission expired December 18, 1934.

CALIFORNIA

James M. Hayden to be postmaster at Delano, Calif., in place of J. H. B. Speer, resigned.

Walter A. Filer to be postmaster at Fellows, Calif., in place of J. H. Smithey, resigned.

Mary G. Newby to be postmaster at San Quentin, Calif., in place of E. H. Conroy. Incumbent's commission expired July 3, 1934.

Algera M. Rumsey to be postmaster at Saugus, Calif., in place of A. M. Rumsey. Incumbent's commission expired February 9, 1936.

John J. Blaney to be postmaster at Weaverville, Calif., in place of J. J. Blaney. Incumbent's commission expired February 9, 1936.

DISTRICT OF COLUMBIA

Vincent C. Burke to be postmaster at Washington, D. C., in place of W. M. Mooney, transferred.

CONNECTICUT

Francis T. Green to be postmaster at Naugatuck, Conn., in place of W. E. Brown. Incumbent's commission expired January 9, 1936.

Patrick J. Goode to be postmaster at New Haven, Conn., in place of C. W. Birely. Incumbent's commission expired July 1, 1934.

FLORIDA

Burton H. Rawls to be postmaster at High Springs, Fla., in place of R. E. Murphy, resigned.

Ethel L. Hadsock to be postmaster at Newberry, Fla., in place of N. J. Lewis. Incumbent's commission expired January 9, 1934.

Arthur W. Newett to be postmaster at Leesburg, Fla., in place of L. A. Morris. Incumbent's commission expired February 14, 1935.

Edward R. McKenna to be postmaster at Palm Beach, Fla., in place of Lola Miller. Incumbent's commission expired January 22, 1936.

GEORGIA

Charles L. Adair to be postmaster at Comer, Ga., in place of C. L. Adair. Incumbent's commission expired February 5, 1936.

John L. Callaway to be postmaster at Covington, Ga., in place of J. L. Callaway. Incumbent's commission expired February 5, 1936.

Irene W. Field to be postmaster at Monroe, Ga., in place of I. W. Field. Incumbent's commission expired February 5, 1936.

Andy G. Clements to be postmaster at Rhine, Ga., in place of J. M. Brophy. Incumbent's commission expired January 25, 1936.

Olen N. Merritt to be postmaster at Ringgold, Ga., in place of J. B. Saunders. Incumbent's commission expired January 7, 1936.

Estelle S. Peacock to be postmaster at Rochelle, Ga., in place of Baxter Sutton. Incumbent's commission expired January 7, 1936.

HAWAII

John I. Silva to be postmaster at Eleele, Hawaii, in place of J. I. Silva. Incumbent's commission expired February 9, 1936.

Manuel J. Carvalho to be postmaster at Makaweli, Hawaii, in place of M. J. Carvalho. Incumbent's commission expired February 9, 1936.

IDAHO

Herbert L. Spencer to be postmaster at Paris, Idaho, in place of H. L. Spencer. Incumbent's commission expired January 7, 1936.

ILLINOIS

L. Janet Merkle to be postmaster at Brocton, Ill., in place of B. W. Gillis. Incumbent's commission expired February 25, 1935.

Mayme F. Brooke to be postmaster at Matteson, Ill., in place of M. F. Brooke. Incumbent's commission expired February 9, 1936.

Loy Bagby to be postmaster at Olmsted, Ill., in place of H. F. Britt, resigned.

Mary J. Sheridan to be postmaster at Thomson, Ill., in place of H. L. Rawlins. Incumbent's commission expired February 6, 1934.

INDIANA

Cassius W. Cottingham to be postmaster at Sharpsville, Ind., in place of C. D. Richards, resigned.

James E. Purkiser to be postmaster at West Baden Springs, Ind., in place of B. M. Miller. Incumbent's commission expired January 22, 1936.

Dorothy B. Schirr to be postmaster at Westville, Ind., in place of E. H. Imes. Incumbent's commission expired January 22, 1936.

IOWA

Dee C. Batten to be postmaster at Chariton, Iowa, in place of H. C. Copeland. Incumbent's commission expired January 27, 1936.

Mark R. Doud to be postmaster at Douds, Iowa. Office became Presidential July 1, 1935.

George T. Shanley to be postmaster at Webster City, Iowa, in place of K. R. Weston. Incumbent's commission expired February 5, 1935.

KANSAS

Mattie L. Binkley to be postmaster at Brewster, Kans., in place of M. L. Binkley. Incumbent's commission expired February 5, 1936.

Henry F. Schmidt to be postmaster at Dodge City, Kans., in place of Nelson Crawford, transferred.

James B. Doyle to be postmaster at Herington, Kans., in place of D. W. Naill. Incumbent's commission expired January 22, 1935.

Wilbur Rothe to be postmaster at Otis, Kans., in place of V. F. Walker, removed.

MASSACHUSETTS

George G. Henry to be postmaster at Ashfield, Mass., in place of G. G. Henry, deceased.

John J. Downey to be postmaster at Blackstone, Mass., in place of J. J. Downey. Incumbent's commission expired February 9, 1936.

Richard F. Pender to be postmaster at Dalton, Mass., in place of W. L. Tower. Incumbent's commission expired January 27, 1936.

Arthur I. Maguire to be postmaster at East Walpole, Mass., in place of A. I. Maguire. Incumbent's commission expired January 9, 1936.

James B. Kennedy to be postmaster at Greenfield, Mass., in place of C. H. Slocomb. Incumbent's commission expired January 27, 1936.

J. Francis Megley to be postmaster at Holbrook, Mass., in place of J. F. Megley. Incumbent's commission expired February 9, 1936.

James E. Harte to be postmaster at Lee, Mass., in place of L. C. W. Foote. Incumbent's commission expired January 27, 1936.

Charles H. McCarty to be postmaster at Lenox, Mass., in place of Edmund Spencer, resigned.

Wilfred J. Tancrell to be postmaster at North Uxbridge, Mass., in place of W. J. Tancrell. Incumbent's commission expired February 9, 1936.

Francis G. Fanning to be postmaster at South Lee, Mass. Office became Presidential July 1, 1935.

Edward J. Sammons to be postmaster at Westfield, Mass., in place of G. D. Roe. Incumbent's commission expired January 27, 1936.

MISSISSIPPI

Romie Green to be postmaster at Amory, Miss., in place of Romie Green. Incumbent's commission expires May 10, 1936.

Andrew J. Roper to be postmaster at Saltillo, Miss. Office became Presidential July 1, 1935.

MISSOURI

Edwin A. Williams to be postmaster at Boonville, Mo., in place of J. L. Esser. Incumbent's commission expired February 9, 1936.

Bailey F. Brooks to be postmaster at Caruthersville, Mo., in place of P. L. Horner. Incumbent's commission expired December 20, 1934.

William P. Carskadon to be postmaster at Dalton, Mo., in place of R. W. Cox, removed.

Clare Magee to be postmaster at Unionville, Mo., in place of F. J. Boesche, resigned.

NEBRASKA

Patrick F. Leonard to be postmaster at Anselmo, Nebr., in place of C. J. Sittler. Incumbent's commission expired February 21, 1935.

Gustav A. Koza to be postmaster at Clarkson, Nebr., in place of G. A. Koza. Incumbent's commission expired February 5, 1936.

Gretchen Wohlfarth to be postmaster at Diller, Nebr., in place of V. D. Hill. Incumbent's commission expired February 4, 1935.

Edmund J. Barrett to be postmaster at Lawrence, Nebr., in place of E. J. Barrett. Incumbent's commission expired February 5, 1936.

Kitty Hennessy to be postmaster at Platte Center, Nebr., in place of M. E. Gleason. Incumbent's commission expired December 18, 1934.

NEVADA

James L. Denton to be postmaster at Caliente, Nev., in place of J. L. Denton. Incumbent's commission expired February 5, 1936.

NEW JERSEY

John L. A. Gorman to be postmaster at Dumont, N. J., in place of Frank Hill. Incumbent's commission expired June 24, 1934.

Walter D. Finch to be postmaster at Mahwah, N. J., in place of W. D. Finch. Incumbent's commission expired February 9, 1936.

Thomas E. Downs, Jr., to be postmaster at South Amboy, N. J., in place of W. S. Dey, removed.

NEW MEXICO

Wilson D. Campbell to be postmaster at Belen, N. Mex., in place of T. B. Baca. Incumbent's commission expired February 4, 1931.

Verda J. Speight to be postmaster at Hot Springs, N. Mex., in place of N. A. Keithly. Incumbent's commission expired June 4, 1934.

NEW YORK

Alberta J. Webber to be postmaster at Atlanta, N. Y., in place of G. W. Unger, Sr. Incumbent's commission expired January 22, 1935.

Hattie D. Lyon to be postmaster at East Setauket, N. Y., in place of H. D. Lyon. Incumbent's commission expired January 18, 1936.

Frank P. Morstatt to be postmaster at Garnerville, N. Y., in place of F. P. Morstatt. Incumbent's commission expired January 27, 1936.

Walter E. Slattery to be postmaster at Lima, N. Y., in place of W. G. Vary. Incumbent's commission expired December 8, 1934.

John P. Samascott to be postmaster at Loudonville, N. Y., in place of A. G. H. Bryan. Incumbent's commission expired December 8, 1934.

James F. Cronin to be postmaster at Portville, N. Y., in place of H. C. Holcomb, resigned.

E. Edward DeCamp to be postmaster at Smallwood, N. Y. Office became Presidential July 1, 1935.

Edward N. Skinner to be postmaster at Westfield, N. Y., in place of V. B. Card, deceased.

NORTH CAROLINA

Emma P. Chambers to be postmaster at Warsaw, N. C., in place of B. S. Wilson. Incumbent's commission expired January 22, 1935.

Charles N. Dobbins to be postmaster at Yadkinville, N. C. in place of W. E. Rutledge. Incumbent's commission expired January 28, 1934.

NORTH DAKOTA

Genevieve Gregor to be postmaster at Dawson, N. Dak., in place of Genevieve Gregor. Incumbent's commission expired February 9, 1936.

William C. Ney to be postmaster at Max, N. Dak., in place of A. E. Reimers. Incumbent's commission expired March 8, 1934.

Clarence B. Stinson to be postmaster at Warwick, N. Dak., in place of C. B. Stinson. Incumbent's commission expired February 9, 1936.

OHIO

Earl C. Stiwald to be postmaster at Amherst, Ohio, in place of E. E. Foster. Incumbent's commission expired January 7, 1936.

Charles J. Sartor to be postmaster at Elyria, Ohio, in place of R. B. Lersch. Incumbent's commission expired January 7, 1936.

John F. McGonagle to be postmaster at Junction City, Ohio, in place of P. H. Clark. Incumbent's commission expired February 20, 1935.

William L. Zeis to be postmaster at Port Clinton, Ohio, in place of G. A. Fisher. Incumbent's commission expired January 7, 1936.

Minerva D. Case to be postmaster at Powell, Ohio. Office became Presidential July 1, 1935.

OKLAHOMA

James W. Kincaid to be postmaster at Glencoe, Okla., in place of R. C. Mayfield. Incumbent's commission expired April 28, 1934.

Lawson Race to be postmaster at Hunter, Okla. Office became Presidential July 1, 1935.

Edwin N. Clow to be postmaster at Mulhall, Okla., in place of G. M. Johnson. Incumbent's commission expired April 28, 1934.

Floyd A. Rice to be postmaster at Strong City, Okla., in place of F. A. Rice. Incumbent's commission expired February 5, 1936.

OREGON

Margaret M. R. Calendine to be postmaster at Cascade Locks, Oreg. Office became Presidential July 1, 1935.

Thomas B. Hoover to be postmaster at Kinzua, Oreg., in place of A. R. Barnes. Incumbent's commission expired December 18, 1934.

Mary A. Hollister to be postmaster at North Bend, Oreg., in place of L. B. Chappell. Incumbent's commission expired January 22, 1936.

PENNSYLVANIA

John N. Backenstose to be postmaster at Schaefferstown, Pa., in place of J. N. Backenstose. Incumbent's commission expired February 10, 1936.

James F. Farr, Sr., to be postmaster at Sheffield, Pa., in place of M. H. Shick, resigned.

Thomas F. McBride to be postmaster at Upland, Pa., in place of E. H. Gilpin. Incumbent's commission expired June 20, 1934.

SOUTH CAROLINA

Samuel Oscar Capell to be postmaster at Easley, S. C., in place of H. W. Garrison, removed.

SOUTH DAKOTA

Sylvester Eisenman to be postmaster at Marty, S. Dak., in place of Sylvester Eisenman. Incumbent's commission expired February 9, 1936.

TENNESSEE

Joel F. Ruffin to be postmaster at Cedar Hill, Tenn., in place of J. F. Ruffin. Incumbent's commission expired February 5, 1936.

TEXAS

Antonia R. Garcia to be postmaster at Benavides, Tex., in place of A. R. Garcia. Incumbent's commission expired February 5, 1936.

Edith M. Bursey to be postmaster at Brackettville, Tex., in place of E. M. Bursey. Incumbent's commission expired February 5, 1936.

Whittaker Downman Bains to be postmaster at Brookshire, Tex., in place of Chessell Gra, removed.

Eugene Webb to be postmaster at Corrigan, Tex., in place of Eugene Webb. Incumbent's commission expired February 5, 1936.

Clyde T. Martin to be postmaster at Hubbard, Tex., in place of A. M. Huddleston, resigned.

Clara C. Redford to be postmaster at Johnson City, Tex., in place of C. C. Redford. Incumbent's commission expired February 5, 1936.

Joseph F. Wiles to be postmaster at Olton, Tex., in place of J. F. Wiles. Incumbent's commission expired February 5, 1936.

Charles B. Myers to be postmaster at Poteet, Tex., in place of C. B. Myers. Incumbent's commission expired January 8, 1936.

Andrew J. Bushong to be postmaster at Rankin, Tex., in place of A. J. Bushong. Incumbent's commission expired February 5, 1936.

Frank P. McCabe to be postmaster at Rio Hondo, Tex., in place of D. P. Rounds. Incumbent's commission expired January 13, 1935.

VERMONT

Douglas C. Montgomery to be postmaster at East Arlington, Vt., in place of D. C. Montgomery. Incumbent's commission expired February 9, 1936.

WEST VIRGINIA

Roscoe B. Holmes to be postmaster at Raleigh, W. Va., in place of R. B. Holmes. Incumbent's commission expired February 1, 1936.

WISCONSIN

Gilbert W. Kaepernick to be postmaster at Iron Ridge, Wis., in place of I. W. Volkmann, removed.

Emma C. Andrews to be postmaster at Manitowish, Wis. Office became Presidential July 1, 1935.

Wilfred J. Woulf to be postmaster at Niagara, Wis., in place of Hannah Goodyear. Incumbent's commission expired January 28, 1934.

Esther B. Clausen to be postmaster at Woodworth, Wis. Office became Presidential July 1, 1935.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 20 (legislative day of Jan. 16), 1936

ASSISTANT SPECIAL COUNSEL

Annette Abbott Adams to be assistant special counsel under the provisions of Public Resolution No. 6, approved February 21, 1924.

FEDERAL ALCOHOL ADMINISTRATION

Capt. Wilford S. Alexander to be Administrator of the Federal Alcohol Administration.

NATIONAL EMERGENCY COUNCIL

Donald Renshaw to be State director of the National Emergency Council for California.

COLLECTOR OF INTERNAL REVENUE

William Driscoll to be collector of internal revenue for the twenty-third district of Pennsylvania.

COLLECTOR OF CUSTOMS

Martin O. Bement to be collector of customs for customs collection district no. 9, Buffalo, N. Y.

PUBLIC HEALTH SERVICE

Edward C. Ernst to be senior surgeon.
Peter J. Gorman to be senior surgeon.
Dr. Thorburn S. McGowan to be assistant surgeon.
Edwin H. Carnes to be surgeon.
Franklin J. Halpin to be surgeon.
Gregory J. Van Beeck to be surgeon.

William C. Parker to be dental surgeon.

Joseph M. Dalla Valle to be passed assistant sanitary engineer.

PUBLIC WORKS ADMINISTRATION

William J. Farley to be State director of the Public Works Administration in Connecticut.

POSTMASTERS

PENNSYLVANIA

Edward C. Bishop, Cresson.
Lawrence J. Welsh, Jeddo.
James Uhler Fetherolf, Nazareth.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 20, 1936

The House met at 12 o'clock noon.

The Rev. Armin Haeussler, pastor of the St. Lucas Evangelical Church of Evansville, Ind., offered the following prayer:

Our Loving Father, unto Thee shall all flesh come. Have respect unto the prayer of Thy servants, and hide not Thy face when we call upon Thee.

We thank Thee for the hard, gray days of life as well as the sunlit days; for adversity as well as prosperity. We praise Thee for integrating everything into Thy eternal pattern. Help us to think of things temporal in terms of the eternal.

Lead us increasingly into the blessings of the more abundant life.

We thank Thee for the discoveries which are leading us into richer, fuller living. We thank Thee for our national heritage; help us to be true to our finest traditions and noblest ideals, and to continue every good work begun by our forefathers. Save us from repeating the mistakes and sins of the past. May the hearts of our citizens be knit together more and more in the bonds of a truly cooperative commonwealth. Save us from hypocrisy and the fate of those that have a name that they live but are dead. Prosper our officials, both high and low, in their leadership and service of the people. Guide them and us through all perplexities. Bless the influence of this Nation throughout the world. Help us to make constructive contributions to the social processes of the age, that Thy will may become increasingly dominant in our hearts and lives.

And unto Thy name shall be the praise and the glory and the dominion now and forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

BROADCASTING AND THE AMERICAN PUBLIC

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a broadcast by Federal Communications Commissioner George Henry Payne.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOYLAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following interview with the Honorable George Henry Payne, Federal Communications Commissioner, last Saturday night, February 15, 1936, over the Columbia Broadcasting System by the news commentator, Boake Carter, on the subject of "Broadcasting and the American Public."

Mr. CARTER. Just what is the Federal Communications Commission?

Commissioner PAYNE. The Federal Communications Commission is a body of seven men created by Congress at the suggestion of President Roosevelt for the purpose of regulating interstate and foreign traffic in communication by wire and radio so as to make available to all the people of the United States a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges. It is paid for by the United States Government.

The work of the Commission is divided by law among three divisions:

First. The Telegraph Division, which has the power of regulation of the domestic and international wire companies and those radio companies in the telegraph business;

Second. The Telephone Division, which has the power of regulation of the telephone system and systems in the United States; and

Third. The one in which you are most interested this evening, that which has the control in the United States over broadcasting.

As the law states section 301 no one in this country can "operate any apparatus for the transmission of energy or communications or signals by radio * * * except under and in accordance with the Communications Act and with a license * * * granted by this Commission under the provisions of this act."

So you see, Mr. Carter, the law gives this Commission great power, but it specifically states:

"SEC. 326. Nothing in this act shall be understood or construed to give the Commission the power of censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communication."

In this connection I might also state, however, that the law specifically states that, "No person within the jurisdiction of the United States shall utter any obscene, indecent, or profane language by means of radio communication."

Mr. CARTER. How is it, then, Commissioner Payne, when the law is as specific as you say, that there is so general an impression that censorship by the Communications Commission does exist?

Commissioner PAYNE. I believe this is due, Mr. Carter, to the fact that censorship is exercised by the owners of radio-broadcasting stations in this country. And, mark you, this is one of only two countries in the world where private ownership practically controls all of the broadcasting.

Mr. CARTER. You say that the broadcasting companies exercise censorship over what goes over the ether?

Commissioner PAYNE. Yes. Much of it is proper, just, and even admirable. It is necessary, for instance, for the private corporations controlling radio to see that, as far as possible, in accordance with the law, nothing indecent or profane is broadcast. It is certainly proper for them to exercise censorship to see that improper or illegal advertising does not take place. I am speaking only my personal views when I say that I think it is proper censorship for them when they endeavor to curtail liquor advertisements and announcements, even though it is now legal to sell liquor in this country.

On the other hand, I do not think it is proper censorship to censor speeches or such material as news comments, with the purpose of favoring any political party or political candidates, or to coerce anyone speaking in an editorial capacity.

Mr. CARTER. Then you believe that news events should be absolutely uncensored and that a news commentator like myself should be free to comment editorially on the day's news, free to express my own opinions, in adherence to the best poker language, "Calling them as I see them, letting the chips fall where they may and playing no favorites"?

Commissioner PAYNE. Absolutely and without question. The discussion of news matters without prejudice, with courage and with the restraint that every honorable man naturally imposes on his own expressions is one of the most useful functions that broadcasting can perform.

Mr. CARTER. In the preservation of honest, free speech, should not recognized and experienced news commentators' editorial policies be their own—within, of course, the restraints of law and common decency—regardless of policies which might be dictated to them by private control?

Commissioner PAYNE. I cannot conceive of anyone so ill informed as to the history of our Democracy and the necessity of honest, free speech, as you say, who would dare to stand for any other policy than that of uncontrolled and uncensored news commentating. In the course of our lives we have all heard people complain that such-and-such an editorial represented a biased view or that the editor was prejudiced, and such criticisms there will be always, as long as human beings are what they are. But that there should be any policy, either by the Government or by those owning stations, permitting dictation on news commentators' views is unthinkable.

Mr. CARTER. Is there not danger that the Federal Communications Commission is endowed with too much power, in view of the fact that it licenses broadcasting stations every 6 months? Might not this power be extremely dangerous in the hands of unscrupulous men?

Commissioner PAYNE. The Commission certainly has enormous power, which, like every governmental power in the hands of men without conscience, might be a great menace. Fortunately, the broad interest in the subject means that the public has been and is daily becoming aroused to the importance of seeing that the power is not abused and the law is administered fairly, honorably, and with conscience. It is the indifference of the public frequently that is as much to blame for the break-down of government or its corruption as the venality or weakness of men. Many believe that the Federal Communications Commission has so important a duty and such lofty possibilities for service that it may eventually become regarded, like the Interstate Commerce Commission and the Federal Trade Commission, as a tribunal where the public will be assured that there will be fairness and not fa-

voritism and where the decisions will be made without regard to politics, partisanship, or personal prejudice or advantage.

Mr. CARTER. Then, Commissioner Payne, I take it you mean a sort of radio court of appeals, where the public can be assured they will get a square deal? In the heat of a political campaign is it not possible that the pressure from one side or another will be too heavy for men to resist?

Commissioner PAYNE. I am not holding that human nature is perfect—yet—but remember that the new method of communication, the radio, arouses an interest in more people than have ever been interested or aroused at one time in the history of the world. If we sincerely believe in our democratic form of government and majority rule, that means that a greater number is going to be informed, with a greater number determined to be fair and a greater number that are going to be intolerant of unfairness or misuse of power. The law specifically says that there shall be fairness in the division of time among candidates for office. It is possible that further legislation may be needed to see that this is done. The English system, where the broadcasting is under the control of a corporation dominated by the government—which permits no advertising—takes care of this political situation in what would seem to be an admirable way. It turns over to the political committee so much time which they allot among themselves.

Mr. CARTER. Mr. Commissioner, it has been suggested by some, that inasmuch as American broadcasting is operated for private profit, time should be sold to political parties rather than being given to them, on the grounds that it would then continue to preserve the profit motive. What do you think of that suggestion?

Commissioner PAYNE. Mr. Carter, I think it would be a dangerous practice, because the political group, which could raise the most money and is willing to pay the highest prices, would be the one to gain the most time on the air to present their views. And this would be unhealthy and not in the interests of giving every political group an equal opportunity to have their say.

More desirable, I believe, is the present practice—that of giving time for the discussion of important public issues—and what more important public and political issue is there than an election? After all, the ether belongs to the people, and they have a right to say that a certain portion of it should be dedicated to them without the element of profit-making. It isn't going to be easy to work out a plan by which everybody is going to be satisfied. The fundamental of political advancement is disagreement and is the opportunity for those who disagree to be able to express themselves.

It was the late John J. Ingalls, of Kansas, who said that "purity in politics is an iridescent dream." Harmony or complete agreement in politics or political discussion is too near stagnation to be conceivable.

Mr. CARTER. Then, there should be only one interest kept in mind by those of us in the radio business, and that is the public interest. Do you not agree?

Commissioner PAYNE. Let us keep in mind always what you so frequently refer to as Johnny Q. Public. It isn't what the politicians want: It isn't what the parties want—they are only instruments of your friend, Mr. Johnny Q. Public, and too often are not the best instruments. His welfare, the welfare of the great American people, their progress, their enlightenment, their happiness, their relief from burdens, unfair and overwhelming—that must be our sole object. Honest, free, frank discussion is a right. Knowledge kept from them approaches very closely to their betrayal.

Let me read you my favorite quotation in this regard—memorable lines that they are, by John Stuart Mill:

"All the grand sources of human suffering are in a great degree, many of them almost entirely, conquerable by human care and effort, and though their removal is grievously slow, though a long succession of generations will perish in the breach before the conquest is completed, yet every mind sufficiently intelligent and generous to bear a part, however small and unconspicuous—will draw a noble enjoyment from the contest itself which he would not for any bribe in the form of selfish indulgence consent to be without."

GOVERNMENT LOBBIES

Mr. SEGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a broadcast delivered by my colleague the gentleman from New Jersey [Mr. LEHLBACH].

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SEGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech of Representative FREDERICK R. LEHLBACH, of New Jersey, delivered over the network of the National Broadcasting Co.'s system, from Washington, February 18, 10:45 to 11 p. m., eastern standard time. Mr. LEHLBACH spoke on Government Lobbies.

Last summer, when the death-sentence clause providing for the destruction of public utilities holding companies was under consideration in Congress, a great hullabaloo was raised by the administration about a public-utilities lobby. Accordingly, both Houses of Congress designated committees to investigate this iniquity.

After painstaking examination, the only evidence of lobbying activity by the holding companies developed was the fact that the officials of these companies called to the attention of the security holders and employees of the companies and their affiliates the danger of losing their investments and their jobs in the event of the passage of this legislation, and urging them to protest to their Representatives in Congress. I know of no law preventing trustees from reporting to their beneficiaries the status of their investments, nor have I information that the right of petition guaranteed by the Constitution has been abridged. There is evidence that the agents of one company in their zeal sent messages of protest without the knowledge of alleged signatories, but there is no evidence that this practice was general or that other companies indulged in it.

But how about the administration? How about the right of the legislative body to function independently without pressure or coercion by the Executive? How about the administration lobby? We have proof of one group sent to the Capitol to infest the Houses of Congress, and by any and every means to secure votes for the death sentence, which Congress in its considered judgment had already rejected.

This lobby consisted of Thomas C. Corcoran, of the Reconstruction Finance Corporation; Benjamin B. Cohen, National Power Policy Commission; Oswald Ryan, Federal Power Commission; John A. Rowe, Jr., Reconstruction Finance Corporation; Dosier A. De Vane, Federal Power Commission; Charles West, Department of the Interior; and Joseph P. Cotton, Reconstruction Finance Corporation and a member of a New York law firm with which President Roosevelt was formerly associated. The activities of members of this outfit included advising the committees of Congress handling the legislation with respect to the demands of the administration; participating in meetings of Representatives to map out the strategy to be employed to secure votes; writing letters purporting to emanate from Members of Congress to their colleagues and securing the signatures of Members to such letters; drafting radio speeches to be delivered by Members of Congress as their own; soliciting votes in the lobbies surrounding the House while the voting was in progress; invading the Speaker's lobby while the House was in session in violation of the rules; using the office of the Democrat Whip as a base of operations; making special arrangements with the telephone company so that their calls would not show on the bills of Members. Charles West, who, as a former Member of the House, had the privileges of the floor, carried on this work in the cloak room of the House and on the very floor itself. Had any other group other than these officials of the administration attempted to lobby for legislation in this manner, the country would have rocked with the scandal.

All this was surely bad enough, but this administration lobby actually tried to trade Public Works projects for votes for the death-sentence clause. Such action would seem unbelievable, but we have the specific example of the Passamaquoddy project in the State of Maine.

Let us examine this project, not only because the administration tried to use it for buying votes in Congress for the death-sentence clause, but because it is a typical example of the inexcusable waste and extravagance in the expenditure of the President's $4,889,000,000. The project consists of the construction of a dam to impound the tidal water in the bay in order that its flow and ebb may be used to create hydroelectric power. The cost of the project is estimated at $36,000,000. This plan has been examined and reexamined many times in the past, and in each instance the foremost engineers of the country have reported that the project was not feasible in that the cost of the dam would make the cost of the power so created prohibitive for commercial use. But the State of Maine votes in September in the elections next fall, while the rest of the country votes in November. So the $36,000,000 had to be planted there notwithstanding the fact that it was sheer waste.

Furthermore, in order to run the plant after it was constructed, the State of Maine would have to set up an agency to take over the electric power created and distribute it. This the State of Maine has heretofore refused to do, and it is increasingly apparent that it will not do so. Well-informed observers are of the opinion that consequently the actual construction of the dam will never be undertaken and that the present work going on there is to fool the people of Maine and to waste the money.

The present work carried on there is the building of a settlement to house the relief workers who are not going to build the dam. Recently the Government advertised for bids for furnishings of the homes the relief workers are not going to occupy. In the remote contingency that workers will occupy these houses, they will certainly lead a more abundant life than most of us can afford to do. The furnishings are to be in colonial style. The furniture must be of dull, old-fashioned maple, and the all-wool blankets on the beds must be pastel green with wide taffeta rayon bindings, 80 by 60 inches, and weighing 2¼ pounds each. The puffs to go over the blankets must be of the down of ducks covered with sun-fast rust sateen. The fireplaces must harmonize with the colonial style furnishings. In each reception room there must be two grandfather clocks striking chimes on the hour, half hour, and every quarter hour, with dials of silver. The love seats, davenports, wing chairs, coffee and card tables and hilltop and butterfly tables must be in colonial style, and also the old-fashioned pewter candlesticks. The floor lamps must be the Cape Cod style with soft yellow shades, and the

paintings for the walls must be by recognized masters. The workingmen and workingwomen of the country do not live in surroundings like these, but for a generation to come they must earn by the sweat of their brows the money to repay in taxes the many billions of dollars thrown away by the New Deal, of which this Passamaquoddy is a typical example.

You think this Passamaquoddy project is a sole exception and not typical of the insensate spending orgy now going on? Well, let's look at the dog pound in the city of Memphis, Tenn., for the building of which $25,000 of W. P. A. money has been allocated. I saw some days ago in the New York Sun a reproduction of the architect's sketch of this dog house, and I certainly wish I could live in as handsome a building as the Memphis dogs will occupy. The dogs will have individual pens with fresh bedding every day, exercise runways, shower baths, and every other imaginable comfort of home. I am told a generous sum has been allotted to teach the people of Illinois to play checkers. It will cost a pretty penny to wipe off the walls of our public buildings throughout the country the smears daubed thereon by alleged work-relief artists. In New York the administration started a project for unemployed writers. A group of radical writers, who have never been employed and never will be, promptly organized a union, or what may better be termed a soviet, and laid down the rules and regulations under which they would deign to accept the Government's money. Their first demand was that the person selected by the Government to administer this writers' project be fired, and a complacent administration promptly fired him. Soon there will be let loose upon a helpless and nonresisting public a flood of barnstorming companies composed of alleged unemployed actors, who will probably kill whatever opportunities are left for legitimate private theatrical enterprise.

It is apparently impossible to get a single cent of W. P. A. money if its expenditure will be of real use to anyone, but no scheme is fantastic enough to be rejected by the W. P. A., provided, always, that from the expenditure of the money entailed nothing useful will result. The motto of the administration seems to be "billions for waste but not one cent for value."

Maj. Gen. Johnson Hagood, an officer of the United States Army, of good judgment and abundant common sense, has dubbed W. P. A. relief funds "stage money" because you can pass it around but cannot get anything out of it in the end. The general calls attention to the fact that for a few hundred thousand dollars you could mend the leaky roofs and the defective plumbing and rehabilitate the dilapidated tinder-box shacks in which the Government houses our Army at the various Army posts, but the New Deal refuses to allocate one single cent of the billions of Works money for such a sensible and useful purpose. Twenty-five thousand dollars for the dogs in Memphis, millions for workers' palaces at Passamaquoddy that probably will never be occupied, but not one cent to keep a tight roof over the boys who wear Uncle Sam's uniform.

This load on the American people cannot now be avoided, but 4 years more of it will most certainly wreck the country. The billions gone and still going cannot be retrieved, but surely the American people are saying, in the words of that grand old Democrat, Andrew Jackson, "By the eternal, we'll stop it in November."

THE TOWNSEND PLAN

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of House Resolution 418, passed on yesterday, to investigate the Townsend plan, and also to incorporate certain testimony given before the Committee on Finance of the United States Senate on the turn-over tax.

Mr. SNELL. Mr. Speaker, reserving the right to object, what is the nature of the testimony referred to?

Mr. SWEENEY. Testimony presented to the Committee on Finance of the United States Senate May 20, 1921, by many merchants of this country on the turn-over tax.

Mr. SNELL. Is it very long?

Mr. SWEENEY. No; and I think it will be very enlightening for the House to have the information.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SWEENEY. Mr. Speaker, yesterday, February 19, 1936, the House of Representatives authorized an investigation of the activities of what is termed old-age-pension schemes directed primarily at the so-called Townsend plan. It is assumed that a similar resolution authorizing the payment of a sum of money estimated at $50,000 will be considered by the House to permit the committee in charge of this investigation to start its deliberations.

As an advocate of the McGroarty bill, which embodies the Townsend philosophy, I join with the proponents of this measure in inviting such an investigation.

The Townsendites have nothing to conceal in this unparalleled evidence of strength in support of their movement that is sweeping the Nation and demanding a change in our present economic conditions through the creation of legislation that has for its purpose—

The promotion of the general welfare to assure permanent employment and social security for all and to stabilize business conditions through an assured definite and constant circulation of money and credit by the National Government, and for other purposes.

We do not believe the demand for an investigation is in good faith, and we maintain that the appropriation of any large sum of money for this purpose will be a criminal waste of the taxpayers' money. If there are any serious irregularities in this, the greatest of all old-age-security movements, then we invite investigation and the exposé of those responsible for the same.

Complaint has been made because millions of our people join Townsend clubs by paying an intial fee of 25 cents and 10 cents monthly dues thereafter. Mr. Speaker, it is no concern of this or any other legislative body what dues people pay in this or any other organization. Would it not be more fitting for the Congress of the United States to investigate the Crusaders, the American Liberty League, and the Carnegie Foundation? These organizations are instrumentalities of great wealth and privilege. They are invariably arraigned against any improvement in our social or economic order unless it insures them the right to maintain the private control of money and the destinies of the Government, be it city, State, or national.

Mr. Speaker, I helped to conduct a survey of the poorhouses and almshouses in the State of Ohio, 15 years ago, in an effort to interest the electors of that State in the old-age-pension movement. Time will not permit me to narrate the rotten and damnable conditions our committee found in these prisons, and I use the word advisedly, where inmates were incarcerated solely for the crime of growing old and coming to the winter season of their life, penniless and in want. The exposé of these conditions in Ohio and various other States hastened the day when old-age-pension laws became a fact, instead of the institutional care administered heretofore, and which had been the accepted standard of care of the indigent aged. The institutional care method of the indigent aged was inhumane to say the least. Those in charge of its administration, in many States, were politicians who cared more for the graft they could exact from the funds allocated to maintain these institutions than they did to administer humane treatment to the inmates. Today, over 32 States have old-age-pension laws. The Federal Government, thanks to the present administration, has recognized its obligation to its aged citizens. It has, through the medium of the Social Security Act, embarked on a policy of recognizing its responsibility in assisting the various States in providing for old-age security.

Mr. Speaker, the Federal Government, in matching its $15 per month for each individual within the various States who qualify for old-age-pension laws, will not solve this problem. The combined amounts, while preferably better than institutional care to the beneficiary, does not provide a decent standard of living for our qualified old persons. It scarcely is enough to keep body and soul together. The Townsend plan aims not only to insure comfortable declining years for those who have given the best of their lives to society, but affords the means of employment to millions now desperately in need of the same. The plan of an annuity not to exceed $200 per month to those persons over 60 years of age, with the mandate that the same be spent each month, will create a purchasing power necessary to our economic life. It will take, in the first instance, out of gainful employment, over 4,200,000 individuals now over 60 year of age, who are employed, making way for younger men and women to take their places. It has been estimated that a 2-percent transaction tax on an annual 1,300 billion dollar turnover will yield $26,000,000,000 per year. Government statistics disclose that there are approximately seven and one-half millions who are eligible to benefit by this legislation, which would require annually about $18,000,000,000. A surplus of $8,000,000,000 each year would, in less than 4 years, wipe out the national debt, estimated in 1934, at $30,000,000,000. The great World War left us with a staggering debt of $43,765,000,000, exclusive of $12,000,-

000,000 due from our Allies on the war debt and reparations. The depression has cost the Federal Government many more billions of dollars and still we have approximately 11,000,000 persons out of work.

Let us face the fact, and not pretend to believe that we can borrow ourselves out of debt with money that is nonexistent. The Townsend philosophy is a people's movement, and once the people become aroused nothing can stop the advance of social justice. Objection after objection will be raised by those who classify this movement as fantastical, unsound, and its supporters as foolish and crackpots.

It is my humble judgment that Dr. Francis E. Townsend has interested a sufficient number of farmers, small businessmen, professional groups, and the working classes of this Nation to insure a hearing before the Congress of the United States on the important subject of adequate old-age security.

This movement has convinced our people that the majority rule is still in existence. Heretofore we had observed that this was a Government of the people, by the people, for the privilege classes.

One of the objections to the Townsend plan is that it will pyramid taxes through the transaction turn-over tax, and that this will bring about chaos and high prices, which will result in an orgy of inflation destructive to the financial and business structure of our Nation. I append as an argument against this charge the data presented before the United States Senate Committee on Finance, May 20, 1921, when the question of the 1-percent turn-over tax was considered before that distinguished body.

The following tables are copied from a hearing held before the Committee on Finance, United States Senate, May 20, 1921. Mr. Meyer D. Rothschild, representing the jewelry interests of the United States, testifying on the effect on retail prices of the imposition of a 1-percent "turn-over" tax, stated:

ON GRANULATED SUGAR (FURNISHED BY SEEMAN BROS., OF NEW YORK)

	Tax at 1 percent
1. Raw sugar, if bought by refiner from importer (If the raw sugar is imported direct by the refiner, as it usually is, the total tax would be reduced to $0.685 on 100 pounds granulated, or 2.74 percent of selling price to consumer), 110 pounds, at 16 cents, $17.60	$0.176
2. Refined granulated sugar from refiner to wholesaler (based on 10 pounds' loss in refining), 100 pounds, at 21 cents, $21	.210
3. Wholesaler to retailer (based on $1 per 100 for gross profit and 50 cents per 100 for average freight from refinery), 100 pounds, at 22½ cents, $22.50	.225
4. Retailer to consumer (based on $2.25 per 100 for gross profit and 25 cents per 100 for average freight from wholesaler), 100 pounds, at 25 cents, $25	.250
Total tax on 100-pound price for consumption	.861

Tax on 1 pound, selling at 25 cents, $0.00861, or 3.44 percent of the price to consumer.

ON BREAD (COMPILED BY MR. WILLIAM C. CORNWELL, EDITOR OF THE BACHE REVIEW, FROM INFORMATION OBTAINED FROM VARIOUS WHOLESALE AND RETAIL DEALERS IN NEW YORK CITY. PRINTED IN THE BACHE REVIEW, APRIL 1920, SPECIAL EDITION)

In estimating the effect on the price of a loaf of bread, the tax would be levied first when the wheat leaves the producer; second, when it leaves the miller; and, third, when it leaves the retail grocer or the baker. Prices and taxes would be as follows:

	Taxes
When it leaves the farm, 1 bushel of wheat would be sold for, say, $2	$0.02
When it leaves the miller, 4½ bushels of wheat to the barrel, with flour averaging $12 per barrel, would make 1 bushel of wheat in flour worth $2.67	.0267
When it leaves the baker, a barrel of flour makes from 260 to 270 loaves of bread. One bushel of wheat is two-ninths of a barrel of flour. This would make 60 loaves to a bushel of wheat. Figuring these 60 loaves at an average of 8 to 9 cents per loaf, price would be $5.10	.0510
This would make the total tax on all sales of a bushel of wheat, from flour to bread	.0977

This tax is 2 percent of the price paid by the consumer.

This tax thus far—approximately 10 cents—is the total price to be added to the 60 loaves of bread on account of the 1-percent tax on sales progressively from the farm to the consumer.

This total tax if passed along is so small—amounting to less than one-sixth of a cent per loaf—that it could not be added to the price per loaf to the consumer. It would probably be passed on by the miller and be paid by the baker, but would be such an infinitesimal reduction from his profits that he would be almost totally unaffected.

These calculations are based on only three sales, from farmer to consumer; but if one or two more sales of the wheat take place it would still leave the tax at a small fraction of a cent to the loaf.

Further than this, it is stated that bakers do not bake half the bread used. Many domestic users buy flour from grocers and make their own bread. This further reduces the individual tax.

ON BEEF (PRINTED IN THE BACHE REVIEW FOR APRIL 1920, SPECIAL EDITION, FOUNDED UPON FIGURES FURNISHED BY ARMOUR & CO.)

In the same way the tax result on beef may be estimated as follows:

Result on steer killed July 17, 1919, lot 301

Cost of live animals and expense in killing and disposing of resulting products:	
Live weight, 1,202 pounds, at $16.34 per hundredweight	$196.41
Expense and labor buying, killing, driving, yarding, feeding, refrigeration, etc	8.85
Cost of selling (branch house expense), 86 cents per 100 pounds	6.10
Freight to branch house, 710 pounds, at 69 cents per 100 pounds	4.90
Total cost	214.26
AMOUNTS RECEIVED FOR PRODUCTS SOLD	
Fats, 85.8 pounds, at $18.81 per 100 pounds	$16.14
Hide, 78 pounds, at $32.71 per 100 pounds	25.51
Offal, edible and inedible, at 41 cents per hundredweight, live weight	4.93
Dressed beef, 720 pounds less shrink 10 pounds, net 710, at $23.99 per hundredweight	170.33
Total selling price	216.91
HOW THAT TAX WOULD AFFECT THE CONSUMER	
If we analyze these figures, we find that the cost to the packer of 1 steer would be $196.41; the tax of 1 percent, to be paid by the farmer or the seller, would accordingly be	$1.96
Following up the 720 pounds (net 710) pounds of dressed beef, the selling price of this would be $170.33; on which the tax paid by the packer would be	1.70
The total tax which might be added to the beef, first by the farmer and then by the packer, would thus be, when the beef reached the retailing butcher	3.66
Dividing this tax up among the net 710 pounds of dressed beef, we find that the tax on each pound would be	.005
If the butcher sold the beef at, say, an average, all cuts, of 40 cents per pound, his tax would be four-tenths of a cent per pound, or two-fifths of a cent	.004
The total tax thus far, if added to the price to be paid by the consumer, would thus amount to	.009

which is a little less than 1 cent a pound on beef. This includes all taxes from the farm to the packer, to the butcher, and to the consumer, and comes to 2¼ percent of the price paid by the consumer.

ON PORK (PRINTED IN THE BACHE REVIEW FOR APRIL 1920, SPECIAL EDITION, FOUNDED UPON FIGURES FURNISHED BY ARMOUR & CO.)

We have obtained also from official sources figures on the cost of hogs and hog products and have estimated the tax which, under this plan, would be levied from the time the animal was sold by the farmer until the various products reached the consumer.

Result on hog, Oct. 17, 1919

Live weight, 306 pounds, at 14.3 cents	$43.76
Expense and labor, buying, yarding, driving, killing, feeding, refrigeration, etc	4.59
Total cost	48.35
Value of products resulting from hog	
Hams, 14 percent of live weight, 42.84 pounds, at 20½ cents	$8.78
Bacon and fat backs, 31 percent of live weight, 94.86 pounds, at 21¼ cents	20.16
Shoulders, 12½ percent of live weight, 38.25 pounds, at 22½ cents	8.61
Lard, 8 percent of live weight, 24.48 pounds, at 29 cents	7.10
Leaf lard, 3 percent of live weight, 9.18 pounds, at 29½ cents	2.71
Other products, 4.02 percent of live weight	1.44
Total	48.80

72.52 is the percent of marketable products to live weight.

HOW THE TAX ON SALES WOULD AFFECT THE CONSUMER

If we analyze these figures, we find the cost to the packer of one hog would be $43.76; the tax of 1 percent to be paid by the farmer or the seller would accordingly be $0.44

HOW THE TAX ON SALES WOULD AFFECT THE CONSUMER—continued

Following up the approximate 217 pounds of consumable products of one hog, the selling price of this would be $48.80, on which the tax paid by the packer in selling this would be	$0.488
The total tax which might be added thus far, first by the farmer and then by the packer, would be, when the hog reached the retailing butcher	.928
Dividing this tax through the 217 pounds of consumable products we find a tax on each pound of	.0043
The tax thus far on the 217 pounds of consumable products is, as we have seen, about 93 cents, or at the rate of less than one-half of 1 cent on each pound. If the butcher sold the pork products at retail prices, he would receive about $107, on which his tax would be about one-half of 1 cent per pound, namely	0.0049
The total tax, if added to the price to be paid by the consumer, would in all amount per pound to (Which is a little less than 1 cent a pound on pork and pork products, or 1.87 percent of the price paid by the consumer.)	.0092

ON A SUIT OF MEN'S CLOTHING RETAILING AT $40 (FURNISHED BY MR. WILLIAM GOLDMAN, OF NEW YORK, AND REVISED AS OF MAY 1, 1921)

	Tax at 1 percent
1. Raw wool in the grease, value about $2.45	$0.0245
2. The wool dealer has the wool scoured and sells it to the spinner, at say $2.80	.0280
3. The spinner converts it into yarn and sells it to the cloth manufacturer, for say $3.50	[1].0350
4. The cloth manufacturer weaves it into cloth, which he sells for about $2.62½ a yard, 3½ yards	.0875
5. Trimmings, linings, etc., have a value of about 50 percent of the value of the cloth and have gone through the same processes of conversion as the wool has to the finished cloth. The tax on these would, therefore, be 50 percent of the sum total of the foregoing taxes, or	.0875
6. These materials are converted into a suit of clothes by the manufacturer, who sells it for $27.50	.2750
7. The suit is sold at retail for $40	.4000
Total tax on price for consumption	.9375

Or 2.34 percent of the price to the consumer.[2]

[1] More than 50 percent of all cloth does not go through the process of spinning (the third step in the foregoing table). The majority of cloth used is known as wool goods, which is carded at the mill which conducts all the processes from raw wool to finished cloth.

[2] The percentage has been reduced from that shown in the original estimate made a year ago. This is due to the fact that raw materials are now abnormally low.

ON A SUIT OF OVERALLS AND JACKET RETAILING AT $8—STANDARD 2.20 INDIGO DENIM (FURNISHED BY SWEET-ORR & CO., INC.)

	Tax at 1 percent
1. Cotton in the bale, 4½ pounds, at 40 cents; overall, $0.90; jacket, $0.90	$0.0180
2. Spinners and weavers; denim, 7½ yards, at 44 cents; overalls, $1.65; jacket, $1.65	.0330
3. Dealers in trimmings: Pocket drill, overall, $0.1100; thread, overall, $0.0500; jacket, $0.0425; buttons, overall, $0.0250; jacket, $0.0350; buckles, overall, $0.0103; totals, overall, $0.1953; jacket, $0.0775; grand total	.2728
The imposed tax on these items added from the source will probably total 2½ percent, or	.00682
4. The overall manufacturer sells the garments to the retailer at, overall $3, jacket $3	.06000
5. The retailer sells the garment to the consumer for, overall $4, jacket $4	.08000
Total tax on price for consumption	.19782

Or 2.47 percent of the price to consumer.

ON A PAIR OF MEN'S SHOES RETAILING AT $7 (FURNISHED BY R. P. HAZZARD, OF GARDINER, MAINE, JAN. 11, 1921)

	Tax at 1 percent
1. Rawhide, raw material, etc., $1.56	$0.0156
2. Tanner sells leather for $2.82	.0282
3. Leather and findings are sold, $3.13	.0313
4. Manufacturer sells pair of shoes to jobber, $3.88	.0388
5. Jobber sells to the retailer, $4.67	.0467
6. Retailer sells to consumer $7	.0700
Total tax	.2306

Or 3.3 percent of the retail price to the consumer.

ON A PAIR OF HEAVY SERVICE GLOVES RETAILING AT $2.25 PER PAIR (FURNISHED BY A PROMINENT MANUFACTURER OF GLOVES)

	Tax at 1 percent
1. Raw horsehide value as sold to tanner by rendering company, or hide dealer, about $0.32	$0.0032
2. Tanning materials sold to tanner $0.10	0.0010
3. The tanner converts the hide into leather and sells to the manufacturer, $0.70	.0070

ON A PAIR OF HEAVY SERVICE GLOVES RETAILING AT $2.25 PER PAIR (FURNISHED BY A PROMINENT MANUFACTURER OF GLOVES)—continued

	Tax at 1 percent
4. Supplies sold to the manufacturer: Thread $0.015, canvas $0.025, binding $0.010, $0.05	$0.0005
If the goods were sold by the manufacturer to the jobber before reaching the retailer there would be an added step entailing an additional tax of $0.05, making the total tax to the consumer $0.2478, or a shade over 3 percent of the entire selling price.	
5. 1 pair gloves sold by manufacturer to jobber, $1.25	.0125
6. 1 pair gloves sold by jobber to retailer, $1.65	.0165
7. 1 pair gloves sold by retailer to consumer, $2.25	.0225
Total tax on price for consumption	.0632

Or 2.8 percent of price to consumer.

ON A YARD OF TAFFETA SILK RETAILING AT $2.25 (FURNISHED BY A PROMINENT SILK MANUFACTURER)

	Tax at 1 percent
1. Raw silk thrown, value about $0.6564	$0.0066
2. Cost of dyeing $0.1652	.0017
3. The silk manufacturer winds, warps, and weaves the dyed silk which he sells for about $1.45 per yard	.0145
4. The retailer sells this material for $2.25 per yard	.0225
Total tax on price for consumption	.0453

Or 2 percent of the price to the consumer.

ON A RUBBER TIRE, 30 BY 3½ CORD TIRE, RETAILING AT $35.10 (FURNISHED BY MR. HORACE DE LISSER, PRESIDENT OF THE AJAX RUBBER CO.)

	Tax at 1 percent
1. Crude rubber used at importation cost, $5.35	$0.0535
2. Raw cotton used as imported, $3	.0300
3. Raw cotton used, domestic growth, 40 cents	.0040
4. Imported into yarn, $4.20	.0420
5. Domestic cotton into yarn, 80 cents	.0080
6. Yarn into fabric, $5.50	.0550
7. Yarn into fabric, $1	.0100
8. Miscellaneous pigments, 70 cents	.0070
9. The above materials converted into tires by the manufacturer, who sells them to the franchise dealer, $28.45	.2845
10. Franchise dealer sells them to the dealer, $29.90	.2990
11. Dealer sells them to consumer, $35.10	.3510
Total tax on price for consumption	1.1440

Or, 3.259 percent of the price to the consumer.

In some instances the manufacturer sells direct to the consumer; this eliminates the 1 percent on 5 and 6.

In other cases the manufacturer sells to the retail trade; this eliminates the 1 percent on 5.

ON 32-INCH COTTON TISSUES RETAILING AT 45 CENTS

(Taken from Galey & Lord's pamphlet entitled "Federal Taxes and the Farmer")

	Tax at 1 percent
1. Cotton, 1 1/16-inch (1⅔ pounds), sale by grower to factor at 31 cents, $0.51	$0.0051
2. Cotton, 1 1/16-inch (1⅔ pounds), sale by factor to spinner at 33 cents, $0.55	.0055
3. Yarn (1 pound), sale by spinner to weaver at 95 cents, $0.95	.0095
4. Dyes and supplies other than yarn, $0.20	.0020
5. Cloth (10 yards), sale by weaver to jobber at 26 cents, $2.60	.0260
6. Cloth (10 yards), sale by jobber to retailer at 31 cents, $3.10	.0310
7. Cloth (10 yards), sale by retailer to consumer at 45 cents, $4.50	.0450
	.1241

From this table we learn that although the cotton passed through seven hands in the course of its manufacture into cloth and distribution, and paid a sales tax each time, yet the total tax represented but 12.4 cents on $4.50 worth of cotton cloth, or, as stated, less than 3 percent. The question is, Can we bear to know that such a tax is included in the price we pay for what we buy, or would we prefer to continue to have something like 23 percent taken from us in a disguised form?

This data was in support of the 1-percent turnover tax and received careful consideration by the Committee on Finance of the United States Senate of that day. I submit that the facts presented should allay the fears of those who present the argument that pyramiding of this nature would be destructive.

I am certain that many of us are conscious of present economic conditions that deny to thousands of young men and

women each year who graduate from our colleges and universities the opportunity to enter the fields for which they were specially trained. We know it to be a fact that many of these young persons, trained for the law, medicine, engineering, and various other arts, professions, and sciences, are compelled in many cases to use the pick and shovel and other forms of manual labor to secure an existence.

The Townsend movement will help to erradicate these conditions, and by the creation of a tremendous purchasing power, vital to our very existence, will, in a measure, meet the challenge of the machine age—that man sooner or later must find a solution.

STATEMENT OF REPRESENTATIVE EMANUEL CELLER IN OPPOSITION OF ACTORS' ALIEN BILL, H. J. RES. 414

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the actors alien bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, I am definitely opposed to House Joint Resolution 414, called the "Actors alien bill", now under consideration before the Committee on Immigration and Naturalization of the House of Representatives. This bill would preclude entry of any actor or actress unless she or he were of distinguished merit or ability, i. e., were a star, and then only after reciprocal arrangements have been made with the countries for entrance of our national actors under a sort of mutual exchange. We have had trade reciprocity agreements on potatoes, onions, and beans, but never have we had them on humans, never have we had them concerning the drama. Next we will be trading a Gladys Cooper for two American tap dancers, or a Katherine Cornell for two Swiss yodelers, or Charles Laughton for a couple of ham jugglers. Then we have an exchange of George Bernerd Shaw for a dozen "pulp" magazine writers a la Laura Jean Libby.

Instead of encouraging the drama, we would thus place restrictions upon it. In Europe, they subsidize theaters, appoint poet laureates, and pension dramatists and actors. We tax admission. Now, we would seek to put the drama in a strait jacket and hamstring casting directors seeking particular actors to play particular parts.

The American consul, under this bill, could not visa the passport of any actor unless he or she be of distinguished merit or ability. How in thunder he could determine that is beyond me. He could not put the actor on the scales and weigh ability or merit. No American consul anywhere is thus gifted enough to determine something so intangible.

Furthermore, many of the various actors and actresses in our dramatic history were merely persons, undistinguishable from many others who came to this country. They are no longer persons. They are now personalities distinguished on the stage and screen. I cite Lynn Fontaine, Marie Dressler, who unfortunately is now dead, Charlie Chaplin, Lionel Barrymore, and Leslie Howard. Under this bill they would have been excluded. What a sad abysmal loss their exclusion would have been to the American drama and to the American screen.

One of the reasons why American films are so preeminently famous throughout the world is because they are so international in character. That is why American films are sold all over the world. Frankly, these pictures are the greatest salesmen we have. They advertise to the best advantage American goods, dresses, clothes, and shoes. The success of such pictures results in the employment of literally thousands of other employees engaged in the production of the picture.

What is the evil that this bill seeks to repel? There is no invasion to the American stage by foreign actors. When I testified before the Immigration Committee on February 5, I stated that there were 31 plays running in New York. Of these, there are only seven in which one or more British or Canadian actors or actresses were employed. They were Call It a Day, Pride and Justice, Ethan Frome, Libel, Victoria Regina, Jubilee, and Lady Precious Stream. In those 7 productions there were less than 20 British or Canadians out of probably more than 500 actors and actresses all told. Let us take the play Call It a Day. It contains several prominent British actors in the cast—Gladys Cooper, Phillip Merivale, and Lawrence Grossmith. It is a play about English family life. Take these British actors out of the cast and replace them with Americans endeavoring to portray purely English life and manners, and the play would be a dismal failure. Libel concerns an English courthouse with decidedly English barristers, judge, and jury. It is as utterly British as Cheshire cheese. American actors would be decidedly miscast.

Films like Mutiny on the Bounty, Captain Blood, and Cavalcade contain many British in the cast, but those films made more money for the American producers in the British Empire than in America—thus giving employment to thousands and thousands of Americans. Last year the play Wind and Rain was produced in New York. It dealt with students at Edinburgh University. The effect of the play depended altogether on the presentation of the atmosphere of a Scotch boarding house. Most of the actors producing that atmosphere were not of distinguished merit or ability. They would have been barred by this bill. The effectiveness of this play would have been destroyed because it was a play of atmosphere—not of plot. Journey's End was a play concerning British Tommies in the trenches. It was a drama essentially of British character. The passage of this bill would have made proper presentation of Journey's End impossible.

It is interesting to note that the British Ministry of Labor is most liberal in permitting entrance of American actors and actresses. The British Embassy informs me as follows:

> In regard to the legitimate stage, no American actor or actress has been refused a permit during the past 3 years, whereas the number of admissions has been considerable. In vaudeville performances and cabaret the number of American entertainers refused admission does not amount to 30 during the same period, as against a total of about 1,800 admissions.

There is, therefore, no need for this ridiculous legislation.

SUPREME COURT DECISION ON THE T. V. A.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Supreme Court decision on the T. V. A. and to include therein a short statement of my own which I prepared for the press.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, there seems to be a studied attempt in some quarters to mislead the American people as to the real meaning of the Supreme Court's decision on the T. V. A.

Those influences that failed so ingloriously in their efforts to affect the Supreme Court on this vital question, by their flattering propaganda, are now wasting a great deal of ink and air trying to mislead the public as to just what the Court did decide, and what that decision really means.

I attended every meeting of the Supreme Court while this case was being considered. I heard all the arguments and examined all the briefs in the case, and, as a lawyer, I was convinced, from the beginning, that the T. V. A. would be upheld.

Knowing that, owing to the part I have played in the passage of the T. V. A. legislation, I would be called upon for a statement as soon as the decision was rendered, I had that statement prepared many weeks before the decision was handed down.

When the Chief Justice finished reading his masterful and exhaustive opinion in the case and we were quietly leaving the court room, I passed over to the representatives of the press the statement which I had prepared weeks before, and which read as follows:

> The Supreme Court's decision on the T. V. A. is most gratifying. I have never doubted the ultimate outcome of this litigation. I have never had the slightest doubt of the constitutionality of the T. V. A. Act.
>
> The prosecution of this lawsuit on the part of the Power Trust, under the guise of representing a few minority stockholders, was an insidious attempt to mislead the Supreme Court of the United

States on one of the most vital questions that has ever come before that tribunal.

It was an attempt to induce the Supreme Court to turn over one of America's greatest natural resources to an organized group of selfish interests, and to shut the door of hope in the faces of the American consumers of electricity, who are now being overcharged a billion dollars a year for electric lights and power, to say nothing of the vast amount of money that has been filched from unsuspecting citizens through the sale of worthless watered stocks.

We may now move forward with our program to reduce electric light and power rates to the present consumers and to electrify every farm home in America.

Mr. Speaker, that decision amounts to a new declaration of independence for the consumers of electric lights and power. It has saved for them that great wealth of hydroelectric energy in our navigable streams—the greatest natural resource in all the world outside of the soil from which we live.

The principles laid down by the Supreme Court in this case not only apply to Wilson Dam at Muscle Shoals but they apply to all the other dams now being constructed by the Government or its agent, the T. V. A.

No one has ever denied the right of the Government to construct these dams to improve navigation and to control floods. Chief Justice Hughes quoted from Chief Justice Marshall to show that—

> The power to regulate interstate commerce embraces the power to keep the navigable rivers of the United States free from obstructions to navigation and to remove such obstructions when they exist.

He quotes from a former decision of the Supreme Court, in which it is said that for the purposes of improving the navigation of our navigable streams—

> Congress possesses all the powers which existed in the States before the adoption of the National Constitution and which have always existed in the Parliament in England.

The Court left no doubt of the right of the Federal Government to construct and maintain these dams on navigable streams wherever the question of navigation is in the least involved.

Even counsel for the power companies, in their oral arguments before the Supreme Court, admitted that Congress had the right to construct and operate these dams for the purpose of improving navigation and controlling floods. Chief Justice Hughes, in the T. V. A. opinion, said that—

> The power of falling water was an inevitable incident of the construction of the dam. The water power came into the exclusive control of the Federal Government. The mechanical energy was convertible into electric energy, and the water power, the right to convert it into electric energy, and the electric energy thus produced constitute property belonging to the United States.

That statement is clear and convincing; nothing could be plainer.

In other words, since the Government has the right to build a dam on a navigable stream, the electric power in the falling water, which the Court says is "an inevitable incident of the construction of the dam", comes into the "exclusive control of the Federal Government." This mechanical energy of the falling water being—

> Convertible into electric energy * * * the electric energy thus producted constitutes property belonging to the United States.

That pronouncement inevitably applies to all the dams now being constructed, or in contemplation by the Federal Government, or any of its agents, on any navigable stream where the question of improvement of navigation and controlling of floods is involved.

This electric energy, which the Court has declared to be the "property of the United States", can be disposed of, as the Court points out, just as can any other property belonging to the Federal Government, and the Court points out further that the right of the Government to dispose of governmental property is expressly conferred by section 3 of article IV of the Constitution of the United States.

The only question about the Government's power to sell or dispose of electric energy then was whether or not it is in such a form that it can be disposed of. The Court disposes of that proposition with these words:

> That the water power and the electric energy generated at the dam are susceptible of disposition as property belonging to the United States is well established.

But the complainants argued to the Court that, assuming that this electric energy generated at the dam did belong to the United States, the Congress would have authority to dispose of it only to the extent that it was surplus energy necessarily generated in the course of making munitions of war or operating the works for navigation purposes; that the remainder of available energy must be lost or go to waste.

The Chief Justice answers that argument in the following ringing words:

> We find nothing in the Constitution which imposes such a limitation. * * * The Government has no less right to the energy thus available by letting the water course over its turbines than it has to use the appropriate processes to reduce to possession other property within its control, as, for example, oil which it may recover from a pool beneath its lands and which is reduced to possession by boring oil wells and otherwise might escape its grasp.
>
> * * * The United States owns the coal, or the silver, or the lead, or the oil, it obtains from its lands—
>
> Says the Chief Justice—
>
> and it lies in the discretion of the Congress, acting in the public interest, to determine of how much of the property it shall dispose. We think that the same principle is applicable to electric energy.

How much stronger could the Court have made it? How in the world can the attorneys for the power companies misunderstand this plain language of the plain-speaking Chief Justice of the Supreme Court.

But it was argued by the attorneys for the power companies that the Government did not have the right to build or purchase transmission lines to carry this energy; that it must sell at the switchboard, where their client was the only customer prepared to receive it.

The Chief Justice answers that argument in the following language:

> And the transmission lines for electric energy are but a facility for conveying to market that particular sort of property, and the acquisition of these lines raises no different constitutional question, unless in some way there is an invasion of the rights reserved to the State or to the people. We find no basis for concluding that the limited undertaking with the Alabama Power Co. amounts to such an invasion.

Then the Chief Justice proceeds to shatter the glass house of the complainants in the following unmistakable language which sums up the gist of this lawsuit:

> Certainly—
>
> Says the Chief Justice—
>
> the Alabama Power Co. has no constitutional right to insist that it shall be the sole purchaser of the energy generated at the Wilson Dam; that the energy shall be sold to it or go to waste.

In other words, the Supreme Court has sustained the right of the Federal Government to build these dams on navigable streams and to generate the electric power inherent in the flow of those streams. It is declared that this power is the "property of the United States" and can be disposed of just as could any other property belonging to the United States; and that the Government had the right to purchase these transmission lines, or to do whatever else was necessary to be done in order to transport this power to the market.

This decision sustains everything that has been done or is being done by the T. V. A., so far as the construction of dams, the purchasing or building of power lines, the generation, sale, and transmission of electric energy are concerned.

It is a complete victory for the Government and for the consumers of electric light and power for all time to come.

Now let us electrify every farm home in America at T. V. A. rates!

THE DUFFY COPYRIGHT BILL, S. 3047

Mr. DEEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a radio talk made by myself last night.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DEEN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by me over the red network of the National Broadcasting Co., Wednesday evening, February 19, at 10:30 eastern standard time:

Ladies and gentlemen, there is pending before the United States Senate for consent to ratification the International Copyright Convention, to which convention approximately 40 of the leading countries of the world are parties, including all of the English-speaking nations. The essential purpose of the convention is to furnish protection to authors, composers, and producers of literary, musical, and artistic productions from infringement.

In 1931 the convention was before the Senate for consideration. Hearings were held on the entire copyright situation by the Senate Committee on Patents in 1931 and by the Committee on Patents of the House of Representatives in 1931 and 1932.

In 1934 a subcommittee of the Senate Committee on Foreign Relations conducted hearings. At the request of the Senate Committee on Foreign Relations, the interdepartmental committee on copyright, named by the Departments of State and Commerce, and the copyright office in the Library of Congress undertook the work of assisting and cooperating with Members of Congress in the preparation of appropriate copyright legislation which was deemed necessary and essential prior to further consideration of the International Copyright Convention by the Senate.

The Copyright Convention in revised form was again transmitted to the Senate on February 19, 1934, with the request from the President of the United States that the advice and consent of the Senate to adherence thereto on behalf of the United States should be accorded. After consideration by the Foreign Relations Committee of the Senate, the committee reported to the Senate the Copyright Convention Treaty on April 18, 1935, and it was approved by the Senate on April 19, 1935, without a dissenting vote, but a few days later it was placed back on the Senate calendar to await legislation from the Senate Committee on Patents. After hearings which gave all persons who had any objections to the bill as introduced an opportunity to be heard, and after careful consideration by the committee, the Duffy bill, S. 3047, was reported to the Senate by the Committee on Patents, and the bill was passed by the Senate without a roll-call vote on August 7, 1935. The Senate now proposes to approve the copyright convention as soon as appropriate action is taken by the House of Representatives.

As a member of the Committee on Patents of the House of Representatives, to which the Duffy bill has been referred, I am advocating prompt and favorable consideration of this legislation. Doubtless the House of Representatives will wish to make a few amendments designed to improve the bill, but in its essential features the bill seems to fulfill the outstanding needs of copyright legislation.

Under the provisions of our existing copyright laws there is a minimum statutory penalty of $250 for infringement, with a maximum penalty of $5,000. I contend that the owner of the copyright should be justly compensated in case of infringement. This is a property right guaranteed under the Constitution; however, there is no more justification for minimum damages of $250, irrespective of the loss or damage done, than there is for a minimum penalty of $250 in case of a collision between two automobiles.

Because of the unfairness of this provision of existing law, public sentiment has not been in sympathy with its enforcement. Federal courts have therefore found it exceedingly difficult to enforce the provision of minimum damages. The Duffy bill eliminates this provision and leaves it discretionary with the courts to determine the minimum amount of damage or liability in case of infringement.

The bill provides that the Federal courts shall award sufficient statutory damages to prevent infringement and such as may be just, proper, and adequate, in view of the circumstances of the particular case.

The maximum penalty is changed from $5,000 to $20,000. This is deemed appropriate in view of the increased value of copyrighted works. It should be emphasized that under these provisions of the Duffy bill larger benefits will accrue to producers, composers, and authors.

One of the outstanding features of the bill consists in what is generally referred to as the "right of divisibility"—that is, the copyright may be divided so that the sale of the right for one purpose does not include the right for any other purpose. Although it is possible under existing law to secure the right of divisibility by private contract, such procedure as is required under existing law is unsatisfactory. The proposed law specifically recognizes that an author can sell book rights to a publisher, serial rights to a magazine publisher, motion-picture rights to a producer of motion pictures, dramatic rights to a dramatist, etc. This will result in larger remuneration to authors, producers, and composers.

Subsection (d) of section 1 of the act of 1909 is amended by adding: "That the right to produce a motion picture shall include the right to exhibit it." This provision is added to prevent an author who has sold motion-picture producing rights from contending that he is entitled to prevent the picture from being exhibited.

Under existing law, the right of registration of unpublished manuscripts is permitted only in a very limited number of cases, for a period of 28 years, renewable for a like period of time. The Duffy bill provides for a single term of 56 years and permits the registration of manuscripts of all kinds.

Under the present copyright law, a photographer may copyright a photograph which he has made of a person and the person cannot publish or permit his friends to publish his own photograph. The Duffy bill corrects this ridiculous situation by inserting in subsection (c) of section 62 of the act, as amended by section 28 of the bill, as follows: "Copyright in the photograph of a single individual shall not be had except with the written consent of the person photographed."

In order to protect their interests, many producers of literary and artistic works years ago formed an organization which is appropriate and indispensable—just as are organizations among those who labor and among farmers. A large percentage of the song writers and composers of this country maintain an organization known as the American Society of Composers, Authors, and Publishers, to which have been confided the performing rights of their music. This organization has grown strong and powerful in its operation. The presence in the law of the inflexible provision requiring the courts to award not less than $250 for each infringement, regardless of the damage done or loss sustained, is a sort of legalized subsidy to this organization in the form of a supercharge or extraordinary bargaining power, frequently resulting in high license fees and often in double license fees to those who desire, as consumers, to use copyrighted works.

Whenever a work in which it holds performing rights is broadcast, the broadcaster remunerates the copyright owners, usually by a fixed percentage of the advertising returns of the broadcast. After a broadcasting company has paid the organization for the right to broadcast copyrighted music, there should be no further charges, either to the affiliated radio stations or to the consuming public who have radios or receiving sets; however, under the provisions of our present copyright laws as enacted in 1909 and now stand on the statute books, every owner of a radio in the United States which is used for the least possible commercial purpose is liable for the minimum damages of $250.

In other words, every drug store, dry-goods store, furniture store, hardware store, grocery store, barber shop, bootblack stand, cafe, restaurant, hotel, boarding house, beer parlor, amusement and dance hall, newsstand, and any and all other commercial places of business where radios and receiving sets are maintained and through which copyrighted music is received, are subject to damages of not less than $250 for each infringement on a copyrighted piece of music, unless they have obtained a license from the copyright holder. The minimum penalty or damage of $250 furnishes copyright owners a basis for bargaining with consumers, with the result that the charge to the consuming public is almost prohibitive.

Proprietors or managers of these places of commercial business have no way of knowing whether or not music is copyrighted. Under the provisions of existing law if they receive copyrighted music over their radios in their places of business they can be sued in the Federal courts, and the judges of which have, under the law, no discretion with respect to the minimum damages which are fixed at $250 for each infringement. If a radio in a drug store, or any other place of business, by way of illustration, receives 25 pieces of copyrighted music in 1 day, then the minimum amount of damage would be $6,250. This would be rather expensive music for one store in 1 day.

How can a proprietor or manager know when to cut off his radio in order not to infringe on a piece of copyrighted music? He has no way of knowing. The broadcasting companies cannot be blamed, because they have already paid the copyright holder for the right to broadcast the music.

A recent and concrete illustration of what occurred in New York City on February 3 will serve to show the seriousness of the present situation. Damages in the amount of $670,000 were asked by the Remick Music Corporation in a suit filed in United States District Court against the Columbia Broadcasting Co. The Remick Music Corporation contends that the song, "That Old Fashion Mother of Mine" was broadcast over a network of 66 stations, and the song entitled "Some Sunny Day" was broadcast over a network of 68 stations. The Music Corporation is asking the maximum penalty of $5,000 each for the 134 stations or a total of $670,000 for the two songs.

Of course, the Remick Music Corporation has no definite way of knowing or proving what commercial places of business had their radios tuned in to receive these songs. It is therefore difficult and practically impossible for the company to single out and name individual places of commercial business and undertake to collect damages, hence the suit is filed against the Columbia Broadcasting Co., even though the broadcaster had paid or will pay for the right to broadcast the two songs.

Granting that there was infringement, the amount of damages asked for is absurd, but it impressively illustrates the essential and absolute importance of needed revision and amendment of our existing copyright laws. Since the broadcaster pays for the right to broadcast copyrighted music it is nothing less than pyramiding of fees to require affiliated stations and consumers by means of receiving sets in their places of business to pay for it again. This is wrong. It would be equally wrong for a manufacturer or owner of a patent on a manikin or model of the human body to undertake to collect additional fees or charges on his product from proprietors of dry-goods stores, after these places of business had purchased the manikins or models on which to display their merchandise. This supercharge in the form of a license or penalty of $250 will, if continued, destroy the source of consumption of musical and dramatic works.

Because of this condition, it seems clearly evident to me that the time has come when Congress should speedily and quickly enact legislation to correct this situation. I have read and studied carefully Senate Report No. 896 from the Committee on Patents, also Senate Executive Report No. 4 from the Committee on Foreign Relations; also the Duffy bill, S. 3047, and after due consideration I am convinced that the Duffy bill should be promptly and forthwith enacted into law. There is every reason

why the international copyright convention, if agreed to by the Senate and made effective by participation on the part of the United States, will do justice to authors, composers, and producers. Likewise, provisions of the Duffy copyright bill, when enacted into law will be fair to authors, composers, and producers and, at the same time, will be most beneficial to the consuming public.

Article I, section 8, of the Constitution empowers Congress, "To promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

The convention for the protection of industrial property comprising patents and trade marks was established and signed originally at Paris on March 20, 1883. The United States has been a party to this convention for the protection of industrial property rights since 1887. The convention, of course, has been revised from time to time and our patent laws have also been revised and amended accordingly. This protection provided for on behalf of the United States for the owners of patents and trade marks is highly essential and important. It is equally important that the same protection be given producers in the literary and artistic fields.

The United States has become a great exporter of books, magazines, musical and artistic productions, and the rights of American authors, producers and composers should be safeguarded by the Federal Government against infringement in foreign countries.

Two months of the present session of Congress will soon have passed and no action on the part of the Committee on Patents of the House of Representatives has been taken on the Duffy copyright bill or on any other copyright legislation. No hearings have been held by the Committee on Patents of the House of Representatives, either at this session or during the session of 1935. In my humble judgment and opinion, prompt and immediate consideration should be given this matter by the committee. Meritorious legislation should never be pigeonholed, but should be considered and enacted or defeated on its merit or lack of merit. I sincerely believe you will join me in the hope that the Duffy bill should forthwith and promptly be considered and enacted into law.

Thank you.

PERMISSION TO ADDRESS THE HOUSE

Mr. STUBBS. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes out of order.

Mr. JONES. Mr. Speaker, I am sorry, but a number have made such requests of me, and we have requests for twice as much time as we have available, and I hope the gentleman will not press his request.

Mr. STUBBS. I shall not press it, Mr. Speaker.

CONSERVATION OF AGRICULTURAL LAND RESOURCES

Mr. JONES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes; and pending that I ask unanimous consent that the time for general debate be extended not to exceed 4:45 o'clock this afternoon, the time to be divided and controlled as stipulated in the rule.

Mr. SNELL. Mr. Speaker, reserving the right to object, does the gentleman expect to go any further today with the bill than general debate?

Mr. JONES. I expect to go no further today than to offer some corrective amendments about which I think there will be very little controversy. Aside from this we will go over until tomorrow for the offering of general amendments.

Mr. SNELL. The gentleman expects simply to start reading the bill today?

Mr. JONES. We shall probably read the bill, and then I shall offer three or four corrective amendments, and if there is any particular controversy over them we will rise, and the bill will be left open for general amendment tomorrow.

Mr. SNELL. The entire bill will be open for amendment tomorrow?

Mr. JONES. Yes.

Mr. HOPE. Mr. Speaker, I presume the understanding will be that the additional time will be equally divided and controlled between the gentleman and myself?

Mr. JONES. Yes; I embodied that in my request.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, will the gentleman tell the House what he proposes to do with reference to the so-called La Follette amendment put on the bill in the Senate?

Mr. JONES. I have not gone into that as yet.

Mr. BOILEAU. Is it the present intention of the chairman to include that as one of the perfecting amendments?

Mr. JONES. No; that is not my present intention. I have not gone over that amendment. I expect to go over some additional amendments tonight.

Mr. BOILEAU. Then, as the matter stands at the present time, those who are interested in that amendment will be required to offer the amendment and make a fight for it?

Mr. JONES. So far as I know.

Mr. BOILEAU. Unless the chairman changes his mind.

Mr. JONES. Unless I change my mind; and I may say that I have not gone into the amendment.

Mr. SNELL. As I understand, the bill will be open for any germane amendment tomorrow?

Mr. JONES. Yes.

The SPEAKER. The gentleman from Texas moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3780; and, pending that, asks unanimous consent that general debate be continued on the bill and be confined to the bill, and be concluded not later than 4:45 this afternoon, the time to be equally divided and controlled between himself and the gentleman from Kansas. Is there objection?

Mr. TAYLOR of South Carolina. Mr. Speaker, reserving the right to object, is it the hope of the chairman at that time to begin the reading of the bill under the 5-minute rule or to begin reading the bill for amendment tomorrow?

Mr. JONES. It is the intention to begin the reading of the bill and to offer a few of what I hope will be noncontroversial amendments. Then the Committee will rise, and the bill will be open for amendments generally tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3780, with Mr. FULLER in the chair.

The Clerk read the title of the bill.

Mr. JONES. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman and colleagues, I regret that within the time allotted to me I will not have an opportunity to discuss this measure as fully as I would like to discuss it insofar as it may affect the producers of principal crops grown in my State.

I do not flatter myself to believe that I shall be able to employ language which will give additional force to the pressing necessity for the speedy enactment of this measure. I desire, however, to make a few brief observations and to remind you of the uncertainty which has existed in the farm homes of the country since the invalidation of the Agricultural Adjustment Act, and of the further fact that since January 6 the public mind, generally, has been greatly agitated. The circumstances press heavily upon us for the enactment of a valid and an adequate substitute for the Triple A. While I believe that this act is a valid substitute, if, indeed, it can be called a substitute, frankness requires me to state that in my opinion it is far from an adequate substitute.

Notwithstanding the Supreme Court decision, I can contemplate with some degree of satisfaction the success achieved under the Agricultural Adjustment Act. I know that it was an honest and sincere effort to furnish the farmer with the machinery which would enable him to gain control of his own business and to become the master of his own household. I know that it brought happiness to the hearthstones of the farm homes of my State, and the farmers of North Carolina are grateful to this administration for its efforts in their behalf. While no one would suggest that the Triple A was perfect, yet even its critics must admit that it worked well while it was working and accomplished its immediate objectives, to wit, the wiping out of price-depressing crop surpluses, the restoration of balanced production and of the

farmers' purchasing power. Because of it we do not have a rural economic crisis today such as we had 3 years ago.

While I do not find myself in accord with the political and economic philosophy of the majority opinion in the Butler case, I accept that opinion as the law of the land. I have no quarrel with the Court, nor with our system of government. I still believe that it is the best system yet to be devised by the mind of man. While I have confidence in the Court, likewise I have an abiding faith in the final judgment of the American people, who, after all, constitute "the court of last resort." In this democracy the people are supreme, and they alone have the right to review decisions of the Supreme Court. As to a review of the decision in the Butler case, I am willing to leave that to the judgment of the people and to the necessity and wisdom of the future. As a lawyer, I attach, perhaps, more than ordinary sanctity to the Constitution, but, in my opinion, our Constitution, our laws, and our institutions should go hand in hand with the progress of the human mind. The Constitution was written by men for the welfare and protection of the people; it should never be weakened, and may God forbid that it should ever be destroyed. If, by amendment, it can be strengthened, then it is our duty to amend it. But that is a matter for the future; we are not amending the Constitution. No judicial decision should be considered an immutable interpretation of the organic law.

We may not at all times agree with the decisions of the Supreme Court, but I predict that the day will come when we will thank God for the Court and its powers. It is a vital and a necessary part of our great system of government. But certainly the Supreme Court's decision in the Triple A case has not relieved us of the duty and the responsibility of attempting to deal with what we consider a national problem of great magnitude, if we can deal with it within the framework of the Constitution.

While I am willing for the States of the Union to remain clothed in the glorious garments of sovereignty, I am unwilling to regard the agriculture problem as merely a problem of local concern. The fallacy of the statement that it is only local, and not national, is more fully realized when we study the bill now under consideration.

I am sure that from the standpoint of immediate relief to the farmer this bill will not be nearly as effective as was the Triple A. From the standpoint of immediate relief, I am frank to state that it is even a poor substitute for the Triple A, but at the same time it is considered the best that we can enact under the present circumstances, and I am sure that it will mean much to the welfare and happiness of those whom I have the honor to represent and to the people of the Nation as a whole. While it is not what the farmers want, I anticipate with confidence that they will embrace it as another conscientious effort to afford relief to agriculture.

What the farmers want is control. They know that unless they are able to control production or increase consumption no farm program will succeed. They know that surplus crops depress the price of their commodities, and they are sick and tired of producing surpluses which the world does not want and cannot buy. The theme song in all agricultural programs in recent years has been, "Without control no farm program can succeed." In other words, the farmer wants equality for agriculture. That is the cry of every farmer and every farmer's friend. It is the beautiful pledge and promise of every party's platform, and yet it is only a hope, the consummation of which is devoutly to be wished. Equality for agriculture shall yet be achieved and the blessings and burden of Government shall yet be fairly and equitably distributed. In the language of that great Democrat who adorns the White House, "We shall not retreat."

If by remaining in session we can devise a better plan than the one under consideration, a more effective plan for aiding the stricken farmers of the Nation, I for one am willing to stay here until the end of the year.

The Triple A was predicated upon the idea that the Federal Government had a right to control production, prevent surpluses, and thereby conserve the fertility of the soil. This bill is predicated upon the idea that the Federal Government has the right, working through the agencies of the States, to preserve the fertility of the soil and, as an incident thereto, to control, remotely, the production of great surpluses which are wasting, depleting and destroying the fertility of the soil.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. COOLEY. I yield.

Mr. FITZPATRICK. Will they take this acreage out of production if the bill is passed?

Mr. COOLEY. I think that this bill contemplates a change in the method of farming and not control.

Mr. FITZPATRICK. And that will reduce production, will it not?

Mr. COOLEY. That, I understand, will be one remote effect of the program.

Mr. FITZPATRICK. And the consumers will have to pay more for the necessities of life.

Mr. COOLEY. That might be one of the natural results, but not necessarily so.

Then you may say: "You are attempting to do indirectly what you were prevented from doing directly." That is not at all necessarily true. The control of the production of a particular agricultural commodity, or of particular agricultural commodities, may be considered as a local matter and yet, at the same time, the conservation of the fertility of the American soil, a national natural resource of first importance, may still be considered a problem national in its scope, and one with which the Federal Government may deal. Certainly, when we think of soil fertility we cannot think of it as anything else but a problem which is as national in its scope as is the very Nation itself. The snow, the wind, the rain, the flood waters, and the sunshine know no State lines and respect no State rights. Well do we remember how within the last 12 months the high winds of the West swept with force and fury across State lines in great clouds, carrying upon its wings the fertile soil of Oklahoma and landed it even upon the very dome of this Capitol. Yet men say that this soil erosion and wind erosion and these dust storms are but local problems. When the heavy rains come in the hills and mountains and sweep down through the canyons and gorges with tremendous force and volume, dashing across State lines, gathering momentum and power as they go, carrying within the bosom of its flood waters the fertile soil of a State; across the lines of other States and on into the Gulf or the sea, who is willing to say that this is a local problem? Who can say that the flood waters which sweep down from the mountains of New Mexico, down through the panhandle of Texas, is a local problem? Who would suggest that the police power of a State could say to the flood waters of the Mississippi, "recede, you have no right to enter this Commonwealth; you are a local problem of your own State"?

Our very civilization depends upon the soil. Are we, as a nation, helpless to protect it? Shall we sit supinely by and permit America to join the decadent parts of China and Asia Minor, once opulent and magnificent, but now stripped of their fertile soils and buried in the dust-destructive exploitation of resources? I need not argue this question further.

We are told by those who know that the dust storms of May 1934 swept 300,000,000 tons of fertile topsoil off the great wheat plains of the West; that 400,000,000 tons of soil material are washed annually into the Gulf of Mexic by the waters of the Mississippi; that generally water and wind erosion together each year remove more than 3,000,000,000 tons of topsoil. They tell us that 100,000,000 once fertile acres of farm land, equal to Illinois, Ohio, Maryland, and North Carolina combined, have been essentially destroyed for profitable farming; that another 125,000,000 acres are seriously impaired; and that another 100,000,000 acres are threatened—all belonging to the best farm lands of the United States.

This, in dollars and cents, we are told, means an annual loss to the landowners of the Nation of not less than $400,000,000. They tell us that the cumulative loss may be conservatively stated as already not less than $10,000,000,000, and that if the wastage is not stopped in another 50 years

the cumulative loss will reach the staggering figure of twenty-five or thirty billion dollars.

Men and Nature must work hand in hand. The throwing out of balance of the resources of Nature throw out of balance also the lives of men. The ruthless exploitation of our land resources must cease. Men cannot continue to violate basic arrangements which Nature will not tolerate. On December 19, 1935, the Secretary of the Interior transmitted to the President a report entitled "Little Waters: A Study of Headwater Streams and Other Little Waters." This report deals comprehensively with a great national problem, and I commend it to the careful consideration of every man, woman, and child interested in the conservation of a great national resource—the fertility of American soil. In my opinion this report should be made available to every student of agriculture and every farmer in the country.

The Triple A was declared unconstitutional because:

First. The act invaded the reserved rights of the States.

Second. The processing tax therein provided for was levied upon one group, the processor, for the benefit of another group, to wit, the farmer, and was not levied for the general support of the Government, and was in advance appropriated to the uses of the statute.

Third. The money so extracted was used to purchase compliance with contracts, binding upon the growers who had signed them, a compliance which the Congress was powerless to command.

Fourth. The regulation sought was not, in fact, voluntary, for that the power to confer or withhold unlimited benefits is the power to coerce or destroy.

May I point out that in the proposed act no processing tax is provided for or levied?

And, further, may I suggest that the proposed act provides for no contract of any kind or character which in any way might be binding upon the farmers of the country?

And, last, may I say that the farmers, and all of them, are footloose and free to do as they please, and no one can penalize them.

Now, let us consider a few statements in the opinion in the Triple A case. What did the Court mean by the following language?

> We are not here concerned with a conditional appropriation of money, nor with a provision that if certain conditions are not complied with the appropriation shall no longer be available. By the Agricultural Adjustment Act the amount of the tax is appropriated to be expended only in payment under contracts whereby the parties bind themselves to regulation by the Federal Government. There is an obvious difference between a statute stating the conditions upon which moneys shall be expended and one effective only upon assumption of a contractual obligation to submit to a regulation which otherwise could not be enforced.

What did the Court mean by the following language, none of which is in any way necessary or pertinent to the decision?

> We are not now required to ascertain the scope of the phrase "general welfare of the United States" or to determine whether an appropriation in aid of agriculture falls within it.

Is it not clear that the Court intended to suggest that under the general-welfare clause of the Federal Constitution we could make grants of Federal funds in aid of agriculture?

Is it not clear that the Court intended to suggest that we could, in the absence of contracts binding upon farmers, make conditional appropriations, with provision that if certain conditions are not complied with the appropriation shall no longer be available?

Does not this bill seek to use the power of the general-welfare clause of the Constitution?

Does it not make conditional appropriations of money, with provisions that if the conditions are not complied with the appropriation will no longer be available?

With processing taxes, binding contracts, and coercion out of this bill, why are we not following the "pathway of the law" within the framework and provisions of the Constitution?

In this day of legal triumphs and defeats and 5–4 decisions, not even the best constitutional lawyer in the country can assure us that any act of Congress is or is not constitutional.

It is not easy for men to divorce themselves from their economic and political philosophies. No man is infallible, but all men may be honest; and we are justified when we act upon honest convictions and beliefs as to the constitutionality of proposed legislation. I believe that the conservation of soil fertility is a national problem, and that this act is constitutional, and I hope it will pass.

The bill under consideration amends the Soil Conservation Act reported by our Committee on Agriculture and enacted into law April 27, 1935, by inserting after section 6 of the original act the provisions of this bill and designating the next section as section 7, and sets out the purposes of this act as:

First. Preservation and improvement of soil fertility.

Second. Promotion of the economic use of land.

Third. Diminution of exploitation and unprofitable use of national soil resources.

Fourth. Provision for and maintenance of a continuous and stable supply of agricultural commodities adequate to meet domestic and foreign consumer requirements at prices fair to both producers and consumers thereof.

Fifth. Reestablishment and maintenance of farmers' purchasing power.

The first part of the bill relates to a temporary plan which is considered as an emergency measure, to be in operation only for the years 1936 and 1937.

The second part of the proposed legislation has to do with the establishment of a permanent plan which, in my opinion, will be of great benefit to agriculture. The permanent plan begins on January 1, 1938, and will provide for Federal grants of money to the States to enable each State to carry out its new program for agricultural rehabilitation. The respective States will have from now until January 1, 1938, to work out their own program and to pass necessary farm legislation in order to be eligible for Federal grants. In the meantime, the temporary program will operate as a stopgap and enable us in some degree to hold the gains made under the Agricultural Adjustment Act.

Three of the five general purposes I have heretofore mentioned relate to both the temporary and permanent features of the bill. The temporary program gives the Secretary of Agriculture the right, under certain conditions, to grant aid to and make benefit payments to agricultural producers as individuals to January 1, 1938. After the permanent program begins all aid granted by the Federal Government will be in the form of Federal grants to the respective States, made upon certain conditions laid down by the Secretary of Agriculture. Upon the Federal grants the States, in turn, will deal with the individual farmers.

Under the temporary plan the Secretary of Agriculture will deal directly with the farmer, through his authorized agencies, carrying out the purposes of the temporary plan, which are:

First. Preservation and improvement of soil fertility.

Second. Promotion of the economic use of the land.

Third. Diminution of exploitation and use of national resources.

This is obviously strictly a land-conservation program and has no reference whatever to particular agricultural commodities or to farmers' purchasing power. Taking it another way, the farmers are to be paid benefits based upon:

First. Their treatment or use of their land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion.

Second. Changes in the use of their land.

Third. A percentage of their normal production of any one or more agricultural commodities designated by the Secretary of Agriculture which equals the percentage of the normal national problem of such commodities required for domestic consumption.

If the Secretary determines that the farmer has cooperated and complied with the purposes, the conditions, and the requirements of the program, he can make benefit payments to the farmer in proportion to the extent of the land so used and treated by the cooperating producer. There is, as I have before stated, no contract which is binding on anyone. The

farmer can cooperate or not, as he pleases. He can either take it or leave it.

I am anxious for this bill to be passed as early as possible, to the end that the Secretary may make his calculations and announce his program, setting forth definitely the conditions of the appropriation, to the end that the farmers may know how to proceed with their planting. If the farmer must in the fall show that he has complied with the conditions, certainly he has a right to know before the crop is actually planted with just what conditions he is expected to comply.

The success or failure of this program, of course, depends largely upon the rules and regulations prescribed by the Secretary of Agriculture and the manner of its administration. Necessity requires that in the administration of this program the Secretary of Agriculture be granted broad power and wide discretion, and as much as I would like for the bill to spell out the duties and provide for a yardstick to be used in the administration of the law, it would be obviously quite difficult for anyone other than an expert, familiar with all of the various phases of agricultural activity, to provide a yardstick of great value. We can only hope that the conditions of the grant will be reasonable and that the act will be wisely, fairly, and impartially administered.

Under the permanent features of the bill, of course, the State plan proposed must conform to the purposes of this act and be approved by the Secretary of Agriculture before the State can secure Federal aid. In determining the amount of money to be apportioned to any State, the Secretary must take into consideration:

First. Farm population of the State.

Second. The value of agricultural commodities produced in the respective State during a representative period.

Third. The acreage and productivity of land adapted to agricultural production in the respective State during a representative period.

Of course, if the State fails to adopt a proposed and satisfactory program suitable to the Secretary of Agriculture, or, after adopting a program, fails to administer it properly, the Federal aid provided would no longer be available. Surely no agricultural State will fail to accept the benefits provided for in this bill.

Those opposing this measure have denounced it as a fraud, a subterfuge, and camouflage. In my opinion, it is a bold, courageous, and substantial effort to deal with a very fundamental national problem. If the proposed method of dealing with this great problem is declared unconstitutional, then I am frank to state that it appears that it will be almost impossible to provide for the passing of any benefits on to the farmer or to enact legislation that will directly benefit those who till the soil or own and control the lands of America. [Applause.]

Mr. TOBEY. Mr. Chairman, I rise in opposition to this bill. As a member of the committee I signed the minority report.

I have great respect for the ability and character of the chairman of our committee and regret that I cannot go along with him in his views on this bill.

This bill is not the handiwork of the House Committee on Agriculture, however; it was drawn up outside, then laid before us, and we then made minor changes in it. We asked for but could not have public hearings on it, and only the Secretary of Agriculture and his Administrator appeared before us for a short period. This is not as it should be. It is the function of our committee to draft its own bills pertaining to agricultural administration, but we have never once done so in my memory. Always the administrative bureau which is to administer and enforce the law drafts and shapes the very bills which are to control its operations. It is a vicious, unsound scheme of things, and I cannot approve such practice.

Mr. Chairman, I hold this bill is largely a subterfuge; that it was drawn up to circumvent the recent Court decision.

It is called the Soil Erosion Act, but the original bill of that title, which this bill amends, is only being used as a vehicle to carry on the ideas and aims of the Department of Agriculture.

We have made soil-erosion appropriations for many years in Congress. Last year the amount appropriated was $27,000,000, but if this is an honest-to-God soil-erosion bill, does not it strike you as strange that the amount should be jacked up from $27,000,000 in one session to $440,000,000 in the following session? That disparity alone proves that the bill is not what it is claimed, and had the Supreme Court not made the decision which it did on the A. A. A. there would have been no material increase for soil erosion this year and we would have heard little of that subject.

To me the temporary part of this bill is a specious attempt to get around that decision.

I do not intend to be unkind, but I feel that it would be within the truth if, to the title as printed on the face of this bill, there should be added this clause, "and to continue the flow of Government checks to the vast voting agricultural population in the hope and expectation that they will support the Democratic national ticket on November 2 next", but that, Mr. Chairman, would be using language to convey thought and not to conceal it.

The outstanding objection that many of us had to A. A. A. was the concentration of such vast power in the hands of the Secretary of Agriculture. In making this statement I have no thought of personalities, but of the office itself.

If that was an objection to the original A. A. A. and its amendments, it constitutes a stronger objection to this bill which grants to that official even greater centralized powers, giving him the power to spend approximately one-half billion dollars of the people's money, in payments or grants to farmers, with no limitations as to how the money should be spent. I know of no instance where greater authority has been given.

A byproduct of the unusual, unsound procedure which has been followed the last few years, is the development of a state of mind and lust for power which, to me, constitute danger signals, and I offer one incident which came up in our committee while the bill was being read.

In that part of the bill which is now section 14 (then sec. 11), it stated that "notwithstanding any other provision of the law the action of any officer or employee in determining the amount of or in making any payment under this bill should not be subject to review or audit except by the Secretary of Agriculture."

By this we were asked to empower the Secretary of Agriculture to make cash payments to farmers of approximately one-half billion dollars, with no check or audit to be had of these payments except by him or his department. Stop and think what that implies. Such action would be akin to amending the banking laws of the country, so that no bank examiner could audit the accounts or books of any cashier, but that the bank officials themselves should be the only reviewing or auditing agency. Or amending all accounting laws covering fiduciaries, so that no trustee, executor, or administrator of an estate would be obliged to have his accounts reviewed by the courts, but instead the said executor, administrator, or trustee need only satisfy himself as to the accuracy or honesty of his actions.

It is a sobering thought that we have a state of mind existing in a great department of government which would allow it to even suggest such a thing, let alone to ask that it be written into the law.

I offered an amendment to strike out this provision and to leave the matter of audit with the Comptroller General, where it ought to be, and finally this change was made.

But, Mr. Chairman, I was not then wholly satisfied, because I was curious to know what public servant possessed so abnormal a mind as to believe that only the Secretary of Agriculture should audit the payments of one-half billion dollars which the same Secretary of Agriculture was to make. So I asked the representative of the legal department appearing before our committee, who requested that this language should be a part of the bill, but he refused to tell me. Your guess is as good as mine; but danger signals are flying over the Nation when such attempts are made by any department head to thwart the sound practice of audit and to arrogate to himself such unprecedented powers.

I am not a lawyer, but believe that the temporary feature of this bill at least is unconstitutional and runs athwart the decision, and that the Secretary and his assistants still cherish the philosophy of control of production and scarcity and aim to use this bill to those ends.

They are attempting to make production control incidental to soil conservation and thus placate the Court.

Inwardly apprehensive as to its constitutionality, they salve their fears by the thought that no one will bring suit to test the matter in the courts, there being no tax provision embodied in this bill.

Mr. Chairman, the dairy industry is the principal farm industry in the section of New England which I represent. I believe that this bill is fraught with danger to that industry. Confronted with a surplus condition for many years, heroic efforts have been made to maintain a balance between production and consumption, and the dairy industry has been helped by marketing agreements.

But this bill threatens to undo recent progress by the dairy farmers and is a menace to their welfare. Under this bill, payments will be made out of the Federal Treasury under the guise of soil erosion. Land now producing cotton, wheat, corn, and tobacco will be taken out of production, and in place of these crops these acres will be planted to legumes and grasses and other forage crops. Cattle will be turned onto these lands to feed and there will be a greatly increased production in dairy products and livestock. The picture is well given in the report of the gentleman from Wisconsin [Mr. BOILEAU] and in our minority report which I signed.

A statement which clearly points out the injustice which would accrue to our dairy farmers is made by the National Cooperative Milk Producers' Federation. I quote:

> Only a small percentage of dairy farmers will be eligible for the benefits provided for in this bill. Dairy farmers have in the past and are continuing to practice a type of farming which promotes soil conservation and prevents soil erosion. They already have a system of rotation in effect which provides for the production of grasses and forage crops and thus they will be unable to make shifts in their production which would entitle them to benefit payments.

As a matter of fact the Secretary of Agriculture and the administrator came before our committee and stated that a great part of this land would be used for production of grasses and legumes, and that the farmers accepting this arrangement would receive subsidies for changing over; but they also admitted that thereby dairy and livestock production would be materially increased and that the program of this bill would encourage livestock production in areas now used exclusively for other types of farming.

We of the minority oppose any program which will result in dislocation of agriculture in this country and oppose any Government program which has for its purpose the payment of a subsidy to one group of farmers at the expense of another group engaged in honest agricultural pursuit.

Some proponents of this legislation state that there is no compulsory control of production, but that it is purely voluntary. Admitting that, the Court cited the voluntary feature by stating in its decision:

> But if the plan were one of purely voluntary cooperation it would stand no better so far as Federal power is concerned. At best it is a scheme for purchasing with the Federal funds submission to Federal regulation of a subject reserved to the States.

I believe this statement applies to the bill before us.

Under this bill the Agricultural Administration will advise the farmers of the terms and conditions upon which payments will be made to them. When, as, and if, the farmer accepts that offer and terms, I hold that it constitutes a contract.

In conclusion, this is the greatest delegation of power, in my judgment, that has been made since 1933. We are shortly to raise by taxation one-half billion dollars, approximately, to provide for the payments authorized in this bill, to be placed in the hands of the Secretary of Agriculture, and the only limitations controlling him are confined to what the Congress sets forth the object of the bill to be. He has the sole power under section 11 to make such rules and regulations as he sees fit.

This bill is weak in that it makes no provision to assure the consuming public that they will have adequate supplies of food products and that there will not be a rising tide in the prices of farm products through continuance of the policy of scarcity.

I yield to no one in my interest in and sympathy with farmers' problems. For years my family and I lived on a New England farm and made our living therefrom. I have run the gamut of experience incidental to that life. I stand ready to cooperate earnestly and conscientiously for a constructive farm bill which will give needed aid and benefits to our farmers under a long-term program to be given ample and immediate hearings before the duly constituted committees for that purpose; but I am opposed to being put in a position where I am told that I must vote for this bill, as there will be no other farm-aid bill coming before the House.

I am not going to swallow legislative monstrosities under threats or in the interests of political expediency.

Believing this bill to be unconstitutional, I do not propose to vote for it or any other bill which appears that way to me merely because there is no way for it to be brought before the Supreme Court.

I regret having to speak against this legislation. In taking the position I do today I part company with some of my good friends whose viewpoint is dissimilar to mine, but I can only be true to my convictions.

I am opposed to this bill because it is a subterfuge; because in my judgment the temporary part of it is unconstitutional; because it delegates vast and unprecedented powers to one Federal agency; because I believe it will crucify the dairy farmers of not only my section of New England but the whole Nation over; and because there is pending in our committee other farm legislation, which has not been granted any hearings whatsoever, which, could it become law, would, in my opinion, unquestionably be constitutional and would give the farmers of the Nation genuine relief and betterment. [Applause.]

Mr. JONES. Mr. Chairman, I yield 5 minutes to the gentleman from New Hampshire [Mr. ROGERS].

Mr. ROGERS of New Hampshire. Mr. Chairman, it is with much embarrassment that I follow my distinguished colleague from New Hampshire [Mr. TOBEY] and take issue with him on the matters before this House in connection with this bill. I had the honor to serve with him in the Legislature of New Hampshire, and I have known him as chief executive and Governor of the old Granite State. I cannot use the language which he uses about politics, crucifixions, subterfuges, and monstrosities, and all those things in connection with this bill; and, while he says he has lived on a farm and is not a lawyer, still he believes the bill to be unconstitutional. I accept the charge of having been for 20 years a lawyer. For all my life, however, I have lived on an old farm in the State of New Hampshire. It is still my home and my mother's home; and I believe, in the interest of agriculture in New England and throughout this country, that we ought to pass this measure, and that it will stand the test of constitutionality. [Applause.] Who is in favor of this bill? Why does not my colleague tell you, as I now tell you, about a letter under date of February 13, written by the president of the New Hampshire Farm Bureau Federation, George N. Putnam, a man known and respected throughout the old Granite State, who is now serving his twentieth term as president of that Farm Bureau Federation, which has a membership approximately of 2,000? What does he say in regard to this bill? I quote his words, as follows:

> I have not had an opportunity to discuss with you the provisions of House bill 10835 of Chairman JONES of the Agricultural Committee, which I understand will be before the House very shortly.
>
> I feel that this measure is worthy of support. I believe it meets the objections of the Supreme Court contained in their decision on certain provisions of the Adjustment Act, and I believe the long-time provisions of the bill will be helpful to those

engaged in agriculture not only in New England but in all sections of the country.

In its permanent feature it provides for the development of a program by State authorities and the carrying it out in cooperation with the Federal Government. This I think is a desirable feature and will give an opportunity to our agricultural college and extension service to develop a program under one or more basic points to be considered that will be of help to the farmers of New Hampshire, and will be in accordance with sound agricultural practice.

I hope you will give your support to the measure.

I read in the RECORD of yesterday's proceedings that these remarks perhaps were engineered by Mr. O'Neal, the president of the American Farm Bureau Federation. Mr. Chairman, his letter was written on February 18, while the letter I just read to you is from a man who for 20 years has been president of the New Hampshire Bureau Federation, and it was written on February 13. I ask you, on behalf of the welfare of the farmers of New Hampshire and New England and of the country generally, to place your endorsement upon the legislation now pending before you. [Applause.]

In conclusion, let me quote the letter from Edward A. O'Neal, president of the American Farm Bureau Federation, dated February 18, 1936, expressing the Federation's endorsement of the bill now before us:

To Members of the House of Representatives:

The Jones bill (H. R. 10835) amending the Soil Conservation Act of 1935, as reported by the Committee on Agriculture, carries out in the main the recommendations of the American Farm Bureau Federation and has the endorsement and active support of our organization.

Among the commendable features of the bill, we are particularly gratified to note it provides that the agencies to administer the plans evolved by the States and approved by the Secretary of Agriculture shall be, in the main, the land-grant colleges and committees or associations of agricultural producers organized for such purpose; also that this measure places responsibility upon the States to effectuate plans for carrying out the purposes of the act, thereby giving full recognition to the sovereign powers of the States and providing for the full utilization of the powers of both governments upon which the citizen is entitled to rely. The bill gives full opportunity for the cooperation of State and National Governments in carrying out National, State, and regional programs which will enable farmers to use sound farming practices.

It is hoped that all Members of the House of Representatives will vote for the bill without material amendments, in order that it may conform to what we have asked for, and that its benefits may become quickly available.

Very respectfully,

EDW. A. O'NEAL, *President.*

Mr. HOPE. Mr. Chairman, it is my hope that this bill can be discussed and acted upon on a nonpartisan basis. Farm legislation has too long been a political football in this country. A problem of such tremendous importance and one which is purely a matter of economics should be kept entirely out of partisan politics. I realize that this is a very difficult thing to do. As far as the Committee on Agriculture is concerned, I think I am entirely correct in saying that it has considered all farm legislation from a purely nonpartisan standpoint. I do not think there has been a great deal of partisanship in recent discussions of farm legislation in the House. Nationally, however, political parties have insisted on playing politics with farm legislation. I need only make a brief reference to the matter to remind you of this. A few years ago we had a Farm Board. It was not a howling success, yet it did some good, and by means of its operations we learned a great many things. One of the principal things we learned was that it is impossible to increase or stabilize farm prices without some control over supply. The Republican Party being in power while the Farm Board was in existence, it perhaps took this lesson to heart more seriously than the Democratic Party, and as a result of the Farm Board experience and at the suggestion of many, both in and out of politics, who had given consideration to the farm problem, the Republican platform for 1932 contained this language:

The fundamental problem of American agriculture is the control of production to such volume as will balance supply with demand. In the solution of this problem the cooperative organization of farmers to plan production and the tariff to hold the home market for American farmers are vital elements. A third element equally as vital is the control of acreage under cultivation as an aid to the efforts of the farmer to balance production.

Also the following:

We will support any plan which will help to balance production against demand and thereby raise agricultural prices, provided it is economically sound and administratively workable without burdensome bureaucracy.

Now, of course, since politics is politics, in a campaign year the Democratic politicians thought it would never do for them to have the same views on agriculture as the Republicans. In any case, the unpopular activities of the Farm Board offered too good a subject for political criticism to be overlooked, so the Democratic Party's platform contained this language:

We condemn the extravagance of the Farm Board, its disastrous action which made the Government a speculator of farm products and the unsound policies of restricting agricultural production to the demands of domestic markets.

The Democratic platform also contained the following language under the list of policies favored by the party:

Extension and development of farm cooperative movement and effective control of crop surpluses so that our farmers may have the full benefit of the domestic market.

The enactment of every constitutional measure that will aid the farmers to receive for their basic farm commodities prices in excess of cost.

Even a casual glance at the planks in the two platforms will disclose that the Republican theory was one of reducing and controlling production, while the Democratic theory was opposed to the control of or reduction in production, and favored some efforts to control crop surpluses after they were produced. Furthermore, the Democratic platform expressly condemned the Farm Board policy of attempting to raise or stabilize farm prices by means of commodity loans.

What happened is enough to give a good laugh to anyone who is interested in the humor of politics. The Democratic Party won the election. It in effect adopted the policy of controlling production so as to balance supply and demand as expressed in the Republican platform. It furthermore put into effect the Farm Board policy of making loans on farm commodities at prices above the market, with the result that the Government today has more cotton on its hands than the Farm Board ever dreamed of having, and the Farm Board's lending policy on wheat has been duplicated by this administration's policy of making loans on corn. Fortunately for the administration conditions for making loans on corn were much more propitious than the conditions under which the Farm Board made its loans on wheat. On the corn loans they had the benefit of declining production, and an increase in prices, whereas the Farm Board was faced with increased production and declining prices. Had it not been for the disastrous drought of 1934 the loans on corn would likely have been just as disastrous from a financial standpoint as the Farm Board's attempts to stabilize wheat prices.

Now, any ordinary reasonable person would naturally suppose that after the Democrats adopted the Republican farm policy that the Republicans would feel pretty good about it and would proceed to lend their cooperation and even say, "I told you so." That, of course, would have happened anywhere except in politics. The question being in politics, it seems the only thing the Republicans could do was to decide that the policy which they had previously approved immediately became a bad policy when the Democrats put it into effect, and we have heard up and down the land Republican orators denouncing the Republican policy of 1932 and berating and condemning the Democratic Party for putting it into effect. All over the land we heard Republicans representing industrial districts in which the producers of industrial products had the good sense to quit producing when their warehouses were full, denouncing the Republican policy of 1932 and the Democratic policy of 1933, 1934, and 1935 as being an economic monstrosity, a program of scarcity, and something that no decent nation in its senses ought ever have done. That condemnation continued until January 6, 1936, when the Supreme Court held the Agricultural Adjustment Act unconstitutional.

For several months prior to the Supreme Court decision prominent Republicans, among them several who at the

present time are considered aspirants for the presidency, suggested as an alternative to the A. A. A. a program of soil conservation, not as a complete solution of the farm problem, of course, but as one which ought to be embraced in any program looking toward the rehabilitation of agriculture. Former Gov. Frank O. Lowden, of Illinois, who is perhaps the Republican Party's most noted authority on the farm question, has suggested a program of soil conservation and soil-erosion control which is very similar to the one embraced in the bill which we are considering today. Long before the A. A. A. decision, Frank Knox, of Chicago, prominently mentioned as a Republican presidential candidate, outlined a farm program, the most prominent feature of which was payments to farmers for taking land out of the production of surplus crops and planting it to soil-building or soil-erosion preventing crops. Governor Landon has included soil conservation as one of the chief means by which he would rehabilitate agriculture. Former President Herbert Hoover and Senator DICKINSON have made the same suggestion. In fact, this whole idea of soil conservation has been discussed publicly much more by Republicans than by Democrats—one reason of course being that a lot of Republicans thought it would never do for the Republican Party to endorse their brain-child, the A. A. A., because it had been adopted by the Democrats, and therefore they had to suggest something different. The soil-conservation program appeared to them to be a constructive alternative.

However, what do we find the situation to be today? Just about the same as it has been. Now that the administration is offering a piece of legislation which is based upon soil conservation, a lot of Republicans appear to think such Democratic endorsement has contaminated the pure and holy idea of their party spokesmen, and they are doing their best to find excuses for being against the present measure.

There are many things which can be said against this bill. There are many who honestly think that there is a better approach to the situation. I, myself, have some doubts and misgivings as to how this bill may work out in actual practice. It is going to be difficult to administer. I can see how those who represent dairy sections may have some apprehension as to what the effect of this legislation may be on the dairy industry, although I believe that their fears are exaggerated. I repeat that there are basic and fundamental arguments which can be made against this bill. Yet I do hope that we can consider it today and tomorrow as a piece of economic legislation—not as something for the Democrats to laud to the skies and for the Republicans to kick around. Whatever the final vote on this bill may be, I trust that no Democrat will vote for it simply because it is a Democratic measure or that no Republican will vote against it for the same reason. The farmers are getting tired of that sort of thing. They feel that their problems are of enough importance to be considered from a nonpartisan and economic viewpoint, and they are not going to put much confidence in any political party which considers them on any other basis.

Mr. ANDRESEN. Will the gentleman yield?

Mr. HOPE. Yes; I yield briefly.

Mr. ANDRESEN. Has the gentleman heard any Republican criticize the soil-conservation features of this measure? In the Committee on Agriculture has not every Republican been for the soil conservation?

Mr. HOPE. I think that is true. I think the minority report mentions soil conservation as being a very desirable objective, but, of course, there has been a great deal of criticism of the bill as a whole.

Mr. ANDRESEN. As a whole, only from the dairy angle, wherein it is sought to plant grasses and legumes to feed livestock and dairy cattle on the land conserved. It is the method and the motive back of it that is being criticized and not the conservation of soil.

Mr. HOPE. I think that is a very fair statement. The gentleman will recall that I mentioned that myself.

Mr. BIERMANN. Will the gentleman yield?

Mr. HOPE. I yield briefly.

Mr. BIERMANN. The assistant Republican leader on yesterday [Mr. MARTIN of Massachusetts] denounced the whole thing from stem to gudgeon.

Mr. HALLECK. Will the gentleman yield?

Mr. HOPE. I yield.

Mr. HALLECK. As a matter of fact, the plan has been denounced by some of the gentlemen on the Democratic side; is that not true?

Mr. HOPE. Yes.

Mr. KNUTSON. Will the gentleman yield?

Mr. HOPE. I yield.

Mr. KNUTSON. Is it not true that in the other body the fight against this very bill was led by some very active Democratic Representatives from New England?

Mr. HOPE. I think it is true that in the other body the consideration of the bill was largely from a nonpartisan standpoint, and I am only expressing the hope that that will be the case here; that it will be argued and voted upon purely on its merits as an agricultural measure.

Mr. RYAN. Will the gentleman yield?

Mr. HOPE. Yes; I yield briefly.

Mr. RYAN. Does not the gentleman feel that it is immaterial whether the criticism or support of the bill comes from one side of the aisle or the other, so long as the farmer gets this benefit?

Mr. HOPE. Yes.

Mr. CULKIN. Will the gentleman yield briefly?

Mr. HOPE. Yes; briefly.

Mr. CULKIN. Does not the gentleman believe that any plan of farm relief should include every type of farming?

Mr. HOPE. I do.

Mr. CULKIN. This bill does not include the dairymen.

Mr. HOPE. I would not go so far as to say that. I think possibly it may be harder to put it into effect as to the dairy industry than as to some other branches of farming. I will agree with the gentleman to that extent.

Mr. PIERCE. Will the gentleman yield further?

Mr. HOPE. I yield.

Mr. PIERCE. Is it not a fact that the bill covers all types of farmers if the Secretary so concludes?

Mr. HOPE. It does. There are no basic commodities under this bill. It covers every type of farming.

Mr. MOTT. Will the gentleman yield?

Mr. HOPE. Yes; I yield briefly.

Mr. MOTT. I take it the gentleman is not of the opinion, as has been expressed by some, that this bill is largely a political trick on the part of the administration to fool the farmer? The gentleman does not believe that?

Mr. HOPE. No; I do not believe that.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. HOPE. I yield.

Mr. JENKINS of Ohio. Can the gentleman state briefly the difference between this bill and the Hope bill?

Mr. HOPE. I will if I have time. I have some remarks that I want to make, and then if I have time I will compare the two measures.

Mr. GIFFORD. Will the gentleman yield further?

Mr. HOPE. I yield briefly.

Mr. GIFFORD. Following the remark of the gentleman from Oregon [Mr. MOTT], will the gentleman take some little time to explain that this bill is not really a subterfuge, but that it is really constitutional?

Mr. HOPE. I am going to discuss that a little later on. I am going to discuss that very question.

Mr. SNELL. Will the gentleman yield further for a short question? I dislike to take too much of the gentleman's time.

Mr. HOPE. Yes; I yield.

Mr. SNELL. The gentleman said it could apply to the dairy industry or to that part of the country engaged in dairying or producing largely dairy products. In what way could it possibly be of any definite benefit to the dairy interests?

Mr. HOPE. It can be of the same benefit to the dairy interests that it can be to any other branch of agriculture. That is, I assume the dairy farmers are just as much interested as other types of farmers in building up their soil and conserving their soil resources. They, however, to a greater extent than any other group of farmers, have been doing this very thing.

Mr. SNELL. I was going to bring that out.

Mr. HOPE. This will give them an opportunity to come in under a program and receive some Government help in doing what they have been doing right along.

Mr. SNELL. Can the gentleman from Kansas tell me what possible chance the dairy farmer in northern New York, for instance, has of getting any benefit directly from the Federal Government under this bill?

Mr. HOPE. I assume he can get the same benefit any other farmer gets if he has the same type of land. If he has land to plant with soil-building crops, he can receive from the Government the same benefit payments any other farmer receives for that purpose.

Mr. SNELL. The gentleman says, and it is also brought out in the report, that they already rotate their crops to a certain extent to conserve the soil as much as possible.

Mr. HOPE. They do.

Mr. SNELL. They are not able to diversify their agricultural interests as do the people of the Middle West; they are confined almost entirely to dairying in my section of the country, whereas in the Middle West and West they produce dairy products and other basic commodities as well.

Mr. HOPE. I said a moment ago in response to a question that I believed it would be hard to administer this bill so that the dairy farmer would get the same benefit from it that other classes of farmers will get. I think this is a fair statement of the situation.

Mr. MOTT. Mr. Chairman, will the gentleman yield for a question along this line?

Mr. HOPE. Yes.

Mr. MOTT. How will the fruit grower and the nut grower benefit under this bill?

Mr. HOPE. I do not know whether we could make this bill applicable to that type of farming or not. I doubt very much if it can be done. They, of course, are still taken care of under the original Agricultural Adjustment Act through the marketing agreement provisions which I understand in some instances have been very helpful.

Mr. MOTT. But no fruit grower or no nut grower in the State of Oregon, I may say to the gentleman, is in favor of that provision of the A. A. A.; they are all against it.

Mr. HOPE. I do not know anything about that. I simply know the provision is there and that it has been helpful in the case of some commodities.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I will yield this once, but I cannot yield further.

Mr. CRAWFORD. Based on the gentleman's study of this question over a long period of time, does the gentleman know of any program which has been recommended by either the Democratic or the Republican platforms which could be carried out in a practical manner without the Secretary of Agriculture having broad power with reference to benefit payments?

Mr. HOPE. No; I do not. Frankly, I do not see how it could be done.

There are serious and fundamental objections to the present bill. However, in considering it we must keep in mind that by reason of the Supreme Court decision we are necessarily limited in what can be done. Undoubtedly, if under the Constitution Congress had unlimited authority to deal with agriculture as a national problem, we would have a bill far different from this one. This bill frankly recognizes the impossibility of attempting to control or stabilize production nationally and expressly provides that those provisions of the measure which directly concern production control shall become effective only after the period of Federal administration is passed and the States have taken over the problem. Among the more serious objections to this measure might be mentioned—

First. It will be very difficult to administer.

Second. It may further increase the problems of the tenant and sharecropper.

Third. Its ultimate effect will probably be to increase production.

Fourth. It may result in serious dislocation between different branches of agriculture and may increase the production of dairy products, beef cattle, and sheep more rapidly than such production can be absorbed by the country.

Fifth. No serious consideration has been given to the long-time phase of the program and neither the committee nor Congress has any information as to the workability of the State plan which is to go into effect as fast as the States can take it over, and must be in effect prior to January 1, 1938.

The question of constitutionality has also been raised, but I believe the bill in the form in which it was reported by the House committee to be constitutional. In arriving at this conclusion we must, of course, assume that conservation of our natural resources is a national problem and that the Federal Government can undertake any legitimate activities to promote conservation. We have assumed during our entire history that the Federal Government did have this power, as witness Federal activities in the way of reclamation, of national forests and national parks, flood control, and the Soil Conservation Act passed last year, to which the present legislation is an amendment.

By referring to the objections which I have outlined above, it will be seen that most of them deal particularly with administration. In other words, there is a fear that the administration of the act may result in some of the consequences enumerated. The answer to those questions, of course, can only be made after the act has been passed and its administration has been undertaken. The question is whether this bill—the only bill affecting the general agricultural situation which we will have before us during this session—shall pass. There are some of us who believe that there are other and better methods of handling the situation. Does that fact, however, and the fear of improper administration justify those of us who want to see something done for agriculture in voting against the bill? I think not. I do feel very strongly that before the permanent plan embodied in this bill goes into effect that extensive hearings should be held and all proposals involving a permanent solution of the problem should be considered. Certainly we should not start out on a plan which includes the taking over of this problem by the States without a very thorough consideration of what is involved and the problems which will have to be met if that plan is adopted. However, we have the assurance of the chairman of the Committee on Agriculture that hearings will be held and consideration will be given to other permanent plans and that the questions involved in State control will be gone into thoroughly.

As to the matter of administration, I do not share the fears of some of my colleagues. I have enough confidence in those who will administer this act to feel that they will carry it out in such a manner as will be most beneficial to agriculture as an industry. I think I am justified in this confidence by the way in which the Agricultural Adjustment Act has been administered. Frankly, if all other New Deal activities had been administered as well, we Republicans would have a lot less campaign thunder next fall. I, therefore, am going to support this legislation—not because it is necessarily the best that might be enacted, but primarily because it is the only bill which we have before us or will have before us at this session. I consider it most important that an agricultural program be continued. Irrespective of whether this bill meets the situation or not, there can be no doubt but what we must meet the great problems of soil erosion and soil depletion by a constructive attack national in scope. To that extent the bill has the support of every economist, and every student of farm problems. To that extent I think I am safe in saying that it has the support of organized farmers generally, although as far as I know only one national farm organization, the American Farm Bureau Federation, has announced its active support of the measure. The bill will at least enable the Agricultural Adjustment Administration to continue with its program of farm rehabilitation and in the next session of Congress it will be possible to reconsider the problem and make such changes as are necessary in this legislation or write legislation which will better meet the situation. I urge that in the interim Members of Congress, economists, farm leaders, and the 6,000,000 or more American farmers give their most serious thought and study to the question so that the Congress

which meets next January may have the benefit of their views and suggestions. [Applause.]

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. GIFFORD. The gentleman injected some political philosophy in his discussion of this question. I wanted to add to his remarks, that under the so-called "do nothing" Hoover administration we spent almost $500,000,000 in an attempt to help the farmer. May I interject this thought in the form of a question? He did nothing to subvert or side-step the Constitution, did he?

Mr. HOPE. I think that is a correct statement.

Mr. GIFFORD. He tried to uphold the Constitution, which he swore to uphold. I would like to ask the gentleman if he can call to mind how many Democratic salesmen there are in the State now interested in the administration of this measure?

Mr. HOPE. I presume the gentleman refers to county agents in the extension service and county committees who are administering locally the wheat, corn, hog, and other programs.

Mr. GIFFORD. I am referring to a statement made by a friend of the farmer, Mr. Peek, who states that there are from 140,000 to 150,000 salesmen in the State and they want to get it through.

Mr. HOPE. Well, I will tell the gentleman that a lot of those salesmen in the State of Kansas are Republicans. [Applause.]

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MAPES. The gentleman has made a very effective and interesting talk. He stated during the course of his discussion that practically all economists approved the soil-erosion and soil-conservation features of this bill. The gentleman from New Hampshire [Mr. TOBEY] made the statement that the appropriation for these two features in former years had been something like $27,000,000 but that this bill contemplated an appropriation of $500,000,000; and he reached the conclusion that this feature of the bill is to be used as a subterfuge to carry out the other provisions, especially crop control.

I would like to get the gentleman's opinion, and, if I may, I would like to ask two questions in one. The gentleman has discussed the constitutional question. Does he think this bill sets up a sufficient standard by which to guide the Secretary of Agriculture in working out a plan to make the bill constitutional? I would also like to ask the gentleman what he thinks of this voluntary plan being circumvented by farmers who do not come under it and who increase their production when they see somebody else is decreasing production? Will not the two forces work against each other?

Mr. HOPE. That is a rather large order. I do not know whether I can answer the question in my remaining time or not.

As to the matter of appropriations which the gentleman mentioned, of course, this bill carries none; but the Senate has passed a bill, which also passed the House, that included an item of $440,000,000. Presumably that is to be used for carrying out this act.

Mr. MAPES. As far as this bill is concerned, the field is wide open?

Mr. HOPE. That is true. The appropriation for soil erosion last year constituted, I believe the gentleman said, $27,000,000. That, of course, is for soil erosion. When you get into soil conservation you are getting into a very much larger field and are embarking upon a much greater program than was contemplated under the soil-erosion program of last year. A great deal more money than $27,000,000 could be spent, of course, on soil erosion alone in any one year and many times that amount in the broad field of soil conservation.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield myself 2 additional minutes.

Mr. MAPES. Is it not true that a large part of this money is not going to be used for soil erosion and soil-conservation purposes?

Mr. HOPE. No; I do not believe that is a fair assumption. Of course, that may depend upon what the definition of "soil conservation" is. The program, as I understand it, and the only program offered under this bill for the 2-year period, is that land will be taken out of the production of some other crop and put into soil-building crops. That constitutes a soil-conservation program, according to my definition.

Mr. MAPES. Does the gentleman think that the Secretary of Agriculture or the Government can get a sufficient number of farmers to cooperate in any program of that kind to make it effective?

Mr. HOPE. That is something I cannot answer. I think it can be done. Of course, it depends entirely on the cooperation of the farmers.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. CROWE].

Mr. CROWE. Mr. Chairman, conservation and utilization of the soil resources, the preservation of our forests, the preservation of fish and game are the greatest steps toward a future prosperity of the whole Nation that can be undertaken. A nation is ultimately rich or poor according to the value of its fields, forests, mines, and rivers. Deplete a given section of the earth, and the once prosperous towns and cities soon die and decay, therefore Senate bill 3780, which is now being discussed, is one great step toward bringing and keeping this Nation prosperous.

Short-sighted industrialists, greedy money lenders in the large centers are not alone obsessed with a desire to have all the money there is in the world, but their vision is short. They lack foresight and understanding. If they had knowledge and understanding, they could readily see that their values shrink and the Nation becomes bankrupt when you bankrupt the farmers. Nevertheless, the contemptible greed of the powerful interests in the big centers is not excusable. This Congress would be remiss of its duty if it failed to enact this or other suitable legislation with which to replace the A. A. A., which was declared unconstitutional by a majority opinion.

Many Members of Congress, as well as millions throughout the country, were much more impressed with the minority report than the majority report of the decision on the A. A. A. For myself, I believe that I know that the interest and welfare of the farmer is for the general welfare. The welfare of the farmer is for the general good and well-being of the Nation.

The ruin of the farmer came about by a shortage of the circulating medium, money, shortly following the World War. A systematic program of calling the loans of the farmer and home owner and a lessening of the circulating medium forced down prices on the commodities of the farm, which started a vicious cycle. First, indebtedness; next, a loan from the bank. This followed by a mortgage on the farm; that followed by foreclosure. At the same time, the farm prices went to the lowest in the history of the Nation and to the lowest of which any records have been kept. For instance in Indiana, the best corn obtainable sold as low as 8 and 10 cents a bushel, wheat 35 cents a bushel, hogs netted the farmer, at his farm, around 2 cents a pound; all other farm commodities in proportion. Tobacco sometimes did not bring the expense of market handling charges. All the while the protected market from which the farmer had to buy maintained high prices. For instance, the binder, which sold for $115 when wheat was $1.25 a bushel 25 to 30 years ago, sold for $187.50 when wheat was 35 cents a bushel. All other things the farmer bought in the protected market cost him in proportion. This vicious cycle utterly destroyed the farmer's purchasing power. When that power was destroyed it stopped the progress in the factory and mill, and labor was at once thrown out of employment. The spiral went down and down until in the year 1932, the greatest distress this country has ever known fell like a pall throughout the entire Nation. In the year 1932 farmers had practically no value whatever because a farm, like everything else, only has a value if it can pay its tax and upkeep

and give some return on the investment. When there is no return on the investment, the value goes down to zero.

Evidence that the A. A. A. and the farm program had a lot to do with general prosperity as well as prosperity to the farmers we saw in prices of the product of the farm, the principals in my State being corn, which rose from 8 and 10 cents a bushel to as high as 75 and 85 cents; hogs, which were at a low of $2 and slightly over, have ranged from $10 to $12; wheat, that was 35 cents a bushel, has been around $1 a bushel for many months. To those who complain—and when I say this I mean principally the propagandists which originate in the big money centers who shed crocodile tears for the man who has to buy the product of the farmers—I want to say to you that I well recall the days when you could go to any store in the land and buy the finest pound loaf of bread for 5 cents and wheat was selling at $1.25 a bushel; but, mind you, when you went into the store when wheat was 35 cents a bushel you then paid 9 cents for the loaf of bread. Tell me, please, how you figure that giving the farmer a fair return for his product is in any way imposing on the workingman who pays for that product? Reduce the exorbitant profits of the processors of food products, not all of which but many of which are responsible for the wide spread between the price the farmers receive and the price labor pays for the finished product.

As a further evidence that the welfare of the farmer is general welfare, I cite you to the value of the common stocks on the New York Stock Exchange of June 1932, which were of a value of approximately $13,000,000,000. January 1936 those same stocks are worth today $40,000,000,000, an increase of wealth of $27,000,000,000. Likewise, preferred stocks which were $3,000,000,000 in June 1932 have a value of six and one-third billion dollars in January 1936; and all other values, farms, homes, business property, factories, and what not have grown in like amount in value; and millions of people have secured employment and millions have received food, raiment, and shelter, who were in distress and hungry before any farm legislation was given the Nation.

Some surprise seems to be manifested in some quarters because of concern over a Supreme Court and other rulings on farm legislation which has been enacted. On that, I desire to say that the person who would not be concerned over the fate of legislation in which he is interested and which he knows is for the common good and the general welfare would not be worthy of a membership and a place in this great House of Representatives, which is known the world over to be the greatest legislative body in the world. For myself, I intend to support any and all just, fair, and equitable legislation which is in the interest of the farmer and in the interest of the general welfare.

Industry lives and has lived since the foundation of our Government in a protected market. The farmer must be placed on a parity with industry. If a protected market is necessary for business, I submit it is imperative for the farmer. We who have the interest of the general welfare at heart insist that agriculture be given what is justly due it, and we do not intend to leave anything undone toward securing equitable, just, and fair legislation for the farmers of the United States. [Applause.]

Mr. JONES. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. COFFEE].

Mr. COFFEE. Mr. Chairman, first I wish to pay my respects to the very able chairman of the Agricultural Committee, who has probably been confronted with more plans and panaceas to cure our agricultural ills than has any man in the United States. I have a high regard for his fairness and sound judgment. He has promised to consider other legislation that may help correct many maladjustments confronting agriculture which may not be helped by the bill under consideration.

I am supporting this measure because I believe in soil conservation and because I have hope that it will offer some temporary relief to agriculture until better and more definite measures can be fashioned.

Under the provisions of this bill the farmer can be paid to conserve the fertility of his soil until markets for his products can be provided. The protection of our domestic market for farm products and the expansion of foreign markets for our agricultural surpluses are essential if the farmer is to be permitted to obtain his fair share of the Nation's income.

Our national prosperity and the security of our democracy depend largely upon the prosperity of our basic industry, agriculture, upon which approximately 30 percent of our population depends for a living. The loss of our foreign markets for wheat, cotton, and pork products is largely the result of retaliation from foreign countries to the passage of the iniquitous Hawley-Smoot Tariff Act, which tended to industrialize this country at the expense of agriculture. The loss of these markets contributed largely to the collapse of agriculture. This lost purchasing power in turn curtailed the domestic market for industrial products, with a consequent reduction in employment.

In the short time I have let me point out the serious problem confronting particularly the Wheat and Corn Belts and its relation to our national welfare.

What has happened in the case of wheat? We normally export about one-third of our production and during the period 1925 to 1929 had 21.8 percent of the world's export trade, since which time our percentage has declined continually until last year we had but 4.2 percent of the world's export business; in fact we imported more wheat than we exported. A favorable season this year will produce an exportable surplus. We should fight to regain the United States' proportionate share of this export trade. In doing so it is highly essential that the domestically consumed portion of this crop shall not be forced to the world level in moving the exported portion into the competitive channels of world trade. The hole in our wheat tariff wall which allows feed wheat to come in with only a 10 percent ad valorem duty should be plugged.

The problem confronting the corn-hog producer is almost analogous. During the period of 1925 to 1929 we exported 49.5 percent or one-half of all the pork products exported by all the nations of the world. We now have only 15 percent of that world trade. We have lost approximately 1,000,000,000 pounds of our exports of pork products.

We normally supplied approximately 65 percent of the pork products consumed on the English market, while now we are permitted, under an English quota, to supply less than 8 percent of that market. The business was given principally to Denmark through trade agreements between those two countries. Some effort should be made through bilateral trade agreements to regain our proportionate share of this market.

What has happened during the last 5 or 6 years in the Corn and Wheat Belts? The farmers, in an effort to eke out an existence, have had a tendency to shift part of their production to dairy cows, potatoes, rye, oats, barley, garden truck, and to every other commodity which they could raise, in the hope that some of them would show a profit. This tendency will affect adversely all of these commodities unless export markets can be secured for the major surplus commodities.

The same problem that has affected the Corn Belt confronts the cotton States of the South.

In my State of Nebraska 72 percent of the farm income is derived from the sale of livestock or livestock products. No industry has suffered more during this depression than the livestock industry. For example, during the last 15 years the cattle producers have had but 5 years of profitable prices when feeder cattle could be sold at a price above cost of production. Those years were 1926, 1927, 1928, 1929, and 1935.

The hog producers have had a similar experience during the long period since 1920. The price of livestock has determined largely the price of corn and other feed grain.

There is a market in the United States for all the beef we produce, provided competing imports are restricted, and provided pork prices are not demoralized by lack of a market. The price of pork affects the price of all competing food products, including beef, fish, poultry, and eggs.

According to the Bureau of Agricultural Economics, the number of fall pigs in the Corn Belt is said to be about 40

percent more than a year ago. The reports as to conditions for spring farrowing indicate a 24-percent increase above last spring. This indicates the necessity for renewed efforts to regain some of our proportionate share of the foreign markets.

Contrary to general belief, the loss of foreign markets has not been so serious to the South as it has been to the North. Our percentage of the world exports of unmanufactured tobacco has really increased from 41.9 percent, 1925 to 1929, to 51.4 percent in 1934. Cotton exports dropped from 65 percent of the world exports, 1925 to 1929, to 49 percent, 1934 and 1935. A strong upward tendency has recently been shown. While the decline in cotton exports is of serious concern, let us compare the percentage of loss sustained by cotton with the percentage of loss sustained by pork and wheat in the United States share of world trade. In this connection I draw your attention to some significant statistics which I will insert in the RECORD at this point:

United States exports of leading agricultural products, 1920–35

Year ending Dec. 31	Wheat, including flour [1]	Wheat (grain)	Tobacco (leaf)	Bacon, [2] hams, and shoulders	Lard [3]	Cotton, running bales [4]
	1,000 bushels	*1,000 bushels*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 bales*
1920	311,601	218,287	467,662	821,922	612,250	6,111
1921	359,021	280,058	515,353	647,680	868,942	6,385
1922	235,307	164,692	430,908	631,452	766,950	6,015
1923	175,190	98,533	474,500	828,890	1,035,382	5,224
1924	241,454	166,302	546,555	637,980	944,095	6,653
1925	138,784	86,526	468,471	467,459	688,529	8,362
1926	193,971	138,275	478,773	351,591	698,961	8,916
1927	228,576	168,307	506,252	237,720	681,303	9,199
1928	151,976	96,289	575,408	248,278	759,722	8,546
1929	154,348	90,130	555,347	275,118	829,328	7,418
1930	149,154	87,774	560,958	216,953	642,486	6,474
1931	125,686	80,311	503,531	123,246	568,708	6,849
1932	82,118	54,879	387,766	84,175	546,202	8,916
1933	26,611	7,983	420,418	100,169	579,132	8,533
1934	36,538	16,970	418,983	83,725	431,237	5,753
1935	16,015	233	381,182	61,691	96,354	5,860

[1] Wheat flour is converted on a basis of 4.7 bushels of grain equal to 1 barrel of flour.
[2] Includes Cumberland and Wiltshire sides.
[3] Excludes neutral lard.
[4] Excludes linters.

Foreign Agricultural Service Division. Compiled from official records of the United States Department of Commerce.

Cotton exports from the United States and from principal exporting countries

[Average 1925–26 to 1929–30 and fiscal years 1930–31 to 1934–35]

Year beginning July	United States	Principal exporting countries [1]	United States as percent of principal exporting countries
	Bales	*Bales*	
Average 1925–26 to 1929–30	8,579,000	13,208,000	65.0
1930–31	7,048,000	11,700,000	60.2
1931–32	8,989,000	12,369,000	72.7
1932–33	8,647,000	12,174,000	71.0
1933–34	8,366,000	13,153,000	63.6
1934–35 [2]	5,066,000	10,335,000	49.0

[1] United States, British India, Egypt, Brazil, Argentina.
[2] Preliminary.

Foreign Agricultural Service Division. Compiled from official sources.

Unmanufactured tobacco exports of the United States and of principal exporting countries

[Average 1925–29 and calendar years 1931–34]

Calendar year	United States	Principal exporting countries [1]	United States as percent of principal exporting countries
	Pounds	*Pounds*	
Average 1925–29	525,232,000	1,252,804,000	41.9
1931	524,472,000	1,217,223,000	43.1
1932	411,159,000	1,036,056,000	40.0
1933	438,936,000	980,639,000	44.8
1934 [2]	440,865,000	[3]856,897,000	[3]51.4

[1] United States, Netherland India, Greece, Turkey, Brazil, Bulgaria, Philippine Islands, Cuba, British India, Dominican Republic, Algeria, Paraguay, Hungary, Union of Soviet Socialist Republics, Yugoslavia, and Ceylon.
[2] Preliminary.
[3] Figures not yet available for Turkey, Cuba, and Paraguay, whose exports for 1933 totaled $101,656,000.

Foreign Agricultural Service Division. Compiled from official sources.

Wheat (including flour) exports from the United States and from principal exporting countries

[Average 1925–26 to 1929–30 and years 1930–31 to 1934–35]

Year beginning July	United States	Principal exporting countries [1]	United States as percent of principal exporting countries
	Bushels	*Bushels*	
Average 1925–26 to 1929–30	170,077,000	780,851,000	21.8
1930–31	131,475,000	819,424,000	16.0
1931–32	135,797,000	790,269,000	17.2
1932–33	41,211,000	608,572,000	6.8
1933–34	37,002,000	535,208,000	6.9
1934–35	21,532,000	[2]511,173,000	4.2

[1] United States, Canada, Australia, Argentina, Bulgaria, Hungary, Rumania, Yugoslavia, and Union of Soviet Socialist Republics.
[2] Preliminary.

Foreign Agricultural Service Division. Compiled from official sources.

Hog products exported from the United States and from principal exporting countries

[Average 1925–29 and calendar years 1932–35]

Calendar year	United States	Principal exporting countries [1]	United States as percent of principal exporting countries
	Pounds	*Pounds*	
Average 1925–29	1,136,856,000	2,297,512,000	49.5
1932	679,229,000	2,247,532,000	30.2
1933	738,156,000	2,037,396,000	36.2
1934 [2]	596,662,000	1,712,289,000	34.8
1935 [3]	191,736,000	1,280,000,000	15.0

[1] United States, Denmark, Netherlands, Irish Free State, Canada, Poland, Sweden Hungary, New Zealand, China, Yugoslavia, Argentina, Estonia, and Australia.
[2] Preliminary.
[3] Estimated.

Foreign Agricultural Service Division. Compiled from official sources.

We included in our amendments to the Agricultural Adjustment Act last year two important provisions which are still intact and which were not invalidated by the Supreme Court's decision. Section 22 provided for the restriction of agricultural imports through the imposition of quotas.

Section 32 sets aside 30 percent of the gross customs receipts, which will amount approximately to $100,000,000 per annum. This sum was made available for the use of the Secretary of Agriculture primarily for the purpose of expanding our domestic and foreign markets. Because of compromises that were necessary the provisions are general, but nevertheless this fund can be used advantageously if confined largely to basic agricultural commodities as defined in the Agricultural Adjustment Act.

Now, let me call your attention to a tendency in connection with imports. It is a startling fact that since 1924 we have been importing more foodstuffs into the United States than we have been exporting. Many of these imports have been subsidized by foreign governments. In the various tariff bills that have been passed in the United States the tendency has been to place a high tariff on industrial products and a low tariff on agricultural products, with the result that we have been industrializing the country at the expense of agriculture. Agriculture is not demanding a general reduction of tariffs, but claims the right to be placed on an equal footing with industry.

The amount involved in the soil-conservation bill will approximate only 6 or 7 percent of the national farm income, and it cannot be considered as a cure-all for the agricultural economic ills. The farmer is not so much interested in gratuities as he is in a profitable market for his produce. The administration is anxious and willing to do everything possible to assist agriculture in this dilemma. In my opinion, two phases must receive serious consideration; first, safeguarding the home market for the domestic producer, and, secondly, the removal of price-depressing surpluses.

Mr. GILCHRIST. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, the preceding speaker took occasion to denounce the Hawley-Smoot bill as indefensible and vicious. You people promised the American people in 1932 that if you were placed in power, you would

repeal the Hawley-Smoot bill. You have a majority of several hundred in this House, you have a 2 to 1 majority in the other body; I ask you, Why have you not made good on your promise to repeal the Hawley-Smoot bill? Why talk about it—act. The people are looking for something besides promises. [Applause.]

[Here the gavel fell.]

Mr. GILCHRIST. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman and colleagues, we have before us the new farm program of the administration. I was born and reared on the farm. My close relatives are farmers. I represent a great many fine farmers.

Approximately 30,000,000 people depend almost entirely upon some form of agriculture for their support. There are more than $50,000,000,000 invested in this industry. The farmers are the great source of wealth of our country. There are few Communists among the American farmers, and I do not know of any farmer in my district who is a Communist. The farmers make up a great group of loyal, dependable, law-abiding, home-loving, God-fearing citizens. They are great promoters of the homes, the schools, and the churches—the three great pillars of our Republic. I am not only anxious to see the farmers of our Nation receive equal compensation with those who toil in industry but I also favor their receiving a return upon their investment equal to that received by those with investments in banks, mines, shops, mills, factories, and so forth. There is no problem so important to the American people as the farm problem. The Nation can only be prosperous if the farmer is prosperous. The farmer is the greatest consuming group of industry. If we build up the prosperity of the farmer we build up his purchasing power and enhance the prosperity of all the people. On the other hand, agriculture cannot prosper if industry is prostrate. The workers and investors in industry are the great consuming groups for the products of agriculture. This problem should be approached without regard to politics. The welfare of the farmers, and our country as a whole, should alone guide us in trying to find a proper solution.

HAS POLITICS AND WILL POLITICS INTRUDE?

Secretary Wallace, of the Department of Agriculture, was sponsor for the A. A. A., the potato tax, and other measures that have been held to be unconstitutional. He is the promoter of the measure now before us. Hon. George Peek, the outstanding farm leader of this country, was the first administrator of the A. A. A. After attempting to carry out that measure, he finally declared it was unworkable, and in the end would do American agriculture more harm than good. He was right. It blew up. Mr. Peek has stated that it is his belief that politics is behind this measure, and that its two main objectives are to continue on the pay roll about 140,000 or 150,000 officeholders, and to make it possible out of the $500,000,000 carried in this bill to place checks in certain farm groups' hands near election time next November. It is a matter of common knowledge now how Mr. Wallace timed the checks that were sent out in the senatorial and congressional election in 1934. My friend from Kansas expresses the belief that there is no politics in this bill. I wish I could share his faith. I might say that his faith in the New Dealers is more sublime than the faith of Abraham, Isaac, and Jacob. [Laughter and applause.]

The New Dealers are determined to reelect Mr. Roosevelt and reelect a Democratic Congress, if money and intimidation can accomplish those results. This is the first administration in the history of this country that has financed its campaigns out of the United States Treasury. You will see plenty evidences of the use of this money in politics before the November election in 1936. We went through an election in Kentucky last fall. I regret to say that never before in my recollection was there so much bribery, intimidation, and fraud in a Kentucky election. It grew out of the tremendous sums of money that were sent to Kentucky, and that would probably result even if it had been in the hands of any other political party. It is the natural and logical consequence of such action. Democrats some day will regret financing political campaigns out of the United States Treasury.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. VINSON of Kentucky. Will my good friend point out to me any specific instance where money was used in Kentucky last year and any instances of fraud?

Mr. ROBSION of Kentucky. I wish to discuss this bill. It would require all the time allotted to me, and more, to detail what I know on that subject. It is now common knowledge that there were letters sent from Washington to the relief people in Kentucky urging them to vote the Democratic ticket, because the letter claimed that the Democratic Party had given the relief people the money. There were letters sent by the Democrats from Louisville to all parts of Kentucky along the same lines; and I saw copies of many letters that were sent by the Democratic campaign chairmen in the counties of my district to the people on direct and work relief in Kentucky urging them to vote the Democratic ticket, and if the Republican candidate for Governor should be elected direct relief would stop. The Democrats knew that the relief would stop anyhow.

Mr. VINSON of Kentucky. There are 20 counties in my district, and I never heard any complaint in my district.

Mr. ROBSION of Kentucky. I am afraid the gentleman was not looking for it.

Mr. VINSON of Kentucky. I think I am as observant as the gentleman himself.

Mr. ROBSION of Kentucky. The relief workers handed it around to the relief clients that they must all vote the Democratic ticket if they wanted relief to continue.

Mr. VINSON of Kentucky. In a good many counties in my district the Republicans are in charge of relief.

Mr. ROBSION of Kentucky. Where?

Mr. VINSON of Kentucky. I can name at least 8 out of my 20 counties.

Mr. ROBSION of Kentucky. If there is any Republican in my district in charge of relief, it is because the New Dealers believe he voted the Democratic ticket, and not because he or she is a Republican. They do permit a few Republicans to work in the ditches. Anyone can see the favoritism and partisanship in the handling of relief and relief work in Kentucky.

Mr. VINSON of Kentucky. Of course, it is better late than never.

Mr. KNUTSON. One of the Washington newspapers reproduced a facsimile copy of a letter sent into Kentucky telling them to vote the Democratic ticket if they wanted to stay on relief.

Mr. ROBSION of Kentucky. I have many letters in my files sent to me last fall. These letters were sent out by Democratic county chairmen of various counties. I know what I am talking about, but I cannot devote more time to the conditions of the Democrats in Kentucky as I desire to speak on the bill before us.

NO HEARINGS

The farm problem is the most important problem that will likely come before Congress at this session. We could not better employ our time than in finding a sane, just, and permanent solution of this problem. The New Dealers crowded through the A. A. A., potato tax, cotton tax, and other measures. They have cost the American people more than one and one-half billion dollars in taxes. It will require $300,000,000 more to carry out the contracts that have already been made with the farmers, and the other day we appropriated the money for that purpose. I voted for it because I thought the Government ought to carry out the contracts that it made with the farmers. Nearly $300,000,000 of processing taxes have been collected and not paid over to the Government. After the A. A. A. was held to be unconstitutional these taxes were adjudged to be returned to the persons from whom they were collected, but they were in the hands of the processors and, in most cases, no doubt, these taxes had been handed on to the people in the higher cost of living. Now the question is how to get these taxes

back to those who paid them. There have already been hundreds of law suits about the A. A. A. and will be thousands of other law suits growing out of it.

After the President had crowded through a "rubber stamp" Congress the cotton tax, the tobacco tax, and the potato tax acts, they appeared so unconstitutional that he, himself, sent a message to Congress and asked Congress to repeal those measures, and they were repealed. So, after 3 years, this beautiful house built of cards by the New Dealers has fallen in ruins, and we have nothing left except about $1,500,000,000 in taxes created and about 150,000 new office holders on the backs of the taxpayers. With this situation confronting us, it seems to me that we ought to use great care in writing this new farm bill. I was surprised to learn that the Committee on Agriculture held no open hearings. Not one of the leaders of the great farm organizations was called before it, no proof was taken down, not even the statement of Mr. Wallace, and his assistant, Mr. Davis, who appeared before an executive session of the Agricultural Committee. We do not know what is in the mind of Mr. Wallace as to how they are going to spend this $500,000,000 that they are preparing to ask for. I have never known of a measure of this importance to be handled in any such manner as that. The Members of Congress and the American people are entitled to have this proposal explained to them before we are called upon to act.

POWER TO DISCRIMINATE AND DICTATE

It is claimed that the main purpose of this bill is to prevent soil erosion and to provide for soil conservation; and we have it from hearsay that this plan of Mr. Wallace is to take some forty to fifty millions of acres of cotton, wheat, and corn out of production and have that land planted to grass, legumes, and alfalfa, and in that way cut down the acreage on cotton, wheat, and corn and make cotton, wheat, and corn scarce in this country; and he will pay these people so much per acre for the land put in alfalfa and grass, but it makes Mr. Wallace an absolute dictator administering this law.

A good Democrat who made a speech for this bill yesterday admitted that there are no limitations on Mr. Wallace in administering this law. There never was an administration in all the history of this country that was so grasping for power as this administration. Their cry has been from the beginning "more money and more power"—more commissions, more bureaus, and more bureaucrats.

Under this measure the Secretary of Agriculture can send his agents over the country, and he and they will be the sole judge as to who will receive the benefits of this money and the amount to be paid per acre. This will help the big cotton planters of the South and the big wheat and corn growers of the West and Northwest, but I am afraid it will be a positive injury to a very great majority of the people in my district, including farmers, other citizens, miners, and railroad workers. This measure will not include stock raisers, fruit growers, poultry raisers, tobacco growers, dairy business, sheep, cattle, hogs, and truck gardeners. These items of agriculture amount to a great deal more than cotton, corn, and wheat. We produce no cotton in my district. We consume more than 100 times as much wheat as we produce, and we consume at least 3 or 4 times as much corn as we raise.

The dairy people and stock raisers of the Nation are up in arms against this measure, because Mr. Wallace has said that that particular group of farmers that may be selected by Mr. Wallace and his assistants to put their lands in grass and be paid for it can at the same time produce cattle, sheep, hogs, and provide feed for dairy cows. The dairy and stock people say that this will cause a great surplus of meat and dairy products and will bring down the price of cattle, hogs, sheep, lard, butter, and milk. In my district the farmers get their big money from raising cattle, hogs, sheep, and tobacco, and the housewives get their cash for themselves and families from the sale of butter, milk, poultry, and eggs, so this measure will work a hardship on the farmers of my district and the small benefits they may get from cutting out some wheat and corn will be greatly overbalanced on account of the other features, while the working people and other people of my district will be hard hit because of the increase in the cost of living for cotton goods, flour, corn, and meal.

I favor a farm program that will give relief to all branches of agriculture, treat all of the farmers of our Nation alike, and I favor a farm program that will be permanent. It is admitted that this measure is a makeshift proposition. In fact its main purpose, in my opinion, is for the 1936 election. A great many constitutional lawyers in the House and Senate, who are friends of agriculture, contend that it is unconstitutional. Of course this will be pushed through Congress, and $500,000,000 will be turned over to the New Dealers. The money will be spent or obligated by the next November election, and then, after the election, this measure will go to the Supreme Court and, under the rulings of the A. A. A., will be held unconstitutional. I have been informed that the National Grange, believed by many to be the greatest farm organization in this country, and the Farmers' Union and many other great farm organizations are opposed to this measure. They do not think it is a solution of our farm problem.

DESTRUCTION VERSUS CONSERVATION

President Roosevelt, when he was a candidate for President in 1932, declared it was foolish to think about restoring prosperity on the farm by limiting or having a cut-out system of farm production. He said in substance that scarcity could not produce prosperity, and he pledged himself that no such policy would be inaugurated in his administration. We all know how flagrantly that policy was disregarded and repudiated. Under the A. A. A. and other measures, 7,000,000 head of hogs were burned, killed, or destroyed; 10,000,000 acres of cotton were plowed up; wheat, corn, tobacco, and other crops were plowed under and destroyed; and we took more than 40,000,000 acres of good, productive land out of production, at a total expense to the American taxpayers of nearly $1,500,000,000. This administration, at the same time, spent hundreds of millions of dollars on irrigation and reclamation projects with the purpose of bringing millions and millions of acres of unproductive land into production. One policy diametrically opposed the other.

We are told that we are going to bring about prosperity through scarcity—a policy that has never worked out successfully in the 50 centuries of the world's history.

This measure provides that after 1938 this big money is to be cut out and there are to be set up a sort of A. A. A. in Kentucky and each of the other 47 States in order to have any farm program. Instead of having one A. A. A., we are to have 48 A. A. A.'s. They will not put on this 48 A. A. A. business this year because this is an election year and they must have a free hand here in Washington to hand out $500,000,000.

This measure speaks of "conservation", but until the Supreme Court hit the New Dealers, their whole idea was the destruction of stock and crops. Now, however, they give the same thing a new name and call it "conservation." It is the "daddy."

It is conservation so far as the big cotton, wheat, and corn farmers are concerned. It will do very little for the little farmer who produces some wheat or corn, and it is bound to hit the stock, dairy, poultry, fruit, vegetable, and tobacco growers.

In 1933 and 1934 we were destroying and getting rid of our stock. Under this bill, livestock and dairy cattle must be increased so as to eat up this increase of 40,000,000 acres of alfalfa and other grass, and that will create a surplus of livestock and dairy products.

I confess that I cannot understand the farm policy of this administration. We burned and destroyed millions of pigs, we plowed up and destroyed our cotton, wheat, and corn, and yet, as my Democratic colleague said a few minutes ago, we have opened the flood gates to farm products from foreign countries. While we were paying farmers not to produce corn in this country, the imports of corn from foreign countries in 1935 increased 2,500 percent over 1934. While we were paying people to destroy millions of pigs

and hogs in this country, the imports of pork products increased 3,200 percent in 1935 over 1934. While we were destroying our cattle and paying farmers to do so, the imports of beef products increased 6,000 percent in 1935 over 1934.

Mr. CREAL. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I am very sorry I cannot yield at this time. My time is very limited.

There were also brought into our country in 1935, 276,324,000 pounds of hides, 256,525,000 pounds of tallow, 158,758,000 pounds of carpet wool, and 69,762,000 pounds of canned meats.

AMERICAN FARMERS' MARKETS GIVEN TO FOREIGNERS

I confess that I cannot understand this strange policy. According to the New Dealers, we have too many acres in production in this country so that we must tax the farmers of my district and the workers and others throughout the country to support a program of destruction and scarcity like this. At the same time our Secretary of State, who is an out-and-out free trader, has made reciprocal trade agreements with many countries of the world. They have opened up our gates and pulled down our protective measures so that this country is now flooded with corn from Rumania in the central part of Europe; wheat, beef, and hides from South America; meats and dairy products from Europe; eggs from China; and textiles and other products from Japan.

I am very anxious to help the American farmers, and the big thing we can do for the American farmers is to preserve American markets for American farmers and not give our splendid markets over to the farmers of every other country of the world. It always has been a Republican policy to protect the American farmer, the American laborer, and American industry.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I am very sorry; I cannot yield. I have just a few minutes left.

You Democrats talk about the bad year of 1932. You say it was the worst.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. HOPE. I yield the gentleman 3 minutes more.

Mr. ROBSION of Kentucky. You speak of 1932 as the zero hour of the depression, yet in 1932 this country exported 4,500,000 more bales of cotton than it did in 1935; it exported 95,000,000 more bushels of wheat in 1932 than it did in 1935; it exported 530,000,000 more pounds of animal products in 1932 than it did in 1935. The exports of this country in 1932 greatly exceeded our exports in 1935. In fact, our balance of foreign trade in 1935 was less than it has been at any time in 25 years, and I might say that there was the greatest scarcity of food a year ago than there has been in this country in 43 years, although, according to the recent statement of Mr. Hopkins, Relief Administrator, we have more than 20,000,000 people that still need relief from the Government.

Is not it amazing that we continue to destroy food and the necessaries of life when we have 11,401,000 unemployed workers in this country and more than 20,000,000 people hungry and cold?

No nation ever had prosperity with scarcity. Wealth is not plucked from bushes or trees. It comes from the product of our factories and farms and the earnings of our people.

The dairy farmers are denouncing this bill. They insist that this 45,000,000 acres that is to be cut down on cotton, wheat, and corn and put into alfalfa and other grasses must not be used for the purpose of pasturing cattle, sheep, and hogs, or for the purpose of feeding the dairy herds. These acres, too, must lie idle.

So there you go. If the cotton farmers are entitled to a scarcity, why should not the stock farmer; and if the wheat farmers are entitled to a scarcity, why should not the dairy farmers; and if the corn farmers are entitled to a scarcity, why not the tobacco farmers?

It has been well established that it would require 50,000,000 acres of productive land in this country to produce the corn, wheat, meat, and other farm products sent into this country from foreign lands in 1935, together with our cut-down on exportations for 1935, and it means something to this country not to use 50,000,000 acres of good land. That means unemployment for millions and millions of farmers and farm hands. The Cotton Act alone put 500,000 tenant cotton farmers of the South on relief or on the highways looking for homes and work.

Let us in a proper and effective manner, without favoritism or politics, develop a real program of conservation of our soil and work out a helpful, permanent program for all branches of agriculture and save this great American market for farm products of American farmers, and let this program be substantial, helpful, and permanent, and not a mere makeshift for the election year of 1936.

I know the needs of the farmers and the people generally in my district. This measure, as it now stands, will hurt them instead of help them. I trust that this bill may be amended so as to do justice to each and all the various groups and classes of agriculture. [Applause.]

Mr. JONES. Mr. Chairman, I yield such time as he desires to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, there are dangers in this bill, as just pointed out by the gentleman from Kentucky [Mr. ROBSION]. But, after all is said and done, is it not the best bill that we can get to aid the farmers of the country? We cannot get everything that we would like to have. I am sure there are many of us who would like to revise this bill, but we have to take what we can get under the limitation of the Supreme Court opinion. And I sincerely hope that no one will be actuated by partisan motives in the consideration of this legislation. Because the gentleman from Kentucky happens to subscribe to the Republican faith is certainly no reason why he or any other Member of the House should oppose this legislation. Its benefits will accrue to Democrats and Republicans alike. I assure him that if his party will offer a better bill which will stand the acid test of the Supreme Court, I will support it.

As one who has given much thought and consideration to this farm program prior to the introduction of the bill, and during its consideration, I must confess that I approach this subject with mixed thoughts of elation and misgiving. Ever since the Supreme Court, by divided opinion, held the A. A. A. unconstitutional, those of us who appreciate that agriculture is the backbone of this Nation have been seriously concerned about some substitute legislation to take its place.

We realized in the outset that no legislation that could be enacted would be satisfactory to everyone concerned. In fact, there are times when I seriously doubt that any legislation can be enacted which will permanently assist the farmers of this country. To begin with, the question must be approached from the national rather than a local point of view. Those of us who hail from the South and are interested in cotton principally must appreciate that the wheat farmers of the North and West, the tobacco growers of the South, the potato growers of practically all sections of the country, and the corn producer of the South and West must also be taken into consideration.

Under the Bankhead bill, the Kerr tobacco bill, and other similar laws, we found that many inequalities and injustices were wrought in the administration of the law and that much dissatisfaction prevailed as a result thereof. It is my hope that many of these inequalities and injustices may be obviated in the administration of this law which the Congress is about to enact.

Of one thing, however, we are certain, and that is that whatever may be our misgivings about the administration of this law, something must be done, because we realize that the farmer faces an acute situation and that a national emergency exists.

There are those from the manufacturing East and the great metropolitan centers who are opposed to this legislation in the interest of the farmer, and who would be opposed to any other legislation of a similar nature, or which had for its purpose Federal assistance for the agricultural interests of the country. They are concerned chiefly, if not solely, with the interest of the manufacturer. For many years in this country these sections and these interests

have profited at the expense of the farmer through a tariff system. They have grown wealthy at the expense of the agricultural sections. Under a highly protective tariff system they have been given a tariff on their manufactured products on the theory that the American manufacturer was to be protected against the products of a similar nature produced in foreign countries by cheaper labor. Under this system the farmer, and especialy the southern farmer, has produced his cotton without any benefits, such as the benefits of the tariff system to the manufacturer. He has been forced to hoe his own row, so to speak. He has been forced to sell his cotton to the textile manufacturers of the East, who, in turn, converted this cotton into cloth and sold it under the protective-tariff system. As a result, the manufacturers have grown opulent, while the farmers have grown poorer.

The purpose of this and similar legislation, therefore, is to attempt at least to place agriculture on a parity with industry.

Therefore, Mr. Chairman, while this bill falls far short of what many of us had hoped it might be, and notwithstanding the fact that it delegates power and authority to the Secretary of Agriculture, who will administer it, far beyond the power and authority which I should like to see designated to any man; and even though I realize that the power of administration delegated in this bill may result in inequalities and injustices in its administration, I feel compelled to support it because of the underlying principle that it carries of assisting in the equalization of agriculture with industry.

But, Mr. Chairman, I desire to here and now call the attention of the Secretary of Agriculture to the inherent dangers that lie in his administrative power. It is desired that in its administration he will see to it that the small hill farmer receives the same proportionate consideration in the benefits to be derived as the more wealthy bottom land, or delta farmer. Let me also point out to the Honorable Secretary of Agriculture that in this time of highly politicalized conditions in the country, if politics is tolerated in the administration of this law, the whole program is doomed. The average farmer does not desire special privileges at the hand of the Government. He only asks for—and I hope that he may receive under the provisions of this act—equal and fair treatment with his neighbor.

Mr. Chairman, we have seen in the administration of some other laws, which were intended for the benefit of the distressed people of this country, the politicalization of the agencies which were entrusted with their administration. And we have seen, notwithstanding the noble purposes of the President and of the Congress in the initiation and passage of the legislation, that their purposes have been defeated by politics.

In conclusion, Mr. Chairman, may I say that in spite of my misgivings about this bill, I realize that it is possibly the best bill that we could get, limited as we are by the decision of the Supreme Court of the United States and other circumstances existing; and I shall, therefore, support the legislation, my misgivings and apprehensions to the contrary notwithstanding. It is the best we can do. I cannot by my voice and vote turn my hand against the farmers of my district, State, and Nation by refusing to give them the benefits of this legislation because it does not meet with my unqualified approval.

For, whatever objections may be pointed out to this legislation, and I admit that such exist, yet the fact remains that under the provisions of this bill there will be some $500,000,000 distributed among the suffering farmers of America in the next year and a like amount the next year. Their burdens will be lightened to that extent. This enormous sum of money will represent the difference between poverty and comfort for many of the farmers of this country. The benefits derived under this distribution will mean that thousands of farmers in my own State and district will be able to pay their taxes, to save their farms from foreclosure, to send their children to school, and to furnish many necessities and comforts of life that they otherwise might be deprived of. [Applause.]

Mr. JONES. Mr. Chairman, I yield 1 minute to the gentleman from Kentucky [Mr. CREAL].

Mr. CREAL. Mr. Chairman, answering the gentleman from Kentucky [Mr. ROBSION], who was very much afraid that if this does some good it might have some politics in it, I say to the gentleman from Kentucky that the flood of letters I receive daily from partisan Democrats make this one comment, that this is a strange sort of Democratic administration, when the C. C. C. camps' foremen, and relief workers, and three out of every four holding jobs in this Democratic county are Republicans. I say to you that in my own county, the birthplace of Lincoln, a strong Democratic county, one man whose family had been taken care of when he was looking after the cattle, and then in construction project work, has a wife who was feeding the relief children at the school lunch, and that lady was appointed as Republican woman campaign chairman last November in my county.

As I have said before, in the records of this House, as evidenced by the speeches and the votes of the minority side of this House, the Republican Party is not for the farmer, for the well-known reason that the brains and money of the Republican Party is centered in the New England States whose industry is in another line, and now here comes the only Republican in Congress from Kentucky raising the only voice heard from Kentucky against the merits of this bill. His district for years furnished the largest Republican majority of any one district in the United States. He sees the Roosevelt program as evidenced in the last election breaking up that Republican Gibraltar and it perturbs him.

If a hungry man was fed or given employment by this administration and he felt kindly toward it for so doing he would have a right to vote his thanks if he saw fit.

All the people most all the time are inclined to support those who do something for their welfare. I think this administration has really leaned backward in its effort to show that the purposes of the New Deal is the welfare of the people as a whole and not for political fence building, and in order to fully demonstrate the sincerity of this perhaps more Republicans have been given more positions in some localities than they were justly entitled to according to population, but let us not lose sight of the great object and aim of this bill and all the others in the past, which have come from the administration, that object being to promote the general welfare of all the people.

It was Herbert Hoover who first proposed plowing up every third row of cotton and cutting down every fourth row in the orchard to make production and consumption on equality. The gentleman from Kentucky lifted no voice in protest then but on the contrary supported him. In other words, whether the benefits to farmers from this bill be large, medium, or small, I take it that he is willing to let the bill and the farmers go to hell, for the great fear that it might popularize the present administration. As staunch a Democrat as I am I could never take that attitude on so great a question if it would help the farmer, regardless of whose politics it helped or hurt. Public welfare must always come first. A good slogan is "Seek ye first the welfare of the whole people, coupled with honest and industrious service, and political preferment will take care of itself."

A man can have political principles for general guidance, but they should never so blind him as to cause him to want to deny a public service affecting public welfare, regardless of who takes credit for the good deed. The truth of the matter is if it is something the people want they do not give a rap who gave it to them, and if it is beneficial they enjoy it just the same.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. JONES. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Chairman, in 10 minutes it will be manifestly impossible for me to cover my personal views, much less comment on the views expressed by many others on this bill, and with some of whom I disagree. At this juncture I ask unanimous consent to insert in the RECORD an

article by Mr. Edgar W. Smith, vice president of General Motors Export Corporation, entitled "Industry's Alliance with Agriculture." It is a short article, of about two pages, appearing in the January issue of The Nation's Agriculture.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. KLEBERG. I ask unanimous consent at this juncture to revise and extend my remarks by including therein certain statistics and figures.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. KLEBERG. Now, Mr. Chairman, before going into a discussion of the bill, inasmuch as I know I cannot cover the subject in 10 minutes, I want to make this brief announcement that I know is of interest to all Members, and particularly of long-time colleagues of my good friend, the distinguished and able gentleman from Texas, JAMES P. BUCHANAN, chairman of the House Committee on Appropriations, with whom I had a short visit this morning. Mr. BUCHANAN made this statement: "The damn doctors permitting, I will be up there to vote for the farm bill on tomorrow when the vote is taken." This indicates that the gentleman from Texas [Mr. BUCHANAN] has returned closely enough to good health to speak in due and ancient form. [Applause.]

Mr. McCORMACK. Will the gentleman yield?

Mr. KLEBERG. I am always delighted to yield to my distinguished colleague from Massachusetts.

Mr. McCORMACK. Just so the gentleman from Texas may not be misunderstood, when he said "damn doctors", he spoke in a complimentary sense, I assume? [Laughter.]

Mr. KLEBERG. Why, of course. They have done a fine job on him. For your information, our own Dr. Calver was present and laughing at the time.

Now, Mr. Chairman, in going into a discussion of the particular bill before us, I think it would be interesting to note that the article I first asked permission to insert has a definite and direct bearing, under its title, on the situation which in reality is responsible for this legislation. It has a direct bearing on the question of whether or not we are willing at this time to recognize certain pertinent facts with reference to agriculture's erstwhile condition as of a short time ago, and agriculture's earning and buying power as of today.

For purposes of continuity the following table showing registrations of new motor vehicles by States, taken from Automotive Daily News, based on compilations by R. L. Polk & Co., compares 1932 registrations with 1935 registrations by States. A comparison between the registrations in agricultural and nonagricultural States is enlightening. Automobile manufacturers are not alone among industrialists who have profited, along with agriculture, through the increased buying power of the rural inhabitants. There are about 44,000,000 of these; and, of course, this addition to the ranks of consumers, from a national standpoint, has directly resulted in the increased sale of industry's products.

The table follows:

Registrations of new motor vehicles by States

[Source: Automotive Daily News, based on compilations by R. L. Polk & Co.]

State	Passenger cars		Motor trucks	
	1932	1935 [1]	1932	1935 [2]
Alabama	8,375	28,570	1,982	9,870
Arizona	2,529	9,048	566	3,010
Arkansas	7,049	17,828	1,467	7,350
California	70,721	183,534	10,732	29,400
Colorado	10,252	24,129	2,001	6,560
Connecticut	17,578	37,597	3,056	7,050
Delaware	3,182	7,119	597	1,455
Florida	13,936	32,476	2,894	8,400
Georgia	14,153	38,270	2,544	11,050
Idaho	2,109	11,084	673	4,020
Illinois	62,094	169,086	7,863	22,200
Indiana	29,202	86,930	4,849	19,160
Iowa	19,525	63,910	4,154	12,330
Kansas	14,789	47,287	3,119	9,460
Kentucky	14,192	34,256	2,819	9,020
Louisiana	10,627	27,415	1,844	7,350
Maine	7,908	12,920	2,240	4,050

[1] December sales estimated for 20 States.
[2] December sales estimated for all States.

Registrations of new motor vehicles by States—Continued

State	Passenger cars		Motor trucks	
	1932	1935	1932	1935
Maryland	18,097	34,887	2,953	7,000
Massachusetts	50,804	86,924	7,290	14,660
Michigan	60,186	167,442	6,402	20,410
Minnesota	24,626	65,458	4,858	13,080
Mississippi	5,829	18,219	1,476	6,400
Missouri	39,018	74,915	7,645	16,100
Montana	4,099	17,405	1,150	5,960
Nebraska	11,260	34,227	2,108	6,200
Nevada	1,326	3,512	320	1,010
New Hampshire	5,467	9,999	1,152	2,390
New Jersey	48,338	82,253	7,505	13,220
New Mexico	2,334	7,996	817	3,930
New York	148,322	232,748	19,943	36,600
North Carolina	15,280	55,990	3,620	13,720
North Dakota	3,959	12,612	786	3,160
Ohio	64,961	171,650	8,753	23,240
Oklahoma	17,027	48,426	2,594	11,420
Oregon	6,491	23,780	1,451	5,970
Pennsylvania	96,340	189,770	15,618	31,600
Rhode Island	7,958	14,419	1,152	2,150
South Carolina	6,811	23,419	1,213	5,450
South Dakota	4,001	13,531	704	3,035
Tennessee	11,696	37,313	2,031	9,570
Texas	44,594	130,397	8,819	31,950
Utah	2,729	10,825	758	3,560
Vermont	4,062	7,187	972	2,410
Virginia	20,813	45,813	4,105	11,040
Washington	11,471	33,579	2,031	9,570
West Virginia	10,166	26,063	1,844	6,720
Wisconsin	25,410	72,568	4,522	13,100
Wyoming	2,367	6,306	613	2,148
District of Columbia	13,257	29,009	1,368	2,760
Total	1,096,328	2,620,321	180,413	511,118

This is more than a farm bill. When we go back through memory's lane just a short distance we will be carried back to the time when depositors in banks were definitely assured, in the main, by then thought well-groomed convictions that they had lost all they had; when county and State tax delinquencies were so prevalent as to be the order of the day; when citizens in all walks of life found themselves unable to meet their obligations, all of this giving definite and irrefutable evidence of a crisis, not to say anything about the lamentable and desperate picture of American citizens out of employment and without hope. Without a quick-acting bill, without a temporary bill at this juncture, following the decision by the Supreme Court on January 6, invalidating the A. A. A., it should be manifest that it was not only proper but necessary that some stop-gap legislation, having at least a reasonable indication of being able to hold agricultural earning power from a desperate slump downward, was necessary. This stop-gap legislation, of course, was considered as being only possible within the latitude left by the decision of the Court before mentioned. In fact, the real genesis of this legislation is to be found in the above summation and is really what has brought us to this soil-conservation, soil-protecting, and soil-rebuilding bill.

I pause here briefly to call attention to some matters that occurred in debate on yesterday, during which I sat and listened with all attention to statements made by distinguished Members of the House, members of my own committee. I see the gentleman from Minnesota [Mr. ANDRESEN], my able and distinguished friend, just before me. Mr. ANDRESEN made a statement yesterday during the consideration of this bill with reference to the cattle population, from certain figures which he took from the Department of Commerce census, published on January 1, 1935. I quote the gentleman from the RECORD:

> During the last 5 years, from 1930 to 1935, there has been an extension of the livestock and dairy industry throughout the United States. In 1930 the cattle population was approximately 63,895,000 head. In 1935, on January 1, according to the recent census, we find the total is 68,284,000, an increase of over 5,000,000 head of cattle. This increase has taken place largely throughout the Southern States. It has taken place there more so than in the States usually engaged in the production of livestock and dairy products.

Mr. ANDRESEN. Will the gentleman yield?

Mr. KLEBERG. I yield for a question.

Mr. ANDRESEN. The figures that I quoted yesterday came from the agricultural census of 1935 and gave the cattle population as of April 1, 1930, as 63,805,000.

Mr. KLEBERG. That is the figure the gentleman quoted. To my good friend's credit be it said that I am certain he had no intention to misquote or incorrectly quote, through accident or otherwise, but rather a discrepancy between tables was responsible for this error. The facts are, and I quote the figures from the United States Livestock Report of January 1, 1936, released on February 14, that in 1930 there were 61,003,000 head of cattle and calves instead of, as the gentleman stated, 63,805,000, which he has since explained as being the cattle population as of April 1. The gentleman left out the 1934 figures, which were 74,262,000 head, and we find the figures as of 1935, 68,529,000, a reduction of 5,732,000, as between 1934 and 1935; and in 1936 the figures show 68,213,000, thus showing a definite trend downward since 1934 instead of upward, as the gentleman's figures would indicate. The general picture is therefore quite different.

The next question I desire to take up, and to which I shall not have time to do justice, is the question of the amendment so earnestly urged by my distinguished young colleague from Wisconsin, Mr. BOILEAU. I unhesitatingly say with reference to my fine young friend from Wisconsin that if I were as vehemently concerned as he is over the probable disastrous effect to his Wisconsin dairy industry if his amendment is not adopted, I would doubtless feel just as he does. I cannot, unfortunately, become so concerned when I consider, from a personal experience in both the dairy and beef-cattle business, that one of the outstanding lessons to be learned with reference to dairy production, as well as beef production, in pounds of butterfat or beef, or both, is that dairy products, as well as beef poundage, increases at all times when the prices of dairy feed or cattle feed are low. My distinguished young friend forgets that with reference to beef cattle, for instance, 50 percent more poundage in beef can be put on a steer by feeding him corn than by feeding him for the same period of time on grass. Ordinary, average arithmetic would teach us not to view with alarm this piece of legislation as proposed without amendment, nor to believe, as some of my good friends state, that it is a bewhiskered Mephisto in disguise in an effort to regiment and control agricultural production. This in spite of the Supreme Court decision, which, I take it, under the rules of procedure practiced, the established precedents of this body, and the traditions and tenets of our Government, would expect Members of Congress generally not only to respect their oaths to support the Constitution of the United States but, at the same time, to respect the attitude of fellow Members on that question.

On yesterday the gentleman from Wisconsin stated that Secretary Wallace, while editor of a great farm paper in 1921, coined the slogan, "Less corn, more alfalfa, more money." Now, I do not know what my distinguished young friend understood the Secretary to say in person before the committee, but, according to my best recollection—and I was present at the time—the Secretary argued that the taking out of production of acres which clearly were dedicated to the production of row crops, soil deleting crops, clearly used as livestock feed, and the putting of this acreage into grass, could not possibly increase butterfat or milk production, this for reasons too apparent here to discuss. He also, if my memory does not fail me, called attention to the fact that the prices of grain feeds, or other high protein or lactation-producing feeds, affect the poundage in dairy production upward or downward; higher production when feed cost is low, and lower production as feed costs rise higher. The editorial which appeared in the September 23 issue of Wallace's Farmer in 1929, wherein Mr. Wallace suggested the above-quoted slogan, under the heading of "Grow More Clover", is a soil conservation and improvement argument, and reads as follows:

GROW MORE CLOVER

About 1 out of every 60 acres of tillable land in Iowa is devoted to the growing of pure clover, and only 1 out of every 100 acres is devoted to the growing of alfalfa. True it is that 1 out of every 12 acres of tillable land is in mixed clover and timothy. Nevertheless, it may fairly be said that Iowa farm land grows clover only about once in 20 years. We are still mining our soil in barbarous fashion and are holding up the yield chiefly by the use of improved machinery, better varieties, more tile drainage, and improvements of that sort. Such improvements exhaust the soil all the more certainly.

In Iowa we have too long been devoting one-half of our tillable land to corn, one-fourth to small grains, and less than 10 percent to those leguminous plants which have the ability to bring down plant food out of the air. We are still miners rather than farmers.

Never will the time be more favorable to the inauguration of a permanent soil fertility scheme than in the spring of 1922. From the standpoint of permanent soil fertility and immediate prosperity, the slogan during the next 6 months should be, "More clover, less corn, and more money." (Editorial from Wallace's Farmer, Sept. 23, 1921.)

The gentleman from Wisconsin referred to the upward trend of alfalfa acreage in Iowa since 1921, indicating that this trend was responsible for the increase in milk and butter production in Iowa during this period. He also failed to point out the increase in feed-grain acreage in Iowa during this period. From 1921 to 1933 the acreage of the principal feed grains, corn, oats, and barley, increased from 16,900,000 to 18,200,000 acres, or about 8 percent. The acreage in corn, which is by far the most productive feed grain, increased from 10,250,000 in 1921 to 11,849,000 acres in 1932. There was a decline to 11,337,000 acres in 1933, making a net increase in 12 years of about 10 percent. Barley, which is the most productive feed grain in terms of feed per acre, increased from 137,000 acres in 1921 to 586,000 in 1933. This acreage showed a slight decline during the period, but as indicated above, the combined acreage of the three principal feed grains increased over the 12-year period.

My distinguished young friend also failed to point out that although alfalfa acreage increased during this period, there was a downward trend in the total acreage of all hay, and that the total tonnage of hay produced during the last half of the period was 9 percent less than the total tonnage produced in the first half. This should indicate to one with practical information in the dairy business that the increase in creamery butter production in Iowa since 1921 could not properly be attributed to an increased acreage in hay, as was inferred by the remarks of the gentleman on yesterday. We should look elsewhere for the cause of the increase in dairy products. It would be interesting to check the figures during that period applicable to all of the States. The figures brought down to the ends of the years 1921 to 1935, inclusive, are here presented.

Cattle on farms—Milk cows

[In thousands]

State and division	Cows and heifers 2 years old and over being kept for milk cows						
	1929 (end of year)	1930 (end of year)	1931 (end of year)	1932 (end of year)	1933 (end of year)	1934 (end of year)	1935 (end of year)
Maine	138	145	152	154	156	152	147
New Hampshire	78	81	84	85	87	86	82
Vermont	277	288	294	303	295	290	290
Massachusetts	133	132	135	130	134	137	140
Rhode Island	21	21	21	21	22	22	22
Connecticut	105	111	119	121	122	122	123
New York	1,330	1,370	1,411	1,438	1,416	1,321	1,347
New Jersey	118	119	120	122	129	138	139
Pennsylvania	835	860	877	886	895	905	887
North Atlantic	3,035	3,127	3,213	3,260	3,256	3,173	3,177
Ohio	943	962	1,000	1,037	1,065	1,065	1,054
Indiana	702	730	758	786	828	814	781
Illinois	1,026	1,067	1,118	1,159	1,221	1.231	1,169
Michigan	800	832	864	888	912	905	887
Wisconsin	2,015	2,096	2,150	2,182	2,226	2,136	2,136
Minnesota	1,595	1,643	1,708	1,793	1,893	1,776	1,723
Iowa	1,400	1,414	1,471	1,503	1,610	1,580	1,533
Missouri	930	995	1,041	1,080	1,097	1,017	1,017
North Dakota	540	567	624	667	701	596	584
South Dakota	577	589	613	650	675	606	576
Nebraska	680	687	714	768	820	750	720
Kansas	780	811	857	890	967	921	875
North Central	11,988	12,393	12,918	13,403	14,015	13,397	13,055
Delaware	33	33	34	35	35	35	35
Maryland	180	184	186	188	190	192	188
Virginia	375	382	395	409	416	420	412
West Virginia	210	216	241	250	260	262	250
North Carolina	285	314	334	368	378	381	385
South Carolina	158	163	171	182	185	189	189
Georgia	342	352	366	388	411	419	398
Florida	95	99	106	110	119	124	128
South Atlantic	1,678	1,743	1,833	1,930	1,995	2,022	1,994

Cattle on farms—Milk cows—Continued
[In thousands]

State and division	Cows and heifers 2 years old and over being kept for milk cows						
	1929 (end of year)	1930 (end of year)	1931 (end of year)	1932 (end of year)	1933 (end of year)	1934 (end of year)	1935 (end of year)
Kentucky	498	508	538	563	578	590	572
Tennessee	468	493	528	566	584	594	570
Alabama	379	394	422	447	457	459	436
Mississippi	440	468	510	550	590	610	567
Arkansas	372	387	426	494	528	510	469
Louisiana	294	300	312	326	344	353	339
Oklahoma	650	675	730	778	838	798	774
Texas	1,202	1,238	1,334	1,427	1,527	1,466	1,466
South Central	4,303	4,463	4,800	5,151	5,446	5,380	5,193
Montana	193	196	200	210	215	206	187
Idaho	178	190	199	205	214	200	190
Wyoming	72	73	74	75	78	69	69
Colorado	250	260	266	280	300	270	256
New Mexico	69	69	70	72	75	69	70
Arizona	38	40	42	45	46	44	44
Utah	108	111	111	111	115	103	101
Nevada	21	21	21	21	22	21	21
Washington	280	297	310	324	332	345	335
Oregon	229	247	263	268	275	275	261
California	655	655	662	675	675	662	669
Western	2,102	2,159	2,218	2,286	2,347	2,264	2,203
United States	23,106	23,885	24,982	26,030	27,059	26,236	25,622

Jan. 1, 1936, Livestock Report.

Cattle on farms—Heifers
[In thousands]

State and division	Heifers, 1–2, for milk						
	1929 (end of year)	1930 (end of year)	1931 (end of year)	1932 (end of year)	1933 (end of year)	1934 (end of year)	1935 (end of year)
Maine	37	40	39	38	38	33	31
New Hampshire	17	19	20	20	19	17	15
Vermont	58	59	58	58	57	52	50
Massachusetts	20	22	22	22	22	22	21
Rhode Island	3	3	3	3	3	2	2
Connecticut	19	20	21	21	21	21	20
New York	245	237	213	234	248	257	247
New Jersey	16	17	16	17	18	19	18
Pennsylvania	174	165	162	164	176	173	168
North Atlantic	589	582	554	577	602	596	572
Ohio	170	185	190	200	210	200	192
Indiana	141	152	144	143	146	144	137
Illinois	228	240	232	236	236	221	203
Michigan	166	171	169	172	177	177	163
Wisconsin	385	405	415	432	409	376	348
Minnesota	370	370	369	366	376	323	313
Iowa	310	300	285	294	295	275	270
Missouri	200	213	200	195	190	170	173
North Dakota	136	126	133	147	144	87	99
South Dakota	140	151	138	159	141	116	122
Nebraska	141	133	133	152	187	149	149
Kansas	173	159	167	172	174	149	149
North Central	2,560	2,605	2,575	2,668	2,685	2,387	2,318
Delaware	6	6	6	5	5	5	5
Maryland	33	33	32	33	34	34	34
Virginia	55	59	60	58	62	68	68
West Virginia	32	31	33	38	42	43	42
North Carolina	58	67	71	67	71	73	69
South Carolina	32	35	34	35	37	41	40
Georgia	78	84	95	99	108	110	100
Florida	29	30	34	36	37	35	35
South Atlantic	323	345	365	371	396	409	393
Kentucky	84	82	84	86	88	90	93
Tennessee	100	102	105	102	97	97	87
Alabama	105	115	141	144	130	127	122
Mississippi	82	91	101	112	124	123	111
Arkansas	116	131	147	148	144	130	110
Louisiana	49	53	57	62	70	73	69
Oklahoma	132	133	150	178	198	192	180
Texas	228	231	241	274	311	260	260
South Central	896	938	1,026	1,106	1,162	1,092	1,032
Montana	37	39	40	45	48	43	39
Idaho	43	46	47	49	52	51	47
Wyoming	13	13	12	12	16	14	14
Colorado	57	57	59	64	62	57	52
New Mexico	18	18	18	19	20	18	19
Arizona	9	9	10	10	11	11	11
Utah	25	28	28	28	28	27	26
Nevada	6	6	6	6	6	6	6
Washington	62	66	71	81	83	76	78
Oregon	52	54	56	58	60	60	61
California	160	155	152	155	150	155	166
Western	482	491	499	527	536	518	519
United States	4,850	4,961	5,019	5,249	5,381	5,002	4,834

The fact of the matter is best shown by a study of the following figures, which would indicate the southern cow population up; competition with northern dairymen down.

Because of the great deficiency of milk consumption in the South, and the need for more production for home use by poor farmers and families in towns, the rise in the southern dairy-cow population in 1934 did not result in any increase in creamery-butter manufacture. There was in fact a decrease. This is especially significant because the 1934 drought did not strike that area. Many cows were moved into the region from drought areas for feeding.

Note—1933 and 1934 figures are compared because dairy-cow population itself declined in the South in 1935, with further declines in creamery-butter production. The figures show dairy-cow numbers at the end of 1933 and the end of 1934.

State	Number of milk cows in Southern States (thousands of head)			Creamery-butter production (thousands of pounds)		
	1933	1934	Increase (percent)	1933	1934	Decrease (percent)
Georgia	411	419	1.9	3,247	2,043	37.1
South Carolina	186	189	1.6	948	776	18.2
North Carolina	378	381	.8	2,878	2,434	15.4
West Virginia	260	262	.8	454	367	19.2
Kentucky	578	590	2.1	22,029	21,179	3.9
Tennessee	584	594	1.7	17,433	15,795	9.4
Alabama	457	459	.4	2,404	1,838	23.6
Mississippi	590	610	3.4	7,855	7,038	10.4
Louisiana	344	353	2.6	1,879	1,589	15.4

NOTE.—During these 2 years the trend in Wisconsin was exactly opposite to that in these Southern States. Dairy cow numbers decreased from 2,226,000 to 2,136,000, while creamery-butter production increased from 157,933,000 pounds in 1933 to 161,942,000 pounds in 1934. In 1935, with the same number of cows as in 1934, Wisconsin increased creamery-butter production further to 166,113,000 pounds.

Figures of shipments of dairy products indicate that the way for the northern dairy States to get a good market for dairy products is to help the South get some buying power, so it can purchase butter, cheese, and so forth, from the commercial dairy regions. The figures are only indicative because some of the shipments terminating in the South may also have originated in the South, and some originating in the South may also have terminated in the South. Nevertheless, the much greater increase in tonnage of butter and cheese shipments terminating in the South compared to the tonnage of increase in shipments originating in the South indicate that the rise in the South's buying power was accompanied by an increase in southern demand for northern dairy products. (I. C. C. figures.)

Cheese

Revenue freight originated (tons):	
1932	6,385
1933	7,357
1934 (2-year increase, 4,070 tons)	10,455
Revenue freight terminated (tons):	
1932	19,362
1933	20,950
1934 (2-year increase, 6,159 tons)	25,521

Butter

Revenue freight originated (tons):	
1932	20,837
1933	19,633
1934 (2-year increase, 2,893 tons)	23,730
Revenue freight terminated (tons):	
1932	15,749
1933	15,925
1934 (2-year increase, 8,397 tons)	24,146

The decline in southern competition with northern dairymen, which accompanied a rise in southern purchasing power is shown in another way. That is by a consistent decline in butter receipts from the South in the three most important butter markets—New York, Philadelphia, and Chicago. The figures are from the United States Bureau of Agricultural Economics.

Southern total from Southern States (thousand pounds)

	New York (10 southern States)	Philadelphia (7 southern cities)	Chicago (6 southern States)
1932	6,708	5,164	12,267
1933	6,126	3,704	14,557
1934	3,999	1,852	6,940
1935	2,976	2,045	11,063

The conclusion is that the Boileau amendment should be defeated from every point of view. It will do only harm to the northern dairy areas to discourage southern farmers from participating in the soil-conservation program. The South is not interested in commercial dairying. It is interested in the welfare of its people, a revival of their buying power, a continuance of rise in the standard of living which has accompanied the A. A. A. programs, and in sustaining the power to buy the products of northern dairy farms, creameries, and other factories. The Boileau amendment should be beaten.

The bill that we have under consideration is, as a soil-conservation, soil-erosion, and soil-rebuilding bill, entirely incompatible with the Boileau amendment. In many sections of our country, and certainly in the southwestern part of Texas, where I live, agriculture has engaged in a one-crop system. I refer to cotton, a soil-deleting crop, as well as a crop whose production has been more definitely increased by high prices, such as of 1919 and 1920. This one-cropping system wherein a highly soil-deleting crop is involved, provides the best illustration of why the Boileau amendment should not be adopted. Soil rebuilding, in the main, is of first importance in the Cotton Belt. In the Cotton Belt we find few places where alfalfa or other like legumes may be grown satisfactorily. Cotton farming in my home county up until the last 4 or 5 years utilized every acre on almost every farm. Under this program portions taken out of cotton and planted to grass could be utilized to the best advantage by the grazing of livestock (feeder calves or lambs) and thereby refertilizing the soil which cannot be accomplished otherwise save by artificial fertilization, which is known to be ineffective over a long-time period. There are no compulsory features set out in this bill. The Boileau amendment would prevent absolutely the sale of milk and dairy products or any products from livestock pastured or fed on crops or grass to be shifted to soil improvement produced under the measure we are now considering.

The Supreme Court is clearly on record with reference to the production-control provision of the Agricultural Adjustment Act. Mr. Boileau's proposal would tell the farmer, "If you take land out of intensive crops you may not use it if you plant it in grass or hay to graze livestock thereon or sell the products therefrom." This is a still more far-reaching restriction in that it tells the farmer what he may or may not do with the products of his soil. We have had evidence during this debate that some people profess to believe that the prime purpose of this bill is restriction, whereas only with the Boileau amendment could this assumption be indulged. If I believed this measure was an A. A. A. dressed up in false whiskers I could not stand before you and urge its adoption, because of the high value I place upon my oath as a member of this body. I shall vote for this measure because I believe it to be one designed to bring about a genuine soil-conservation program. I am convinced by my own conferences with those who will probably be connected with its administration that it will be administered in the same spirit in which it was drafted. If that be true, I can repeat that, much as I should like never to be divided from my young friend from Wisconsin on any question, I am convinced his amendment has no place in this bill.

In addition to the above reasons I can visualize almost insurmountable difficulties which would attend any real attempt to enforce it. Hundreds of additional employees would be required and in addition thereto an espionage akin to that practiced under prohibition would be inevitable. For instance, in a conference with Mr. Cully Cobb, of the cotton division of the erstwhile Agricultural Adjustment Administration, I was informed that whereas the cotton contracts for 1934 and 1935 contained clauses designed to prevent rented acres from being used to produce crops of other products for sale, that the 1936 cotton contract contained no such provision, and that the prime reason for that change was the fact that restrictions on the sale of products from the rented acres could not be enforced.

Another angle of this question presents itself here, and this is the greatest indictment against the proposed amendment. There are many sections in our country where the home production of food and feed crops should be encouraged with every emphasis in our power. I am aware that no point is placed upon production of food and feed for home use, but this is not near enough. The child of the laborer and workman in southern towns needs milk and fat as a part of his diet as much as do the children of the farmer. The workmen themselves need good food as badly as do the farmers themselves. The amendment would not only penalize certain sections, it would penalize the consumers, whatever their occupation. I believe the South's deficiency in the production and consumption of milk will not be disputed. If there are doubts, figures are available which should dispel them. A recent study by the A. A. A. Consumers Council of Milk Consumption by the moderate- or low-income families with school children in cities over the country show that those in the South lag behind all others in per-capita consumption of milk. The highest per-capita consumption of whole and evaporated milk was 2.71 quarts weekly among those families in the Pacific cities. The lowest was 1.93 quarts in the South Atlantic section. A restricted diet would call for 3 quarts a week. Comparisons of similar figures for families in other sections, including New England, 2.66 quarts; East North Central, 2.38 quarts; West North Central, 2.71 quarts; Mountain, 2.67 quarts; West South Central, 2.33 quarts; East South Central, 2.04 quarts. The result of this deficiency in milk consumption among children is shown in the prevalence of diseases of malnutrition and deficiency in diet in the cotton- and tobacco-producing States. A study of statistics of pellagra and diseases caused by such unbalanced diet are revealing.

Public health statistics show 26 deaths in New York from this disease in 1934, 12 in New Jersey, and 27 in Pennsylvania. During the same year there were 424 deaths from pellagra in North Carolina, 329 in South Carolina, 351 in Georgia, and 230 deaths in Florida. Pellagra is all too common among sharecroppers and tenants in the South. Many pleas have been made in their behalf by public-spirited citizens and legislatures from the North and East. I hope that all of those who have the welfare of the tenant at heart realize that this amendment would intensify his misery by making it impossible to sell the milk from cows grazed on lands devoted to soil-building crops. The tenant and the sharecropper without the Boileau amendment would have his first opportunity to have a grazing patch provided wherein a family cow might graze at low cost and at the same time produce at least a little milk for those who now have none. Since I can remember, southern leaders have generally preached a "live at home" doctrine; and therefore I feel that here we have a proposal which would prevent the South from growing enough of certain vitally necessary foods for its own use, which amounts at least to discrimination.

There are many additional reasons which time does not permit me to here and now discuss with reference to this well-intended amendment supported by the dairy group, but I am candidly constrained to believe that the high order of intelligence of the membership, interested in dairying as I am, would not require a detailed setting out of just what this amendment would do toward restricting the market for dairy cows in those States wherein they are so badly needed for providing a food which is not now available to many of our citizens who now live on or below the poverty line. Shifts in the production of agricultural commodities are inevitable under nature's law and progress, and I see no reason for those, like myself, interested in dairying, to become so terrifically alarmed over the bill if passed without Mr. BOILEAU's amendment. I shall vote against it.

The article referred to by Mr. Edgar W. Smith earlier in my remarks, follows here:

INDUSTRY'S ALLIANCE WITH AGRICULTURE

By Edgar W. Smith

(The author of this article is vice president of the General Motors Export Co. He writes on a subject of paramount importance and speaks from a lifetime of experience. His statements are challenging. How do his conclusions appeal to you?)

The progress we have made in regaining our export markets is a very easy subject to deal with on the movement up to date, because the record is a very clear and convincing one; and while I am going to cite a few figures to resolve any last doubts you may have in your minds, I am going on from there to ask more pertinently what we can do to assure that this progress continues in the future.

The gain in the overseas market for motor vehicles abroad since 1932 has been a gain confined largely to the American-built product. The total market abroad for cars and trucks will be up 88 percent in 1935 from 1932; the market for foreign-source vehicles will be up 69 percent; the market for American-source vehicles will be up 163 percent. In the nonmanufacturing markets, outside of England, France, and Germany, the result is even more striking: The total market will show a gain of 97 percent in the 3 years in question; the market for foreign cars will show a gain of 29 percent; and the market for American cars will show a gain of 146 percent.

Expressed otherwise, in the world as a whole outside of the United States and Canada, the American motor vehicle which had dropped to 21 percent of the total consumption in 1932 will be back again this year to 29 percent; and in the nonmanufacturing markets the increase in this regard will be from 61 percent to 72 percent.

I think we can look back at the progress our industry has made in export since the spring of 1933 with a great deal of satisfaction, and I also happen to think that we can look forward with an equal amount of confidence. This, if it proves to be true, is naturally very encouraging, for an overseas outlet is of great importance to any efficient American industry, and as far as the automotive industry is concerned we are, of course, going to continue to seek all the export business we can get. But, as an individual concerned above all with our domestic welfare in the United States, I am frank to say that I am far more vitally interested in America's farm exports than I am in America's automobile exports.

If that sounds like a trick statement, I have only to remind you that the greatest improvement in our total business in the past 2½ years has come in the agricultural areas right here in the United States. That improvement has come, I think, because, as a consequence chiefly of devaluation of the dollar, the farmer is getting prices for the things he produces which are high enough to enable him to begin buying motor cars and other consumer goods on which the prices have not changed. The better equilibrium between farm prices and manufactured-goods prices resulting from devaluation of the dollar has been of primary importance to our whole industrial welfare domestically, but it is not by any means the whole story in solution of the problem, nor is it the final word on what still remains to be done.

What the farmer has got to do from this point on, with unit prices on his commodities remaining about where they are, is to increase his production to an extent that will still further increase his aggregate income, and make him an even better customer for industrial goods than he is today. He will dare to increase his production to this extent only if he can be sure that he can dispose of the surplus he is capable of producing beyond the needs of the domestic market, and so long as he is unable to export this surplus, and to get paid for it abroad, I feel that we should not be too critical of the crop-restriction program he has been following, especially since industry generally practices crop restriction very relentlessly whenever the demand for its product falls off.

TARIFF AND IMPORTS

But it would be far better economics, and far better for all of us, in a practical dollar-and-cents way, if the farmer were to raise the volume of crops he is capable of raising, and to sell the surplus beyond domestic needs in the markets throughout the world that need this surplus so urgently. He can do this, in the last analysis, only if his foreign customers can find the means of paying for the goods they buy, and they can find this means only if imports of foreign goods into the United States are greatly increased, and such an increase can only occur, from this point on, if tariffs are lowered.

I suppose it is true that if tariffs are lowered and imports increased, a considerable readjustment in our internal economy would have to ensue. I am quite ready to agree that this is true; but the readjustment in question would be far less drastic and far less harmful to the whole national welfare, than the readjustment that will inevitably come if the farmer is unable to raise more crops and export his surpluses. With his export outlets definitely shut off, regimented crop restriction would then become a necessary and enduring evil, and regimentation on the farm would induce regimentation in industry as well, for regimentation, as we can see very clearly if we look at the experience of certain countries abroad, is the natural child of national self-sufficiency and isolation.

IMPORTANCE OF FARMING

The average business man, I am certain, does not realize how important the farmer and his exports are to him; and I am even more certain that the average farmer puts all business men, including ourselves, in the same protectionist boat. We do not belong in the same boat at all—we belong in the boat with the farmer. Beyond convincing ourselves and convincing the farmer of this natural alliance that exists between us, I think it is important that we attempt also to convince the public that this alliance exists, and to let the political leaders know that we are willing, in our own self-interest, to stand behind the farmer and work with him to produce and sell more crops. This means, in a political sense, that the alliance of the efficient industrialist and the efficient farmer would stand strongly in support of the administration's farsighted program for two-way foreign-trade expansion.

Unless that foreign trade is fully regained, our domestic interests and the interests of the farmer domestically will go down in the boat together. We can have a free economy and a stable price structure—which is the interpretation I put upon the term "sound money"—only if our foreign trade is regained. I challenge you to find a case, anywhere, at any time, when isolation did not bring both regimentation and monetary chaos. The obvious answer is united support of the program that is giving the tariff the first businesslike administraton today it has ever had in our history.

A UNITED FRONT

To provide that support, and to combat the destructive propaganda of the isolationists, will demand eventually a united front of all of the elements in the national economy most vitally concerned—the farmer, the industrialist, labor, and the consumer. We can start the movement most advantageously meanwhile, I think, by declaring publicly an alliance with the farmer first of all; and if we succeed, and if a well-founded prosperity follows, as it surely will, I feel equally certain that labor and the consumer will join their support with ours, and that the spectre of high tariffs and isolationism will be banished at least for our generation.

I would look with a great deal of doubt upon the future of our automotive exports, despite their remarkable recovery to date, if I did not think that our farm exports would increase side by side with them, and that our imports would increase sufficiently to substantiate them by providing adequate dollar exchange. I do think that the foreign-trade policy the present administration is following is going to prevail, and I therefore feel very strongly the confidence I expressed previously in our outlook for the future.

But the money is not yet in the bag, and if we realy want to realize on the potentialities that exist for the sale of our motor cars abroad, we have got to do everything we can, practically and politically, to meet the simple economic necessities that confront us. And as a first step in this direction, I suggest again that we establish a working partnership with the man whose interests are so identical with ours, and upon whose prosperity our own prosperity so closely depends—the American farmer.

I am in accord with several statements contained in this article, but particularly may I express the highest commendation for the farsighted vision which prompted the title under which the article is written.

In conclusion, as a Member from the State of Texas, and a realization of general dairying and livestock conditions over the country as a whole from first-hand experience, I can personally state that I feel more concerned over the possible adoption of Mr. BOILEAU's amendment, from the standpoint of a dairyman, than I do over the future of the dairy industry if the amendment is rejected.

May I add that certainly without Mr. BOILEAU's amendment there is little probability that this act would be brought under question by the courts, but if the amendment is permitted I am reasonably sure that action will be brought through the courts shortly after the bill becomes a law, because of the distasteful effect on many who under its operation would feel that peaceful use and possession of their property had been denied them.

Reactions from the farmer who is told that he cannot graze old Beck on acreage taken out of cotton and turned into grass would be immediate and far-flung, and when neighbor Bill came out from town to buy a quart of milk from Farmer John and was told that he could not obtain the same because old Beck had grazed in the restricted garden of eden, other questions would become apparent. The very practical analysis provided in the time it takes to produce a milk cow, as presented by my friend FRED CUMMINGS, of Colorado, yesterday is not to be left out of this argument.

It would be necessary during the operation of the temporary program for us to import from foreign countries enough milk cows to be able to realize Mr. BOILEAU's fears. The total imports of 1935 from Canada, for instance, were less than two-tenths of 1 percent of the total livestock on farms in the United States at the beginning of 1935.

Another interesting phase is to be found in the fact that the importations of cattle during 1935 occurred before the Canadian trade agreement became effective on January 1, 1936, and is a result, of course, of the combined drought conditions of 1934, together with the cattle-buying program of the Government. The figures on Canadian importation, as reported by the Foreign Agricultural Service, Bureau of Agricultural Economics, are as follows: Of the 112,000 cattle

imported from Canada in 1935, about 58,000 came in for feeding purposes; about 49,000 for slaughter; and only 4,493 came in as dairy cattle. The dairy-cattle imports from Canada, 1931 to 1935, inclusive, are as follows:

CATTLE IMPORTS FROM CANADA

All cattle imports from Canada 1931 to 1935, inclusive[1]

	Head		All cattle, total
	Weighing less than 700 pounds	Weighing more than 700 pounds	
1930	15,000	40,000	55,000
1931	17,000	3,000	20,000
1932	5,000	1,000	6,000
1933	1,000	200	1,200
1934	2,700	92	2,792
1935	52,000	60,000	112,000

[1] As reported by Foreign Agricultural Service, Bureau of Agricultural Economics.

Dairy-cattle imports from Canada, 1931 to 1935, inclusive

(From Inspection Reports, Bureau of Animal Industry)

Year:	*Number head*
1930	10,327
1931	3,701
1932	1,391
1933	411
1934	969
1935	4,493

Mr. HOPE. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. ANDRESEN].

Mr. ANDRESEN. Mr. Chairman, I have the highest regard for the gentleman from Texas, as I know that he is an authority on agriculture and many other subjects. But I must call the attention of the House to certain figures. So far as I have been able to learn, the only accurate agricultural census that was taken of cattle was taken under direction of Congress in January 1935, and the one preceding that was taken on April 1, 1930, 5 years before. The figures I gave were the tables of the Department of Commerce, and I believe, of course, we can rely upon these estimates, rather than the estimates submitted by the gentleman from Texas from the Department of Agriculture.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 20 minutes to the gentleman from Iowa Mr. [GILCHRIST].

Mr. GILCHRIST. Mr. Chairman, there was a recent decision of the Supreme Court which convinced all of us that there must be some new legislation for agriculture. The Agriculture Committee, of which I am a member, has worked faithfully during the time that was allotted to it and has finally brought forth this bill. I may say in passing that I have been a practicing lawyer for many years and probably know less about the Constitution than any of you. But I do not join in the diatribes and acrimonious invective accusations that have recently been made about the Court. Perhaps I should do so, because the Court has not always been so kind to me as I thought it ought to be. But I can excuse all of that, because I am a believer in the old Calvinistic theory that whom the Lord loveth He chasteneth.

What about these recent decisions? There was the T. V. A. case. Whatever else may be said for it, it certainly does not prejudice but rather preserves the rights of the poorer people and smaller corporations and of public municipalities as opposed to private monopolies. We had the Nebbia milk case that establishes the rights of the State to fix the price of milk within proper bounds. Certainly no dairyman can complain of it.

The object of the State legislation upheld in that case was to protect the dairyman's price by preventing ruinous price cutting in the retail trade, which would result in forcing the sales loss back on him. Within the past 2 weeks the Court decided the cases of Borden's Farm Products against Ten Eyck and Mayflower Farms against Ten Eyck. These cases upheld the right of small concerns to sell milk at cheaper prices than the big well-advertised concerns. Unless they could sell cheaper they would have no market and that outlet for farmer's milk would be closed or impaired. No farmer should complain of that. Then last week, on February 17, the Court decided Brown against Mississippi. That case protects the liberty of the negro and of every individual by preventing the use of third-degree evidence that has been drawn from him by the lash and the gun and by brutality unparalleled. Certainly no American citizen can complain of that! Americans will never forget the days when a crushed heap of bone and flesh was bound to the wheel and torn to pieces. The rack and the torture chamber may not be substituted for the witness stand. And on February 10 the Court handed down the case of Grosjean against American Press Co. That case guarantees free speech and a free press by striking down political discriminations and burdens designed to curb free expression by newspapers. Surely no humble American can criticize a decision which protects that right. Every one of these decisions has as its result the greater economic, political, and personal freedom of the underprivileged. We need courts to affirm these principles. If we are to have any government other than that which mobs may ordain or compel, we must have judges, just as we must have umpires in a baseball game and referees on the gridiron.

Now, much has been said here about the A. A. A. decision in the Butler case on January 6. You all have it in pamphlet form, I believe. I would not vote for this bill if I believed it to be unconstitutional. I do not so regard it. The decision in the Butler case was based absolutely and alone upon the proposition that the old A. A. A., insofar as it attempted to control agricultural production, had invaded the reserved rights of the States. It was based on nothing else. But the present bill will give that control to the States and will not divest them of it, and therefore it complies with and does not transgress the principles announced in the Butler case. Indeed, it may be said that there was great cogency in the reasoning of the minority in that case, and if you will read the pending bill in the light of that decision, knowing that a respectable minority of the Court was for the old act and knowing that this bill will give over control to the States, then you will be convinced that a majority of the Supreme Court will go along with us and decide that this bill does not so far enter the realm of State control as to be an unconstitutional exercise of the rights which the Constitution gives the Congress of the Federal Government.

The Butler decision was divided into three parts by the Court itself. The first proposition was as to whether the respondents had a right to a day in court. Of course, we are not concerned with that here today. The second point was directed to the contention of the Government that even if the respondents might question the validity of the act, nevertheless their attack must fail because section 8 of article I of the Constitution, which provides that Congress may lay and collect taxes to pay the debts and provide for the common defense and the general welfare of the United States, authorized the contemplated expenditure. But what did the Court finally say about that? On page 9 of this pamphlet it states:

> We are not now required to ascertain the scope of the phrase "general welfare of the United States" or to determine whether an appropriation in aid of agriculture falls within it. Wholly apart from that question, another principle embedded in our Constitution prohibits the enforcement of the Agricultural Adjustment Act. The act invades the reserved rights of the States. It is a statutory plan to regulate and control agricultural production, a matter beyond the powers delegated to the Federal Government.

Having found that the taxing power may not be used as an instrument to enforce regulations concerning those things which are delegated to the States, the Court then propounded the third question, as follows:

> May it (the taxing power), as in the present case, be employed to raise the money necessary to purchase a compliance which the Congress is powerless to command?

Here again the answer to the question is based upon the fact that Congress did not have this taxing power in order to purchase a compliance, because the whole scheme was really and in truth an unconstitutional incursion into the reserved rights of the States. And the Court stated:

> At best it is a scheme for purchasing with Federal funds submission to Federal regulation of a subject reserved to the States.

That is all the Supreme Court really found about the original A. A. A. There are a lot of words and phrases and a great many sentences and arguments, but after all the Court held only that the act invaded the reserved rights of the States in the particulars mentioned, the Court saying:

The same proposition otherwise stated is that powers not granted are prohibited. None to regulate agriculture production is given; therefore legislation by Congress for that purpose is forbidden.

This present bill does not invade the reserved rights of the States in any way, but on the contrary, it proposes to vote appropriations to the States themselves so that they themselves may put into force a soil-conservation program, and do the other enumerated things set forth as the policy of the bill.

I am inclined to believe that God Almighty had something to do with the scarcity of corn and the consequent high price which was paid for it, and that the Agricultural Administration should in fairness share with Him at least a small part of whatever credit may exist on account of such high price. We should be fair in our discussion. The drought brought on a scarcity and high prices resulted. I am willing to give credit to the Agricultural Administration for whatever it did to bring about high prices for farm commodities. The question for consideration should be, not as to whether prices were higher during the drought than they were before, but as to what share the A. A. A. had in price stimulation. I do know that corn has suffered an enormous decline in value per bushel during the past year. On January 15 last year the Department figures show that it was worth 40 percent more than on the same day this year. I do know that in 1929 the farmers were receiving an income of practically ten and one-half billion dollars, while in 1935 they received an income of only $7,000,000,000. To bring the relative purchasing power of the farm population in 1935 up to that of the nonfarm population would have called for an increase of about 22 percent—from a ratio of 82 to 100—in the 1935 net income of farmers, or about $1,150,000,000 of an increase over what they really received that year.

I also know that labor is out of employment today as much as it was 3 or 4 years ago. The very last figures that came from the Agricultural Statistical Bureau show that the ratio of prices received by farmers to that paid by them, including interest and taxes, still remains 13 to 15 percent below parity. And after all these acts have been in force the farmer is still attempting to run an economic race while at the same time carrying a chain and ball upon his foot of about 15 pounds weight as compared with other industry.

I also know that evictions and foreclosures in 1935 have been unprecedented, and there have been moratoriums in different States. In my State, for example, our moratorium will soon expire. Up till now the legislature has protected these farmers from eviction or sheriff's sales. But this moratorium is based upon the ground of "emergency", and as soon as the emergency is over you will see the sheriff again plying his hammer at the front door of the courthouse and forcing these men and women from their homesteads out into the snows of Arctic winter. Therefore, we must do something for them, and my judgment is that this bill will do something.

We must protect our homes and homesteads. You cannot turn these men out and expect to preserve civilization. If this country wishes to avoid fascism, nazi-ism, and communism, the land in America must be put back into the hands of those who live upon it. A man with a family and a cow, if given absolute and secure possession of a barren piece of land, will convert it into a garden. Give a man a 10 years' lease on a garden and in the end it will become a waste. We want free men and free women. Men are free only in proportion to the distribution of the means of production and in the amount of individual benefit returned from individual effort. We cannot have progress or culture or freedom or happiness when millions of farmers either live, as do the sharecroppers in the South, as tenant serfs, or as millions of others do who are weighed down with mortgages and high interest payments and taxes which the utmost frugality and intensive labor can never meet or pay. We must give the farmer fair prices. You do not have the right to eat his bread unless you are willing to pay him the cost of producing it and unless you are willing to share with him not alone the necessities but the comforts of life and accord to him the beautiful and cultural things as well.

We all now agree that the farmer is entitled to economic equality and that he should no longer be submerged. All parties here in America subscribe to that principle. My own party, the Republican Party, in its 1932 platform announced such a principle. Among other things it said that—

The fundamental problem of American agriculture is the control of production to such volume as will balance supply with demand.

And it pledged support to any plan which would help to balance production against demand so that our farmers may have the full benefit of the domestic market. Furthermore, this principle was announced by the great leaders of the party many years ago. Governor Lowden, a great Iowan, a great farmer, a great economist, and a great party leader, has proclaimed this doctrine for years, and it has been assented to not alone by party platforms but by outstanding leaders and members of our party.

I supported the Agricultural Adjustment Act because I believed it would bring some relief to my friends upon the farms and homesteads of Iowa, and it did help to do just exactly that thing in a period of distress and despair. In a period of drought and of withering crops it, nevertheless, paid the State of Iowa during the whole course of its administration more than $93,000,000. It paid into the farm homes of every one of the 14 counties which I have the honor to represent on this floor an average of about $1,300,000, and there are still further small payments yet to be made in the final closing up of the A. A. A. As a fair sample or illustration of what it has done, I append a table showing these payments in the Eighth Congressional District of Iowa.

Rental and benefit payments, May 12, 1933, through Dec. 31, 1935

County	Total	Wheat	Corn-hogs	Sugar
Boone	$874,305.48	$2,619.24	$871,686.24	
Calhoun	964,730.43	1,592.96	963,137.47	
Carroll	1,167,488.08	1,761.07	1,165,727.01	
Crawford	1,487,688.33	11,794.91	1,475,893.42	
Emmet	613,152.56	2,216.56	610,936.00	
Greene	953,834.89	629.52	953,205.37	
Hamilton	1,071,296.86	837.35	1,070,459.51	
Hancock	1,001,179.67	179.65	944,723.58	$56,276.44
Humboldt	817,149.60	375.54	816,774.06	
Kossuth	1,737,668.75	177.22	1,700,432.74	37,058.79
Palo Alto	937,477.14	596.89	936,880.25	
Pocahontas	1,034,484.47	1,281.90	1,033,202.57	
Webster	971,029.62	1,514.70	969,514.92	
Winnebago	706,324.31		662,812.49	43,511.82
	14,357,810.19	25,577.21	14,175,385.93	156,847.05

Let no man believe that these farmers were not entitled in equity to the consideration shown in the foregoing statement. The fact is that it was a late and lame attempt to put them upon a parity with other industry such as was promised by all the great political parties and political leaders. This money was paid in recognition of a right. For more than a century agriculture has been paying to the relief and support of industry by way of tariffs and subsidies and privileges. I am glad now to know that wholly aside from devisive party politics we all can now agree that if there are tariffs for one—and there should be—there must be tariff equivalents for all. We join in the support of manufacturing and trade and commerce. Let labor be paid a living wage. We have no moral right to wear a pair of shoes unless we pay the shoemaker the cost of producing them, plus a profit such as will enable him and his family to live according to the standards of a twentieth century civilization. Let us all agree that we must not sit by the warm fire of the winter grate unless we pay the miner full wages for his dangerous and laborious task. But let us all further agree that means must be found within the Constitution and not contrariwise to support agriculture and to bring cheer and comfort and wholesome beauty into the life of the farmer, his wife, and children.

This bill is founded for one thing upon soil conservation and in preventing soil erosion. Good earth is the mother of mankind. Right now the dust storms are blowing away the topsoil of our western plains. The administration of the

program is put into the hands of the States. Everybody must admit that it is of public welfare for us to prevent loss of soil fertility through dust storms and erosions and overcropping. Farmers of the West have been compelled by want and debt and economic submergence, and in order to save their farms and to feed their families, to keep on producing and producing and producing more each year. A farmer on an overeroded and dust-blown and soil-robbed farm knows that he should conserve his land, but he cannot afford the expense of doing it. We are concerned not alone for our present population but for future generations, and one of the soundest plans for farm relief which can be proposed is that of regenerating and preserving our soil fertility.

Long ago this plan was lodged in the minds of agriculturists. Erosion precedes destruction and soil robbing results in ruin. If present practices of prodigality are allowed to continue, the time is not far away, probably within the next 50 years, that the United States will raise food and fiber only for itself and at prohibitive prices. It is a question of time when the United States will find it hard to feed her millions at a reasonable cost. Four or five billion dollars' worth of fertility is being carried down the Mississippi River in each year or being blown away into lakes and mountains and forests. Our western grazing lands are headed toward desert conditions. History records a long line of civilizations that are now extinct because there was no conservation or thought for the future. And this industrial age is headed toward the rocks of disaster unless we retrieve the situation and conserve our resources, and do it speedily. For three centuries we have taken the earth's bounty without making due and grateful recompense. We must not misuse the blessings which God has bestowed upon us. The farmer and the black earth are partners together in the oldest business in this world. He should be a husbandman and not a despoiler. Through billions of years the rock layers have subsided and for eons they have crumbled into dust, and this black dirt has made the people of the United States the busiest and the best living and the best cultured and the most Godfearing people in the world.

Under this bill a new era will come to soil culture. The old pioneer is gone, but he leaves an immortal memory. The early homesteader took and wasted what the new pioneer will receive and conserve. And under this bill the farmers will be permitted to live happily as well as to conserve. Under this bill they will be given some grants in order that they may live themselves, while at the same time they will be assuring life to future generations. Under this bill the States will be given appropriations to preserve the general welfare by conserving and protecting the interests of civilization and of mankind and of God. That is the purpose of it.

I can mention other things that this bill will do. For example, there will be a conservation of agricultural products and grains and fibers. The farmer himself will be allowed to warehouse these products upon his own land and thereby prevent and overcome speculation in his commodities. Heretofore, and in every year, he has been compelled to pay the speculator and the gambler and the man who traffics at the cross-roads vast sums of money. I am proud to remind the Congress that the Iowa law was the first law ever enacted in the United States which contained these wise and working provisions for the warehousing of grains and products upon the farms. I was one of the authors of that law, and I am pleased to know that its benefits have been extended throughout the whole land and that a wise conservation of resources will embrace the opportunities of that legislation. The administration will use that kind of a law so that farmers may not be exploited by those who manipulate the markets and so that farmers will not be compelled to make short sales quickly after harvest and dump their products into a low and glutted market.

This legislation is not perfect. It is perhaps inadequate, but it will do something for agriculture which sorely needs to be done, and that is why so many of us on this side of the aisle are now supporting it. That is why we say that it is exactly in line with the platform pledges and promises of our party. I would like to see other things done. We could well approve the bill of Congressman HOPE, of Kansas, who is the ranking Republican on our Agriculture Committee, for a plan which will give to farmers a grant as a tariff equivalent. It is shown that farmers have to pay 26 percent extra on account of tariffs for 200 items which they buy. Mr. HOPE proposes a grant so as to do what our platforms say we must do and to put agriculture on a parity with industry. He proposes to pay farmers this same 26 percent for basic products which are sold domestically. This plan will undoubtedly not increase production because the farmer will not get any grant for producing more than that which the Secretary will find to be consumed domestically.

We have also the bills of Congressman MASSINGALE, of Oklahoma, and of Congressman EICHER, of Iowa, providing for payment of cost of production for farm commodities. I can join with these gentleman in some of the principles involved in their bills. I have heretofore stated that we must pay at least as much as the cost of production, else we rob the producer.

We ought to give the American market to the American farmer. In 1932, the year before the Triple A was enacted, 344,000 bushels of corn were imported into America from foreign countries, while in 1935 the importations of corn totaled 20,427,000 bushels. I am aware, of course, that the drought had something to do with these importations, but nevertheless the principle stands out. In the first 10 months of 1935 the United States imported approximately $100,000,000 more of food products than were imported in the same period in 1934. This tremendous sum went to foreign farmers and from them to foreign importers and manufacturers. This enormous sum could be used very well by some of the farmers that I know out in Iowa. Their wives could buy some pretty gear with it. In the first 9 months of 1935 $22,000,000 worth of butter was imported into this country. Is that fair to our dairy people?

And so I repeat that we ought to give the American market to American farmers. And there should be excluded from the American market those things which come into competition with American products, even though the competitive product is not precisely the same as the American product. I give you the condition as to blackstrap as an illustration of what I mean. Blackstrap was formerly a waste and garbage which was a menace to the sugar industry in foreign countries. Some bright chap taught the sugar men how to make alcohol from this waste and this garbage, and now the American farmers are compelled to compete with the half-clad peon labor of the West Indies because we continue to allow the sugar interests who own the foreign refineries to control our policies and import almost tax free the material out of which we make our alcohol. It is a bad practice.

The dollar is too high-priced when measured in the terms of agricultural products, because it takes too much of the labor and too much of the industry and too much of the farmers' soil and sunlight in order for him to get his hands upon one of these dollars. In other words, farm products are too cheap. One of the colossal mistakes that we are making is in allowing foreign agricultural importations to come upon our shores and through our customhouses, while at the same time curtailing farm production on our plains and farms and countrysides here at home. In line with this also is the foolish and asinine policy of eliminating one kind of production in one locality and then permitting that same kind of production to be accelerated in another locality. For example, under the A. A. A. we paid the Iowa farmers for taking corn land out of production, and then we went into the South and paid the farmers to put cotton lands into corn production. Can anything be more asinine or foolish? What can you say of or for a policy which votes vast subsidies for irrigation and to bring arid land into use in producing the very crops that already glut the market. What sense is there to such a policy? There are a dozen other things that might be spoken of which would benefit the farmer and which would not harm others. We could purchase forty millions of acres of submarginal lands without any serious dislocation of population. Let us improve credit facilities, make better marketing conditions, expand food consumption by increasing employment, promote new crop uses, and do a hun-

dred other things. This legislation is not just exactly what you would like to have, nor what I would like to get; but, after all, I believe that it will accomplish something and make better conditions for agriculture, for civilization, and for posterity.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield for a question?

Mr. GILCHRIST. I yield to the gentleman.

Mr. WOODRUFF. Does the gentleman agree that one of the fundamental purposes of this bill is the restriction of agricultural production?

Mr. GILCHRIST. Within the Constitution, yes; without the Constitution, no. There is no question but that this bill, in giving this control into the hands of the States, meets every objection that was urged by the Supreme Court. The Supreme Court does say that certain things cannot be done by the Government; but it denounced the old A. A. A. simply and solely because the Government was entering the province of the States, and this bill does not do that. This bill does not do that even temporarily. I believe that even tomorrow or next week the States might take advantage of the act if prepared to do it, and that, so far as the act itself is concerned, it would be legally possible for them to proceed with some kind of soil-conservation program.

Mr. WOODRUFF. Will the gentleman yield further?

Mr. GILCHRIST. I yield to the gentleman for one question.

Mr. WOODRUFF. Is it not the gentleman's opinion that for the coming 2 years at least any control of agricultural production which takes place under this act will be contrary to the provisions of the United States Constitution because it will be done under the direction and under the restrictions of the Secretary of Agriculture?

Mr. GILCHRIST. I do not agree with that proposition, especially in view of the fact that before this bill comes to a vote one word of this act—"shall"—will by consent of the committee be changed to "may"; and with this change there cannot be any question about it, because the States could then at any season use this act in soil conservation and for the purpose which is outlined in section 7 (a).

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield there?

Mr. GILCHRIST. I wish the gentleman would use his own time.

[Here the gavel fell.]

Mr. GILCHRIST. Mr. Chairman, I ask unanimous consent to extend my remarks and include a table showing certain payments under the A. A. A.

The CHAIRMAN (Mr. UTTERBACK). Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JONES. Mr. Chairman, I yield myself 20 minutes.

The discussion has taken rather a wide range. I hope that what I say may be said in a wholly nonpartisan spirit.

I have sat side by side with Members on both sides of the aisle through years of effort on the farm program. I was one of those primarily instrumental in securing the provision of the original bill under which, as far as practicable, it was to be administered by the local county and community committees selected by the farmers. Necessarily, the members of the county unit are elected on a nonpartisan basis. There is not going to be a great army composed of one party or the other, because the farmers select the county and community units.

When I was a boy living in the country, my father, after several years, built an improved farmhouse that was somewhat better than the one in which we had lived. In that building the construction man placed a mantel too close to the fireplace. The house was defective in two or three other instances.

One day, after we had lived in it 2 or 3 years, the fire jumped out of the fireplace, lighted the mantel, and the home was burned.

When the folks arrived home we did not sit around a long time to decide whether we would build another place to live in—for we had to have a place to live. My father asked the carpenter to come the next morning and start building the best home that we could afford for a shelter. Later it was improved, but it was necessary to start without delay.

After years of consideration, we adopted the Triple A. The Supreme Court decided that it had some defects and could no longer be enforced. I think it accomplished a great deal of good. I think every thinking, nonpartisan man in America will admit that it accomplished a great deal. But on account of several defects we cannot use it any more.

Now, the first thing we did when we started to build a new home was to clear away the rubbish and get it out of the way. We have the statement made here in debate that we are trying to destroy the Constitution. I know of no one who wants to destroy the Constitution. It has been in existence 150 years, and practically 150 years from now it will still be going strong. [Applause.]

I remember as a boy, reading a book called "Character Sketches." Probably some of you have read it. It had a chapter on various homely subjects. Among those was a chapter on the Rock of Ages, with an illustration of the rock. On one side of the rock was a weazened, dried-up atheist, who, with a stick, was attempting to pry it over. The stick was breaking and he was grinning because he thought he was accomplishing his aim. But instead of that he was falling over into a pit, and Satan was standing ready with a fork to get him.

On the other side was a little dried-up deacon who was leaning against the rock attempting to prop it up, while the rock itself, strong as Gibraltar, was still in its place.

For ages past the Constitution has been, and for ages to come, will be the strength of millions of people. [Applause.]

The Constitution needs no defense on the part of the professional defenders. It has innate strength. It is strong enough to live and endure as the basic foundation of the American people. [Applause.]

One of the fundamentals of that Constitution—and it was written right in the top of the Declaration of Independence before we had a constitution—is that all men are created equal, meaning that in the application of the laws of the country there should be equality. That was put into the Declaration of Independence before we had a Constitution, right at the top of it, and that principle was carried forward. The whole basic philosophy behind the farm program, behind the farm movement is the injustice of 50 years of discriminations because of a trade-barrier system in which the farmer, in the main, could have but little part. To remedy this injustice is the foundation on which the other farm program was based, and it is the primary effort in this program.

Right or wrong, we have a trade-barrier system that gives a rather lopsided development. Let us clear away some more of the rubbish. It has been said here that we are subsidizing the farmer. In the 16 years that I have been listening to witnesses and talking about this subject, I have never advocated a subsidy for the farmer; but I have advocated restitution, a restoration of the basic philosophy of the Declaration of Independence and the Constitution of the United States. We could have had a lot of hearings when our house burned down, but we did not have any house in which to live. For 16 years I have been listening to hearings, and the committee had a lot of hearings on the other bill. There has been some experience—and I am sure that if we had had hearings we probably would have heard the same people that we have heard heretofore, and perhaps some members of the committee know as much about the subject as they do. If we had asked those people to come here, and I had been given their names, I could probably have shown you 20 or 30 pages of their testimony heretofore given on the same subject. We have written the best farm bill that we can, to at least hold the line and undertake to retain some of the correction of that disparity to which we have already referred in many speeches and statements, both here and elsewhere. I join with the statement made by the master of the National Grange, when he said that he believed in a tariff for all or a tariff for none. [Applause.] When a man grows a bale of cotton or a bushel of wheat, cultivating

the one under the hot June or July sun and harvesting the other under a blazing summer sky, and hauls that wheat or cotton to market in a free country, he has a right, if there is any constitutional right to equality in America, to sell that bale of cotton or that bushel of wheat on the dead level of equality with industry or with any citizen of America. [Applause.]

I do not claim that this bill is perfect. I spent days and nights and weeks poring over its language, with all haste and hurry, consulting with all those I had an opportunity to consult with. Other members of the committee have done the same, and I believe we have a pretty good bill, notwithstanding what some have said about it.

The bill does three things primarily. It provides for a soil-conservation program and a soil-rebuilding program. That cannot be belittled, if you think about conditions in America. For years we have swept over this country like a swarm of devastating locusts, using up our capital structure and imagining we were making money. As a matter of fact, we were destroying our capital and letting it flow into the creeks and rivers and off to the sea. Go read something about the history of China. That was once a very rich country. It had rich soil. It is a very old country. They began to chop down the trees and remove the trees and rocks from the mountain sides and the grass from the mountain sides and began intensive cultivation. And the winds and the floods came and beat upon those mountain sides and that rich soil rushed down, not being held by the rocks and trees and grasses, and flowed into the sea. The mountain sides became barren and then the valleys became overpopulated until what was once a very rich country had become largely poverty stricken. When people become poverty stricken over a long period of time, they begin to lose their character and initiative, and that is the story of China. We have already destroyed nearly 50,000,000 acres of land in America and have endangered 360,000,000 more. If nothing else were done under this 2-year program that is possible until we can get the major program in operation, the entire expenditure would be fully justified. [Applause.]

The measure also provides for a domestic allotment plan. That means that premiums may be paid on that portion of commodities which are grown for domestic consumption. I think what we have provided is strictly in line with a great many plans that have been offered in varying forms, intending to accomplish that same purpose. Then, third, we also provide for expansion of domestic and foreign markets, for finding new markets, and for the removal and disposition of surpluses. In other words, we are building forward into a well-rounded philosophy. That, I think, is an improvement over the old program. The other program may have been necessary as a deck-clearing one, because of the jam into which we had gotten. We are going forward. We should produce all that the market will absorb both at home and abroad. I do not believe in the doctrine of scarcity and never have believed in it, and it is not the purpose of this measure.

The permanent plan, the State cooperative plan, which is an effort in the light of the Supreme Court decision to carry on a just and fair farm program and at the same time rebuild the soil, in which everyone is interested, is provided by the bill. We provide a State cooperative program which, in the light of the decision of the Supreme Court, can be done, and it can go into effect tomorrow. In fact, it will be in effect when we pass this bill. It simply cannot go into operation until the States have acted, and that might take a little time. Under that program the States can fashion, in cooperation with the National Government, or in consultation with the National Government, a program that may accomplish many of the things that were done under the old program. Until that is done, until the States can act, until the program can be builded, we provide that for a temporary period we will have a soil-building program primarily. There are five things, as was discussed by the gentleman from Mississippi [Mr. DOXEY] on yesterday, that may be done under the permanent program.

In order to be sure that we stay within the Supreme Court decision, we limit the temporary program to the three soil-conservation methods, as far as soil is concerned, making them all purely voluntary, and provide for the treatment of this soil in various ways. It will have to be done differently in different sections. It is impossible, by specific provisions, to determine how, in every detail, that shall be done. In some places it will be terracing; in some places a little trenching; in many places contour plowing; in others, strip planting of grasses, strip planting of crops, strip planting of forage, strip planting of various things not to be harvested but to hold the soil. That may be done even in dry areas. Then we have various soil-rebuilding crops that can be planted. It seems to me that that will be a worth-while accomplishment, if we can conserve the soil and thus preserve the source of supply for commodities that are needed for future generations. At the same time we can benefit the farmer by enabling him to build up his land as it needs to be built up, and have him compensated for doing so. Thus we can restore a part of what has been taken away from him under our trade-barrier system.

There has been so much discussion of the so-called Boileau amendment——

Mr. CLAIBORNE. Will the gentleman yield for a question at that point?

Mr. JONES. Yes; I yield.

Mr. CLAIBORNE. The gentleman said something about premiums that were to be paid. Do I understand that the money with which they are to be paid is to come out of the general revenue, or is there some special method by which it is to be raised?

Mr. JONES. The money for this act is to be appropriated out of the Treasury of the United States.

Mr. MAPES. May I interrupt the gentleman to ask a question for information?

Mr. JONES. Yes; I yield to the gentleman.

Mr. MAPES. Will the gentleman give the House some idea of how the soil program can work out to limit the production of cotton, wheat, corn, or any article that may come under this act?

Mr. JONES. I do not think that under the Federal temporary plan that could be done. Of course, production may be indirectly affected by change in the use of land. But the States under the permanent plan would have authority to do it if they desired. When the State plan is enacted, I think the States, by agreeing on a general plan, probably could accomplish that purpose, but I do not think the National Government has authority to do that directly—or at least I am afraid it has not—in the light of the decision of the Supreme Court of the United States. However, I think we can accomplish a great purpose and at the same time, incidentally, be of some benefit along that line.

Mr. MAPES. It is the opinion of the gentleman, then, that this bill does not contemplate that the Secretary of Agriculture will, under the temporary plan, pay out any money to farmers for crop-control purposes?

Mr. JONES. Not directly for crop-reduction purposes.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. JONES. Mr. Chairman, I yield myself 10 additional minutes.

Mr. MAPES. I am glad to have the gentleman's opinion.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. JONES. I hope the gentleman will let me finish my answer to the gentleman from Michigan.

Mr. FITZPATRICK. What percentage does the farmer receive of the amount paid by the consumers? There is a great difference in between there.

Mr. JONES. I cannot answer two questions at once. I want to finish with my statement. As I stated to the gentleman from Michigan, they can pay farmers for this soil conservation and soil rebuilding activity. There is also a provision in this bill whereby, under the domestic allotment plan, some premiums may be paid on that part of his production which flows into the domestic market. I think these premi-

ums can be paid directly to the farmer, but they are not paid, primarily, for the restriction or for the reduction of production, but paid on an entirely different basis, which I think we have a right to pay. I think we can also go forward at the same time with the expansion of foreign markets under any of the methods that have been suggested. In other words, this will be supplemental and at the same time the premiums can be paid.

Now, I am sorry I cannot yield further.

Mr. FITZPATRICK. Will the gentleman answer my question, please?

Mr. JONES. I told the gentleman at the time that I wanted to finish my answer to the gentleman from Michigan, and I do not really remember the gentleman's question.

Mr. FITZPATRICK. What percentage does the farmer get compared with the amount paid by the consumer, because in between that there is so much that I think the farmer is entitled to.

Mr. JONES. I agree that that is true, and we are ironing that out as best we can. Of course, some in between is legitimately taken. Nobody can give a definite yardstick on that.

Mr. Chairman, I should like to spend a little time on these other features.

Mr. TOBEY. Will the gentleman yield?

Mr. JONES. If the gentleman will yield me some more time I should be happy to yield.

Mr. TOBEY. One matter puzzles me. The gentleman expressed himself a few moments ago as opposed to the philosophy of scarcity, and he followed that by saying it is not the primary purpose of this bill. Does he imply that it is one of the purposes of the bill?

Mr. JONES. The gentleman wholly mistakes my position. I think a factory would be foolish to build 100,000 automobiles if it could sell but 40,000. I think it would better make some adjustment. I think it is necessary to make some adjustment as we go along until we get a program that can be worked out. There may be other things incidental to the main program, for instance, as appeared from the illustration of the building of a dam, used by one of the Members in his argument. The dam may be built primarily for national defense, but if some other things result from it incidentally I do not think it makes the original purpose invalid. Certainly, however, this program is not being undertaken primarily for that purpose. It is not the purpose in my mind at all as a direct proposition.

I wanted to discuss, for just a moment, the dairy question. The gentleman from Wisconsin [Mr. BOILEAU] is a very loyal, effective, and hard-working Member of the House. I have the highest regard for him, as I do for the other members of my committee. I would not trade my committee for any committee I ever saw; and in the main we get along well together and produce results. I think I am as loyal to my party as any man here, and I do not ask anyone on the other side to be other than loyal to his party; but, in my judgment, this is a tremendous national issue that has taken years to reach the point of legislation. It transcends party lines, and if I cannot get a little beyond that in an effort to work out this program, my service here has been pretty much of a failure.

The Supreme Court says that we cannot regulate production. The gentleman from Alabama read that sentence a while ago. They said that would be an invasion of the rights reserved to the States. If, regardless of its merits or demerits, we included that amendment it would stick out like a knot on a limb; it would make one of the primary purposes of this soil-building measure regulation of production which the Supreme Court says is a right reserved to the States, and the Governor of one of the States, as one did in another matter, might possibly bring the question before the Supreme Court.

I believe we have stayed within the limits of the Court's opinion. The Lord knows we have tried hard enough to do so, and I hope this House will not vote an amendment that would look like slapping the Court right in the face. I think I have been as loyal to the interests of dairy people of America as anybody.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. BOILEAU. Does the gentleman recall the language of section 8 (c), page 7, of the House bill:

> (c) Any payment or grant of aid made under subsection (b) shall be conditioned upon the utilization of the land, with respect to which such payment is made in conformity with farming practices which the Secretary finds tend to effectuate the purposes specified in clause (1), (2), or (3) of section 7 (a).

And then in section (d) it gives the Secretary the further right to designate the changes in the use of land. Is not that absolute control? If the amendment I intend to offer constitutes control, so does the language of the bill.

Mr. JONES. The gentleman, I think, is unduly alarmed in his desire to reach a certain conclusion. Soil conservation and soil rebuilding are the primary purposes of the bill. The methods that may be used all relate to conservation of the soil and the rebuilding of the soil. These objects are made the primary purpose of the bill.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield further?

Mr. JONES. I am sorry I cannot yield. If I had three times as much time as I have I would still be swamped with requests. The gentleman has discussed this pretty thoroughly. I should like to discuss it from my point of view for a little while. I do not want to be discourteous to the gentleman.

The gentleman by his amendment would say that the Secretary shall do what the Supreme Court says he may not do. Does he want to do that? I think it would be rendering the dairy people a disservice, notwithstanding some of their very good friends think otherwise, to add such an amendment, because I think it might endanger the whole legislation, and the Lord knows we do not want to do that. These things will all be subject to correction if any injustice is done.

I want for a minute now to talk about the benefits the dairy people have received. The dairy people have not been mistreated in the farm program, notwithstanding some statements that may have been made to the contrary. Under the old bill we derived money from taxes on various commodities. Processing taxes were not levied on dairy products, yet we spent between $30,000,000 and $40,000,000 on tuberculosis and Bang's disease; we distributed about $23,000,000 worth of dairy products; we spent over $100,000,000 buying cattle, and many dairy cattle were taken out of production.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I yield myself 5 additional minutes.

The interests of the dairy people have had particular care in expending this money. A great deal was spent, and I think rightly so. I was for spending it. I want to put in the RECORD at this point a comparison of the prices on a number of products in the years 1932 and 1935, the month of December.

Farm prices

Commodity	Quantity	December 1932	December 1935
Wheat	Bushel	$0.316	$0.901
Rye	Bushel	.211	.40
Flaxseed	Bushel	.828	1.56
Barley	Bushel	.193	.375
Cotton	Pound	.54	.114
Corn	Bushel	.188	.53
Hogs	Hundredweight	2.73	8.72
Beef	Hundredweight	3.41	6.14
Rice	Bushel	.40	.701
Peanuts	Pound	.012	.03
Wholesale milk	Hundredweight	1.26	1.86
Butterfat	Pound	.211	.33
Butter	Pound	.213	.298
SEASONAL CROPS			
Tobacco	Pound	.105	.185
Grain sorghums	Bushel	.191	.509

The prices of all these commodities have increased very materially. Dairy prices have gotten almost as near the parity price as any of the other commodities.

We are going forward in this bill and providing not only for the payment of domestic allotment premiums, but we also provide in section 12, which I penciled myself with my own hand, that any part of this fund may be used for the expansion of domestic and foreign markets, the search for new markets, and the removal and disposition of surpluses.

We are amending another section, section 32 of the amendments passed last year, in such a way that it can function in behalf of both the domestic and foreign increase of consumption. The dairy people I am sure will be cared for. I do not interpret what Mr. Davis and the Secretary said as does the gentleman from Wisconsin [Mr. BOILEAU]. I am sure he gives you the interpretation as he understands it. As a matter of fact, both of these gentlemen assured us that they will use all within their power to see that the dairy people are fairly treated and benefited by this measure. That was stated flatly by them, as the members of the committee will recall. Of course, when they were asked to rule that the farmers must not sell any crops or raise any of these crops, they were not going to be driven into the position of saying they would do what the Supreme Court said they could not do. However, they gave us every assurance that they would handle this in the very best possible manner. I will use all of my effort to see that that is done, and I am sure they will go just as far as they can to protect the dairy interests. I think they will go a little further than they have gone in connection with the others.

Mr. BOILEAU. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. Is it not a fact that the Secretary of Agriculture and the Agricultural Adjustment Administrator both stated that practically all of these lands will be used for the planting of grasses and other legumes and livestock would be fed from those products?

Mr. JONES. No; I did not understand it that way at all. They did not say they would not undertake to do the things the gentleman wanted done, but made the point that the gentleman, in his enthusiasm in making the statement that this bill would result in increased dairy production, might be mistaken, in that if you take out 5 acres of corn and put that land into grass there would probably be much less butterfat production.

Mr. BOILEAU. They also said the same thing about tobacco. The gentleman referred to my statement, and that is the only reason I interrupted him.

Mr. JONES. In connection with this question of dairy production, there is an interesting fact I should like to put into the RECORD. Of course, I am not taking into consideration the trend of dairy production before 1933, when the farm program went into effect. However, in 1933, 1934, and 1935 the dairy production tended to go down in the United States. In 1933 the production of creamery butter was 1,762,000,000 pounds. In 1934 the production of creamery butter amounted to 1,694,000,000 pounds. In 1935 it was 1,600,000,000 pounds.

Here is an interesting thing: Dairy production all through the South went down in those 3 years and it increased in Wisconsin. I will put these figures in the RECORD. Of course, I do not object to this increase in Wisconsin, because it is a great dairy-producing State. But the program has not hurt Wisconsin. This land was put into other crops and permitted to be fed on the premises. Of course, they put in the contract it should not be used for commercial purposes. I think that most of this soil conservation will be devoted to noncommercial crops. In fact, I am sure of that. Some of the land will be allowed to go to fallow in certain years, while other land will be plowed and listed in contour fashion. Other land will be planted in strips with a crop to hold the soil together. In other instances grass will be planted, while in still other instances the land will be planted to legumes. I think they can probably require certain action in connection with the treatment of these things. I am sure they will do that as a practical matter.

I want to say to the gentleman that I hope the main program is in effect next year. I hope we shall not have to carry this temporary program for more than 1 year. I hope next year we will have a State program in effect in the various States. Of course, we cannot instruct or require the States to do that. But in working out a uniform program they should do some of the things that are desired by the gentleman in connection with this program. I trust that he will lift up his eyes and look clear across this broad country of ours and see that we have a big task to accomplish.

Mr. Chairman, I believe in the United States Government, in its history, in our institutions, and in our people. Knowing the glory of her past, I have implicit confidence in her future. This is not a perfect plan. It is subject to change. Go down to the Smithsonian Institution and climb into that first automobile that was made, a Haynes, I believe, or a Stevens Duryea. If you tried to drive that car to Baltimore today, you probably would be arrested. Yet they did not run that car into the ditch at the first and discard it because it was not perfect. They improved automobiles from that time on. We are here starting to build a program. It may need some changing. It will be not only in the interest of the American farmer but in the long-range prosperity of this Nation. I hope all of the Members will join with us in an upbuilding program and not a destructive one.

Mr. MICHENER. Mr. Chairman, will the gentleman yield for one question, which is very important?

Mr. JONES. All right; if it will please the gentleman, I yield. Will the gentleman vote for the bill then? Is the gentleman for or against the bill?

Mr. MICHENER. It might depend on how the gentleman answers the question. Does the gentleman believe in the principle of the Boileau amendment, and would the gentleman support it if he thought it constitutional?

Mr. JONES. I will state to the gentleman that I did support a very similar provision in the old program. I do not think it is quite the same here, because I rather think the soil-conservation program should not be handicapped, but should be made more flexible, and I should not want to answer the question definitely. If we had the old program, I would say "yes", but I feel in a soil-building program it is impractical to have payments conditioned in that way. If an old cow broke into a pasture, under that amendment, I think, the farmer would lose all his payments. I do not favor the amendment as drafted here, but I do believe that insofar as practicable they should use this for soil-building crops that are noncommercial in character. I will give the gentleman that much satisfaction.

Mr. KLEBERG. Will the gentleman yield for a question?

Mr. JONES. I yield to the gentleman from Texas.

Mr. KLEBERG. May I ask the distinguished chairman of the committee if it is not true that in the Southland, for instance, without the grazing of acreage taken out of cotton, which is a one-crop proposition with us, we could not rebuild our soil if we were not permitted in some way to use some livestock in connection with it?

Mr. JONES. The question probably answers itself.

I want to assure you gentlemen that, as I have in the past, I expect to work in the interest of the dairy producers and all producers of America, in my State as well as in other States.

Mr. Chairman, I reserve the balance of my time.

Mr. MARSHALL. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Chairman, before proceeding with my comment on this measure, I should like briefly to correct the estimable gentleman from Texas, whom, I am sure, we all regard highly on both sides of the aisle, in respect of some of his statements regarding aids to dairying. The gentleman lives a long way from the dairy districts of the Northwest and, possibly, he is not familiar with what was done by the Federal Government in relation to aiding the dairy-

men with appropriations—for instance, for the purchase of dairy cattle. This purchase was made at a time when the entire Northwest was in a drought, when thousands upon thousands of cattle were starving and many of them dying. The Government did step in, and it spent money in buying dairy cows just as it had also spent money, farther west, in buying beef cattle in order to keep them from starvation; and, if the gentleman from Texas or anybody else regards as aid to dairymen the payment of $9 a head and $10 a head and $12 a head for cows that were ordinarily worth $100 to $150 a head, then the dairymen did get aid; otherwise, they did not.

As for the purchase of dairy supplies for relief purposes, it is true they did buy some; and they also bought cotton. They bought cotton by the carload and shipped it to the centers of Wisconsin and had it made into mattresses. They also bought flour and distributed it among the poor. But here is the odd fact about the purchase of dairy products: Apparently, for the purpose of both relief and for so-called stabilization, the Government did not buy and it has not spent the $50,000,000 that was available. It has not expended that entire sum, but it went out and bought butter from the lowest bidders. In other words, instead of stabilizing the price of butter and dairy products by the purchase of these supplies at cost-of-production prices, as it stabilized the price of cotton by fixing a price, it went in the market and purchased from the lowest bidders and caused a decline in dairy prices instead of an increase.

So, if I had the time, I would go to greater length with respect to what the Government has done for dairying. The fact is that all the purchases made by the Government under the Triple A, or any other plan, have not equaled the amount of dairy products shipped in to us from foreign countries, glutting our markets, and compelling the entire dairy sections to take a lower price for their products. [Applause.]

Mr. Chairman, after 6 years of experiment to aid the general agricultural situation comes another measure designed to improve conditions. In these experiments more than $2,000,000,000 of Federal funds have been expended. That each endeavor resulted in some benefit to portions of agriculture may not be questioned, but with all that has been done, the situation as a whole is not greatly improved. In some sections it is even worse than when the Federal Government first took hold to find a solution of the difficulties.

With farm income some five billions less than at the beginning of the experiments, the farm indebtedness even greater, after hundreds of thousands of foreclosures under which a million or more farmers lost their all, including their homes and their opportunities in life, the annual interest charge upon the indebtedness requires even a larger amount of farm commodities for payment. The causes of farm distress continue unabated, and but little has been done to correct or change them.

While the Government has been spending its billions, raised in part by taxes upon the very farmers whose complaint, among others, is the steadily growing burden of taxation, it has permitted even larger amounts than it has expended in aids and bounties to be sent abroad to foreign countries to purchase farm products, the importation of which not only have served to displace domestic farm production but to glut the principal markets and lower the prices which the farmers must take for those home grown. The protests of dairymen and those engaged in farming lines go unheeded, and their grounds for complaint are augmented by so-called reciprocal trade agreements which are adding to this unfair competition of cheaper producing countries with our own agriculture. All attempts to increase farm income by bonuses, subsidies, application of the doctrine of scarcity, and other such forms of farm relief, will fail of accomplishment so long as this policy is continued.

The present measure is labeled as a conservation plan at once designed to preserve the fertility of our farm lands, prevent erosion, continue the A. A. A. plan of reduction in acreage of several principal crops, and in a general way to evade the ruling of the Supreme Court and carry on the same policy which that ruling upset. It places an enormous sum in the hands of one man, to spend as he shall dictate, and to aid only such portions of the farming population as he alone shall determine upon. It is to be expected that he will, as closely as the law will permit, distribute its benefits among the growers of cotton, wheat, tobacco, and corn as he may please to do, while dairy farmers and others not included in the more favored classes will receive only such consideration as he chooses to give. Whatever he may choose, they will continue to pay for the promotion of the prosperity of the special groups.

The importance of the conservation of the soil is not disputed. Already more money has been spent for soil-erosion work by the C. C. C. than this bill will distribute among the farmers. If Congress desires to appropriate large amounts for such a laudable purpose, it has the power and the opportunity to do so. But to hitch a farm-relief plan to such a broad project, expend the funds for only a portion of the farms while all farms may have need of the process, and indirectly subsidize competition which will tend to reduce the farm income of dozens of States, is quite another matter.

In the six Northwestern States, Iowa, Minnesota, North Dakota, South Dakota, Nebraska, and Wisconsin, lies the greatest dairy district on the continent. More than half the dairy products of the Nation comes from those six States. And 75 percent of their milk is made into butter, cheese, and condensed milk, the principal part of which is shipped to markets beyond the limits of the producing States. These dairy farmers are pioneers in protection of their lands against erosion. These farmers, more than a million in number, have not only developed the most wonderful dairy herds in the world, but they have devoted their acres to feedstuffs for their herds, contributing little, if any, to the so-called surplus of corn and grains. They have developed their pasture and hay lands, rotated their crops, and, in effect, have done all that the present measure calls for in protection against soil wastage.

These same dairy farmers were excluded from any of the benefits distributed under the A. A. A. They paid their portion of the taxes which went out to the three and one-half million farmers who shared in the distribution of the $1,500,000,000. They paid for the benefit of other sections while their own mortgage debts continued to grow, their interest charges increased, and their difficulties of meeting foreign competition went unrelieved. Their mortgage debt alone is about 40 percent of the total of farm mortgages in the entire country.

This bill proposes no aid to them. It is not to be expected that they will receive subsidies for what they have done. Their full acreage is devoted to supporting their dairy herds. They cannot reduce their crop acreages unless they turn to the markets for their animal feedstuffs. So far as their prosperity or farm relief is concerned, they are left entirely out of the picture.

Furthermore, this bill proposes to subsidize the cotton grower and wheat farmer to engage in dairying on the lands which they will be paid to take out of cotton and wheat production. Any farmer in any State has a perfect right to use his acreage as he may choose, to engage in dairying or stock raising as he prefers, but here is a plan to pay him a bounty for engaging in these lines while those who have labored through decades to develop such lines of farming will not receive any compensation. It arrays not only one branch of farming against another but it serves to put many other States on a subsidized basis to compete against a great dairy region by direct Government policy.

That the plan will be carried out on much the same line as the A. A. A. is not to be doubted. It is proposed and will be enacted for that purpose. That the distribution will be about the same is possible. Here I shall insert a table showing the payments made to the farmers of the several States and the branches of farming benefited.

EXHIBIT B. AGRICULTURAL ADJUSTMENT ADMINISTRATION, DIVISION OF FINANCE

Rental and benefit payments made by Agricultural Adjustment Administration through Dec. 31, 1935, analyzed by State and commodity

State	Total	Cotton	Wheat	Tobacco	Corn-hogs	Sugar	Rice	Peanuts
Alabama	$29,938,661.70	$29,198,799.77		$6,889.92	$645,512.00			$87,460.01
Arizona	2,273,696.31	2,142,554.99	$49,313.73		81,827.59			
Arkansas	35,313,740.02	31,860,802.79	6,584.45	775.66	1,595,985.93		$1,649,591.19	
California	13,104,109.10	2,465,349.85	2,893,108.31		2,447,278.74	$5,580,647.02	1,717,725.18	
Colorado	15,526,943.68		5,611,022.21		3,823,943.13	6,091,978.34		
Connecticut	1,944,539.54			1,878,494.17	66,045.37			
Delaware	364,717.27		283,401.50		81,315.77			
Florida	2,852,837.16	835,256.57		443,355.60	396,220.96	1,178,002.03		
Georgia	30,947,145.52	27,555,871.81	16,582.47	2,547,491.39	238,335.94			588,955.91
Hawaii	11,243,515.28					11,243,315.28		
Idaho	12,138,628.81		8,646,676.48		1,578,092.27	1,913,860.06		
Illinois	56,886,049.18	3,285.57	6,700,477.19	1,765.81	50,135,224.01	45,296.60		
Indiana	36,126,463.50		5,082,153.83	388,983.12	30,466,520.70	188,505.85		
Iowa	93,292,030.60		1,123,167.83		91,929,517.75	239,355.02		
Kansas	85,755,192.42	6,529.28	64,646,607.32	18,418.44	21,888,170.77	225,467.61		
Kentucky	20,631,910.04	203,154.21	651,482.80	14,306,778.73	5,470,476.30			18.00
Louisiana	29,549,383.54	16,871,179.53			124,180.33	8,585,410.40	3,968,613.28	
Maine	6,065.00				6,065.00			
Maryland	2,905,039.76		2,102,061.75	73,303.91	729,674.10			
Massachusetts	1,267,126.21			719,300.60	347,825.61			
Michigan	8,880,286.13		2,217,385.69		4,084,199.04	2,570,701.40		
Minnesota	32,817,104.00		4,900,723.80	93,080.07	26,890,577.67	932,722.46		
Mississippi	34,379,866.30	34,279,625.75			100,242.85			
Missouri	42,522,601.20	5,277,584.36	4,126,341.49	280,238.07	32,834,304.31		1,933.06	
Montana	18,733,470.82		15,809,591.98		774,950.63	2,149,923.21		
Nebraska	37,634,849.86		15,322,269.62		20,821,123.87	2,491,456.37		
Nevada	153,735.98		76,715.27		77,020.71			
New Hampshire	63,027.45			12,640.39	50,387.06			
New Jersey	520,899.64		29,412.67		491,486.97			
New Mexico	3,684,740.92	1,724,451.03	1,343,083.42		609,977.12	6,288.52		940.03
New York	569,601.44		105,761.55	87,932.52	375,907.37			
North Carolina	30,731,379.44	13,808,584.21	134,000.60	15,017,275.83	957,614.69			813,904.11
North Dakota	41,270,711.28		36,711,690.10		4,218,786.46	340,234.72		
Ohio	27,885,711.07		4,534,493.41	1,790,519.98	20,913,765.10	646,932.58		
Oklahoma	53,126,471.86	27,834,054.70	18,244,627.38	58.00	7,006,877.03			42,854.75
Oregon	7,808,769.08		6,807,716.29		1,001,052.79			
Pennsylvania	3,282,107.11		640,031.06	1,938,243.28	703,832.77			
Philippine Islands	6,645,182.79					6,648,182.79		
Puerto Rico	3,937,460.72			2,307,432.63		1,580,048.09		
Rhode Island	6,319.49				6,319.49			
South Carolina	21,823,284.69	18,046,506.52		3,221,464.95	541,393.33			13,919.89
South Dakota	31,831,366.56		12,915,845.91		18,528,438.31	337,061.34		
Tennessee	19,263,792.28	10,773,496.73	343,925.28	3,650,875.99	4,477,526.63			17,967.65
Texas	152,776,927.75	109,858,721.66	14,383,682.32		6,333,332.09		1,815,153.11	355,836.37
Utah	4,013,984.44		1,600,100.31		272,069.51	2,053,814.62		
Vermont	103,851.60			13,351.51	90,300.09			
Virginia	7,074,492.76	770,208.71	1,451,631.14	2,430,404.04	1,914,857.36			507,391.51
Washington	15,587,206.72		14,596,125.51		92,386.98	63,694.23		
West Virginia	753,706.06		200,744.48	175,363.56	417,808.02			
Wisconsin	12,127,600.29		93,520.17	1,850,501.13	9,696,303.94	487,461.16		
Wyoming	3,249,538.64		1,123,218.85		626,410.45	1,489,409.51		
Total	1,108,322,870.30	333,516,020.04	255,624,669.37	53,254,837.30	597,086,524.64	57,088,394.20	9,303,015.82	2,429,249.03

The payments from the beginning of the A. A. A. until December 31, 1935, amount to $1,108,322,870. The table does not include the $286,000,000 recently appropriated and now being paid to fulfill contracts entered into. The total number of farms in the country is 6,812,000. The payments were made to 3,800,000 farms, and none was made to over 3,000,000 farms.

Of the total, $333,516,020 went to cotton growers, mainly to those of 12 Southern States. At the same time, the Government "pegged" the price of cotton through loans made by the R. F. C. to the amount of about $270,000,000. It is worthy of comment that the cotton farmers turned from cotton growing to dairying, six States alone adding 175,000 cows to their herds.

The wheat farmers received A. A. A. payments of $255,624,669. There was also an increase of many thousands of dairy cattle in the wheat States in 3 years, while the number of such cattle in dairy States decreased.

The corn-hog raisers received $397,026,684; the tobacco farmers, $57,088,394; rice growers, $9,383,015; and the sugar bounties amounted to $2,429,249.

A comparison by States and sections discloses how unevenly the benefits of the A. A. A. were distributed among the nearly 7,000,000 farmers.

Five States, Texas, Iowa, Illinois, Oklahoma, and Missouri, with a total of 1,446,077 farms, received $378,604,078, more than one-third the total payments.

Eleven States, Indiana, Maine, Massachusetts, Michigan, New York, Pennsylvania, Vermont, Virginia, Washington, and West Virginia, with 1,455,975 farms, received $85,818,508, or less than 8 percent of the total.

Texas, which received $132,776,927, and Iowa, which was awarded $93,292,030, together obtained $226,068,957, an amount greater than the combined receipts of Michigan, Ohio, Wisconsin, Minnesota, and Kentucky, amounting to $102,342,517. Texas and Iowa have 723,044 farms, and the five States mentioned 1,133,500.

The distribution, when shown by the number of farms in each State, shows a wider difference in benefits. In no State were all the farmers included in the payments. On the basis of the total number of farms, Wisconsin, with 199,877 farms, received an average of $60.67 per farm, while Alabama received an average of $109.83, Texas $264.99, Pennsylvania $16.63, and Iowa $420.

The restoration of the buying power of the farmers is conceded to be necessary to a general revival of business. The farm income for 1935 was less than 10 percent of the total national income, though the farmers comprise one-fourth or more of the population. The buying power of all the farmers cannot be greatly improved by taxing 40 percent of the farmers more heavily that 60 percent may receive the benefits. Nor can farming as a whole have improved conditions while competition is encouraged by Government subsidies.

This measure will continue the attempt of the A. A. A. to bring about farm recovery in spots. It will continue to oppress dairy farming in the Northwestern States in particular, and even threatens their great industry, which has been 60 years in building. Whatever may be the desire of the Members from those States to aid the farmers of all other sections as well as their own, they cannot, in honesty to their own farmer constituency, aid in the promotion of a measure which promises aid to other sections at a loss and detriment of their own, even to the point of driving northwestern dairying still farther toward ultimate bankruptcy and destruction.

Two amendments are suggested to the House bill. One would prevent the land taken out of production in cotton

and wheat States being used under the Government subsidy for hay and pasturage for dairy and beef herds. It would serve to minimize some of the dangers to the dairy industry in the Northwest which are plainly threatened in the measure before the House. It should be adopted, but, even so, it will not change the fact that about 35,000,000 more acres will be devoted to legumes, and that those acres will afford continued competition in the future.

The other is the La Follette amendment to the Senate bill, which would provide a dairy marketing program, under cooperative management, through which some of the abuses of price control by speculators might be eliminated. Whether included as an amendment or as a separate measure, that program should be put into being. To the objection that Government funds would be needed for such price stabilization, it may be said that the amount required would be small as compared to the great loans made to stabilize cotton and corn prices.

Wisconsin has one-tenth the dairy cows in the country. Its great dairy production in 1929 amounted to $260,000,000. In 1935, with production as large, the returns were less than half that amount. In fact, Wisconsin's income from dairying in 1935 was less than the amount which the State of Texas received from the A. A. A.

The 11 counties in the district I represent have close to a half million cows. Probably 80 percent of the farm income is from dairying. The price of butterfat is still far below cost of production. Foreclosures of farm mortgages in this great dairy district are increasing in number. Agents of Federal land banks and other Federal credit agencies travel about seeking to obtain collections from farmers who cannot pay. So-called aids for the dairy farmers have been inconsequential in comparison with their losses. Our farmers are not in the situation where they can afford increased taxation to subsidize still greater competition from other sections of the country. Denied benefits under the A. A. A., they will fare even worse under the measure under discussion.

Our farmers recognize that the prices on their butter and cheese are fixed very largely by the importation of such products from foreign countries. Twenty-two million pounds of foreign butter and 52,000,000 pounds of foreign cheese dumped onto markets in which there already was a surplus in storage makes for price-fixing by the speculators.

Instead of complying with our demand for protection against such unfair foreign competition, reciprocal-trade treaties continue to increase importations. The Canadian treaty lowered cheese prices 2 cents per pound, entailing a loss of $6,500,000 to the 60,000 Wisconsin farmers who sell their milk to cheese factories. Another trade agreement which reduced by 29 percent the tariff on Swiss cheese will cost Wisconsin farmers, who provide the milk for two-thirds of the Swiss cheese made in this country, more millions during the life of the treaty and before the injustice of it can be remedied.

Fully realizing the importance of the conservation of the soils of our farms, and desiring to aid in any program for improvement of agricultural conditions which must precede general business recovery, I cannot bring myself to support a measure which not only subsidizes competition which would threaten and destroy the greatest industry in my State and district but which would levy an additional tax burden upon those already greatly overtaxed to provide the subsidy. [Applause.]

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. GOODWIN].

Mr. GOODWIN. Mr. Chairman and members of the Committee, I propose to discuss for a few minutes certain paragraphs of the House bill now before us. Section 7 of the House bill provides that the Secretary of Agriculture shall cooperate with the States by making grants to enable the States to carry out plans for the development of the agricultural program, and then provides that the program of the States shall conform to certain fixed rules which the Secretary of Agriculture may approve.

It provides the agency to administer the plan shall be the land-grant colleges or a State agency as may be approved by the Secretary. No provision is made for a plan which might be proposed by a legislative body of any State as applicable to that State.

Should a State, through its legislative representatives decide that it might be to their best interests to provide that land taken from production should not be used for grazing purposes, it apparently has no authority to do so under this bill. Many States, including the State of New York, would suffer in their milk programs if the lands taken from production in other States are used by other States for the development of a competitive program of milk production.

Section 14 of the House bill provides that notwithstanding any other provision of the law, the action of any officer or employee in determining the amount of or in making any grant of payment under sections 7 and 8 shall not be subject to review except by the Secretary of Agriculture.

Is this not a provision which would eliminate any audit by the Comptroller General or any other checking agency of the Government? While this provision existed under the A. A. A. Act, it would seem that all review is subject only to those spending the appropriation. [Applause.]

Mr. JONES. Mr. Chairman, I yield to the gentleman from South Carolina [Mr. FULMER] such time as he may desire.

Mr. FULMER. Mr. Chairman, I expect to vote for this bill for the same reason that my chairman expects to vote for the bill—that is, it is the only bill we have at this time to vote on and apparently it is the only farm bill that we will have an opportunity to vote on during this session of the Congress. There are a number of important and meritorious bills pending in Congress, bills that many of the Members are interested in and that they would like to have an opportunity to vote upon, but under the rules and because of the attitude of those in charge, it is very apparent, as stated, we will not have the opportunity to vote on these bills.

I am not going to explain this bill, just what it will do and just how it will be administered, for the same reason that others who have spoken on the bill have not explained to any extent the real fundamental purpose and plan of administration. I do not believe that there is a Member of Congress on the floor of this House, including the members of the Agricultural Committee, who can give you any definite information, especially detailed information, as to just how this bill will be administered. I make this statement for the reason that if anything has been said by those who will have charge of administering this bill about its real purpose, it must have been said down in the Agricultural Department. There were no hearings held on the bill, and no one was called in conferences from time to time except our chairman, Mr. JONES.

You will notice, on page 1, section 7, of the bill the declared policy, which shall include—

(1) The preservation and improvement of soil fertility;
(2) Promotion of the economic use of land;
(3) Diminution of exploitation and unprofitable use of national soil resources;
(4) Provision for and maintenance of a continuous and staple supply of agricultural commodities adequate to meet domestic and foreign consumer requirements at prices fair to both producers and consumers thereof; and
(5) Reestablishment and maintenance of farmers' purchasing power.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. FULMER. Yes.

Mr. MASSINGALE. I wish the gentleman would inform us whether it was within the contemplation of the committee when they were considering this bill that the benefits flowing from it should be distributed to tenants as well as landlords.

Mr. FULMER. It is not what the committee contemplates or any other Member of Congress; it is what the Secretary of Agriculture decides to do, in that he has full power.

Mr. MICHENER. Will the gentleman yield?

Mr. FULMER. I am sorry, I have not the time to yield further.

The only machinery mentioned outside of the Secretary of Agriculture who will handle the bill on the part of the

Federal Government will be found on the bottom of page 2, as follows:

The agency to administer the plan—

Which will be put into operation under this bill—

shall be the land-grant college or colleges in the State, or such other State agency as may be approved by the Secretary of Agriculture.

This will clearly indicate that the Secretary of Agriculture will have the last word in approving the State machinery, and unless the machinery set up in the State to administer the operations of this bill on the part of the State is perfectly satisfactory to the Secretary of Agriculture there will be no grant to such State. There is nothing in the bill and, as stated, there has been no statement before our committee on the part of those representing the Agricultural Adjustment Administration as to the purpose of the bill except as referred to in section 7, which is to conserve the soil.

In section C, page 2, we find the following:

Any State which submits to the Secretary, prior to such time and in such manner and form as the Secretary prescribes, a State plan to effectuate one or more of the purposes of section (7) shall be entitled to payments, as provided in this section.

You will note from this that the plan to be submitted by the State no doubt will be formulated by the Secretary of Agriculture under rules and regulations that he is permitted to write under section 11 for the administration of the bill.

As a member of the Agricultural Committee and as a Member of the House, I seriously object to the passing of legislation not containing at least some rules and regulations governing the administration of the bill in question. You will find under section 11 of this bill the following:

The Secretary shall prescribe such rules and regulations as he deems necessary to carry out this act.

You can see from this that the Congress is turning over to the Secretary of Agriculture unlimited power and complete authority.

Out of my experience during the past 2 or 3 years, having had an opportunity to observe the manner in which bills and programs have been administered, I am in a position to know that there has been considerable complaint and that the Congressmen have not been able to secure satisfactory adjustment of these complaints. This type of administration in many of the departments is seriously operating against Mr. Roosevelt.

God forbid that we shall return to a Republican administration whose theory of government is to look after the welfare of the well-organized and well-financed groups, on the ground that if they become prosperous these groups will look after agriculture and the wage earners of the country. They were certainly looking after agriculture and the wage earners of the country when the tariff policy was established, giving special benefits to industrial groups without placing farmers on an equal basis.

It is my understanding that Mr. Hamilton, or someone at the time of the establishment of the tariff policy, stated that this type of policy would be the salvation of industry, but unless a bounty were given to farmers, placing them on an equal basis, the time would come that agriculture would be bled to death and its purchasing power would be destroyed, all of which would bring about a collapse of industry. This statement may be a dream of mine. However, this happened prior to March 4, 1933.

No one can object to the various programs suggested by the President. However, as stated, there are many people in my district and in the country who object to the manner in which these bills have been administered and these programs have been carried out.

I am sure that every Member of Congress realizes that it is impossible for the President to pass upon these various rules and regulations written in the various departments and the manner in which bills and programs are administered.

The Bankhead Act was not a bad act if it had been properly administered. Every line of business, including industry, except agriculture, keeps posted as to the trend of affairs and is able to control its production in line with supply and demand. It is my firm belief that until the farmers of this country have been placed in a position to do the same thing, which would naturally give them some control over the prices that they are to receive for their products, it is going to be impossible to place agriculture on a sound basis and on an equal basis with other groups which, as stated, are in a position to control their production as well as fix prices. I believe that every farmer in my district agrees with this statement.

The Bankhead Act had various rules and regulations written into the bill, but many of them were ignored by those who had charge of administering same, and for that reason I am glad I had a part in repealing the law. Listen to this provision in the Bankhead Act—section 7 (a), subsection 3, page 5 of the act states:

The Secretary of Agriculture, in determining the manner of allotment (of cotton) to individual farmers, shall provide that the farmers who have voluntarily reduced their cotton acreage shall not be penalized in favor of those farmers who have not done so.

There are two classes of farmers who come clearly within this provision, many of whom did not receive the benefits of this provision. First, many farmers for the past few years have been cutting down their production of cotton, planting various other crops in line with the advice of the agricultural colleges; second, many small farmers were unable to buy fertilizer, and therefore, their yield per acre was not in line with that of those farmers who were able to buy fertilizer. But this was not considered. Many of these small farmers had to reduce their acreage prior to the operation of the Bankhead Act to secure a seed loan. This was not taken into consideration.

You will note in section 8 of the bill that 10 percent of the cotton allocated to each State shall be deducted from the number of bales allotted to such State for the purpose of taking care of the farmers I have been talking about; also, to take care of the following situation; under section 8, subsection (a):

To producers of cotton on farms where for the preceding 3 years less than one-third of the cultivated land on such farm has been planted to cotton.

This was absolutely ignored in numerous cases.

Subsection (c):

To producers of cotton on farms where for the preceding 5 years normal cotton production has been reduced by reason of drought, storm, flood, insect pests, or other uncontrollable natural cause.

This was also practically ignored. Those who allotted cotton could have taken into consideration the fact that many of these small farmers, as previously stated, could not buy fertilizer which would clearly come under that part of section (c), which states "or other uncontrollable natural causes", which, as stated, reduced the yield per acre to these farmers.

I introduced a bill in January 1935 which would have been helpful to farmers who had been producing from 1 to 5 bales of cotton. But it was voted down in the Agricultural Committee. I introduced practically the same amendment on the floor of the House when the agricultural bill was being considered, and this amendment was also voted down by the Members of the House. This amendment was bitterly opposed by the Department of Agriculture.

I am giving this information so that farmers of my district and of the cotton South will clearly understand my position in connection with this very important matter. I am going to give you just two or three examples of the complaints received by me, quoting excerpts from certain letters addressed to me by farmers in my district. This party lives in Richland County:

Don't understand me to be fighting our President. I am for him. I think he is the best friend that we have ever had. What I am complaining about I know the President does not know anything about. The trouble is with the ones on this end of the line. I only get 5 acres to plow and 170 pounds lint per acre, 850 pounds to plow, less than two bales. My next-door neighbor gets 250 pounds lint per acre, just across the road. I am afraid this kind of treatment will be against our President in next election.

This party lives in my district but operates a farm in an adjoining county. He states:

A tenant of mine cultivates 75 acres of land near Cheraw, S. C. Last year there was planted on this place approximately 35 acres in cotton in the effort to comply with the Government requirements. We reduced that acreage this year to 25 acres. His allotment has been placed by those in charge at six bales. He will make about 15 bales. In talking with a friend similarly situated who has 36 acres in cotton I find that his allotment is 16 bales in a different county. It will be impossible for me or my tenant to clear any money on the allotment of six bales when the balance of the crop has a processing tax of $25 or $35 a bale.

Some of the letters received by me were actually heart rending. Listen to this from a farmer who resides in my home county:

I am a little farmer not planting more than 4 acres of cotton. I was given one bale to sell. I made two little bales. It will take half of one bale to pay rent. I can't pay rent, money borrowed to make my crop, and pay my honest debts. They told me I didn't plant enough to make a contract. I don't get any rent payments. My health is not much and my wife is not able to do but a very little. If you can do me any good, I will appreciate your kindness.

I am quoting from a letter from a leading banker in my district, who is also a large and progressive farmer:

DEAR CONGRESSMAN FULMER: The allotment of cotton for the small tenant farmer should be increased so as to make their living possible. I have a number of tenants, and although I am letting them have their money at the legal rate for the actual time used, I find this year that they are not able to make the grade. You realized that our interest, even eliminating all selfishness, is closely alined with the small farmers, and I very much hope that something may be done to better his condition.

I am now quoting from a State senator:

A great many of the small farmers are finding it impossible to make ends meet with the small quantity of tax-free cotton allotted them.

Listen to this letter received from a farmer who lives in Richland County, who states that he is 70 years old and has been plowing for 55 years, which has been the only means of livelihood:

I am one that has been reduced to rags and the lowest standard of living that I have been up against. I have been allowed this year 665 pounds of lint cotton to a two-horse farm. My Negro tenant got 136 pounds. This is just one instance out of hundreds of others who are in as bad or worse condition than I am. My base acreage was 12 acres. They have cut me to 5, and, as stated, only 665 pounds of lint cotton. My last year's obligations are unpaid, as I only had one bale in 1934. I have seven dependents to support, taxes to pay, fertilizer to buy, all out of 665 pounds of lint cotton, worth about $100, including the cottonseed. One of my neighbors runs a two-horse farm. He was allowed to plant 25 acres and has an allotment of 23 bales. He is a single man with no dependents. Mr. FULMER, I am now 70 years old, and I have plowed 55 years for a living. Please tell me in your answer what the future has in store for us.

With the information I have on this bill, and with the information given me by this party and others about the manner in which the Bankhead bill has been administered, certainly I am not in any position to tell this constituent of mine just what he may expect under the operation of the soil-conservation bill.

Farmers were not permitted to enroll on the relief rolls for the purpose of being certified for work under the operations of the W. P. A. It appears that this organization had a rule whereby those who did not have their names on the relief rolls prior to a certain date could not enroll later on. This prevented thousands of farmers who, because of small allotments of cotton, received under the Bankhead bill, not being able even in a great many instances to pay their obligations, let alone having any extra money to buy clothing, shoes, and schoolbooks, from receiving any relief under the work-relief program of the W. P. A. A great many farmers who were rehabilitated under the rehabilitation program who had to turn in all of their cotton without even being able in a great many instances to pay all of their indebtedness were in the same boat. I tried very hard to be helpful to these people but, as usual, without any results.

I refer to this to show you that this class of farmers are not getting a square deal even at the hands of another branch of government.

I know of one farmer running a 20-plow farm on a share-crop basis, all of the tenants operating a 1-horse farm except 2 families who operate 2 plows each. This farmer used to produce three to four hundred bales of cotton. He listened to the advice of those who advocated diversified farming and received only 57 bales, less than 3 bales to the plow, in 1935. This farmer was not responsible for the 13,000,000 bales surplus. Neither were the tenants on this farm. If the provisions in the Bankhead bill quoted by me a few moments ago had been given consideration in alloting cotton to this farm, these tenants who did not make enough cotton to pay their obligations and had to sell their other products to pay their debts, would have been given at least 100 bales of cotton. I personally know of another farm in the same section where the landlord continued to plant cotton during the base years—in fact, I believe he increased his production. He was given 200 bales of cotton and $2,000 rental benefits. I have received hundreds of complaints from my district along these lines.

Many of the letters, as stated, were heart rending because, having farmed all of my life and having furnished farmers, being a supply merchant and a country banker, I knew what they were talking about. However, in that I did not have anything whatever to do with administering the Bankhead bill or any other bill, all of which is clearly up to some department or some administrator, upon receipt of these complaints I immediately took the matter up with the county agent, allotment board in the State, and with the Agricultural Adjustment Administration. However, I might just as well have gone to the Governor of Arkansas as far as securing tangible results. Now, that is what I am kicking about, and that is what so many farmers are complaining about.

The following statement contained in a letter received from an outstanding businessman and farmer in my district very clearly indicates the feeling on the part of farmers along the lines I have been speaking to you about:

I understand there is some kind of crop-control movement under way, and would be glad that you have it fixed so that each township have a vote and elect their own committee and not have it pushed down their throats by county agent; and if that is impossible, arrange to have the county agent call the county together and have each township elect their own committee.

In that I understand that the machinery controlling the operation or the administration of this bill will be in the hands of certain agencies and farm associations in the State, I am hoping that the farmers will see to it that they are represented in connection with these organizations and that complete provision will be made for a review of all complaints by a disinterested commission, or board, composed of farmers, in each township in order to see to it that in taking out acreage for conservation and allotting cotton for the purpose of paying benefits under the domestic-allotment plan, that the program will be carried out in such a manner that all farmers, large and small, rich and poor, will be treated alike, eliminating just as much as possible any discrimination whatever.

It will be an easy matter to decide that; we will say South Carolina is entitled to produce 1,000,000 bales in 1936. Perhaps it will not be so hard to divide this million bales between the 48 counties in South Carolina, although it was not properly done under the Bankhead bill.

In a number of counties, because of their location, farmers had to cut down planting cotton after the arrival of the boll weevil because of the seriousness of the boll weevil infestation. However, this was not taken into consideration. Especially was this true in Barnwell County, my district. Now, what are they going to do about allocating cotton to individual farmers so as to make payments thereon under the domestic allotment plan contained in this bill? Will the Secretary use the same basis used under the Bankhead Act? I realize that on account of the decision of the Supreme Court perhaps we cannot write all of these things in the bill. But we could have written them in the hearings, or we could have had some assurance on the part of those who will administer this bill as to just what yardstick will be used in taking out land from individual farms and what plan would be used in allocating cotton under the domestic allotment plan. What are we going to do for renters of farm land under this bill? They do not own any land, and about 50 percent of the farmers of South Carolina are in this class. Many of these farmers are renting and share cropping because they have been robbed in the past by a one-sided tariff policy

and monopolistic price fixing, both on what they had to sell as well as what they had to buy.

The only bill passed by the Congress that proposed to correct this one-sided tariff policy was the Agricultural Adjustment Act which was introduced in Congress by me. This bill proposed to control production by reducing and increasing acreage from year to year so as to bring about a production of cotton in line with the demand, paying certain benefits to farmers to bring about a parity in price for that which farmers produce in line with the prices paid for that which they must buy. Farmers everywhere are for this type of legislation—that is, control the acreage on a fair basis and let farmers sell all the cotton they produce. When the Supreme Court decided that agriculture was a local problem and not a national problem, thereby declaring the A. A. A. unconstitutional, agriculture and 30,000,000 people thus engaged were dealt a death blow.

I am not an attorney. Therefore, I am not in a position to speak on judicial matters. But, out of my practical experience, and with a common-sense view, will state that any man or court that states that agriculture is a local and not a national problem would indicate, regardless of his ability as a lawyer, that his past experience and his past environment plus several other things I might state, have caused him to make a deplorable error which will cost agriculture, labor, and business millions of honest dollars.

In closing, I want to give the actual benefits received by farmers in the eight counties I have the honor to represent, located in the Second South Carolina District, under the operation of the A. A. A. and President Roosevelt's administration.

I find the total benefits under the cotton, corn-hog, tobacco, and cash for cotton option programs that my district received during the years 1933–34–35, $4,720,114.15. There has been a considerable amount of money also going into my district under other programs, relief, Works Progress Administration, and other Federal activities. In the meantime, while I have not any definite figures, at the time of the passage and placing into operation of the Agricultural Adjustment Act there was a quantity of cotton being held by farmers, all of which has been sold from time to time on an advancing market which no doubt would have been sold at 5 cents and 6 cents per pound had not the Agricultural Adjustment Act brought about increased prices, all of which has meant millions of dollars to South Carolina and the South. It is my belief that President Roosevelt has done more for and tried to do more for the South, the great masses of the people, including agriculture and labor, than any other President who has ever had the privilege to preside over this great Government of ours.

I should like to state that I am for the President and hope that he will be reelected, but I want it distinctly understood that I do not approve of many things that are being done by many of those who have been appointed by the President and who are responsible for administering bills and carrying out various programs suggested by the President.

Mr. JONES. Mr. Chairman, I yield now to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Chairman, as one of the few Members of the House actually engaged in farming and livestock raising, I make this observation. I had the privilege of coming into the harbor of New York not so long ago and of viewing the great center of finance and seeing the board of trade in action—trading in securities—and after viewing those two sights, it occurs to me today that this bill is an insurance policy to the financial structure of the Nation, because if we do not preserve the natural resources and the productivity of our soil, the whole financial structure, the whole business structure of the Nation will come tumbling down. [Applause.]

All wealth must have a source and that source is the soil of this Nation. We were tardy in instituting this program, but unless partisan politics obstructs the proper functioning of this program, as proposed in this soil-conservation bill now before the House, it is not too late to insure the well-being of this Nation for future generations. In speaking of partisan politics and in closing my remarks, I wish to inject this thought; that while the gentleman from Kansas [Mr. HOPE] represents an element in the Republican Party that has always favored proper farm legislation, the leaders of the Republican Party and former Presidents of that party have always promised everything in the Republican platform and then vetoed or defeated worth-while farm legislation.

We never had a farm program until we elected Franklin D. Roosevelt, so I am happy to support the members of the Agriculture Committee who have recommended the passage of this bill, and to stand by the President in his effort to give the country farm legislation. I know that this bill helps to balance the scales that have been so long out of balance, helps to put agriculture on an equal footing with industry and is only a step toward the goal of equality between farming and industry that the Democratic Party and President Roosevelt are trying to reach.

As a farmer rather than a lawyer, my first impulse when the A. A. A. was declared unconstitutional was to make farm legislation possible by amending the Constitution. To accomplish this, I introduced on January 10, H. J. Res. 446, which is now before the Committee on the Judiciary. My second impulse was to continue the A. A. A. by reintroducing the processing taxes at the old rates, and to accomplish this I introduced on January 22, H. R. 10502, which is now before the Committee on Ways and Means. I felt then, and still feel, that no one could question the rights of Congress to impose processing taxes as a means of raising revenue. Thus, the A. A. A. could have been continued.

Congress did not choose to take this course. We have before us now a soil-conservation measure. This measure is to promote soil conservation by proper land usage and carries out a principle I embodied in legislation introduced by myself on March 6, March 9, and May 7 of last year. Naturally, since this bill definitely establishes a national program of soil conservation and proper land usage, I am heartily in favor of it. [Applause.]

Mr. JONES. Mr. Chairman, I yield 8 minutes to the gentleman from Illinois [Mr. LUCAS].

Mr. LUCAS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain resolutions from farmers in Menard County, Ill., and a telegram from Earl C. Smith, president of the Illinois Agricultural Association.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LUCAS. Mr. Chairman, the divided opinion of the United States Supreme Court in holding the Agricultural Adjustment Act unconstitutional has temporarily stayed the progress made by Congress in its attempt to permanently establish for agriculture the fundamental American policy of equality before the law.

I speak advisedly when I use the words "temporarily stayed", because the leaders of the best agricultural thought in this Nation, reinforced by unified and organized groups by the thousands, will never surrender the just and necessary economic advantages obtained for agriculture under the outlawed Agricultural Adjustment Act.

THE LONG FIGHT FOR EQUALITY BEFORE THE LAW

It is advisable to recall the long and courageous fight which the farmers of this Nation have waged in behalf of this vital principle. For 12 long years organized agriculture demanded Government recognition upon the theory that the Government should assist and cooperate with the farming industry in creating a legislative policy which would give to the farmer a fair and equitable price for his products in terms of relationship with industry and labor. For 12 long years this economic plea of justification and equality before the law was given little or no consideration by those in control of the affairs of Government, who chose to follow a policy of selfishness and resistance rather than a policy of parity. It was evident that such a policy would affect the price of the basic commodities of agriculture. They gradually declined until in 1932 they reached the lowest price level in all of our history. My colleagues, the failure upon the part of those in power to adopt a progressive policy of equality for the farming industry was in my opinion the

primary factor responsible for the complete economic collapse of not only agriculture, but every other industry in America.

When one reviews that period of struggle and recalls what actually happened, it is difficult to believe that recovery was possible in any line of human endeavor. Farmers were bankrupt, tenants were hopelessly insolvent, factories were closed, credit was impaired, and millions of people were out of employment, all of which brought a peculiar kind of suffering and misery to the American people, the like of which had never been known in God's land of plenty. Mr. Speaker, it was the darkest hour for agriculture in all of our history. That was the picture when the present administration came into power in March 1933, and no Member of Congress can successfully challenge those statements. In the words of Browning, "How sad, and mad, and bad it was." Yes; it was sad, and mad, and bad throughout the agricultural communities of America when we were plunged in the depth of economic darkness with 10-cent corn, 30-cent wheat, and 5-cent cotton, all of which was an insult to diligent and faithful toil. A steady decline in prices for 10 consecutive years resulted in a decline in the gross national farm income from $11,041,000,000 in 1923 to $5,337,000,000 in 1932.

Only a nation of free people could have withstood the shock. Only Americans with courage, faith, and determination could have worried along with such ruthless policies constantly hammering at their door. Diverging for a moment, let me make this observation: I submit that one of the great compensations to come out of the depression was the courage and resolution exhibited by the great majority of American people in every walk of life. Indeed, the great majority of the agricultural group met the danger with coolness and compassion. They battled adversity with true American determination, and notwithstanding the depression and the frequent defeat of their cause, Democrats and Republicans alike, representing agricultural sections, faithfully labored on a plateau above partisan politics for equality before the law. It was such perseverance upon the part of the farmers of America which finally caused the passing of the Agricultural Adjustment Act on March 22, 1933. Yes; it was that day that the Federal Government, for the first time in history, recognized a legislative obligation to the basic industry of America. It was that day that hope saw a star beyond the flickering clouds of gloom. It was that day when equality before the law spoke boldly to the American people, saying:

> From out of the painful row of sighs
> One voice of comfort seems to rise.

And, ladies and gentlemen of the Committee, that voice of comfort was the voice of Franklin D. Roosevelt, because it was immediately following his inauguration that he called the farm groups of America to Washington and told them to write their own legislation to meet the existing emergency and he would sign the bill. In that historical meeting the Agricultural Adjustment Act was formulated by the farmers themselves, acting through their own organizations. It was later approved and defended by the President of the United States on the basis of its fairness to agriculture.

THE FARMERS' POSITION TODAY

It is well at this point in my argument to briefly review what advantages the farmers received under what proved to be later on an unconstitutional program. Time prohibits a lengthy discussion. The benefits can best be portrayed by comparing the total purchasing power of all farmers for the years 1932 to 1935, inclusive. The gross income for 1932, which reached an exceedingly low point, was $5,337,030,000. Under the impetus of the Agricultural Adjustment Act we find the gross income for 1933 in the sum of $6,406,000,000. In 1934 it was $7,266,000,000. In 1935 it was $8,110,000,000. A matter of simple arithmetic tells the story of the tremendous increase in the purchasing power of this great class of American people in the short space of 3 years. I am willing to give the drought some of the credit for the increase mentioned. However, it was infinitesimal compared with the benefits derived through legislative action.

Is it any wonder, with these billions of dollars of increased purchasing power under a program of cooperation, that every leading farm organization in this country, after the Supreme Court invalidated the Agicultural Adjustment Act, should come to Washington and, after a 2-day conference, vote unanimously for the enactment of legislative aid of an effective character in order that the forward-looking policy of agriculture might not be disturbed by that decision? Is it any wonder that these national farm organizations and cooperative groups, representing every major commodity produced in America, are anxious to retain the farm yardage gained in political scrimmage in a game which some people say should never have been played? Is it any wonder that delegates and members of the Illinois Agricultural Association, which has a membership of 63,000, concluded their convention in Decatur, Ill., on January 30, last, with an unreserved endorsement of the temporary agricultural plan as a substitute for the Agricultural Adjustment Act? These manifestations of cooperative action are indicative of the farmers' keen disappointment over the death decree of their first and only legislative program. However, a high tribute must be paid to the farmers because of the sober and calm judgment displayed after the shock. I think this sentiment is aptly expressed by the Honorable Earl C. Smith, president of the Illinois Agricultural Association, and one of the leaders of agricultural thought throughout this country, when, at the close of the Decatur conference, he said that the Farm Bureau "will not resort to support of a constitutional amendment unless a full, exhaustive effort to attain farm parity under present interpretations of the Constitution fails."

That means, my colleagues, that the farmers of Illinois want further examination made of the commerce, welfare, or any other clauses of the Constitution to ascertain the hidden lamps, if any, which will light their way and ease their economic burdens through legislation. I am of the opinion that such a declaration represents the sentiment of this House. It seems to me that every individual who is vitally concerned with agriculture and who believes in the Constitution of the United States is willing to explore every avenue of thought therein, hoping beyond hope that the problem of farm industry may ultimately find permanent relief under the broad spirit of the Constitution, as well as the declaration of governmental principles of human rights which are the cornerstone of this Republic.

THE RECENT SUPREME COURT DECISION

That leads me to a brief discussion of the majority decision in the recent case of United States against Butler, holding that certain provisions of the Agricultural Adjustment Act were in conflict with the Federal Constitution. No question can be raised by anyone as to the benefits received by certain industries under and by virtue of the high protective tariff. In fact, the tariff is the mother of the invalidated Agricultural Adjustment Act. Without the high protective tariff I doubt that this legislation would ever have been attempted. We have frequently said, in defending this law, "A tariff for all or a tariff for none." It is to this phase of the Court's opinion which I shall now address myself. Justice Roberts holds that a tax, as used in the Constitution, signifies an exaction for the support of government, and that the money raised through such tax cannot be taken from one group for the benefit of another group. In other words, it is unconstitutional to tax the processors for the benefit of the farmers, because farm prosperity benefits no one in America but the farmer. The distinguished jurist is far more exacting than the tax when he says:

> We may concede that the latter sort of imposition is constitutional when imposed to effectuate regulation of a matter in which both groups are interested and in respect of which there is a power of legislative regulation.

Why was it necessary to make a contribution of that kind when the question was never argued before the Court? It is evident that the Court was indirectly talking about the protective tariff. Yes, my colleagues, the industries operating behind high tariff walls must be highly elated over that clever clause of obiter dictum. What the justice says indirectly is that the protective tariff is a tax regulated by the

Government, but not in support thereof, from which everyone in America is directly or indirectly benefited, including the American farmer, and therefore the Court gives the tariff by implication its constitutional blessing.

To give the protective tariff in that opinion a coat of legal veneer and to fail to ascertain the scope of the phrase, "general welfare of the United States", or to determine whether an appropriation falls within it, is a paradox which can only be accounted for by delving into the schools of economic philosophy and political thought. I regret to say that it is a sad commentary upon a philosophy so narrow that a question vitally affecting the Nation-wide depressed condition of agriculture should remain unanswered. If they were not called upon to construe the welfare clause within the limitations expressed in the opinion, I ask: Why did the Court ever make mention of the subject matter?

The minority opinion recognized the grave plight of agriculture in this country. It also recognizes the fact that Congress still has capacity to govern. It is a clear-cut, well-written, and understandable opinion. It also specifically says, "the power to tax and spend includes the power to relieve a Nation-wide economic maladjustment by conditional gifts of money." The majority and minority opinions in this extraordinary case are so diametrically opposed that it cannot be definitely said that the legal principles laid down by the majority have been adjudicated for all time to come. It is agreed by many who understand the effect of legal opinions that no decision since the famous Dred Scott case has so affected the orderly affairs of Government. No opinion since the Civil War has been so widely discussed by various groups throughout the Nation. No opinion has heretofore affected one of the major industries of America upon such a wide scale.

AGRICULTURE AS A LOCAL PROBLEM NOT A PERMANENTLY ESTABLISHED PRINCIPLE

In view of the consternation surrounding this decision, let us turn back the pages of history to another crisis and see what Abraham Lincoln said about the Supreme Court, commenting on its decision in the Dred Scott case. In speaking at Springfield, Ill., on June 26, 1857, in reply to Stephen A. Douglas, Lincoln said, among other things, in referring to this decision:

> If this important decision had been made by the unanimous concurrence of the judges, and without any apparent partisan bias, and in accordance with legal public expectation, and with the steady practice of the departments throughout our history, and had been in no part based on assumed historical facts which are not really true; or, if wanting in some of these, it had been before the Court more than once, and had there been affirmed and reaffirmed through a course of years, it then might be, perhaps would be, factious, nay, even revolutionary, not to acquiesce in it as a precedent. But when, as is true, we find it wanting in all these claims to the public confidence, it is not resistance, it is not factious, it is not even disrespectful, to treat it as not having yet quite established a settled doctrine for the country.

Then, again, in Lincoln's first inaugural address on March 4, 1861, when his remarks were directed to the Supreme Court generally, he said:

> At the same time, the candid citizen must confess that if the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by decisions of the Supreme Court, the instant they are made in ordinary litigation between parties in personal actions the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal.

And so today I contend that it is not factious or disrespectful to say that the decision of the Supreme Court making agriculture a local problem in 48 States rather than a national problem may be treated as not having established the settled doctrine of this country. Under no theory can I subscribe to a doctrine which advises me that the wheat which I raise upon my farm is a local problem when I know that the producing, the price, the sale, and the processing of that commodity are all linked in one huge economic national chain. However, law-abiding citizens must respect the opinion of the Court so long as it is the law of the land, but under stress of existing circumstances it is advisable to say that the precedent established in the Butler case in no way embalms the principle for which agriculture is aggressively fighting.

THE FARMERS' PART IN FRAMING THE CONSTITUTION AND BUILDING THE NATION

Let it be said now that the farmers of this Nation yield to no single group in their respect and reverence for the Constitution, which has been our guiding star for a century and a half. Why, my friends, the farmers were in command when America was a scene of revolution. They fired the shots that were heard round the world. The colonists were all engaged in farming when the Constitution was adopted. Obviously, if the founding fathers were born and reared in an atmosphere of agriculture, they were ever solicitous of the fundamental rights and legal privileges of those who were engaged in tilling the soil. It would seem that such environment might have had something to do with the drafting of the commerce and welfare clauses. It has been said that the fathers builded better than they knew. Certainly every intendment should be drawn in their favor in building a lasting foundation for the industry responsible for their existence. The farmers were the body and soul of the Nation in that experimental period, just as they stand in the front ranks today as the best insurance policy for the economic safety of the Nation. And such national confidence has been tremendously augmented through the Agricultural Adjustment Act, because agriculture, under that program, was gradually adjusting itself with the purchasing power of industry and labor. It is unthinkable that we turn back; the law of self-preservation demands that we go forward.

YEARS OF DISCRIMINATION AND ULTIMATE RECOGNITION HAVE UNITED THESE GENUINE AMERICANS IN THE BATTLE FOR EQUALITY

My colleagues, economic torture, culminating in human suffering and misery over a long period of time, leaves an unforgettable pain. No industry can be lashed and torn to shreds through 12 years of maladministration without retaining permanent scars and some wounds which may never heal. So, notwithstanding the indifference of the smug financier from the cultured East, the farmer was completely conscious of the economic void in which he was being gradually regimented under a governmental policy of the most favored few. The farmer was pioneering in a field where the sacred cows of monopolistic greed had been lavishly operating for many, many years. To invade this sanctum sanctorum was an unpardonable trespass upon the rights of privilege in the opinion of the Court, but, my colleagues, every cloud has a silver lining. No single act has been so potent in driving all of the farmers into united thought and action, and today throughout the Nation they are meeting and resolving to stand by their guns in the impending struggle for equality. In the face of subjected pressure and unfair propaganda, as well as the adverse decision of the Court, these true guardians of liberty, and not the slaves of regimentation, move forward with confidence in the full realization that Franklin D. Roosevelt and a friendly Congress are again attempting to sustain for them through legislative action a decent price for the commodities they have to sell.

It is with pride that I place in the RECORD certain resolutions which I have received from eight Democratic and eight Republican farmers of Menard County, Ill., which is a part of the Twentieth Congressional District, which I have the honor to represent. These resolutions are thought-provoking. They disclose an intelligent and comprehensive understanding of the current problems of agriculture. The knowledge of these men of the farm problem is typical of the knowledge of the farmers throughout my district and State, evidence of which has been received by me through other resolutions. The major part of the Menard County action is as follows:

> These resolutions respectfully submitted by a committee composed of one representative from each voting precinct of Menard County, State of Illinois, said committee having been appointed to draft resolutions to be sent to the leaders of organized agriculture, to Members of the Congress, Secretary of Agriculture, and the President of the United States. The appointment of the aforesaid committee was the result of meetings held in each of the aforesaid voting precincts; notices of such meetings having been mailed to the representative farmers of each precinct. The aforesaid committee being composed of eight Democrats and eight Republicans. We, the aforesaid committee, do hereby respectfully submit the following resolutions and we earnestly request that these resolutions be given careful consideration.

Whereas in its own self-restraint and wisdom it hath pleased a majority membership of the Supreme Court to remove from the statute books of the United States certain legislation, to wit: The Agricultural Adjustment Act, by the use of which the people of the United States had been guided to that corner 'round which prosperity was hiding; and

Whereas through the use of the aforesaid legislation for the past 2 years, the aforesaid people of the United States had succeeded in making undoubted progress in dragging the aforesaid prosperity from its hiding and restoring it in an ever increasing degree to its rightful place among all classes of the aforesaid people; and

Whereas this restoration is commonly recognized by a vast majority of the aforesaid people, in spite of the fact that a majority of the public press—that medium through which the news of the country is spread—had been and still is using every effort to conceal this fact; and

Whereas proof of the last statement is to be found by reading the editorial and featural sections of the aforesaid antagonistic majority press, and then turning to the market pages of the same papers and there finding facts which are in direct contradiction to the statement set out in the aforesaid editorial policy; and

Whereas certain selfish and misguided numerically minority groups in this country have in the past few weeks declared it to be their intention to "gang" on those responsible for the policies and legislation which, in our opinion, was solely responsible for the ever increasing return of prosperity to all the people rather than to the aforesaid selfish or misguided minority groups; and

Whereas, after a careful study of the aforesaid Supreme Court decision, it is our firm belief that had as much search been made for a justification of the aforesaid Agricultural Adjustment Act under the Constitution, as was made for justification of the aforesaid majority opinion, then justification of the Agricultural Adjustment Act could have been found. We believe that the grammatical construction of practically all legal documents, including the Constitution, is of such a nature that their interpretation, as Justice Stone points out in the minority opinion, is guided largely by the self-restraint of those who interpret. It is also our belief that the conservation of the soil fertility of this Nation, through the application of the aforesaid Agricultural Adjustment Act, is a policy which promoted the general welfare, since it adjusts the production of agricultural products to such a level as will adequately supply the needs of all the people of the Nation plus such an additional surplus as can be exported at a price level which makes it possible for the farmer to keep his land in an ever increasing state of fertility; and

Whereas we believe that the general welfare of the Nation will be better promoted by thoughtful, unselfish planning for and adjustment to the needs of all the people rather than by the old wasteful, soil-depleting policy of unplanned production which is advocated by those who are in opposition to the policy of the present Secretary of Agriculture: Now, therefore, be it

Resolved, That we, the representatives of organized agriculture in Menard County, Ill., do hereby express our unreserved faith and confidence in the leadership of the Illinois Agricultural Association and the American Farm Bureau Federation; and be it further

Resolved, We wish to extend our sincere thanks and appreciation to those Members of the Congress, Secretary of Agriculture, and the President of the United States, who have been untiring in their efforts in securing during the past 2½ years legislation which is of undoubted value in the return of prosperity to all classes of people; and be it further

Resolved, That since the Agricultural Adjustment Act is now null and void we entreat and admonish these farm leaders, Members of the Congress, Secretary of Agriculture, and our President to continue in their efforts to enact legislation that will assist the farmers of the Nation in uniting in their efforts to adjust production to a needed demand; and

Resolved, That we ask the Congress to enact legislation within constitutional limitation that will meet the present crisis; that if, in their opinion, such legislation is not possible under the Constitution, we ask that such an amendment to the Constitution be submitted to the people as will make it possible to legally protect the agricultural industry of this country.

Signed at Petersburg, Ill., this 15th day of January 1936.

A. E. Hurne, chairman; J. Kennedy Kincaid, Athens, North; J. E. Grant, Athens, South; Otto A. Winkelmann, Atterberry; J. T. Langston, Fancy Prairie; Leo Claypool, Greenview; J. H. Deverman, Indian Creek; Edwin Dorgan, Irish Grove; W. Irving Brown, Oakford; H. H. Denton, Petersburg, East; Clarence C. Stier, Petersburg, North; Arthur B. Robertson, Petersburg, South; Emory Q. Irwin, Rock Creek; E. P. Kleinschmidt, Sandridge; Joe Wagonu, Sugar Grove; Geo. W. Daniels, Tallula.

The most significant and forceful part of these resolutions is the fact that men are willing to adhere to an agricultural policy which is high above the plateau of partisan politics. It is a declaration of firmness and candor by men who belong to both major political parties, but who are willing to submerge party regularity for a principle which means everything to them.

It may be of interest to the Members of the House to know that the ancestors of eight of these farmers were friends of Abraham Lincoln. Lincoln at one time lived in New Salem, which is now located in Menard County. These men have lived their lives under the influence and teachings of that great man. They are honest, industrious, and law-abiding citizens. Their national creed is one of unquestioned Americanism. And yet this is the type of citizen who has been branded directly and indirectly by irresponsible, selfish, and politically minded individuals with socialism, communism, or some other "ism" because they dare pass resolutions in praise of, or openly commend, a Chief Executive who has stood by them in a crisis. Between these farmers out on the prairie of Illinois and the demagogue who cries "socialism" and "communism" at every opportunity let us stand by the farmer. America will last longer if we do. Thomas Jefferson, in a letter to Arthur Campbell in 1797, when discussing the Americanism of farmers, said:

> Farmers, whose interests are entirely agricultural, are the true representatives of the great American interests, and are alone to be relied on for expressing the proper American sentiments.

THE NEW LEGISLATION MUST BE ENACTED IMMEDIATELY TO PREVENT DISASTER

Let us now look to the soil conservation legislation which is pending before the membership of this House as a substitute for the Agricultural Adjustment Act. The inquiry is made as to the necessity of immediate legislation upon this important problem. It is frequently said, "Why cannot the Committee on Agriculture go into long and exhaustive hearings and finally report out a permanent program within the Constitution?" My colleagues, everyone knows that the farmer is depending upon this Congress to right the wrongs he has suffered through the opinion in the Butler case. To delay this relief until the next Congress would strike a deadly blow to all farmers who for the last 2 years have been faithfully cooperating with the provisions of the Agricultural Adjustment Act.

I seriously contend that without a program of some kind disintegration of the policy of soil fertilization and restoration will begin, and every farmer will be competing with his neighbor in the increase of production of basic commodities. We shall once more witness a farmers' marathon in an increase of acreage productivity, from which we know that soil conservation is vitally affected. As an incident thereof, we shall also return to the chaos and disorder we experienced in 1932.

Recognizing this danger, it is now proposed to amend the Soil Conservation Act with a twofold purpose incorporated therein. We propose to meet the temporary emergency by authorizing an appropriation of $500,000,000, which has been passed on in the Senate, to carry out the purpose as expressed in section 8 of the Soil Conservation Act.

SOIL CONSERVATION MAJOR AIM OF THE TEMPORARY PROGRAM

Section 8 is the crux of the temporary program to meet the present emergency. An abstract of that section discloses that the Secretary of Agriculture shall make payments or grants to agricultural producers, based upon treatment of land for soil restoration, conservation, prevention of erosion, changes in the land, or a domestic allotment percentage. In obtaining this information county or community committees of agricultural producers may be utilized, but it is expressly stated that no one has any power to enter into a contract which is binding upon the producers. This provision was written to meet the objection laid down by the Supreme Court in the Butler case. No farmer is required to do anything under this program. He may cooperate with the committee on soil conservation and be rewarded therefor, or he may do as he pleases.

The Federal Government, under this bill, is primarily interested in soil conservation and not in the control of agricultural commodities. Such control is only incidental to the main objective. Obviously, control of production promotes soil conservation and restoration. We saw some 30,000,000 acres taken out of production during the last 2 years, thereby giving that acreage a chance for restoration

through rest, fertilizers, and legumes, even though it was unconstitutionally done.

The fundamental difference between the Agricultural Adjustment Act and the bill before the House is one of objectives, but the consequences so far as soil conservation is concerned are the same. That is the reason for the tremendous increase in the appropriation under the present amendment when compared with that of last year.

THE PROPOSED LEGISLATION PROMOTES THE GENERAL WELFARE

The important question under the Constitution is, "Is soil conservation a national problem or one reserved for the States?" At first blush it would seem axiomatic that if the products of the soil which found their way into the channels of commerce were local instead of national in character, certainly the soil from which the product came would also be a problem reserved for the States under the tenth amendment to the Constitution. But a further study of the many ramifications of soil conservation and erosion has induced me to reach the opposite conclusion. We realize what erosion has done to millions of acres of land in America, to say nothing of the Old World. When the topsoil is lost the farmer is compelled to leave and the land becomes useless for any purpose. Dr. Bennett, of the Soil Conservation Service, says that we have practically destroyed approximately a hundred million acres of formerly cultivated land, and that in addition to that we find that in the neighborhood of 125,000,000 acres of land, much of it now in cultivation, has lost all or the greater part of the topsoil, and many of the farmers operating on this land have been reduced to the state of what practically amounts to bankrupt farming on bankrupt land. Something must be done about this before it is too late. Rotation of crops, resting of land, planting of legumes, and other methods of erosion control are of national concern, viewed in relation to the fast depletion of our soil resources which sustain the life of a nation.

I am certain that the Soil Conservation Act promotes the general welfare of the country, and, therefore, is constitutional. I cannot believe that the Supreme Court will consider soil conservation and prevention of erosion a State problem. From a geological viewpoint, it has taken perhaps millions of years to form the topsoil we use to produce the basic commodities of life. The sun shines on every State alike and has something to do with keeping the soil in a productive condition. The rains come, the winds blow, and the snow falls, making no distinction as to State lines. Rivers throughout the Nation each year carry thousands upon thousands of tons of soil through erosion from one State to another. All of these elements of nature, national in scope, vitally affect the soil and are the factors in soil destruction, erosion, conservation, and restoration.

My colleagues, I do not feel that it is proper to discuss at any length the second part of this bill. It is a plan to pay to the States certain grants through land-grant colleges or some other State agency for soil conservation after the temporary plan has expired. The details of this plan are largely in the hands of the Secretary of Agriculture, and will be worked out at some future date. As to the constitutionality of the second program, there can be no question, although there may be some question as to its workability.

In conclusion, I desire to submit a telegram which I have received from the Honorable Earl C. Smith, president of the Illinois Agricultural Association, in which he endorses this legislation:

CHICAGO, ILL., *February 18, 1936.*

Hon. SCOTT W. LUCAS,
House Office Building, Washington, D. C.:

Informed H. R. 10835 will be taken up for consideration in House tomorrow. Bill substantially embodies position Illinois Agricultural Association and therefore urge your active support this legislation.

EARL C. SMITH,
President, Illinois Agricultural Association.

My colleagues, I submit that parity of agriculture is the paramount issue in American life today. I hope that the Members of this House will follow the action of the Senate by passing this legislation by an overwhelming, nonpartisan vote, thereby answering the prayer of the American farmer for equality before the law. [Applause.]

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, the Supreme Court, in holding the Agricultural Adjustment Act unconstitutional, used these words:

> The act invades the reserved rights of the States. It is a statutory plan to regulate and control agricultural production, a matter beyond the powers delegated to the Federal Government.

Now, it seems very apparent that while this bill is labeled get around or circumvent the language of the Supreme Court one for soil conservation, the main purpose of the bill is to decision in the A. A. A. case. It is a substitute for the A. A. A. proposition under any circumstances. Why not say so outright, rather than to try to label it with some other title, to confuse either the public or the court or somebody? I do not think it has confused this House very much. It is very apparent what the purpose of the bill is.

I want to call particular attention to two or three outstanding features in connection with the preparation of this measure. First, I have asked two or three different gentlemen on the floor why no general hearings were held on a measure as important as this. The only answer I have been able to secure is the statement that they were not held. I think that is about all you can get. There was a demand made on the committee that the agricultural interests and the general public should be heard before a substitute measure for the A. A. A. should be brought into this House. That was declined.

We have heard a great deal at one time or another about gag rule, but there never was a better illustration of it than in the bill that is before us today, considering the manner in which it comes before us. Certainly, the great agricultural interests of the country, whatever line they may be pursuing in agriculture, were entitled to appear before a committee of this body. Now, that is very apparent. I have the highest regard for the gentleman from Texas [Mr. JONES] and his knowledge of agricultural matters, but nevertheless I claim that those who are on the outside of this body, anxious to know what we are going to do, are entitled to a hearing. The present procedure reminds me of the star-chamber methods that the administration is using in relation to reciprocal tariffs. There is a very strong comparison between the methods here employed and those by which the reciprocal tariffs have been negotiated.

Further than that, I want to call the attention of the House to the fact that just as certain as we are sitting here today, that is the way a tax bill is coming in here in a short time. Why has there not been anything before the Ways and Means Committee since we came into session in January? They are simply waiting until the last moment when the gentleman from Alabama [Mr. BANKHEAD] is about ready to move to adjourn sine die, and then you will find a tax measure in your laps, unless the Democratic leaders are afraid of the approaching election.

Mr. BANKHEAD. Now, will the gentleman yield, as long as he has mentioned my name?

Mr. TREADWAY. Yes; so long as I have referred to the gentleman, I will yield?

Mr. BANKHEAD. Upon what does the gentleman predicate that false prophecy?

Mr. TREADWAY. Because it is the way every piece of legislation has come up within the last 3 years. It is the way every tax measure has come up. I am sorry the gentleman was ill when the last tax measure was before us, but how much time did we have to consider that measure?

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for another question?

Mr. TREADWAY. I yield to the gentleman from Alabama.

Mr. BANKHEAD. I imagine the gentleman would be very much surprised were he to find a tax bill under consideration next week.

Mr. TREADWAY. I would be agreeably surprised. It would be a harbinger of adjournment and an indication of sense on the part of the Democratic Party, too.

Mr. BANKHEAD. We are full of that these days.

Mr. TREADWAY. Yes; but it is shown around here very little.

Another outstanding fault with this measure is the broad and unprecedented discretionary authority handed to the Secretary of Agriculture. I do not think I need express my opinion of that official, but when the Supreme Court, in the A. A. A. case, takes certain authority away from the Secretary of Agriculture and you turn around and place more authority in his hands, I say that is turning the other cheek.

A few moments ago the gentleman from Oklahoma referred to an insurance policy. This is the first time I ever knew that one man could write an insurance policy, and that is what this is. You are assuming that in delegating this authority to the Secretary of Agriculture he will fairly distribute $500,000,000 of the taxpayers' money without a measure, without a yardstick, without any limitation whatsoever. You are passing it to one man who is a failure in the position he now occupies, thanking him for his failures, and giving him $500,000,000 of the taxpayers' money to use as he sees fit, granting and withholding benefits at his discretion. [Applause.] Why, I can see this $500,000,000 being distributed in the next few months with an election approaching. There will be the most rank discrimination shown in buying up the politically doubtful sections of the country that has ever been exhibited in this land, and that is going some.

Under the broad discretionary authority conferred upon him, the Secretary can use the whole $500,000,000 as a campaign chest in States that look as though they may not be in the Democratic column next November. The farmers in Democratic States may not get any of the "gravy" at all. Passamaquoddy will be a piker alongside the way this $500,000,000 will be used by the Secretary of Agriculture.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. No; I am very sorry. The gentleman is a good friend of mine, but I think I can use these 2 minutes better than answering any questions he may ask.

Mr. KOPPLEMANN. I want to remind the gentleman——

Mr. TREADWAY. I beg pardon; I did not yield.

Mr. Chairman, I say that this is a political bill and that it is to be used to influence votes. They seem to have failed in the Passamaquoddy business. It has become so ridiculous they cannot further manipulate the $39,000,000 they had to start with on that project.

Further than that, this bill, as the three gentlemen from Wisconsin have so well shown, discriminates against one class of agriculture for the benefit of another. It must be that the Secretary of Agriculture either expects to buy up some of those midwestern dairy States or else they are absolutely sure they cannot carry them. I do not know which it is and I do not care a whole lot. I do know one thing, however, and that is that this bill has so many bad features that the idea you can fool anybody with the phrase "soil conservation" goes out the window.

I am still trying to find out who wrote this bill. There seems to be a great deal of mystery about its paternity. Is the author ashamed of it? Is he afraid to come forward and take the responsibility for his handiwork? If he is, I do not blame him; I would not want to take the responsibility for it either.

Mr. Chairman, if the administration would cease its policy of tearing down the tariff on agricultural products, and allow our own farmers, manufacturers, and workmen to produce the commodities we need in our home market, the agricultural problem would not be as pressing as it is today. Every dollar's worth of farm products imported from abroad takes just that much of the home market away from the American farmer. There is no reason why we should be consuming the agricultural products of foreign countries when we have more than ample facilities for growing the same products right here.

Similarly, if we would put our own unemployed to work producing the manufactured products we need, instead of encouraging increased importations from abroad, the farmer would find a tremendously increased market here at home for his products. The American workman, when he is steadily employed at standard American wages, is the best customer the farmer has.

The leader of the majority party was kind enough to whisper to me as I started my brief remarks, "Be easy, Allen; take it easy."

Mr. BANKHEAD. No; I said be as reasonable as you know how. [Laughter and applause.]

Mr. TREADWAY. I have been that. I certainly have been most calm and considerate in expressing the opinion I have of this measure.

In conclusion let me say that instead of passing this political farm bill, we should take the farm question out of politics, because it does not belong there. It will not be settled until it is settled right, and this measure is but a hasty, ill-considered makeshift. We should take the necessary time to give careful consideration to the question, after hearing from all interested parties, and then enact a sound, constitutional, nonpolitical bill.

Mr. Chairman, I thank the Members for their attention. [Applause.]

Mr. DOXEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. WEARIN].

Mr. WEARIN. Mr. Chairman, if the past 3 years are any criterion of what may be expected in the future, then we have every reason to anticipate satisfactory results from the farm bill now pending before the House in the form of H. R. 10835, even though the mechanics of the measure may not be exactly to everyone's liking. It is necessary that we have legislation to carry on the present reasonably profitable level of farm prices until such time when widening markets and rising wage scales will absorb the total of American farm production, creating a fully normal state of affairs.

Even the opposition to this bill will admit that the United States is a surplus-producing country with respect to many of its major agricultural products, upon which the prosperity of the industry depends. I can imagine a man being opposed to the measure under consideration and in favor of reciprocal trade agreements, or opposed to reciprocal trade agreements and in favor of the pending bill; and I can understand how he might support both of them; but it is inconceivable that he could array himself against the two propositions and in effect say to the American people, You shall not negotiate to dispose of your surplus products in the markets of the world, and you shall not regulate their production or conserve the resources of your soil.

When I say that we have reason to anticipate results I refer naturally to the improved condition of the American farmer with respect to the prices he is receiving for his products today as compared to 1932, when the New Deal won its first victory. At that time corn was selling for 10 cents per bushel, hogs for 2 cents per pound, cattle for 4 cents, wheat for 20 cents, and there was scarcely even a bid for oats. Under the Roosevelt program we have witnessed a rise to 75-cent corn, 14-cent cattle, 10-cent hogs, and dollar-and-a-quarter wheat.

Other farm commodities have risen in proportion. The total farm income in the United States has grown from $5,370,000,000 in 1932 to $8,110,000,000 in 1935, showing a net gain of almost three billions. This condition has been reflected in a declining demand for refinanced farm loans in 1935, as compared to 1934, and a rising demand for production-credit loans, indicating that farmers are in a financial position to begin profit-making investments and feel it advisable to do so.

The improved condition of the American farmers' finances has, of course, been stimulated by the reduction of interest rates on farm mortgages held by Federal financing agencies and sponsored by the Roosevelt administration. You were being charged 5 and 5½ percent on your land-bank loans until the Seventy-third Congress, when the Democratic leadership reduced the charge to 4½ percent the first year, which meant an annual saving of $10,000,000 to our farm population, and followed in the next session with a reduction to 3½ percent for the fiscal year 1935–36, after which the

rate will be 4 percent for the 2 succeeding years. A reduction of 1 percent in interest charges on land-bank loans means an annual saving to American farmers of approximately $20,000,000. Why was not this done during the 12 years of the preceding administration if the leadership at that time is honest now when members thereof urge you to return them to power and see what they will do for agriculture. Let us not forget that we watched them permit it to sink to its lowest ebb in American history during the three terms of their reign.

It is rather amusing now to see all the proposals they are advancing to aid the farmer. It is especially interesting to read the critical editorials of the hostile press and then turn to the front page to find such headlines as "All classes of livestock show substantial advances"; "Cattle values best in 5 years"; "Hog prices not far from normal during past 12 months"; "Last half of year sees lambs soar to highest since 1930"; "Farm land attracts more buyers in 1935"; "Emergency farm financing is past"; "Merchants are optimistic over trade next year"; and "Steel pay rolls near peak year as output expands"—the latter two headlines bring me to the remark that the improved condition of agriculture has had its effect upon other lines of trade and the consumer is beginning to profit, and rightfully so, from the investment he has made in higher-priced food through more jobs made available in the work-relief program and private industry, and a general rise in practically all lines of business.

In December 1935, the National Industrial Conference Board, a nonpartisan private association established in New York for industrial research, stated that unemployment figures showed a decrease of 2.4 percent from the preceding month, and 9.3 percent from December 1934. The board's estimate of unemployment (and it is usually several hundred thousand below that of the American Federation of Labor) was 8,979,000.

In March 1933, the worst month of the panic, the Board's estimate of idle was 13,496,000 and the American Federation of Labor's estimate was 13,689,000. In either event the two organizations are agreed on a substantial reduction effected since 1933. Some of those men are, of course, on Public Works projects. Many others are in private industry, but in either event the worker's self-respect has been preserved, and the local businessmen with whom he does business are the beneficiaries as well as he and his family. In considering the unemployment situation, which has been relieved as a result of the improved condition of agriculture which has stimulated industrial activity, the critics of any method used to relieve it must remember, of course, that it was not created by the party in power but it developed under a previous administration in full and complete charge of every branch of the Government for 10 years and every branch except the House of Representatives for 12 years during which conditions grew steadily worse, so unemployment is an inherited problem as far as the Roosevelt leadership is concerned, coming from those who now criticize our methods of restoring prosperity, the proof of which is in the markets, and who now desire to be returned to power upon the basis of their record from 1920 to 1932.

But when we compare that record to the one made from 1933 to 1936 we can readily justify the claim that agriculture has profited from the New Deal. The December 1935 issue of A Survey of Current Business, issued by the United States Department of Commerce, stated—

> Expansion in industrial pay rolls has been accompanied by a greater than seasonal increase in farm incomes during the heavy marketing season. This, again, has provided the farmer with a considerably larger margin above his fixed expenditures, with the result that retail sales in rural areas have increased very substantially this year.

We may, with good cause, rejoice in the fact that both factory employment and industrial production during the past few months have reached the highest levels in 5 years and that business profits in 1935 increased by about 40 percent over those of 1934. The seasonally adjusted index of industrial production prepared by the Federal Reserve Board advanced in December 1935 to 103 of the 1923–25 average. As stated above, it was the highest level since the spring of 1930. A substantial portion of this improvement can be traced to increased farm purchasing power.

In a like manner it has had its effect in practically every field of business enterprise which shows such a striking degree of improvement under the Roosevelt administration. Wholesale prices have advanced approximately 33 percent; exports have been stepped up to 33 percent; listed stocks have rocketed approximately 134 percent, with many issues far in advance of that figure; bonds have sustained a steady advance that totals in the neighborhood of 22 percent; power production has made an enormous gain of eight and one-half billion kilowatt-hours, in spite of the fact that the utilities bewail the advent of the Tennessee Valley Authority, intended to reduce rates to American farmers and other consumers, and bitterly opposed proper regulation of their activities.

With the American farmers' gradually improving financing condition has likewise come an increase from thirty-nine billion to over fifty billion of total national income. The national wealth that skated to ebb tide under a preceding administration has increased from two hundred and forty-seven billion to over three hundred and twenty-five billion dollars, while the bank deposits have marched from the figure of thirty-eight billion to forty-seven billion plus.

It is true that there have been approximately $7,000,000,000 in emergency appropriations, but in the process of their expenditure and the application of emergency legislation, for which not only farmers but American businessmen who are now condemning Roosevelt and his program clamored in the spring of 1933, the public has profited in improved business conditions that total in the neighborhood of sixty-seven billions, when we take into consideration the increase in national wealth, national income, and additional bank deposits over that period. It should be extremely difficult for anyone to stand on the public platform or speak through the columns of the press in the face of such a commonly recognized business improvement ranging from agriculture to industry, banking, labor, and every other principal line of endeavor and state that the administration of Franklin D. Roosevelt has been anything else than a distinct success.

There are those who insist that the steps we have taken to reestablish business on a sound basis are a departure from the customary procedure and threaten the foundations of American liberty. Let us pause for a moment and consider if that could possibly be true in the light of existing conditions.

A few days ago I met a reactionary on the street, living in a dreamland of long ago when personal liberty could be used to the extent of capitalizing upon the souls of the masses who work for a living with their hands, and who form the foundation of America—past, present, and future. He told me that American agriculture, business, and the public are afraid to go ahead because of the acts of the present administration, as if the conditions I have just outlined did not indicate that they had already gone ahead; but I said to him, "What are they afraid of? Are the American farmers afraid of 75-cent corn, $1.25 wheat, 10-cent hogs, 14-cent cattle, 11-cent cotton, and 18½-cent tobacco as compared to 9-cent corn, 20-cent wheat, 2-cent hogs, 4-cent cattle, 6½-cent cotton, and 10½-cent tobacco in 1932? Are they afraid of having their farms refinanced at a saving of from 1 to 1½ percent in interest charges? Are they afraid of Federal loans on their agricultural products affording them an opportunity to await the arrival of satisfactory market conditions? Are the people afraid of having their bank deposits guaranteed up to $5,000? Are they afraid of the fact that almost a million homes have been saved through the Home Owners' Loan Corporation when private financial institutions failed to come to their rescue? Are they afraid of the fact that poverty and old age are being swept aside by Federal social-security legislation? Are they afraid of having their dealings in securities protected? Are they afraid of having their national wealth increased with a program of self-liquidating public works that have an added advantage of offering employment to men who are out of work? Are they afraid of a power-development program that will put cheap electric-

ity into homes warped with drudgery? Are they afraid of legislation to prevent the overcapitalization of industry that heretofore has resulted in their being fleeced out of millions of dollars for worthless, watered stocks and bonds? Is anyone afraid to have the unemployed of this Nation fed through the productive agencies of the Works Progress Administration or the Public Works Administration until such time as American industry becomes capable of absorbing them? Are either the American people or American business afraid of generally improved economic conditions for farmers and industry since the advent of the New Deal that I have outlined very briefly today, and that is evidenced on the market pages of every newspaper in the United States, be it hostile or friendly to the program?"

As a foundation for this entire structure of improved business and industry we have the business of American farming. I repeat again that much of the present advance is due in part to the fact that the purchasing power of agriculture has increased almost $3,000,000,000 annually in 1935 over 1932. Let us recall that all of the progress outlined has been made in the short stretch of 3 years of the Roosevelt administration, and I repeat that in the light of experience we can readily expect continued improvement of farm and business conditions under the terms of the pending soil-conservation measure.

Mr. DOXEY. Mr. Chairman, I yield to the gentleman from Missouri [Mr. NELSON] 8 minutes.

Mr. NELSON. Mr. Chairman, I have been asked if I expect to support this bill. I do. While the bill is not perfect, as I see it, and while time may show that it needs many changes, my belief is that it is the best bill that the Supreme Court decision and time make possible.

I like the foundation of this bill. One of the biggest problems we have in America has to do with soil saving. Every successful farmer should have two bank accounts, one in his local bank and one in the soil of his farm.

A great many changes have taken place in the last 100 years. A century ago my grandfather, then living in Virginia, started, according to an old notebook I have, with a herd of cattle, crossed them at Harpers Ferry, drove them through Philadelphia and on to New York City, and there sold them on foot. There was no problem of soil saving or soil conservation in that day. For a long time after that if a farmer wanted virgin land he took up 160 acres at perhaps $1.25 an acre.

When he had exhausted the fertility of his soil he got into a covered wagon, took his dog with him, and moved on toward a new West and a new farm. Today there is no new West, no free land. So I am doubly glad that the basis for this bill is soil saving. Incidentally, Mr. Chairman, may I say in this connection that no more worth-while movement than the C. C. C. camps, the soil-building conservation camps, has been suggested under the present administration. I have yet to hear criticism either from a Republican or a Democrat.

If I had my way, and I stated this to the President as well as to the able administrator, Robert Fechner, instead of reducing the number of camps and the number of young men in these camps, I would build them up to full 600,000 and carry on this work of saving soil and saving boys. [Applause.] While digressing somewhat from a discussion of the bill proper, I wish to speak further of the work of the C. C. C. camps, so effective in soil saving.

The Civilian Conservation Corps program, which has now been in operation for about 3 years, was created by an act of Congress approved March 31, 1933, and extended by the Emergency Relief Appropriation Act of 1935. The purposes of this legislation were to relieve acute distress by supplying productive employment primarily to young men whose families were on public relief rolls, to provide for the restoration and protection of our country's natural resources, and to aid in the stimulation of business recovery through supplying a market for large quantities of foodstuffs, clothing, heavy machinery, automotive equipment, and other supplies.

By Executive Order No. 6101, April 5, 1933, the President created the office of Emergency Conservation Work and named Robert Fechner, of Boston, as Director. And a wise selection it has proved to be. In this same order the President directed the War, Interior, Agriculture, and Labor Departments to assist the Director in carrying out the provisions of the act. To make the law effective, a Nation-wide chain of work camps was established in the forests, parks, and fields of the country. By July 1, 1933, camps housing 200 men each had been established in every State. The camps are limited to unmarried men between the ages of 17 and 28, to war veterans who may be enrolled regardless of age or marital status, and to a few local experienced men living in the vicinity of each camp.

The Director of Emergency Conservation Work is responsible for the execution of the C. C. C. program. Four Government departments—Labor, War, Interior, and Agriculture—cooperate in the operation of the program. The Director coordinates the functions performed by these departments through an advisory council composed of one representative from each Department. These council members act as liaison officers between the Director and the cooperating departments.

At the present time there are 2,158 Civilian Conservation Corps camps engaged in forest protection and improvement, park development, and soil-conservation projects in all parts of the country. With an average of approximately 200 men to a camp this means that more than 400,000 young men and war veterans are participating in the C. C. C. program at the present time.

During the time that the C. C. C. has been in operation, camps have been operated at one time or another in more than 3,000 communities. The largest number of camps in actual operation on any given date was 2,652. This peak number of C. C. C. camps was operated during the fall of 1935. The steady stream of letters and telegrams requesting camps, which has poured into the office of the director ever since the corps was organized, is one of the most vivid testimonials of the popularity of the C. C. C. program. Communities everywhere have been eager to have camps located within their vicinity, and have spoken highly of the conduct of the boys and the beneficial effect of the life in the camps.

Up to December 31, 1935, close to 1,559,000 men had been given employment by the Civilian Conservation Corps. About 1,400,000 of these were enrolled men. These enrollees had sent to their dependent families as allotments approximately $250,000,000.

The original strength of the Civilian Conservation Corps was 250,000 men. This was later increased to 350,000 by the addition of war veterans, LEM's (local experienced men) and 50,000 men enrolled in the drought area. During the summer of 1935 the C. C. C. was expanded to more than 500,000 men. Total employment in emergency conservation work from April through November 1935 fluctuated from 389,000 persons to 593,489 persons. These totals included the enrollees as well as the supervisory staffs and all other persons who were given employment as the result of the operation of the C. C. C. program. On April 30, 1935, a total of 391,955 persons were engaged in this work. The strength of the corps reached its peak on August 31, 1935, when 593,489 persons, including 519,000 enrollees, were in the C. C. C. organization. On December 31 there was an estimated total of 516,049 in the corps, including 457,495 C. C. C. enrollees and 58,554 nonenrolled persons. Enrollees, of whom approximately 10 percent are war veterans, consisted on that date of 445,147 C. C. C. enrollees in barrack camps in the continental United States, 8,449 Indians on Indian reservations, and 3,899 men in the Territories of Alaska, Hawaii, Puerto Rico, and the Virgin Islands. Nonenrolled personnel includes men employed in supervisory, technical, clerical, professional, or similar capacities, or who were engaged in the construction and maintenance of camps or other skilled and unskilled labor.

The total obligations through September 30, 1935, were approximately $1,006,500,000, of which more than half was obligated for materials, supplies, shelter, foodstuffs, clothing, equipment, transportation, and so forth. Nearly every type of industry has benefited through expenditures made necessary by the Civilian Conservation Corps program.

The present value of the conservation work completed by Civilian Conservation Corps men, as of September 30, 1935, was estimated at approximately $579,000,000 by the several departments supervising work projects. Among the principal items of work completed up to September 30, 1935, upon which the valuation was based, are the following: 405,402,500 forest trees planted over denuded areas, and an additional 100,000,000 trees planted in the prevention of soil erosion by the Soil Conservation Service; 62,593 miles of new service roads and truck trails constructed through timbered areas, principally for fire protection, of which nearly 60,000 miles were truck trails, and 39,121 miles of new telephone lines built into the Nation's forest and park fire-detection systems; over 1,223,000 man-days were devoted to fire presuppression and more than 2,244,000 man-days spent in fighting forest fires. A total of 44,040 miles of firebreaks were opened up through forested areas; fire hazards reduced over 1,274,201 acres; 2,428 lookout houses and lookout towers constructed in forests and parks for fire detection; forest-stand improvement work completed over 2,094,000 acres; a total of 16,250,000 acres covered in campaigns to control rodent destruction; a total of 5,035,158 acres covered in campaigns to reduce losses caused by beetles, moths, and other insects; tree and plant disease-control work conducted over 4,815,684 acres; 1,635,000 check dams built in gullies to control soil erosion; completion of timber estimating over 25,239,731 acres; and construction of 26,521 vehicle bridges.

The enrolled men have benefited greatly in health and morale due to the outdoor life, good food, regular hours, and steady work which characterize the Civilian Conservation Corps program. Care of the health of C. C. C. enrollees starts at the time of enrollment, as only those men are selected who can stand the work in the forests and who are free from contagious disease. When the enrollees are accepted they are sent at once to camps and are kept under careful medical supervision. Smallpox and typhoid vaccinations are given immediately.

A medical officer is assigned to each camp to look after the health of the young men. Not only does he take care of the sick and the injured, but he is responsible for the sanitation of the camp, the protection of the water supply, seeing that the men get proper food and bathing facilities, providing first-aid instruction, and giving lectures on personal hygiene and disease prevention.

At the present time the men are housed, for the most part, in barracks of either portable or permanent type. Sleeping quarters are carefully heated and ventilated in order to prevent the spread of communicable diseases, especially of the respiratory type. In addition to buildings constructed to shelter the enrollees, mess halls, recreation halls, and administrative buildings are also erected.

Veterinary officers are used to inspect meat and dairy products. These veterinarians inspect slaughterhouses, packing plants, dairy farms, and creameries to see that the food comes from the right kind of places. The food itself is inspected to see that it comes up to specifications and answers sanitary requirements.

The death rate in the C. C. C. has been 2.8796 men per 1,000 per year since the beginning of the corps through June 30, 1935.

A great majority of the enrollees leave the corps better equipped in every way to face the problems of modern life than before their service with the corps. Most of them have acquired new skills which open additional job opportunities.

The cash allotments of enrollees to dependent families have made it possible for many of these families to be entirely removed from public relief rolls. Many other families have been materially assisted. The Department of Labor advises that the ultimate results of emergency conservation work will prove of lasting value not only to the men of the Civilian Conservation Corps but also to the entire Nation.

At present there are five C. C. C. camps in the Second Congressional District of Missouri, located as follows: Carrollton, Carroll County; Salisbury, Chariton County; California, Moniteau County; Moberly, Randolph County; and Kaiser, Miller County.

Since the beginning of the Civilian Conservation Corps program, a total of 11 different areas have been worked upon in the Second Congressional District of Missouri.

In addition to the five camps named above, other camps which have been located in the Second Congressional District include: Salisbury, Charlton County; Lake Ozark, Camden County; Marshall, Saline County; Kaiser, Miller County; and Lake Ozark, Miller County.

Getting back to the bill under discussion, the question has been asked as to why extensive hearings were not held. The answer is that the procedure would have meant a loss of time and largely the threshing over of old straw. If the farmers, deprived of the benefits of the A. A. A., are to be given the benefits of the bill, immediate action is necessary. Spring comes early in the South. Time is an element of great importance.

The Committee on Agriculture, of which I have long been a member, soon after the present bill was drafted, met for several days and made about as much progress as a boy riding on a merry-go-round. Frankly, we did not seem to be getting anywhere. Then, on my motion, Secretary of Agriculture Wallace and Administrator Davis came before our committee and explained their views as to what it was proposed to do under this bill. There was open and free discussion and the meeting proved to be helpful.

Incidentally permit me to make this statement about Secretary of Agriculture Wallace. While I do not agree with all his views, and while I may not think all his utterances wise, the country has never had a more conscientious Secretary of Agriculture, or one more wholeheartedly for the farmers of this country. [Applause.]

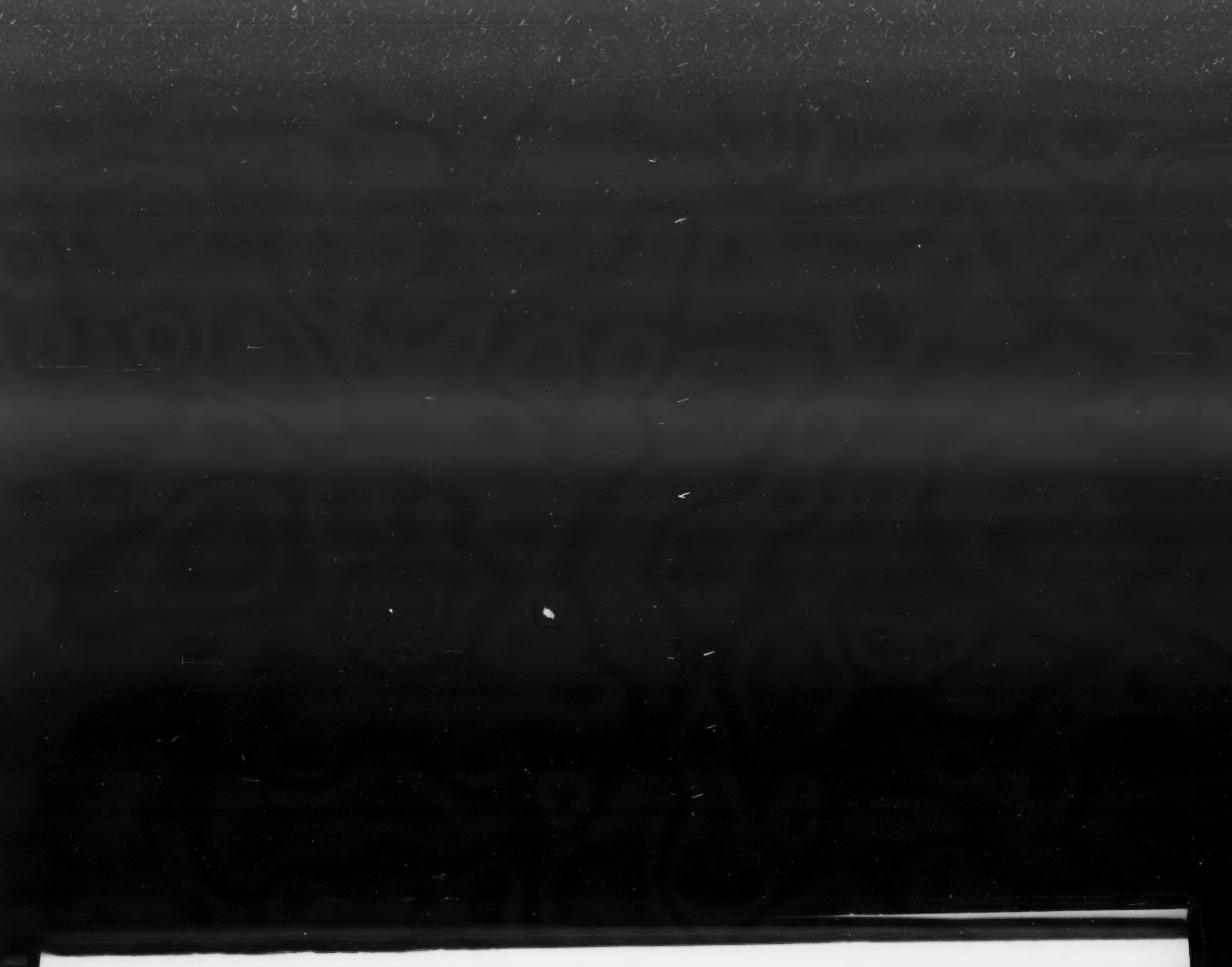
It has been charged that the amount, some $500,000,000, to be expended under this bill, is a subsidy to farmers. Well, what of it? Grant it! Industry has for many years had a far larger subsidy in the form of a high protective tariff. If there is a willingness to do away with all subsidies, well and good, but until that time comes, the farmer is entitled to his share.

In the debate today much has been heard of crop control. Just here let me say that I believe in prosperity through plenty, rather than in safety through scarcity. This statement does not imply that I am for overproduction. I am not, but our aim should be to produce all that the home market and the foreign market together will profitably absorb. We must work to get back our foreign markets. We must realize that conditions have changed since the World War, and that we are no longer a debtor nation, but a creditor nation. Other countries, in buying what we have to sell, must pay in gold, goods or service. We cannot sell unless we buy. Trading upon a proper basis can be made mutually beneficial.

But getting back to the basis of this bill, soil conservation, we cannot long have a surplus to sell unless we save the soil. In the discussions in the Agricultural Committee, of which I am a member, and on the floor of the House, Representatives from the northern dairy region, notably Wisconsin and Minnesota, have expressed fear that injury may result from the passage of this measure. This uneasiness seems to be based upon disposition of lands taken out of cultivation and put into grasses or legumes. The idea, not well founded, is that if these acres are pastured, it will greatly increase the number of dairy cows. Such will not be the case. An acre of grass provides less feed than an acre of grain. Still, the debate goes on and on. In truth, I have never known as much hunching to get a little milk.

It has been asserted that only the Northern States can produce the best butter. If so, why the fear? Missouri, favored as a dairy State, is not alarmed, and by the way, Missouri produces butter of a very high score and which finds ready sale in the most discriminating eastern markets.

Yes; I am for this bill. As I have said, it is not all that it should be. If I had my way, I would make some changes. It is the best we can get in this brief session of Congress. Something must be done in order that the farm program may go on. We are going to do it, or, in language that every farmer understands, we will "bust a hame strap" in trying.



Mr. DOXEY. Mr. Chairman, I yield the gentleman from Iowa [Mr. BIERMANN] 8 minutes.

Mr. BIERMANN. Mr. Chairman, it has been several generations since the American people could eat all the farm products that the American farmers could produce. If we are to prevent tremendous surpluses from ruining the prices of farm products, a large foreign market will have to be found, or we shall have to curtail farm production, or, thirdly, we shall have to adopt a combination of the two methods.

The oldest citizen in America will agree that the greatest prosperity that the American farmers ever enjoyed in his memory was from 1913 to 1920, inclusive. These were precisely the years in which we had the last Democratic administration. They were precisely the years when we had the freest international trade since before the Civil War, and they were precisely the years when we had the least tariff on farm products. It is also interesting to observe that during these 8 years there was no tariff on wheat, there was no tariff on hogs, cattle, sheep, or corn, and only 2½ cents a pound tariff on butter.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. The gentleman understands, of course, that Europe was too busy fighting during that period to produce any of those commodities, and that necessarily we had an unlimited market?

Mr. BIERMANN. I am talking now for a vastly expanded trade with these same countries. I may say to the gentleman that those years included a time before the war, a time during the war, and a time after the war. The war lasted 4 years. The farmers' prosperity lasted 8 years. No tariff act and no system of trade, so far as it affects the American farmer, was ever so thoroughly tried as this tariff system before the war, during the war, and after the war.

Mr. CHRISTIANSON. The gentleman recognizes, of course, that we were on the brink of another panic when the war suddenly came along and helped us out?

Mr. BIERMANN. No; I do not recognize that at all.

Mr. CHRISTIANSON. It is economic history.

Mr. BIERMANN. It is not economic history. If the gentleman will look up the prices of farm products he will find they started to rise in 1913 and kept on going up. If the gentleman will get the Drovers' Journal Year Book, which will come out in about a month, he will find my figures substantiated therein.

In 1921 the Republican Party came into power in every branch of the Federal Government. The Republican Party has only one remedy in its medicine chest. That is a high, so-called protective tariff. If the first dose of high tariff does not do any good, the Republican Party increases the dose. If that does not do any good, it increases it still further.

In 1921 the Republican Party enacted a so-called emergency tariff. Immediately farm prices went down.

In 1922 they enacted the Fordney-McCumber tariff, which again raised the tariff rates, and again farm prices went down.

In 1930 they enacted the culmination of all tariff monstrosities, the Hawley-Smoot tariff, which raised the tariff rates to the highest levels in all history. That third dosage of medicine nearly ruined American agriculture, and it is probably the largest factor in the worst hard times that were ever inflicted upon the American people.

If one were to make a graph using one line to show the tariffs and another to show American farm prices, he would find that as tariffs go up, American farm prices go down, and as the tariffs go down, the American farm prices go up. The reason for that is that the American farmers need a foreign market in order to sell their products at profitable prices. High tariffs mean contracted foreign markets and low tariffs mean expanded foreign markets.

I submit a number of figures setting out the exports of the American crude and manufactured foodstuffs for significant years. These figures may be found on page 338 of the 1936 World Almanac.

In 1921, the year in which the so-called emergency tariff was enacted, the exports of crude and manufactured foodstuffs were $1,358,359,000. The next year, they had fallen to $1,046,598,000. That was the year of the Fordney-McCumber Tariff Act. In 1929, the last year before the enactment of the Hawley-Smoot tariff, the crude and manufactured foodstuffs exported from America were $753,894,000. In 1931, the first year after the Hawley-Smoot tariff, they had declined to $373,886,000. In 1933, the total exports of these farm products had declined to $202,975,000. It is a fair statement to say that the Republican tariff policies wrecked the farmers' foreign market and was the largest factor in producing the ruinous farm "surpluses."

Mr. CREAL. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. Very briefly.

Mr. CREAL. Since the Republican Party has always known that high tariff makes times better, can the gentleman tell me why they do not make tariffs twice as high and make times twice as good?

Mr. BIERMANN. They tried that in 1930. They made tariffs twice as high and that made hard times twice as bad. [Laughter.]

The Democratic Party, coming into power and inheriting a complete wreckage of every vocation of life in America, and especially the farming business, attempted to reestablish the farmers by two methods. One was to expand our foreign trade, which is a slow and tedious process, and the other was to fit farm production in this country to the market that would consume our farm products at reasonable prices.

I wish I had the time to go into some detail regarding the effects on agriculture of the trade agreements concluded by that great statesman and great Democrat, our Secretary of State, Cordell Hull.

In the trade agreement with Cuba, the American farmers received great concessions in ham, bacon, and other pork products, oats, corn, beans, soybeans, soybean oil, corn oil, canned pork, beef and mutton, lard, and a multitude of other products.

In the agreement with Belgium, most of our farm concessions were for fruits. The same is true of our agreement with Sweden.

Our agreement with Canada gave us favored treatment regarding horses, cattle, sheep, lambs, hogs, fresh beef, mutton, lamb and pork, canned meat and extract, poultry, prepared meats, sausage casings, lard and tallow, eggs, butter, beans, soybeans, buckwheat, barley, corn meal, oats, rye, wheat, wheat flour, straw and hay, and a long list of vegetables, sugar beets, wool, cheese, milk, hides, and other articles too numerous to mention.

Switzerland, before the enactment of the Hawley-Smoot tariff, had bought 90 percent of her lard needs from the United States. Sometime ago she declared an absolute embargo on importations of American lard. By her treaty, effective with the United States February 15, she again agrees to take 90 percent of her lard from us.

Our treaty with Honduras, which goes into effect March 2, will give favored treatment to American hams, sausage, and some other meats, canned tomatoes, corn, peas and asparagus, hams, shoulders, bacon, milk, and butter.

It just so happens that in very few instances do we give any concession on farm products to these countries. Every effort is being made to enlarge the foreign market for farm products. Until the American farmer gets back his foreign market, it is the philosophy of this administration that farm production shall be curtailed, if possible, so that the farmers of America will not be producing more than will be bought at fair prices. That is one of the purposes of this act.

Twenty years ago we had a great road problem in this country. The Republican Party was utterly incompetent to deal with it. They could not put a tariff on roads or a tariff on the laborers on roads, so they were helpless, and we had a hodgepodge of roads over the United States, none of them very good, and 48 different styles of them. The

Woodrow Wilson administration gave us the Federal aid to roads program, under which every road improvement in the United States, in almost 20 years, has been accomplished.

Under this bill the National Government will supply a systematic, Nation-wide soil-erosion program for the United States, just as it supplied a road program for the whole United States under the Wilson administration. Under this soil-erosion program the six and one-half million farm operators in the United States will be working as a great army toward the same objective. Each State will be master of its own administration. Even more than that, the administration of the program in the county and township will be, so far as possible, by committees of farmers elected by themselves.

No one contends that this bill, enacted into law, will cure all the farmers' ills. Probably it will have to be amended from time to time. However, I feel that the farmers of America will appreciate the fact that every possible effort is being made in their behalf.

The News-Herald, of Spencer, Iowa, an independent newspaper, I believe, expresses the situation when it says:

> We hold no brief for the farmers of Iowa, but so far as we are concerned, we will take our chances with the present administration rather than with another which we know in times gone by has never turned a hand to help the farmer in his distress.

[Here the gavel fell.]

Mr. DOXEY. Mr. Chairman, I yield to the gentleman from Virginia [Mr. FLANNAGAN] such time as he may desire to use.

Mr. FLANNAGAN. Mr. Chairman, I am supporting the farm bill, not because I think it is the best farm bill that can be worked out but because it is probably the best that can be worked out under the construction the Supreme Court placed upon the Constitution in the A. A. A. decision.

It is, more or less, a stopgap piece of legislation worked out by the Committee on Agriculture to take care of the farm problem until a better plan can be devised.

More real and intelligent study, in my opinion, has been given to the farm problem during the last 3 years than ever before. The farmers themselves were consulted and, due largely to their cooperation and assistance, we were gradually working out a practical program that produced results. The A. A. A. program was fundamentally sound and was but an attempt to translate into legislation the combined thought of the farm leaders and the farmers themselves. That it was not perfect we all admit, but had the law remained in force, its imperfections would have been gradually eliminated, and in a few years we would have had a practical, smooth-working program.

There are two fundamental principles in the A. A. A. program that we have got to recognize, and sooner or later, if we work out a sound, sensible, practical program, we have got to deal with them directly. The first principle is that the farm problem, the Supreme Court opinion to the contrary, is a national problem and will have to be dealt with directly by national legislation. Neither the Supreme Court, nor any other governmental department or agency, can by edict change the nature of the problem. It was a national problem before the Supreme Court decision and it is still a national problem in spite of the decision and can only be effectively handled by national enactment. The second principle we have got to recognize is that any farm plan that produces beneficial results has got to provide an effective method of controlling crop production. And this second principle should be put in force by National rather than State legislation in order to reduce friction between the States and in order to reduce bootlegging to the minimum.

The tragedy of the whole situation, as I see it, is simply this: The farmers are practically unanimous in agreeing on what the need, know how to get it, yet are precluded by the Supreme Court from accomplishing the desired result by sensible, sound, and direct legislation, and are being forced to resort, more or less, to subterfuge legislation such as we are considering today.

Just one word about this legislation with respect to tobacco: Very little, I am afraid, will be accomplished by this legislation for the tobacco growers. My only hope for the tobacco growers is that supplemental legislation in the nature of compacts entered into between the tobacco States will be passed at the present session. We are working on such legislation now, and I hope it will be the pleasure of this Congress to pass it.

I do not mean to state that much good will not be accomplished by the passage of this bill. I am only stating what everyone familiar with the farm problem knows, that sooner or later we have got to face the facts and deal with the farm problem in the open and by national legislation.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, I discussed the pending bill yesterday, and unless I had a deep personal interest in agriculture, not only in my own State but in all the other States in the Union, I would not take the floor again.

I am for parity between agriculture and industry. I do not agree with some of the gentlemen on my own side of the aisle on that. Nor do I agree with the gentlemen on the other side of the aisle on the procedure here attempted. I feel that agriculture is entitled to some economic readjustment by reason of the tariff. However, I do believe that when that economic readjustment comes, it should not be sectional, but should apply equally to all the farm groups in America.

This bill as written, fails to provide for one group. In fact it menaces one group. The bill should protect the dairyman, who of all types of farmers in America is foremost in our civic matters and who is rendering a great service to America in conserving the public health.

The gentlemen on the other side of the aisle, the gentlemen in the Department of Agriculture, when they have not been doing things that menace and prejudice the dairymen, have been shedding crocodile tears in their behalf. Now comes the final act of this hypocritical program, with nothing beneficial to the dairymen, but in fact a bill which aggravates the unhappy condition of the dairyman farmer in America.

The gentleman from Kansas [Mr. HOPE] stated that he had grave doubts as to whether or not the bill would seriously prejudice the dairymen. He is a sincere, able Member and should know. Those of us who represent dairy sections are sure it will seriously handicap our people.

The bill is called a soil-erosion bill or a soil-conservation bill. Of course, it is a fact that the committee seems to forget, and have forgotten from the beginning, that the dairy farmers are the type of farmers that already do necessarily conserve the soil and the fertility of the soil.

Now all the other farmers are to be rewarded for doing what they have done from time immemorial.

What is contained in the bill? The bill will bring into production grasses and legumes on some 25,000,000 to 35,000,000 acres of land.

The history of the past has been—and I care not what statistics are produced or attempted to be produced to the contrary—that under the Triple A cattle increased in five Southern States from 1930 to 1935 over a million in number. I am further told by economic authority that one-half of these were dairy cattle.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield in that connection? That is a rather important statement to make. Could the gentleman give us his authority for that statement?

Mr. CULKIN. I can give the gentleman my authority. My authority is the 1935 farm census, referred to a moment ago by the gentleman from Minnesota [Mr. ANDRESEN].

Mr. BANKHEAD. Does the gentleman know how many of those million cattle were sent in from other sections of the country because of the drought?

Mr. CULKIN. I presume that had something to do with the increase. But out of that situation enough appeared to enable the economists, the men who study these questions for the dairymen group, to say authoritatively—and they have said it in thunder terms to this body and to this side of the aisle and to this committee—that this legislation, unless some such amendment as the Boileau amendment is adopted, will destroy the dairyman in the Northeast and Central West.

Mr. WEARIN. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. No; I am sorry; I cannot yield. Perhaps you gentlemen do not agree to that, but that is the fact. I repeat that this legislation in its present form is a legislative crime, an economic crime. You will unhorse 4,000,000 dairymen, who, with their dependents, constitute a group numbering 15,000,000 people in the United States of America.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I am sorry, but I cannot yield. I say to you gentlemen on this side of the aisle that it is all very well to talk about all men being created equal, but your action here today says that all farmers are not created equal. You have given the dairymen nothing during this administration. That will be analyzed here later on the floor. I shall not go into the figures on that. You have given them nothing, although from the nature of this type of farming the dairyman conserves soil fertility. You have turned over the Treasury to the tune of $700,000,000 to the cotton farmers. I merely mention that in passing. I am not approaching this from a partisan standpoint and I have never voted on this question from a partisan standpoint. Your administration has laid the dairyman on the altar of foreign trade by the so-called trade agreements. My friend from Iowa [Mr. BIERMANN] talked about sending lard to Switzerland. What happened to the dairyman, if you please, under that agreement? Is it the purpose of your party to hold one group of husbandmen in bondage, to write them down to the economic status of the Russian serf under the old regime, while, for political purposes, you exalt others? I hope in justice that this committee will adopt the Boileau amendment when it is offered. It is just as constitutional as the bill. I ask you to read the text of this bill—H. R. 10835—at page 5, subdivision B, line 18. It is as follows:

(b) Subject to the limitations provided in subsection (a) of this section, the Secretary shall have power to carry out the purposes specified in clauses (1), (2), and (3) of section 7 (a) by making payments or grants of other aid to agricultural producers based upon (1) their treatment or use of their land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion; (2) changes in the use of their land, or * * *.

Then read section C, page 6, line 16. It is as follows:

(c) Any payment or grant of aid made under subsection (b) shall be conditioned upon such utilization by the producer of his land, or a part thereof, as the Secretary finds has tended to further the purposes specified in clause (1), (2), or (3) of section 7 (a).

The Boileau amendment goes no further than these sections. These sections authorize the Secretary to make payments only on condition that certain treatment of the land is followed by the farmer receiving the beneficial payments.

The Boileau amendment provides:

That any payment or grant provided for in the foregoing sections shall be subject to the further condition that no crops intended for sale be harvested from, and no livestock intended for sale, or the products of which are intended for sale, be grazed or pastured on such land.

The adoption of this amendment is in line with the sections above cited, which are part of the committee bill. If the members of the committee are honest and sincere, they will consent to the Boileau amendment. This will protect the dairymen, because these 25,000,000 acres of land to be taken out of production cannot then be used for commercial dairying or commercial cattle raising. The adoption of this amendment will not affect the constitutionality of the bill. I therefore appeal to your sense of nationalism and fairness to support it when it is offered. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. WOODRUFF].

Mr. HOPE. Mr. Chairman, I yield to the gentleman from Michigan such time as he desires.

Mr. WOODRUFF. Mr. Chairman, I think it must be perfectly apparent to every Member of this House that the real purpose behind the bill under consideration is to again establish Washington bureaucratic control over agricultural production in this country. Otherwise this bill would not be before us today. The Supreme Court has declared very frankly what can and what cannot be done along those lines.

The temporary provisions of this bill are—and I think anyone familiar with the provisions thereof will agree—unconstitutional, because under these provisions the Secretary of Agriculture proposes to do indirectly exactly what the Supreme Court has stated the Federal Government has no authority to do.

In the decision handed down by the Supreme Court on the Agricultural Adjustment Act the Court stated:

Congress has no power to enforce its commands on the farmer to the end sought by the Agricultural Adjustment Act. It must follow that it may not indirectly accomplish these ends by taxing and spending to purchase compliance. The Constitution and the entire plan of our Government negative any such use of the power to tax and to spend as the act undertakes to authorize.

In speaking of the powers granted to the Federal Government not reserved to the States the Court stated:

The same proposition otherwise stated is that powers not granted are prohibited. None to regulate agricultural production is given, and therefore legislation by Congress for that purpose is forbidden.

The bill under discussion was written with great care, and any cooperation given the Secretary of Agriculture under the bill is, supposedly at least, purely voluntary, and upon this point the Court stated:

But if the plan were one for purely voluntary cooperation, it would stand no better, so far as the Federal power is concerned. At best it is a scheme for purchasing with Federal funds submission to Federal regulations of a subject reserved to the States.

The permanent features of the bill are not as clearly unconstitutional as the temporary features, because the Secretary of Agriculture proposes to exercise his will upon the farmers through the medium of some State agency which he may approve. These permanent features, however, in order to successfully accomplish the ends desired by the Secretary, must necessarily be adopted by all the States in a uniform manner. One can readily understand how difficult it would be to successfully control the production of any crop unless all the farmers in every State growing that crop are induced to cooperate with the Secretary of Agriculture. To believe that this will be possible under this or any other measure is to convict one of a credulity beyond belief.

Section 14 of the bill states that—

Notwithstanding any provision of law, the action of any officer or employee in determining the amount of, or in making any kind of payment under sections 7 or 8, shall not be subject to review except by the Secretary of Agriculture.

All the authority granted to any individual under the provisions of this act are granted to the Secretary of Agriculture. The bill provides that "not more than" $500,000,000 will be placed in his hands to be disposed of as he sees fit under the provisions of the act. The section just quoted states very clearly that any action of his in the expenditure of this vast amount of money shall not be subject to review by any person except himself. The bill, as it was sent to Congress by the administration, placed no limitation upon expenditures whatsoever, but the committee very wisely placed a limitation of $500,000,000 per year upon this activity. Not one penny of this money will be placed in the hands of the farmers unless they obey implicitly the suggestions of the Secretary. Such suggestions will, of course, provide for crop control with a view of reducing agricultural production.

At no time has Congress, even under the whiplash of the present administration, given to any official or any individual the autocratic and despotic powers placed in the hands of the Secretary of Agriculture by this measure.

While the purposes of the bill are supposed to be to promote the conservation and profitable use of agricultural land resources and to prevent erosion, it is perfectly apparent to anyone familiar with the other provisions of the bill that the real purpose back of it is to again establish in Washington a centralized, bureaucratic control over agricultural production. That statement will not be denied by any individual familiar with the facts. If this statement were not true, this bill would not be before the House today.

Can anyone imagine that $500,000,000 would be taken from the people of the United States in taxes in order to teach or induce the farming population to properly rotate crops in order to conserve the fertility of the soil? All the information that can be given to the farmers on this subject has for many years been at their disposal through the facilities of the Agricultural Department without any charge whatsoever. We last year spent $27,000,000 to prevent soil erosion, and that was all that could be efficiently spent for that purpose. These things would seem to indicate that the real reason for the bill being before us is forbidden crop control.

This bill proposes to take out of cultivation 45,000,000 acres of land; it provides that such acres may be planted to such crops as will rebuild the soil, the Secretary of Agriculture, of course, naming the grasses and legumes to be substituted for regular crops.

The possibility of building up in the Southern States, under this Federal subsidy, large dairy activities is very great. Climatic conditions are such in nearly all of that section of the country that farmers cannot compete on even terms in this line with the farmers of Michigan, New York, Ohio, Indiana, Wisconsin, or Minnesota. The subsidy provided by this bill will enable them to overcome any handicap of soil or climate and will add to the difficulties of the dairy farmers now in existence.

In a motion to recommit the bill it will be proposed that when a farmer is paid for not raising one or two particular crops on certain acres of his land he will not be permitted to raise on that land other crops to the detriment of other farmers, and that not more than $2,000 will be paid any farmer under the provisions of the bill. It is well known among the Members that extraordinarily large sums have been granted to individuals and to corporations in the way of benefit payments under the provisions of the Agricultural Adjustment Act. All this agricultural production control legislation was supposed to be for the benefit primarily of the smaller farmers. This motion to recommit will be defeated, of course, as are all propositions here not specifically approved by the administration.

This bill will remain the law only until the Supreme Court has an opportunity to pass upon it, and the proponents of the bill know this to be true.

Just how the administration can continue a policy of crop reduction and at the same time pursue another policy of tariff reduction on agricultural products, which, of course, is bringing about a constant increase of importations of agricultural products which compete with the American products; just how the administration can justify a policy of taking out of production many millions of acres of farm lands now under cultivation, at the same time pursuing construction of irrigation projects in the West, the total cost of which will run into the hundreds of millions of dollars, to bring into cultivation additional millions of acres of now arid land to the further confusion of farmers now undertaking to make a success of the farming industry is difficult to understand. To name only nine of the principal irrigation projects, I will say that the dams at Grand Coulee, Wash.; Friant, Calif.; Kennet, Calif.; Keswick, Calif.; Seminoe, Wyo.; Fort Peck, Mont.; Alcova, Wyo.; Alamagorda, N. Mex.; and Taylor Park, Colo., are costing nearly $400,000,000 just to finance the engineering laid out to date.

These contradictory policies present inconsistencies so glaring as to arrest the attention of all classes of our citizens and demand an immediate return to a sane handling of this great problem.

In view of these things I cannot help but agree with the gentleman from New Hampshire [Mr. TOBEY], who earlier this afternoon stated:

> I do not intend to be unkind, but I feel that it would be within the truth if to the title as printed on the face of this bill there should be added this clause, "and to continue the flow of Government checks to the vast voting agricultural population in the hope and expectation that they will support the Democratic national ticket on Novembert 10, next"; but that, Mr. Chairman, would be using language to convey thought and not to conceal it.

The gentleman from New Hampshire has been a Member of this House since the beginning of the Seventy-third Congress. Prior to coming here he served as speaker of his State's house of representatives. He served as a member and president of the senate of that State; he served as Governor of that Commonwealth. His service here has been such as to mark him as one of its outstanding and one of the least partisan of the membership of this House. The statement I have just quoted cannot be charged to partisanship on his part, but can be charged to the overwhelming evidence which indicates the correctness of his statement.

Now, Mr. Chairman, I fully realize that the agricultural problem in this country is a serious one and that it is of consequence to every element of our population. I maintain that it cannot be successfully met or solved by a policy of surrendering our domestic market to the foreign producer while at the same time reducing production at home. I maintain that this problem cannot be solved by continuing to engage in a policy which extends benefits to only a part of the farming population. I maintain that this problem cannot be solved by continuing to place upon the statute books legislation which is known to be unconstitutional and which the Supreme Court will invalidate at the earliest opportunity.

My hope that the great agricultural industry may be advantaged through legislative enactments lies along entirely different lines. I believe, Mr. Chairman, that American agriculture can be substantially aided by Federal legislation within the limitations of the Constitution of the United States. I believe that legislation can be adopted which would, without reducing agricultural production, give to the American farmer American prices for that part of his crop consumed in this country, and enable him to sell his exportable surplus in the world market in competition with other producers of the world, exactly as is done in the field of manufactured products. That policy has been profitable to the manufacturers; it will, in my judgment, be profitable to the American farmer, provided it is made possible for him to dispose of his products in this way.

I, therefore, ask unanimous consent to extend my remarks in the RECORD and to include, as a part of those remarks, H. R. 10131 and also certain excerpts from the decisions of the Supreme Court.

The CHAIRMAN. Is there objection?

Mr. BANKHEAD. Mr. Chairman, I reserve the right to object. A day or two ago a number of requests were made on this side to extend certain bills in the RECORD and the distinguished minority leader very properly, I think, objected upon the ground that those bills are printed and available to all Members of the House. I do not see why an exception should be made to that principle in favor of the gentleman from Michigan.

Mr. WOODRUFF. I say to my friend that the bill I propose to insert in the RECORD is a companion bill of the one introduced in the Senate by the Senator from Oregon [Mr. MCNARY].

Mr. BANKHEAD. But everybody can get a copy of these bills.

Mr. WOODRUFF. Presenting to the membership of the Committee on opportunity to see what is in the bill, and to see a real answer to this agricultural problem, which you are not presenting in the bill before us at this time.

Mr. BANKHEAD. I do not want to assume full responsibility of objecting. What is the opinion of the minority leader about this?

Mr. SNELL. Mr. Chairman, when I made my objection yesterday I did not call upon him to back me up. I made it on my own authority, and I leave it up to him.

Mr. BANKHEAD. How long is this bill?

Mr. WOODRUFF. Twenty-four pages—a matter of perhaps a page and a half in the RECORD.

Mr. BANKHEAD. I am afraid the gentleman has overreached me, and I shall not object.

The CHAIRMAN. Is there objection?

There was no objection.

The bill referred to is as follows:

A bill to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities, to provide for the issuance of export debentures, to secure to farmers a price for their commodities at least equal to the cost of production, and for other purposes

Be it enacted, etc., That (a) the policy declared in section 1 of the Agricultural Marketing Act is hereby reaffirmed.

(b) There shall be considered as a surplus for the purposes of this act any seasonal or year's total surplus, produced in the United States and either local or national in extent, that is in excess of the requirements for the orderly distribution of the agricultural commodity or is in excess of the domestic requirements for such commodity.

(c) The Secretary of Agriculture shall execute the powers vested in him by this act only in such manner as will, in the judgment of the Secretary, aid to the fullest practicable extent in carrying out the policy above declared.

SEC. 2. (a) From time to time, upon request of leading cooperative associations or other organizations of producers of any agricultural commodity, or upon his own motion, the Secretary of Agriculture shall investigate the supply and marketing situation in respect of such agricultural commodity.

(b) Whenever upon such investigation the Secretary of Agriculture finds—

First. That there is, or may be, during the ensuing year a seasonal or year's total surplus, produced in the United States and national in extent, that is in excess of the requirements for the orderly marketing of any agricultural commodity or in excess of the domestic requirements for the commodity;

Second. That the cost of production of any agricultural commodity has been ascertained to be in excess of the prevailing market price secured by growers for such commodity and an estimate has been made for such agricultural commodity as to the part of its domestic production which is needed for consumption; and

Third. That the durability and conditions of preparation, processing, and preserving and the methods of marketing of the commodity are such that the commodity is adapted to marketing as authorized by this section—

then the Secretary of Agriculture, after publicly declaring his findings, shall arrange to secure cost of production for that portion of the commodity sold in the domestic market by means of such plan or plans hereinafter authorized in title I, title II, and title III, and such plan or plans shall continue in operation until such time as the Secretary of Agriculture finds that the conditions so found have been corrected.

ADMINISTRATION

SEC. 3. (a) The Secretary of Agriculture may (1) appoint and fix the salaries of a secretary and such experts, and, in accordance with the Classification Act of 1923 and subject to the provisions of the civil-service laws, such other officers and employees; and (2) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding), as may be necessary for the execution of the functions vested in the Secretary.

(b) For the more effective administration of the functions vested in him by this act, the Secretary of Agriculture is authorized to establish such divisions and offices as he may deem advisable in the Department of Agriculture or in the field service.

(c) The Secretary of Agriculture is authorized to make and promulgate such regulations as are necessary to execute the functions vested in him by this act.

SEPARABILITY OF PROVISIONS

SEC. 4. If any provision of this act is declared unconstitutional, or the application thereof to any person, circumstance, or commodity is held invalid, the validity of the remainder of this act and the application thereof to other persons, circumstances, or commodities shall not be affected thereby.

GENERAL DEFINITIONS

SEC. 5. As used in this act—

(1) In the case of grain the term "processing" means milling of grain for market or the first processing in any manner for market (other than cleaning or drying) of grain not so milled; and the term "sale" means a sale or other disposition in the United States of grain for milling or other processing for market, for resale, or for delivery by a common carrier occurring during a marketing period in respect of grain.

(2) In the case of cotton the term "processing" means spinning, milling, or any manufacturing of cotton other than ginning; the term "sale" means a sale or other disposition in the United States of cotton for spinning, milling, or any manufacturing other than ginning, or for delivery outside the United States; and the term "transportation" means the acceptance of cotton by a common carrier for delivery to any person for spinning, milling, or any manufacturing of cotton other than ginning, or for delivery outside the United States occurring during a marketing period in respect of cotton.

(3) In the case of livestock the term "processing" means slaughter for market by a purchaser of livestock, and the term "sale" means a sale or other disposition in the United States of livestock destined for slaughter for market without intervening holding for feeding (other than feeding in transit) or fattening, occurring during a marketing period in respect of livestock.

(4) In the case of tobacco the term "sale" means a sale or other disposition to any dealer in leaf tobacco or to any registered manufacturer of the products of tobacco. The term "tobacco" means leaf tobacco, stemmed or unstemmed.

(5) In the case of grain, livestock, and tobacco, the term "transportation" means the acceptance of the commodity by a common carrier for delivery.

(6) In the case of any agricultural commodity other than grain, cotton, livestock, or tobacco, the Secretary of Agriculture shall specify the particular type of processing, sale, or transportation which is to operate.

(7) The term "sale" does not include a transfer to a cooperative association for the purpose of sale or other disposition by such association on account of the transferor; nor a transfer of title in pursuance of a contract entered into before, and at a specified price determined before, the commencement of a marketing period in respect of the agricultural commodity.

(8) The term "cost of production" shall include the costs of labor and interest on investment.

(9) The term "person" means individual, partnership, corporation, or association.

(10) The term "United States" when used in the geographical sense means continental United States and the Territory of Hawaii.

TITLE I—THE EQUALIZATION FEE PLAN

Marketing agreements

SECTION 101. (a) The Secretary of Agriculture is authorized and directed to enter into marketing agreements with cooperative associations engaged in handling any commodity as to which this title has been made operative or with any corporation created and controlled by one or more of such cooperative associations if in the opinion of the Secretary such association or corporation is financially sound. Each such agreement shall provide either—

(1) For the withholding by a cooperative association, or corporation created and controlled by one or more cooperative associations, during such period as shall be provided in the agreement, of any part of the commodity delivered to such cooperative association or associations by its members. Any such agreement shall provide for the payment from the stabilization fund for the commodity of the cost arising out of such withholding; or

(2) For the purchase by a cooperative association, or corporation created and controlled by one or more cooperative associations, of any part of the commodity not delivered to such cooperative association or associations by its members, and for the withholding and disposal of the commodity so purchased. Any such marketing agreement shall provide for the payment from the stabilization fund for the commodity of the amount of the losses, costs, and charges arising out of the purchase, withholding, and disposal, or out of contracts therefor, and for the payment into the stabilization fund for the commodity of profits (after repaying all advances from the stabilization fund and deducting all costs and charges, provided for in the agreement) arising out of the purchase, withholding, and disposal, or out of contracts therefor.

(b) The Secretary of Agriculture shall provide in any such marketing agreement for financing any withholding, purchase, or disposal under such agreement, through advances from the stabilization fund for the commodity. Such financing shall be upon such terms as the Secretary may prescribe, but no such advance shall bear interest.

(c) If the Secretary is of the opinion that there are two or more cooperative associations or corporations created and controlled by one or more cooperative associations capable of carrying out any marketing agreement, the Secretary in entering into the agreement shall not unreasonably discriminate against any such association or corporation in favor of any other such association or corporation. If the Secretary is of the opinion that there is no such cooperative association or corporation created and controlled by one or more cooperative associations capable of carrying out any marketing agreement for purchase, withholding, and disposal, then the Secretary may enter into the agreement with other agencies but shall not unreasonably discriminate between such other agencies.

(d) During a marketing period fixed by the Secretary for any commodity, the Secretary may enter into marketing agreements with any association or corporation described above, which in his opinion is financially sound, for the purchase, withholding, and disposal of the food products of such commodity, and all provisions of this section applicable to marketing agreements for the purchase, withholding, and disposal of the commodity, shall apply to the agreements in respect of its food products.

(e) The powers of the Secretary under this section in respect of any agricultural commodity shall be exercised in such manner, and the marketing agreements entered into by the Secretary during any marketing period shall be upon such terms, as will, in the judgment of the Secretary, carry out the policy declared in section 1.

(f) The United States shall not be liable, directly or indirectly, upon agreements under this title in respect of agricultural commodities, in excess of the amounts available in the stabilization and revolving funds.

EQUALIZATION FEE

SEC. 102. (a) In order to carry out marketing agreements in respect of any agricultural commodity without loss to the revolving fund, each marketed unit of such agricultural commodity produced in the United States shall, throughout any marketing period in respect of such commodity, contribute ratably its equitable share of the losses, costs, and charges arising out of such agreements with respect to such commodity. Such contributions shall be made by means of an equalization fee apportioned and

paid as a regulation of interstate and foreign commerce in the commodity. It shall be the duty of the Secretary to apportion and collect such fee in respect of such commodity as hereinafter provided.

(b) Prior to the commencement of any marketing period in respect of any agricultural commodity, and thereafter from time to time during such marketing period, the Secretary shall estimate the probable losses, costs, and charges to be paid under marketing agreements in respect of such commodity. Upon the basis of such estimates, the Secretary shall from time to time determine and publish the amount of the equalization fee (if any is required under such estimates) for each unit of weight, measure, or value designated by the Secretary, to be collected upon such unit of such agricultural commodity during any part of the marketing period for the commodity. Such amount is referred to in this title as the equalization fee. At the time of determining and publishing any equalization fee the Secretary shall specify the time during which the particular fee shall remain in effect and the place and manner of its payment and collection.

(c) Under such regulations as the Secretary may prescribe, any equalization fee determined upon by the Secretary shall be paid, in respect of each marketed unit of such commodity, upon one of the following: The transportation, processing, or sale (other than sale by the producer) of such unit. The equalization fee shall not be collected more than once in respect of any unit. The Secretary shall determine, in the case of each class of transactions in the commodity, whether the equalization fee shall be paid upon transportation, processing, or sale. The Secretary shall make such determination upon the basis of the most effective and economical means of collecting the fee with respect to each unit of the commodity marketed during the marketing period.

(d) When any equalization fee is collected with respect to cattle or swine, an equalization fee equivalent in amount, as nearly as may be, shall be collected, under such regulations as the Secretary may prescribe, upon the first sale or other disposition of any food product derived in whole or in part from cattle or swine, respectively, if the food product was on hand and owned at the time of the commencement of the marketing period: *Provided*, That any food product owned in good faith by retail dealers at the time of the commencement of the marketing period shall be exempt from the operation of this subdivision.

(e) In case of the transfer of title in pursuance of a contract entered into after the commencement of a marketing period under this title, in respect of the agricultural commodity, but entered into at a time when and at a specified price determined at a time during which a particular equalization fee is in effect, then the equalization fee applicable in respect of such transfer of title shall be the equalization fee in effect at the time when such specified price was determined.

(f) Under such regulations as the Secretary may prescribe, the equalization fee determined under this section for any agricultural commodity produced in the United States shall in addition be collected upon the importation of each designated unit of the agricultural commodity imported into the United States for consumption therein, and an equalization fee, in an amount equivalent as nearly as may be, shall be collected upon the importation of any food product derived in whole or in part from the agricultural commodity and imported in the United States for consumption therein.

(g) The Secretary may by regulation require any person engaged in the transportation, processing, or acquisition by purchase of any agricultural commodity produced in the United States, or in the importation of any agricultural commodity or food product thereof—

(1) To file returns under oath and to report, in respect of his transportation, processing, or acquisition of such commodity produced in the United States or in respect of his importation of the commodity or food product thereof, the amount of equalization fees payable thereon, and such other facts as may be necessary for their payment or collection.

(2) To collect the equalization fee as directed by the Secretary and to account therefor.

(h) The Secretary, under regulations prescribed by him, is authorized to pay to any such person required to collect such fees a reasonable charge for his services.

(i) Every person who, in violation of the regulations prescribed by the Secretary, fails to collect or account for any equalization fees shall be liable for its amount and to a penalty equal to one-half its amount. Such amount and penalty may be recovered together in a civil suit brought by the Secretary in the name of the United States.

STABILIZATION FUNDS

SEC. 103. (a) For each agricultural commodity, as to which marketing agreements are made by the Secretary of Agriculture, there shall be established in accordance with regulations prescribed by the Secretary a separate stabilization fund. Such fund shall be administered by and exclusively under the control of the Secretary, and the Secretary shall have the exclusive power of expending the moneys in such fund.

(b) There shall be deposited to the credit of the stabilization fund for any agricultural commodity (1) advances from the revolving fund as hereinafter authorized; (2) profits arising out of marketing agreements in respect of the commodity; (3) repayments of advances for financing the purchase, withholding, or disposal of the commodity; and (4) equalization fees collected in respect of the commodity and its imported food products.

(c) In order to make the payments required by a marketing agreement in respect of any agricultural commodity, and in order to pay salaries and expenses, the Secretary may, in his discretion, advance to the stabilization fund for such commodity out of the revolving fund such amounts as may be necessary.

(d) The deposits to the credit of a stabilization fund shall be made in a public depository of the United States. All general laws relating to the embezzlement, conversion, or to the improper handling, retention, use, or disposal of public moneys of the United States shall apply to the profits and equalization fees payable to the credit of the stabilization fund and to moneys deposited to the credit of the fund or withdrawn therefrom but in the custody of any officer or employee of the United States.

(e) There shall be withdrawn from the stabilization fund for any agricultural commodity (1) the payments required by marketing agreements in respect of the commodity; (2) amounts for such necessary salaries and expenses as the Secretary of Agriculture determines shall be payable from such fund; (3) repayments in the revolving fund of advances made from the revolving fund to the stabilization fund, together with interest on such amounts at a rate of interest per annum equal to the lowest rate of yield (to the nearest one-eighth of 1 percent) of any Government obligation bearing a date of issue subsequent to the time the advance is made by the Secretary of Agriculture, as certified by the Secretary of the Treasury to the Secretary of Agriculture upon his request: *Provided*, That in no case shall the rate exceed 4 percent per annum on the unpaid principal; and (4) service charges payable for the collection of equalization fees.

REVOLVING FUND

SEC. 104. (a) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $250,000,000.

(b) All moneys appropriated in pursuance of the authorization made by this section shall be administered by the Secretary of Agriculture and used as a revolving fund in accordance with the provisions of this act. The Secretary of the Treasury shall deposit in the revolving fund such portions of the amounts appropriated therefor as the Secretary of Agriculture from time to time deems necessary.

EXAMINATIONS OF BOOKS AND ACCOUNTS OF SECRETARY OF AGRICULTURE

SEC. 105. Expenditures by the Secretary of Agriculture from the stabilization funds shall be made by the authorized officers or agents of the Secretary upon receipt of itemized vouchers therefor, approved by such officers as the Secretary may designate. All other expenditures by the Secretary, including expenditures for advances from the revolving fund, shall be allowed and paid upon the presentation of itemized vouchers therefor, approved by the Secretary. Vouchers so made for expenditures from the revolving fund or from any stabilization fund shall be final and conclusive upon all officers of the Government; except that all financial transactions of the Secretary (including the payments required by any marketing agreement) shall, subject to the above limitations, be examined by the General Accounting Office, at such times and in such manner as the Comptroller General of the United States may by regulation prescribe. Such examination in respect of expenditures from the revolving fund or from any stabilization fund shall be for the sole purpose of making a report to the Congress and to the Secretary of expenditures and agreements in violation of law, together with such recommendations as the Comptroller General deems advisable concerning the receipts, disbursements, and application of the funds administered by the Secretary.

TITLE II. THE DEBENTURE PLAN

ISSUANCE OF EXPORT DEBENTURES

SECTION 201. (a) It shall be the duty of the Secretary of the Treasury to issue to any farmer, cooperative association, or other person on application therefor, export debentures with respect to such quantity of any debenturable commodity or any manufactured product thereof as such person may from time to time export from the United States to any foreign country. The export debenture shall be in an amount to be computed under the direction of the Secretary of the Treasury, in accordance with such regulations as he may prescribe, at the debenture rate for the commodity or product that is in effect at the time of exportation. Any such computation shall be final.

(b) As used in this title the term "debenturable commodity" means any agricultural commodity as to which the Secretary of Agriculture has made this title operative as authorized in section 2.

(c) The issuance of export debentures with respect to any such commodity shall commence and end on the dates specified by the Secretary of Agriculture.

(d) In order to procure the issuance of an export debenture with respect to any commodity or manufactured product, the farmer, cooperative association, or other person shall, in accordance with such regulations as the Secretary of the Treasury may prescribe, make application for such debenture and submit satisfactory proofs (1) that the commodity to be exported was produced in the United States and has not previously been exported therefrom, or (2) that the commodity used in making the manufactured product to be exported was produced in the United States and that neither such commodity nor such manufactured product has previously been exported therefrom.

(e) The Secretary of the Treasury shall prepare and issue all export debentures. Export debentures issued under authority of this title shall be obligations of the United States within the definition in section 147 of the act entitled "An act to codify, revise, and

amend the penal laws of the United States", approved March 4, 1909, as amended (U. S. C., title 18, sec. 261).

REDEMPTION OF EXPORT DEBENTURES

SEC. 202. An export debenture, when presented by the bearer thereof within 1 year from the date of issuance, shall be receivable at its face value by any collector of customs, or deputy collector of customs, or other person authorized by law or by regulation of the Secretary of the Treasury to perform the duties of collector of customs, in payment of duties collectible against articles imported by the bearer. Title to any export debenture shall be transferable by delivery. In order to prevent any undue speculation in the handling of such export debentures, the Secretary of the Treasury is authorized and directed, under such rules and regulations as he may prescribe, to provide for the redemption of such export debentures from any money in the Treasury derived from the payment of duties collectible against articles imported at a rate of not less than 98 percent of the face value of such export debentures.

DEBENTURE RATES

SEC. 203. (a) Debenture rates in effect at any time with respect to any debenturable commodity shall be one-half the rate of duty in effect at such time with respect to imports of such commodity, except that the debenture rate on the following commodities shall be the amount set forth opposite each such commodity, respectively:

(1) Corn or maize, 7½ cents per bushel of 56 pounds;
(2) Rice, one-half of 1 cent per pound;
(3) Wheat, 21 cents per bushel of 60 pounds;
(4) Cotton, 4 cents per pound; and
(5) Tobacco, 2 cents per pound.

(b) The debenture rate in effect at any time with respect to any manufactured product of any debenturable commodity shall be an amount sufficient as nearly as may be, to equal the debenture that would be issuable upon the exportation of the quantity of the debenturable commodity used or consumed in the manufacture of the exported manufactured product, as prescribed and promulgated from time to time by the Secretary of Agriculture.

IMPORTED COTTON IN TRANSIT

SEC. 204. During such time as this title is in operation as to cotton, regulations requiring that metal tags or other appropriate markings be placed on all bales of cotton produced in foreign countries and allowed transit through the United States for exportation may be prescribed by the Secretary of the Treasury. Every person who violates any such regulation of the Secretary of the Treasury shall be liable to a civil penalty of $100 for each such offense. Such penalty may be recovered in a civil suit brought by the Secretary of the Treasury in the name of the United States.

PENALTIES

SEC. 205. Any person who shall make any false statement for the purpose of fraudulently procuring, or shall attempt in any manner fraudulently to procure, the issuance or acceptance of any export debenture, whether for the benefit of such person or of any other person, shall be fined not more than $2,000, or imprisoned not more than 1 year, or both.

REDUCTION OF DEBENTURE RATES

SEC. 206. In order to prevent undue stimulation in the production of any debenturable agricultural commodity, whenever the Secretary of Agriculture finds that the production of any debenturable agricultural commodity during any crop year has exceeded the average annual production of such debenturable agricultural commodity for the preceding 5 years the Secretary shall proclaim such fact and the debenture rates for such commodity shall be reduced by the percentage hereinafter fixed. Such reductions shall become effective on the date fixed in such proclamation, not less than 60 days from the date of the issuance thereof, and shall remain in effect for 1 year. The term "crop year", as used in this section, means a 12 months' period beginning at a time designated by the Secretary. Reductions in debenture rates under this act shall be made in accordance with the following percentages:

(1) For an increase in production of less than 20 percent, there shall be no reduction;
(2) For an increase in production of 20 percent but less than 30 percent, there shall be a reduction of 20 percent;
(3) For an increase in production of 30 percent but less than 50 percent, there shall be a reduction of 50 percent; and
(4) For an increase in production of 50 percent or more, there shall be a reduction of 99 percent.

DEFINITIONS

SEC. 207. As used in this title—

(1) The term "cotton" means cotton of any tenderable grade under the United States Cotton Futures Act, and which has a staple of less than 1⅛ inches in length.
(2) The term "wheat" means wheat not below grade no. 3 as prescribed by the Secretary of Agriculture under the United States Grain Standards Act.
(3) The term "manufactured product" shall mean any article in the manufacture of which any debenturable commodity is used or consumed.

TITLE III—THE ALLOTMENT PLAN

ALLOCATION OF DOMESTIC PRODUCTION

SECTION 301. The Secretary of Agriculture is authorized and directed to ascertain and make public the part of the domestic production of any agricultural commodity which is needed for domestic consumption. Such portion of any agricultural commodity shall enter interstate commerce at a price per unit of not less than the cost of production of such commodity as ascertained by the Secretary of Agriculture for the year during which such commodity was produced. The remaining, or surplus, portion, if any, shall be exported, withheld from market, or otherwise disposed of as directed by the Secretary of Agriculture, except that it shall not be disposed of in the domestic market. Each delivery of any agricultural commodity as it enters interstate commerce shall be divided in the same proportion as the entire production of such agricultural commodity for the same year is divided.

LIMITATION OF IMPORTS

SEC. 302. To the end that the policy declared in this act may be effectuated, the Secretary of Agriculture is authorized, whenever he finds that the importation into the United States of any such agricultural commodity or its substitutes produced outside of the United States materially affects or is likely materially to affect the sale in the domestic market of such agricultural commodity at a price not less than the cost of production, to proclaim that fact; and thereafter it shall be unlawful to import, directly, or indirectly, any such commodities or their substitutes into the United States.

LICENSES

SEC. 303. From time to time, whenever the Secretary of Agriculture shall find it essential to license the purchase, importation, or storage of any agricultural commodity in order to carry into effect the purposes of this act, he shall publicly so announce; and after the date fixed in such announcement no person shall engage in or carry on any such business specified in the announcement unless he shall first obtain a license issued pursuant to this act. The regulations prescribed pursuant to this title may include requirements with respect to the issuance of licenses, systems of accounts, auditing of accounts to be kept by licensees, submission of reports by them, and the entry and inspection by the duly authorized agents of the Secretary of Agriculture of the places of business of licensees. It shall be unlawful for any licensee to purchase that portion of any agricultural commodity needed for domestic consumption at a price less than the cost of production proclaimed by the Secretary of Agriculture.

PENALTIES

SEC. 304. Any person who, without a license issued pursuant to this section, intentionally or knowingly engages in or carries on any business for which a license is required pursuant to this section, or any person who intentionally or knowingly makes any purchase in violation hereof, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than $500 or imprisoned for not more than 6 months, or both.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Chairman, what few remarks I make in regard to this legislation at this time will be in a temperate and nonpartisan manner. I am entirely in accord with the statements made by several gentlemen, that the agricultural interests of this country are too large a part of our entire economic system to be considered merely from a partisan standpoint. Personally I am 100 percent in favor of the statement made by the gentleman from New York [Mr. CULKIN] when he said that we are in favor, as far as possible, of putting agriculture on an ecomonic parity with all other business and industry in this country. And if we were in control here, we have a program that would be presented for your consideration that I believe is not only constitutional but sound from an economic standpoint and would distribute aid to agriculture in every part of the country and not be as limited and sectional as this one.

I am especially interested at this time in the dairy situation throughout the country. I am keenly disappointed to find another bill presented here which, as far as I can see, does not carry any benefits for the dairy industry, which I think is the largest individual unit in the entire agricultural industry of the country, and in desperate financial condition at the present time.

I have heard several Members make the remark that they will vote for this bill because it is the only bill before the House. In my opinion, this is a poor reason for voting for this bill. We have had 3 years for discussion and consideration of this kind of legislation, and we have known for a long time that this does not protect the dairyman's interests. Yet the majority have again presented a bill that entirely ignores the dairymen, who are numerous in the North and East.

The Committee on Agriculture, in my judgment, has been as entirely forgetful of the financial interests of the dairy farmer in this legislation as it was in the original A. A. A.

legislation. It forgets the extra burden placed on the dairy farmer through the processing taxes, increased costs of feeds and concentrates he has to buy to produce milk, and no direct benefits, and only small, indirect ones, are even suggested in this bill.

In a statement made by the chairman of the committee [Mr. JONES] when the gentleman from New York [Mr. CULKIN] was discussing this measure a few days ago, he said that the dairymen in various ways have received direct benefits to the amount of $100,000,000, and there had been an increase of 50 percent in the price of their products during the time of this program. I have taken the trouble to look up the average wholesale price of butter during this time. That is fairly indicative of all other products of the dairy farm. I find that the average wholesale price of butter in 1933 was 19.96 cents; in 1934 it was 22.98 cents; in 1935, 27.28 cents. By the wildest stretch of the imagination you could not get an increase of 50 percent in the wholesale price of this product.

But there is another element that is entirely separate from anything that is carried in the A. A. A. bill that has had a more important influence on the price of dairy products during the past 2 years. There is not a man in this House but who well knows that the severe drought of the summer of 1934 and the early part of 1935 very materially reduced the production of dairy products, and it was decreased production that affected the price, not the A. A. A. legislation passed by Congress. Also on account of the drought and lack of feed and pasturage, they reduced their herds, which further reduced production. These conditions, with increased business and power to buy, caused the slight increase in price instead of your unconstitutional farm bill.

The gentleman also said at that time that the dairy farmers had received $100,000,000 in direct benefits. I have looked into that as carefully as I could. There are only two ways that I find where it could be said that any benefits under this bill had gone to the dairy farmer. There have been purchases of dairy products for relief by the Federal Government, in the amount of $28,000,000, but it must be understood that is not necessarily, in its entirety, a direct benefit to the dairyman. Certainly it is not on account of the A. A. A. legislation. It would have been necessary to use dairy products to feed the people. Milk and cream are necessities. Someone had to buy these products, and perhaps more of them were sold on account of the Government purchases for relief. Yet by the wildest stretch of imagination you could not imply that this was a direct benefit the farmer received under this legislation. Your favored farmers in the South and West received Government checks, and our farmers helped to furnish the money to make these checks good.

It was further claimed that they had received some benefit through the TB eradication. There has been spent in this country during this time $47,000,000 in this connection, but primarily that was a health measure. That had been started many years ago and to a certain extent it was carrying out a fixed Government program and had nothing directly to do with your A. A. A. measure. On the other hand, in a great many cases it has been a detriment to the dairyman rather than a help, because when his cattle have been taken under this tuberculin test, he has been obliged to replace them with higher-priced cattle, which further added to his financial difficulties. So not one of these are direct, definite benefits to the dairymen as a result of the A. A. A. legislation.

Mr. BANKHEAD. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. BANKHEAD. If the gentleman had been preparing this bill, what would he have put in it to aid the dairyman?

Mr. SNELL. A little later I will answer that question, but I will tell you now one thing I would have done. I would have increased the tariff protection on dairy products, so that the market of America would be, in its entirety, for the American farmer. [Applause.]

Mr. BANKHEAD. Since when has the Committee on Agriculture obtained jurisdiction over tariff matters?

Mr. SNELL. I agree to all of that, but nevertheless the Democratic Party, which is in control of this House, has complete jurisdiction over it, with a 3 to 1 majority, and thus controls all legislation, if it was at all interested in the dairyman, it could at least see to it that he had full benefit of all the American market. [Applause.]

Mr. JONES. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. JONES. The gentleman recognizes that in the cattle-purchase program there was something over $100,000,000 spent, and something over 8,000,000 cattle taken out, and a great many of those were dairy cattle.

Mr. SNELL. A great many of them, yes, but the whole amount under that tubercular proposition was only $47,000,000, and all of these were indirect benefits only.

Mr. JONES. But that was separate.

Mr. CULKIN. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. CULKIN. That purchase of dairy cattle and other cattle was due to the drought?

Mr. SNELL. A large part of it; yes.

Mr. CULKIN. Which involved the dairymen in still greater losses than before.

Mr. SNELL. Much more.

Mr. CULKIN. They got $10 a head for cows that cost $150. Ten dollars is all they received from the Government.

Mr. SNELL. That is very largely the situation, and it left them in greater financial embarrassment than before.

Mr. BANKHEAD. That is all they were worth in many instances.

Mr. SNELL. Mr. Chairman, I am especially interested in the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU]. The only thing we ask under this amendment is that where you pay a farmer raising wheat, cotton, or tobacco, for letting part of his land lie idle he shall not use it for raising other crops or grasses to furnish further competition for the dairy farmer. If there is anything wrong or unfair in our position in this respect, I cannot see it; you certainly should not pay a man for not producing a certain kind of a crop and still allow him to produce something else in which field the competition is just as severe as the one you are trying to help. No sane man can justify your opposition to this amendment, except that you want to favor one class of farmer over another class.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman from New York 2 additional minutes.

Mr. SNELL. Further answering the gentleman from Alabama, were I able to present a program to this House and have it considered, I would adopt the following:

First. The reciprocal-trade agreements thus far negotiated have operated to the detriment of American agriculture, and therefore the act of the Seventy-third Congress delegating to the President the power to negotiate such treaties should be repealed.

Second. That, due to the tremendous increase in the importation of cheaply produced foreign agricultural commodities, legislation should be enacted so that the American farmer may have full benefit of the domestic market for all agricultural commodities produced in the United States.

Third. We believe in an allotment plan for agriculture by which we will give the producers of surplus farm crops the benefit of the tariff on that part of their production consumed domestically. We also favor a program that will aid agriculture in the reestablishment of foreign markets for surplus farm products.

Fourth. Adequate appropriations should be made in the interests of a sound soil-conservation program, and for the acquisition by the Federal Government for the public domain of marginal lands heretofore used for agricultural production.

Such a program as this would be not only sound economically, but be a basis for sound, permanent policy as opposed to your present proposal, which at its best is only a makeshift program. It has all the defects of the old bill, only you have dressed it up in new language with the hope it will get by the Supreme Court. In giving power to the

Secretary of Agriculture it even goes further than the old bill.

You do not even claim it is anything but temporary; but the time is here now to start a permanent farm policy, and one that applies equally to all kinds of agriculture, and to every part of the country.

Because you have not even tried to do this, but are simply trying to fool the farmer and get a huge campaign fund for the next election, I cannot support this bill. [Applause.]

Mr. DOXEY. Mr. Chairman, I yield 4 minutes to the gentleman from North Carolina [Mr. KERR].

Mr. KERR. Mr. Chairman and Members of the House of Representatives, for more than 10 years the Congress of the United States has sought to find legislation through which it could adjust exchange values between the farmer and other industry and increase the farmers' purchasing power.

At the first session of the Sixty-eighth Congress in 1924, the original McNary-Haugen bill was introduced; there were extended hearings on this bill in both the House and the Senate, and the bill was reported favorably to both Houses. In the House the bill was rejected, and when it reached the Senate Calendar it was indefinitely postponed.

At the second session of the Sixty-eighth Congress, the agricultural relief bill, after exhaustive study by both the Senate and House committees, was reported by both committees favorably, but no action was taken on this legislation by either House.

When the farm-relief bill came up in the Senate in the Sixty-ninth Congress it was rejected, and similar legislation was rejected when it came to the House for consideration.

At the second session of the Sixty-ninth Congress the first McNary-Haugen bill was passed by both the Senate and the House and was vetoed by President Coolidge.

At the Seventieth Congress both the House and Senate again passed the second McNary-Haugen bill and this bill was also vetoed by President Coolidge.

At the Seventy-first Congress, our Republican friends who could no longer resist the demand for farm-relief legislation, passed the Farm Board Act; and the Farm Board created under this act undertook to buy off the market an enormous amount of farm products, which surplus crops in the hands of this Farm Board hung over the market and so depressed prices that its activity proved to be a monumental failure, and the last state of the farmer became much worse than the first.

At the first session of the Seventy-second Congress extended hearings were held by both Senate and House Agricultural Committees in an effort to repeal or amend the Farm Board Act, but Congress at this session took no action in respect to the matter.

At the second session of the Seventy-second Congress the House passed the national emergency bill, but the Senate failed to act upon this measure.

When the Seventy-third Congress convened and the Democratic Party came into control, Congress immediately passed the Agricultural Adjustment Act, and President Roosevelt approved it on the 12th day of May 1933.

This act and its successful administration are familiar to every person in the United States; to deny that the agricultural industry has not been benefited and prices increased nearly 300 percent in respect to most basic commodities, is to admit an appalling obtuseness or a prejudice too dense to understand. You cannot argue against a fact. The Democratic Party demonstrated its ability to help the farmer; the Republican Party failed utterly for 10 years to do so.

The A. A. A. embraced the feature of soil conservation by taking out of cultivation many million acres of land and directing the farmer to plant this acreage in soil-improvement crops, and so crop control and soil conservation naturally, in consequence of the ability of the A. A. A. to increase the farmers' purchasing power, became inseparable and should be considered together in approaching this problem.

It is estimated that in producing our farm crops, we annually take out of our soil $400,000,000 of farm fertility; this exhaustion is fast depleting our farming area. Not to get a profit in consequence of such cost is unthinkable, and even a profit would not justify us in destroying so much national wealth unless we made every effort possible to replace it by caring for our lands. The conservation of our land will always make secure for us a home and destiny unequaled anywhere else on earth. There are said to be 360,000,000 acres of cultivatable land in the United States; 300,000,000 of this has already been affected by soil erosion and decrease in fertility, 100,000,000 of which is almost useless now to grow crops. This waste area can be retrieved, and for our Government not to use every effort to restore it for useful purposes again is nothing less than criminal negligence. It can be done; men can destroy and let go to waste our God-given heritage, but he can also make more fertile the place he occupies on this earth. The lands of England, Belgium, and Denmark are more fertile today than they were when Julius Caesar's legions conquered the British Isles 2,000 years ago.

The proposed bill might not take the place of the A. A. A., but no friend of the American farmer can afford not to support it. The Democratic Party has demonstrated what it can do for this industry, and we should continue to surmount every obstacle which impedes our purpose.

I shall support this measure and every other one which has for its purpose the adjustment of exchange value between the farming and other industries and the increase of the farmers' purchasing power. This must be done in order that we may secure permanent prosperity.

Mr. DOXEY. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. SISSON].

Mr. SISSON. Mr. Chairman, this bill, known as the soil conservation and domestic allotment act, has among its purposes the very worthy ones of soil conservation, the prevention of a continuing waste of our wealth by erosion of soil and other causes. It is proposed to accomplish these purposes by aids in the form of subsidies which will go to farmers whose lands are withdrawn from the purposes to which they are now devoted.

If there were no other purposes to be accomplished or results effected from this bill, I should support it without the slightest hesitation. However, it is admitted—and as I understand, the Secretary of Agriculture himself has stated at least informally—that between twenty and thirty millions of acres of land which now are or formerly have been largely devoted to growing wheat, cotton, and tobacco, will be withdrawn from such purposes, the owners will be paid a subsidy or receive compensation for such withdrawal, and the land may then be used for growing crops which are useful for feeding cattle. The sections of the country affected in this way are mainly in the South, the Southwest, and the West. They are not in the North or Northeast parts of the country. In other words, they are not in the States where dairy farming, the production of milk and its products, is the principal part of our agricultural industry.

In its present form and without amendment the bill will allow these twenty to thirty millions of acres of land in sections which have never been devoted to dairy farming, the production of milk and its products, and where, without aid from the Federal Government, dairying could not now profitably be carried on; to be devoted to dairy farming, to the production of milk and its products, so that by the aid from the Federal Government to those sections, the dairy industry may be built up in these new areas. Thereby, the owners of the land in those sections will be furnished aid by the Government whereby they may go into competition with the dairymen in the North, the Northeast, including Pennsylvania, New York, New England, and the other areas which are now furnishing milk for the great metropolitan centers.

In other words, a new competition will be created for the dairymen farmers of the North and the Northeast, and the misery of our farmers—already bowed with the weight of unremunerative toil—will be added to by this legislation.

I think no one can accuse me or my colleagues from the State of New York on this side of the House with failing to possess a national point of view during the past 3 years of

this administration. We have voted, most of us, for every bill for the relief of the agricultural industry in the South and in the West. We helped you to pass the Agricultural Adjustment Act. We helped you to pass the Bankhead Cotton Act. Personally I have no apology or regret for so doing. I believed then and I believe now that both of those acts and the other acts for the benefit of agriculture were necessary and that they were constitutional. We voted for those measures, although they did not directly benefit the farmers or industrial workers of our sections. I say they did not directly benefit my people. I believe they did indirectly greatly benefit the farmers and industrial workers of our section in that unless and until the prices of agricultural products were brought to a parity with industrial products we could have no real prosperity. And I would have no criticism of this legislation now, even though it does not directly benefit the dairymen, farmers, or industrial workers of my own section, if I did not believe that it will create a new and injurious competition for the long overburdened and the long poorly paid dairymen of the State of New York and other parts of the milk-producing sections. While other branches of agriculture have been directly benefited by legislation of the past 3 years, our dairymen, at least in New York, Pennsylvania, and New England, have received no direct aid whatever, as have the cotton, wheat, hog, and tobacco growers. The only benefits that the people of my section received were in the general increase in prosperity.

I was born and brought up on a farm—perhaps no credit to myself—and at that time had I been permitted to select the place of my nativity, I might have chosen otherwise. I have a great interest in and sympathy for all the farmers of my own State, whose plight and the causes of which I well understand. That plight was caused in some part by the tariff policy of the Republican Party, which, without protecting the farmer, because the tariff on such agricultural products of which there was an exportable surplus did not in its effects protect the farmer at all, but raised the prices of everything the farmer had to buy and eventually cut off a great part of our foreign trade, contributing to the causes of the depression, of lower purchasing power, and consequent unemployment. By reason of this our farmers had to sell in an unprotected market while they bought in a protected market. They sold cheap and bought dear. We are now just gradually beginning to overcome that condition.

In an effort to find out the causes of the dairymen's plight and the causes contributing to it, I helped to secure 2 years ago the passage of legislation providing for an investigation of the great dairy industry by the Federal Trade Commission because I believed that we ought to get at the facts, and then that we ought to pass such legislation as might be commended to our judgment by the results of that investigation to prevent the great distributors of milk, the Milk Trust, from buying from the dairymen at prices below the cost of production, while they, at the same time, made the consumers of milk in our cities pay exorbitant prices and thereby enabled the distributors to pay fabulous salaries to their officers and executives and pay enormous profits to a few. My speech on that subject, which was largely responsible for the securing of that investigation, appears in the CONGRESSIONAL RECORD on March 21, 1934.

I have a duty now to use what little influence I may possess and to use my vote to see to it that Federal aid shall not be used to injure or tear down the great industry of agriculture in my own State.

As has been so ably pointed out and so well proved by my very capable and distinguished colleague from New York [Mr. CULKIN] and the very able gentleman from Wisconsin [Mr. BOILEAU], this bill, if passed in its present form, will further depress the price of milk and dairy products throughout the whole country. If the amendment which the gentleman from Wisconsin [Mr. BOILEAU] has proposed, which provides, in substance, that these 20,000,000 or 30,000,000 acres which are to be conserved under the provisions of this act, may not be used for feeding cattle which are to be for sale, or the products of which are to be for sale, is adopted, then I am in favor of this bill. I am willing to vote and work for any legislation that will be of any benefit to any part of the country, provided that it is not done at the expense of ruining industries in another part of the country. This legislation, unless modified by the Boileau amendment, will, so far as the dairy farmers of the North and Northeast are concerned, tend to undo the benefits which they are just beginning to receive from a return of prosperity under the Roosevelt administration.

For those reasons I shall support the Boileau amendment, and if the Boileau amendment is adopted, I will vote for the bill.

I cannot support the bill without the safeguard afforded by that amendment.

Mr. JONES. Mr. Chairman, I yield the gentlewoman from Indiana [Mrs. JENCKES] 4 minutes.

Mrs. JENCKES of Indiana. Mr. Chairman, all of the Members of the House of Representatives know that I am an Indiana farmer. I know the problems of our farmers from a practical viewpoint. I know the terrible sufferings that our farmers have endured. I also know the blessings that the Agricultural Adjustment Administration brought to the farmers in my congressional district in the great State of Indiana. We must pass this legislation to give relief to our farmers. We must provide a substitute which we sincerely believe will meet all the requirements of the Supreme Court.

A woman's viewpoint is helpful in many discussions. I believe a woman's viewpoint will be helpful here on the floor of the House of Representatives.

I want to leave this thought with the Members of the House of Representatives: No nation can remain a great nation until that nation protects the producers of the food that is consumed by the citizens of that nation. Therefore, it behooves every one of us to provide every possible protection for our American farmer. It is a duty we owe to our farmers; it is a duty we owe to every citizen in our Nation. It will be one of the important steps toward overcoming the evil forces of the depression. [Applause.]

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, the hour is growing late, and there are only a few of us left. We can now have a little pleasant conversation about farming. I may bring you a sense of relief at the outset by saying that I do not intend either to sustain the Supreme Court or to reverse it. I do not expect to discuss the constitutionality of former acts nor of this one. I may find myself in a lone position when I assert I have never had any confidence in the platform of either of the great parties, as thus far expressed, for the relief of agriculture. I did not believe, at the time, it was proposed that the Farm Board under the Hoover administration, directed to peg the price of wheat and perhaps they tried to peg the price of cotton, could possibly succeed, because I was convinced at the time, as I am convinced now, that it was a wretched violation of economic law that simply cannot be put across. Nor am I in sympathy with that provision of the Republican platform of 1932, which has been read into the RECORD today, and which, as I recollect it, proposed crop control. The Democratic Party has taken that plank out of the Republican platform, and I think it is equally wrong. So you can see from what I have said thus far, that in this entire parade everybody is out of step but me.

As has been suggested in debate thus far, this bill labeled "Conservation and prevention of erosion" has actually for its purpose the continuation of crop control. Did it not have that for its purpose it would not have enlisted the interest of the agricultural organizations which it is alleged are supporting the measure. Its real purpose, we have to admit, is to continue crop control under another name, and continue the distribution of Government bounties, subsidies, or whatever we choose to call them, as a reward to the farmer who reduces his crop in accordance with regulations promulgated by the Secretary of Agriculture. In this respect, I think it is on all fours with the A. A. A., which I spoke against and voted against in May 1933, I think it was. I

do not wish to be defiant toward the leaders of any political party, but no matter what administration should propose crop control for this great continental United States, I shall oppose it.

Mr. RANKIN. Will the gentleman yield?

Mr. WADSWORTH. I am sorry, I cannot yield.

Mr. RANKIN. The gentleman, being the leader of his party, I thought we might get an expression from him.

Mr. WADSWORTH. I had nothing to do with writing the platform of 1932.

I believe it utterly impossible in a country the size of the United States, with its infinite variety of climate and soil, customs and habits, for a central government to manage its agriculture. [Applause.] Such a thing might be possible in a country like Denmark, or Holland, or perhaps Belgium, comparatively small in area, with a compact and homogeneous population, with scarcely any variance in climate or soil quality, where everyone knows everyone else and where the standards of living and the customs are uniform generally from border to border.

But in a country like ours, with its millions of acres, and, literally, its millions of farms and its scores of millions of fields upon the farms, for anyone to say that the whole thing can be regimented and controlled is to speak folly. We have tried it. We have tried it under Triple A, and I am not now denouncing this administration for attempting Triple A; in fact, as I recollect it, when it was first put upon the statute books, the President at the White House or in a statement somewhere said, "If it does not work, I shall be the first one to admit it." He said it was an experiment.

Now see what happens when you attempt crop control in a country the size of the United States. The first attempt was with cotton. I know nothing about the raising of cotton, I have had no experience with it at all, but he who runs can read. The cotton acreage and the number of bales were artificially decreased. A most unlooked-for effect was felt instantly. The effect was the throwing out of occupation of thousands and thousands of share croppers, an unexpected result; but now, as we look back upon it, an inevitable result. This had to be taken care of. How? By appropriating more money for relief. Thus nothing was gained and, probably, something lost. Another effect was the partial loss of our export market. I shall not discuss it, but it presents a menacing prospect.

Still another effect from this same cotton control was that the acreage taken out of cotton was put into some other crop and that crop, in turn, had to be regulated; and when that second crop was regulated still more acreage was idle, and that extra idle acreage was put into still another crop, and the Congress said, "Well, we will have to regulate that", and so on down the line until we reached potatoes. It was inevitable.

May I liken the agricultural situation in a country of this size to a toy balloon, we will say. The cubic capacity of the balloon represents the agricultural products of the country. Some one in authority makes up his mind that there is too much of a certain product and something must be done to reduce it in order that the people still left in the business of producing shall be more prosperous. So he takes his thumb and pushes it into one side of the balloon. "Ah," he says, "I have got that fixed." Strange to say the other side of the balloon bulges out. "Gosh," he says, "I didn't expect that", and he runs to the other side of the balloon and takes his other thumb and pushes it into the other side and says, "Now, I have got that fixed; I am going to control this thing." Strange to say the top of the balloon bulges out. So he has to find somebody else with a thumb to push that down. Then the bottom of the balloon bulges out and he has to find somebody with a thumb to push that in. Before you get through with endeavoring to control the crops of all the United States, you will have to have 1,000 thumbs and you will have to attempt to push in every single square inch of the balloon, and the balloon will burst. Now, this is just where we get with crop control, and there is no other answer, as I see it, in a country of this size.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. In just a moment.

The very fear of the thing I have tried to describe in this inadequate way has already been voiced upon the floor by the representatives of those interested in the dairy industry. This bill proposes to push in certain portions of the surface of the balloon, causing extension on another part of the surface, the dairy part. You cannot figure all these things in advance, but we have had a lesson in three or four crops already of the utter impossibility of pushing the thumb in one side without affecting the shape of the balloon on every other side, and the representatives of the dairy industry seeing what has happened in several directions under the operation of an undisturbed Triple A, are begging us to give them specific protection in this bill.

Now, it will not stop there. If we give them protection in this bill, and I for one shall vote for the Boileau amendment, it will turn out later that other agricultural interests will come before us, saying: "This thing is working against us; you do not know what you are doing; put in another provision and protect us." And you will go on indefinitely along exactly the same road you were traveling under Triple A. True, the element of force is not present in this measure. You cannot put it in. Of course, for force you are endeavoring to substitute persuasion through subsidy—persuasion to obey the plans of the Government, and you are to be persuaded by a sum of money.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. RANKIN. Did not the distortion of the economic balloon begin with pushing in the thumb of high protective tariffs for special privilege?

Mr. WADSWORTH. It did.

[Here the gavel fell.]

Mr. RANKIN. That is a significant culmination of the gentleman's speech.

Mr. WADSWORTH. Do not take too much for granted. I should like to discuss that very thing with the gentleman. There is no time. We will hire a hall. [Laughter and applause.]

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Chairman, this bill would not be before us today were it not for the fact that the United States Supreme Court has declared the control-of-production features of the Agricultural Adjustment Act unconstitutional. Ever since that decision the Department of Agriculture has been casting about to find a way whereby the unlawful parts of the Agricultural Adjustment Act might be carried on under some guise of legality.

The Soil Erosion Act, passed on April 27, 1935, was finally decided upon as the vehicle to be used in an attempt to do that which the Supreme Court so plainly said the Federal Government could not do in connection with agriculture. The bill before us is not in truth and in fact a conservation and a soil erosion bill. It is an effort to continue the control policy of the Agricultural Adjustment Act.

This bill is divided into two parts; that is, it has a temporary feature and a permanent feature. I have no quarrel with the constitutionality of the permanent feature of the bill. I do, however, feel that the temporary provision is entirely unconstitutional.

The Supreme Court in the Agricultural Adjustment Act decision said:

> The act invalidates the reserved rights of the States. It is a statutory plan to regulate and control agricultural production, a matter beyond the power delegated to the Federal Government.

After holding that the Government could not legally contract with the farmers to reduce their production the Court continues further:

> But if the plan were one of purely voluntary cooperation, it would stand no better so far as Federal power is concerned. At best it is a scheme for purchasing with Federal funds a submission to Federal regulation of a subject reserved to the States.

Now, it seems clear to me that this is a statutory attempt to regulate and control agricultural production, and even though there is no provision in the bill providing that the Government may make any contract or agreement with the

farmer in reference to this control, yet the clear purpose of the bill is to pay to the farmer benefits, providing he takes out of production lands to be designated by the Secretary of Agriculture. I say "takes out of production." I do not mean exactly that, for the purpose is to change from one crop to another—to take certain crops of which there is a surplus out of production. It is true that the words "compulsion" or "control" do not appear anywhere in the bill, yet I challenge anyone to suggest any method whereby the objective of the temporary part of the bill can be obtained without the mind of the farmer and the mind of the Secretary of Agriculture meeting on at least two points: First, as to which land will be taken out of production, or on which land the crops will be shifted; and second, the consideration which the farmer is to receive for making this change. Call this understanding what you will, the effect is that the farmer and the Federal Government have agreed to a certain arrangement whereby the farmer's production and crops are to be regulated, and because of his willingness to do these things he is to be paid money out of the Federal Treasury of the United States. Under the above quotation it is entirely immaterial whether the farmer does this voluntarily or whether it is done through compulsion. For a price he consents to be regulated by the Government.

I concede that aid in soil conservation is a legitimate function under the Constitution, but I deny that so patently camouflaged a proposition as this bill is soil conservation. That which is constitutional, or soil conservation, is here but incident to the main purpose of crop regulation.

Even if this bill were constitutional, I could not vote for it in its present form, because it delegates vast and unprecedented powers to the Secretary of Agriculture, because I believe that it will be ruinous to the dairy farmers of the country, and because it is a makeshift piece of legislation and has not had proper consideration.

We are told by the Committee on Agriculture that no hearings were held on this bill. Minority members of the committee demanded hearings, but this was denied. The only persons permitted to appear before the committee were the Secretary of Agriculture, Mr. Wallace, and the Administrator of the Agricultural Adjustment Act, Mr. Chester Davis. These gentlemen appeared informally. No notes were taken of what they said, and, therefore, only the members of the committee had the benefit of any information given. Now, when we consider the well-known attitude of these two gentlemen and their views as to the only method of treating the agricultural problem, we will at once see the unfairness of any legislation based entirely on such prejudiced information.

On the other hand, who are the known opponents of this legislation? Great consideration should always be given to the national farm organizations in connection with all legislation affecting agriculture. All dairy organizations of which I have any knowledge are absolutely opposed to this bill without the Boileau amendment. The National Farm Union is openly and unalterably opposed. The National Grange is not advocating the legislation. The Washington headquarters of the American Farm Bureau favors the legislation, but the Michigan State Farm Bureau, through its duly constituted officials, has informed every Member of Congress from Michigan that it is absolutely opposed to the legislation in its present form. Now, it seems that the spirit of fairness at least would have suggested that these great farm organizations, with their hundreds of thousands of members, might have had the opportunity of appearing before the committee and giving the committee the benefit of the views of these students of this fundamental proposition. Not a person in Michigan has asked me to support this bill, while many have opposed.

I refuse to be stampeded into voting for any legislation that has had no consideration in committee. The country is opposed to "must" legislation. I realize, however, that any effort to oppose this measure will be futile. There are enough Members of this body today who are still willing to follow blindly. I know that many of you say that this is a farm bill, intended to give farm relief, and that you dare not vote against anything which might be construed as giving aid to agriculture. Personally, during my service in Congress, I have usually voted for the best that I could get for the farmers. The time has arrived, however, when the best that one can get is not sufficient. We need militant advocates, those who will oppose efforts of this type to force through ill-advised, unconstitutional, and ill-considered legislation.

There are large dairy interests in the State which I have the honor to represent in part, and if this law ever does become effective it will militate directly against these interests. While there is no obtainable information from the committee as to just what is to be expected in the way of administration, yet a recent statement by Mr. Orvice V. Wells, Acting Chief of the Planning Section of the Agricultural Adjustment Administration, is enlightening. This report shows that it is the purpose to decrease cotton acreage in the South, but to increase the total crop land in pasture land and in the production of all of the southern feed crops excepting corn. Increases are also recommended for all classes of livestock production in the South.

In the Corn Belt it is recommended that the farmers shift from corn to hay and pasture, and while this might result in a decrease in hogs, yet it would mean a substantial increase in dairy cows and milk production. This is recommended for this section.

In the wheat section increased production of grain sorghums is recommended, while in the northeast section present conditions are to be stabilized at present levels. All increases aim directly at the dairy industry.

Think of the Department proposing an increase in the production of hay, principally in the Lake States and the South, from the normal level of about 68,000,000 acres to 82,000,000 acres, which would yield 115,000,000 tons in place of the normal production of 83,000,000 tons.

He also proposes an increase in the production of alfalfa from 20,000,000 tons to 40,000,000 tons. He recommends an increase in the production of milk from the normal level of 11,590,000,000 gallons to 14,000,000,000 gallons, an increase of two and one-half billion gallons.

Milk is the one monthly cash income for a majority of the farmers in my district, and I would be betraying a trust in voting for legislation that lessens the milk check and demoralizes the dairy industry.

It does not require a wizard to see what this would do to our dairy interests.

The bill contemplates the spending within the next 12 months, and each year thereafter, the sum of $500,000,000 to carry out the purposes of the act. In other words, the farmer is to enter into an agreement with the Department of Agriculture to shift his crops, and he is to receive so much per acre for so doing. Yet, if he grows clover, soybeans, alfalfa, or other legumes, he is to be paid for growing them, and at the same time be permitted to use them or sell them, just the same as he could do if he did not receive a subsidy for growing them.

The dairy interests are insisting on an amendment providing that if the farmer receives this benefit money for changing from soil-depletion to soil-conservation crops he cannot sell the crop so raised on this leased land and cannot use it for commercial pasture in competition with the production of the farmers' acres which are not so subsidized. The fairness of this proposition is conceded by every man on the floor of this House. Yet the proponents of this bill will not permit our amendment because they feel that it might not be constitutional. They promise us in a whisper, however, that it will be the purpose of the Secretary of Agriculture to make some kind of regulations carrying out what we must have, if our dairy interests are not to be destroyed. Suffice it to say that we have had much grief in the dairy industry during the last few years. The production has been such at certain seasons of the year as to ruin the price, and this legislation will absolutely demoralize dairy conditions. We are not willing to chance our industry on any regulation of any czar.

We are told that the intention is to take from twenty to thirty million acres of land out of production of cotton, wheat, tobacco, and corn, and to plant this land with grasses,

clover, alfalfa, and other legumes. Imagine the spectacle of twenty to thirty million acres of these crops to compete with our already overexpanded dairy industry, to say nothing about hay and livestock.

Now, how is this law going to be administered, and where is the money coming from? The bill gives the Secretary of Agriculture absolute despotic power. No limitations whatever are placed upon him. No formula is given to him. No yardstick is suggested. Every paragraph of the bill gives carte-blanche authority to this one individual, and then near the end the bill specifically provides that no appeal shall be taken in reference to any payments made under the act, except to the Secretary of Agriculture himself. The farmer or other person who feels aggrieved by reason of anything transpiring by virtue of this law is estopped from the benefits of the court. After reading the bill through carefully I was almost tempted to make further search to see if the farmer was not even denied the benefit of clergy. There has never been so broad a statute enacted by this Congress. The President has been given broad powers in much legislation during the last 3 years, but this so-called conservation and soil erosion bill is the cap sheaf.

Of course, while the bill provides that the Secretary of Agriculture shall make all regulations for the carrying out of the law, yet as a practical matter, we all know that the Secretary of Agriculture cannot possibly look after all of these matters personally, and as a result the farmer is again being yoked up to be driven about by bureaucrats.

During the life of the Agricultural Adjustment Act, our farmers have learned something about regimentation and control from Washington. I say to my farmers that you have not been anywhere yet, as you will learn if this bill becomes law. Few farmers from my section of the country will be able to profit in comparison with other sections of the country. Our farmers have been practicing crop rotation for years and as a result, the farmer now growing clover, alfalfa, and legumes in proper proportion will not be entitled to any consideration whatever. The only part that he will have in the show is to contribute in taxes so that his shiftless neighbor might be paid for doing that which he has already done at his own expense.

The philosophy of scarcity has not met with the approval of the farmers nor the consumers. A doctrine of plenty, with a reasonable price not only to the producer but also to the consumer, is what we must have. Forget about these experiments that have proven so unpopular and so sterile in the final analysis. Give the farmer a lower interest rate on his mortgage. Cut out a lot of expense between the producer and the consumer. Let us work out a sound system of production and distribution that is equitable and that will give the farmer the cost of production plus a reasonable profit and the consumer a chance to live. This policy of scarcity, that makes necessities of life luxuries, is not American. It is economically, socially, and morally wrong. Stop paying premiums to the farmers for producing less while at the same time permitting the importation of foreign foodstuffs to take the place of the foodstuffs that should be produced on our own acres.

I am glad that we had the Potato Control Act, inasmuch as it was never permitted to go into effect. It did, however, spectacularize just what ideas were motivating those who believed in the principles of the Agricultural Adjustment Act. We want no more of this kind of thing.

It is not possible to revive legislation that has been declared unconstitutional by simply restating its purpose. Bills have been introduced and are now pending before the Committee on Agriculture which should be given a hearing, and an honest effort made to get honest results. Any legislation, the effect of which is to benefit one group of agriculture at the expense of another, is not sound and will not be tolerated. Under this bill the whole program for agriculture would be written by one man without let or hindrance, and now is the time to make the protest. The passage of this bill means a continuation of the large number of employees now administering the Agricultural Adjustment Act. It will add to, rather than subtract from, the total number in the end. More agents, more snoopers, more bookkeeping, more reports, and more discouragement will await the honest farmer who lives on, believes in, and has made possible the family-sized farm of the past. Let us abandon failures and face realities. I shall never consent to let one man or any bureau write a permanent policy for agriculture without this Congress having any knowledge as to what the policy is going to be. Those voting for this bill are authorizing just that thing. We have already surrendered too many of the people's rights. A dictator for agriculture is unnecessary. The A. A. A. has been near enough.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. TAYLOR].

Mr. TAYLOR of Tennessee. Mr. Chairman and fellow Members, at the outset I desire to reregister my profound interest in the problems of the farmers of the United States. While I am not a member of the Agricultural Committee, and certainly am not recognized as an expert in the subject of agriculture, I was born and raised on a farm and profess to know something of the difficulties which beset the ordinary farmer of this country. While the district I represent is diversified so far as industry is concerned, we do produce practically every agricultural product. In recent years dairying has become one of the leading industries in my district, and the State of Tennessee ranks fourth in the production of dairy products in the United States; hence, Mr. Chairman, my concern that the dairy industry be safeguarded against a danger which, to me, is evident in this proposal.

During my nearly 18 years as a Member of this body I have supported every piece of legislation designed to improve the condition of the farmers of our country. While we have passed some goods legislation in behalf of the farmers, in my opinion, we have enacted other legislation that has been detrimental to their interests. Something has been said about giving industry a breathing spell. I sometimes wonder if the farmers of this country are not entitled to a breathing spell from crackpot socialistic legislation.

I fail to comprehend the philosophy of regimenting the farmers of the United States, and especially that part of the program which requires him to curtail his crops and the production of livestock, when at the same time our importations of grain and meat products are increasing to staggering proportions. An example of this fallacy is shown in the fact that in 1934 we imported only 399,138 bushels of corn into the United States, whereas during the year 1935 we imported 43,242,296 bushels of corn. The Farmers' Independence Council of America has furnished a table on this subject which is very interesting and very illuminating. With your permission, Mr. Chairman, I am including a table prepared by them showing the increase in the importation of meat products for the first 8 months of 1934 as compared with the importations of the same products for the first 8 months of 1935. They are as follows:

Imports (in pounds)	1934	1935
Beef and veal	136,972	7,115,925
Hams, bacon, etc	547,223	2,395,608
Canned meats	26,215,757	49,770,402
Lard, etc	296,185	10,758,779
Butter	496,605	21,825,263

The United States is one of the greatest agricultural and stock-producing countries in the world. And why we should continue to import, in such staggering amounts, these commodities which we ourselves can produce, at the same time curtailing our own production, is a paradox and incongruity which I fail to comprehend.

Recently we were told that the Government had been returned to Washington. What government, pray tell us? It must have been the one the professors from Cornell, Columbia, and Harvard Universities dug up from the tombs of Egypt. A New Deal government it is called. But it is not a New Deal exactly. The Pharaohs planned the full granary. Greece and Rome distributed free grain. The N. R. A. and the A. A. A. are not new; codes, doles, and subsidies are as old as the institutions of government, and it is a part of their

history that generally they have proved to be a handicap, rather than a blessing.

But we were told that there was an emergency. The President, at one of his almost-forgotten fireside broadcasts promised that if we would "go along", and that should the schemes of his "brain trust" fail, he would be the first to cast the new aside and return to the old. He called it an experiment. And now, while still the echo remains, he says, "It is to be permanent—we planned it that way." Just what has he planned? A bureaucratic, dictatorial government? It might as well be understood now that no one is going to play politics with the farmers' problems. Make no mistake of that. And if he is sending another bill here to add to the human misery of the poor tenant farmer and the millions of consumers to be dictated to by 118,000 bureaucrats, then now is the time for those of us who have a just right to expect a man in high office to keep his promises and stop experimenting with human misery to demand a new deck. We do not want another deal from that old deck, and this time we expect the cards to be dealt above the board.

Mr. Chairman, in my judgment, the bill before us, in its final analysis, is simply a makeshift proposition. It seems to me that it is designed solely to save the face of the present administration, at the expense of the farmers, the consumers, and the taxpayers of this country. It is a feeble effort to evade and circumvent the recent decision of the Supreme Court on the Triple A, and I predict that it will go the way of the late lamented Triple A, if it is not materially amended.

The difficulty with our agricultural legislation for the past 3 years has been the fact that most, if not all of it, has been drawn by the so-called "brain trusters", who hail from the big metropolitan centers and who never experienced the hardships and drudgeries of farm life. These eminent worthies would not know a pack saddle if they met it in the road, and they would not know the difference between a sweat bee and a turkey buzzard. I wonder how long these pseudo-agricultural experts will continue to foist their half-baked theories on the Congress. It seems to me that the measure before us clearly bears the earmarks of those who originally drafted the Triple A, which has been held invalid by the Supreme Court.

In collaboration with some friends of mine who are deeply interested and well versed in the agricultural subject, I prepared and introduced on January 28 last, H. R. 10666, which I propose to offer as a substitute at the proper time. My bill is a 100-percent States' rights bill. I contend that, if enacted into law, my bill will, first, eliminate the bureaucratic evil which to me is one of the greatest menaces to constitutional government; second, that it will take Federal employees out of politics; third, that it will do all that the bill under consideration will do at one-half the cost; fourth, that its administration will be paid for by all classes and not by certain groups; fifth, I contend that it is not of doubtful constitutionality.

My bill, in its essence, is a conservation proposition and contains none of the baneful crop-reduction and processing features which certain administration officials would like to see preserved.

I commend an earnest consideration of my bill to the members of the Agricultural Committee and to the Members of the House generally. [Applause.]

Mr. JONES. Mr. Chairman, I yield to the gentleman from Alabama [Mr. STARNES].

Mr. STARNES. Mr. Chairman, the soil is our greatest natural resource. Conservation of the soil and its proper utilization presents us with our greatest problem. It cannot be solved by carping criticism nor partisan politics. The proper solution of the problem challenges our common sense, our courage, and our devotion to the country. A business or avocation wherein are found 6,812,350 members whose families have a total population of more than 32,000,000 people and with a monetary value of $32,858,844,012 is a business that must be considered in the light of our national interest.

The A. A. A. sought to control production in order to establish a balance between supply and demand and to bring about parity prices and parity income. It had the support of national legislation and the cooperation of the farmer. So ably was it administered that splendid progress was being made toward its goal until it was struck down by Supreme Court "blight." To show its efficacy I submit herewith some statistics which are enlightening. These figures show the status the last year under the old regime, or the Hooverian philosophy, as compared with the last year of the A. A. A. They tell an eloquent story of the progress made by the farmers cooperating with their Government in a unified national program.

1. Farm cash income:	
1932	$4,328,000,000
1935	$6,900,000,000
2. Percent increase in cash income, 1935 over 1932	59.4+
3. Percentage of rental and benefit payments to farm cash income, 1935	6.9
4. Index of average farm prices (pre-war 100):	
December 1932	65
December 1935	108
5. Percent farm prices were of parity:	
December 1932	61
December 1935	90

While we think the minority opinion in the A. A. A. case is logical and unanswerable, we submit to the will of the majority and seek to save the gains made by the farmer and to continue the support of the National Government for this great business.

None can deny the justice of this support. None can deny that without it the farmer cannot be placed on a parity with business and industry. We seek a balanced economic life for our people. Business and industry are permitted to organize and form combines for manufacturing, buying, and selling goods. Subsidies, exemptions, tariffs, and financial support are afforded. This is an established policy with reference to business and industry. We must now extend necessary and proper support of our Government to the farmer. He cannot be expected to produce and sell in an open world market against all competition and to buy in a protected market.

We believe none can deny conserving and utilizing the soil is charged with a national interest. No one has questioned the legality or constitutionality of our soil-conservation program. It is estimated that 50,000,000 acres of land were destroyed by erosion in 1934 and that at least 360,000,000 acres of cultivated lands are threatened with erosion. Such a loss as is being experienced, unless checked, will lead to an increase in cost of production and a reduction of our net income.

This bill offers a temporary plan and a permanent program to accomplish its purpose of conserving the soil. Under the temporary plan the Secretary of Agriculture is given power to make payments or other grants of aid to agricultural producers to encourage farming practices which will result in (1) preservation and improvement of soil fertility, (2) promotion of the economic use of land, and (3) diminution of exploitation and unprofitable use of national soil resources. Under the temporary plan there is no compulsion and no contractual relation binding the producer to any course of action. This temporary plan is for the purpose of giving assistance to the individual farmers until such a time as the States can plan and enact necessary State legislation to meet the requirements of the permanent program. All payments or grants under the temporary plan cease December 31, 1937.

The permanent program provides for Federal grants to the States to enable them to provide and effectuate plans to accomplish any one or more of the following purposes: First, preservation and improvement of soil fertility; second, promotion of the economic use of land; third, diminution of exploitation and of unprofitable use of national soil resources; fourth, provision for and maintenance of a continuous and stable supply of agricultural commodities adequate to meet domestic and foreign consumer requirements at fair prices to producers and consumers; and, fifth, reestablishment and maintenance of farmers' purchasing power. The only limitations placed by the National Government upon the States is that the money must be spent for effectuating the purposes outlined above and to assure proper administration and coordination.

The farmer will be assured of financial support when he removes from cultivation many acres heretofore devoted to production of corn, wheat, and cotton, and places them under cover crops and in legumes designed to prevent erosion and to restore fertility. In this manner millions of acres now marginal and submarginal in nature, or which are being badly eroded for lack of proper conservation, can be restored to a measure of fertility and usefulness. This will encourage diversification and promote a farm program which will lead to self-containment. This is our ultimate goal.

This bill seeks to bring to the farmer a "square deal." It is our hope that it will bring about parity prices and parity income, conserve the soil, and effectuate a diversified farm program that will guarantee the economic independence of the farmer.

To this policy and program I heartily subscribe.

With the passage of this much-desired piece of legislation which we now have under consideration we are confronted with another major farm problem which must be solved before we can reach a stage of genuine self-containment in our farm life; I refer to the farm-tenant problem. With your permission I want to cite some official data furnished me on yesterday by the Department of Agriculture and the Bureau of the Census.

The 1935 Farm Census classified the farm operators by tenure as follows:

Full owners	3,210,244
Part owners	688,867
Managers	48,104
Tenants	2,865,155
Total	6,812,350

Only 47.1 percent of our farm operators were full owners. To emphasize the seriousness of this situation we find a steady and an alarming increase of farm tenants during the past half century and a corresponding decrease of full owners. In 1880 the percentage of tenant farmers was 25.6; in 1930 it was 42.4 percent. The increase by decades from 1880 to 1930 follows:

1880	25.6
1890	28.4
1900	35.3
1910	37.0
1920	38.1
1930	42.4

The figures in my beloved native State, Alabama, are even more alarming. There were only three States with a higher percentage of tenants than Alabama in 1930. During the half century from 1880 to 1930 the number of tenant farmers increased about two and one-half times, whereas the total number of all farms did not double during that period. During the decade between 1920 and 1930 the number of farms operated by full owners declined 21 percent, whereas the number of farms operated by tenants increased 12 percent. The following data with reference to the farm-tenant situation in Alabama are illuminating and the knowledge that the problem is Nation-wide is accentuated.

Year	Number of all farmers	Number of tenant farmers	Percentage of all farmers who were tenants
1880	135,864	63,649	47
1890	157,772	76,631	49
1900	223,220	128,874	58
1910	262,901	158,326	60
1920	256,099	148,269	58
1930	257,395	166,420	65

On March 13, 1935, I had the privilege of introducing the first farm-tenant bill in the House. H. R. 6613 seeks to establish the legislative machinery and the financial support to provide a program for the solution of our farm-tenant problem. Since that date the able and lovable chairman of the Committee on Agriculture has also introduced a bill to accomplish the same purpose. I sincerely hope that at an early date these measures will be enacted so that we may abolish a system of land tenure in America which is leading to peonage for a majority of our farmers.

Give an honest citizen the opportunity to acquire and own his home, and you will note an immediate change in his outlook. He will support and maintain schools and churches for the mental and spiritual development of his family. He will purchase necessities and comforts of life which will add to their social well-being, thereby stimulating business and industry. He will contribute to the support of his Government in a monetary way by paying taxes. To him an established democracy is no longer an ideal but a vital, living reality to be preserved at all costs. [Applause.]

Mr. JONES. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Chairman, gentlewomen, and gentlemen of the Committee, as a farmer from Manhattan [laughter], I wish to say that Manhattan is the oldest borough in the city of New York, and I think we have one small farm, a little truck farm left.

However, my sympathies have always been with the farmer. I have always voted to help him. I have the greatest respect in the world for the noble men and women on our farms. I admire the chairman of the Agriculture Committee and the work that the committee has done. I have listened to the debate, and I was greatly impressed with the 44,444 words [laughter] spoken in behalf of the farmers.

But I heard very little about the poor consumer. I suppose he is buried under the avalanche of words. But when you have production you must have consumption. Farmers may produce everything in the world, but if there is no consumption of their products, no one to eat them, no one to drink the milk or the cream or use the butter and eggs, it does not mean anything to them. So I am concerned about the poor little consumer, who, I fear, lies buried down deep under this torrent of words.

I want to see him protected because, after all, during all of this depression it was not the man or the woman on the farm, but the poor men and women in the tenements of the cities of the country who suffered more on account of lack of proper food; and when the proper time comes I shall offer an amendment in order that the consumer may get a reasonable amount of protection from the high prices of foodstuffs. [Applause.]

No informed person denies that the farmer is entitled to a fair price for his commodities. If he does not get it, he will be unable to buy manufactured products. On the other hand, if his prices are too high, the wage earners of the country will not have the means to buy farm products. My amendment will provide a yardstick to measure and equalize the price levels between the producer and the consumer. I do trust it will be accepted by the House. [Applause.]

Mr. JONES. Mr. Chairman, I yield now to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. The intention of this bill is to give the producer an opportunity to carry on a voluntary reduction and at the same time conserve and rebuild the depleted soil. The prime purpose of the bill is preservation and improvement of soil fertility, promotion of economic uses and conservation of land, and reestablishment and maintenance of farmers' purchasing power.

This bill does not give to the farmers the benefits I should like to see them receive. However, I appreciate the fact that the committee had to report a bill within the limits of the Constitution as set out in the Supreme Court decision on the Agricultural Adjustment Act.

I appreciate also that it is very difficult to pass any legislation of this type to help all classes of farmers in every section of the United States with so many types of soil and such varied climatic conditions.

As I understand, the payments in 1936 to individual agricultural producers will be based upon the acreage that such producer diverts from a soil-depleting crop, such as cotton, to a soil-building crop, such as cowpeas or vetch. It is entirely voluntary, and any producer who desires to do so may at the proper time make application for payment or grant.

In determining the amount of any payment or grant, the Secretary of Agriculture shall take into consideration the

productivity of the land affected by the farming practices of the year with respect to which such payment is made and any act on the part of any producer is purely voluntary.

It is the purpose of this bill that the allotments and grants shall be fair to the small farmer as well as the large planter, and in the administration of the act this purpose should be carried out.

Under the former Agricultural Adjustment Act using the base period from 1928 to 1932 as an index did injustice to several counties in my State, especially those counties where cotton was the only money crop. Many of these counties formerly made from 15,000 to 30,000 bales of cotton in normal years, and under the old A. A. A. allotment plan these counties were held down to 6,000 and 7,000 bales. This, of course, was due largely to the ravages of the boll weevil from 1922 to 1932, and many people, being encouraged by prominent farmers and agricultural colleges, voluntarily reduced their cotton crops. As a result of this situation, many left cotton and planted other crops. Some went into the sawmill business and dairy business. This made the base acreage from 1928 to 1932 very low. Now, the timber is gone, the dairy business was not so profitable in many communities, and no profitable markets could be found for other crops. Therefore a considerable number of farmers did not receive all the benefits of the Agricultural Adjustment Act which were given to people in other sections of the Cotton Belt.

With half the people of the United States dependent directly or indirectly on agriculture for a living, it is a very evident fact that the prosperity of practically every business is dependent on agricultural prosperity. By giving the farmer more purchasing power he can buy more industrial products and industry can pay more wages to employees, who, in turn, can buy more food and clothing.

Farmers have been neglected for many years more than any other class, especially the cotton farmer. All these years he has been forced to sell his products in a competitive market and buy actual necessities in a protected market. The enhancement in price of those things which the farmer must buy is entirely out of proportion to the increase in value of the products of his labor. We certainly ought to correct the disparity existing between the prices producers receive for their commodities and the prices they are required to pay for necessities.

There are about 2,000,000 farmers relying upon cotton as their cash crop. This is true now and has been true for a century. These farmers are scattered in many sections of the country. They have tried to organize and failed. It looks like it is impossible for them to organize and fight for a common cause. I remember the organization of the Farmers' Alliance when a mere lad. My father was a member. I remember this organization failed.

The Government undertook by the Agricultural Adjustment Act to do for the cotton producer what, in effect, it has been doing for the manufacturer. When the farmer buys now he pays the same price he did when cotton was 18 and 20 cents a pound, because the manufacturers of what he buys are few in number and limit the output to suit the market, whereas the farmers are so many and so scattered that it is very difficult for them to agree and limit their output to suit the market. The result is they produce a large surplus.

I take the position that if the manufacturer is to continue to be helped through tariff legislation, then the farmer is entitled to some relief from the Government.

As stated in the beginning, I am not satisfied with this bill, and I am sure a great many of our farmers will be disappointed, but it looks like it is the best we can do at this time under the ruling of the Supreme Court, and it is a step in the right direction for permanent assistance to the distressed farmers.

There are many suggestions from constituents which we should like to place in this bill which would be beneficial, but we are prohibited from doing so by the yardstick laid down by the Supreme Court's decision on the A. A. A.

Mr. JONES. Mr. Chairman, I yield now to the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Chairman, the objections to the pending farm bill to replace the A. A. A. that was outlawed by a recent opinion of the Supreme Court, have come almost wholly from the Republican side of this Chamber. It is also significant that much of the opposition, as expressed in the debate today and yesterday on the floor of this House, has emanated from New England, sometimes called the industrial East.

The gentleman from Massachusetts [Mr. TREADWAY], with all of the force of his eloquence and satire, unleashed his wrath against this bill, just as he opposed the A. A. A. and other measures calculated to assist the distressed farmers of the country. The able and scholarly gentleman from Massachusetts who would be chairman of the Ways and Means Committee if his party should come into power, and who represents a part of that small area of the United States that owns most of the wealth of the land, an area that has siphoned that wealth from the pockets of the farmers of Oklahoma and other agricultural States, is bitterly and uncompromisingly opposed to the pending farm bill. The fact that this bill is opposed by the gentleman from Massachusetts, who is the champion of the Republican high tariff, a system that is largely responsible for the pitiful plight in which the farmers of America found themselves at the close of 12 years of uninterrupted Republican rule, with its high tariffs and special privileges, is sufficient evidence to me that the pending measure has considerable merit. [Applause.]

Another speech of unusual interest, made a few minutes ago against this bill, came from the brilliant ultraconservative gentleman from New York [Mr. WADSWORTH], who is said to be willing to "accept" the Republican nomination for President or Vice President. The gentleman from New York tells us very frankly that in his judgment the bill is not only bad but so was the A. A. A., which he also opposed. He goes even further than our other high-tariff friend from Massachusetts by advising that there is nothing we can do to solve the distressing farm situation in America. Although admitting that a farm measure might be successful in Norway, it is useless and hopeless for Congress to attempt to solve the farm situation in the United States, according to his ideas and political philosophy.

The pending farm bill is based primarily and fundamentally on the conservation of soil and the restoration of land that has been practically destroyed or seriously damaged by erosion, that gigantic enemy of the farmer. Another feature of the bill is based on what is known as the domestic allotment plan. A third provision is the permanent plan wherein allotments are to be made through the States to the farmers who cooperate with the Federal Government in carrying out a national plan of soil conservation. It provides for full opportunity for the cooperation of State and National Governments in carrying out national, State, and regional programs which will enable farmers to use sound farming practices.

When we take into consideration that more than 50,000,000 acres of land have been destroyed in the United States by soil erosion and more than 360,000,000 acres have been seriously damaged by this giant enemy, it is needless to say that it is high time for Congress to recognize the absolute necessity of a Nation-wide program of soil conservation and the rebuilding of lands that have been damaged by the serious menace of erosion.

It will be recalled that it was only less than a year ago that this Congress first became soil conservation conscious and passed what was known as the Jones-Dempsey bill, establishing a permanent Soil Conservation Service. In the short time of its existence the Soil Conservation Service has given a good account of itself. The hundreds of soil conservation projects that are just now getting under way, as well as the C. C. C. camps, many of which are also combating soil erosion, have made remarkable progress. But these agencies of government, although they have pointed the way toward progress, have actually thus far only touched the surface as compared with the pressing needs of the Nation.

Under the pending bill, it is my understanding that farmers will be paid for terracing their land in some sections, for digging trenches, contour plowing, and strip planting of grasses, crops, and forages in other sections. A real, com-

prehensive, and practical program of conserving the soil will be encouraged in every section of the country as an established policy of the Federal Government. In that respect it is the most far-reaching measure of its kind to promote the general welfare of the citizens of this Republic ever suggested or enacted by any Congress.

I shall not discuss the constitutional question involved in this measure further than to say that in my judgment no court will ever dare to declare it unconstitutional by denying it is for the general welfare or by saying it encroaches upon the rights of the respective States.

I do not pretend to say that I am wholly satisfied with this bill. In fact, I sincerely hope that some amendments that will be offered today and tomorrow will be adopted. I shall not discuss all the proposed amendments at this time. It is my understanding that the chairman tomorrow will offer an amendment protecting the rights of tenant farmers and small producers under the provisions of this act. If he does not, I give notice now that I shall do so. When we take into consideration that more than 62 percent of the farmers of Oklahoma are tenants, many of whom are clamoring for an opportunity to own their own homes, of having some of the comforts of life, and educating their children, this bill must not be passed without a provision protecting their rights and privileges. [Applause.]

There are several other proposed amendments that the membership of this House ought to give very serious and careful consideration. For instance, I should like to vote for the amendment proposed by my very good friend, the distinguished gentleman from Wisconsin [Mr. BOILEAU], but after having heard that the chairman of the committee stated that his proposed amendment is clearly unconstitutional, I do not want to be a party to adding any amendment that will jeopardize this legislation.

Although, as one Member of Congress, I am going to support a number of the proposed amendments, I shall not do as the gentleman from New York [Mr. SISSON] suggests, refuse to vote for the bill unless I get my pet amendments incorporated into the measure.

Agriculture is now at a standstill. The farmers of America are looking to this Congress for adequate and immediate relief. Upon agriculture, the basic industry of all the world, depends the prosperity of our people. If agriculture fails all fail. If and when agriculture prospers, all business prospers. The industrial East should not continue, ostrichlike, to stick its head in the sand and ignore the great agricultural South and West that have made industry what it is today. Those who have been bitterest in their opposition to this legislation have offered no remedy. If we followed their leadership, this Congress would adjourn and we would go home empty-handed so far as farm legislation is concerned.

I predict that when this farm bill is passed and signed by the President that it will mark a new era in the economic life of America. Farmers will take a new lease on life. Business will show an upward trend, and, if it is properly administered by the Secretary of Agriculture and his associates, who are delegated the power and responsibility of administering this act, no Member of this Congress will ever regret having supported the measure. [Applause.]

Mr. JONES. Mr. Chairman, I yield to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, there can be no return of real permanent prosperity in this country until agriculture leads the way.

You cannot destroy the American farmers, drive them into bankruptcy, or into the poorhouse and have national prosperity.

If you want this country to prosper, then the first thing to do is to restore the prosperity of the American farmer. You may be assured that your merchants and manufacturers will not be able to sell him anything if he has nothing with which to buy.

I have listened with interest, as well as amusement, to the remarks of the gentleman from Massachusetts [Mr. TREADWAY], who represents the old stand-pat element in the Republican Party. Whenever he and the crowd with whom he trains begin to manifest an interest in the welfare of the farmers, just before election, they remind me of a bunch of house cats purring around a bird cage.

He represents that school of politics that thinks industry should always benefit at the expense of agriculture, no matter how much the farmers suffer as a result. He is an advocate of that high protective tariff policy through which the American farmers have been robbed and plundered until they reached a condition of desperation and despair in 1932 and 1933 that threatened this country with a devastating revolution. There is no man now in public life who was more responsible for the passage of those tariff acts that brought about the wreck and ruin of American agriculture than the gentleman from Massachusetts [Mr. TREADWAY].

In 1920 his party waged one of the greatest campaigns of deception and misrepresentation ever witnessed on this continent. They coordinated all the elements of dissatisfaction and discontent, growing out of the war, made love to organized labor, and sang their siren songs to the farmer. Organized labor fell for the deception, and the farmers walked into the trap, with the result that their party swept into power by the largest majority they had ever known.

Then began the tragic decade, whose scandals are too well known for repetition. Treason in the Cabinet, Teapot Dome, robbery of the disabled veterans by the very officials appointed to protect them, Cabinet members driven from office by the Senate for corruption, reluctantly dismissed by a Republican President with regrets. One Senator said it was the best Cabinet that money could buy.

So far as the devastating economic effects of their acts were concerned, the Cabinet was no worse than the Congress. While one committed illegal graft, the other made possible the thievery within the law that was perpetrated against the helpless, unprotected farmers of the country, robbing them to fatten industry and to enrich those selfish interests that furnished the campaign funds for the party then in power.

Since the gentleman from Massachusetts [Mr. TREADWAY] would become chairman of the Committee on Ways and Means, if his party should gain control, let me show the farmers what they might expect in the event of such an unexpected disaster.

When his party came into power in 1921 they immediately levied upon the farmers of this country the highest protective tariff ever known in time of peace—a tariff that levied a tax upon everything the farmer had to buy, from the swaddling clothes of infancy to the lining of the coffin in which old age is laid away.

That tariff, from 1921 to 1929, is said to have amounted, on an average, to $4,000,000,000 a year—$4,000,000,000 wrung from the helpless masses of the American people every year, for which they received practically nothing in return. Of that amount $600,000,000 went into the Treasury, while $3,400,000,000 went into the pockets of the beneficiaries of that law.

From $35 to $40 per capita, or $200 per family, on an average, was wrung from the farmers of this country every year. By 1932 the farmer's resources were exhausted and his buying power was gone. The tariff had provoked retaliation abroad and killed our foreign trade. Industry had come to a standstill, and we were swept into the greatest depression of all time.

Now when we try to do something for the distressed farmers, the House is harangued by the criticism of the gentleman from Massachusetts [Mr. TREADWAY], who was one of the main sponsors of the very law that helped to bring about their ruin.

I will tell you what I saw him and his party do in 1921: After imposing a tariff on everything the farmers had to buy, when the Members from the West asked for a small tariff on cowhides, the gentleman from Massachusetts [Mr. TREADWAY] voted against it, and they defeated it on a roll call, for fear the manufacturers might have some of it to pay.

He was willing to place a tariff on everything the farmer had to buy, so long as his manufacturers profited by it, but denied it to him on his hides for fear it would cost his manufacturers a few dollars.

One man in my county took a cowhide to town to sell during the Hoover administration. After he had sold it, he went into a store to buy a hamestring, and he had to pay more for the hamestring than he got for the hide.

Heaven deliver the American farmers from the tender mercies of the Republican old guard, represented by the gentleman from Massachusetts [Mr. TREADWAY]!

I regret to note the attacks that have been made on the southern dairying industry in the course of this debate.

I represent one of the leading dairying districts in the South. It has advantages of which no other territory in the world can boast. With the probable exception of a few small areas in other parts of the South, there is no other country under the sun that can boast of all of the following advantages which prevail in northeastern Mississippi:

First. A 9 months' grazing season.

Second. An abundant rainfall of more than 50 inches a year.

Third. A semitropical climate, which eliminates the necessity for costly barns and long housing periods.

Fourth. A superabundance of dry feed in the form of cottonseed and cottonseed meal and hulls produced on every farm.

Fifth. A lime soil that produces every kind of grazing grass known to the temperate zone.

Sixth. The smallest percentage of tuberculosis among our dairy cattle to be found on the face of the earth.

Seventh. The highest vitamin content in vegetable matter and dairy products to be found in America or anywhere else outside of the Tropics.

Eighth. The highest percentage of iodine in our soil, our forage crops, and dairy products, which prevents the terrible disease of goiter—that horrible malady that is today taking the lives or wrecking the health of so many hundreds of thousands of people in the Northern States.

In addition to these advantages we produce every kind of forage crop necessary to feed our dairy cattle and other livestock, as well as millions of tons of cottonseed and cottonseed hulls and meal. Every bale of cotton contains on an average a thousand pounds of seed.

We have in that southern country, as I said, the smallest percentage of tuberculosis among our cattle to be found on American soil. One leading physician is quoted as having said a few years ago that thousands of people in this country contract tuberculosis every year from eating butter and drinking milk produced from tubercular cows.

Now, since the gentleman from New York [Mr. CULKIN] has taken it upon himself to criticize the southern dairying industry, let us make some comparisons between the dairy products in Mississippi and New York. I have before me a record of the tubercular testing for the fiscal year 1935, which is published by the Bureau of Animal Industry of the Department of Agriculture. It shows the percentage of cattle affected with tuberculosis among those tested in every State in the Union.

I find that in the State of New York it is 7.2 percent, while in the State of Mississippi it is 0.08 per cent—showing that the percentage of infestation is 90 times as great in the State of New York as it is in Mississippi. Anyone eating butter or drinking milk produced by those New York cattle would stand 90 times the chance of contracting tuberculosis therefrom as he would from drinking milk or eating butter produced by the dairy cattle of Mississippi.

If every human being in America were familiar with this fact alone, the market for southern dairy products would be so great we could not supply the demand.

And I might say to the gentleman from Massachusetts [Mr. TREADWAY] that, according to this Government report, the tubercular infestation, among the cattle tested, was shown to be 41 times as great, on an average, in the State of Massachusetts as it was in Mississippi, and her sister Southern States.

In Minnesota and Wisconsin the infestation is shown by this report to be five times as great, on an average, as it is in Mississippi.

Another advantage that our southern dairy products have is that our soil is sufficiently supplied with iodine to prevent our people from contracting the terrible malady of goiter, which is so prevalent in the States along the Great Lakes. Statistics show that more people died from goiter in one of the Great Lakes States in 1931 than died in Mississippi in the same year from typhoid, malaria, and goiter—all three. The disease of goiter is practically unknown in Mississippi, and all the other Southern States, while the record shows that tests among school children in Wisconsin and other Lake States showed infestation ranging as high, in some communities, as 90 percent.

If people in those States where this malady is so common would eat more southern dairy products, southern fruit, and southern vegetables, they could greatly reduce the effects of this disease and could probably eliminate it entirely.

Another advantage of southern dairy products is that they contain more of the vitamin necessary to human health and to the building of bone and sinew, and nerve, and strength, and vitality of children, than those produced anywhere else in the United States.

If these facts were known to the fathers and mothers who are responsible for the lives and health of their growing children, the demand for southern dairy products would be almost unlimited.

The South has become the most healthful section of the United States. Those infectious and contagious diseases, such as typhoid, malaria, and so forth, have been eliminated or reduced to a minimum. The slogan now is "Go South and improve your health."

The gentleman from Wisconsin [Mr. BOILEAU] talks about the "inferior" quality of milk produced in the South. He ought to inform himself on that subject. Southern dairy products are the finest, cleanest, richest, most wholesome and most nourishing to be found in America, if not in the entire world.

The large condenseries that now operate in my district came there from Wisconsin. The agents of one of these companies first came down and investigated everything from the soil to the climate. They counted and tested the dairy cows in the county where the condensery is now located. They found all the conditions which I have just described. They laid off a square foot of ground and analyzed the grasses on it. On that square foot they found 19 different varieties of pasture grass, according to their own report. They were so greatly surprised with these favorable showings that they feared they were too good to be true. So they had a carload of the milk from these cattle shipped to their plant in Wisconsin so that they might condense it and see if it measured up to standard. As soon as they had tried it out, they sent back the following telegram:

A child in that county at 20 years of age ought to weigh a ton.

They found that milk so rich and so valuable from every standpoint that they hastened to construct their new plant in that area. They have not only done a flourishing business from the very beginning, but other condenseries, creameries, and cheese plants have followed their example.

When another of these large condenseries came to my county—from Wisconsin—the managers seemed to be under the same erroneous impression as the gentleman from Wisconsin [Mr. BOILEAU] as to the qualities of southern dairy products. They were utterly astounded, and so expressed themselves, to learn that the milk produced in that locality was of the very highest grade and quality.

The first morning this condensery opened, the manager had a large stack of white cloths placed at the entrance where the milk was received, in order, he said, to strain it through them and show the farmers the amount of trash and dirt contained in each can, and explain to them how to keep their milk clean. After straining milk through those cloths for 2 or 3 weeks, without finding any trash or dirt at all, this manager said that those farmers were the cleanest people about handling milk that he had ever known. He was also from Wisconsin.

One of the big cheese producers of this country has said that the best cheese is made from milk produced by cows that graze in the open pasture, where they can get plenty of green grass. Instead of being of a poor quality, the

cheese made in the Southern States is of the finest quality to be found on earth.

I am tired of hearing the South maligned and misrepresented. It is about time that people were told the truth about the South and about southern products, and especially southern dairy products; and, as I said before, when people know the truth, there will be such a demand for southern dairy products it cannot be supplied.

So I have no apologies, Mr. Speaker, for supporting this bill to give our farmers this measure of relief and to encourage them in diversifying their crops and building up their soil. In my opinion, its benefits will be far reaching. It is an encouraging sign, to say the least of it, for the Government to render our farmers this measure of assistance. They could double it many times, and then not do as much for the farmers as the party of the gentleman from Massachusetts [Mr. TREADWAY] has done for the large industries of the country at the farmers' expense, in the years gone by. [Applause.]

Mrs. O'DAY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a letter from my colleague, Mr. DICKSTEIN.

The CHAIRMAN. Is there objection?

There was no objection.

Mrs. O'DAY. Mr. Chairman, under the leave to extend my remarks in the RECORD, I include the following letter written by my colleague, Mr. DICKSTEIN.

FEBRUARY 17, 1936.

Hon. S. O. BLAND,

House of Representatives, Washington, D. C.

MY DEAR MR. BLAND: I trust the following will serve as a satisfactory reply to your letter of recent date, in which you request information relative to the bill H. R. 5921, which is pending before this committee.

The first five subdivisions of section 1 of this bill add five new groups of aliens who, if guilty of the offenses named, would be subject to mandatory deportation. This committee, when deliberating on another bill, gave considerable serious attention to new mandatory deportation provisions quite similar to those proposed by Mr. DIES' bill. But finally the committee reported a bill having certain limited discretionary provisions affecting new groups of deportable aliens. See section 1 of the Kerr bill, H. R. 8163, a copy of which is enclosed.

The sixth subdivision of section 1 of the Dies bill would make deportation mandatory in cases of aliens who do not within a specified period of time try to become citizens. Again this committee has given to this proposal of compulsory naturalization considerable study and there was considerable indication that this principle was quite repugnant to many members of this committee, as applied alike to all aliens. However, several parts of the Kerr bill extend certain relief to specified groups of aliens, and with regard to such aliens the Kerr bill withdraws the relief given and provides for deportation of such of these aliens who fail to try and become citizens after legalizing their immigration status for them.

The seventh subdivision of section 1 of Mr. DIES' bill makes Communists, as such, liable to mandatory deportation. This Committee has already acted on this proposal and another bill by Mr. DIES, H. R. 7120, has been on the Union Calendar of the House since it was reported favorably from this Committee on May 28, 1935. Mr. DIES is a member of the Rules Committee—why does he not attempt to get a rule for the consideration of that measure on the floor of the House?

Section 2 of Mr. DIES' bill, H. R. 5921, reduces the quotas of all countries now having an immigration quota, establishes immigration quotas for countries on the two American continents and rearranges the present law with regard to aliens granted preference status under the immigration quotas. These subjects have been considered by this committee on numerous occasions during the past several years and the most recent advice from the State Department and the Labor Department is, in principal, that legislative reduction of quotas now existing is not now necessary since immigration is exceedingly small, and that the fixing of quotas for countries of the Western Hemisphere is not desirable under the present policy of encouragement for friendly trade relations with those American countries.

Section 3 of Mr. DIES' bill repeals a humane amendment enacted in 1932 to an earlier law, sometimes referred to as the "banishment law", and Mr. DIES would, in effect, reenact the harsher provisions of that banishment law. Under its provisions any alien once deported would be forever barred from returning to the United States unless permission is first gotten from the Secretary of Labor, and if he does come back without that permission he becomes a felon. Congress spoke on this subject when the act of May 25, 1932, was approved. The pertinent part of that act, section 7, Mr. DIES would repeal.

Sections 4 and 5 of Mr. DIES' bill are measures which this committee has acted upon already since they are contained in the Kerr bill (H. R. 8163), which is no. 381 on the Union Calendar awaiting House action. This statement also applies equally to section 8 of the Dies bill, which provision is also in the Kerr bill.

The balance of Mr. DIES' bill is simple administrative authority and provisions therefor, and is of small importance relatively.

You will see, therefore, that all of the provisions of the Dies bill (H. R. 5921) have already had consideration in principle by this committee, and the committee has reported approved conclusions thereon to the House, or has otherwise disposed of the proposals not approved, and no special good purpose would result from further consideration of this bill, either by the committee or by the House.

It is my suggestion that those who are working for the consideration of this bill (H. R. 5921) would be more effective in their efforts to clarify the immigration laws if the same amount of effort were expended in a serious attempt to have considered on the floor of the House, in orderly manner, the bills and resolutions which this committee finally acted upon and reported to the House in order to expedite final action by both Houses of Congress. If Congress refuses to pass any of these measures that is relatively not material—the essential thing is an opportunity for the House to take decisive action on the bills awaiting House consideration.

With kind regards, I am,

Sincerely yours,

SAMUEL DICKSTEIN,

Chairman, Committee on Immigration and Naturalization.

Mr. MAVERICK. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD, and to include a statement of the Southern Policies Committee.

The CHAIRMAN. Is there objection?

Mr. TABER. Mr. Chairman, I reserve the right to object. Is the Southern Policies Committee an outside body or a committee made up of the Members of this House?

Mr. MAVERICK. No; it is not made up of the Members of the House, but I include it in my remarks.

Mr. TABER. I do not think that ought to be done in Committee. I object.

The CHAIRMAN. Objection is heard. All time has expired. The Clerk will read.

Mr. JONES. Mr. Chairman, I ask unanimous consent that the first paragraph of the Senate bill may be considered as read, and the House bill substituted for the Senate bill and printed in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. JONES. Mr. Chairman, I should like to offer two or three amendments.

Mr. MAPES. Mr. Chairman, may I ask the gentleman from Texas a question? Does the form in which he has offered the House bill as a substitute mean that there will be no reading of the Senate bill by paragraphs?

Mr. JONES. That has been dispensed with by consent.

Mr. MAPES. The gentleman will be able to shut off debate on the entire bill at any time after 5 minutes, then?

Mr. JONES. I plan to be reasonably liberal on that. There are only three sections in the bill and I had once thought of having it read by sections, but I think it would be just as well to read it all, and amendments can be offered anywhere in it, and we will take a reasonable time for consideration. I expect to ask, before we get into debate tomorrow, for 40 minutes to be set aside on the so-called Boileau amendment, that is, 20 minutes on each side.

Mr. MAPES. But the gentleman has it within his power to close debate?

Mr. JONES. But I will try to be reasonable on that. I think we will get along better this way.

Mr. TABER. Will the gentleman yield?

Mr. JONES. I yield.

Mr. TABER. Does that mean that this will not be open for amendment?

Mr. JONES. Oh, any amendment can be offered anywhere in the bill. In fact, there will be several amendments offered.

Mr. BOILEAU. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BOILEAU. Are we considering the Senate bill or the House bill?

Mr. JONES. The Senate bill; but by unanimous consent I have offered the House bill.

The CHAIRMAN. The gentleman has offered a substitute, which the Clerk has not yet reported.

The Clerk will report the substitute.

The Clerk read as follows:

Amendment offered by Mr. JONES: Strike out all after the enacting clause and insert the following——

Mr. JONES. Mr. Chairman, I ask unanimous consent to dispense with further reading of this amendment and that it be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. CULKIN. Reserving the right to object, do I understand the chairman is offering the complete text of the bill as passed by the Senate?

Mr. JONES. No. After the enacting clause, the House bill is offered as a substitute for the Senate bill.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. JENKINS of Ohio. Is this not what the gentleman is trying to do: He is accepting the Senate bill, but he is offering the House text?

Mr. JONES. We are taking up the Senate bill, but substituting the text of the House bill.

Mr. ZIONCHECK. Mr. Chairman, reserving the right to object, I have what I consider a rather important amendment, on page 7, line 16, of the House bill. When will it be in order to offer that?

Mr. JONES. The amendment may be offered at any time tomorrow before we finish consideration of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. JONES]?

There was no objection.

The matter referred to is as follows:

That the act entitled "An act to provide for the protection of land resources against soil erosion, and for other purposes", approved April 27, 1935, is amended by inserting at the end thereof the following:

"SEC. 7. (a) It is hereby declared to be the policy of this act also to secure, and the purposes of this act shall also include, (1) preservation and improvement of soil fertility, (2) promotion of the economic use of land, (3) diminution of exploitation and unprofitable use of national soil resources, (4) provision for and maintenance of a continuous and stable supply of agricultural commodities adequate to meet domestic and foreign consumer requirements at prices fair to both producers and consumers thereof, and (5) reestablishment and maintenance of farmers' purchasing power.

"(b) The Secretary of Agriculture shall cooperate with States, in the execution of State plans to effectuate one or more of the purposes of this section, by making grants under this section to enable them to carry out such plans.

"(c) Any State which submits to the Secretary, prior to such time and in such manner and form as the Secretary prescribes, a State plan to effectuate one or more of the purposes of this section shall be entitled to payments, as provided in this section, for the year to which such plan is applicable, if such plan is approved by the Secretary as provided in this section.

"(d) No such plan shall be approved unless by its terms:

"(1) It provides that the agency to administer the plan shall be the land-grant college or colleges in the State or such other State agency as may be approved by the Secretary;

"(2) It provides for such methods of administration, and such participation in the administration of the plan by county and community committees or associations of agricultural producers organized for such purpose, as the Secretary finds necessary for the effective administration of the plan; and

"(3) It provides for the submission to the Secretary of such reports as he finds necessary to ascertain whether the plan is being carried out according to its terms, and for compliance with such requirements as the Secretary may prescribe to assure the correctness of and make possible the verification of such reports.

"(e) Such plan shall be approved if the Secretary finds that there is a reasonable prospect that—

"(1) Substantial accomplishment in effectuating one or more of the purposes of this section will be brought about through the operation of such plan and the plans submitted by other States; and

"(2) The operation of such plan will result in as substantial a furtherance of such accomplishment as may reasonably be achieved through the action of such State.

"(f) Upon approval of any State plan for any year, the Secretary shall allocate to such State such sum (not in excess of the maximum amount fixed in pursuance of subsection (g) for such State for such year) as he finds necessary to carry out such plan for such year, and thereupon shall certify to the Secretary of the Treasury for payment to such agency of the State as the Secretary of Agriculture certifies is designated in the plan, and the Secretary of the Treasury shall pay to such agency one-fourth of the amount so allocated. The remainder of the amount so allocated shall be similarly certified and paid in such installments (payable prior to the end of the calendar year) as may be provided in the plan. No such installment shall be certified for payment if the Secretary of Agriculture finds that, prior to the due date of such installment, there has been substantial failure by the State to carry out the plan according to its terms, or that the further operation of the plan according to its terms will not tend to effectuate one or more of the purposes of this section. No amount shall be certified for payment under any such installment in excess of the amount the Secretary finds necessary for the effective carrying out of the plan during the period to which the installment relates.

"(g) On or before November 1 of each year the Secretary shall apportion among the several States the funds which will be available for carrying out State plans during the next calendar year, and in determining the amount to be apportioned to each State the Secretary shall take into consideration the farm population of the respective States, the value of agricultural commodities produced in the respective States during a representative period, and the acreage and productivity of land devoted to agricultural production in the respective States during a representative period.

"SEC. 8. (a) In order to carry out the purposes specified in section 7 (a) during the period necessary to afford a reasonable opportunity for legislative action by a sufficient number of States to assure the effectuation of such purposes by State action and in order to promote the more effective accomplishment of such purposes by State action thereafter, the Secretary shall exercise the powers conferred in this section during the period prior to January 1, 1938. No such powers shall be exercised after December 31, 1937, except with respect to payments or grants in connection with farming operations carried out prior to January 1, 1938, and administrative expenses in connection with such payments or grants.

"(b) Subject to the limitations provided in subsection (a) of this section, the Secretary shall have power to carry out the purposes specified in clauses (1), (2), and (3) of section 7 (a) by making payments or grants of other aid to agricultural producers based upon (1) their treatment or use of their land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion, (2) changes in the use of their land, or (3) a percentage of their normal production of any one or more agricultural commodities designated by the Secretary which equals that percentage of the normal national production of such commodities required for domestic consumption. In determining the amount of any payment or grant based upon (1) or (2) the Secretary shall take into consideration the productivity of the land affected by the farming practices adopted during the year with respect to which such payment is made. In carrying out the provisions of this section, the Secretary is authorized to utilize county and community committees of agricultural producers and the agricultural extension service, or other approved State and local agencies. In carrying out the provisions of this section, the Secretary shall not have power to enter into any contract binding upon any producer or to acquire any land or any right or interest therein.

"(c) Any payment or grant of aid made under subsection (b) shall be conditioned upon such utilization by the producer of his land, or a part thereof, as the Secretary finds has tended to further the purposes specified in clause (1), (2), or (3) of section 7 (a).

"SEC. 9. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting, and methods of accomplishing most effectively the policy and purposes of section 7 (a). Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this act.

"SEC. 10. The term 'agricultural commodity' as used in this act means any such commodity and any regional or market classification, type, or grade thereof.

"SEC. 11. The Secretary shall prescribe such rules and regulations as he deems necessary to carry out this act.

"SEC. 12. Whenever the Secretary finds that the exercise of the powers conferred in this section will tend to carry out the purposes specified in clause (4) or (5), or both, of section 7 (a), he shall use such part as he deems necessary of the sums appropriated to carry out this act for the expansion of domestic and foreign markets or for seeking new or additional markets for agricultural commodities or the products thereof or for the removal or disposition of surpluses of such commodities or the products thereof.

"SEC. 13. Notwithstanding the foregoing provisions of this act, the Secretary is authorized and directed to provide for the execution by the Agricultural Adjustment Administration of such powers conferred upon him under this act as he deems may be appropriately exercised by such administration, and for such purposes the provisions of law applicable to the appointment and compensation of persons employed by the Agricultural Adjustment Administration shall apply.

"SEC. 14. Notwithstanding any other provision of law, the action of any officer or employee in determining the amount of or in making any grant or payment under section 7 or 8 shall not be subject to review except by the Secretary of Agriculture.

"SEC. 15. (a) This act shall apply to the United States, the Territories of Alaska and Hawaii, and the possession of Puerto Rico, and as used in this act, the term 'State' includes Alaska, Hawaii, and Puerto Rico.

"(b) This act may be cited as the 'Soil Conservation and Domestic Allotment Act'."

SEC. 2. Section 32 of the Agricultural Adjustment Act, as amended, is amended by striking out that part of the last sentence thereof which precedes the second proviso and inserting in lieu thereof: "The sums appropriated under this section shall be

expended for such one or more of the above-specified purposes, and at such times, in such manner, and in such amounts as the Secretary of Agriculture finds will best effectuate the purposes of this section:".

SEC. 3. The unexpended balance of the funds appropriated by the second paragraph of Public Resolution No. 27, Seventy-third Congress, approved May 25, 1934, to carry out section 6 of the act entitled "An act to amend the Agricultural Adjustment Act so as to include cattle and other products as basic agricultural commodities and for other purposes", approved April 7, 1934, and the unexpended balance of the funds appropriated by section 37 of Public Act No. 320, Seventy-fourth Congress, entitled "An act to amend the Agricultural Adjustment Act, and for other purposes", is authorized to be made available for the purposes enumerated in said acts until June 30, 1937. The authorization contained in section 37 of Public Act No. 320, Seventy-fourth Congress, is likewise authorized to be made available until June 30, 1937.

Mr. JONES. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment by Mr. JONES to H. R. 10835: On page 5, line 16, strike out all after "1938" down through "grants" in line 17.

Mr. JONES. Mr. Chairman, that is simply a clerical correction.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES: On page 7, strike out lines 6 and 7, and insert the following:

"SEC. 11. All funds available for carrying out this act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments as the Secretary may request to cooperate or assist in carrying out this act."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES. I offer a further committee amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES: On page 8, after line 5, insert the following new section:

"SEC. 15. The obligations incurred for the purpose of carrying out, for any calendar year, the provisions of sections 7 to 14, inclusive, of this act shall not exceed $500,000,000.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield? Will the gentleman kindly explain that amendment?

Mr. JONES. This simply limits the amount that can be expended.

Mr. ANDRESEN. For each year?

Mr. JONES. For any one year.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I have another amendment which I have taken up with the gentleman from Kansas [Mr. HOPE] which I desire to offer.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. JONES. Page 9, add a new section, as follows:

"SEC. —. The sum of $2,000,000 of the unobligated balance of the appropriation for relief purposes contained in the Emergency Relief Appropriation Act of 1935, approved April 8, 1935, is hereby made available to the Secretary of Agriculture for allocation in payment to the States in the southern great plains area or the farmers therein for wind-erosion control under plans to be approved by the Secretary of Agriculture."

Mr. JONES. Mr. Chairman, the gentleman from Kansas [Mr. HOPE] and I worked out this amendment.

Mr. TABER. Mr. Chairman, I reserve a point of order on the amendment.

Mr. JONES. I concede the amendment is subject to a point of order, but I wish to make this statement: In five States in the southwestern area tremendous dust storms have occurred in the last few days. Similar damage was remedied a good deal 2 years ago by listing.

The matter has been gone over by the Department. The gentleman from Kansas [Mr. HOPE] has had more to do with the drafting of this amendment than I. It is thought that until the program can be started, some listing would go a long ways toward saving that land.

This money is to come out of funds remaining from the old drought appropriation. The deficiency bill of last spring carried a considerable fund for this purpose—I think, $25,000,000. It looked as though the situation had adjusted itself and we did not provide more money, in view of the amount carried in the deficiency bill.

Inasmuch as the gentleman from Kansas [Mr. HOPE] is more familiar with the facts and circumstances of this amendment, I should like for him to make a statement, if the gentleman will permit.

Mr. TABER. Mr. Chairman, I wish the gentleman would let this amendment go over until tomorrow.

Mr. JONES. I shall be glad to do so.

Mr. TABER. That would give us an opportunity to study it. It has been offered, and I have reserved the point of order against it.

Mr. JONES. I will withdraw it.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

Mr. MAPES. Mr. Chairman, reserving the right to object, I would remind the gentleman from Texas that before going into the Committee the gentleman asked that debate be continued until 4:45 and made the statement that no amendment except perfecting amendments would be offered. Does not the gentleman think that the amendment placing a limitation of $500,000,000 and these other amendments go a little further than perfecting amendments?

Mr. JONES. I did not say "perfecting amendment", I said "noncontroversial amendments", and the gentleman does not doubt the wisdom of that, I hope.

Mr. MAPES. I am afraid the gentleman said "perfecting amendments." I make this suggestion because some Members may have left the Chamber feeling that nothing important would be brought up this afternoon.

Mr. JONES. I may state to the gentleman from Michigan that there is one other amendment to be offered. It will be offered by the gentleman from Massachusetts [Mr. MCCORMACK]. I hope the gentleman will not object to the McCormack amendment.

Mr. MAPES. It is not a matter of personal concern to me; but it seems to me questionable, in view of the gentleman's statement earlier in the day, to offer these rather important amendments.

Mr. JONES. Will not the gentleman let this amendment be read?

Mr. MAPES. So far as I am concerned, I shall not object.

Mr. JONES. Mr. Chairman, I renew my request. I ask unanimous consent to withdraw the last amendment I offered.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

Mr. MCCORMACK offered the following amendment to the substitute: On page 2, strike out lines 7 and 8 and insert the following: "(5) reestablishment, at as rapid a rate as the Secretary of Agriculture determines to be practicable and in the general public interest, of the ratio between the purchasing power of the net income per person on farms and that of the income per person not on farms that prevailed during the 5-year period 1910–14, inclusive, as determined from statistics available in the United States Department of Agriculture, and the maintenance of such ratio. The powers conferred under sections 7 to 14, inclusive, of this act shall be used to assist voluntary action calculated to effectuate the purposes specified in this section. Such powers shall not be used to discourage the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption as determined by the Secretary from the records of domestic human consumption in the years 1920 to 1929, inclusive, taking into consideration increased population, quantities of any commodity that were forced into domestic consumption by decline in exports during such period, current trends in domestic consumption and exports of particular commodities, and the quantities of substitutes available for domestic consumption within any general class of food commodities."

Mr. JONES. Mr. Chairman, I am going to ask that further consideration of the amendment go over until tomorrow in view of its length and the interest of various Mem-

bers. This has been worked out by several of us, but I should like to have it go over before a vote is taken.

Mr. ANDRESEN. Mr. Chairman, will the gentleman permit two amendments to be read and then held over until tomorrow?

Mr. JONES. I have no objection.

Mr. BANKHEAD. Can they not be printed in the RECORD?

Mr. ANDRESEN. I should like to have them read so that they will be pending.

The CHAIRMAN. The Chair will state that there may be only one amendment pending at a time.

Mr. McCORMACK. Mr. Chairman, the amendment that I offered is the so-called consumers' amendment.

The CHAIRMAN. The gentleman may have the amendment read for information.

Mr. ANDRESEN. That will be satisfactory.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read as follows:

Amendment by Mr. ANDRESEN: Page 9, after line 9, insert the following:

"SEC. —. Section 350 of the Tariff Act of 1930, as amended (relating to reciprocal trade agreements), is hereby repealed. No agreement concluded in pursuance of such section shall have any effect after the date of the enactment of this act."

Mr. JONES. Mr. Chairman, I reserve all points of order.

The Clerk read as follows:

Amendment by Mr. ANDRESEN: Page 9, after line 9, insert the following:

"SEC. —. There shall not be imported or brought into the continental United States, during any period beginning on March 1 of any year and ending on the last day of February of the succeeding year, any quantity of any agricultural commodity dutiable under schedule 7 of the Tariff Act of 1930, as amended, in excess of 10 percent of the quantity thereof imported or brought into the continental United States during the calendar year 1935."

Mr. JONES. Mr. Chairman, I reserve all points of order against the amendment.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. As I understand, the amendment which I offered is pending?

The CHAIRMAN. The gentleman is correct.

Mr. BOILEAU. Mr. Chairman, I ask unanimous consent to have read for the information of the House an amendment which I send to the Clerk's desk.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. MAVERICK. Mr. Chairman, reserving the right to object, how many of these are going to be filed for information? I have an amendment to offer, and I should like to have mine read for information.

The CHAIRMAN. The gentleman may ask unanimous consent if he so desires.

Mr. JONES. Mr. Chairman, I ask unanimous consent that any Member having amendments prepared now may submit the amendments, and the amendments printed in the RECORD at this point for information without being read.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. BURDICK. Mr. Chairman, reserving the right to object, is it the intention of the chairman of the committee to prevent the offering of amendments as the bill is read?

Mr. JONES. Oh, no.

Mr. BURDICK. There will be debate on the amendments?

Mr. JONES. These amendments are simply being submitted for information.

Mr. BURDICK. I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The amendments referred to are as follows:

Amendment offered by Mr. BOILEAU to the substitute amendment: On page 6, line 20, of the amendment, strike out the period, insert a comma and the following: "and any payment or grant of other aid which is conditioned, in whole or in part, upon the growth of soil restoration, soil conservation, or erosion preventing crops on any land, or any change in the kind of crop to be grown on any land, shall be subject to the further condition that no crops intended for sale be harvested from, and no livestock intended for sale, or the products of which are intended for sale, be grazed or pastured on such land."

Amendment by Mr. TARVER: On page 5, line 22, after "producers", insert a comma and the following: "including tenants and croppers."

On page 6, line 8, after "made", insert a comma and the following: "and in determining the apportionment of any payment or grant with respect to any land, the Secretary shall take into consideration the contribution in services of tenants and croppers, and any loss of income sustained by tenants and croppers by reason of changes in the farming practices adopted during such years."

Amendment by Mr. HULL: On page 7, line 16, after the word "thereof", insert the following:

"In carrying out the provisions of this section the Secretary is authorized and empowered to enter into contracts with associations of producers or associations composed of producer associations as defined by the act of Congress of February 18, 1922, as amended, known as the Capper-Volstead Act, under which said associations may be designated by the Secretary as the agency to carry out any program authorized by this section, and the Secretary is further authorized and empowered to allot to said associations whatever funds may be necessary to carry out any program authorized by this section."

Amendment offered by Mr. GILCHRIST: On page 5, line 12, after the word "Secretary", strike out "shall" and insert in lieu thereof the word "may."

Amendment offered by Mr. ZIONCHECK: Page 7, line 16, after the word "thereof", strike out the period and insert: *"Provided*, That no export subsidy shall be paid with respect to any agricultural commodity or product thereof unless the Secretary finds that it is not feasible, or practicable, to expand the domestic consumption of such commodity or product by diversion from the normal or regular channels of the domestic trade including purchases for donations to the F. S. C. C."

Mr. ZIONCHECK. Mr. Chairman, this amendment relates to purchases by the Federal Surplus Commodity Corporation and is of great importance to the American consuming public. If this amendment is adopted, it will be a protection to the domestic consumers. It will in no manner have any adverse effect upon the American farmer and producer. To plainly state it, it will assure the American consuming public of having first call on farm products when they are needed for domestic use rather than the dumping process used in foreign dumping. It would give the American consumer, especially the unemployed and the Federal and State relief organizations the right to receive these commodities instead of selling them at a very low price to foreign consumers; for instance, the Surplus Commodity Corporation, selling surplus butter for which it paid 25 cents to foreign concerns at 7 cents. Under this amendment the Secretary of Agriculture would have the right, if we have a domestic demand for this butter, to put it into domestic use rather than dump it in foreign markets at a low price. If this amendment were adopted, savings that could be made by the relief organizations and the Government in supplying to the unemployed people those commodities which now are being sold so cheaply in foreign markets, it would allow the Government to supplement relief in a manner to bring about a greater consumptive use by people who are in need of additional foodstuffs, thereby creating a greater consumptive demand, necessarily shortening the surpluses of these commodities. It would at the same time assist the Department of Agriculture in the maintaining of a decent price level for the producer and a liberal diet for the unemployed.

Circular no. 296 of the Department of Agriculture states that in 1929 we fell short of meeting food requirements of a liberal diet by forty thousand million pounds; that we fell short of meeting a moderate diet by 19,000,000 pounds. This is definite proof that the Secretary should have the powers given under this amendment to do all that he can in the adjustment of domestic consumption by being able to maintain as liberal a diet through domestic use as is possible.

In essence this amendment would require the taking care of all of our people at home—consumer as well as the producer—before subsidies could be given by way of a dumping process to foreign people in foreign nations at a price far below that that our American citizens would be compelled to pay here at home.

This amendment is certainly in line with the program of the National Grange and the Special Legislative Committee of National Cooperatives Council, consisting of the National Cooperative Council, established by farmers' cooperatives to promote their interests, includes 51 cooperative groups with which are affiliated 4,000 farmers' marketing and purchasing cooperatives having 1,450,000 farmer-members. These cooperatives did a business in the 1934–35 season of more than $1,000,000,000.

CITRUS AND SUBTROPICAL FRUIT DIVISION

Calavo Growers of California, Los Angeles, Calif.[1]
California Fruit Growers Exchange, Los Angeles, Calif.[1]
Mutual Orange Distributors, Redlands, Calif.[1]

COTTON DIVISION

American Cotton Cooperative Association, New Orleans, La.

DAIRY DIVISION

National Cooperative Milk Producers Federation, Washington, D. C.[1 2]

DECIDUOUS FRUITS DIVISION

California Fruit Exchange, Sacramento, Calif.[1]
American Cranberry Exchange, New York, N. Y.

GRAIN AND SEED DIVISION

American Rice Growers Cooperative Association, Lake Charles, La.
Egyptian Seed Growers Exchange, Flora, Ill.

LIVESTOCK DIVISION

National Livestock Marketing Association, Chicago, Ill.[3]

NUT DIVISION

California Walnut Growers Association, Los Angeles, Calif.[1]
National Pecan Growers Exchange, Albany, Ga.
National Pecan Marketing Association, Macon, Ga.

POULTRY DIVISION

Idaho Egg Producers, Caldwell, Idaho.[1]
Northwestern Turkey Growers Association, Salt Lake City, Utah.[1]
Pacific Egg Producers Cooperative, Inc., New York, N. Y.[1]
Utah Poultry Producers Cooperative Association, Salt Lake City, Utah.[1]

PROCESSED FRUITS AND VEGETABLES

California Prune and Apricot Growers Association, San Jose, Calif.
Hillsboro-Queen Anne Cooperative Corporation, Baltimore, Md.[1 4]
Sun-Maid Raisin Growers of California, Fresno, Calif.

PURCHASING DIVISION

Consumers Cooperative Association, North Kansas City, Mo.
Cooperative G. L. F. Exchange, Ithaca, N. Y.[2 5]
Eastern States Farmers Exchange, Springfield, Mass.
Farm Bureau Services, Inc., Lansing, Mich.[5]
Farmers Cooperative Exchange, Raleigh, N. C.
Fruit Growers Supply Co., Los Angeles, Calif.
Indiana Farm Bureau Cooperative Association, Indianapolis, Ind.[5]
Mississippi Federated Cooperatives, Jackson, Miss.[5]
Ohio Farm Bureau Service Co., Columbus, Ohio.[5]
Producers Cooperative Exchange, Atlanta, Ga.
Southern States Cooperative, Inc., Richmond, Va.[3]
Cooperative Farm Services, Clarksburg, W. Va.[5]

TOBACCO DIVISION

Eastern Dark Fired Tobacco Growers Association, Springfield, Tenn.
Maryland Tobacco Growers Association, Baltimore, Md.[1]
Northern Wisconsin Cooperative Tobacco Pool, Madison, Wis.
Virginia Dark-Fired Tobacco Growers Marketing Association, Farmville, Va.
Western Dark-Fired Tobacco Growers Association, Murray, Ky.

VEGETABLES AND MELONS DIVISION

Eastern Shore of Virginia Produce Exchange, Onley, Va.[1]
National Fruit and Vegetable Exchange, New York, N. Y.[1 4]

WOOL DIVISION

National Wool Marketing Corporation, Boston, Mass.[1]
Pacific Wool Growers, Portland, Oreg.

ASSOCIATE MEMBERS

Agricultural Council of California.
Arkansas Council for Agriculture.
Farmers Cooperative Council (North Carolina).
Idaho Cooperative Council.
Mississippi Cooperative Council.
Missouri Cooperative Council.
Oklahoma Agricultural Cooperative Council.
Oregon Cooperative Council.
Pennsylvania Association of Cooperative Organizations.
Texas Cooperative Council.
Washington State Agricultural Council.

[1] Units also purchase farm supplies cooperatively.
[2] Units also market poultry products in quantity.
[3] Also markets fresh vegetables.
[4] Also markets citrus and deciduous fruits.
[5] Units also market various farm products.

These are the members of the special legislative committee:

C. C. Teague, chairman, California Fruit Growers Exchange; N. L. Allen, National Fruit and Vegetable Exchange; E. A. Beamer, National Live Stock Marketing Association; Earl W. Benjamin, Pacific Egg Producers; Homer L. Brinkley, American Rice Growers Association; N. P. Hull, National Cooperative Milk Producers Federation; Thomas E. Johnson, Eastern Dark Fired Tobacco Growers Association; Karl D. Loos, California Walnut Growers Association; Quentin Reynolds, Eastern States Farmers Exchange; N. C. Williamson, American Cotton Cooperative Association; John D. Miller, president, National Cooperative Council; Robin Hood, secretary-treasurer, 1731 I Street, Washington, D. C.

The L. P. C. control committee is composed of vegetable growers of the Pacific coast in extending the Federal Surplus Commodity Corporation.

Amendment offered by Mr. MAVERICK: Section 7, page 2, line 1, no. 2: Strike out the wording of said number (2) and insert the following:

"Safeguarding areas involving interstate drainage and its effect upon interstate traffic by water and land, its effect upon floods, the use of bridges, post and interstate roads, and to promote the prevention of soil erosion caused by waters carried into the United States of America from other nations and from various States to each other; and to provide conservation of national natural resources in land, water, plant, and wildlife."

Mr. MAVERICK. Mr. Chairman, concerning the above amendment, my purpose was fully stated in the RECORD of yesterday, but I have only this to say concerning it:

This bill must get over two hurdles: One, the objective must be within the powers of Congress; and second, the means employed must be within the powers of Congress. As the present Soil Conservation Act is written, insofar as its intentions are concerned, it is doubtful that it is within the powers of Congress, at least as it is now expressed.

It seems to me that the above amendment will remove this doubt if the dominant purposes, as stated, and others can be made subsidiary. The objective of the present bill is for the general welfare, not alone of the farmers, but of all the citizens of the United States. Superficially speaking, the individual problems of a farmer in Texas, and the individual problems of a farmer in Missouri, are local problems, but the problems of the farmers as a whole, especially as they concern soil conservation and drainage areas, and the effect of one farm, which is of greater elevation than another, and the effect of farms on each other, are clearly within the general welfare, and within the powers of Congress for direct legislation.

Therefore, in the amendment above, I have attempted to make those purposes clear in order that its constitutionality will be assured. I do not mean merely to include this for the purpose of having something in writing, but to state a constitutional purpose and to thereafter sincerely carry it out.

Amendment by Mr. MAVERICK: Page 6, line 20, strike out the period after 7 (a), insert a comma, and add:

"*Provided*, That the Secretary of Agriculture shall prescribe such rules and regulations as he shall find to be necessary for the equitable distribution of payments between landlords, tenants, croppers, farmer workers, and persons holding any interest under the provisions of this act."

Mr. MAVERICK. Mr. Chairman, concerning the above amendment, Prof. H. Clarence Nixon and Prof. Charles S. Johnson, of the Southern Policy Committee, who are experts on the tenant-farmers' problem, believe that two-thirds of the farmers of the South stand to lose by the new bill as it is now written. The secretary of the Southern Policy Committee, Mr. Francis P. Miller, of Fairfax, Va., made their comments on the bill public today and pointed out that the opinion of these experts was based on the fact that on an average two in three of all the farmers in the Cotton and Tobacco Belts are tenants or sharecroppers. He added that in the light of this situation it was obvious that proposed farm legislation for the South must be judged by what it does to the tenants and sharecroppers, as well as by what it does for the landlords.

The statement prepared by Messrs. Nixon and Johnson declares that—

The farm bill, in the form in which it passed the Senate, threatens greater discriminations against tenants and offers larger advantages to landlords than did the A. A. A. cotton program of 1934–35. The text of the bill shows that the tenant is left out of the picture entirely. An enlightened policy of administration with

reference to tenants may be permissible but is not legally required and would be extremely difficult to enforce. The bill envisages absentee owners as well as other landholders as beneficiaries, to the disadvantage of the tenant tillers of the soil. The improvement of soil fertility, the economic use of land, and crop reduction, as provided for in the bill, are calculated to have directly adverse effects upon tenants without any compensatory benefits.

Share tenants and sharecroppers, who predominate in the South, have no equity in the land, and their technical 1-year tenure limits even their indirect benefits from soil improvement. Little, if any, improvement in favor of tenants may be expected from State plans later to be adopted in the Cotton Belt, for most Negro sharecroppers and many white sharecroppers are nonvoters, and the customary landlord-tenant relations and practice have generally favored the landlord as over against the tenant. If the little fellow has to rely only on appeals to the Secretary of Agriculture, without prior and strict provisions in the nature of legal safeguards, he will be at a severe disadvantage. The bill lends itself to a wide variety of interpretations which can operate to the disadvantage of the farmers who actually work the soil.

The Southern Policy Committee has also been interested, Mr. Miller stated, in securing changes in the administrative procedure of the cotton section of the A. A. A., in view of the fact that that section tended to operate in the interest of only one-third of the cotton farmers—the landowning farmers—rather than in the interest of the whole farm community. Under the auspices of the committee, Messrs. Nixon and Johnson presented evidence regarding the operation of the cotton program at the public hearing held by the cotton section of the A. A. A. at Memphis October 11–12. At that time Dr. Nixon charged that the cotton program as then administered was "a landlord's code." He spoke as an Alabama planter, with 14 tenants on his plantation. Dr. Johnson is one of the authors of The Collapse of Cotton Tenancy, recently published by the University of North Carolina Press.

In further commenting upon the new farm bill, Messrs. Nixon and Johnson said that—

The changes in husbandry anticipated by the new farm bill will inevitably reduce the requirement for farm laborers and threaten to displace more tenants and farmers than the old crop-control program without any of the provisions for benefits of that program. The intention of the bill is to correct the disparity of purchasing power of farmers as a whole, but it takes no account of the distribution of this purchasing power among farmers. In other words, it tends to increase the income of the landowning class and to decrease the income of the entire nonowning class, which represents the bulk of the farm population. The bill is short-sighted in making no provisions for the serious new problems which it creates; it tends to take more account of the land than of the men who cultivate the land.

It is possible for landlords, unless the provisions of the bill are properly interpreted and controlled, to divide their lands in such a manner that tenants will grow cash cotton crops without benefits, while owners grow the feed, seed, and soil-improvement crops which require less labor and yet bring Government benefits. The bill on its face offers no constructive provision which can be utilized for the welfare of the tenant class. It can be justified only if accompanied by the adoption of the principle included in the Bankhead-Jones farm tenant home bill.

At the end of their statements Messrs. Nixon and Johnson asked:

Is there no voice in the Congress of the United States to insist upon a sounder agricultural economy in the South? Is there not a statesman who will insist upon the inclusion in this bill of specific legal safeguards for tenants? Is the planter-tenant cleavage to be allowed to continue until agitation and unrest lead to disintegration and disaster?

Mr. JONES. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FULLER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers, and by providing for a permanent policy of Federal aid to States for such purposes, had come to no resolution thereon.

SYLVAN M. LEVY

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs be discharged from further consideration of the bill (S. 696) for the relief of Sylvan M. Levy, which was erroneously referred to that committee, and that the bill be referred to the Committee on Naval Affairs.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

THE LATE GEN. WILLIAM MITCHELL

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to make an announcement with regard to the death of General Mitchell.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, on yesterday, February 19, 1936, at 4:45 in the afternoon, death kissed into eternal rest the heretofore restless spirit of William Mitchell, brigadier general of the United States Army, from which he resigned on February 1, 1926. The brilliant and glorious career of General Mitchell as an officer of the United States Army is the proud possession of all our people. Commissioned at the age of 18, at the outbreak of the Spanish-American War, he progressed by rapid strides by reason of his conspicuously efficient discharge of every responsibility placed upon him. I shall not at this time review in detail his remarkably brilliant career. On August 7, 1935, I did give many details concerning the life and military services of General Mitchell, and they may be found in the CONGRESSIONAL RECORD of that date, on page 13160. By permission of the House, I am extending my remarks and printing herewith a portion of what was then said. I call especial attention to the fact that his citation, on which is based the award of a Distinguished Service Cross, is not for a single act of extraordinary heroism in the face of the enemy, but it is for "repeated acts of extraordinary heroism in action at Noyon, France, March 26, 1918; near the Marne River, France, during July 1918; and in the St. Mihiel salient, France, September 12 to 16, 1918. For displaying bravery far beyond that required by his position as Chief of Air Service, First Army, American Expeditionary Forces, setting a personal example to United States aviation by piloting his plane over the battle lines since the entry of the United States into the war."

Mr. Speaker, any soldier may well be proud, exceedingly proud, of being awarded the Distinguished Service Cross, even for a single act of extraordinary heroism in the face of the enemy. But for "repeated acts of heroism", extending through months of daring and dangerous activity, in airplanes by no means too safe and stable, over enemy lines with superior air force, locating strategic and vulnerable enemy positions, and taking back information of incalculable value to the ground forces, it is a combination of daring and heroic conduct unrivaled in military history. The friends of General Mitchell take great pride in his splendid career, all his relatives may properly prize the record of his services as a precious heritage, and his disconsolate widow and orphaned children may find some solace and supreme satisfaction that their names and their lives are forever linked with a man who always put his country's cause first, who risked his life in war and risked his reputation in peace and risked the prospect of great advancement in the Army because of his courage to declare his conscientious convictions on vital problems affecting the national defense.

Mr. Speaker, on this date, when the Committee on Military Affairs met, it was announced that General Mitchell passed yesterday from this earthly life into the great future of immortality, and immediately the committee adopted resolutions of regret for his passing and of sympathy for his family, and I am offering for publication, as part of my remarks, a copy of said resolutions.

Whereas the Committee on Military Affairs of the House of Representatives has learned of the death of Brig. Gen. William Mitchell, United States Army, resigned, in New York City, on February 19, 1936, at 4:45 p. m., and, whereas the said General Mitchell has appeared before this committee on numerous occasions since the World War and has always manifested an unselfish zeal for the cause of national defense, and whereas the said Gen-

eral Mitchell has courageously and patriotically championed the building up of an adequate air force as a most effective and most economical means for promoting the national defense: Now, therefore, be it

Resolved by the Committee on Military Affairs of the House of Representatives, That we record our admiration for the valorous and heroic services of the said General Mitchell rendered to the Army and to the country, in peace and in war, and that we acknowledge our obligation of gratitude to him for unselfishly and vigorously provoking the thought and action of the American people to build up an adequate air force for the defense of the country; be it

Further resolved, That in the death of General Mitchell the Nation has lost a far-seeing and constructive leader of civic opinion with reference to a safe and sane program of national defense; be it

Resolved further, That these resolutions be spread upon the minutes of this committee as a memorial of our respect and esteem for the distinguished public service of General Mitchell, and that the chairman of this committee ask permission of the House of Representatives to extend his remarks upon the life and character of General Mitchell, and to include these resolutions therein, and that a copy of these resolutions, duly certified, be transmitted to the widow of General Mitchell as a testimonial of our sympathy with her in her sorrow.

JOHN J. MCSWAIN, *Chairman.*
ANDREW J. MAY,
CHARLES A. PLUMLEY,
Committee.

Attest:

KENNETH ANDERSON, *Clerk.*

FEBRUARY 20, 1936.

Herewith, Mr. Speaker, is the extract from my remarks of August 7, 1935, that I ask to be printed as a part of these remarks:

As it became increasingly apparent that the United States would have to enter the war, and as very little was being done here to prepare for it, Mitchell applied for duty as an observer in Europe and was sent there in March 1917. He went first to Spain to look over their military establishment and see what they could do in case they went in on the side of the Germans, which seemed possible at that time. While there, war was declared by the United States against Germany. Mitchell immediately proceeded to Paris and reported to Ambassador Sharp for duty. He was assigned with the military observers, Majors Logan and Churchill, who had drawn up an excellent, comprehensive, and thoroughly sound plan for the participation of American troops in France. This plan was followed later.

Nothing had been done about aviation. Mitchell could get no replies to his telegrams to the United States, so he organized an office staff with his own money and contributions from patriotic Americans in France, formulated a plan for training and equipping Americans in Europe, which, if followed, would have enabled us to have excellent air squadrons on the front by August or September 1917. Mitchell's recommendations, which are a matter of record, were sent in April to the United States, as to what equipment should be used by our air forces in Europe. These recommendations were not followed. Incompetent individuals were put in charge of aircraft production, who adopted the entirely unsuitable *DH–4* British airplane as the standard American ship, and the Liberty engine, which had never been proved in war and was worthless for that purpose.

The scandalous method of handling this proposition has been thoroughly gone into by competent committees. The $1,500,000,000 appropriated by Congress was practically wasted, because his recommendations were not followed. The airplanes that Mitchell recommended to be built by the United States had to be obtained in Europe anyway, and when he saw what was going on in the United States he personally made arrangements with Daniel Vincent, in charge of aviation procurement in France, to go ahead and build a surplus anyhow, without authority, otherwise we would have had no airplanes for our men on the front.

In the middle of April Mitchell joined General Petain at Chalons sur Marne and participated in the terrific attacks with huge losses which the French Army suffered at that time. He had numerous conferences with General Petain about the participation of the Americans in Europe. The French, seeing how seriously Mitchell was working on the problem, began assigning officers to him and assisting him with his work in every way possible. Mitchell also participated in an infantry attack with the Sixteenth Reserve French Division, for which he was decorated with the Croix de Guerre, being the first American soldier so decorated. He was also the first regular American soldier to enter into battle against the Germans in this war.

Mitchell flew over the enemy lines on every part of the western front. He became thoroughly familiar with the English organization and system as well as the French, and laid out a complete system and organization for the creation of our air forces. Just as this was coming along well, a complete new group of men was sent out from the United States, without any instruction in the air, with limited knowledge of conditions in Europe, and with no knowledge of war, especially in the air. One learns quickly when on the front against an enemy, and in a few months of actual war service one can pick up more than in a lifetime of theoretical study. This new group placed in command made a terrible mess of all our aeronautical matters in Europe and put us back at least 6 months. Mitchell, however, was kept constantly in command of troops actually serving against the enemy on the front. At Chateau Thierry, American air forces distinguished themselves.

Mitchell was the first man to discover the German bridges at Dormans, on the morning of July 15, 1918, where the Germans crossed the Marne River in their attack. This he reported to General Liggett at First Army Corps headquarters, then flew to Bombom and reported it to General Foch. Mitchell made a reconnaissance alone in a single-seated pursuit ship across the Marne salient from Chateau Thierry to Soissons, and came to the conclusion that there were few German troops opposite Soissons, and so reported to General Foch. As a result, General Foch ordered the First and Second Divisions, United States Army, and the Moroccan Division, French Army, to Soissons, where they attacked the Germans at the shoulder of the salient, causing the withdrawal of their whole army.

Mitchell was then given command of the air forces of the First Army and commanded the greatest concentration of air forces in the history at St. Mihiel, 1,496 ships. The operation of this force was perfectly carried out; the plan of operations, plan of employment, and tactics served as models for subsequent attacks. In addition to the American air units, Mitchell had under him the whole French air division, three Italian squadrons, and the independent British air force under General Trenchard. At the conclusion of the Battle of St. Mihiel, General Pershing wrote General Mitchell the following letter, which was published to his command:

"Please accept my sincere congratulations on the successful and very important part taken by the air forces under your command in the first offensive of the First American Army. The organization and control of the tremendous concentration of air forces, including American, French, British, and Italian units, which has enabled the Air Service of the First Army to carry out so successfully its dangerous and important mission, is as fine a tribute to you personally as is the courage and nerve shown by your officers, a signal proof of the high morale which permeates the service under your command.

"Please convey to your command my heartfelt appreciation of their work. I am proud of you all.

"Sincerely yours,

"JOHN J. PERSHING."

Later operations followed in the Argonne battles. When the Second Army was organized Mitchell was given command of the Air Service group of armies.

The American Air Service was then beginning to form a great force of long-distance bombers designed to attack the center of Germany—Essen and Berlin—in the spring of 1919. Mitchell also proposed and was given permission by General Pershing to draw up plans for carrying a complete division of troops equipped with parachutes, rifles, and machine guns and dropping them behind the enemy lines from airplanes, while attack aviation covered roads in their vicinity until they could form and get together. This would have been carried into effect a short time after November if the armistice had not been affected.

Mitchell participated in the following battles:

American: Cambrai, Somme defensive, Champagne-Marne, Aisne-Marne, Oise-Aisne, St. Mihiel, Meuse-Argonne, defensive sector.

French: Mont Sans Nomme, Mont Cornouillet, Mort Homme, Champagne offensive, Bois de la Grille, Verdun, Malmaison, Noyon.

British: Ypres, Bullecourt.

He took part in the French and British engagements without being ordered or required to do so, in order to become acquainted with the details connected with military operations, both aerial and ground. Mitchell participated in more battles than any officer in the American service during the World War. He now holds the following decorations:

Distinguished Service Cross: Awarded for repeated acts of extraordinary heroism in action at Noyon, France, March 26, 1918, near the Marne River, France, during July 1918, and in the St. Mihiel salient, France, September 12 to 16, 1918. For displaying bravery far beyond that required by his position as Chief of Air Service, First Army, American Expeditionary Forces, setting a personal example to the United States aviation by piloting his airplane over the battle lines since the entry of the United States into the war. Some instances being a flight in a monoplane over the battle of Noyon on March 26, 1918, and the back areas, seeing and reporting upon the action of both air and ground troops, which led to a change in our aviation tactics; a flight in a monoplane over the bridges which the Germans had laid across the Marne during July 1918, which led to the first definite reports of the location of these bridges and the subsequent attack upon the German troops by our air forces. Daily reconnaissance over the lines during the battle of St. Mihiel salient, September 12 to 16, securing valuable information of the enemy troops in the air and on the ground which led to the excellent combined action by the allied air services and ground troops, particularly in this battle.

Distinguished Service Medal: Awarded for exceptionally meritorious and distinguished services. As Air Service commander, first of the Zone of Advance and later of the First Corps, by his tireless energy and keen perception he performed duties of great importance with marked ability. Subsequently, as commander, Air Service, of the First Army, and, in addition, after formation of Second Army, as commander of Air Service of both armies, by his able direction of these vitally important services he proved to be a potent factor in the successes achieved during the operation of the American Armies.

The following are his foreign decorations:

French: Croix de Guerre, with five palms, for exceptional bravery; Commander of the Legion of Honor.

British: Companion of the Order of St. Michael and St. George.

Italian: Commander of S. S. Maurizio e Lazzaro; Italian Cross for Merit in War; Grand Officer, Order of the Crown of Italy.

Very little was known by the ground troops about aerial operations. These were entrusted by General Pershing to General Mitchell's judgment and discretion. The question of command for the spring of 1919 was discussed and it was practically agreed that Admiral Beatty should command all the sea forces, General Foch all land forces, and General Mitchell all the air forces. This probably would have been done had the war lasted. It is believed that General Mitchell was recommended for promotion to a major general slightly before the armistice was signed. After the armistice, Mitchell took the air forces of the Army of Occupation into Germany and established headquarters at Coblentz. There he was visited by the Prince of Wales and others.

General Mitchell was ordered back to the United States to become Director of Military Aviation, in January 1919. He returned by way of Chaumont, where he was one of the seven officers decorated by General Petain with the commander grade of the Legion of Honor and an additional Croix de Guerre.

Before returning to the United States Mitchell with his staff went over the whole front of the American, French, and British Armies, studying it carefully, then into Belgium where they studied the defensive organization of the Germans, both along the coast and inland, their aeronautical organization, the effect of the British air bombardment against the German submarine base at Zeebrugge and how that was organized for defense. Then he proceeded to England, where his old friend, Marshal Trenchard, was in command of the British Independent Air Force. General Mitchell and his staff probably gained more knowledge of all the different parts of aeronautical duty than could the French, Germans, or English, because they were confined largely to their own organizations and did not visit the others so frequently.

Upon returning to the United States General Mitchell was placed on the initial General Staff list. He found aeronautical affairs very much disorganized. The officers who had remained here knew very little about the application of air power beyond that used in primary training schools for pilots. There was great jealousy against anyone who had come back from Europe, and there was intense jealousy on the part of the line of the Army against the rising prestige and power of the air force. This had occurred also in the English, French, and German forces, but hard necessity had taught them what to do. Mitchell immediately reorganized the Service, both tactically and technically.

A great program was laid out looking forward for many years. Technically the immediate construction of airplanes, engines, instruments, and accessories was begun, and a nucleus of technical officers was started. If this program had been carried out, it would have given us airplanes at the present time with a range of 8,000 miles, carrying 4 tons of bombs, with a ceiling of 35,000 feet, and speeds up to 500 miles an hour, with instruments and equipment that would have taken ships through any kind of weather and allowed them to land safely in fogs and storms.

In 1919 Mitchell organized the transcontinental airplane race which showed that aircraft could fly from New York to San Francisco in 24 hours flying time. The air mail, under Otto Praeger, immediately took advantage of what had been learned and an efficient Air Mail Service was laid out, including aids to navigation and accessories. The first airway was organized by Mitchell from Washington, D. C., to Dayton, Ohio.

While all these activities were going on, General Mitchell found time to attend Columbian College of George Washington University, from which he had gone as a junior to take part in the Spanish War in 1899, and had never obtained his degree. By regular attendance at the classes, Mitchell obtained his B. A. degree and was graduated in 1920 as of the class of 1899. General Wood presented the diplomas.

In 1920 Mitchell sent a flight of airplanes under Captain Streett from New York to Nome, Alaska, and back, one of the greatest flights ever made. It was hoped at that time that it would lead to the establishment of air bases in Alaska and that air lines would be extended to that territory. This has not been done up to the present time.

Upon General Mitchell's return from Europe in 1919, preparations were immediately made, on account of what he had observed there, for the attack of battleships from the air. In this he was ably assisted by General Williams, then Chief of Ordnance, who set to with a will to develop the bombs, fuzes, and methods of producing them. Colonel Guidoni, the Italian air attaché at that time, and one of the world's most able mathematicians, also rendered great assistance in estimating the trajectories, time of flight, and penetration in the water when a bomb passed from a rarer to a denser medium. Guidoni later became head of the Italian Air Force and was killed in an accident. It is after him that Guidonia, the new air city of Italy, has been named.

The air units practiced actively in bombing. Targets representing ships were set up on land. Objects were bombed in the water, both stationary and towed at high speed by motor boats. A camera obscura was fixed up in a motor truck which was run at high speed along the roads, and the bombing was done against that, both going straight and turning. Nothing was overlooked that could be done with the equipment available. Mitchell attempted in every way to get target vessels from the Army and Navy without success.

Giving his testimony before Congress, Mitchell stated positively that he could sink any ship afloat with aircraft. The Army and Navy ridiculed this, but Congress passed an act authorizing the President to set aside certain vessels that had been surrendered from the German Fleet to be used for the purpose of bombing. The Navy then attempted to take charge of things. A written agreement was drawn up as to the procedure. The Navy made it just as difficult as possible, putting the vessels so far off the coast that they were almost outside the limits of the cruising ability of the aircraft. However, every class of ship was sunk—submarines, destroyers, cruisers, and two battleships. One of the battleships was the *Ostfriesland*, the strongest ship built up to that time, and probably as strong as any built since. The bomb that sunk the *Ostfriesland* was heard around the world and marked a new epoch in national defense.

The Board observing the bombing tests, under the chairmanship of General Pershing, reached the following conclusion:

"Aircraft carrying high-capacity high-explosive bombs of sufficient size have adequate offensive power to sink or seriously damage any naval vessel at present constructed, provided such projectiles can be placed in the water close alongside the vessel. Furthermore, it will be difficult, if not impossible, to build any type of vessel of sufficient strength to withstand the destructive force that can be obtained with the largest bombs that airplanes may be able to carry from shore bases or sheltered harbors."

At the conclusion of these exercises, there was tremendous agitation on the part of the Navy particularly, to keep the air force down.

Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein resolutions passed by the Committee on Military Affairs today concerning the death of General Mitchell, and also a portion of the remarks made by myself on this floor concerning General Mitchell on August 7, 1935.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

UNITED STATES DISTRICT JUDGE HALSTED L. RITTER

Mr. SUMNERS of Texas, from the Committee on the Judiciary, submitted a privileged report on charges of official misconduct against Halsted L. Ritter, a district judge of the United States for the Southern District of Florida, which was referred to the House calendar and ordered printed.

AMENDMENT OF THE BANKRUPTCY ACT

Mr. WILCOX. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk and pass the bill (H. R. 10490) to amend chapter 9 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. SNELL. Mr. Speaker, reserving the right to object, I would like to have the gentleman state in a very few words just what this bill does and what is the situation of the Judiciary Committee with respect to the measure.

Mr. WILCOX. Mr. Speaker, this bill simply extends the life of the Municipal Bankruptcy Act. By the terms of the original act it expired by its own limitations in 2 years. This bill, as amended by the Judiciary Committee, seeks to extend the life of that act until January 1, 1940.

The bill has the unanimous approval of the Judiciary Committee, and I may say for the information of the House that when the act was originally presented to the House in the Seventy-third Congress, it was opposed by the American Bar Association. Since that time the bar association has recognized the necessity for the act and has given its approval to this extension.

The bill does not seek to change or modify any of the terms of the act other than to extend its life to January 1, 1940.

The SPEAKER pro tempore (Mr. COOPER of Tennessee.) Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 79 of chapter 9 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, be, and the same is hereby, amended to read as follows:

"SEC. 79. Additional jurisdiction: Until January 1, 1945, in addition to the jurisdiction exercised in voluntary and involuntary proceedings to adjudge persons bankrupt, courts of bankruptcy shall exercise original jurisdiction in proceedings for the relief of debtors, as provided in this chapter of this act."

With the following committee amendment:

Page 1, line 9, strike out "1945" and insert "1940."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE FARMER IS ENTITLED TO COST OF PRODUCTION

Mr. AMLIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. AMLIE. Mr. Speaker, ladies and gentlemen of the House, during the past 3 days the House has had under consideration the so-called soil conservation bill which has as its objective the withdrawal from cultivation of the same number of acres as were taken out of use under the operation of the Agricultural Adjustment Act.

Discussion on this bill has had to do with the terms and conditions under which the land should be withdrawn from cultivation to the end that the particular types of agriculture might receive the benefits, through reduced output, to which they feel they are entitled.

It would seem, therefore, entirely to the point to inquire whether there is in fact a surplus of the various commodities which the bill seeks to curtail.

IS THERE A SURPLUS?

The principal speaker at the annual convention of the American Medical Association last year at Atlantic City was Dr. Walter R. Campbell, of the University of Toronto, an internationally famous physician and an authority on diet. He had this to say:

Twenty-five million of the unemployed in Canada and the United States are in danger of becoming unemployable by eating a relief diet too high in carbohydrates and too low in proteins for reasons of economy. * * * The apparently inevitable degradation from unemployed to unemployable should not be accelerated by a falsely economical provision of foodstuffs.

In August 1935 Dr. Adela J. Smith, director of health education, in a report to the board of education of New York City, made the following statement:

Lack of sufficient food has wasted the bodies and sapped the mental vigor of more than 10,000 school children here until they can no longer keep up with their "better fed" classmates in school work. The condition is particularly great in Manhattan, where one child in every four is malnourished. So weakened are these boys and girls by lack of food that they cannot profit from attendance in regular classes. In fact, thousands of them find going to school too great a physical strain, and have become ill. In the elementary schools alone there are now about 125,000 seriously undernourished youngsters.

A few years ago the United States Health Institute, in cooperation with the Milbank fund, made a study of 2,560 average families in Pittsburgh, Detroit, and Birmingham. The study showed:

Sickness among those whose incomes have dropped sharply since 1929 is 60 percent higher than for those whose incomes have remained approximately the same. The rate of disabling sickness among individuals from families of the unemployed was 39 percent higher than that of the group having full-time wage earners, and 25 percent higher than that of the group containing part-time workers.

Two years ago the Children's Bureau of the United States Department of Labor reported that in certain sections of the country two out of every five school children were suffering from malnutrition.

It would seem from these reports that there are large sections of the American public, possibly in excess of 25 percent, who are actually unable at the present time to avoid the consequences of undernourishment.

MAJORITY OF AMERICANS UNDERFED

A few years ago the United States Department of Agriculture published a bulletin entitled "Diets at Four Levels of Nutritive Content and Cost" (U. S. Department of Agriculture Circular 296, Washington, 1933). The four diets are are follows:

1. A restricted diet, for emergency use, as in floods, earthquakes, and other emergencies where the problem becomes one of simply maintaining life until more adequate provisions can be made. Such a diet runs high in carbohydrates and for an average family would cost about $350 a year. Twelve percent of non-farm families in the United States lived on this diet in 1929.

2. A subsistence diet, which is slightly better than the restricted diet, but does not contain the milk, fruit, and vegetables that people should have in order to maintain health. Such a diet would have cost $500 per family in 1929. Sixty-two percent of the Nation's nonfarm families were compelled to live on this subsistence diet in 1929.

3. An adequate diet, which in 1929 would have cost $800 per year per average family. While this would provide all of the essential food elements, many of the luxuries and delicacies would be lacking. Sixteen percent of our nonfarm families lived on this basis in 1929.

4. A liberal diet, which in 1929 would have cost $950 per year per average family. Only 10 percent of the Nation's nonfarm families enjoyed a liberal diet during the most prosperous year the Nation has ever known.

These statements are based upon the Brookings Institution survey entitled "America's Capacity to Consume", pages 121 to 124.

It may safely be stated that the diet of the farmers as a whole would average somewhat lower than that of the nonfarm population for the reason that even in 1929 the per-capita income of nonfarm families was three and one-half times that of farm families. In the most prosperous year that this Nation has ever known 74 percent of the people lived on a mere subsistence or emergency diet. Since the number of people living on a subsistence or poverty level has increased from 40.6 percent to 63.6 percent from 1929 to 1933, it follows that dietary standards are much lower at the present time than they were in 1929, although no adequate study, such as that of the Brookings Institution, is available for the present period.

It is clear that between 80 percent and 85 percent of the American people today are not able to enjoy the liberal diet or even the adequate diet set up as standard by the United States Department of Agriculture.

INCREASED FOOD PRODUCTION NECESSARY

To provide a liberal diet for all of our people it would have been necessary, even in 1929, to have increased our production of various items as follows:

Meat: In 1929 we produced a total of 15,514,200,000 pounds of meat. A liberal diet for all of the people would have required the production of 17,000,000,000 pounds, or a needed increase of 10 percent.

Milk: In 1929 we produced 46,249,930,000 pounds of milk. A liberal diet for all of the American people would have required the production of 79,550,000,000 pounds of milk, or a needed increase of 75 percent.

Butter: In 1929 we produced 2,141,915,000 pounds of butter. A liberal diet would have required the production of 4,375,000,000 pounds of butter, or an increase of 100 percent.

Fresh fruits: In 1929 we produced 18,277,076,000 pounds of fresh fruit. To have given all of the American people a liberal diet would have required the production of 35,507,972,000 pounds of fresh fruit, or an increase of 88 percent.

Fresh vegetables: In 1929 we produced a total of 37,327,900,000 pounds of fresh vegetables. If we were to have given all of the American people a liberal diet, it would have been necessary to have produced 45,622,995,000 pounds, or an increase of 22 percent.

Eggs: In 1929 we produced 2,581,935,000 pounds of eggs. If we were to have given all of the American people a liberal diet, 4,221,338,000 pounds of eggs would have been required, or an increase of 60 percent.

Likewise, it would have been necessary to have increased our production of cheese by 70 percent, and our production of poultry by 35 percent.

A careful study by the National Survey of Potential Product Capacity financed by the Federal Government about 2 years ago demonstrated that within a period of 5 years the farmers of the United States could meet all of these needed increases.

COTTON PRODUCTION INADEQUATE

A few years ago an independent study was conducted in the city of San Francisco for the purpose of determining the clothing requirements of the professional people of that city. Using these requirements as standard, and assuming that all of the American people would like to wear the type of clothing considered essential and desirable from the standpoint of health, appearance, and comfort, the National Survey of Potential Product Capacity estimated the increase in production of cotton and textiles necessary to meet these standards. Figures covering this and other phases of my remarks may be found in the Official Report of the National Survey of Potential Product Capacity, prepared under the sponsorship of the New York Housing Authority and Work Division of the Emergency Relief Administration of New York City.

The findings of the survey are as follows:

Underwear: Where, for instance, 543,000,000 pieces of underwear were produced in 1929, the liberal budget for all of the American people would have required the production of 757,000,000 pieces of underwear.

Shirts: One hundred and seventy-three million shirts were produced in 1929. The liberal budget would have required the production of 363,000,000 shirts.

Work clothes: One hundred and seventy-two million pieces of work clothing were produced in 1929. The liberal budget would have required the production of 196,000,000 pieces.

Dresses and frocks: Where a total of 206,460,000 dresses and frocks were produced in 1929, a liberal budget would have called for the production of 275,500,000 of these items.

The 1929 production of the items of clothing enumerated here had a retail value of $2,444,050,000. Liberal provision for the needs of the people would have called for the production of $3,477,240,000 worth of these goods. This is, of course, only a partial list of the articles produced out of cotton, which the American people would need if an adequate clothing budget were provided. The survey in question estimated that whereas 45,793,000 acres were devoted to raising cotton in 1929, a good standard of living would have required a total of 54,633,000 acres. Instead, therefore, of reducing cotton acreage in 1935 by 28 percent, decent consideration for the needs of the American people would have dictated an increase of 19 percent.

BUSINESS BLOCKS PRODUCTION FOR NEEDS

Two years ago Relief Administrator Hopkins conceived the laudable notion that, since there were several million people in the country who had no mattresses, who were unemployed, broke, and on relief, and since the Government had approximately 5,000,000 bales of cotton left over from Farm Board days, it would be a good idea to give these unemployed people the opportunity to convert this surplus cotton into mattresses for their own use. As a result, Mr. Hopkins soon had 95 small factories in operation, manned by relief recipients engaged in making about 2,000,000 mattresses for their own needs.

These projects were no sooner well under way than a representative of the mattress manufacturers called on the director in charge of operations and protested against this Government competition with private business.

"But," explained the director, "these people are unemployed, they have no money, they are on relief, they cannot buy mattresses anyway. Why not let them use this surplus cotton for their own use, rather than permit them to sleep on rags and newspapers?"

"But," argued the mattress manufacturers' representative, "you are putting real cotton into these mattresses."

The director admitted that this was true and asked what the manufacturers were using. The manufacturer's representative explained that 95 percent of the mattresses made by the trade were made of cotton linters, a form of cotton waste.

"Is not it a good thing that we put real cotton into these mattresses?" he was asked.

To which the reply was, "No; because the way you are making these mattresses they will last for 15 or 20 years."

"Well," asked the director, "How long will the mattresses last that are made by the trade?"

The manufacturer's representative replied that they were made to last 4 or 5 years; and when asked if it was not desirable to make mattresses so that they will last 15 or 20 years, he replied:

"No; because you are destroying our market for a generation to come. These people who get these mattresses made out of real cotton will be out of the market for our mattresses for a generation to come."

I know that I am violating no confidence in recounting this conversation, because the same facts are contained in an article on the financial page of a publication which calls itself the world's greatest newspaper, the Chicago Tribune, on September 3, 1934. The article bears this headline:

TRADE BODY PROTESTS PLAN TO MAKE REST OF THE IDLE EASIER

The Illinois Manufacturers' Association has protested against manufacture of 2,000,000 mattresses by the Government in connection with relief work, in a letter sent to Gen. Hugh S. Johnson, of the N. R. A., it was announced yesterday by R. E. Wantz, president.

Mr. Wantz said the type of mattresses the Government is having made is a luxury, since it is made of staple cotton which costs three or four times as much as cotton linters used in over 95 percent of the mattresses manufactured for real commerce. He added:

"The mattresses which the Government is supplying will last at least 15 years, and in all probability will be kept in service for 25 to 30 years."

As a result of this protest the Government obligingly abandoned its plans. I understand that there are still two or three small factories making mattresses. The bulk of the unused ticking, according to a newspaper account, was turned over to the W. P. A. actors and play producers to be used as stage props.

I have recounted this attempt of the Government to do a useful piece of work merely to explain what happens whenever the Government attempts to do anything useful. If the unemployed are to be given jobs, but not at useful labor, then obviously no alternative remains but to keep them on projects that have come to be known as boondoggling, or on the straight dole, which has apparently become the program of the spokesmen of the Republican Party.

FARMERS CAN PRODUCE PLENTY

Reference has been made to the National Survey of Potential Product Capacity. The nature of this survey and its findings have been fully set forth in an able speech by Representative BYRON N. SCOTT, of California, in the House of Representatives, on July 1, 1935.

This survey was conducted by 40 or 50 engineers, statisticians, and economists over a period of approximately 8 months. It represents the most careful attempt that has ever been made to determine the actual productive capacity of American industry and agriculture.

This survey arrives at the conclusion that the farmers of the United States could within a period of 4 or 5 years expand their agricultural output along needed lines to a point where a liberal diet could be given all of the American people—a diet which is now enjoyed only by the 15 percent of the more fortunate portion of the Nation's population.

WHAT DOES THE FARMER GET?

The answer to this question can best be given by merely citing the figures of the United States Department of Agriculture on the net income of the farmers in the United States.

In 1930 the average farm income was $641.

In 1931 the average farm income was $396.

In 1932 the average farm income was $244.

In 1933 the average farm income was $437.

In 1934 the average farm income was $510, including A. A. A. payments.

In 1935 the average farm income was $630, including A. A. A. payments.

It is hardly necessary to amplify these figures. The Department of Agriculture, under a New Deal Secretary, is putting out a great deal of literature showing that income during the past 3 years is greater than it was in 1932.

This is quite obvious, and is due primarily to the A. A. A. reduction program and the widespread drought conditions of the past 2 years.

But, after giving the administration all possible credit, the fact remains that $500 a year does not give the farmer cost of production. As a matter of fact, the farmer is little better off under the New Deal than he was under the old deal. While the Federal land bank has made it possible for the average farmer to refinance his debts, it must be remembered that this program was instituted primarily for the benefit of the banks and insurance companies that held the farmers' mortgages.

It is true that New Deal agricultural policies have helped the farmer stay on his farm, but this does not mean that the farmer has begun to get anything like cost of production for his produce. The mere fact that millions of farm families today subsist on incomes of $500 a year is the strongest refutation of the myth that the economic health of the farm population has been restored.

I recently concluded a trip that took me through most of the agricultural States north of the Mason and Dixon's line. While the farmers are grateful for such help as they have received, they do not relish the idea of being paid for curtailing production, nor do they feel that the payment received has been sufficient to give them in any sense the type of living to which they feel themselves entitled. The economic status of the farmers is accurately indicated by the condition of the dwellings in which the farmers of the United States are compelled to live. A study by the Housing Division of the Federal P. W. A. estimates that 5,000,000 farm homes are—

Of such a character as to endanger the health, the safety, and the morals and interfere with the normal life of their inhabitants.

This means that 75 percent of our farmers are living in houses unfit for human habitation. As a matter of fact, less than 10 percent of our farm homes have baths; only about 12 percent have running water; and only 15 percent have electric lights.

WHAT COST OF PRODUCTION MEANS

By "cost of production" the average farmer has in mind security of tenure on the land. He wishes to be paid enough for the agricultural products which he sells so that he will not be evicted for nonpayment of taxes or interest. There is certainly no reason why the farmer should not be paid enough so that he may maintain his status as a farmer. After all, unless we have another group of people ready to go on the farms and operate them more efficiently or to better advantage than our present farmers, it constitutes a short-sighted policy to refuse to the farmers the security of tenure to which they feel entitled.

By "cost of production" the farmer has in mind that he should be paid enough for feeding the people of the country so that he and his family can live in a modern house fully equipped with all modern conveniences. He has in mind that he should be paid enough to maintain good farm buildings and keep them in first-class condition.

The National Survey of Potential Product Capacity demonstrated that we have the materials, the transportation facilities, and the skilled labor required to construct 1,550,000 six-room dwelling units at an average cost of $6,000 per unit each year. During the past 6 years we have built only about 5 percent of this number of residential units. In other words, for every 1 house that we have built during the past 6 years we could have built 20. During the past 6 years we could have built 5,000,000 farm homes and an equal number of modern city houses for city people now living in slums or other types of improper housing.

When the farmer talks about "cost of production" he has in mind that he should be paid enough for feeding the people of the country so that he and his family can have the type of clothing considered desirable from the standpoint of appearance and comfort by people in other walks of life, such as, for instance, the type of clothing considered desirable by the professional people of San Francisco. As has been intimated, there is no reason why the farmers should not be provided with this type of clothing.

When the farmer talks about "cost of production", he has in mind that he should be paid enough for feeding the people of the country so that he and his family can have necessary medical and dental care and other professional services.

Likewise, the farmer has in mind that he should be able to give his children full opportunity for education; that he should have a good automobile; and, in short, have the time and means for a reasonable amount of leisure and recreation.

All of these things could be readily provided the farmers of the country if the machinery of production were operated at full capacity.

PRODUCTION IS SABOTAGED

For the past 6 years our machinery of production has been operated at approximately 50 percent of actual capacity.

During the past 5 years, according to figures of the American Federation of Labor, which are eminently conservative, we have had an average of 12,000,000 unemployed. In other words, we have been wasting about 24,000,000,000 man-hours a year for the past 5 years each year. Translated into finished goods, these 24,000,000,000 man-hours of labor could have built 5,000,000 modern houses, and an automobile, a refrigerator, and a radio for each of the 30,000,000 families in the United States.

In addition to this, they could have built 10 concrete highways across the continent. They could have constructed 20 Boulder Dams and a schoolhouse for every school district in the United States; and after all this there would still be a surplus of 2.4 billion man-hours a year. This has been the approximate loss each and every year during the past 5 years.

The average American farmer is becoming aware of the fact that there is no physical reason why he should not be given a high American standard of living, or, in his language, "cost of production" for feeding the American people.

For 3 days, Mr. Speaker, we have discussed ways and means whereby the farmer may be given the barest kind of a subsistence in return for his cooperation in reducing present production of agricultural products. I venture the prophecy that at some future date the grandchildren of the present membership of this House will maintain a discreet silence when other children relate how their grandparents may have been inmates of insane asylums or institutions for the feebleminded.

As I have stated, the average farmer is grateful to the New Deal for the pittance that he has received in the way of checks for reducing the production of necessary food and raw materials. This is at least better than producing for even less money, which was the solution offered by the old deal. Nevertheless, the average farmer knows that it is not a solution for the problems of the American people to produce less when more is needed.

In conclusion, I want to state that the New Deal has rendered an invaluable service in educating not only the American farmers but all the American people as to the nature of the economic problems that now confront us. When history comes to record the achievements of this administration, it is my opinion that the most important act of the New Deal will be described as the killing of 6,000,000 little pigs. I make this statement not in the spirit of criticism but because this act has dramatized so effectively the fact that we have left the old age of scarcity and entered the age of potential abundance. The fact of abundance has been made so plain that every citizen can understand it.

Twenty-four billion man-hours of labor may be a term comprehensible to the engineering mind, but not to the mind of the average citizen. The killing of 6,000,000 little pigs, however, and the plowing under of cotton, despite the reluctant cooperation of the mules, carried the lesson of potential abundance to the humblest citizen in the most inaccessible and backward part of the United States.

In conclusion, I want to state that there is only one ultimate solution for the problem of the American farmers—that is, to be paid cost of production for feeding the American people, rather than a mere subsistence for not feeding them.

EMPLOYMENT ON W. P. A. PROJECTS

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, ladies and gentlemen of the House, I am sure that every Member has been impressed with the unfairness that exists in the selection of those to be employed on W. P. A. projects. I do not mean to imply that there is any willful unfairness on the part of the administration, but it is an unfairness which grows up as an incident to the regulations. The regulations provide that only those who are on relief between May 1 and November 1, 1935, should be employed. There are many people who were able to keep themselves off the relief during these months but who were on relief previous to that and who are badly in need of assistance now. The regulation unwittingly gives a premium to those who were on relief and works to the disadvantage of those who were trying to keep off the relief.

The county commissioners of the various counties in my district are very much interested in a program that will modify these regulations and give these other deserving people a chance.

The Commissioners of Athens County, Ohio, which is a very progressive county, and whose board of commissioners are up to date, have adopted resolutions February 10, 1936, which, I think, could well serve as a model for other commissioners in the State. These resolutions ask a change in W. P. A. regulations. The following is a copy of these resolutions, which speak for themselves. I am glad to have them incorporated in the CONGRESSIONAL RECORD so that other organizations interested in this problem may add their influence to the movement to have this matter modified for the benefit of many deserving people.

The resolutions are as follows:

The Board of Athens County Commissioners met in special session with members present: Messrs. Frank Biddle, F. F. Kittle, Frank Minner.

Mr. Kittle moved the adoption of the following resolution:

"Whereas the Federal Government has appropriated and is expending money in Ohio for the relief of unemployed who were on relief between May 1 and November 1, 1935; and

"Whereas the agency chosen to do this work is called the Works Progress Administration; and

"Whereas the original allotment of money to Ohio was to provide employment for 240,000 people, and the number now employed which takes care of all eligibles is 170,000; and

"Whereas we believe that money should be available to take care of the needy and deserving unemployed who were not on relief between the dates mentioned above, and that the regulation now in effect penalizes the man who has tried to help himself and places a premium upon the person who is on relief; and

"Whereas the county commissioners' association, in convention assembled, adopted a resolution determining to ask the W. P. A. administrator in Ohio, Dr. Carl Watson, to make a change in the regulation permitting employment of those in need who are not now eligible; and

"Whereas it is estimated that the number of unemployed in Athens County who should be taken care of under this program is estimated to be 100: Now, therefore, be it

"*Resolved*, That this board of Athens County commissioners hereby agrees to unite with the County Commissioners Association in this action; and be it further

"*Resolved*, That projects will be made available to put these persons in Athens County to work; and be it further

"*Resolved*, That the clerk of this board is directed to send a copy of this resolution to Senator ROBERT J. BULKLEY and Senator VIC DONAHEY and to the Ohio congressional delegation."

Mr. Minner seconded the resolution, and the roll being called upon its adoption, the vote resulted: Mr. Kittle, "yes"; Mr. Minner, "yes"; Mr. Biddle, "yes."

Attest:

MAUDE LOURY,
Clerk, Athens County Commissioners.

NEUTRALITY LEGISLATION

Mr. SHANNON. Mr. Speaker, under privilege of extending my remarks in the RECORD on the neutrality bill I ask unanimous consent that I may be permitted to include therein excerpts from Chief Justice Jay's famous charge to a grand jury while he was presiding.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHANNON. Mr. Speaker, on this day Mr. MCREYNOLDS, chairman of the Foreign Affairs Committee of the House, moved to suspend the rules and pass House Joint Resolution 491, extending and amending Public Resolution No. 67, Seventy-fourth Congress—the neutrality resolution.

This was a most important piece of legislation, concerning every family and every home of this Nation. Intelligent and humane parents do not want their children thrown into another war. People will wonder what voice Congress had in this important legislation. Let me briefly tell you.

This measure was brought on the floor of the House, after semiprivate hearings before a committee, and a suspension of the rules was asked for. Now, mark you, there was a most remarkable interlinking of the House rules with this legislation to assure its passage without floor interference of any kind.

The 435 Members of the House were permitted, by the august Foreign Affairs Committee, to vote "yea" or "nay" on the resolution. By voting "yea" a Member would vote for an odious suspension of the rules, under which debate was limited to 20 minutes on the "yes" side and 20 minutes on the "no" side of the question, and amendments were barred. By voting "nay" a Member would be recorded as voting against the gesture toward peace contained in the resolution.

What a situation to confront a Member of Congress. This I call a most offensive method of making laws; and the method is doubly offensive when legislation as grave as this is involved.

A member of the Foreign Affairs Committee had this to say concerning the resolution:

> The subject of neutrality is a complex and complicated subject, and the views of those who have given it serious and conscientious consideration [meaning the members of his committee] are entitled to some weight by the membership of the House.

And this Member's committee brings this "complex and complicated" matter before the House and, in its magnanimity, is willing to give the 435 Representatives of the people a total of 40 minutes in which to discuss the bill, without power of amendment. One thing can be said for the Foreign Affairs Committee—there was no neutrality on its part in gagging the House on this legislation.

I want to say that this is farcical legislative procedure. Neither the people nor Congress itself has had an opportunity to study or digest the momentous questions involved in this bill.

The same gentleman referred to this inscription on the walls of the armory in the ancient city of Venice:

> Happy is that city which in time of peace thinks of war.

I have an opinion of long standing on this subject of war. The ordinary citizen has nothing to do with the entrance of his country into a war; in fact, he knows very little, if anything, about it when the declaration of war is made. If he does not raise hell before the war starts, he is effectively barred from raising his voice in protest after it starts on the pain of being thrown into jail.

The Foreign Affairs Committee was no doubt sincere in its consideration of this legislation, but my contention is that the entire membership of the House was entitled to pass on this measure; that is, to discuss it fully and openly and to offer amendments thereto. Taking into consideration the hundreds of hours that have been wasted in the House on trivial matters, one wonders why, when a matter of this consequence comes up, the Members are not permitted to have a potent voice in it.

As I see it, nothing can be done now except to leave it in the hands of the President to decide whether or not we will enter a war in the next 14 months. I am afraid that by the passage of this resolution Congress has abandoned its functions absolutely.

In view of the fact that Members of Congress are not given an opportunity to submit their views at the time legislation is acted upon, being, instead, merely called upon to accept or reject a bill in the form in which it is brought before the House under trick rules, I shall take advantage of one of the few privileges accorded to Members of Congress—the right

of extending their remarks in the RECORD—and go somewhat into the history of neutrality declarations in this country.

Commencing with the Citizen Genet case in 1793, when he came here as an emissary of the new French Republic and, among other things, ordered every French consul in the United States to endeavor to condemn such French prizes as might be brought into this country by French cruisers and to fit same out as privateers in our harbor.

It was then that President Washington issued the first neutrality proclamation that our country had known. The Republican Party—afterwards the Democratic Party—took the side of Genet against Washington, and for the first time Washington's popularity suffered a partial eclipse. But Washington stood firm in his conviction that the position of this Nation in world affairs must be one of absolute neutrality, and that it must not take any part in the political quarrels and wars of foreign countries, although he knew that the masses of America were friendly to the new French Republic because of the services rendered by France in the American Revolution.

Chief Justice John Jay, of the Federal Supreme Court, went to Richmond, Va., in May 1793 and instructed a Federal grand jury on the question of neutrality. His charge might well be designated as the great American primer on neutrality. It was a lengthy charge of approximately 5,000 words and was intended to serve as a notice to the citizens throughout the Republic of this Nation's position on the question. Some of the pertinent excerpts from Chief Justice Jay's charge follow:

Gentlemen of the grand jury:

* * * * * * *

The law of nations considers those as neutral nations "who take no part in the war, remaining friends to both parties, and not favoring the arms of one to the detriment of the other"; and it declares that a "nation, desirous safely to enjoy the conveniences of neutrality, is in all things to show an exact impartiality between the parties at war; for should he, when under no obligation, favor one to the detriment of the other, he cannot complain of being treated as an adherent and confederate of his enemy, of which no nation would be the dupe if able to resent it. * * *"

The President (Washington), therefore, has with great propriety declared "that the duty and interest of the United States require that they should, with sincerity and good faith, adopt and pursue a conduct friendly and impartial toward the belligerent powers."

A celebrated writer on the law of nations very justly observes that "* * * A right of so great moment, the right of judging whether a nation has a real cause of complaint, whether its case allows of using force and having recourse to arms; whether prudence admits, and whether the welfare of the state demands it; this right", he says, "can only belong to the body of the nation or to the sovereign, its representative. It is doubtless one of those without which there can be no salutary government."

* * * * * * *

It is to be remembered that every nation is, and ought to be, perfectly and absolutely sovereign within its own dominions, to the entire exclusion of all foreign power, interference, and jurisdiction * * *.

The people of the United States have exhibited too many proofs of virtue and intelligence to leave room to doubt their continuing to be so guided by their usual integrity and good sense; but in every nation individuals will always be found who, impelled by avarice or ambition, or by both, will not hesitate to gratify those passions at the expense of the blood and tears even of those who are free from blame. * * *

With this historic setting of our neutrality law it is plain what the legislative and executive duties of our Government are to the people and to other nations with reference to neutrality.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. PETERSON of Georgia, for the remainder of the week, on account of death in family of a business associate.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 491. Joint resolution extending and amending the joint resolution (Pub. Res. No. 67, 74th Cong.), approved August 31, 1935.

ADJOURNMENT

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 10 minutes p. m.) the House adjourned until tomorrow, Friday, February 21, 1936, at 12 o'clock noon.

COMMITTEE HEARING

PUBLIC LANDS

There will be a meeting of the Public Lands Committee on Friday, February 21, 1936, at 10:30 a. m., in room 328, House Office Building, for the further consideration of H. R. 10303, National Resources Board.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WALTER: Committee on the Judiciary. H. R. 11098. A bill to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa.; without amendment (Rept. No. 2024). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 11193) for the relief of John W. Reardon; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (S. 696) for the relief of Sylvan M. Levy; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 11275) granting a pension to Venia Moody; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McSWAIN (by request): A bill (H. R. 11321) to authorize appropriations for construction at military posts, and for other purposes; to the Committee on Military Affairs.

By Mr. COLMER: A bill (H. R. 11322) granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss.; to the Committee on Interstate and Foreign Commerce.

By Mr. DELANEY: A bill (H. R. 11323) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y.; to the Committee on Coinage, Weights, and Measures.

By Mr. KNUTE HILL: A bill (H. R. 11324) to authorize the Secretary of the Interior to investigate and adjust irrigation charges on non-Indian lands within projects on Indian reservations, and for other purposes; to the Committee on Indian Affairs.

By Mr. TONRY: A bill (H. R. 11325) to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia; to the Committee on the District of Columbia.

By Mr. DEMPSEY: A bill (H. R. 11326) to amend the Federal Highway Act, approved November 9, 1921, as amended and supplemented; to the Committee on Roads.

By Mr. DOCKWEILER: A bill (H. R. 11327) to exempt from taxation receipts from the operation of Olympic Games if donated to the State of California, the city of Los Angeles, and the county of Los Angeles; to the Committee on Ways and Means.

By Mr. LEE of Oklahoma: A bill (H. R. 11328) to provide for the further development of vocational education in the several States and Territories; to the Committee on Education.

By Mr. UTTERBACK: A bill (H. R. 11329) to supplement existing antitrust acts, to protect the public against combinations in restraint of trade, to prevent unnecessary and wasteful cross hauling of commodities, to restore and preserve purchasing power, and to aid in the prevention of the recurrence of economic stringency, and for other purposes; to the Committee on the Judiciary.

By Mr. GASSAWAY: A bill (H. R. 11330) to amend sections 211 and 245 of the Criminal Code; to the Committee on the Judiciary.

By Mr. BUCKLER of Minnesota: A bill (H. R. 11331) to authorize the sale and conveyance by the Department of the Interior to the State of Minnesota of the southwest quarter northwest quarter section 3, township 159 north, range 35 west, fifth principal meridian, in the State of Minnesota; to the Committee on the Public Lands.

By Mr. CALDWELL: A bill (H. R. 11332) to authorize a refund of taxes on crude petroleum under certain circumstances; to the Committee on Ways and Means.

Also, a bill (H. R. 11333) authorizing a preliminary examination and survey relating to the construction of a canal between St. Joseph's Bay and the Apalachicola-St. Andrews Bay Canal, Fla.; to the Committee on Rivers and Harbors.

By Mr. STACK: A bill (H. R. 11334) to incorporate the Military Order of the Purple Heart; to the Committee on the Judiciary.

By Mr. RANKIN: A bill (H. R. 11335) for the development and improvement of navigation, sanitation, water supply, recreation, transportation, and of electric power on the Potomac River and its tributaries; to the Committee on Rivers and Harbors.

By Mr. WOOD: A bill (H. R. 11336) to provide for the commemoration of the battle of Wilson Creek; to the Committee on Military Affairs.

By Mr. CELLER: A bill (H. R. 11337) to amend the Federal Register Act; to the Committee on the Judiciary.

By Mr. BACON: Resolution (H. Res. 421) to print the opinion of the Supreme Court of the United States involving the question of the freedom of the press as a public document; to the Committee on Printing.

By Mr. SUMNERS of Texas: Resolution (H. Res. 422) for the impeachment of Halsted L. Ritter, United States district judge for the southern district of Florida; to the Committee on the Judiciary.

By Mr. DICKSTEIN: Resolution (H. Res. 423) for the consideration of H. R. 8163; to the Committee on Rules.

By Mr. BURDICK: Joint resolution (H. J. Res. 495) defining the term "gratuity" when used in connection with offsets of the Government against Indian claims, and for other purposes; to the Committee on Indian Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Virginia, urging that Irish potatoes be included on the same basis with other agricultural commodities in any national program for the relief of agriculture; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H. R. 11338) for the relief of Ruth Radin; to the Committee on Immigration and Naturalization.

By Mr. BEITER: A bill (H. R. 11339) granting an increase of pension to Anna K. Hafner; to the Committee on Invalid Pensions.

By Mr. BOEHNE: A bill (H. R. 11340) for the relief of Robert Lee Taylor; to the Committee on Military Affairs.

By Mr. BURNHAM: A bill (H. R. 11341) for the relief of Arthur L. Hecykell; to the Committee on Naval Affairs.

By Mr. COOPER of Ohio: A bill (H. R. 11342) granting an increase of pension to Harriet E. Bryan; to the Committee on Invalid Pensions.

By Mr. DEMPSEY: A bill (H. R. 11343) for the relief of Amalia G. Lujan; to the Committee on Claims.

By Mr. EAGLE: A bill (H. R. 11344) for the relief of Houston Foundry & Machine Co.; to the Committee on Claims.

By Mr. GWYNNE: A bill (H. R. 11345) granting a pension to Lydia A. Havens; to the Committee on Invalid Pensions.

By Mr. LARRABEE: A bill (H. R. 11346) for the relief of H. R. Heinicke, Inc.; to the Committee on Claims.

By Mr. LEE of Oklahoma: A bill (H. R. 11347) holding Hugh H. Monroe to have served in the military service of the United States; to the Committee on Military Affairs.

By Mr. MOTT: A bill (H. R. 11348) authorizing and directing the Secretary of the Treasury to reimburse John Brennan for the losses sustained by him by reason of the negligence of an employee of the United States Forest Service; to the Committee on Claims.

By Mrs. O'DAY: A bill (H. R. 11349) for the relief of Sol Silver; to the Committee on Immigration and Naturalization.

By Mr. STEWART: A bill (H. R. 11350) for the relief of Thomas Watson; to the Committee on Claims.

Also, a bill (H. R. 11351) granting a pension to Nettie LaTour Welcome; to the Committee on Invalid Pensions.

By Mr. WOLVERTON: A bill (H. R. 11352) granting an increase of pension to Anna J. Flick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11353) granting an increase of pension to Lydia R. DuBois; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11354) granting an increase of pension to Kate Schnetzler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11355) granting an increase of pension to Catherine Ann Page; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11356) granting an increase of pension to Sarah C. Wythe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11357) granting an increase of pension to Anna M. Simmons; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11358) granting an increase of pension to Catherine C. West; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11359) granting an increase of pension to Margaret C. Lee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11360) granting an increase of pension to Martha Weiser; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11361) granting an increase of pension to Mary A. Pendergrast; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11362) granting an increase of pension to Carrie A. Eagin; to the Committee on Invalid Pensions.

By Mr. WOOD: A bill (H. R. 11363) granting a pension to Edith Thornton; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10203. By Mr. CARMICHAEL: Petition of C. M. Coleman and others of Athens, Ala.; to the Committee on the Post Office and Post Roads.

10204. By Mr. DARROW: Petition of the Philadelphia Board of Trade, opposing amendment of the fourth section of the Interstate Commerce Act, known as the long-and-short-haul clause; to the Committee on Interstate and Foreign Commerce.

10205. By Mr. HAINES: Petition signed by 51 patrons of star route 10538, Franklin County, Twenty-second Congressional District of Pennsylvania, urging enactment of legislation to extend existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10206. By Mr. MEAD: Petition of Harry Grossman, suggesting the Grossman equality plan for national recovery; to the Committee on Ways and Means.

10207. By Mr. MERRITT of New York: Resolution of the National Restaurant Association, in convention assembled in Chicago, October 11, 1935, voicing its objection to the continuance of Government competition with private enterprise in the operation of restaurants, and respectfully petitioning the President of the United States to take immediate steps to have such Government-operated restaurants either discontinued or thrown open to the highest bidder to operate; to the Committee on Expenditures in the Executive Departments.

10208. Also, resolution of Scarsdale Post, No. 52, Department of New York, American Legion, thoroughly endorsing the Dies bill (H. R. 5921), introduced in the Seventy-fourth Congress, designed to correct the immigration laws and preserve the United States to its law-abiding citizens, as essential to public safety; to the Committee on Immigration and Naturalization.

10209. Also, resolution of the National Guard Association of the State of New York, at Syracuse, N. Y., January 18, 1936, that the members of the National Guard Association of the State of New York recommend that the Congress of the United States be requested to enact legislation authorizing an allowance of $35 per month for quarters to each enlisted man of the United States Army detailed to duty with the National Guard as sergeant-instructor while on such duty; and that such payments and also any payments heretofore made for rental of quarters for such noncommissioned officers shall be considered as an allowance to the individual; to the Committee on Military Affairs.

10210. Also, resolution of the Congo Club, of Flushing, N. Y., expressing the belief that additional taxation at the present time is unwarranted, and recommending that the necessary revenue be derived through stringent economies in governmental bureaus and governmental expenditures; to the Committee on Ways and Means.

10211. By Mr. MOTT: Petition signed by Celia A. Warner and 28 other members of the Eugene Central Woman's Christian Temperance Union, urging the enactment of House bill 8739; to the Committee on the District of Columbia.

10212. By Mr. PATTERSON: Petition of L. E. Bush and 56 other citizens of Montgomery County, Kans., favoring the passage of the Guyer bill (H. R. 8739) for liquor control in the District of Columbia; to the Committee on the District of Columbia.

10213. By Mr. PFEIFER: Petition of William Loughlin Co., Brooklyn, N. Y., opposing a tax on perilla oil as a linseed substitute; to the Committee on Ways and Means.

10214. Also, petition of the Downtown Owners' Committee, New York City, concerning airplane landing field at Governors Island; to the Committee on Interstate and Foreign Commerce.

10215. Also, petition of Congo Varnish Works, Brooklyn, N. Y., opposing the placing of a tax on perilla oil as a linseed substitute; to the Committee on Ways and Means.

10216. Also, petition of Hilo Varnish Corporation, Brooklyn, N. Y., urging support of House bill 10501, providing for a 2-year extension of the National Housing Act; to the Committee on Appropriations.

10217. Also, petition of the National Retail Lumber Dealers Association, Washington, D. C., urging the extension of title I of the National Housing Act (H. R. 10501); to the Committee on Banking and Currency.

10218. By Mr. STEFAN: Petition of 43 citizens of Spencer, Nebr., asking the Congress to enact legislation at this session to indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10219. By the SPEAKER: Petition of the United Aircraft Corporation; to the Committee on Rules.

10220. Also, petition of the city of Cleveland, Ohio; to the Committee on Appropriations.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 21, 1936

The House met at 12 o'clock meridian.

The Chaplain, Rev. J. Shera Montgomery, D. D., offered the following prayer:

Grant, O Lord, our God, that each Member of the Congress may have some token of Thy thought of him and feel the presence of Thy blessing. Bring near to us some sense of Thy care and of Thy ministry to our needs. O give us inspiration that shall guide and incite us to go forward and follow on to know the Lord. We thank Thee that Thou art the universal Father and with Thee there is neither Jew nor Gentile, bond or free, but all are Thy children in the folds of the Father's heart. Convert us, dear Lord, to humility, to self-sacrifice, to unfailing kindness, and to the love that casts out fear as well as wrath. Grant that our strength and knowledge may be enlisted in behalf of weakness and ignorance. We pray for all churches and all those instruments throughout our land seeking to destroy barbarism and to turn back the streams of crime and vice which so sorely afflict our country. In the name of our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Crockett, its Chief Clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 1381. An act to amend Public Law No. 249, Seventy-first Congress, entitled "An act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy";

H. R. 1415. An act to provide for the establishment of the Richmond National Battlefield Park, in the State of Virginia, and for other purposes;

H. R. 1470. An act for the relief of Carl A. Butler.

H. R. 1867. An act for the relief of Orville E. Clark;

H. R. 2110. An act for the relief of W. A. Harriman;

H. R. 2156. An act for the relief of Cecelia Callahan.

H. R. 2157. An act for the relief of Howard Donovan;

H. R. 2165. An act for the relief of Charles A. Gettys;

H. R. 2527. An act for the relief of Mrs. Amber Walker;

H. R. 2923. An act for the relief of Misner Jane Humphrey;

H. R. 3557. An act for the relief of Helena C. VonGroning and Stephan VonGroning;

H. R. 3585. An act to authorize the Secretary of War to effect exchange of certain rights-of-way in Hawaii;

H. R. 3864. An act for the relief of Gladys Robbins;

H. R. 4047. An act granting 6 months' pay to James Zanetti;

H. R. 4084. An act for the relief of Charles D. Jeronimus;

H. R. 4171. An act for the relief of Look Hoon and Lau Hoon Leong;

H. R. 4210. An act for the relief of Anthony Nowakowski;

H. R. 4292. An act to authorize the Secretary of War to grant rights-of-way to the Arlington & Fairfax Railway Co. across the Fort Myer Reservation, Va.;

H. R. 4777. An act to provide for the advancement on the retired list of the Army of Vincent P. Rousseau;

H. R. 4925. An act to authorize and direct the Comptroller General to settle and allow the claim of George P. Money for fees for services rendered;

H. R. 5181. An act for the relief of the Progressive Commercial Co. of Philadelphia, Pa.;

H. R. 5474. An act for the relief of Lt. M. T. Grubham;

H. R. 5525. An act for the relief of George Current;

H. R. 5747. An act for the relief of Gordon McGee;

H. R. 5876. An act for the relief of Elmer H. Ackerson;

H. R. 5916. An act to authorize the conveyance by the United States to the State of Michigan of the former United States lighthouse supply depot, St. Joseph, Mich., for State naval force purposes;

H. R. 5964. An act for the relief of Carl F. Yeager;

H. R. 6254. An act for the relief of David N. Aiken;

H. R. 6708. An act to authorize the presentation of a Distinguished Flying Cross to Lt. Col. Francis T. Evans, United States Marine Corps;

H. R. 7001. An act for the relief of Alice Markham Kavanaugh;

H. R. 7486. An act to authorize the appointment of midshipmen from among honor graduates of "honor schools" and from among members of the Naval Reserve Officers' Training Corps;

H. R. 7875. An act to provide for the transfer of certain land in the city of Charlotte, Mich., to such city;

H. R. 8024. An act to authorize the Secretary of War to dispose of material no longer needed by the Army;

H. R. 8172. An act to authorize the transfer by the United States to the county of Mohave, Ariz., of all public lands in sections 20, 28, and 30, township 20 north, range 15 west, Gila and Salt River meridian, for public park, recreational, and other municipal purposes;

H. R. 8437. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Arthur B. Walker;

H. R. 8821. An act to define the crime of bribery and to provide for its punishment;

H. R. 8872. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Woman's Club of the city of Paducah, Ky., the silver service in use on the U. S. S. *Paducah;*

H. R. 8966. An act for the relief of World War soldiers who were discharged from the Army because of minority or misrepresentation of age; and

H. J. Res. 356. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Pan American Exposition to be held in Tampa, Fla., to be admitted without payment of tariff, and for other purposes.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 1362. An act for the relief of Ramey Bros., of El Paso, Tex.;

H. R. 4086. An act for the relief of Ellis Duke, also known as Elias Duke;

H. R. 7110. An act to authorize the President to bestow the Congressional Medal of Honor upon Brig. Gen. Robert H. Dunlap, United States Marine Corps, deceased;

H. R. 8458. An act to provide for vacations to Government employees; and for other purposes;

H. R. 8459. An act to standardize sick leave and extend it to all civilian employees;

H. R. 9130. An act to authorize the incorporated city of Skagway, Alaska, to undertake certain municipal public works, and for such purpose to issue bonds in any sum not exceeding $12,000, and for other purposes; and

H. J. Res. 488. Joint resolution to close Military Road.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3. An act to regulate commerce in firearms;

S. 536. An act for the relief of Ada Mary Tornau;

S. 2188. An act for the relief of the estate of Frank B. Niles;

S. 2336. An act granting compensation to Mary Weller;

S. 2517. An act to provide for the advancement on the retired list of the Navy of Walter M. Graesser, a lieutenant (junior grade), United States Navy, retired;

S. 2747. An act conferring jurisdiction upon the United States Court of Claims to hear the claim of the Canal Dredging Co.;

S. 2869. An act to legalize the use of emergency relief funds for the construction of armories for the National Guard;

S. 2922. An act for the relief of Rose Stratton;

S. 3125. An act for the relief of J. A. Hammond;

S. 3161. An act to amend section 13 (c) of the act entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, etc.", approved March 3, 1925, as amended;

S. 3257. An act to amend the World War Adjusted Compensation Act;

S. 3333. An act for the relief of DeForest Loys Trautman, lieutenant, United States Navy;

S. 3367. An act for the relief of James Gaynor;

S. 3395. An act to authorize the acquisition of the railroad tracks, trestle, and right-of-way of the Gulf Power Co. at the naval air station, Pensacola, Fla.;

S. 3410. An act to exempt from taxation receipts from the operation of Olympic Games if donated to the State of California, the city of Los Angeles, and the county of Los Angeles;

S. 3514. An act to regulate the manufacturing, dispensing, selling, and possession of narcotic drugs in the District of Columbia;

S. 3521. An act to authorize an exchange of land between the Waianae Co. and the Navy Department;

S. 3586. An act to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their National Jamboree to be held during the summer of 1937;

S. 3655. An act for the relief of the Vermont Transit Co. Inc.;

S. 3663. An act for the relief of William Connelly, alias William E. Connoley;

S. 3761. An act authorizing the Secretary of the Interior to patent certain land to the town of Wamsutter, Wyo.;

S. 3777. An act to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Maine;

S. 3860. An act to amend section 2 of the act entitled "An act to amend the National Defense Act", approved May 28, 1928; and

S. 3872. An act for the relief of the present leader of the Army Band.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and insert therein three speeches made on the subject of The Way Out—Taxation or General Inflation, one speech being my own, another by Mr. Rukeyser, the financial writer of the Hearst papers, and another by John T. Flynn, a financial writer.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. RICH. Reserving the right to object, I question whether those speeches from outside ought to be printed in the RECORD.

Mr. PATMAN. I should not like to put mine in unless I put in the others. I think in fairness the other speeches ought to be put in.

Mr. RICH. The only question is this, that when we permit speeches of outside people to be put in the RECORD it will make it appear so that we will not recognize it.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. LAMBETH. Reserving the right to object, I have just come into the Hall, and I should like to ask the gentleman from Texas what he proposes to insert?

Mr. PATMAN. Three speeches that were made in the discussion last night on The Way Out—Inflation or Taxes. One is by myself, and the other by Mr. Rukeyser, financial writer for the Hearst papers, and another by John T. Flynn, journalist and financial writer. I think they will be interesting to the country and furnish valuable information.

Mr. LAMBETH. Mr. Speaker, if the House will permit me further to reserve the right to object, I have just come from

the Committee on Appropriations which is now considering the legislative appropriation bill, containing appropriations for congressional printing, including the operation of the Government Printing Office.

As chairman of the House Committee on Printing, I was invited to be present, together with the Public Printer and others. I dislike very much to interpose an objection in matters of this kind, but I am taking this opportunity, with the indulgence of the House, and also of the gentleman from Pennsylvania [Mr. RICH], who reserved an objection, to make a brief statement.

A practice has grown up here during the past few years, which was not in vogue when I came here 5 years ago, of printing outside matters in the RECORD. It has gotten to the point where it has become the duty of the House—not simply the duty of the gentleman from Pennsylvania and the gentleman from Massachusetts [Mr. MARTIN], or the gentleman from New York [Mr. TABER], or the chairman of the Committee on Printing—to interpose objections.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. LAMBETH. The gentleman from Texas [Mr. PATMAN] has made a request to insert in the RECORD matters which are doubtless interesting to Members of Congress and to the public. The question resolves itself into this: Where is the end? What is going to be the line between what ought to go into the RECORD and what ought not to go into the RECORD? I have a responsibility to the House as chairman of the Committee on Printing, and I want to make this clear: The position which these gentlemen hold, and I hold with them, is this: Members ought to have the right to insert their own remarks in the RECORD, and nobody has ever objected to any Member extending his own remarks without any limit, nor have they objected to the remarks of high officials of the Federal Government or of even a State government being inserted in the Appendix of the daily RECORD. The gentleman from Texas [Mr. PATMAN] is interested in this subject of inflation, as are many Members of the House. Some of us hold opposing views. Others are interested in other subjects; and if the practice continues, it will grow to inserting, ad infinitum, without limitation, extraneous matters into the RECORD, however great the interest in them may be to the Members of the House, or even to the country. Where will it all end, and how much will it cost the taxpayers?

I now yield to the gentleman from New York.

Mr. SNELL. Mr. Speaker, can the gentleman state to the House how much the cost of the RECORD has increased in the last 4 or 5 years?

Mr. LAMBETH. I cannot offhand give the exact figures, but they will appear in the hearings shortly to be published in connection with the legislative appropriation bill. The gentleman knows well, because he has been here a long time, and those of us who have been here only a short time know, that the volume of the RECORD and the cost of the RECORD have increased year by year until the point has been reached where, in my opinion, the time has come when we ought to consider very seriously the matter of policy in connection with these extensions of outside matters in the RECORD. What I have said is not a reflection on any Member, and certainly my friend from Texas [Mr. PATMAN] will not misconstrue my intentions in making these remarks, which I had not intended to make at this time, as being personal to him. Further replying to the gentleman from New York, I take the position that these things are extraneous and irrelevant. I do not wish to put myself or the committee of which I happen to be the chairman in the position of being a board of censors or critics, but I am trying to carry out what I deem to be the responsibility that rests upon my shoulders more, perhaps, than upon the shoulders of the gentleman from Pennsylvania [Mr. RICH], although I think responsibility rests upon every Member of the House to protect the RECORD.

Mr. SNELL. Mr. Speaker, I am very glad that the chairman of the Committee on Printing has made this statement this morning. I have been very much interested in this proposition and have made similar statements on several occasions.

Mr. MONAGHAN. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is demanded.

Mr. LAMBETH. Mr. Speaker, I object.

CORRECTION OF THE RECORD

Mr. SNELL. Mr. Speaker, I rise for a correction of the RECORD. On Wednesday, February 19, 1936, on page 2372 the RECORD, the gentleman from Washington [Mr. ZIONCHECK] made the following unanimous-consent request:

> Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a resolution introduced by me on January 6 and a resolution introduced by the gentleman from Missouri [Mr. BELL] on the 29th of January, an amended resolution of mine on the 6th of February, and an amended resolution of the gentleman from Missouri [Mr. BELL] of the 14th day of February.

To that request the gentleman from Michigan [Mr. MAPES] objected. Then a few moments later, as appears on the top of the next column on the same page of the RECORD, Mr. ZIONCHECK made the following request:

> Mr. Speaker, I ask unanimous consent at this time to extend my own remarks in the Appendix of the daily RECORD and to include therein four short resolutions on the Townsend investigation.

To that request I objected. Just before we adjourned on that day the gentleman from Washington [Mr. ZIONCHECK], on page 2400 of the RECORD, made the following request:

> Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein some excerpts from certain resolutions, as little as possible in order to get the thought over.

To that request I objected. Then Mr. ZIONCHECK made the following request:

> Then, Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

To that request no objection was made. My attention has been called to the extension of Mr. ZIONCHECK under that request, appearing on pages 2468 and 2469 of the daily RECORD of that day. In the extension of those remarks Mr. ZIONCHECK has included House Resolution 418, which is the resolution that was referred to in the original request, and was the original resolution introduced on February 14 by the gentleman from Missouri [Mr. BELL]. I have compared the text of this resolution included in his remarks with the original resolution. I think it is an exact copy, word for word; and if so, it is in violation of the rules of the House. I ask for a ruling by the Speaker.

Mr. BANKHEAD. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. BANKHEAD. In the event the Chair should rule it was a violation of the rules of the House, can the gentleman suggest any remedy?

Mr. SNELL. I should move to strike it from the RECORD.

Mr. O'CONNOR. Will the gentleman yield to me?

Mr. SNELL. I yield.

Mr. O'CONNOR. If the gentleman from Washington [Mr. ZIONCHECK] had made none of the previous requests and got permission to extend his own remarks in the RECORD, does the gentleman from New York contend that he could not quote from the resolutions or the bill?

Mr. SNELL. That is probably a fair question. If the gentleman had received general permission to extend his own remarks, then if he had made a short quotation, I doubt if anybody would have raised the question; still I believe it technically against the rules; but when a Member makes a request to extend his own remarks and include certain specific resolutions, and that is objected to on account of those resolutions, I claim that he has no right to do it.

Mr. O'CONNOR. Will the gentleman yield further?

Mr. SNELL. Yes; I yield.

Mr. O'CONNOR. The gentleman from Washington [Mr. ZIONCHECK] did not actually quote the resolution. He quoted about four whereases, and there must have been twenty-odd in the original resolution. He only quotes the opening words of the resolving part of the resolution.

Mr. SNELL. If the gentleman will look at the bottom of page 2468 of the daily RECORD, he will find just what was quoted, and it is word for word, complete, of House Resolution 418.

Mr. O'CONNOR. Yes; he quotes the entire resolving part of the resolution. That is correct.

Mr. SNELL. No; he quotes the entire resolution that I objected to. It is what the gentleman asked permission to do, and I objected to it at the time, and I still object to his doing it when the permission of the House was denied him.

The SPEAKER. The Chair thinks the request for permission to extend remarks should and must apply only to the remarks of the gentleman who makes the request, and that it does not authorize the insertion of newspaper articles or any other matter outside of his own remarks. If a Member desires to quote or to include in his remarks statements of the kind referred to, specific authority should be asked of the House and should be obtained before that insertion is made.

The Chair calls the attention of the House to the fact that the Chair has endeavored in most instances, at least, when a Member submits a request of that sort, to restate it, so that the House may understand just what the request is.

This matter has been before the House on previous occasions. Section 3479 of Cannon's Precedents reads:

Authorizations to extend remarks in the RECORD are strictly construed, and it is not in order under leave to print to insert other material than that designated in the request.

There was a specific ruling on the subject by Mr. Longworth, a former distinguished Speaker of this House, in which he made this statement:

The Chair thinks that an extension is limited to an extension of the remarks the gentleman himself made, and that specific authority would be necessary to extend remarks by printing newspaper and magazine articles or other documents. The Chair thinks a Member would not have that right unless he receives specific authority from the House.

The Chair concurs in the ruling made by Mr. Longworth and also in the syllabus just read.

Mr. SNELL. Mr. Speaker, I move to expunge those remarks from the permanent RECORD.

The SPEAKER. Does the gentleman move to expunge all the remarks or simply the quotation?

Mr. SNELL. I do not care about anything except the quotations which the gentleman had no right to include in his remarks.

The SPEAKER. The gentleman from New York [Mr. SNELL] moves to expunge the extraneous matter appearing in the remarks of the gentleman from Washington [Mr. ZIONCHECK] on pages 2468 and 2469 of the daily RECORD.

The question was taken, and the motion was agreed to.

THE BLIZZARD OF 1936—VALUABLE SERVICE RENDERED DURING BLIZZARD BY RADIO STATION WJAG

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. STEFAN. Mr. Speaker, I wish at this time to pay tribute to a pioneer radio station which has been in continuous operation for 13 years in Nebraska and of which it can truly be said that in all of these years it has been operated in and for the general public service. The station about which I am today speaking is radio station WJAG, located at Norfolk, Nebr., in the Third Congressional District of Nebraska, which I have the honor to represent. This station is owned and operated by the Norfolk Daily News, the world's greatest country daily newspaper, of which Mr. Gene Huse is the publisher and owner.

My purpose for taking the floor today is to call attention of Members of the great service which this radio station has rendered and is continuing to render to mankind and in some way to pay my personal tribute to the owners of this great radio station for the service they are rendering to the people of my district.

I especially wish to tell you today of the unusual service rendered to the people of my district by this radio station during recent weeks when that part of Nebraska was in the grip of a terrible blizzard. For nearly 3 weeks my district has suffered from terribly cold weather. The mercury has been far below zero for 3 weeks. At one time, according to the Washington News, my home town, Norfolk, Nebr., reported 40° below zero. There was danger of coal shortage; truck drivers were caught in the storm, and drivers on isolated roads were in many cases stalled and unable to proceed. There has been much suffering. Many were missing, but were found by the radio station, allaying the fears of relatives; livestock underwent great suffering; farmers on ranches were without word from the outside world for weeks; farm-to-market roads were blocked and are still blocked up to this time.

Norfolk is in the center of a rich agricultural country. It was known at one time to be in the center of the "richest 100-mile square in the world", agriculturally speaking. This part of Nebraska has never before last year suffered a complete crop failure. It had been settled by sturdy pioneers from Wisconsin, Illinois, and Virginia and other States—pioneers who turned those raw prairies into rich farms; pioneers who planted tree claims and brought forests and gardens to a prairie country. These pioneers went through all of the hardships of the early pioneer life. They fought Indians, prairie fires, locusts, and grasshoppers. They recall today the history blizzard of 1888. They knew lonely days and lonely nights, when there were no automobiles, no telephone, no telegraph, no newspapers or magazines, and no radio. Even today many of these farmers, who have been made practically penniless because of the drought, are without telephone, telegraph, or newspapers; but many of them, because of the hunger for word from the outside world, have radios. Those who are not so fortunate receive word from their more fortunate neighbors.

It is in this part of Nebraska that radio station WJAG, at Norfolk, Nebr., has rendered such magnificent public service during these past 13 years. It is to these people that this station daily transmits the news of the day; furnishes them with correct market news, weather reports, and storm warnings; and keeps in daily contact with communities, farms, and ranches, making life in isolated parts of the State happier.

Many storms have swept over Nebraska since the terrible blizzard of 1888. In those early days people never knew the results of those storms until many weeks later, when they read the account in such valuable newspapers as the Norfolk Daily News. But as radio entered the field and such public-service stations as pioneer radio station WJAG began broadcasting and enlightening the isolated rancher and farmer, people could by listening in secure advance information about the coming of the storms; they could bring livestock under protection; they could warn neighbors; they could send word to the country schoolhouses, where teachers could send their pupils home or give them protection. It is this public service which radio station WJAG has been rendering all of these years. It is to this kind of public service that owners and officials of this pioneer radio station have dedicated their efforts. And this is the kind of service which was so effectively done during the blizzard of 1936, to which I wish to call your attention today.

On Friday evening, February 7, 1936, a severe blizzard visited northeast Nebraska, accompanied by a heavy snow, a strong northwest wind, and subzero temperatures. The highways and most of the side roads—the farm-to-market roads—were drifted shut. Autoists were stranded, farms and towns were snowbound, trains could not move. Communities were without daily papers for many days and kept in touch with the outside world by radio. All business was paralyzed. Before the territory had recovered from the first storm another storm descended on Thursday evening, February 13, and there was additional snow on Friday evening, February 14; also on Saturday evening, February 15, and on Sunday evening, February 16.

The part played in the public service before, during, and after this "blizzard of 1936" by the pioneer radio station WJAG at Norfolk, Nebr., was a valuable one—one that is worthy to remember and a service which is worthy of space in the CONGRESSIONAL RECORD. The following brief report is given Members of the recent service rendered by this radio station:

Warnings of the storm were broadcast. Its progress was made known through reports from the Weather Bureau, Associated Press,

correspondents of the Norfolk Daily News, weather scouts to the West and Northwest, and phone calls from listeners.

Through the cooperation of the Nebraska State Highway Department district engineers in Norfolk, Ainsworth, and Lincoln, and patrolmen in various parts of the State, reports were made when roads were closed, when they were reopened. Some were opened and closed several times.

Frequent news broadcasts were made to keep listeners informed of international, national, State, and local events.

Many travelers who were stranded in farm homes without telephones were located for anxious relatives. In several instances farmers saddled horses and rode to the nearest telephone to report on the safety of travelers about whom appeals had been broadcast. Stranded travelers who could not reach relatives without telephones phoned the radio, and the messages were broadcast.

A letter was broadcast for a daughter whose mother had been snow-bound on a ranch without mail or telephone service for several weeks.

Travelers who stopped at farm homes for shelter report that almost invariably they found the family listening to WJAG's storm and news broadcasts. Listeners write of having the radio tuned to WJAG all day during the worst of the storm.

A minister stopped in the broadcast of his sermon to announce that three people lost for 2 days had been found. The director of the searching parties was stationed in a car with radio tuned to our station.

In several instances people for whom we were searching were listening to WJAG at the time of broadcast and immediately phoned to the station. In one case we were trying to locate a basketball team and the coach called before we had completed the broadcast to the relief of relatives of the boys and coach.

Employers broadcast orders to truck drivers to cancel or change routes. A snowbound State institution sent greetings to friends who could not reach it for a visitors' day. Schools, dances, picture shows, funerals, livestock sales, farm sales, and many other affairs were postponed by radio. Coal dealers quieted the fears of customers who feared a coal shortage. Stores closed early at night.

EXTENSION OF REMARKS

Mr. WILCOX. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a statement prepared by the attorneys of Halstead L. Ritter, a Federal judge, against whom impeachment charges have been filed. I ask unanimous consent to insert these remarks in the RECORD at this point without comment, for the reason that the charges against the judge were printed at length in the body of the RECORD at the time they were made. In fairness and in a spirit of fair play, I think this statement should be printed in the body of the RECORD at this point, and I so request. It is a statement prepared by the attorneys for the judge. It is a short statement and should consume not more than a page of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. YOUNG. Mr. Speaker, I object.

Mr. O'MALLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. O'MALLEY. Do I understand that according to the ruling just made on extensions of remarks, quotations from historical documents are precluded?

The SPEAKER. Any quotations that are not a part of the gentleman's own remarks.

Mr. O'MALLEY. They would have to be referred to in the request?

The SPEAKER. Yes; and specific authority must be obtained from the House before they may be inserted.

Mr. O'MALLEY. Does that even include poetry?

The SPEAKER. It includes everything.

Mr. DITTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DITTER. Mr. Speaker, the shrewdest trickster is the one who parades under the camouflage of religion, pretending to give something for nothing. He desecrates eternal verities for the purpose of plying his trade. He drags down to the level of the racketeer the holy calling of the ministry. He stigmatizes the fervor and zeal of religious devotion by appealing to emotional instincts to entice converts to his cause. With subtlety he tempts the credulous and unthinking to a high mountain of prospect and promise, showing them his kingdoms of make-believe and assures them complete dominion in exchange for their allegiance. Reformers and charlatans are especially ambitious during periods of financial distress. Proposers of panaceas of all kinds have shouted that they alone have the cure for all of our ills. The patent-medicine fakers have been exposed, the vendors of balms in Gilead have been banished, the hawkers of cure-alls at fairs and circuses have been discredited, but artful masqueraders barking their enticements of economic relief are still with us.

Assuming the role of righteous crusaders, adopting the melodies of sacred hymnals, conforming to the practice of supplication and prayer, a band of highly specialized promoters and salesmen is attempting to sell to the American people the Townsend plan as the means of relieving the financial distress of the Nation and as a method of assuring security for those of advanced years. The plan is unsound, unreasonable, unworkable, and ridiculous. It insults the intelligence of the American people and disdains the courage and the spirit of independence of men and women whose hearts are young and who still cherish the ambition of achievement, even though they are beyond the age of three score years. The plan has come into prominence not by reason of merit, but as a result of a well-organized and cunningly managed machine which secures its support from the unfortunate victims from whom it exacts contributions for the purposes of publicity programs, help-wanted advertisements, and the spread of propaganda. Solicitors, salesmen, sob-sisters, and supplicators constitute a personnel drawing salaries and commissions from the funds collected in this campaign of promised benefactions. But all of their arts and wiles have not as yet demonstrated how anyone is going to get anything for nothing. It simply cannot be done. And yet, boiled down and with all the frills removed, the plan is just that—to give people something for nothing—to relegate to the scrap heap those who reach a certain age; to discard as unfit and useless those, of whom many contribute more energy and initiative to real achievements than others only half their age; to throw aside the richness of experience and the maturity of judgment of those who in many walks of life command the most respect in their fields of activity; and in exchange for their relegation, this discarding of members of society to the scrap heap, this disdain of experience and judgment—yes; for this willingness to be put on the shelf, for this do-nothing attitude, for this limitation to rocking, nodding, and thumb twirling, as the only desirable activities of a group of men and women—each of them is to receive $200 a month compensation.

The Townsend plan provides that citizens over the age of 60 years shall be paid a pension of $200 per month for life. Husbands and wives will both be eligible so that they may receive a total of $4,800 a year, subject to the condition that the recipients of these fantastic funds must give up all gainful pursuits and must spend the money within 30 days. In other words, the recipient must surrender his spirit of independence, his ambition to achieve, his sense of satisfaction which comes from individual endeavor. These he must dismiss and in their stead assume the role of a spendthrift. Idleness and profligacy are the conditions of eligibility. It is my firm conviction that neither of these have as yet been accepted by the American people as desirable traits of character. We have been proud of industry and scorned idleness. We have commended thrift and condemned profligacy. In spite of the spending spree indulged in by the present administration, the American people have not embraced the doctrine of salvation by spending. While those who are to receive the $200 a month cannot give more than 15 percent to church or charity, they may spend it in any other way they see fit. The father of the movement, Dr. Townsend, appearing before the Ways and Means Committee of the House of Representatives, indicated a rather flippant attitude toward the proposed beneficiaries of his plan as he sought to emphasize the latitude of the spending spree, when he said:

> We do not care what he does with it. That is immaterial. Let him have carte blanche. Let him buy whisky with it if he wants to kill himself off as quickly as he chooses. That is immaterial. It is commerce—business—that we want in the country. We are not going to regulate people's morals in the least when we give them money to spend.

It is evident from this statement by Dr. Townsend that neither the welfare of the aged nor the security of those in advanced years is the chief concern of the planners. The hymn singing—supplicating—exhorting role of a salvationist is discarded and the true purpose of these crusaders appears—"Give them money to spend." It is the same inducement as the one used by the charlatan at the county fair vending his elixir of life—something for nothing. And added to it is the fallacious doctrine that the more we spend the wealthier we become. It would appear that the Townsendites have conceived a twentieth-century version of the story of the prodigal son and have substituted for the errant young man of that famous story a new character. Instead of one in his teens as tempted to profligacy, they suggest a man or a woman 60 years of age or more, going not to father but to dear old Uncle Sam, demanding of him a monthly stipend of $200, and giving to this generous relative the solemn assurance to dissipate his fortune in monthly instalments as expeditiously as possible. Consistency might even suggest the necessity of changing the lines of the old revival song to "Oh, where is my dad tonight?"

Everyone will admit that some estimate should be made of the number of possible recipients of this fantastic bounty and what the cost will be for this excursion on the part of our elders into the fields of prodigality, squandering, and dissipation. It is reasonable to assume from available census figures that there would be at this time 10,000,000 persons eligible to receive the benefits of the Townsend plan. At $2,400 a year this would mean payments in bounties alone of $24,000,000,000 a year. What the added cost of administration would be is difficult to imagine; for while the plan provides that certain of the pensioners are to be selected as administrators, it can be seen readily that requiring service from some of the beneficiaries while others are disporting themselves in their spending sprees would soon cause serious consequences. Nor can one fail to see the incidental costs involved in the stupendous tax collecting which the Townsendites propose as the method of providing the revenue for this wild orgy of spending. But aside from administrative expenses and incidental costs, $24,000,000,000 a year startles even a most courageous man. The contemplation to a more timid soul might be fatal. Twenty-four billion dollars represents practically one-half of the produced income of the Nation. It represents about eight times the revenue of the Federal Government for 1934 from taxation and miscellaneous receipts. It represents about three times the total value of all the farm products of the country in 1935. It represents five times the amount of the much criticized relief measure passed by Congress in 1935. It represents nearly the total debt of the Federal Government after almost 150 years of its existence. It represents more than two times the total amount of Federal appropriations in 1935 for all Federal establishments and projects, including the very generous public-works program, the Army, the Navy, and all other activities dipping into the Federal Treasury. It staggers a sensible man to think about it.

To meet the cost of this tremendous outlay the proponents of the plan propose a transaction tax of 2 percent. Despite the efforts of the Townsendites to minimize the additional load of such a tax by suggesting that it would be no great burden on anybody, any sensible man knows that the additional load would be unbearable. Every dollar of tax paid means a dollar less for family needs. The transaction tax would fall directly on the consumer, and its exactions would weigh most heavily on the wage earner, the laborer, and the lower-salaried employees in the Nation whose incomes are spent almost entirely for the maintenance of the family, and whose purchases would be affected seriously by the payment of 2 percent on every transaction in which they engage. The increased costs of commodities, including food, wearing apparel, and all the other necessities of life, can be imagined as we contemplate the pyramiding of this 2-percent tax. In each of the successive steps as commodities come from the producer to the ultimate consumer the 2 percent would be added. And there would be only one way for this additional cost to be paid, and that would be by increasing the cost of commodities to the consumer. The tax proposal would inflict a hardship on the poor which would be heartless. Every loaf of bread, every quart of milk, every bushel of potatoes, every article of clothing would have added to its cost this pyramided tax burden of 2 percent for each transaction involved from the original source of the product or raw material down to its ultimate purchase by the consumer. From the grain fields of the West, where the wheat is grown, down to the purchase of a loaf of bread at the corner store involves transaction after transaction. Each would have 2 percent added.

The contemplation of the increase in cost of such an article of foodstuff should alarm even a zealous Townsendite. And what applies to a loaf of bread applies with equal force to all other necessities of life.

Apparently no serious attention has been given to the task of collecting this pyramided tax burden. The bookkeeping involved would require the drafting of an army of accountants. Efforts to evade the tax would mean the employment of thousands of inspectors and snoopers, and into every mart and place of trade this swarm of Federal agents would operate, seeking whom it might devour. Business and industry would be so busy keeping records and computing taxes that no energy would be left to produce goods.

All thinking men have been concerned with the problem of increasing taxation. Governmental costs have grown tremendously. These costs must be borne by the people. It is estimated that the present per-capita tax is $122 on every man, woman, and child in the country. The Townsend donation of $24,000,000,000 would be a tax of $190 per year on every citizen, or an increase of the tax burden on every man, woman, and child in the land from $122 to $312 per year. Our social system could not bear the load of this additional burden. It would mean ruination and collapse.

The common sense of the American people still prevails. Waves of hysteria and emotionalism may carry some people into movements which are unsound and impractical, but the great majority of the citizens will not be persuaded by the fanaticism of economic quacks. This wave of hysteria will abate, but unfortunately not until many people will have been duped into making contributions for the salaries of the promoters. Every effort should be made to bring to the attention of our people the fallacy of this fanatical crusade and save them the cost of maintaining this juggernaut of foolishness.

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a report from the Treasury Department as of February 15, 1936.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. SNELL. Reserving the right to object, how long are these reports?

Mr. KRAMER. About three typewritten pages. To be correct, it is two and one-third pages.

Mr. RICH. What do the reports deal with?

Mr. KRAMER. They deal with deposits in the banks and in the Treasury, showing them to be the greatest in our history. The gentleman continuously asks, "Where are you going to get the money?"

Mr. RICH. We get this information through the daily press.

Mr. TABER. Mr. Speaker, I object.

CONSERVATION OF AGRICULTURAL LAND RESOURCES

Mr. JONES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3780, with Mr. FULLER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. For the information of the Committee, the Chair will state the parliamentary situation. The chairman of the Committee on Agriculture has introduced an amendment known as the House bill as a substitute for the Senate bill. There can be pending but one amendment to the substitute. Several amendments have been suggested, and it is expected that all of them will be considered.

The pending amendment is the amendment offered by the gentleman from Massachusetts, which, if there be no objection, the Clerk will again read for the information of the Committee.

There was no objection.

The Clerk read as follows:

Mr. McCORMACK offered the following amendment to the substitute: On page 2, strike out lines 7 and 8 and insert the following: "(5) reestablishment, at as rapid a rate as the Secretary of Agriculture determines to be practicable and in general public interest, of the ratio between the purchasing power of the net income per person on farms and that of the income per person not on farms that prevailed during the 5-year period 1910–14, inclusive, as determined from statistics available in the United States Department of Agriculture, and the maintenance of such ratio. The powers conferred under sections 7 to 14, inclusive, of this act shall be used to assist voluntary action calculated to effectuate the purposes specified in this section. Such powers shall not be used to discourage the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption as determined by the Secretary from the records of domestic human consumption in the years 1920 to 1929, inclusive, taking into consideration increased population, quantities of any commodity that were forced into domestic consumption by decline in exports during such period, current trends in domestic consumption and exports of particular commodities, and the quantities of substitutes available for domestic consumption within any general class of food commodities."

Mr. McCORMACK. Mr. Chairman, the purpose of this amendment is very simple; and if the amendment is adopted, it is my intention to vote for this bill, because the amendment will, under existing circumstances, tend to afford protection to the consumers of the country.

Like my friend from New York [Mr. BOYLAN], who spoke for the farmers of Manhattan yesterday, for the viewpoint of the consumer, I, too, represent a district that has not a farm in it. I represent, however, a district whose people appreciate the position of the great farm population of this country, who recognize that it is for the benefit of all to improve the condition of the 30,000,000 to 40,000,000 people affected, who were economically depressed even before the depression, over a period of approximately 15 years; a people who during that time have not been able to sell the product of the farm at even cost of production, let alone at a fair return. My people recognize that this has a serious effect upon the welfare of the worker, has a serious effect upon the factory and the businessman of every district who sell their products to the great farming sections of our country.

Mr. JONES. Mr. Chairman, will the gentleman yield in order that I may make a brief statement?

Mr. McCORMACK. Certainly.

Mr. JONES. Mr. Chairman, I realize that in any program of this kind the consumer must be taken into consideration. Those who have studied this question realize that it is an interrelated problem, and that any program in America must be a fair one.

An amendment almost identical with the McCormack amendment was prepared by the gentleman from New York [Mr. BOYLAN]. I talked with both these gentlemen about it and with other Members. They have been generous enough to include in the first part of the amendment a provision that I think makes it fair to the farm population as well as to the city population; and it is my personal desire that the House accept the amendment. As far as I am concerned I am willing that it be accepted. [Applause.]

Mr. GILCHRIST. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Certainly.

Mr. GILCHRIST. I notice the amendment refers to the income per person on farms prevailing during the period from 1910 to 1914. It also refers to the income of people not on farms during the same period. My fear is that the amendment does not properly include the item of investment. Farmers undoubtedly have large investments in their farms. They have perhaps $10,000, $25,000, or $50,000 of investments. A great many of them pay taxes and interest; but even if they do not, it seems to me some thought ought to be paid to the proposition of allowing the farmer an income on his investment. I wonder what this amendment does with regard to that, and I propound this question to the gentleman from Massachusetts and to the chairman of the committee.

Mr. JONES. Mr. Chairman, will the gentleman from Massachusetts yield?

Mr. McCORMACK. Yes.

Mr. JONES. Replying to the gentleman from Iowa, I may say that the amendment affects equally the investment of those on farms or those not on farms. It refers to the net income of the farm. The gentleman will remember that in all the farm bills that have been given serious consideration in the House the years from 1910 to 1914, inclusive, have formed the base period in each instance.

Mr. GILCHRIST. That was upon the theory that there should be parity of prices.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. JONES. The pre-war period is a better period for the farmer than any other period.

Mr. GILCHRIST. I understand that; but instead of proceeding on the theory of parity of prices which has heretofore been a fundamental theory in these bills, it proceeds on the theory of parity of income.

Mr. JONES. That is better treatment for the farmer, so we are well within the range of adequate treatment for the farmer.

Mr. GILCHRIST. But the thing that troubles me is how the question of farm investment is affected by the McCormack amendment.

Mr. McCORMACK. The amendment is not predicated upon investment, it is predicated upon wages. The worker gets his wages. His capital investment is his labor. It seems to me that this is fair to both. At the present time, as I understand it, the estimates are that the per-capita farm income of 1935 had a purchasing power equal to 83 percent of the pre-war farm income, and that the per-capita income of nonfarm people had a purchasing power of about 90 percent.

Mr. JONES. It is the ratio, not the net income.

Mr. McCORMACK. I feel this amendment is fair.

Mr. HOPE. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Kansas.

Mr. HOPE. This amendment, it seems to me, should be acceptable to the farmers of the country, because it goes even further than the A. A. A., in that it puts a limit on parity income, whereas the A. A. A. had an effect only on parity prices.

Mr. McCORMACK. The gentleman is correct. In a desire to be honest and as fair as we can, and recognizing that if we protect the consumers the situation might be unsettled with reference to the farmers without the parity provision, we have prepared this amendment to try to extend as great a degree of justice to all groups of citizens as we can. The gentleman has expressed a fear on the part of the farmers. The chairman of the Agricultural Committee has accepted this amendment, and I hope the Committee of the Whole will also accept it.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Will the gentleman yield for a question?

Mr. McCORMACK. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. The gentleman's amendment provides for the period 1910 to 1914, inclusive. My understanding is that in all agricultural legislation heretofore enacted the period included has been the years 1909 to 1913. I am wondering if there would be any objection to correcting the gentleman's amendment to include the years 1909 to 1913, inclusive, because the worst agricultural year we ever had was the year 1914, the year war was declared. The gentleman's amendment would include the year 1914.

Mr. JONES. If the gentleman will take the period included in this amendment he will find it is better for the farmer.

Mr. WHITTINGTON. That is, if it includes the years 1909 to 1913, inclusive. If you take the calendar year 1914, as this amendment does, it is not fair to the farmer, because the year 1914 was the worst year the farmers ever had, and especially for cotton farmers. It was the year of the buy-a-bale movement.

Mr. JONES. The calendar year 1914 index is 100 and the index under this amendment is 101, which is better for the farmer.

[Here the gavel fell.]

Mr. McCORMACK. In further explanation of the amendment and its purposes, I offered it to section 7 to provide that the powers conferred by the act shall not be used to reduce supplies of food and fibers for domestic consumption below the normal quantities we have been consuming in recent years. That section of the bill now provides for maintenance of an adequate supply at prices fair to producers and consumers. I agree with the intent of that provision, but it is indefinite. It sets up no standard to guarantee consumers against scarcity of food supplies.

The amendment I offer gives the consumer a definite assurance that, so far as the operation of the act is concerned, there will be no reduction of supplies below normal requirements. It designates the 10-year period 1920 to 1929 as the basis upon which normal requirements are to be determined. It sets up the average per-capita consumption of foods and fibers in that period as a minimum standard below which the supply shall not be reduced by the operation of any of the powers conferred under the act.

That 10-year period gives a fair measure of normal consumption. It contains years of prosperity and it avoids the reduced supplies of the last 2 years resulting from the severe drought. As a matter of fact the average per-capita consumption of all foods in this country does not vary by any large amount from one period to the next if we leave out unusual conditions such as the drought. A preliminary report on the subject published last year by the Department of Agriculture showed that the average person consumed 1,422 pounds of food in the 5 years 1920 to 1924, 1,474 pounds in 1925 to 1929, and 1,454 pounds in 1930 to 1933. For the 14 years 1920 to 1933 the average consumption per capita was 1,450 pounds, and during the 10 years specified in my amendment it was at practically the same figure.

It may be said that farmers were not producing our food supplies under favorable conditions during those years. I do not dispute that, and there is a provision in the amendment that gives consideration to that side of the picture. But the consumer protection feature of this amendment does not tie the farmer down to the same income status that he had in those 10 years. It does not require him to duplicate the production of those years in all crops. It does not compel him to produce for export markets that have been greatly restricted, and it does not require him to keep adding to the burdensome carry-over of agricultural products year after year.

As I understand the program of soil conservation contemplated in this bill, it aims to guarantee food supplies for the future through conserving the fertility of the soil from which that future supply must come. But I do not understand that in order to do that we must now reduce the consumption of food and get along with less than we have been eating. I do not believe that anyone will say that from a physical standpoint our farm areas are unable to produce the food we need and at the same time use the land in such manner as will not destroy its usefulness to future generations.

Nor do I think it will be said that the normal consumption of food in this country has been too great. What we all look forward to is a better standard of living. Our capacity to consume is greater than what we have consumed in the past, and that includes foodstuffs as well as industrial products, although the maximum possible increase in food consumption is probably much less than in the case of industrial products. The Brookings Institution report on our capacity to consume estimated that food consumption would be increased 20 percent, if all low-income families were raised to a level of $2,500 a year. When we can have real prosperity in this country reaching down to all income levels, that larger consumption is what we will want and is what the farmer will want to produce for us, because we will then be able to pay him a living wage for producing that larger quantity.

The amendment also provides a goal for agriculture in terms of the relation of farmers' purchasing power to the purchasing power of the nonfarm population. For that purpose the base period specified is 1910 to 1914, a period in which the relation of farm to nonfarm purchasing power was higher than in any years since then, with the exception of about 3 years during the war period, when agriculture's income was suddenly lifted far above its level in the years before or since.

The records show that during the post-war period of prosperity farmers did not share equally in the increase of national income that took place during those years. When the depression came the farmers' share dropped more than that of the nonfarm population, and has not yet come back to where it was in the pre-war period. The purpose of this part of the amendment is to set up as a goal for agriculture an equal participation in the greater national income which the return of prosperity is going to give us.

In precise terms it states that the goal is to restore to its 1910–14 level the ratio between the purchasing power of the average income per person on farms to the purchasing power of the average income per person in the nonfarm population. Estimates are that the per-capita farm income in 1935 had a purchasing power equal to 83 percent of the pre-war farm income, and that per-capita nonfarm income had a purchasing power of about 93 percent of pre-war. By dividing the latter figure into the former we get the result that, according to the standard established by the amendment, farmers' income in 1935 was 90 percent of pre-war parity.

The amendment contains both of these goals. It includes the return toward parity of farmers' income as one of the purposes of the act, and it gives the assurance to consumers that in carrying out these purposes the powers given to the Secretary shall not be used to bring about a reduction of supplies for domestic consumption below normal. It provides that the Secretary shall determine what those normal levels are by examining the records of domestic consumption for foods and fibers in the 1920–29 period and gives him some necessary latitude in making that determination.

For example, allowance must be made for increased population since those years. The estimated population in 1936 is about 12 percent larger than it was in 1925. Normal supplies for this year will be correspondingly larger than normal requirements in the earlier years. Furthermore, there are trends and shifts in the consumption of different classes of foods that have been taking place over a period of years. Consumption of potatoes, cereal products, and even meats has been going down, according to the records now available, while consumption of eggs, fruits, and vegetables and dairy products has been increasing. The Secretary may allow for these major shifts in consumption habits in determining normal supplies for the present or the future.

The Secretary is also authorized by the amendment to make allowance for the quantities of substitutes available in any general class of foods. For instance, if more than normal supplies of one kind of meat is in prospect, that factor

may be taken into account in determining minimum requirements for all kinds of meat products taken together.

Finally there is a provision that allowance may be made for the fact that domestic consumption during the 10 years 1920–29 was increased beyond actual normal levels by the decline in exports which took place in the case of some commodities during that period. As a practical matter, this applies only to hog products. I am told that the average yearly per-capita consumption of pork and lard increased from 74 pounds in the years before the war to 84 pounds in the years 1925–29. Some part of this increase, but not all of it, obviously resulted from the fact that the wartime demand and war prices had stimulated a great increase in hog production. This increase continued until 1924, and after that year hog production did not fall off, although exports of pork and lard dropped very considerably after 1919, and from 1924 on continued to decline down to the present abnormally low levels.

To the extent that part of the increased consumption of pork products during the 1920–29 period can be shown to have resulted from these abnormal war and post-war conditions, an adjustment can be made in determining our present normal domestic requirements for hog products.

Taking these factors which are specified in the amendment into consideration, the Secretary of Agriculture can readily determine what normal consumer requirements are, and the powers of the act cannot be used to discourage the production of such supplies as are sufficient to maintain at least that normal consumption. This is not primarily a production-control act, but unless it is administered with consumer requirements in view as well as the principles of soil conservation, the consuming public could rightly fear that a scarcity of food supplies might be the result. It is probably not the intention of the farm advocates of this measure to say that the farm industry is unable or unwilling to provide consumers with these normal requirements of foods and fibers. It is the production of quantities in excess of those requirements and in excess of what can be sold at profitable figures in the export market that is depriving the farmer of a return to a decent standard of living.

I understand the Secretary of Agriculture has approved this amendment. The report of the National Agricultural Conference in Washington on the 18th of January recommended that the new legislation should contain provisions "safeguarding consumer welfare against extending adjustment into scarcity."

City consumers recognize the fact that their own welfare is tied up with the welfare of farmers. On the other hand, I think that farmers recognize that a farm program will not long continue to improve conditions on the farm if it operates to create a scarcity of food supplies in the cities. The amendment I propose takes into account both the farmers' objective of a more equitable share in the national income and the consumers' necessity in terms of normal supplies of farm products.

Mr. BOYLAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, may I take time enough to call attention to the fact that the amendment presented by the distinguished gentleman from Massachusetts [Mr. McCORMACK] is the same as my amendment? May I say that the chairman of the Committee on Agriculture is indeed generous, as he always is? He is fair. With the adoption of this amendment I will be very glad, on behalf of the consumers of the United States, and particularly of the great city of New York, to vote for this bill.

I am one of those who believes that no man can live alone. We are interdependent upon one another. We need the farmers of this country and we need the dwellers of the great cities. Destroy the cities of America and the farms would be but wildernesses. The farms need the cities and the cities need the farms. We are going along in a spirit of mutual helpfulness, and I am sure the adoption of this amendment, which has been approved by the Secretary of Agriculture, will give to the consumers of America a fair break. It will also give the farmers a fair price for their commodities. It will enable the farmers to get money with which to buy manufactured articles needed by them, yet prevent a rise in the price of farm products beyond the point where the residents of the cities or the nonfarmer will be able to buy them. I thank the distinguished chairman of the Agricultural Committee for his acquiescence and acceptance of the amendment and trust that it will be adopted by this Committee.

[Here the gavel fell.]

Mr. GILCHRIST. Mr. Chairman, I rise at this time to seek information with respect to the amendment. I, too, am one of those who not only believes but knows that the laborers and the artisans, as well as all the businessmen, of this country must have prosperity. I have voted for every one of the labor bills that has been proposed in this Congress since becoming a Member. I want to go along with labor and with industry. Agriculture itself is interested in seeing to it that consumers are given a fair deal and that prices are not too high. I am not now rising to object to this amendment so much as I am to have it clarified.

I do not understand the amendment. I notice, for example, the words "net income" are put in there with reference to the farmers and only "income" with reference to those off of the farms. I think that makes for the benefit of the farmer, but I wonder whether it dare appear in the RECORD if it was so intended. Coming from a farm district, I think it is perhaps to our advantage to have it remain as now written.

Mr. JONES. The gentleman understands, of course, that the major portion of the city dweller's income is on a salary basis?

Mr. GILCHRIST. This involves the laborers of this country, and I want every laborer to be paid full wages and every consumer to have fair prices. I join with the gentleman from New York, who just left the floor. You will observe that I have gone along with him whenever I could vote for his laborers and home owners and his consumers in New York City or elsewhere; but the thing I want to know now is how this affects the investments of the farmers. The farmers have an investment in addition to their labor. The gentleman from New York said that the laborers work. So do the farmers. They work more hours to the day and more days to the year than does any other class or group of men.

Mr. JONES. Mr. Chairman, I do not see why it should not be corrected on that basis.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that in the amendment which I have offered the words "net income" may appear in that portion of the amendment relating to the nonfarm population. I think it should apply to both. This was an oversight, and I am glad the gentleman called it to my attention.

The CHAIRMAN. The gentleman wishes to modify his amendment to the extent indicated?

Mr. McCORMACK. Yes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. JONES. Mr. Chairman, I think I had better object. I do not believe we should agree to that without going into the matter further.

Mr. McCORMACK. Mr. Chairman, I withdraw my unanimous-consent request.

Mr. GILCHRIST. Mr. Chairman, I would like to have the chairman of the Agricultural Committee explain, if he will, how this amendment is going to affect the capital investments of the farmers or the income from their capital investments, aside from the income derived from their labor. That is the reason I took this time.

Mr. JONES. I do not know that I can give the gentleman a yardstick on that, but this refers to the net income of the farmers, and I think there is a generally understood meaning of what net income is. Of course, this takes into consideration, I assume, what his expenses are in connection with his income, and I may state that a great many who represent city districts have agreed to this, and this is practically their own language insofar as that portion of the amendment is concerned.

Mr. GILCHRIST. I do not object to the payment of the boys in the cities. I have always been for that, and am now; but is a farmer going to be allowed any income for his investment when the comparison is made?

Mr. JONES. I am sure he would be, because this is "net income", and, of course, that factor would have to be considered.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment to the amendment proposed by the gentleman from Massachusetts [Mr. McCORMACK]. I move to strike out the figures "1910–14", inclusive, where they occur, and insert in lieu thereof "August 1909–July 1914, inclusive."

Mr. JONES. Mr. Chairman, I think that would make very little difference, and if there is any contention about it, I am willing to accept the amendment.

Mr. WHITTINGTON. This is the language of the Agricultural Adjustment Act. The base period for all commodities except tobacco was the pre-war period, August 1, 1909, to July 31, 1914. In the case of tobacco the post-war period was utilized, and the period from August 1919 to July 1929 was used in the Agricultural Adjustment Act.

I think the amendment proposed by me is material and important. By the adoption of my amendment, the cotton crop year 1914 would not be embraced. The crop years would be 1909 to 1913, inclusive. It will be remembered that the price of the 1914 cotton crop was exceedingly low. There was an unprecedented decline in the market following the beginning of the World War. The "buy a bale" movement obtained. I am glad to know that my amendment is satisfactory to the chairman as well as to the gentleman from Massachusetts.

Under leave to revise and extend my remarks I take occasion to say that I favor the pending bill, H. R. 10835. I advocate its substitution for Senate bill 3780.

SUBSTITUTE

Those who oppose Federal legislation in behalf of agriculture roll as a sweet morsel under their tongues the criticism of the pending measure that it is evasive and hypocritical. It is asserted that the purpose is to aid agriculture under the exercise of the admitted constitutional right to conserve and rebuild the soil, and thus protect the resources of the Nation. Well, what of it? Certainly the preservation of the soil and the economic use of land should result in benefits to the farmers of the Nation. Those who live in glass houses should not throw stones. Under the guise of a high protective tariff, ostensibly to collect revenue but in reality to protect, the American market is reserved to the American manufacturer, and in agricultural commodities not on export basis to the American grower. If the taxing power of the Nation can be used to protect the manufacturer, surely the power of the country to provide for the general welfare and to conserve our national resources can be used to aid agriculture.

NATIONAL RESPONSIBILITY

There are 360,000,000 acres of cultivated lands in the United States. The Department of Agriculture in 1934 estimated that 50,000,000 acres of farm land had been destroyed because the soil had been washed away; that another 50,000,000 acres were in almost an equally bad condition, and that an additional 100,000,000 acres of land had been seriously impaired by erosion. The kind of farming which produces big surpluses is bad farming; it destroys the soil and it creates deficits, but the destruction of the soil is the destruction of the basic capital resource of the Nation. Crops have been planted that are exhausting the land. The general welfare of the American people is bound up with the preservation of their natural resources. The proposition is indisputable. The pending bill proposes to reinvest $500,000,000 a year in the preservation of the patrimony of the Nation. National saving will result.

During the World War the Federal Government urged production. The Federal Government stimulated production. It was not satisfied for the States alone to look after agriculture. The cultivation of wheat expanded from 50,000,000 acres to 75,000,000 acres. There were other expansions; in fact, the Government, from 1862 to 1920, stimulated production. No one ever questioned the power of the Government to stimulate production; but now that there has been overproduction, it is said that the Government cannot aid, in the general interest, in a well-balanced production. The Supreme Court has declared the Agricultural Adjustment Act void. The best approach to the problem has been through the expansion of the Government program of soil conservation.

The Agricultural Adjustment Act did benefit agriculture. The farm cash income increased from $4,400,000,000 in 1932 to $6,900,000,000 in 1935. This increase came about not only as a result of the subsidies under the Agricultural Adjustment Act but because of the recovery of the country. The factors of supply and demand have had their effect.

Under the decision of the Supreme Court in the Butler case, a Federal statutory plan to regulate and control agricultural production is invalid. Although stimulated and encouraged for 75 years by the Federal Government by a well-directed high-powered public opinion, production was increased; yet the Supreme Court has now declared that only the States have the inherent power to control production of agricultural products. The pending bill undertakes to provide for State aid and coordination of State plans to preserve and promote the economic use and conservation of soil and natural soil resources.

BENEFITS

If the Federal Government was warranted during the World War in encouraging farmers to cultivate lands that should never have been planted to produce wheat and cotton for the Allies; if the Federal Government was justified in encouraging the destruction of our soil to supply a European demand which has now disappeared, surely the Federal Government should encourage the return of that land to grass and trees. Nothing would so greatly promote the general welfare.

Any plan to provide for rebuilding the soil must contemplate cash payments. The farmers must buy in a protected market and sell in a world market. They are unable to rebuild their lands without aid. They ask nothing more nor less than the moral, economic, and political equivalent of the advantages enjoyed by industry through the protective tariff.

High tariff walls have resulted in the loss of foreign markets. This has been particularly true in the case of cotton. For the period 1925–29 cotton constituted 65 percent of America's contribution to world trade. For the period 1929–35 the percentage had decreased to 49 percent.

I oppose the doctrine of scarcity, but farmers must be sane in their production. It is suicidal to produce crops that are not needed. Moreover, since the adoption of the Tariff Act of 1922 and the Tariff Act of 1932 the United States has imported more foods than it has exported.

The passage of the pending bill will result in rebuilding the soil of the Nation. Winds and water have destroyed much of the soil. Grasses and legumes will restore this soil. At the same time payments may be made to the farmers, including the tenants and sharecroppers, as they were made under the Agricultural Adjustment Act. The rentals and the benefits will be determined by the fertility and productivity of the soil, and in order to promote and restore foreign markets subsidies and allotments are permitted. Subsidies alone would not be sufficient. The demand must be increased. Trade at home and abroad must be promoted.

THE PLAN

The plan provides for grants by the Federal Government to the States, which in turn will aid farmers in soil conservation. Inasmuch as some time will elapse before a sufficient number of States can enact laws to take advantage of Federal aid, a temporary program is provided. Conditional noncoercive payments for the years 1936 and 1937 are authorized to farmers to encourage proper utilization of their soil. After that the aid will be administered by the States under plans to be approved by the Secretary of Agriculture. These plans must show there is coordination among the States. In order to comply with the Butler case, the Secretary is denied the

power to make contracts, but, inasmuch as the Supreme Court did not forbid additional expenditures to promote the general welfare, the bill authorizes payments upon farmers complying with certain conditions. It is expected, therefore, that the farmers will receive the substantial benefits under the pending bill that accrued to them under the Agricultural Adjustment Act.

NO TAX ON PRODUCTION

The Bankhead bill has been repealed. There is no provision in the pending bill comparable to the so-called Bankhead Cotton Control Act. There will be no tax upon production on acres cultivated. The criticism, especially by the small grower, of the Bankhead Act does not obtain in the pending bill; moreover, sharecroppers and tenants, as was the case under the Agricultural Adjustment Act, will participate in the benefits and cash payments.

Under the temporary plan each producer is completely free to do as he pleases with his farm. He need not accept payments. He may decline to adopt any practice. The temporary plan for 1936 and 1937 is voluntary. The Secretary of Agriculture is expressly forbidden from entering into any binding contract with any producer. The Federal power under the temporary plan is wholly within the Constitution under the Butler decision.

THE STATES

The bill provides that no payments shall be made after the years 1936 and 1937 to individual growers. It is necessary for the States, therefore, vested with the power to control and regulate production, to pass laws to carry out the purposes of the Federal aid authorized after the temporary period of 2 years has elapsed. The plan will be executed by the States by agencies approved by the Secretary of Agriculture. Moreover, the National and Federal interests will be conserved by grants or aids to the States being subject to the approval of the Secretary of Agriculture. The dual form of government is recognized. The State is the agency to control, but the Federal Government will be the agency to coordinate so that the control and the stable production may be effective.

ALLOTMENTS TO ASSOCIATIONS

The pending bill is a substitute for the Senate bill. The Senate adopted the so-called La Follette amendment authorizing the Secretary to enter into contracts with associations as defined in the Capper-Volstead Act. This amendment has no place in the pending bill. I am opposed to it. I am especially opposed to the provisions of the Senate bill that authorizes the use of the moneys appropriated for the stabilization of the markets. This is nothing more or less than the resurrection of the Federal Farm Board and its fatal attempts to stabilize markets; moreover, under the terms of the so-called La Follette amendment payments intended for growers could be diverted to associations, and thus the main purpose of the legislation would be thwarted.

LANDLORDS AND TENANTS

The suggestion has been made that a maximum of say $2,000 be the largest amount that may be paid to any one grower. It is said that such a limitation would be for the benefit of the small farmers and the tenants. I speak especially with respect to cotton. There must be equality in all benefit payments to landlord and tenants. For the same type of soil similar payments will be made to the large owner and to the small owner. The landlords, whether large or small, will share on the same basis, but a limitation of the total amount that may be paid on any one farm would be inimicable and unjust to the tenants. The larger the farm the greater the number of tenants. If the landlord were not to receive a reasonable cash payment, he would decline to cooperate. The result would be the tenants on the larger plantations would receive no benefits at all. Instead of a limitation, therefore, upon the payments to any one farm being for the benefit of the tenants, there would be the rankest sort of discrimination against the tenant and the sharecropper. At the same time there would be no corresponding benefit to the small producer. Producers only ask equality. They do not expect nor will they tolerate discriminations.

DAIRYING

I believe in a well-balanced agriculture. All farmers should participate. Dairying is an important industry. There should be no discrimination against dairying. I believe that the Representatives from the dairying industry are unduly alarmed. I know of no way to judge the future except by the past. Dairying has received fair treatment during the existence of the Agricultural Adjustment Act; moreover, dairying is an agricultural industry that is protected by the tariff. The case is not comparable with the cotton situation. It is not comparable with other agricultural products produced for export. Since 1920 the United States has been on a net import basis for dairy products. These products are produced primarily for domestic consumption. They are protected in the home market. Cotton is forced to sell at world competitive prices.

In April 1925 the tariff level per pound on butter was raised from 8 cents to 12 cents. It was increased to 14 cents in January 1929. On January 24, 1936, New Zealand butter on the London market was selling at the equivalent of 20.4 cents per pound, while the New York market was 35 cents per pound. The difference was slightly greater than the 14-cent import duty. Now, the cotton growers do not begrudge the tariff to the butter farmers, but they believe that they themselves are entitled to the equivalent benefits.

In 1934 the gross income from dairy products was 61 percent of the 1929 gross income, while the gross income of cotton and seed was only 52 percent of the gross income in 1929.

In 1933 the gross income from dairy products was 54.4 percent of the 1929 gross income, while in the case of cotton and seed it was 49.5 percent.

It is therefore apparent that because of preferential treatment under the tariff, as well as from other benefits, the producers of dairy products during the depression suffered a smaller loss of income than did producers of cotton and cottonseed. During the years 1933 and 1934 the dairy farmers received a relatively larger income than did the cotton growers.

Something has been said about the treaty with Canada. Butter was not included in the treaty and the tariff on Cheddar cheese was only reduced from 7 to 5 cents per pound, and cream—not over 1,500,000 gallons annually—was reduced from 56.6 cents to 35 cents per gallon. Dairy products are still well protected by the tariff.

DAIRY AMENDMENT

There is no occasion for the dairy amendment. In definite terms it undertakes to control production. This is specifically condemned in the Butler case. Only the States are vested with the power of control. Under the Agricultural Adjustment Act no mention was made of the crops that might be planted on rented acres. I repeat this statement to emphasize it. There was no limitation in the act itself respecting the crops to be grown on cotton, wheat, or corn lands. However, in the so-called Bankhead Control Act the only mention of competitive production occurs. Section 6 of this act, and I quote:

> Prevents expansion on lands leased by the Government of competitive production by such producer of agricultural commodities other than cotton.

Prior to the passage of the Bankhead Act commercial or competitive crops were not grown under the 1933 program; moreover, in the administration of the Agricultural Adjustment Act the Secretary of Agriculture stipulated that the rented acres of land should not be used for competitive purposes.

If the Secretary of Agriculture has protected the dairy industry by payments conditioned that no competitive uses shall be made of rented acres under the Agricultural Adjustment Act, surely he can be depended upon to insert similar conditions under the temporary plan of the pending bill. The cotton growers do not expect to grow commercial and competitive crops on lands planted to legumes or to other soil-building crops. They do not want to be penalized; they do not want the program endangered by a stipulation that

would give the Secretary power over production when such a power can only be exercised by the States.

The lands are to be planted to cover crops that are not to be commercially disposed of. The crops will not be competitive. The authority given to the Secretary of Agriculture to make rules and regulations upon which he may condition the grants or payments amply protect the dairy farmers of the Nation. Their fears are unfounded; their apprehensions are unwarranted. No such provision as the dairy or Boileau amendment obtained, I repeat, in the Agricultural Adjustment Act, and the language respecting competitive production in the Bankhead Control Act, passed a year after the Agricultural Adjustment Act was approved, merely approved the plan that had been previously promulgated by the Secretary of Agriculture.

The cotton growers have cooperated with the dairy growers. They concede high tariffs to dairy products. I urge my friends from the dairying States of the Union to continue their cooperation for a well-balanced program to solve the agricultural problem of the Nation. Of course, large cotton crops mean cheap crops. In expecting cheap feed crops, the dairy industry would be selfish. All agriculture should prosper together.

I conclude by saying that we will continue to have the farm problem as long as we maintain the tariff at its present level, for the tariff discriminates against the farmer and fosters monopoly. Equivalent benefits to farmers have come to stay until high tariffs to protected industries have been eliminated. I maintain that a tariff should be for all or for none.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: In line 6 of the proposed amendment, strike out "1910–1914" and insert "August 1909–July 1914."

Mr. McCORMACK. Mr. Chairman, insofar as I am concerned, I am in favor of the amendment to the amendment offered by the gentleman from Mississippi.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. JONES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES: On page 5, line 5, strike out the period and insert in lieu thereof a colon and the following: "*Provided, however,* That apportionments of funds available for carrying out the purposes specified in this section for the year 1936 may be made at any time during 1936, and apportionments for 1937 may be made at any time during 1937. Notwithstanding the making of an apportionment to any State for any calendar year, any amount so apportioned which is not required to carry out an approved plan for such State for such year shall be available for carrying out the provisions of sections 7 to 14, inclusive, of this act."

Mr. JONES. Mr. Chairman, this simply provides that a State plan may be put into effect at once and reserves the balance for the purposes provided in the act.

Mr. CLAIBORNE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise for the purpose of asking the distinguished chairman of the committee a question.

Do I understand correctly that when the Senate bill was pending Senator LA FOLLETTE offered and the Senate accepted an amendment to the effect that the Government is to handle any commodities it owns or may own through the Farmers' National Grain Corporation and not through the grain dealers of the different exchanges throughout the country?

Mr. JONES. That is not exactly the amendment. That amendment, I understand, will be offered, and I hope the gentleman will wait until it is offered, when we will go into that. I have some corrective amendments I want to offer.

There is an amendment which the Senate adopted, which authorizes certain things to be done by cooperatives, but it does not do exactly what the gentleman states, and I would rather not undertake to speak on that amendment at this time.

Mr. CLAIBORNE. We will take that up later?

Mr. JONES. If the amendment is offered; yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. JONES: Page 8, line 13, after "by", insert "striking out clause (3) and inserting in lieu thereof '(3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption. Determinations by the Secretary as to what constitutes diversion and what constitutes normal channels of trade and commerce and what constitutes normal production for domestic consumption shall be final', and by"; and on page 8, line 19, strike out "best effectuate" and insert "effectuate substantial accomplishment of any one or more of."

Mr. JONES. This was a provision in section 32, clause 3, under the old adjustment program, and this amendment makes the sums which were available for adjustments in production available for a domestic allotment plan under this program.

Mr. GILCHRIST. Just where is that?

Mr. JONES. Page 8, line 13. The bill used the language "best effectuate", and that made it difficult to administer because it would make it necessary to find the particular plan that would best effectuate the purposes.

Mr. GILCHRIST. Mr. Chairman, I ask that the amendment be again reported.

The CHAIRMAN. Without objection, the amendment will be again reported.

The Clerk again read the amendment.

Mr. SNELL. Will the gentleman yield?

Mr. JONES. I yield.

Mr. SNELL. I wish the gentleman would explain in simple language just what he intends to do by this amendment.

Mr. WADSWORTH. And may I add to that question, so that the gentleman can answer both—will he state what this has to do with conservation and erosion?

Mr. JONES. It has nothing whatever to do with conservation or erosion. The gentleman will recall that, wholly disconnected from the agricultural adjustment program as such, there was a fund set aside of 30 percent of the customs receipts. This amendment simply makes some of the money available for a domestic allotment plan applicable under this act.

In addition it provided that the three powers should be used in such a way as to "best effectuate", and in doing that it was found that they had to go through a lot to determine which was best. This substitutes for "best effectuate" the words "effectuate substantial accomplishment of any one or more of."

Mr. WADSWORTH. Does the gentleman think that his amendment is germane?

Mr. JONES. I think so.

Mr. SNELL. If this is a continuation of the old law, what has been done under the old law?

Mr. JONES. I think I am correct in my information that they have used about three-quarters of that—a part of it on the cotton item and some for the purchase of butter, and a number of other different commodities in export and domestic consumption.

Mr. FIESINGER. Would it be possible to adopt the export debenture plan?

Mr. JONES. Partially, under section 12.

Mr. TOBEY. Will the gentleman yield?

Mr. JONES. Yes.

Mr. TOBEY. Is it not a fact that the President asked for the repeal of this section in the A. A. A.?

Mr. JONES. I think he asked for that in the early days, before we lost the A. A. A.

Mr. TOBEY. The gentleman does not expect it to be repealed?

Mr. JONES. I hope not.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. TABER. Is it not a fact that out of the ninety-million-and-odd dollars that was available to the Secretary of Agriculture under this, upwards of $50,000,000 was used in connection with the bonus payments to the cotton farmers?

Mr. JONES. About $45,000,000.

Mr. TABER. And a considerable amount was used in furthering the export of peanuts.

Mr. JONES. A small amount on that.

Mr. TABER. Oh, a considerable amount.

Mr. JONES. That is true; but it helped us get out of a very difficult situation, and it will be used generally.

Mr. TABER. And the Comptroller General ruled that none of the funds might be expended for the purchase and distribution of agricultural commodities for relief.

Mr. JONES. Yes.

Mr. TABER. So that none of that money has been used for any such thing as dairy products, or for wheat, or for corn, or anything of that kind. That is the situation.

Mr. JONES. This amendment would make it possible to use it in that way, and I am sure it will be used. In fact, I have a statement from the Secretary which I expect to read later on on that subject.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ZIONCHECK. Mr. Chairman, I rise in opposition to the amendment to ask the gentleman from Texas [Mr. JONES] a few questions. I have an amendment which I propose to offer on page 7, line 16, and I am wondering whether that amendment is inconsistent with the gentleman's amendment. I am in accord with the purpose of using 30 percent of the tariff receipts for the purchase plan which the gentleman has.

Mr. JONES. It accomplishes largely the purpose of the amendment which the gentleman shows me.

Mr. ZIONCHECK. And there will be nothing inconsistent with the gentleman's amendment, if my amendment is adopted?

Mr. JONES. The only trouble with the gentleman's amendment is that——

Mr. ZIONCHECK. It is definite and compulsory.

Mr. JONES. The gentleman does more than that. He compels them to determine just in what particular way it may be desirable to use the export feature. But he cannot use the export powers at all unless it is wholly impracticable to use any other. The provisions accomplish largely what the gentleman wants in permitting domestic diversion of surpluses.

Mr. ZIONCHECK. But there will be nothing inconsistent if my amendment is adopted. It would not be inconsistent with this.

Mr. JONES. Except that the gentleman's amendment would bind him down where he would not have a choice.

Mr. MICHENER. Mr. Chairman, I move to strike out section 2, page 8, and I do this for the purpose of again calling the attention of the chairman of the committee to the draftsmanship of this section. The bill reads:

SEC. 2. Section 32 of the Agricultural Adjustment Act, as amended, is amended by striking out that part of the last sentence thereof which precedes the second proviso and inserting in lieu thereof:

Mr. JONES. It is just part of one sentence.

Mr. MICHENER. Though I know it will do no good, I shall continue to object to this sort of thing.

Mr. JONES. I think the gentleman's criticism is probably correct. I regret the bill was not drafted in the way the gentleman has in mind; but in the report it is fully included.

Mr. MICHENER. I have made this criticism every time a bill has come to the floor in this way, and the gentleman from Texas, who admits it is wrong, still continues to bring in bills drafted in this way. I call the attention of the Committee to the fact that no judge could tell what the law was by reading this section, if enacted; that he would be obliged to take the original law, then his pencil, then this law, and then find the proper section and the proper paragraph and then strike out. A point that is very important is this: Eventually we will be compelled to first compile and then codify these laws, and it is going to be a very expensive proposition. You must first compile, and then you will have something which, when cited in court, will be only prima facie, and in the years to come you will have to codify, which will be more important. How easily this bill may be drafted correctly. Turn to page 10 of the committee report.

Mr. JONES. It is plain in the committee report.

Mr. MICHENER. You will find section 32 drafted there in the way in which it should be drafted, and all you need to do to correct this is to strike out the part of section 32, on page 10 of the committee report, which is in parentheses, and insert that which is in italics, and you will then have a properly drafted bill.

Mr. JONES. There was much more to the gentleman's argument before the Ramseyer rule was adopted. We have in the committee report a complete set-up of what the result would be.

Mr. MICHENER. That is just the difficulty about it. The Remseyer rule attempts to bring to the House, and does bring to the House, the matter to which I am calling attention. In other words, you can read the report and know what the law is. The lawyer in the office, the judge on the bench, or the citizen who is supposed to obey the law does not have the report; he has only the law.

You cannot read the bill as presented and know what the law is. We had this very matter up before the Committee on the Judiciary this morning in considering the new register law. The reason this kind of legislation is reported in this form is so that you will not call the attention of the Members of the House to existing law as it is.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. MICHENER] has expired.

Mr. JONES. Mr. Chairman, I desire to state in answer that this committee is not the only one that sometimes engages in this practice. We are trying to make this bill short. The whole provision is set forth in the report, and if anybody is interested he can see what it is.

I ask for a vote on the amendment.

The pro-forma amendment was withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment by Mr. JONES: Page 9, add a new section, as follows:
"SEC. 4. The sum of $2,000,000 of the unobligated balance of the appropriation for relief purposes contained in the Emergency Relief Appropriation Act of 1935, approved April 8, 1935, is hereby made available to the Secretary of Agriculture for allocation in payment to the States in the southern great plains area or the farmers therein for wind-erosion control under plans to be approved by the Secretary of Agriculture."

Mr. JONES. Mr. Chairman, this is the amendment that was brought up yesterday and was withdrawn, as the gentleman from New York [Mr. TABER] wanted to go into it. I understand he has no objection to it. It is for immediate action to take care of that dust-storm area.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES. I have one more amendment, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. JONES: On page 9, after line 9, insert the following:
"SEC. 5. Section 22 of the Agricultural Adjustment Act, as amended, is amended by inserting after the words 'this title' wherever they appear the following: 'or the Soil Conservation Act, as amended'; and by striking out the words 'an adjustment' wherever they appear and inserting in lieu thereof the word 'any.'"

Mr. JONES. Mr. Chairman, this simply makes the import quota provision, which I think everyone is in favor of, available under this act as it was under the A. A. A. It is the same as the Senate bill.

Mr. KOPPLEMANN. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

THE CONNECTICUT VALLEY TOBACCO FARMER

Mr. KOPPLEMANN. Mr. Chairman, ladies, and gentlemen, the bill before us today is important, not only to the agricultural sections of this country but equally so to the industrial sections. It has been proven time and time again that unless the farmer prospers the Nation will not prosper.

We have been through a period of depression, which had its sinister effects upon both agriculture and industry. We

have, aided by definite legislative efforts to remedy evils in our economic system, which not only contributed to the causes of the depression but aggravated its effects, emerged from that depression and have arrived at a certain degree of national economic recovery. The work of the Agricultural Adjustment Administration was important in the recovery which has come to the farmers of our land. I am going to vote for this measure before us, not only because I believe it will play an important factor in the continuance of national recovery, but more particularly, because of the benefits which stand to be gained by my own district, which is part of the Connecticut Valley, a section of the country prominent in agricultural activity and famous for its tobacco crop.

Whereas the emergency legislation enacted during the early years of this administration did much to set right our economic system and rescued it from the chaos into which it had been thrown, it is now important that we implement the gains we have made from the lessons during the years when we were attempting to set right our economic structure, and bearing in mind these lessons in the enactment of present and future legislation, write provisions which will make permanent the cure. At the same time we must be constantly on the alert to prevent the recurrence of old ills.

We have emerged from the depression. We are on the broad road to recovery. Every step of the way from now on we must make more firm the foundation of our recovery and stronger the walls of its structure, so that it will be resistant, as far as possible, to future attack because of economic emergencies or disasters which no one can foresee.

I believe that as recovery continued for our agriculture, the more drastic regulations would have been discarded as farm income approached nearer to the levels of prosperity, and the supply of agricultural products became more nearly in line with consumer demand. But no opportunity was given for the further gradual amending of the A. A. A. regulations. The Supreme Court decision on January 6 made it imperative that the entire program be rewritten else all the gains of the last 3 years would have been lost. I say lost, because they had not become sufficiently firmly interwoven into the economic fabric of agriculture for us to have been able to drop the program entirely and assume that the policies would have continued by an involuntary impulse of all those engaged in the agricultural industry from the farmer down, without the regulation and supervision of law.

I look therefore upon this bill, which is before us as an important measure to implement the recovery which has come to our farmers and, of course, representing a part of the Connecticut Valley, I cannot help relating agriculture immediately to tobacco. The gains which have come to the tobacco industry in the Connecticut Valley I feel can be continued by the passage of this bill. Communications I have received from the tobacco farmers in the Connecticut Valley evidence their strong approval of the continuation of the program which is bringing them out of the red.

In the days when wigwams dotted the Connecticut Valley, when the Indian chiefs devoted their time to councils of war against neighboring tribes or to hunting and fishing, while their squaws did the manual labor, tobacco was grown by those Indians. The first white settlers soon learned to depend upon it as one of their chief sources of cash income.

The records of New England show that as early as 1640 a tobacco problem had to be solved by legislation, because on the statute books of that year there is an act restricting the importation of tobacco into the New England colony.

Down through the years the planting of tobacco increased and its importance to New England and particularly to the agriculture of the Connecticut Valley grew as cigars became popular. It did not take long for discriminate cigar smokers to discover that a cigar made of Connecticut Valley cigar leaf was a superior smoke. There was something about the soil of the Connecticut Valley which produced tobacco such as was highly pleasing to the gentlemen of taste, first in the Thirteen Colonies, and then in other States as they were added to the Union. Cigars became popular and Connecticut cigars were judged to be then, as now, among the world's finest smokes. The manufacture of cigars became a thriving industry in the Connecticut Valley. At one time there were more than 20 cigar factories in the little rural town of Suffield, Conn.

The cigar industry continued to thrive and the Connecticut Valley cigar tobacco farmers prospered until shortly after the end of the World War. Then, the effect of a marked shift in smoking habits began to be felt. The production of cigars in the entire United States reached its peak in 1920 when more than 8,000,000,000 cigars were manufactured. More than 75 percent of them were made to retail at more than 5 cents each. Connecticut Valley tobacco furnished a large percentage of the binders and wrappers for these cigars.

Since 1920 there has been a continuous decline in the production of cigars in the United States. The 8,000,000,000 figure in 1920 dropped to 4,500,000,000 in 1933, a decline of about 44 percent. The 75 percent of them retailing at more than 5 cents each dropped to where today fewer than 15 percent of all cigars retail at more than 5 cents. There has been, however, a marked improvement in the situation since the inception of the A. A. A. in 1933. During the latter part of 1933, with the beginning of the return of prosperity and purchasing power, the production of cigars in the United States began to increase, and has gained consistently up to the present time.

But to get back to the cigar-leaf tobacco farmer in the Connecticut Valley. He began to face real trouble in 1921 when the price he received for his crop dropped to almost 50 percent. The total income from tobacco in the Connecticut Valley dropped from around $25,000,000 to approximately $12,000,000, a staggering drop, and, mind you, one which took place years before the big depression began in 1930.

Finance, industry, and commerce were pleading in 1933 for relief from their troubles, which they dated from approximately 1930. The cigar-leaf tobacco farmer in the Connecticut Valley had been having his troubles for 12 years. For 12 years he had been struggling along, producing more tobacco than was needed, in a desperate effort to maintain his farm income. Each year he sold his tobacco at little, if any, more than it cost him to grow it. And as a consequence his land, his buildings, his equipment, his standard of living declined almost continuously during this 12-year period.

The bottom was reached for the Connecticut Valley tobacco farmers in the winter of 1932–33. At that time they should normally have been marketing their 1932 crop but during the preceding years the consumption of cigars had drastically declined and the farmer had not curtailed his production to meet that decline. Instead, in his frantic effort to maintain a cash income with which to pay his taxes, interest, and most urgent cash expenditures, he had maintained the production of Connecticut Valley types of tobacco so far above consumptive levels, that surplus stocks of these types of tobacco had accumulated in the hands of manufacturers and dealers to the point where there was no market for them. Naturally when the manufacturer has more than adequate supplies in his own warehouses he isn't going to buy more from the farmer. It is far cheaper for him to allow the farmer to hold the tobacco on the farm at his own expense and risk, than for the manufacturer to buy and hold such tobacco.

The Connecticut Valley farmer therefore in the winter of 1932–33 found himself without a market for the products of his summer's labor. Taxes, mortgage interest, fertilizer, and farm supplies bills were unpaid. Telephones and electric lights were being cut off, and old worn-out automobiles were left in the garages unregistered. A valley that had prospered on its own initiative for 300 years was bankrupt.

The surplus supply of Connecticut Valley tobacco, including that held by farmers, was so high in the winter of 1932–33 that had there been no such tobacco grown for 2 years there would still have been no shortage. But how, in these modern times, were 3,000 farm families to just stop planting until that surplus was used up? They had to live. They needed cash to live and that cash could only be had by their labor on their farms—unless help from without was given them.

In the summer of 1933, acting under the newly inaugurated Agricultural Adjustment Act, the Secretary of Agriculture offered Connecticut Valley tobacco farmers contracts which provided for adjusting production to consumption in such a way that a normal relationship would exist at the end of a 3-year period. Benefit payments were offered to farmers who cooperated in this program which was devised to save them.

Under the 3-year operation of the adjustment program in the Connecticut Valley, the surplus stocks of tobacco, both in the hands of dealers and manufacturers and on the farms, have been greatly reduced and with the steady improvement in the cigar industry, production of tobacco in the Connecticut Valley can return to a level about equal to the 1929 level, and somewhat more than half the 1920 level.

The farm price per pound for Connecticut Valley tobacco had declined from around 40 cents per pound for the sun-grown types, and 65 cents per pound for the shade-grown type in 1919, to about 10 cents for sun-grown types and 59 cents for the shade-grown type in 1932. The shade-grown tobacco had not declined in price in proportion to the sun-grown tobacco because its production is controlled by a comparatively few people and production has usually been kept relatively close to consumption. Total gross income to the farmers for the sun-grown types of tobacco in the Connecticut Valley decreased from about $20,000,000 in 1919 to $2,750,000 in 1932, almost 86 percent. Through the Agricultural Adjustment program, the gross farm income for these types of tobacco increased to more than $3,000,000 in 1933, and $4,500,000 in 1934, and will be close to $5,000,000 in 1935, an 80-percent gain from the 1932 income figures. Benefit payments comprise less than 10 percent of these figures. It is plainly seen, therefore, that the greater part of this recovery since 1932 is directly due to the cooperative effort of the farmers with the program devised for them by the Federal Government.

If the production of these types of tobacco does not exceed the quantity needed for consumption in 1936, and a price approaching a "fair exchange price" is received by the farmer, the total gross income to tobacco farmers in 1936 should be practically double that of 1935 because the farmers, in their effort to reduce the total supply to normal, have been producing only about one-half of the tobacco consumed during the past 3 years.

All along I have said that the fullest benefits of the program of the Roosevelt administration may not be felt for several years. The tobacco farmers of the Connecticut Valley will feel the benefits of the A. A. A. program more fully as time goes on.

While the very nature of the bill before us gives the farmer's position prime consideration, let us not forget for a moment the benefits which have accrued to business and industry because the farmer, during the past 3 years, has had more money to spend than he had in the previous several years. The merchants and mill owners and manufacturers of the Connecticut Valley can attribute directly to the farmer's increased income a good share of the profits which have given renewed life to their own affairs. I repeat what I said at the very beginning of this talk—so long as the farmer prospers the Nation will prosper.

The improvement gained in the Connecticut tobacco industry during the operation of the Agricultural Adjustment Act and the protection of the farmers of the Connecticut Valley must continue. This bill before us seems to me the best that this Congress can give for the continued protection and improvement of the tobacco farmers, especially in view of the recent Supreme Court decision on the A. A. A. [Applause.]

[Here the gavel fell.]

Mr. KOPPLEMANN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

Mr. CLAIBORNE. Mr. Chairman, I object.

Mr. LUDLOW. Mr. Chairman, I rise to strike out the last three words.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. LUDLOW. Mr. Chairman, I was brought up in the hard life of a farmer boy, and I know from grueling experience the trials and tribulations of those who toil on the farm, and I am willing to stumble along in this trial-and-error fashion to try to do my humble part to bring happiness to the millions of our rural homes, where there is always and everlastingly a minimum of comforts and a maximum of unrequited toil.

When I vote on this measure, the golden strands of memory lead me back to the old log-cabin home and to the little churchyard in Indiana where my beloved parents sleep. They were among the Hoosier pioneers who have been portrayed in poetry and song as "the salt of the earth." They were truly that. I can see my father, in hickory shirt and overalls, waging a man's fight against adversity, and I wish, as I have a thousand times, that I might always be inspired by his high ideals of honesty and of honor. I can see my mother, the personification of loving devotion, ministering to the needs of her large flock, trying to do many things at once and pausing now and then to kiss our tiny wounds to take away the hurt. I can see her in the silent vigils of the night as, by light of candle or oil wick burning low, she smooths a feverish brow with hand that always seems to soothe and heal. Once more, in my imagination, she tucks me in the trundle bed and sings her lullabies until the sandman closes my eyes in slumber.

O Mr. Chairman, if I were to offer my life, it would seem to me but a small recompense for the love of such worthy parents as God gave me; and if by any act of mine I can ameliorate the lot of our country people, among whom I was born when Indiana was yet a semiwilderness, and among whom I grew to manhood's estate, that act will be gladly, devotedly, and lovingly performed. It is in that spirit that I support this bill, having none too much confidence in it and yet hoping for the best.

In a long career as a newspaper correspondent that has brought me into contact with the world's brightest minds, I have known many persons, born to the purple, whom high station has not corrupted nor wealth despoiled, and whose hearts are ever warm and true; but I thank the Almighty that I was born a commoner, for it seems to me that virtue and the worth-while springs of thought and action are found more often in hovels than in palaces. When I was a boy, I learned that a hickory shirt or a calico dress may cover a heart as pure as gold. I hope that I may be permitted always to be near to the common people, to share their griefs and sorrows, even their distress and poverty, as well as the happiness that sometimes comes from hopes achieved, for by keeping the common touch I may have the inspiration to perform my full part in that fine and genuine type of humanitarian service where heart meets heart in sympathy and helpfulness.

All of my ancestors as far as I know clear back to Adam were farmers. The Indiana farm which supported my sisters, my brother, and myself when we were young is now ours by inheritance. One good turn deserves another, and in the gloomy period of agricultural depression during recent years it has been our duty to support it. Although I represent a city district in this great lawmaking body, I recognize that agriculture is the fundamental basis of all prosperity and that when the farmer becomes prosperous the city man is certain to share his prosperity through the market which develops when our farmers have purchasing power. This bill is a vast improvement over the Agricultural Adjustment Act, in that it levies no processing taxes and has no compulsory features that might tend to make the Secretary of Agriculture a major dictator. The adoption of the so-called McCormack consumers' amendment protects the interests of consumers.

The State of Indiana, of which I have the honor to be a Representative, is one of the best agricultural States in this matchless Union of States. It produces a great variety of crops, including a wonderful crop of poets. When you scratch an Indiana farmer under the skin, the chances are about 9 to 1 that you will find a poet. The other day one of our young Hoosier farmers, sitting on the edge of the horse trough and ruminating over the prospect, was temporarily overcome by the muse. This disciple of Agricola is a good deal of a philosopher, and he got to thinking. It

seemed to him there was something lacking in life. As he sat there on the horse trough he began to have his doubts as to whether he was having a good time. On long and mature reflection it seemed to him that he was not. Now, every Hoosier is innately endowed as one of two classes. He is either a natural-born politician or a natural-born poet. This young Hoosier farmer had never suspected that there was anything wrong with him until the muse began to work in much the same way that a spirit overcomes a medium. He rushed into the house, brushed the baby out of the way, grabbed a discarded paper sack and a lead pencil, and wrote on the sack the following descriptive poem, entitled "Down on the Farm", which I think is a suitable contribution to this discussion, because it is so true to life:

DOWN ON THE FARM

Down on the farm, 'bout half past 4,
I slip on my pants and sneak out of the door;
Out of the yard I run like the dickens
To milk 10 cows and feed the chickens,
Clean out the barn, curry Nancy and Jiggs,
Separate the cream, and slop all the pigs,
Work 2 hours, then eat like a Turk,
And, by heck, I'm ready for a full day's work.

Then I grease the wagon and put on the rack,
Throw a jug of water in an old grain sack,
Hitch up the horses, hustle down the lane,
Must get the hay in, for it looks like rain.
Look over yonder! Sure as I'm born,
Cattle on the rampage and cows in the corn!
Start across the medder, run a mile or two,
Heaving like I'm wind-broke, get wet clear through.
Get back to the horses, then for recompense
Nancy gets straddle the barbed-wire fence.
Joints all a-aching and muscles in a jerk,
I'm fit as a fiddle for a full day's work.

Work all summer till winter is nigh,
Then figure up the books and heave a big sigh.
Worked all year, didn't make a thing;
Got less cash now than I had last spring.
Now, some people tell us that there ain't no hell,
But they never farmed, so they can't tell.
When spring roll 'round I take another chance.
While the fringe grows longer on my old gray pants.
Give my s'penders a hitch, my belt another jerk,
And, by heck, I'm ready for a full year's work.

[Applause.]

Mr. SHORT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, time under general debate was so limited on this bill that many Members had no opportunity to speak. For that reason I requested no time under general debate, but I am constrained, out of a sense of personal duty, to take advantage of this opportunity, if for only 5 minutes, to register my vigorous and unalterable opposition to this vicious legislation. I speak only for myself. Though I come from a great dairy and poultry-raising district, I believe, with all the conviction of my heart, that this legislation is fundamentally wrong and basically unsound.

This bill wears a false face. Rip the mask off it and look at it in its stark nakedness, and you will see it is the most perfect example of hypocrisy that has yet been presented to this body at this session. It is called "a soil-conservation act"; and yet every Member of this House must know, and anyone else who has read the bill must know, that it could more properly and accurately be called a "crop-control act." It is simply an attempt to circumvent the recent decision of the Supreme Court on the A. A. A. It is a stubborn refusal on the part of many Americans to admit the failures of that bureaucratic agency.

The first great New Deal expériment was the N. R. A., which attempted to regulate industry. God knows it was as "dead as a dodo" long before the Supreme Court rendered its decision. The cause for its failure was that an attempt to force the members of any single industry in a country so vast and diversified as the United States, where conditions and cost of living vary so greatly, to conform to a single universal standard, is sheer idiocy and impossible of accomplishment. What the N. R. A. attempted to do to industry the A. A. A. attempted to do to agriculture. This bill, Mr. Chairman, instead of aiding agriculture, is destined to destroy agriculture. Instead of liberating the American farmer, it will enslave the American farmer. He will be forced indirectly, if not directly, to carry out the dictatorial mandates of an autocratic Secretary of Agriculture, who can withhold funds to the various States until they agree to comply with the regulations which he himself arbitrarily sets down. With the powers of a czar he can regiment the American farmers and, contrary to the laws of nature, attempt to force American agriculture into a strait jacket.

Mr. PIERCE. Will the gentleman yield?

Mr. SHORT. I am sorry I cannot in the brief time at my disposal.

In other words, orders will be taken from the already overcentralized Government in Washington. I want to remind my good friends—some Republicans who will support this bill as well as my good Democratic friends—that Thomas Jefferson once said "if we had to take the advice from Washington when to sow and when to reap, God knows the American people would go hungry."

This bill reminds me of a flirtation with the farmer or an attempt to entice or lure him down a path in order to get the collar on him. When I was a little boy I fed the chickens and "slopped" the hogs, too. I can remember taking corn and sprinkling it on the lawn, enticing the chickens into the pen only to wring their necks after I got them in. This bill is nothing more than an intention to continue the flow of checks to the poor farmer until after this coming election, posing as his friend, when in reality if the provisions of this measure are applied and carried out they will mean not only his economic serfdom but also the surrender of his own individual liberty. This is class and sectional legislation. It is attempted bribery of a large portion of our electorate, but my people will not be bought and sold as cattle and my farmers will not sell their souls for a mess of pottage. [Applause.]

[Here the gavel fell.]

Mr. REILLY. Mr. Chairman, I move to strike out the last five words.

Mr. PIERCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, anyone who knows the real facts is, indeed, an optimist if he believes this bill is going to solve the farmer's problem. I am a real farmer; I live on a farm and have for years. I know all about farmers' troubles, know all about their income; and I want to say in defense of this bill and of the acts of this administration that the only friend the farmer has ever had in the White House is there now. [Applause.] This is the fact, and the only Congresses that ever passed any legislation really helping the farmer were the Seventy-third and the Seventy-fourth. Other acts meant nothing to the farmer. That any colleague of ours coming from an agricultural district, as does the gentleman from Missouri, should make such broad, sweeping statements as he did I simply cannot understand.

I say this is not going to solve our problems. They are deeper than can be reached by legislation of this kind. First, there is taken a tremendous toll from everything the farmers produce from the time of production to the ultimate consumer.

Mr. Chairman, I think we have to move along in this House with legislation that will control the market. I believe the time to do that is here. So far as price fixing is concerned, it is not in the offing, but if we do not take action on fixing prices other men, who will take our places, will be forced to do so. It is already an accepted thing in many of the countries of the world. The price of wheat today is fixed in Argentina, Canada, France, and Germany. We fixed the price of wheat during the time of the war. If it can be done in time of war, why not in time of peace?

We also have to solve the problem of transportation.

We have not reached it at all. From my own farm, 300 miles from tidewater, it costs 15½ cents for the transportation of a bushel of wheat to tidewater. From just a few hundred miles beyond, in the State of Idaho, which contains thousands of acres of wheat, they paid more to take that wheat to tidewater than it was worth on the market when

this administration came into power in March 1933. Why? Because of the terrific overcapitalization of the transportation lines and the endeavor to earn dividends upon this overcapitalization. Of course, you may say that the railroads are in trouble. Of course, they are; but if they had taken the deflation in their capitalization that I have taken in connection with my farm, then they could pay dividends and expenses. The difficulty is they have been trying to earn dividends upon a terrific overcapitalization which they have carried right up to this time.

The A. A. A. was a real help to the producing country. There is no question about that. The money that came to us was like manna from Heaven, came from the entire people, and they quite generally profited because the farmer was more prosperous.

An English scholar, writing in the last Harper's on Progress and Catastrophe, surveys history for periods of progress and of retrogression. He suggests that the Roman world finally collapsed largely because of decay of agriculture and corruption of government. It is within our power to eliminate these factors which have already entered our civilization. Let us recognize them as symptoms of decay and deal with them effectively now.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the adoption of the amendment.

The amendment was agreed to.

Mr. TABER. Mr. Chairman, I offer a preferential motion, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. TABER: I move that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. TABER. Mr. Chairman, this bill advocates for the next year or two the same doctrine of scarcity that has practically destroyed our export cotton market and which has resulted in the importation of upwards of 30,000,000 bushels of wheat, 40,000,000 bushels of corn, 200,000,000 pounds of butter, great quantities of beef and pork, as well as all sorts of agricultural and dairy products. This A. A. A. policy, along with the Reciprocal Tariff Act, has benefited the foreign farmer to the tune of $150,000,000 to $200,000,000 a year.

Mr. Chairman, the bill proposes to continue this situation on a temporary basis for a year or two, and at the same time develop greater fertility of the soil and greater capacity to produce. So that if the doctrine of scarcity is correct, we are killing it off just as fast as we can. It is so ridiculous that on its face no one who is a friend of the farmer can vote for it. On top of that it very seriously discriminates against the dairy farmer. Frankly, there is not anything to this bill except an attempt to hand out money to the farmer in anticipation of election.

Mr. Chairman, in my territory, one of the best farm territories in the East, farm distress has never been so great as this year. With the operations that have been gone through by this administration, together with the breaking down of the tariff barriers and the letting in of foreign wheat and dairy products, pork, and all that sort of thing, we are in the worst situation we have ever been in. I hope that the Members of the House will use some sense and break away from the major policy of this administration of pulling both ends against the middle. That is all that is being done in this bill. It is bad all the way through, and we ought not to go on with these things.

Mr. GIFFORD. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I think the gentleman from New York has a duty to speak on this matter, and I want to remind him that although his State paid into the Federal Government last year $672,000,000, his farmers received only about a half million dollars in benefits, while the farmers of Texas, for instance, received $132,000,000 from this source alone. I think the Members who represent the States which pay this bill should not be criticized in their opposition, whether coming from New England or other sections. With a tax bill coming in here within a few days, we have a reason for speaking on this matter, knowing where the money will have to come from to pay these benefits.

Mr. TABER. Mr. Chairman, this bill is like the A. A. A. It is an attempt to enslave the farmer. It is like the N. R. A., which attempted to enslave the businessman. It is communistic. If we are going to retain the liberties of the American people, it is absolutely impossible to go on with this sort of thing.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the philosophy of the gentleman and my philosophy are so far apart that it is hardly worth while to attempt an answer. If the gentleman will but examine the income of the farm population during the 4 years 1928 to 1932, when the philosophy of his party was in force, and look at the paralysis that enveloped the whole farm population, finally creeping up into the very heart of the Nation and destroying the commerce of the Nation, he would not make such an assertion as he made here just now in reference to this bill. [Applause.] If there ever has been a time on this earth since the foundation of the Republic when we got into a jam it was during those years, during which time we adopted policies that crowded the farmer down below a living level and destroyed the prosperity of the whole Nation. This does not advocate a doctrine of scarcity. Any man who has read the story of China and some of those old countries over there knows that if we are not going to have a land of poverty and a loss of character we must save and conserve the soil of this country. Read the history of the oldest country in the world that is in existence today and draw the parallel.

We do not advocate a doctrine of scarcity. In addition to soil erosion the next purpose is provision for maintenance of a continuous and stable supply of agricultural commodities, adequate to meet domestic and foreign consumer requirements, and at prices fair to both producers and consumers.

I have stated many times, and I stated in my speech on this bill, that I believed we ought to grow all the farm products that the market will absorb, both at home and abroad. To strike down this measure at this point would mean that you advocate this country sinking back to the despairing level it had reached in 1932. [Applause.]

I ask for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the motion to strike out the enacting clause.

The motion was rejected.

Mr. TARVER. Mr. Chairman, I offer an amendment, which is on the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. TARVER: On page 5, line 22, after the word "producers", insert a comma and the following: "including tenants and croppers"; on page 6, line 8, after the word 'made", insert a comma and the following: "and in determining the apportionment of any payment or grant with respect to any land, the Secretary shall take into consideration the contribution in services of tenants and croppers, and any loss of income sustained by tenants and croppers by reason of changes in the farming practices adopted during such years."

Mr. TARVER. Mr. Chairman, the amendment which has just been read is a compromise. All important legislation is usually more or less a matter of compromise.

In my remarks in the House on Wednesday I called attention to what I believed was the failure of the pending bill to give adequate recognition to the rights of tenants and sharecroppers. The language of the amendment which has just been proposed is not the language which I would have suggested to correct this manifest inequality. It is, however, language which, I understand, is satisfactory to the Committee on Agriculture, as I have been informed by its chairman; and language which will, in my judgment, demonstrate clearly to the Secretary of Agriculture the purpose and intent of Congress that in carrying out the provisions of this legislation the tenant and the sharecropper shall receive a fair share of the benefits that are to be paid thereunder, and for

this reason and because it is not possible to secure an amendment of the character and strength that I would desire, I hope those who entertain the same views I do with regard to this subject matter may agree to the amendment.

The criticisms I expressed on Wednesday concerning this bill were, in my judgment, well-founded. I am glad that the validity of part of them has been recognized and some manifest defects in the bill have been corrected, and it is promised that others will be. Section 11, vesting absolute power in the Secretary of Agriculture to make any rules and regulations having the effect of law he may see fit, has been stricken. The tenants and sharecroppers must receive a fair share of benefits under the pending amendment, if adopted, unless the Secretary disregards the express mandate of Congress, and he surely will not do that.

I still do not like the bringing in of this bill before the tax bill to get the money to pay these benefits is brought in. I am sorry we have to rely upon the working out in conference of proper restrictions upon the power of the Secretary to allocate funds as between States; but, as I stated on Wednesday, it is my purpose to support every sincere effort to help the farmer, and I now intend upon the faith of an understanding with the chairman of the committee to support the bill.

I believe, Mr. Chairman, I am correct in stating that the amendment meets with the approval of the committee.

Mr. JONES. I should like to state, if I may, in this connection, that a similar amendment has been prepared by the gentleman from Texas [Mr. MAVERICK], and I have talked it over with both of the gentlemen, and the amendment is satisfactory to me and to those with whom I have conferred. It seeks to protect, and we all want to protect, the tenants and sharecroppers in the administration of the act.

Mr. TARVER. The gentleman from Georgia [Mr. WHELCHEL] has a similar amendment and has rendered efficient aid in bringing about an agreement with the committee.

Mr. Chairman, I ask unanimous consent to insert in the RECORD at this point an amendment which I had intended to offer in clear and more definite language, and I wish to further continue for a moment in order to ask the chairman of the committee about another section.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The amendment referred to is as follows:

Amend by striking the period and inserting a comma at the end of line 20, on page 6, and adding the following language: "and shall not be made if the result of such utilization has been to reduce tenant population on such lands below an average of such population, counting only heads of families, for a representative period, nor if the landowner excludes his tenants from a fair share of such benefits. The determination of what would be such fair division of benefits between landlord and tenants shall be based upon the proportion of such lands upon which benefits are paid which under normal farm practices on such lands as shown by such practices during a representative period would have been available for cultivation by such tenants had such utilization on account of which benefits are paid not occurred."

Mr. TARVER. May I direct the attention of the chairman of the committee to section 7 (g), which relates to the limitations placed upon the Secretary of Agriculture in the making of apportionments between States.

On Wednesday I offered what I thought were justified criticisms concerning the unlimited nature of this power and the lack of adequate restriction. The Senate bill contains a very much more restricted provision, and I have been assured by the chairman that it is his purpose, as chairman of the House conferees, in the event the bill goes to conference to obtain a provision as strictly defining and limiting the authority of the Secretary of Agriculture in making these apportionments between the States as can possibly be obtained. Am I correct in this understanding?

Mr. JONES. We will do the very best we can.

[Here the gavel fell.]

Mr. MAVERICK. Mr. Chairman, I move to strike out the last two words.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the Tarver amendment may be again read.

The Clerk read the Tarver amendment.

Mr. MAVERICK. Mr. Chairman, I rise in support of the amendment and withdraw my own amendment, which I put in the RECORD yesterday. The amendment of the gentleman from Georgia [Mr. TARVER] apparently covers the situation.

Charges have been made all over this country, time after time, about conditions existing of sharecroppers, tenants, and agricultural workers all over the South and in many other parts of the Nation. Some well-informed people claim that the A. A. A. program was a detriment to two-thirds of the people of the South. I do not say it was. I was for the A. A. A. program and stayed with it, but the proposition is that the sharecroppers, the workers, and the tenants were not adequately protected, and I believe we should do something to protect them. The condition of these classes of people is of the very lowest living standard, and we should do something to correct it. The least we should do in this bill is to recognize such classes as existing like other human beings.

There is also another intelligent reason involved. We should protect the purchasing power of all the agricultural classes, and so I hope this amendment will carry.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. I yield to my friend and colleague from Texas.

Mr. LANHAM. May I say to my friend from Texas that in going over the district which I represent I heard a great many complaints from the farmers on smaller tracts, cultivating the 20 or 30 acres of cotton that had been allotted them, to the effect that they could not sell tax free the cotton that had been grown upon the allotted acreage, and in view of the fact that no man can tell when he plants the 20 or 30 acres what the yield will be, they thought it was an injustice to be taxed on the yield from the allotted acreage. In what way, under this measure, may we be assured that these farmers of small tracts of land will be protected?—because it seems to me the chief objection to the operation, for instance, of the Bankhead law came from the operators of small farms.

Mr. MAVERICK. Let my other colleague from Texas [Mr. JONES], chairman of the Agriculture Committee, answer that. I think I can answer "yes", but Mr. JONES is better qualified to answer.

Mr. JONES. I may suggest that practically all of that criticism was to the operations of the Bankhead Act, which as the gentleman knows, has been repealed. The gentleman from Texas [Mr. DIES] has another amendment with respect to the small producers which I think will be agreed to.

Mr. LANHAM. I called attention to the fact that the condition I referred to was under the Bankhead Act.

[Here the gavel fell.]

Mr. BURDICK. Mr. Chairman, it is more difficult to get a chance to speak here than it is to prove a homestead in my country. [Laughter.] I come from a State where we have no other industry except farming.

Mr. BIERMANN. It is worth more to speak here than it is to prove a homestead in North Dakota.

Mr. BURDICK. What I as a Member of Congress and the gentleman from Iowa have been able to accomplish—I think I would not trade my homestead for what we have done. There is no argument on the question—we should do something for the farmers of the country. That is admitted; but in my opinion we have not the right as we are trying to do it in this bill.

I have voted with the majority of this House on everything that you have done here, but I would not be true to my convictions and independence if I sat here and voted for everything without some protest.

You are surrendering the power over the entire farming population to the Secretary of Agriculture. He will determine whether North Dakota goes into this plan or not—not only with making the rules and regulations, for we must take the rules and regulations made by the Secretary of Agriculture—but he will hand out the money.

Mr. PIERCE. Will the gentleman yield?

Mr. BURDICK. If it does not come out of my time.

Mr. PIERCE. Is there any other way that it can be done?

Mr. BURDICK. Oh, I have heard that argument time after time. They say you will have to vote for this bill because it is the only bill before Congress that will do something for the farmer.

That is not true, and those who make this statement know it is untrue. There are bills before the Congress that will prevent 2,000,000 farms from going to foreclosure, but you will not consider them. You want to conserve the soil. What I want to do is to prevent the sheriff from selling the farms and putting the farmers and their families out.

There is the Massingale bill, the Eicher bill, and the Frazier-Lemke bill.

You have time enough to debate those bills. Why not bring those bills up and let us vote on them? Suppose the farmers do not like what is in this bill? What can they do? You have taken away the right of appeal. The only thing you can do is to go to the Secretary of Agriculture. There is no appeal to any court. Is that what Congress wants to do? The Secretary of Agriculture is to make the rules and regulations.

Let me refer to the exact language—I want to read it to you:

No such plan shall be approved by its terms unless it provides that the agency to administer the plan shall be the land-grant college or colleges in the State or such other State agency as may be approved by the Secretary.

Who is going to plan out the business? It will be done from Washington, and I say to you that that is wrong.

For God's sake, where are the ideals and standards the South used to possess? There was a time when the South believed in slavery, but we did not; now everybody believes in slavery, and you are trying to make slaves of the farmers in the United States. [Applause.]

Mr. Chairman, I am unalterably opposed to this committee control of Congress. No element of our national make-up is so dangerous to the liberties of the American people. Day before yesterday you witnessed the unusual action of the Rules Committee enacted here on this floor. You saw the chairman of the Rules Committee and the ranking Republican member, under the guise of adopting a resolution for an investigation into the financial support given the Townsend movement, launch a combined attack against the plan itself. When time was yielded to the gentleman from Missouri [Mr. BELL] to lambast the plan and put Dr. Townsend in a class with criminals, before the investigation begins, the genial and affable Republican from Pennsylvania was very happy to yield an additional 10 minutes to the gentleman from Missouri so he could complete the execution of this committee plan. Of the full hour's debate on the resolution, only 9 minutes of that time was granted to the Townsend supporters.

Here, on this bill, committee members have the preference in time and no one else need apply. A Member may be the best-informed man in this House on a particular subject, yet, under these intrenched rules, he is out. There is only one chance to get in and that is to maneuver your way in for a few brief minutes by either moving to strike out a word, offering an amendment, moving that the committee do rise, or some other sleight-of-hand performance that the Member does not mean, and which the House would not believe if he did mean it.

I am now taking advantage of this sleight-of-hand performance and will get 3 minutes more to debate the farm bill, in addition to what I have thus far been compelled to say. On every section read, however, I will try to strike out the last word, or any number of words, until I can deliberately filch time enough to express my disapproval of this bill. If this committee will not yield me the time by unanimous consent, I will consume twice that time in sparring for an opening. I advise this committee now that from this moment on I will exercise all of the freedom there remains under this system of rules.

This bill provides for the most despotic and bureaucratic control of millions of people by one man ever brought on the floor of Congress in our entire history. Every paragraph is reeking with concentrated power in the hands of one man. State lines and States' rights are trampled under foot. Where is there any independence left in this country? Where are those stanch advocates of the rights of States? Where has gone the independence of Patrick Henry and Thomas Jefferson, of Virginia; where is the independence exhibited by Old Hickory, by Calhoun, and the great statesmen of the South? Has that spirit died? Has it been crushed to the earth, never to rise again?

Read the bill, Members of this House, read it.

What does it propose to do?

There are five purposes mentioned, but the one and only purpose intended is to get around the decision of the Supreme Court and leave the control of the very lives of the tillers of the soil in the hands of Secretary Wallace.

What is the proof? Line 13, page 2, provides as follows:

Any State which submits to the Secretary, prior to such time and in such manner and form as the Secretary prescribes, a State plan—

And so forth.

Could it ever be a State plan? No; for it must finally be in form as the Secretary prescribes it—it must be approved by him. How can he enforce this right? He can do it by the use of money at a time when people are hungry and are losing their all. Unless the States meekly comply with the Secretary's orders, no money will be paid them. Duress appears in every line of this bill. All are slaves except the Secretary of Agriculture.

Can the Secretary tell the States who can administer the act? Yes. Is this right denied the States? Yes. Here is the language of the bill:

No plan will be approved unless by its terms:
It provides that the agency to administer the plan shall be a land-grant college or colleges in the State or such other State agency as may be approved by the Secretary.

Even the methods of the operation and the plan and the details will be such as the Secretary finds necessary for the effective administration of the plan.

Under the bill the Secretary is authorized to fill our State with carpetbaggers, to see that the plan is being carried out as he thinks it should.

Whenever the Secretary's plan, whenever the details of management used is the Secretary's plan and detailed arrangement, whenever the people of a State will purringly submit to his will, then, in that event, they may expect payments to be made to them by the Secretary. The Secretary becomes a financial monarch and the farmers his powerless vassals; and the States that permit it must suffer their independence and their State rights to be swept aside under the guise of the protection of the soil.

Is this Congress incapable of providing proper methods of soil protection without creating an autocratic power to replace the power of Congress?

How is this money to be distributed among the farmers of the different States? Here is what the bill says:

On or before November 1 of each year the Secretary shall apportion among the several States the funds which will be available; and, in determining the amount of the apportionment, the Secretary shall, among other things, take into consideration the acreage and productivity of land devoted to agricultural purposes.

Has ever any such power been granted to anyone anywhere?

The Secretary is clothed with power also to limit production. The bill reads:

The Secretary shall have power to carry out the provisions of the bill by making payments or grants or other aid to agricultural producers based upon (3) a percentage of their normal production of any one or more agricultural commodities—

And so forth.

Any payment or grant of aid made under subsection 4 shall be conditioned upon such utilization by the producer of his land, or part thereof, as the Secretary finds has tended to further the purposes specified—

And so forth.

The Secretary shall prescribe such rules and regulations as he deems necessary to carry out this act.

Page 7, lines 6 and 7.

Section 14 suspends all law and bars a farmer from taking any appeal in any matter of production and payments, for the bill says, "shall not be subject to review except by the Secretary of Agriculture." Can it be that this Congress is willing to submerge our independence and strangle a citizen's right of appeal, by making any one man the court of last resort in this great Republic? We are already complaining because nine men have such power.

Finally, this bill allows the Secretary of Agriculture to keep the A. A. A. going so far as the horde of employees are concerned and so far as the autocratic powers conferred upon the Secretary are concerned. The A. A. A. is not stopped except as to the contract made with the farmer.

The plea is heard around the Chamber that this is not a good bill but the best that can be obtained, and, therefore, the friends of the farmers must vote for it.

The argument has already been advanced in this debate that no one offered a better plan. Both statements are false and known to be false by those making them.

We do not have to vote for this bill—we can defeat it and consider another bill. We can consider a real bill—any bill if the administration will permit it. The charge is also false that no one has brought forward a better bill. There are two bills pending now—one the Massingale bill, the other the Eicher bill—providing a plan that will bring actual relief to the farmers in an orderly way. Where are the bills? Lodged in the committees of Congress upon administration orders, and they will never see the light of day. Is there any bill before Congress which will save 2,000,000 farm homes? Yes. It is the Frazier-Lemke bill. But where is it? It is locked up safely in the Rules Committee, and the same administration supporting this bill will not permit Congress to save these homes.

As long as Congressmen can be bamboozled, no other bill can be brought before the Congress, and they think their only chance to show their support of the farmer is to vote for a makeshift bill, the longer real legislation for the farmers will be delayed. Many Members of Congress do not dare vote against a makeshift bill, for they feel that at home they will be charged with voting against the only measure which can be passed. When the A. A. A. Act was passed the plea was universally made in Congress that it was an emergency measure, but in the operation of the act the attempt was made to make it permanent. The provisions of the bill are designed to make it a permanent program for agriculture and with the admission on the part of the Secretary of Agriculture that the A. A. A. was not intended to bring back parity prices to the farmers, I am at a loss to understand why Secretary of Agriculture Wallace insists on pursuing a program which has no hopes of ever establishing parity of prices for the American farmers.

In 1 year in North Dakota something like $12,000,000 was doled out in benefit payments, while, if during that same period the cost-of-production program had been in operation, these same farmers would have received $58,000,000.

The Secretary admits that the A. A. A. did not intend a parity price for farmers—he does not claim this bill will bring parity price.

The A. A. A. was intended as a dole; this bill provides for a dole. If the farmers of my State are to be slowly starved to death, we might as well make quick work of it and refuse your dole payments altogether. What this bill prohibits for one class of farmers it guarantees to another class, under different conditions, in the matter of production, and in the end the sum total loss to agriculture will be what it would be without the act.

If we had no gag rule in this House, the farmers would soon show the Secretary of Agriculture a farm bill that would save farm homes, restore purchasing power, revive business, provide jobs for the unemployed, and furnish food for the hungry. But no; that cannot be permitted. We must be compelled to vote for a bill that will positively injure our farmers instead of helping them, and will prostitute the State rights of every last State in the Union.

What moral right have we to compel farmers of the United States to destroy and reduce agricultural products, and at the same time open up our markets to foreign agricultural products?

While Wallace has been messing around killing pigs, and taking agricultural fields out of production, the following tables tell the story of imported agricultural products:

Imports (in pounds)

	1934	1935
Beef and veal	136,972	7,115,925
Hams, bacon, etc	547,223	2,395,608
Canned meats	26,215,757	49,770,402
Lard, etc	296,185	10,758,779
Butter	436,695	21,825,263

Department of Commerce figures above for the first 8 months of the last 2 years tell their own story—the story of eating our neighbor's beef.

The figures on grain are equally important. Corn came in from the Argentine. Wheat came in from across the border from Canada while thousands of acres of rich land lay idle. The importation of Polish rye from a country wise enough to pay cost of production to its farmers came into this country in such volume as to destroy domestic prices right at a time when that was our best crop in America.

How long will the farmers of America submit to the treatment Congress has and still is forcing them to endure?

[Here the gavel fell.]

Mr. WHELCHEL. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WHELCHEL. Mr. Chairman, I am in favor of the amendment of the gentleman from Georgia [Mr. TARVER]. I have prepared a similar amendment, as follows:

On page 5, line 22, immediately following "producers", add a comma and insert the following: "including tenants and croppers", and add another comma.

On page 6 of said bill, line 8, following the word "made", insert a comma and the following: "and in determining apportionment, or amount, of any payment or grant, with respect to any land, the Secretary shall take into consideration the contribution in services of tenants and croppers, and any loss of income sustained by tenants and croppers by reason of changes in the farming practices adopted during such years."

Mr. Chairman, I have offered an amendment to this bill, it being H. R. 10835, having for its purpose to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes.

My amendment seeks to modify this bill only on page 5, line 22, immediately following "producers" add a comma and insert the following: "including tenants and croppers", and add another comma. The other portion of the amendment is on page 6 of said bill, line 8, following the word "made", insert a comma and the following:

And in determining apportionment or amount of any payment or grant with respect to any land, the Secretary shall take into consideration the contribution in services of tenants and croppers, and any loss of income sustained by tenants and croppers by reason of changes in the farming practices adopted during such years.

It is obvious from this amendment that I am offering, proposing several changes, that I am attempting to make some provision for the small farmers of America. It is not my purpose to criticize any measure that tends to help agriculture, but I want to say to you that under the present rules and regulations, giving to the Secretary the right to use his discretion as to how this distribution of $500,000,000 should be handled, that no provision is made for anyone except the landowners. I appreciate the fact that it is primarily for the purpose of conserving the soil, but literally it is intended to help the farmers.

The talk that the small farmers, or the tenant farmers, are not being helped, and have not been helped, but instead have suffered, ceases to be a passing conversation, and is in reality a grim fact. In my district I know it to be a certainty, and I have seen it with my own eyes, that many croppers and tenants have suffered from the requirements of the previous cotton program. When a man is not permitted to raise but a few pounds of cotton under this ruling, or any ruling, it is not sufficient to maintain his family, and

I have seen actual hunger and untold suffering in this sort of families, because in most instances they have numbers of children, and my amendment should be adopted adding a directory clause to the Secretary to help this class of farmers, because it is known, and none of us can deny, when a man's family suffers for the actual necessaries of life he not only becomes a citizen who does not believe in his Government but you can see the blood in his eyes. In so doing we make, I fear, a situation that will be hard to control in future years.

I am pleading with this Congress to make provisions for the croppers and tenants to where they will be, in a measure at least, cared for, and I repeat to you that it has been a matter of great grief to me, the hardship that has been brought about on the croppers and tenants in my district, and it can be termed in no other manner than unfortunate.

Making myself clear, I hope this amendment will be adopted. I will support any legislation that has for its purpose to aid agriculture, but I do not think it is fair to prefer one class over the other; and in conclusion, I want to say to this body that when you return to your respective district you will be confronted with the situation as I bring it to you, and it will be vividly brought home to you, and in your failure to help adopt some measure that would relieve this situation will, in my opinion, be a source of regret to you later.

Mr. JONES. Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Georgia.

The amendment was agreed to.

Mr. DIES. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 6, after the period in line 15, insert "In carrying out the provisions of this section, the Secretary shall, in every practical manner, protect the interest of small producers."

Mr. DIES. Mr. Chairman, ladies and gentlemen of the Committee, the purpose of this amendment is to protect the interest of the little farmers and tenants. While I voted for the Bankhead Act, the original A. A. A., and the amendment, and, in fact, every farm measure that has been before us, I have never felt that this program has been administered in the interest of the little farmers and the tenants. When the Bankhead bill was first put into operation there were thousands of little farmers who had never produced more than three or four bales of cotton but who were given allotments of only a few hundred pounds. I denounced this program in telegrams to and conversations with A. A. A. officials. Before the farmers voted on the Bankhead bill the President assured them that there would be a minimum exemption of two bales. There was some improvement in the manner in which the allotments were made, but at no time were the interests of the little farmers and tenants safeguaded in the proper way.

LITTLE FARMERS NOT RESPONSIBLE FOR OVERPRODUCTION

It must be borne in mind, Mr. Chairman, that the little farmers were not responsible for so-called overproduction. When I say "overproduction" I do not mean it in the way that it is commonly understood. Strictly speaking, there is no such thing as overproduction. If the consumers could satisfy their needs there would not be enough wheat, corn, hogs, or cotton. We really have underconsumption. What I mean by overproduction is the inability of the people to purchase what they need, which creates a surplus on the markets. As I said, the little farmers were not responsible for this condition. It was the cotton hogs who planted vast acres in cotton that should have been devoted to some other crop or left for grazing purposes that were responsible for this surplus. It was the great plantation and corporation farms, with tractors and modern machinery and with cheap pauper labor, that did more to bring about the surplus on the market than any other factor. Many of them went across the Rio Grande and imported Mexican labor, which enabled them to cultivate thousands of acres in cotton. These producers should be penalized under any farm program. As a matter of fact, some of them made thousands of dollars out of the A. A. A. and the Bankhead Act, while the little farmers, who were blameless, were given a mere pittance. The unfortunate result was that the little farmer paid more of the processing taxes than the big one. In other words, the small farmers wear cotton goods while the big farmers were able to buy more expensive material. The processing tax for cotton was passed on to the consumers of cotton goods. The result was that the small farmers paid to a large extent the processing taxes, and many of them received only a small part back in rentals and benefit payments.

It is therefore necessary that we take every measure possible to protect the little farmers. Of course, I realize that regardless of what Congress writes into the law everything depends upon the proper administration of it. We can declare it our will that the small farmers be protected, but if the Secretary and his agents do not see fit our declaration will be of no value. However, I believe that an express statement in the bill that it is the will of Congress that the small farmers be protected will go a long way to see that this is done. At any rate, we can do no more under the circumstances, since the Secretary must be permitted flexibility in the administration of this program. We must also protect the interest of the tenants. In many sections some landowners have been unfair to the tenants. Thousands of them have been forced on relief.

In protecting the interest of the little producers we do much to solve the problem of unemployment. A huge farm cultivated on mass-production basis with modern machinery and cheap labor does not put many people to work. In addition to the creation of surplus on the market such farmers bring about unequal distribution of farm wealth. The owners derive a larger share of the farm income than the smaller farmers. In protecting the interest of the little farmer we increase employment. Let us say that 100 individual farmers cultivated 2,000 acres. This means employment for 100 heads of families. But if the same 2,000 acres are operated by one landlord with tractors and cheap labor, only a few men are given employment. No program will survive unless its purpose is to put as many people to work as possible with some assurance of fair return upon their labor and investment.

This bill does not represent everything I want. If I had my way I would write a farm program that would protect more completely the interest of the small producers, and that would spread and increase employment. I would make a much smaller benefit payment or rental to the big farmer who is responsible for overproduction than to the small farmer. This would be the surest way to discourage so-called overproduction and to find work for our thousands of idle people. I would go further and enable the many tenants to purchase small farms of their own. But I realize that I cannot have my way in the farm program. There are 434 other Members besides myself. In addition to this, we all know that no bill can become a law without the approval of the administration, and the bill before us is the only one that the administration has approved. I am therefore proceeding on the principle that if I cannot get a whole hog I will take half of one. It is certain that our farmers cannot produce and sell on an open and unprotected market and buy on a protected market. But I believe that the time will come when Congress and the administration will realize the necessity of a farm program that will more fully protect the millions of small producers and tenants who, after all, form the backbone of our agriculture.

CAUSES OF THE FARMERS' PLIGHT

While I have many times on the floor of this House and elsewhere discussed the causes of the farmers' condition, I want to repeat some of my former statements. There are two causes of the farmers' condition in America. In the first place, he is compelled to produce and sell on a competitive market and to buy on a protected or noncompetitive market. The result is that the ratio of exchange between what he produces and sells and what he buys is, and has been for many years, unequal and unfair. The same labor and investment that will bring 50-percent return in protected industries and fields of activities will not give the farmer more than 2 percent, and in many instances he operates at a loss. We must, therefore, either put all busi-

ness and all industries upon a strictly competitive basis, or failing in this we must put the farmer on the same protected plane as other industries. In other words, we must elevate agriculture to the same plane as that occupied by the protected industries. Our experience in the past has demonstrated that it is almost politically impossible to do away with the protection, tariff, and otherwise which industry enjoys in America. Therefore, the only other recourse is to give the farmer in the form of benefit payments, rentals, or whatever you may call it, a compensating tariff. In other words, if the monetary value of protection to all industries in America is a billion dollars per year, then the farmers must be given an equal amount to put them on the same plane of equality; otherwise the farmer is impoverished at the expense of the protected classes in our economic structure. This is fundamental, and no fair-minded person can take issue with it.

The next great cause of the farmers' plight is money. By money I include credit, which is the medium of exchange which performs to some extent the functions of hard money. This administration has perhaps done more to reform our monetary system than any previous administration. The passage of the gold revaluation bill and the Dies silver bill have done much, and will continue to do, more to establish an honest dollar. A fluctuating and changeable dollar, such as we have seen in the past, will impoverish the farming classes. From 1921 to 1929 the farmer borrowed a dollar, which represented to him and which was the equivalent of about 4 pounds of cotton. From 1929 to 1934 he was asked to pay back a dollar which represented about 11 pounds of cotton. So that the farmer was required to pay back four times as much in cotton, wheat, corn, or whatever he produced, as he actually got in value when he borrowed the money. This resulted in universal bankruptcies. When the farmers' purchasing power was destroyed, he was unable to buy the products of industry, and so in the end industry suffered as much as agriculture.

Mr. Chairman, I sincerely hope that the Secretary of Agriculture will realize the plight of the little farmers and tenants and will administer this law in their interest, as my amendment requires. If he does not, the farm problem will be no nearer solution next year, or the year after, than it is today.

What we need is a simple plan that will not require an army of paid officials and a lot of red tape. Such a plan would be to give every little farmer a four- or five-bale allotment, and upon this allotment pay him in cash enough money to compensate him for the burdens of tariff and protection that are weighing heavy upon his shoulders. This would insure a decent income to the little producer and would put more people to work than any other measure that could be devised. In addition to this, make it possible for the tenant to own his own little farm.

I realize that this plan is too simple to appeal to the imagination of theoretical farmers. But some day we are going to come to such a plan of necessity. With this amendment that I am now proposing in the farm bill, the Secretary can accomplish the same results if he will administer the law in accordance with our wishes. If he does not do this, we will be back here in January to find out why he has not done it, and to take further steps to see that he does do it.

We have succeeded in writing into this bill the principle of the domestic allotment plan which I have been advocating for several years. In fact, the bill I introduced some time ago is based upon soil conservation and the domestic allotment plan with protection for the little farmers. I hope this bill will pass. [Applause.]

Mr. HAMLIN. Mr. Chairman, I move to strike out the last two words. A few days ago I spoke on this floor on death and burial. I am now going to speak on resurrection, and the resurrection of the A. A. A. Resurrection is certainly the most important of the trinity. I deny that the A. A. A. has been a failure. I claim that the A. A. A. was a splendid movement to help the farmers, and that it did help the farmers, and no matter if this is an evasion of the A. A. A., it is in the right direction, and in my judgment will help the farmers of this Nation, who know what they want. The farmers of this country know what they want; what they need. They are not fools. They do not have to be switched off from farming into the tariff question, as we have heard today. They know that this administration has tried to help them and has helped them.

I was pleased to hear the chairman of the Committee on Agriculture refer to the record. How was it in 1932 and the 4 years before 1932? Compare that with now. I am speaking in general on this bill, which I believe in, in the main, but I am speaking particularly on the Boileau amendment, which in my judgment will help the farmers of my particular section, the western part of Maine, and throughout New England. You folks from the South and from the Golden West voted for the Tobacco Act and we voted for the Cotton Act and you also voted for the Potato Act. I am asking you folks, you good Democrats and good Republicans—and, of course, there is a difference in Republicans—to stand for the Boileau amendment and for this whole bill.

The Boileau amendment prohibits this land of soil erosion and of soil conservation to be used for the raising of grass, alfalfa, or any crops the proceeds of which might be sold or used in rearing livestock or in feeding cattle, which would lend itself to aid in the crops which might bring about competition in the dairy business of New England and the northern United States and all of the dairy States of America, which for a long time have been hanging on by the skin of their teeth. I ask you men of the southern lands, where the cotton whitens under the stars and the wheat locks the sunshine in its bearded sheaf, and you of the West, where the wind ripples over the billowy seas of wheat and where there are oceans of corn, to give to us, the dairy farmers of the North, this Boileau amendment—a chance to live.

Mr. JONES. Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. DIES].

The amendment was agreed to.

Mr. BOILEAU. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: Page 6, after the period in line 15, insert "In carrying out the provisions of this section the Secretary shall, as far as practicable, assist voluntary growing of soil-improving or erosion-preventing crops for the purposes of soil rebuilding, but not for commercial use."

Mr. BOILEAU. Mr. Chairman, I wish to state to the members of the committee that this is not the amendment that I had incorporated in the RECORD on yesterday. It is not the identical amendment that I have been advocating during the debate on this particular bill. However, it is a modified form of that amendment, and it is intended to be directed at the same evil that I conceive to exist in the bill in its present form. The amendment that I had incorporated in the RECORD and that I had intended to offer at this time provided that the Secretary shall not make any payment or grant of other aid to any producer, based upon the taking of land out of one use and putting it into another unless no crops were harvested from such lands for sale, and further, unless no livestock intended for sale or the products of which were intended for sale, were pastured or grazed on such lands. This amendment does not go as far as my original amendment did. Many Members on the floor of the House and others who are interested in this bill have stated that the original amendment raised a constitutional question, and for that reason expressed their intention to vote against the amendment. The amendment I now offer certainly is not unconstitutional. I regret to state to the membership of the House that it has not as many teeth in it as my original amendment, although I am convinced that a fair administration of this amendment will accomplish the same results intended under the original amendment.

This amendment provides that in the carrying out of the provisions of this section the Secretary shall, as far as practical, assist the voluntary growing of soil-improving or erosion-preventing crops for the purposes of soil rebuilding, but not for commercial use.

Mr. BANKHEAD. Will the gentleman yield in that connection?

Mr. BOILEAU. In just a minute I will yield.

I submit if the amendment is written into the law, if the Secretary of Agriculture gives to this provision a fair interpretation, he will exert all of the powers, all of the practical powers that will be given to him under this bill, to prevent such lands from being used for pasturing livestock or for growing crops for feed for livestock, and in other respects he will do all he possibly can and use all the powers given to him under the bill to prevent commercial competition on the part of those who are being paid benefits for taking these lands out of production of soil-depleting crops.

Mr. BANKHEAD. Will the gentleman yield now?

Mr. BOILEAU. I yield.

Mr. BANKHEAD. This is a very important proposition. Of course, the general principles announced in the first part of the gentleman's amendment are amply covered by the general principles of the bill. The gentleman will admit that?

Mr. BOILEAU. I think that is true.

Mr. BANKHEAD. What a great many of us want to know specifically is the gentleman's interpretation of the last language of his amendment, that it shall not be used for commercial use.

Mr. BOILEAU. My interpretation of that language is simply this. That the Secretary shall use all the powers he has, as far as practical, to prevent those farmers who get benefits for taking lands out of production of a certain commodity, from using those lands to produce crops for sale, or to feed livestock intended for sale, or the products of which are intended for sale.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BOILEAU. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BANKHEAD. Will the gentleman yield further?

Mr. BOILEAU. I yield.

Mr. BANKHEAD. In order to clarify this situation, I would like to ask the gentleman one further question. I do not know whether I can agree with this amendment or not, personally. Suppose a farmer in Kansas, for instance, takes 50 acres off of his farm for soil conservation under the purposes of this bill, and he plants it into legumes or other soil-building or erosion-prevention crops: What limitation under this amendment would be placed upon the production from that land?

Mr. BOILEAU. I want to make this statement: During the last 50 years the Department of Agriculture has been attempting to educate the farmers of this country that the best way to conserve the soil would be to plant grass and plow it under. If it is practical to plow under such grasses—which I believe it is, and which I believe is in absolute conformity with the teachings of the Department of Agriculture over a period of years—if the Secretary of Agriculture finds that is a practical way in which to conserve the soil and rebuild the soil, then he must do all he possibly can, go as far as he can, to assist the voluntary growing of such soil-improving and erosion-prevention crops for the purpose of rebuilding the soil and not for commercial use. In other words, he shall do all he possibly can to require them to plow under that crop or use other accepted methods in order to conserve the soil and take it out of commercial production. It seems clear to me.

Mr. BANKHEAD. In other words, under the gentleman's construction he could not sell any possible crop that he might raise on any of the land taken out of production?

Mr. BOILEAU. If the Secretary of Agriculture should conclude that it is practical to plow under that ground, which I believe it is practical to do and the advisable thing to do, then he would require that it be plowed under or laid fallow, rested, or in some other way taken out of production. In other words, he should not permit that land to be used for growing crops for sale or for feeding livestock if it is practical to prevent it. I believe it is practical to prevent it.

Mr. JONES. That is not my interpretation.

Mr. BOILEAU. I am accepting this interpretation of the language. I am accepting this language, and I may say to the Members of the House that the chairman and myself agreed upon the language but did not discuss the interpretation to be placed upon it. I collaborated with many of my colleagues on this proposition who are interested in dairying. We have agreed to accept this modified form of amendment. I understood the chairman of the committee agreed to accept it. I placed this interpretation upon it. I am not, of course, bound by the gentleman's interpretation, nor is he bound by my interpretation. It seems to me the language is very clear.

Mr. JONES. Mr. Chairman, I cannot agree at all with the gentleman's interpretation of the amendment, and I would like to state my own interpretation of it.

Mr. BOILEAU. I would be very glad to have the gentleman do so that we may understand the situation exactly.

Mr. JONES. I could not agree to the gentleman's interpretation at all, and I would like to get time to state my interpretation, to see if we cannot agree on something.

Mr. BOILEAU. It is not a question merely of interpretation.

Mr. JONES. I understand the original amendment the gentleman offered could not possibly have been agreed to, because it would make it a condition that the Secretary must, in the manner proposed, condition all the payments. This would take an army as large as Hitler's to enforce. It was conditioned on land not being used for any of these purposes. It was made mandatory. Now, the Secretary may use any kind of soil-conservation plans he wants to insofar as crops are concerned.

This is my interpretation of the substitute: In carrying out the provisions of this section the Secretary shall, so far as practical, assist voluntary growing of soil-improving or erosion-preventing crops for the purpose of soil building but not for commercial use. In other words, the soil-building crops are to be used primarily for soil building rather than for commercial use. It would be the Secretary's duty primarily and insofar as practicable to use the whole thing for the purpose of rebuilding the soil. If he could do this without the use of the crops in commerce it would be wise for him to do so.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JONES. I do not conceive that this is a mandatory provision forbidding grass or any of the crops to be used in any fashion at all; but that he shall, insofar as practical, adopt a policy that will make it a soil-conservation use rather than a commercial use. I think, insofar as this can be done, it should be done. But I do not want a compulsory interpretation put on this language that the Secretary cannot permit any of these crops to be used or that if a cow happened to break into a field and graze on some of the grass she cannot be sold. Surely the gentleman would not go so far as that.

Mr. BOILEAU. I would like to ask the gentleman this question: If the Secretary concludes that it is a practical thing to provide for the use of lands, either by plowing under cover crops or fallowing it, resting it, if he concludes that this is a practical way to conserve the soil, would not the gentleman then agree that he should use every power he has to see that the farmers do not use such lands for commercial purposes?

Mr. JONES. It would be his duty, if that were the best way to preserve the soil, to use that method if it is administratively practical.

Mr. BOILEAU. I appreciate that.

Mr. JONES. But, according to my interpretation, this is far removed from the gentleman's original proposal; and if we cannot reach some agreement as to interpretation or

modify this amendment, I cannot support it. I suggested this language at one time:

That the Secretary shall, insofar as practical, encourage the use of soil-building and soil-conservation crops rather than soil-depleting commercial crops.

This is the language I would like to see in the amendment. I am perfectly willing to go this far. I think it would be clearly out of the picture to adopt an amendment susceptible of the interpretation placed upon this one by the gentleman from Wisconsin.

Mr. BOILEAU. Mr. Chairman, I may say to the gentleman from Texas that my understanding with the gentleman was that this amendment would be agreed to. I understood the gentleman from Texas agreed to this language. It is language written by himself.

Mr. JONES. I do not believe my colleagues will agree to the amendment in the light of the gentleman's interpretation.

Mr. BOILEAU. It is just a question of interpretation. The gentleman has stated his interpretation, and I have given my interpretation of it.

Mr. JONES. Insofar as the amendment makes this provision mandatory, I think it would run right into the same trouble in Supreme Court and the issue would be raised.

Mr. BOILEAU. I would like to know whether the gentleman is going to support the amendment as submitted.

Mr. JONES. I wish the gentleman would withdraw it to see if we cannot agree upon the language of the amendment.

Mr. BOILEAU. I will be glad to withdraw the amendment.

Mr. JONES. And I will do all I can to protect the gentleman's right to offer his original amendment.

Mr. BOILEAU. With this understanding: So the gentleman will not doubt my good faith in the matter, and that the gentleman may understand my position in the matter clearly, I shall presently ask consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. MICHENER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MICHENER. The gentleman has asked unanimous consent to withdraw his amendment. I shall object and offer as a substitute for the amendment which he has offered the original amendment offered by the gentleman.

Mr. O'MALLEY. Do I gather from the explanation of the chairman of the Agricultural Committee that the purpose of this bill is to allow farmers to be paid to take land out of the production of certain crops and still raise upon that land other crops which they may sell and get paid a double amount unless the amendment of the gentleman from Wisconsin is adopted?

Mr. BOILEAU. I do not want to say what the contention of the chairman of the Agricultural Committee is. But I hope the Members will grant my request to withdraw this amendment.

Mr. WHITTINGTON. I should like to ask the gentleman a question. The purpose of his amendment is to prevent the competitive use of lands that are planted to soil-building crops?

Mr. BOILEAU. The gentleman is correct. If the gentleman from Texas [Mr. JONES] and I can agree on language, we probably will be able to present an amendment which will be satisfactory.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to withdraw his amendment. Is there objection?

Mr. MICHENER. Mr. Chairman, reserving the right to object, I think it has been clearly demonstrated by the arguments heretofore made that the purpose of the chairman of the Agricultural Committee is to have no language in this bill that will accomplish the purpose sought by the original Boileau amendment. We have just been told by the chairman of the Agricultural Committee that he never intended this language to mean what the gentleman from Wisconsin [Mr. BOILEAU] thinks it means. Therefore, it seems to me that we who are interested in the dairy industry have but one thing to do, and that is to go back to language about which there is absolutely no question.

Mr. Chairman, the criticism we receive from the country today is that we place upon statute books legislation which is subject to most any kind of interpretation. In the language which has just been suggested we are trying to create a doubt, we are endeavoring to befog the issue, and trying to state something that may be interpreted in several ways. I conceive it to be the duty of the Members of this Congress to pass clear, concise, readable, understandable, potential legislation. With all due respect to my good friend the gentleman from Wisconsin [Mr. BOILEAU], who has fought so long and so hard for this principle, I believe, in agreeing to the language which the chairman of the Agricultural Committee has prepared, that he is waiving all the protection which he is seeking on behalf of the dairy interests. This bill already includes everything in this amendment which has just been presented, with the exception of the last 5 or 6 words. The amendment is innocuous. The original Boileau amendment has some force. It will accomplish something.

The regular order was demanded.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin [Mr. BOILEAU] to withdraw his amendment?

There was no objection.

The amendment was withdrawn.

Mr. JONES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I know both the gentleman from Wisconsin and I acted in good faith, but one of us misconstrued the language and our interpretations do not agree. I want to state that if we cannot agree on language, I hope the gentleman will have opportunity to offer the amendment as he originally drafted it and will be accorded sufficient time to discuss it in full.

Mr. BOILEAU. We did agree on language, but we did not agree on an interpretation.

Mr. MAY. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Kentucky.

Mr. MAY. If this is in reality intended as a conservation measure—and I take it that is the intent—does not the chairman know that if the Government pays out of the Treasury for soil-conserving crops, like soybeans, the farmers should be required to plow it under and restore soil fertility that much quicker?

Mr. JONES. Of course, the major purpose of the bill is conservation of the soil and its rebuilding. I do not think it is possible without endangering the entire bill to have a mandatory provision in here. I am very earnestly in favor of a policy that will discourage in every possible way the use of this land on a commercial basis. I simply want the Secretary to use every practical means to discourage the use of the soil for planting depleting crops and encourage the use of soil-building crops and practices. I will go as far as I can in that direction, but I am not willing to agree to a mandatory provision that would fly right into the face of the Supreme Court decision.

Mr. MAY. The point I am trying to make is this: Just a few years ago the Department of Agriculture got out a bulletin in which they demonstrated that the plowing under of one leguminous crop would produce more fertility than the taking off of five crops.

Mr. JONES. I hope they may be shown the advantage of using the best soil-conserving methods. I think if we could with some other language accomplish the same purpose, it would go a long ways toward accomplishing the result.

Mr. MAY. Just one thing further, and this is based on my own experience. I have tried it. I have planted, say, whippoorwill cowpeas in May and plowed them under in September. This protects the soil all the time.

Mr. RAYBURN. Will the gentleman yield?

Mr. JONES. I yield to my colleague from Texas.

Mr. RAYBURN. I notice some language here that states "but not for commercial production, grazing or forage." The last three words are stricken out, and I see written in

with a pencil the word "use." May I ask my colleague what difference he thinks that makes? For the life of me I cannot see there is any difference at all.

Mr. JONES. That is not the basis of the discussion. I do not think that it makes much difference.

Mr. RAYBURN. Then, I want to ask the gentleman another question.

Mr. BOILEAU. That was done by agreement with the gentleman from Texas [Mr. JONES].

Mr. JONES. We are not discussing that matter.

Mr. RAYBURN. The question is on the interpretation of this language. Now, for what purpose can the crops that are planted on this land be used under this language?

Mr. JONES. They can be used for any purpose, but it is his duty to assist in the voluntary growing of soil-improving or erosion-preventing crops for the purpose of soil rebuilding, rather than for commercial use, and in carrying this out he shall assist in the soil rebuilding and not particularly assist in the commercial use.

Mr. RAYBURN. Of course, my colleague knows so much more about this than I do——

Mr. JONES. This language was hurriedly prepared, and I, perhaps, did not make it as clear as it should be.

Mr. RAYBURN. But if I were interpreting the language, I would say that he could not even graze a cow on such land and then sell the cow.

Mr. O'MALLEY. And that is exactly the reason for the amendment.

Mr. RAYBURN. I could not raise one of my dairy cows and then sell the milk.

Mr. BOILEAU. Not if the Secretary interprets the language according to my views.

Mr. JONES. If that is to be the interpretation, in accordance with my statement, I shall vote for the amendment myself, but I cannot urge my colleagues to do so.

Mr. BOILEAU. In view of the gentleman's statement that he will vote for it but cannot urge his colleagues to do so, for one, I am willing gladly to release him from the agreement and with the gentleman's consent I shall introduce the amendment as originally prepared.

[Here the gavel fell.]

Mr. RAYBURN. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I do this not to make any remarks but I want to get what is in the mind of the gentleman from Wisconsin.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. I yield to my colleague.

Mr. JONES. If the gentleman will permit, here is the reason for my interpretation, which may be wrong. We provide certain mandatory conditions about the land at one place. What I was getting at, and what I thought this language means, is that the Secretary should assist in a sympathetic and in every practical way in encouraging the growth of these noncommercial crops and discourage the growth of commercial crops, or not encourage the growth of commercial crops. However, this is not in the mandatory amendment, and does not force the Secretary to do this as I read it. I appreciate the generous release which the gentleman from Wisconsin has given me.

Mr. BOILEAU. I thank the chairman for his courtesy in this respect, and at the proper time shall offer my amendment.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. No; I want to interrogate the gentleman from Wisconsin [Mr. BOILEAU] with respect to his view of the amendment. If it means what I understand him to say it means, then, of course, it is another matter altogether, and I could not vote for it at all.

Let me ask the gentleman the question again, as there was some confusion a moment ago. Suppose I take out of production 40 acres of land under this language——

Mr. BOILEAU. Does the gentleman mean under the amendment I have withdrawn, or under the amendment that is in the RECORD and that I now propose to offer?

Mr. RAYBURN. What is in the gentleman's mind when he offers the amendment. Is it the gentleman's interpretation, if he gets his language in the bill, that I cannot use that 40 acres at all except to terrace and plant some kind of crop that I will turn under the ground to build up my soil?

Mr. BOILEAU. No; the gentleman is not accurate. If the amendment that I propose to offer is adopted, it will provide that any farmer who receives money from the Federal Government for taking land out of the production of soil-depleting crops shall use such lands only for the purpose of building up the soil, preventing erosion, or planting crops that will accomplish such purposes, plowing them under, letting them lie fallow, resting them, but he cannot harvest such crops for sale, nor can he feed livestock for sale. These lands could not be used to graze or pasture livestock for sale, or the products of which are intended for sale. In other words, he can use such lands for his own use to build up his own standard of living, to provide for a cow, if you please, to furnish milk for his own family, to raise vegetables, but, generally speaking, this land for which he is being paid money by the Federal Government to rebuild the soil and prevent erosion could not be used to compete commercially with the producers of any other agricultural commodities.

Mr. RAYBURN. I think the gentleman makes himself very clear.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. O'MALLEY. Does the gentleman believe in his own mind that without the Boileau amendment a farmer under this bill can be paid for taking his land out of crop production and still raise on it other things that he can sell and get more money from?

Mr. RAYBURN. I am not qualified to answer that question. I am trying to get the position of the gentleman from Wisconsin [Mr. BOILEAU].

Mr. O'MALLEY. Does the gentleman believe the Boileau amendment will prevent that?

[Here the gavel fell.]

Mr. O'MALLEY. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. O'MALLEY. Does the gentleman believe the Boileau amendment will prevent a farmer who is receiving payment for land he takes out of production from raising crops on it that he can sell in the market?

Mr. RAYBURN. I certainly do.

Mr. O'MALLEY. The gentleman believes the Boileau amendment will do that?

Mr. RAYBURN. Yes.

Mr. O'MALLEY. Then what is unfair about it? Should the farmer be paid twice?

Mr. BOILEAU. Mr. Chairman, I now desire to offer the amendment that I sent to the Clerk's desk yesterday afternoon.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU to the substitute amendment: On page 6, line 20, of the amendment, strike out the period, insert a comma and the following: "and any payment or grant of other aid which is conditioned, in whole or in part, upon the growth of soil-restoration, soil-conservation, or erosion-preventing crops on any land, or any change in the kind of crop to be grown on any land, shall be subject to the further condition that no crops intended for sale be harvested from, and no livestock, intended for sale, or the products of which are intended for sale, be grazed or pastured on such land."

Mr. BOILEAU. Mr. Chairman——

Mr. JONES. Mr. Chairman, would it be proper now to have some agreement as to time on this amendment?

Mr. BOILEAU. Yes.

Mr. JONES. I ask unanimous consent that the debate on this amendment and all amendments thereto be limited to 40 minutes, one-half to be controlled by the gentleman from Wisconsin and one-half by myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. ZIONCHECK. Reserving the right to object, I reserve the right to object to make this statement: I am going

to object to more than 20 minutes, because we have consumed half an hour already on this same subject.

Mr. JONES. I hope the gentleman will not object. I regret the extension of time as much as he does, but this was agreed to as a matter of compromise.

Mr. ZIONCHECK. Mr. Chairman, I withdraw my reservation.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BOILEAU. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, I am somewhat amazed at the turn that this debate has taken. I do not believe that there is any secret about the situation that has arisen here. Certain Members of the House interested in the Boileau amendment accepted a substitute offered by the chairman to the amendment offered by the gentleman from Wisconsin. The amendment was drawn by the distinguished chairman, and it was agreed upon by those concerned in this situation. The gentleman from Texas wished by the language of the substitute amendment to protect the farmers not helped by this legislation. I will say that from my interpretation of it the chairman of the committee intended to be fair, but certain leaders of his own party from the South have browbeaten him into withdrawing the original language and have sought at this stage to put into this discussion weasel words which would destroy the purpose of this mutual agreement.

It seems to me that selfishness, the influence of section, and misuse of political power was never more apparent than it is in this situation.

What is this bill? This bill is a soil-conservation bill. The Chairman knows that. Some of the leadership on the Democratic side do not seem to know it. The farmer is to be paid for taking 25,000,000 acres of land out of production. All we ask is that he shall not put that land into competing crops. The Boileau amendment now pending will prevent the cotton farmer, who has received more than $700,000,000 out of the Treasury during this administration, from going into dairying. Soil conservation means that the land lie fallow and be at rest. Certain gentlemen on this side contend that the land so withdrawn should be in use. In other words, they want the farmers of their regions to have their cake and eat it, too. I submit that that is brutality in the last degree so far as legislation is concerned. Five hundred million dollars is to be appropriated by this bill for protecting the future of America by soil conservation. Soil conservation means that the land shall be at rest and be planted to appropriate crops. If those crops are removed from the land, the future of America is not conserved and the soil is not conserved, and this bill, of doubtful constitutionality, is headed for a certain debacle in the United States Supreme Court. This provision—the Boileau amendment—written into the bill will strengthen its constitutionality. It will insure that these 25,000,000 acres are to be conserved for future generations, and it will appeal to the Supreme Court as a real and not a specious conservation measure. And so I say to you, gentlemen of the House, from whatever section you come, if you are thinking in terms of the future America and not of your own group and your own locality, you will support the Boileau amendment, because that amendment will strengthen and not weaken the constitutionality of the bill. The adoption of this amendment will also insure fair treatment for the dairyman of the North and Central West. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. JONES. Mr. Chairman, this confusion that has arisen is all my fault. I have had a good many things on my desk, and I still have my interpretation of the measure, but so many disagree with me that I am willing to defer to their judgment. The situation arose in this way: Here is what I had intended to submit, and I dictated it in my office:

The Secretary, in administering this section, shall in every practical way encourage and provide for soil conserving and soil rebuilding crops and practices rather than soil-depleting commercial crops.

I asked the drafting service to draft that idea. I did not look over it as carefully as I might. He drafted it in three different forms, which I submitted to Mr. BOILEAU. I had no thought of it being interpreted as a mandatory provision. I thought we could go this far, saying he should encourage the one and not the other. However, that is neither here nor there. It hurts me to have a man make the charge that the gentleman from New York [Mr. CULKIN] has just made, because if there is anything that I have taken a pride in it is in being honest with this House. [Applause.]

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. JONES. Mr. Chairman, I repeat, there is one thing that I have always taken pride in, and that is my integrity, and I say to the gentleman that any pressure from anyone has no effect upon me. I do what I honestly think is right. This was the idea which I dictated and which I expected to include. The original amendment is absolutely impossible, in my judgment. If a cow should break into a pasture, the farmer could not get any payment.

That amendment conditions all payment upon the farmer in using any of this. That is an entirely different thing from either of these amendments, in my judgment. He could not get any payment. The Secretary in these millions of payments would have to pass on whether or not the farmer had violated any of these provisions. It would take an army as large as Hitler's to carry out such a provision. It is utterly unworkable in every possible way. In addition to that, it puts a mandatory provision on the Secretary which, I think, is unconstitutional. I believe that the dairymen are protected in this bill all the way through, and this was the thought I had in mind, and I honestly hoped the policy would be carried out. I would not object to its being put in the bill. If the interpretation I place upon it is wrong, I am sorry, and it has been my mistake; but I make no apology for my conduct. I want to put in the RECORD at this point a statement made by Secretary Wallace and a statement made by Mr. Chester Davis.

The CHAIRMAN. Is there objection?

There was no objection.

The statements referred to are as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 21, 1936.

Hon. MARVIN JONES,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. JONES: Remarks made in the House of Representatives indicate that some Members have a misconception of my attitude and that of the Department of Agriculture toward the dairy industry. These Members seem to have the impression that we are concerned about all of agriculture except the dairy industry. I would like to make it clear once and for all that I regard the welfare of the dairy industry as just as important as the welfare of any branch of agriculture.

Some Members have expressed the fear that the new farm bill might work out to the disadvantage of commercial dairymen. This fear apparently is based upon their belief that the shifting of lands from production of surplus crops which deplete fertility into soil-building legumes and grasses would result in increased competition for the commercial dairy regions.

My considered opinion is that the dairy industry would not be harmed, but, on the contrary, would benefit greatly from the soil-conservation program contemplated by the new farm bill. I will not attempt here to enter into an extended discussion of the economic factors involved. But I do wish to point out that (1) the volume of livestock products, including dairy products, is dependent primarily upon the amount of feed units available, and land in grain produces one-third to one-half more feed units than land in grasses or legumes; (2) farmers who have not been used to milking cows do not usually go into commercial dairying unless forced to do so by low prices for products they have been accustomed to raise; (3) if the over-all capacity of the American farm plant is brought more nearly into balance with total demand for food and fiber, all farm products, including dairy products, will feel the beneficial effects of strengthened price levels. Experience of the past 3 years and the improvement in the dairy and beef cattle industries which accompanied the adjustment programs lends substantial weight to this reasoning.

It is also important to remember that the proposed new program is more general in nature than the commodity programs were and that increased opportunities will be afforded for dairy farmers to participate.

Of course, actual experience in administration will be the real test of the new farm program. If it should turn out that, contrary to our expectations, dairy production did tend to increase more rapidly than consumers' ability to buy and, especially in flush seasons, price declines resulted, then positive corrective steps can and will be employed. If circumstances warrant, the Government

would have adequate authority to step into the market with purchases of dairy products for relief distribution.

Such purchases, by taking excessive supplies out of the commercial market, would not only help to sustain dairy prices but would provide this nutritious food to families who otherwise could not afford it. Leaders in the dairy industry have for years vigorously opposed any policies of scarcity and have expressed the belief that the way out for their industry lay rather in encouragement of consumption.

I feel strongly that in planning to conserve and improve the soil resources the new farm program is soundly conceived, not only in the interests of agriculture but in the national interest as well. And if it should be my responsibility to administer this program I will do everything in my power to see that it is carried out with fairness and justice to all farm groups.

Sincerely yours,

H. A. WALLACE, *Secretary.*

UNITED STATES DEPARTMENT OF AGRICULTURE,
AGRICULTURAL ADJUSTMENT ADMINISTRATION,
Washington, D. C., February 20, 1936.

Hon. MARVIN JONES,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. JONES: My attention has been called to the fact that in the progress of the debate on the pending soil-conservation amendment, statements have been made to the effect that, when I met with your committee to discuss the bill's provisions, I had advised the committee that I expected there would be an increase in dairy production as the result of the new soil-conservation program.

My comment on this point was in response to a question by Congressman ANDRESEN, who asked me, as I recall it, if I did not believe the operation of the bill would result in increased output of dairy products. While I am not able to reconstruct the exact language, I remember very clearly the substance of what I told the committee, which was:

"That, in the judgment of feed and dairy experts, the volume of animal products produced for market is generally governed by the number of feed units produced; that cultivation of land for feed grain crops produces many more feed units per acre than are produced when the land is in legumes or grass, so that a shift from the production of corn and other feed grains to grass and legumes would, in the judgment of experts like Dr. O. E. Reed, of the Bureau of Dairy Industry, result in reducing rather than increasing the total output of livestock products."

I then stated that, even assuming these men are mistaken and that, as a result of the program, an increase in the output of dairy products took place, Congress had already given the Department of Agriculture funds and authority to deal with the situation in such a way that dairy producers would not suffer. I mentioned the provisions of section 32 and of the Agricultural Adjustment Act and its appropriation section particularly, pointing out as an illustration of how these powers would be used, the purchases of dairy products for relief distribution which had already taken place. The figures were:

	Pounds
Butter	69,016,491.98
Cheese	18,112,278.13
Dry milk solids	15,842,262.57
Evaporated milk	47,026,784.75

I told the committee that in my opinion there would be no hesitation in using these powers to hold support under butterfat prices and that increased consumption of dairy products in this country, if it could be brought about without depressing dairy prices, would be a good thing for the United States, since from the dietary standpoint we consume in this country less milk and its products than we should.

I believe the foregoing represents accurately what I said before the committee, just as it sets forth my present views.

Sincerely yours,

CHESTER C. DAVIS, *Administrator.*

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. JONES. I am sorry I cannot yield; the time is so short. This statement was made by Department officials before the Committee on Agriculture and gives their assurance that they expect to take care of the dairy interests in every practical way. I think they show that the interpretation which I put on the statement in my speech yesterday was a correct one.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BOILEAU. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Chairman, I have been finding a great deal of difficulty with myself in getting around to the point where I can vote for this measure. I must say that I have not gotten exactly to that point yet, although I am getting very close to it if the pending amendment is adopted; otherwise I am no nearer a decision than before.

As a matter of common knowledge and general understanding among the membership of this House, the question of legislation affecting the farming interests of this country is the character of legislation that the Congress is generally more nearly uniform in agreeing to than any other character of legislation that comes before us. The reason for that is that it is recognized by everyone that the success and prosperity of the farmer is essential to the welfare of this country.

I think the basic principle was well stated, much better stated than I can state it, by the distinguished William Jennings Bryan more than 30 years ago, when he said:

> You may burn down your great cities and leave us our farms, and your cities will spring up again as if by magic; but destroy our farms and grass will grow in the streets of every city in this country.

That is the philosophy upon which legislation ought to be based. I think this bill is an honest effort to conserve the soil and make it possible for the farmers to prosper. By way of an answer to the gentleman from New York [Mr. CULKIN], let me say that I was having my difficulties in agreeing to this bill, but the chairman of this committee has been so manifestly fair in his discussion upon the floor of the House that he has almost whipped me into line with his fairness. I do not think the criticism he has received upon the floor of this House is at all justified. [Applause.] The amendment that was adopted today which protects the consumer against exorbitant prices has gotten me by one of my chief difficulties. With reference to the amendment that is now pending, and for which I expect to vote, I must say that if the question of mandatory legislation, as far as the Secretary of Agriculture is concerned, is to be raised on this amendment, it ought to be raised on the entire bill, because I have never read a piece of legislation that creates such despotic and unlimited power in the hands of one man in this country. Under the permanent features which attempts to get by the recent decision of the Supreme Court on the question of States' rights, no State can enact any law or adopt any plan that can be put into effect unless it conforms to the whims of a Washington bureaucrat. It puts the farmer on a dole and ties the hands of the States. I challenge any man on the floor of this House to show the contrary. If you are going to give a farmer the right to plant a legume crop as a fertilizer upon 40 acres of land, I say the farmer's crop ought to be plowed under in order to fertilize the soil. [Applause.] A few years ago the Department of Agriculture put out a bulletin advising farmers to plant and plow under leguminous crops as a means of fertilizing and conserving the soil, and if this is a real conservation measure and not a simple subsidy, the Boileau amendment should be adopted.

Mr. JONES. Mr. Chairman, I ask unanimous consent to offer the statement that I dictated this morning as a substitute for this amendment, and to have it read, not to be taken out of the time, so that it may be before the body at the same time.

Mr. BOILEAU. Reserving the right to object, do you ask unanimous consent, or do you offer that as an amendment to the amendment?

Mr. JONES. No. I ask unanimous consent that it may be read and not taken out of my time.

Mr. BOILEAU. To be read, but not offered?

Mr. JONES. To be offered at the time this comes to a vote. I will offer it as a substitute.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read as follows:

> Amendment proposed by Mr. JONES, offered for information: On page 6, after the period in line 15, insert "The Secretary, in administering this section, shall, in every practical way, encourage and provide for soil-conserving and soil-rebuilding crops and practices rather than soil-depleting commercial crops."

Mr. JONES. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Chairman, I do not know that I shall consume all the 5 minutes that has been yielded to me; but, despite any differences of opinion that we may have had with reference to the interpretation of the amendment that was offered by the gentleman from Wisconsin and subsequently withdrawn, as far as the amendment now

actually pending before the Committee is concerned, I want to call the attention of the membership of this Committee, particularly the lawyers, to the fact that if we adopt the amendment now offered by the gentleman from Wisconsin, in the light of the specific interpretation placed upon the A. A. A. bill by the Supreme Court of the United States, you might just as well not pass any farm-relief bill. I think I measure my words when I make that statement. Why do I say it? If you will read the amendment offered by the gentleman from Wisconsin, it undertakes in definite, direct, and specific terms to regulate agriculture or some phase of agriculture. The language of the amendment reads:

> Or any change in the kind of crop to be grown on any land shall be subject to the further condition that no crops intended for sale be harvested from, and no livestock intended for sale, or the products of which are intended for sale, be grazed or pastured on such land.

A direct, determinate, specific condition.

What did the Supreme Court of the United States say as to that? We must be bound by that mandate of the highest Court of the land, however some of us may differ with its conclusions. I read a brief extract from what I regard as the very heart of the opinion in that case:

> The same proposition otherwise stated is that powers not granted are prohibited. None to regulate agricultural production is given. Therefore legislation by Congress for that purpose is forbidden.

If you vote for this amendment offered by the gentleman from Wisconsin, you do it deliberately, with your eyes wide open, with this specific prohibition, with the words of the Supreme Court of the United States immediately before you, and you do a vain thing that will necessarily, in my deliberate opinion, mean that you are passing a bill that cannot be sustained by the highest Court of the land. Now, can you afford to do that? We may have honest differences of opinion, but if you want an agricultural bill, you certainly cannot afford to vote for this amendment. I urge you, upon the ground I have stated, regardless of other considerations that might enter into it, not to do a thing of that sort deliberately.

Mr. MAY. Will the gentleman yield for a question?

Mr. BANKHEAD. Briefly.

Mr. MAY. I want to ask if this provision is any more mandatory than the effect of the other provisions that the Secretary of Agriculture is empowered with?

Mr. BANKHEAD. Undoubtedly. If the gentleman will read the four corners of this bill, as I have endeavored to read them, he will find there is nothing mandatory, there are no contractual obligations imposed upon any farmer. I do not know whether this would stand the test of the Supreme Court, but it seems to me the committee has removed as far as it is humanly possible every legal obstacle as a basis for constitutional destruction, and I hope this amendment will be voted down.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Chairman, I yield to the gentleman from New York [Mr. SISSON] 3 minutes.

Mr. SISSON. Mr. Chairman, it is with a great deal of reluctance and hesitation that I put myself in the light of being presumptuous enough to differ with the very able and distinguished chairman of the Committee on Agriculture on a matter affecting that great industry. I have the highest respect for both his integrity and his ability. It is with equal reluctance that I differ or appear to differ with our able and distinguished majority leader. I think he is just as good a lawyer as any member of the highest Court in this country. [Applause.] But I doubt that he can guess any better. I am sure the majority leader feels that the Bankhead Cotton Act was constitutional or he would not have proposed it to this body; he has too much integrity and too much regard for his position as a lawmaker. He guessed wrong on the Bankhead Cotton Act; not as to its constitutionality, for I believe it was clearly a constitutional exercise of our power under the welfare clause. He guessed wrong as to what the judges would say about it. I say this not in criticism of him, for no man or group of men can tell in advance what the judges are going to say on a so-called constitutional question. If he guessed wrong then, he may be guessing wrong now. Frankly, while it is presumptuous for me to oppose myself to him as an authority on the Constitution, it seems to me clear that with the Boileau amendment added to the bill it will be more truly a conservation bill than it would be without. [Applause.]

May I say just this one thing further and then I am through: The dairymen of the State of New York, the dairymen of the whole Northeast believe, whether rightly or wrongly—and I think they have some ground for their apprehension—that this bill is going to be very injurious to them at least without the addition of the Boileau amendment; and I am saying this particularly for the benefit of my Democratic colleagues.

I am going to support the Boileau amendment and, as I said yesterday, unless this amendment is adopted I shall be compelled, representing the interests of my own section, to vote against the bill. I am willing to do everything possible for any other section of the country, but I am not willing to do something for another section solely at the expense, the detriment, and the tearing down of the greatest industry of the farmers in my section. Without the Boileau amendment I shall vote against the bill. [Applause.]

Mr. JONES. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. MITCHELL].

Mr. MITCHELL of Illinois. Mr. Chairman, no bill has been brought to the floor of this House since I have been a Member of this body that I have been more interested in than the bill now being considered. This bill has in its language the power to help nine-tenths of my people, the group I represent, because we are largely an agricultural people. I am unwilling to jeopardize the good that can be realized in this bill by attaching to it any amendment that will perhaps cause it to be declared unconstitutional, thus robbing us of all the benefits the bill promises.

I know what agriculture in this country has suffered. Not only was I reared on a farm but for many years I was president of an agricultural school; and I believe, as I have heard expressed on this floor many times, that the progress of this country is based more upon agriculture than upon any other single industry. I do not believe we ought to jeopardize the good that can be realized from this legislation by attaching to it an amendment that would help one section of the country at the expense of another.

It has not been proven that this bill will injure dairying; it is only an idea in the mind of gentlemen who come from dairy districts, and it has been very interesting to me to notice that most of the opposition comes from Members who live in the cities. I have the deepest sympathy for every phase of agriculture, and I should not like to have a part in or be a party to passing any legislation that would injure any part of this industry, but I do not believe the bill will do that. I believe the picture as to the injury that will come to dairying if we pass this bill in its original form is far overdrawn. For my part, to keep from destroying the usefulness this bill promises, I am going to vote against the amendment and for the bill. [Applause.]

Mr. BOILEAU. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. ANDRESEN].

Mr. ANDRESEN. Mr. Chairman, I am very sorry the chairman of our committee did not take the time to read the letters received from the Secretary of Agriculture and the Administrator of the Agricultural Adjustment Act so that we could learn their present opinion as to the effect upon the dairy industry of this legislation, for in the committee it was definitely stated by both gentlemen that the dairy industry would naturally be expanded as a result of this program. If they now have a different opinion, and if they do not intend to encourage expansion of the dairy and livestock industry, then I think we should have their communications read so that we can have an understading of their attitude. The Members on this side, and particularly myself, regard farm legislation as one of the most important problems before Congress in this or any other session. I am for farm legislation. I want a program that we can agree on that will be of benefit to agriculture and not to the detriment of any particular group in our great agricultural industry. So if our chairman in his own time will let the House know how

the Secretary of Agriculture and the Administrator of the Agricultural Adjustment Act now stand on this question, I am sure he will be contributing something that may clear up the fog surrounding this situation in the minds of Members representing the dairy sections; and we may be able to get together on an amendment to take care of the dairy sections.

I thought we had harmony here in the construction of an amendment that would take the place of the Boileau amendment. I concurred in the chairman's suggestion because I felt he was in sympathy with the idea of giving equality to all of agriculture. I am sorry he has changed his mind and the minds of certain gentlemen on the other side of the aisle.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that the two letters I hold in my hand may be read by the Clerk, without being taken out of the time.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. BOILEAU. Mr. Chairman, I object at this time.

Mr. JONES. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Chairman, I am sure there is not anyone here who wants to do anything injurious to the dairy industry of this country. I do not; and I trust that the gentlemen who are interested in dairying, and who have introduced this amendment in order to protect the interests of dairying, will not be so insistent upon their point that, in order to get this protection for dairying, they would destroy a lot of our small farmers out through the Middle West and the Southwest who farm small acreages put to cash crops. If they are to participate under this program and be benefited by it, when they take these acres out of production and place them to the planting of legumes or some other fertility building product, they must of necessity be able to at least graze their milk cows on that piece of land which they have taken out of the production of cash crops. For the life of me I cannot see why, with all the wisdom in this House, it is not possible to prepare an amendment here which will do the thing that they want to do and yet not destroy a lot of the fellows about whom I am talking, so that these small farmers who have one or two milk cows and use the milk for their own consumption and maybe sell a quart or two occasionally, will not be deprived of the use of the land which they take out of production.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Chairman, I am extremely surprised at this time that the opponents of the Boileau amendment should bring up the question of constitutionality in connection with this amendment. I am surprised at that attitude, in view of the fact that our own Chief Executive has stated that we should not let doubt as to the constitutionality of a bill prevent us from passing good legislation. [Applause.]

It has been admitted by the opponents of the Boileau amendment that a farmer may receive payment from this Government for land which he takes out of production so far as concerns certain kinds of crops, but he may still produce upon that land other crops and receive payment by the sale of these crops. I submit that is absolutely unfair. If the Government is going to pay the farmers in certain sections of the country for taking land out of production, that should be sufficient for the farmer, particularly when the money is going to come from the taxpayers of other sections of the country.

If the Boileau amendment is rejected by this body, I hope my State will not stand idly by and let our dairy industry be wiped out. If this bill is passed without the Boileau amendment, I trust the executive authorities of my State will be the first to show the courage to take the proper steps to challenge the constitutionality of a bill which threatens the livelihood of one group of farmers to benefit another group and carries to a destructive end the vicious and atheistic theory of scarcity. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Chairman, first I want to take this opportunity to thank the membership of this House for granting $2,000,000 to be used to control dust storms in the area commonly known as the dust bowl, which is situated in my district. A year ago I started trying to get funds to allow farmers to list their fields to prevent blowing.

My people that live in this district have borne the scourge of 5 years of droughts and dust storms. They are capable, brave, and courageous, but they have reached the limit of their own resources, and the Congress, by granting this $2,000,000, has allowed these farmers to combat these terrible dust storms by listing their ground. This will mean that they will be able to save what wheat they have from destruction. It will mean some measure of relief from the choking dust that has impaired their health. It will mean protection for grazing land and should limit the dust that is being deposited on the grass and ruining it for animal use. It will mean protection to the merchants from having their stocks of goods ruined by dust. It will mean protection to the housewife, who, during the dust storms, found the most spotless household covered with a layer of dust. I am grateful to the Congress for recognizing these dust storms as being a calamity comparable to a disastrous fire, earthquake, or flood, and I fully believe that the $2,000,000 granted in this bill will in a measure alleviate these conditions.

Now, as to the amendment introduced by the gentleman from Wisconsin [Mr. BOILEAU], I have only this statement to make:

Any farmer will realize that 50,000,000 acres planted to grass or the legumes will not produce as much beef or butter products as 50,000,000 acres in corn, wheat, or other grain products. The argument is absurd on the face of it. You cannot produce more dairy products and more beef by taking out grain and forage crops and putting in grass.

The adoption of this amendment would mean that no farmer could raise any crops planted on the acres he is attempting to rebuild. Such a system would be unworkable and be a hardship to the farmers of my district and would make cooperation in this program impossible. Almost every farmer in my district has a few milk cows and markets butterfat from these cows. I do not believe that the pasture derived from soil-building crops should be entirely consumed or used for commercial purposes, but under the amendment offered by Mr. BOILEAU not even a calf could be turned in these fields without depriving the farmer of the benefits of the act. In many parts of my district legumes will not grow. The planting of sorghum, while considered a soil-depletion crop, if grazed in moderation would do more to restore this type of soil than legumes.

Thus, I hope the Committee votes down the amendment offered by the gentleman from Wisconsin.

Mr. BOILEAU. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. FIESINGER].

Mr. FIESINGER. Mr. Chairman, I am very much interested in this bill, although there are many things about it I do not like. I have been particularly interested in the Boileau amendment, and have endeavored to listen attentively to the debate. I went to see the gentleman from Wisconsin personally about the matter. Then I heard the chairman of the Agricultural Committee say upon the floor of this House that he objected to the Boileau amendment, because he thought it would make the entire bill vulnerable to attack under the Constitution of the United States.

As I stated, I have listened to all this argument, and I cannot understand the justification for the point of view of unconstitutionality. I am yet, however, considerably in the dark for the reason that we do not know just how this bill is going to be carried out by the Secretary of Agriculture. Some people here have said "He cannot make a contract." It would seem to me that he cannot work it out without making a contract and if a contract has to be made it seems to me there can be no objection to the insertion of a condition in that contract such as the Boileau amendment provides. I am not so particularly interested, and my district is not generally interested, in the dairying business, although there are many dairy farmers therein who have important interests. However, I do stand upon the proposition that

we should not take land out of use and then put that land to a use that will be competitive with other business in the country. [Applause.] I stand upon that principle, and I have a reason—a broader reason—for that position. I think one of the objections to the A. A. A. was that we took certain lands out of cultivation and then put those same lands into cultivation of other things which came into competition. As a result, we got into a system of logrolling here in the House.

I think this is a most pernicious way to legislate, and therefore I wonder if we cannot possibly get some kind of adjustment on this proposition so the Secretary of Agriculture may work it out.

I shall vote for the bill, but I shall also vote to recommit in an effort to have the Boileau amendment included, for the reasons I have stated, although I should have preferred a compromise. I do not share the misgivings of some gentlemen here that the bill would be unconstitutional with the Boileau amendment included any more than without it, and I believe that this bill will finally meet the constitutional test, otherwise I would not vote for it. Because of trade barriers, the farmers of this country have been unjustly dealt with, and it is high time we even the score, and the city man is vitally interested in this simple justice, because unless the farmer is put on an equality with industry there can be no prosperity in the United States worthy of the name. The bill has been amended so as to protect the consumer; and if the administration under the bill is anywhere near as good as the intent of Congress to make it a good bill and help the farmer, it seems everyone should be satisfied.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. GILLETTE].

Mr. GILLETTE. Mr. Chairman, I asked for this time to call the attention of the gentleman from Wisconsin [Mr. BOILEAU] to an interpretation that the language of his amendment is subject to, which I do not believe he intends.

The principal soil-building crops are alfalfa and clover. They are used for hay and at the same time they are valuable for building up the soil. The language of this amendment prohibits the raising of crops for sale, not for use, but prohibits the use of crops for grazing purposes for livestock.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Chairman, I yield myself 2 minutes, the balance of my time.

Mr. Chairman, a good deal of the debate with reference to this amendment has been with reference to its constitutionality.

The gentleman from Alabama [Mr. BANKHEAD], the distinguished majority leader, on yesterday quoted a sentence or two from the decision of the Supreme Court in the Butler case. The gentleman quoted this language, claiming it was conclusive evidence that this particular amendment is unconstitutional. I want to quote what I think is the same language he quoted, at least I am quoting from the same decision of the Supreme Court:

> The same proposition otherwise stated is that powers not granted are prohibited. None to regulate agricultural production is given, and therefore legislation by Congress for that purpose is forbidden.

The gentleman used this language as an argument that the amendment I have offered is unconstitutional. I may say to the gentleman from Alabama and to the membership of this House that this bill gives the Secretary of Agriculture the power to do everything that my amendment says he shall do. There is no difference in my amendment and the provisions of the bill, except the bill as it is now written authorizes him, if he sees fit, to make these conditions upon payments, and the amendment I offer says he must make these conditions before payment is made.

I have talked with distinguished lawyers in this body, and I have talked with distinguished constitutional lawyers who, in this Committee, on other occasions, have been accepted as authority, and they say this amendment does not under any circumstances add to the unconstitutionality of the bill. There is no justification for a statement that this amendment would invalidate the act. If this bill is constitutional, certainly it would not be considered unconstitutional if we provided that the Secretary shall do the thing that we now say he may do.

To my mind such an argument is ridiculous. To my mind there is no justification for an attack against this amendment on the ground that it is unconstitutional, unless you are willing to admit that the bill itself violates the Constitution. [Applause.]

Mr. JONES. Mr. Chairman, I yield the balance of the time to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Chairman, on this particular occasion I regret very much to find myself in direct opposition to my distinguished young friend from Wisconsin, particularly with reference to his last statement as to the constitutionality of this bill.

An understanding of this measure is requisite before one can put it alongside the Constitution, which is the method, according to the Supreme Court, of deciding whether or not an act conforms with that instrument.

This is not a crop-production control measure. This is a soil-erosion, soil-conservation, and soil-rebuilding measure. There is nothing in this measure that indicates under the powers granted to the Secretary that he should recommend anything more than a shift in soil usage, or a shift in crop to be planted on the acreage of the farms of the country.

Of course, those who entertain the idea that this is still a bewhiskered Mephisto, as I said on yesterday, in the guise of a reenactment of the A. A. A., with its corn-hog contracts, and so forth, if you please, from which, in my distinguished friend's district last year, he and others, including myself, asked relief because of its restrictive provisions preventing the use of such lands taken out of corn from being used for dairy feed for starving cattle in dry areas, are certainly mistaken.

The constitutional question involved in the gentleman's amendment to this bill is that it is a direct crop-restriction bill. The bill without such an amendment provides for the shifting of crops and a different use of such lands. The lands that are now in soil-depleting crops are taken out of such production and put in grass. With his amendment a compulsory restriction imposing control makes the bill fly in the face of the Supreme Court ruling in the A. A. A. case.

As applied to my State and the cotton-producing South and many other areas of the United States, alfalfa and other valuable legumes cannot be raised, but we still conduct a reasonable livestock and dairying business. The dairyman who raises cows always has a few to sell, just as does the ranchman and the sheepman have feeders and lambs to sell, and in the shifting use of the land under this measure I see no reason or justification for the suggestion that the dairyman in my section or the ranchman in my distinguished and able friend JIM WADSWORTH's section should be denied the opportunity of selling a few feeders or a few lambs to those who would graze them on lands that once produced all wheat, or on land which once produced all cotton, and in this way restricted the fertility of the soil to go into the hands of future generations.

Mr. Chairman, when we go into this question and study it carefully we are confronted with this peculiar situation. Much ado is made over an amendment to this bill which, in my opinion, under a strict interpretation of parliamentary rules of procedure, would be conceded to be not germane to this measure, because the purpose of the amendment and the powers to be exercised are so widely different from the purposes to be attained and the powers to be exercised under the original bill itself.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU].

The question was taken; and on a division (demanded by Mr. O'MALLEY) there were 101 ayes and 129 noes.

Mr. O'MALLEY. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. JONES and Mr. BOILEAU.

The Committee again divided; and the tellers reported that there were 111 ayes and 144 noes.

So the amendment was rejected.

Mr. MAPES. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. MAPES moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. JONES. Mr. Chairman, I make the point of order that that motion has already been voted upon and that it is dilatory.

The CHAIRMAN. Two amendments have been adopted since the other motion was offered, and so this motion is in order.

Mr. MAPES. Mr. Chairman, this morning I received the following telegram:

DETROIT, MICH., *February 21, 1936.*

CARL E. MAPES,
House of Representatives, Office Building,
Washington, D. C.:

Believe new farm bill opposed best interests Michigan farmers who practice fundamentals laid down in measure, and whose markets will be threatened by increased similar production elsewhere.

EDITOR MICHIGAN FARMER.

A few days ago I received a letter from the secretary of the Michigan State Farm Bureau, as follows:

MICHIGAN STATE FARM BUREAU,
Lansing, Mich., February 17, 1936.

The Honorable CARL E. MAPES,
House of Representatives, House Office Building,
Washington, D. C.

MY DEAR REPRESENTATIVE MAPES: A review of the soil-conservation bill, H. R. 10835, indicates that some features should have careful study and some important amendments. I understand that in the administration of the proposed legislation it is planned to take from 20,000,000 to 30,000,000 acres of cotton, tobacco, corn, wheat, and other cash crops out of production and use the land for reforestation and to grow grasses and legumes. Farmers entering into such an arrangement would receive a rental for making the change. Also, the forage so produced would be allowed to enter into the channels of trade and livestock production.

Manifestly this procedure would not only materially increase the Nation's output of dairy and livestock products in areas adapted to their production but it would also subsidize farmers in southern and other areas not adapted to livestock and dairy production to an extent which would bring these other territories into production of dairy and livestock products and still further increase our already existing surpluses.

The restoration of soil fertility and holding erosion in check is commendable, and, in my judgment, well worth the expenditure of considerable money under proper safeguards, but certainly this legislation would appear extremely dangerous unless it can be so framed as to prevent the hay and legume crops produced on such lands from adding still more to the existing distressing surpluses of dairy and livestock products. It is only logical to keep the production of such lands out of commercial and livestock channels, except perhaps in cases of dire shortage and emergency.

Furthermore, when we consider that the bill as now drawn provides that the administration of the act rests in the Secretary of Agriculture, with unlimited powers, the unbalancing of our agriculture and the resultant havoc to the interests of the farmer possible, and even probable, indicates surely that amendments should be made to safeguard these features.

At this distance I realize I do not have the background to properly appraise all features of the bill; but it also is apparent that (g) under section 7, which provides for the apportioning of the money on the basis of farm population, the value of agricultural commodities, and the acreage and productivity of the land in the respective States, should be very carefully examined to determine whether or not this is equitable to Michigan and other northern agricultural States. If this basis for apportionment is inequitable to Michigan and northern agriculture, serious harm to our farming interests would certainly result, particularly when we consider the unlimited powers granted the Secretary of Agriculture in the administration of the act.

I am writing this solely to safeguard the interests of Michigan farmers and with a view to better adapting any new legislation to the direct needs of Michigan agriculture than obtained under the recently invalidated Agricultural Adjustment Act.

Certainly a new act should take the direct interests of the Michigan farmer into consideration, just the same as those of the Corn and Cotton Belt States, and I am greatly in hopes that the considerations suggested above, and others to safeguard the administration of the act, may be included in the bill.

That legislation to carry out the main purposes of the act is seriously needed is evident to every well-informed person regarding the farm question. I have found no evidence of disagreement on this point. It is only a question of a comparatively short time before overproduction in many lines of agriculture will result in distressingly low farm prices and consequent loss of buying power for the products of industry if a satisfactory solution is not found.

The Michigan State Farm Bureau is intensely interested in the development of a permanent and constructive program, but it can no longer acquiesce in a plan that merely permits the Michigan farmer to pick up the crumbs that fall from the legislative table.

Since the declaration of the Agricultural Adjustment Act as unconstitutional by the Supreme Court neither the board of directors nor the membership of the Michigan State Farm Bureau has had an opportunity to formulate a new policy. Nevertheless, I consider the interests of Michigan farmers involved to an extent which renders it my responsibility to write you these observations.

Yours very truly,

C. L. BRODY, *Executive Secretary.*

Mr. Chairman, as far as I know, these two communications represent the sentiment of the farmers in the State of Michigan in regard to this legislation. At any rate I have not received a request from any farmer in the State to support it. The vote just taken rejecting the amendment of the gentleman from Wisconsin [Mr. BOILEAU] in an attempt to protect the dairy farmer is some indication of what may be expected in the administration of the law.

Mr. Chairman, this bill asks Congress to take too much on faith. It proposes, in effect, to give the Secretary of Agriculture a check of $500,000,000 to spend as he sees fit and asks us to have faith that it will be spent wisely. The only limitation put upon him is that the money must be used for five very vague and general purposes set forth in the act, namely:

1. Preservation and improvement of soil fertility.
2. Promotion of the economic use of land.
3. Diminution of exploitation and unprofitable use of national soil resources.
4. Provision for and maintenance of a continuous and stable supply of agricultural commodities adequate to meet domestic and foreign consumer requirements at prices fair to both producers and consumers thereof.
5. Reestablishment and maintenance of farmers' purchasing power.

I submit that no one can get any clear or definite idea as to how the money will be spent from that language and the proponents of the legislation for the most part have quite frankly admitted that they do not know. It is left to the Secretary of Agriculture to work out a plan and to spend the money where and in such ways as he thinks best. As the gentleman from North Dakota [Mr. BURDICK] has well said, it is up to the Secretary of Agriculture to determine whether a given State comes under it or gets any benefit out of it or not.

It is freely admitted that the success or failure of the program depends largely on the rules and regulations prescribed by the Secretary of Agriculture and how the law is administered by the Department. No one knows to what crops it will be applied nor what methods will be used to put the law into effect. Not only does the bill itself fail to give us any light but the Committee on Agriculture held no hearings on the bill, so that we have no way of telling what is in the minds of those who will be called upon to administer the legislation, or what they intend to do once it becomes a law.

It is conceded that the passage of the legislation will require the raising of $500,000,000 additional in taxation to meet the expenses of administering it. We have no idea of how that additional amount of money can be raised and are asked to have faith that it can be.

It is proposed to pay farmers in certain sections of the country to raise hay and other crops which will add to the fertility of the soil. We do that in Michigan through a rotation of crops as a matter of routine and good business, with no thought of being paid by the Government for doing it. As stated in the telegram which I have read, Michigan farmers practice the fundamentals laid down in the measure of their own accord. I wonder if it is a proper function of the Government to pay out public money for such purposes. Where will such a policy lead to? It will have a tendency to encourage a farmer to let his farm run down so that he can get some easy Government money to build it up again.

In one breath it is said that we ought to preserve as much of the A. A. A. as possible and that this legislation

will do it. In the next breath it is said it is not a crop-reduction bill at all. It is difficult to see any consistency between the theory of this legislation and that of the A. A. A. On the contrary, one is contradictory of the other. The theory of the A. A. A. was to pay for the reduction of crops. The theory of this legislation is to pay for growing crops. One is based upon the doctrine of scarcity, the other upon the doctrine of plenty. The chairman of the committee, in his very able and frank discussion of the bill yesterday, quite frankly said that he did not believe that under the temporary plan of the bill farmers could be paid directly to limit production of agricultural products.

This bill sets up practically no standard to guide the Secretary of Agriculture in the exercise of his discretion. The administration of it is left to his whim. It is an unlimited delegation of power. The bill gives no definite idea of what the legislative intent is. Under one Secretary one program might be adopted, and under another Secretary an entirely different and inconsistent one might be adopted. We are about to enter upon a political campaign. If this administration is voted out of power next November, as many confidently expect it will be, and a new Secretary of Agriculture is selected next January, what will be his program under this bill? How are farmers going to make any plans under such conditions? It will simply make confusion worse confounded. I believe it would be better to pass no legislation than to pass this makeshift without adequate consideration and without setting forth more definitely in the law itself what is to be done. If legislation is necessary, we should take time and know what we are doing before passing it.

Let me quote a paragraph from the preliminary report of the special legislative committee of the National Cooperative Council, dated February 12, 1936, which came to our desks a few days ago:

> It is desirable that no hasty action be taken which might result in the enactment of a new statute which would again be found unconstitutional in whole or in part. Nothing is more disturbing to agriculture than the invalidation of legislation under which extensive organization of agricultural groups has been effected. The despair and confusion resulting from the necessity of abandoning programs because of unconstitutionality of statutes on which they are based and the consequent reorganization that must occur in large agricultural groups cause more serious and lasting damage to the cause of agriculture than would result from such delay as may be necessary to permit the formulation of a sound, workable, and constitutional plan.

That is the statement of representatives of farm organizations who have devoted their lives to the study of agricultural problems. Among the members of the board of directors of the National Cooperative Council are three very distinguished and respected leaders of agricultural organizations in Michigan, namely, Mr. E. A. Beamer, Blissfield, Mich.; Mr. C. L. Brody, Lansing, Mich.; and Mr. N. P. Hull, Lansing, Mich.

I cannot see how this bill will be of any benefit to the dairy, fruit, vegetable, or other farmers in my district, and I can see how it might work to their great disadvantage. It is not in their interest nor in the interest of the country generally, and it should not pass.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. JONES. Mr. Chairman, on this particular amendment, which is a repetition of the other, I take this opportunity to say that, as shown by these letters from the Department, dairy production is fully cared for in this measure. We have not only soil conservation, which, if it goes to grass, produces much less in the way of feed units than corn or other major crops, but we also have in the bill a provision whereby funds may be used for the expansion of domestic and foreign markets and for finding new markets, and the removal and disposition of surpluses. We also have another provision of the bill which has been so amended that these products can be purchased and distributed, and these letters explain fully that those things have been cared for. I ask for a vote upon the motion of the gentleman from Michigan.

The CHAIRMAN. The question is on the motion of the gentleman from Michigan.

The motion was rejected.

Mr. GILCHRIST. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

> Amendment by Mr. GILCHRIST: Page 5, line 12, after the word "Secretary", strike out the word "shall" and insert the word "may."

Mr. JONES. Mr. Chairman, that is a matter about which the gentleman spoke to me the other day. I think the amendment should be adopted.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

> Amendment by Mr. JONES for the committee: Page 6, after the period in line 15, insert: "The Secretary, in administering this section, shall in every practical way encourage and provide for soil-conserving and soil-rebuilding crops and practices rather than soil-depleting commercial crops."

Mr. JONES. Mr. Chairman, I hope this amendment may be adopted. I was called into conference on another measure this morning and dictated this amendment in the office and asked the drafting service to take that and grind it into form. Unfortunately, I was delayed and got here only just at 12 o'clock. We had three copies of an amendment. I looked them over hurriedly. This was the basis on which I intended to tender a suggestion, one of the other side having approached me yesterday to know what I would be willing to do. I hope the House—because this is what I had honestly intended to present—will agree to this provision.

Mr. CARPENTER. Mr. Chairman, I move to strike out the last word. In the first place I wish to say I agree with my colleagues from Kansas on the proposition that legislation for the relief and benefit of agriculture should not be considered as a political issue. So far as that matter is concerned, I do not believe that any legislation coming before this Congress should be discussed or considered from a purely political party standpoint. I was greatly surprised when I came here to hear the bitter partisan political speeches made from both the floor of the House and the Senate. It has always been my idea that the political party was merely the horse you rode into office on, and should be tied outside and not rode around in the legislative chambers.

Back on March 22, 1933, when the agricultural-adjustment bill was up for debate, I stated here on the floor of Congress in part that—

> This is the legislation so far as the farmers are concerned, the emergency legislation that they are looking and praying for.
>
> Mr. Speaker, the title of this bill we are considering is "A bill to relieve the existing economic emergency by increasing purchasing power"; that is what I came here to assist in doing.

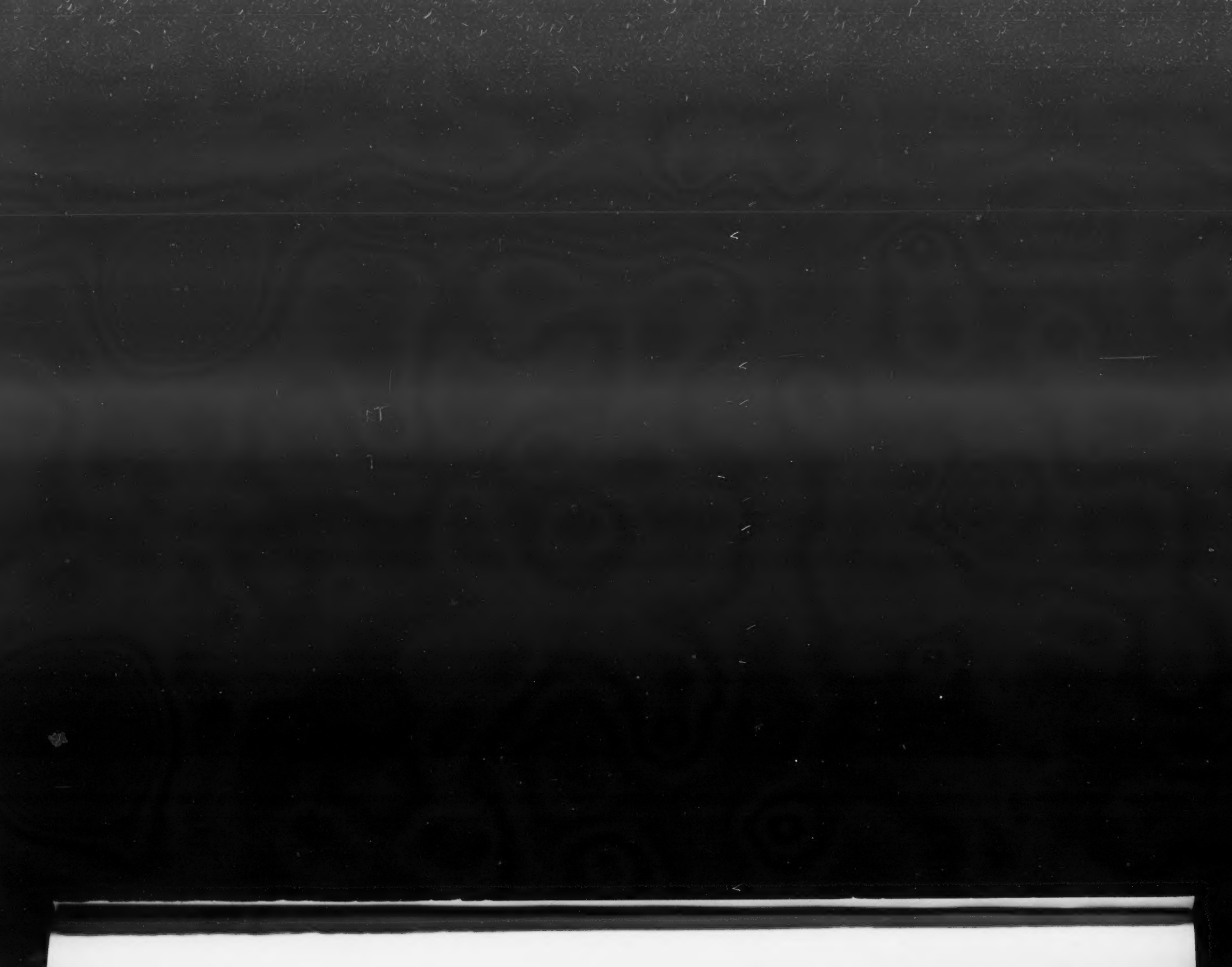
And that, may I say, Mr. Chairman, in looking back over what has transpired the last 3 years, is what we did accomplish. Now we find it necessary to again pass some form of farm legislation.

Why is it necessary to pass the bill in question? The reason, of course, is due to the fact that the original Agricultural Adjustment Act was held unconstitutional by a divided Court on the 6th day of January 1936. While I do not agree with the majority opinion, yet I would not destroy the Court or undertake to curb its powers. If we should do so, Congress could then pass any conceivable law it chose, and the rights and protection of the individual citizen would be sacrificed to what would almost amount to mob law.

The majority in their opinion in holding against the contention of the Government that the end accomplished in the act is by a voluntary cooperation makes this statement:

> If the cotton grower elects not to accept the benefits, he will receive less for his crops; those who receive payments will be able to undersell him.

There must have been a misconception in regard to this point, for the reason that those who receive their payments and those who stay out would both sell their products in the market for the same price so far as any provision in the act is concerned.



The decision of the Supreme Court invalidating the Agricultural Adjustment Act is considerable of a set-back to the progress being made by the agricultural industry. However, I fear that the result of the decision is even graver than any effect it has on the Agricultural Adjustment Act, as it goes much farther and holds that the Federal Government does not have the constitutional right to in any manner whatsoever control agricultural production, and that any or all contracts so entered into by the farmers with the Government are invalid.

A constitutional amendment may be suggested to meet the situation, but the difficulty arises in that it would take some time for such an amendment to be adopted by the various States, during which time the farmers would be suffering; and then, in addition to this, I fear, with the opposition in the East, that we would have difficulty in obtaining the adoption of such an amendment by the required number of States.

It is hard to understand how the Federal Government can grant subsidies for other lines of business and give tariff benefits to them and not have the same right to grant similar benefits to the farmer. Why should not the protective-tariff laws be held unconstitutional the same as the Agricultural Adjustment Act? It is a difficult matter to try and work out at this time, and it seems that the only relief that the farmers have ever received was taken away from them.

The price of farm products may not be reduced much in the immediate future, but with the loss of our foreign markets due to competitive foreign tariffs, I fear it will be hard for us to regain the markets we once had, and if this or some similar act is not passed, within 3 or 5 years we are liable to have a large surplus of agricultural products in this country, which will consequently reduce the price of farm products to the ruinous point where they were 4 years ago.

The majority opinion also holds:

> The act invades the reserved rights of the States. It is a statutory plan to regulate and control agricultural production, a matter beyond the powers delegated to the Federal Government.

And again—

> But if the plan were one for purely voluntary cooperation it would stand no better so far as Federal power is concerned. At best it is a scheme for purchasing with Federal funds submission to Federal regulation of a subject reserved to the States.

While I realize that the tenth amendment to the Constitution provides that the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people, yet agriculture is not in this day and age, nor can it be, a local matter or a subject of State control. The principal markets of the farmer are generally beyond the borders of his State. The price which he receives for his products are determined at distant points and by matters almost wholly without the State in which the products are produced. Of course, it is more desirable to control production through the law of supply and demand, and that law, I believe, would in general work out if it was not interfered with, and every producer, regardless of what he produces was to be governed by the same rule; but when you change the rule for one producer, then you must change it for all. In other words, we got into our difficulty when we began to make exceptions for the benefit of the privileged few. Ultimately agriculture came to realize that it was justified in asking for the same benefits and privileges that the protected industries were receiving.

I believe that the Constitution of the United States as originally written and interpreted is—not a Constitution of special privileges or one that grants benefits to one part of the country and refuses it to another part—it is a Constitution that gives equal protection to all the States and not just a few; it is a Constitution that protects the individual citizen and not just the corporate interests; it is a Constitution that will protect the farmer under the general-welfare clause in regard to the processing tax and not the processor.

I have read and reread the Agricultural Adjustment Act, and I cannot find where the millers and processors are named as the special beneficiaries of this act, yet that is the result of the Court's interpretation. If the farmers are not entitled to the benefits of the processing tax, then why are the millers and processors any more entitled to it, and if neither are entitled to it under the law, then why should not the people who paid it be the ones who are entitled to it, and if it cannot be returned to them, then why should not the Government have it?

The people, and the farmer in particular, while they have a great regard for the Constitution and would fight to maintain it, yet they are more interested from an economic standpoint in the results that are achieved and not in intricate legal arguments of what is constitutional or what is not constitutional. In other words, they are more interested in an excuse for doing something rather than an excuse for not doing anything. We judge any action, governmental policy, or operation by the results produced; if it does produce the results, then it is successful, if not, it is unsuccessful. I would say the most marvelous achievement of this administration that will be remembered and referred to long after the N. R. A. and all the other emergency measures are forgotten will be the successful operation performed upon the prostrate form of agriculture and the putting of the farmer back on his feet again. This achievement, I say, in view of past history, is almost unbelievable. The farmers are not asking something for nothing. The average farmer would much rather cooperate in the promotion of economic use and conservation of land and the building up of soil fertility than he would in plowing under and destroying of crops. Therefore, he will welcome any plan along these lines. On the other hand, I view this act as another emergency act to tide agriculture over, and I only regret that after January 1, 1938, there does not seem to be any clearly defined permanent plan.

No one can foretell whether this act will meet with the approval of the Supreme Court and be held constitutional. In view of the A. A. A. decision, I would say there is some question about it.

The fact that Kansas has received $86,000,000 by the way of benefits under the A. A. A., and other agriculture States have received large benefits by reason of the A. A. A., appears to have been criticized yesterday by my good friend and colleague from Ohio, Mr. LAMNECK. Let me call the committee's attention to the fact that the gross income from farm products in the United States was reduced from close to $12,000,000,000 a year for the average from 1924 to 1929 to $5,240,000,000 for 1932.

That since the A. A. A. went into operation the income of the farmer has increased over $5,000,000,000, according to a statement President Roosevelt made at Fremont, Nebr., September 28, 1935. Therefore, whatever way you look at this picture, either from the standpoint of loss or of gain, the total cost of payment to all States, as set out by our Ohio colleague on page 2369 of the CONGRESSIONAL RECORD of February 19, 1936, in the amount of $1,108,322,870.30, has been well worth the price and a worth-while investment for the country; and who will be the ultimate beneficiary of this increase in the purchasing power of the farmer? The manufacturer and the industrial East, who sell their products to the farmer, will many, many times receive back the amount of the payments they have made by way of increased profits.

All the farmer is asking is an honest price for his products, and he is willing to cooperate in any manner to achieve this end. Since the Supreme Court's decision, before mentioned, I have received many letters from farmers and resolutions from representative farm groups of my State requesting legislation along the lines suggested in this bill to take the place of the A. A. A. I would feel it my duty to support any farm legislation regardless of who introduced it or the political party affiliations of the introducer that would be beneficial to agriculture, and hence helpful to the rest of the country. With this object in mind I am voting for and supporting this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

The amendment was agreed to.

Mr. BOILEAU. Mr. Chairman, I move to strike out the last word and ask the attention of the chairman of the committee. I do not believe the gentleman from Texas

[Mr. JONES], the chairman of the committee, gave much thought or consideration to the amendment which has just been adopted. If he had, I do not think he would have offered it at this time. I do not mean to find fault with him, because I know this has had to be done rather hurriedly and without opportunity for real consideration, but here is what the amendment provides:

The Secretary, in administering this section, shall in every practical way encourage and provide for soil-conserving and soil-rebuilding crops and practices rather than soil-depleting commercial crops.

In other words, if under the bill as we brought it out of the committee there is any possibility of the Secretary giving a square deal to dairymen, this amendment knocks out any such chance, because this amendment provides that he shall encourage and provide for the planting of soil-rebuilding crops—grasses and legumes—rather than soil-depleting commercial crops—wheat, cotton, and tobacco.

Mr. JONES. That is not what it says.

Mr. BOILEAU. Oh, it does say that.

Mr. JONES. It says they shall encourage soil-rebuilding crops.

Mr. BOILEAU. What are soil-depleting crops? Cotton, tobacco, wheat, and so forth. What are soil-conserving crops, soil-rebuilding crops that this amendment requires that he shall encourage? Grasses, legumes, alfalfa, clover. This amendment puts a greater burden upon the shoulders of the dairy industry. If the gentleman from Texas will analyze that amendment, he will come to that conclusion.

Mr. JONES. I will ask unanimous consent, if they do not want this amendment, to withdraw it.

I want to state in that connection that I place a wholly different interpretation on the amendment. My thought, which I hurriedly dictated, was that the farmer shall use soil-building, soil-conserving crops and practices rather than using soil-depleting commercial crops. Now, if the gentleman does not want it, I will withdraw it.

Mr. BOILEAU. I hope we have an understanding in the matter.

Mr. JONES. Let us withdraw it for the time being, anyway.

I ask unanimous consent, Mr. Chairman, to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. SUMNERS of Texas. Mr. Chairman, I reserve the right to object. I reserve the right to object for the purpose of submitting to the consideration of the earnest Members on each side of this question who, regardless of political considerations, want to arrive at a correct solution that this particular item in this bill, if it can be arranged, should be postponed or moved to the heel of the bill for consideration, if I may use that expression, in order that the maximum of opportunity may be afforded for these gentlemen to work out a satisfactory arrangement with reference to this particular part of the bill. I appreciate the fact that I am trespassing somewhat.

I ask unanimous consent, Mr. Chairman, that I may proceed out of order for 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. MOTT. Mr. Chairman, reserving the right to object, as I understand it, the reading of the bill as such has been concluded, and there seems to be no opportunity for debate except on such occasions as may arise when one gets permission to strike out the last word or some such pro-forma amendment. I think we ought to have a little understanding at this time as to about how long the debate is going to continue and whether Members who want to express themselves on this legislation will have an opportunity to be heard.

The CHAIRMAN (Mr. FULLER). That is not a question for the Chair to pass upon.

Is there objection to the request of the gentleman from Texas [Mr. SUMNERS] that he be allowed to speak for 3 minutes out of order?

There was no objection.

Mr. SUMNERS of Texas. Mr. Chairman, I appreciate the fact that I am butting in on this situation and probably doing so very foolishly, but I know from the ladies and gentlemen who have spoken on this question that at least a large percent of them want to do the right thing. However, there is confusion in the minds of honest people on the floor of this House as to just what is the right thing to do in the situation. These amendments are being offered from the floor of the House, and, with all due respect to everybody concerned, they show upon their faces that they have not received the maturity of consideration which amendments dealing with such an important matter ought to have. I say that without any criticism of anybody. It is a thing that happens.

We have seen a teller vote in which this House was almost equally divided, and if there is anything in this world that we need now it is agreement on the part of the American people with regard to a complete agricultural program. There is no use disguising the fact that we recognize that a little politics will get into a question of this sort this near a Presidential election. It is bound to come, but aside from that, as I said a moment ago, it is perfectly apparent to those of us who are familiar with the personnel of this House that honest men and women who want to do exactly the same thing, arrive at the same conclusion, are in confusion at this moment. So what I would like to do, and I state it with apology, I would like to see it arranged so that this item in this bill at least could be postponed to the heel of the bill and give those members on the committee who are earnestly trying to arrive at a proper conclusion and solution of this matter the maximum of time within which to do it. Then when we get through, if we cannot do it, you will have to go to a vote and see who wins.

Mr. ANDRESEN. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes; I yield.

Mr. ANDRESEN. Does the gentleman propose that this portion of the bill should go over until next Monday?

Mr. SUMNERS of Texas. Well, to the heel of the bill.

Mr. GILCHRIST. Well, we are at the heel now.

Mr. SUMNERS of Texas. Personally, I would like to see it go over until next Monday myself.

The CHAIRMAN. The time of the gentleman from Texas [Mr. SUMNERS] has expired.

Is there objection to the request of the gentleman from Texas [Mr. JONES] to withdraw the amendment which was just adopted?

There was no objection.

The CHAIRMAN. On yesterday there were amendments tentatively submitted, and the Chair has been recognizing Members who offered those amendments as nearly as possible. It will be the further object of the Chair to recognize two or three members of the committee who have amendments pending before he recognizes other Members.

The Chair now recognizes the gentleman from Minnesota [Mr. ANDRESEN], a member of the committee, and the Clerk will report the amendment offered by the gentleman from Minnesota.

The Clerk read as follows:

Amendment offered by Mr. ANDRESEN: At the end of the bill add a new section as follows:

"SEC. —. Section 350 of the Tariff Act of 1930, as amended, relating to reciprocal trade agreements, is hereby repealed. No agreement concluded in pursuance of such section shall have any effect after the date of the enactment of this act."

Mr. JONES. Mr. Chairman, I make the point of order that the amendment is not germane.

Mr. ANDRESEN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman briefly on the point of order.

Mr. ANDRESEN. I call the Chair's attention to section 12 of the pending bill, which appears on page 7, and which deals specifically with the question before the Committee at the present time. The section reads as follows:

Whenever the Secretary finds that the exercise of the powers conferred in this section will tend to carry out the purposes specified in clause (4) of section 7 (a), he shall use such part as he deems necessary of the sums appropriated to carry out this act for the expansion of domestic and foreign markets.

My amendment, Mr. Chairman, deals with reciprocal trade agreements which have to do with the expansion of foreign and domestic markets and with the retention of the American market for the farmers of this country for that part of their product consumed in the United States. I submit, therefore, that my amendment is germane and should receive consideration.

The CHAIRMAN. The Chair rules that this Committee has no authority to pass upon trade agreements. The amendment, therefore, is not germane.

Mr. ANDRESEN. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment by Mr. ANDRESEN: At the end of the bill add a new section, as follows:

"SEC. —. There shall not be imported or brought into the continental United States during any period beginning on March 1 of any year and ending on the last day of February of the succeeding year any quantity of any agricultural commodity dutiable under schedule 7 of the Tariff Act of 1930, as amended, in excess of 10 percent of the quantity thereof imported or brought into the continental United States during the calendar year 1935."

Mr. JONES. Mr. Chairman, I make the point of order that the amendment is not germane.

Mr. ANDRESEN. Mr. Chairman, I wish to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman briefly.

Mr. ANDRESEN. Mr. Chairman, I call the Chair's attention to section 12 of the pending bill, which relates to the power conferred upon the Secretary of Agriculture to use funds in connection with domestic and foreign commerce. At the present time and in connection with this particular piece of legislation the Secretary has been given the authority to expand domestic and foreign commerce.

My amendment, Mr. Chairman, proposes to limit the imports of agricultural products under schedule 7 of the tariff act so that not more than 10 percent of the quantity imported in 1935 of beef, cotton, wheat, dairy products, and other agricultural products may be imported during the next and coming years. I submit, Mr. Chairman, that the amendment is germane and within the provisions of the bill.

The CHAIRMAN. The Chair rules that the amendment is not germane.

Mr. HOPE. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HOPE: On page 6, after line 20, insert: "(d) No payment or grant in aid shall be made to any one producer in excess of $2,000 during any calendar year."

Mr. HOPE. Mr. Chairman, this amendment proposes that no payments or grants be made to an individual farmer during any one calendar year in excess of $2,000. The amendment is designed to meet a situation which developed under the Agricultural Adjustment Act and which undoubtedly will arise under the administration of this bill when it becomes a law. I presume no Member of this House has more constituents who have drawn checks in excess of $2,000 per year under the A. A. A. than I. There is, nevertheless, a feeling on the part of the small farmers of the country and a feeling on the part of the public that it is not proper for the Government to encourage this type of farming by the payment of benefits to a person or persons engaged in such a large-scale enterprise.

The thing we want to protect in this country is the family-sized farm, from both an economic and the social standpoint. While it may be said that the farmer who operates a 10,000-acre farm is just as much entitled to compensation for taking a part of his land and planting it in soil-building crops as the man who operates a 100-acre farm, nevertheless it is not that type of farming we desire to encourage. The farm operator who operates a 10,000-acre farm is amply able, in my opinion, to do his own soil-conservation work and to take care of the problems of soil erosion which may arise in the operation of that farm.

Furthermore, an amendment of this kind will do something to meet the situation mentioned by the gentleman from Texas [Mr. DIES] and which has been discussed also by the gentleman from Georgia [Mr. TARVER], respecting the protection of small farmers and tenants. Two thousand dollars, of course, is a high limitation, but it will make more money available, it will discourage the corporation farm and the large-scale type of farming, and will assist in building up in this country the thing we want above everything else, the farm family and the family-sized farm.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. CHRISTIANSON. Is the gentleman aware of the fact that a Jersey City, N. J., farmer received a check for $52,000 for not raising hogs?

Mr. HOPE. I was not aware of that.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. WHITTINGTON. An amendment has already been adopted for the benefit of the tenant farmer. The larger the farm, the more tenants there are on the farm. Would not the adoption of the gentleman's amendment tend to prevent the benefits of the bill reaching the tenant farmer?

Mr. HOPE. Not necessarily.

Mr. WHITTINGTON. Why would it not? There are more tenants on a large farm than on a small farm.

Mr. HOPE. There is no reason why under this amendment the benefits cannot be paid to the tenants. None of them are going to receive more than $2,000.

Mr. WHITTINGTON. If the large plantation owner is restricted, the tenants are restricted.

[Here the gavel fell.]

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

I oppose this amendment because if it is enacted I am afraid it will tend to bring about confusion and might ultimately force the large landowners and producers of the Nation to resort to a form of subterfuge and fraud, and perhaps to even fraudulent conveyances of their property to their children or grandchildren or to their tenants, to the end that they might not be defeated in their right to receive the just benefits of this legislation.

While I am not willing to believe that any Member of this House is actuated or motivated by the impulse of selfishness or greed, I must say that as I have listened to this debate I am convinced that it is well calculated to arouse in the breasts of those who have listened at least a suspicion that selfishness and greed are, to some extent, influencing the utterances of some of the speakers. We see here a group desperately fighting for the protection of the dairy industry. In my opinion they are unduly alarmed and have greatly exaggerated and magnified what they believe are the evil potentialities of this measure. Here, on the other hand, are the consumers in the metropolitan areas attempting to protect their constituents from the possibility of an abnormal increase in commodity prices, and there is still another group which is apparently self-satisfied, which has practiced diversified farming and crop rotation in the past, and fears that it will not receive any benefits from this bill, and since it fears that it will not be benefited it is obviously unwilling to be of assistance to those in other sections of the country who have, by intensive cultivation, mined and depleted their soil.

Mr. MAHON. Will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. MAHON. I have a farm in my district the landlord of which has as many as 100 tenants. Would not this amendment penalize those tenants?

Mr. COOLEY. In my opinion it would.

Mr. HOPE. Will the gentleman yield?

Mr. COOLEY. I gladly yield to the splendid gentleman from Kansas.

Mr. HOPE. There is not anything in this amendment which would prevent those tenants getting their just benefit payments.

Mr. COOLEY. I am afraid that there is. At any rate, the amendment might drive the landlords of my State to

some sort of subterfuge or fraud in order to receive the unjust benefits of this act.

In the short time I have at my disposal I want to say just a few words about the principal revenue-producing industry of this country, which has not, in the past, in my opinion, been treated fairly, except during the life of the Triple A. I refer to the tobacco farmers of my State and of the Nation.

The Supreme Court voted against the Triple A by a vote of 6 to 3; the farmers voted for the Triple A by a vote of 19 to 1, yet the Triple A is no more.

Until the Roosevelt administration came into power the tobacco farmer of this country was, in truth and in fact, the forgotten man of America.

Under the Triple A and the Kerr-Smith Tobacco Act the farmer was, for the first time in the history of tobacco growing, afforded a measure of relief. Before the days of the triple A he was heavily taxed by the Federal Government and bled to death by the tobacco trust and was at all times helpless to protect himself. The Triple A and the Kerr-Smith bill lifted him from a state of starvation, desolation, and bankruptcy to a little higher plane in our economic life, and his position was made better, not by the payment of bounties and subsidies, but by the act itself, which enabled him to control his own business and by a tax imposed upon his own industry.

The tobacco program did not cost this Government a dollar or a dime and was the most successful program undertaken by the Government. The books of the tobacco division can be balanced and will show a surplus of $2,500,000. Out of the $296,000,000 recently appropriated to be paid in benefits to farmers, the tobacco farmer will not receive one red copper cent.

I fear, and have good reasons to fear, that under this bill an effective program for the tobacco farmer cannot and will not be possible. We can only hope for a successful program. With the triple A invalidated and the Kerr-Smith bill repealed, the relief afforded will now entirely depend on the amount of money made available and upon voluntary cooperation.

The tobacco industry will pay into the coffers of the Federal Treasury this year approximately $500,000,000, or an amount sufficient to pay the cost of the entire program contemplated by this bill. No one can substantiate the statement that this tremendous tax burden is not pressed back upon the brow of the tobacco farmer.

The Supreme Court in the Triple A case said that you cannot tax one class or group for the benefit of another class or group. But for years this group of tobacco farmers, for whom I speak and in whom I am particularly interested, has been all but destroyed by a tax for the benefit of all other groups. This situation cannot be justified. Tobacco is the only crop in America that pays a tax, and certainly the tobacco farmer, of all farmers in the country, has a right to call upon this Government for aid, and in granting aid to him the Government is only protecting the goose that lays the golden egg, and the greatest revenue-producing industry in the country.

Some of you may wonder why I am so deeply interested in the tobacco farmer. I come from the belt where the golden leaf is grown, and I know something of the hardships and the vicissitudes of those who labor and toil in the tobacco fields of my State, and I know that four or five men can control the livelihoods and destinies of hundreds of thousands of men, women, and children who are, at all times, at their mercy. I know that it costs money to make and to market a crop of tobacco. The crop must be grown upon a peculiar type of soil, the fertility of which we should protect. No other farmer in this world works as hard or as long as does the tobacco farmer, and none is poorer paid for his labor. He works, not 40 hours a week, but in the late summer and early fall he works more than 40 out of every 48 hours. Night and day he nurses the golden leaf from which the Government takes its heavy toll. It takes the tobacco farmer about 13 months to make and market his crop—from January until February of the following year. Surely he has a right to say to this Government, "I must live and feed and clothe my family."

On account of the tremendous cost of cultivating, harvesting, and marketing a tobacco crop, I am somewhat afraid that a small benefit or rental payment will not induce the individual tobacco farmer to cooperate with this program and decrease the mining of his soil by intensive and extensive cultivation.

I know that the tobacco farmers have very few friends in Congress; this, of course, is due in part to the fact that tobacco is grown in very few States. But, in justice to those who are helpless, I appeal to you to vote for this bill, to the end that we may at least hope for a successful tobacco program.

Whatever the situation may be in the tobacco-growing States, I know that I can assure you that none of the Congressmen here representing districts in which tobacco is grown will permit his feelings to cause him to do or say anything that will jeopardize the enactment of this measure. Although many of us feel that the Federal Government should be generous in its efforts to aid the struggling tobacco farmers of the country, and although many of us feel that under this measure the aid granted will be meager, in comparison with the amount of assistance to which the tobacco farmer is justly entitled, I think I at least speak the sentiment of the North Carolina delegation, which does not desire to hold out a false hope to the farmers of our State, when I say that we will gladly embrace this measure, feeling that it is the best national program for the relief of agriculture which the circumstances of the present situation will permit.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. HOPE].

The question was taken; and on a division (demanded by Mr. HOPE) there were—ayes 81, nays 130.

Mr. HOPE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. JONES and Mr. HOPE to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 75, noes 127.

So the amendment was rejected.

Mr. JONES. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. JONES: On page 5, line 15, insert: "The Secretary, in administering this section, shall in every practical way encourage and provide for soil-conserving and soil-rebuilding practices rather than the growing of soil-depleting commercial crops."

Mr. JONES. Mr. Chairman, this simply corrects the language as was intended awhile ago.

The amendment was agreed to.

Mr. ZIONCHECK. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: Page 7, line 16, after the word "thereof", strike out the period and insert *"Provided,* That no export subsidy shall be paid with respect to any agricultural commodity or product thereof unless the Secretary finds that it is not feasible, or practicable, to expand the domestic consumption of such commodity or product by diversion from the normal or regular channels of the domestic trade, including purchases for donations to the F. S. C. C."

Mr. JONES. Mr. Chairman, I reserve all points of order against the amendment.

Mr. ZIONCHECK. Mr. Chairman, this is an amendment which, to my mind, is a most important one. I think it is a good amendment. Although you may read this bill carefully and cautiously, it would probably take most of us about a week to ascertain that this bill provides for dumping and provides a subsidy for dumping American products to Europe, Africa, and China.

In other words, take butter as an illustration. If the Secretary of Agriculture says that butter is worth 25 cents and the butter buyers will not take it, the Secretary of Agri-

culture, as I understand it, can buy butter and proceed to export it or give subsidies to those who do export to foreign countries; and if they only get 7 cents in such foreign country, then the general taxpayers of this country will have to pay 18 cents for every pound of butter exported.

This amendment provides that if we are going to do any dumping we shall dump to the underprivileged at home before we dump to the foreigners abroad. In other words, there are many people who would like to have more bread and could use it. There are many people who would like to have more butter, and they could use it. Why not give them the butter at 7 cents or give it to them for nothing if they really need it before we give it to foreigners and then, in turn, have these foreigners send the same butter back to us and pay the duty and make money on it? This is suicidal. In other words, I maintain that if you want to dump, dump at home, where we have, as they say, a table of plenty, and at least help everyone here with a first helping before we start in giving second helpings to people abroad.

The chairman of the committee says the amendment is not germane. Well, I can tell the chairman of the committee that some people whom I cannot name, with legal minds, in the Department of Agriculture, prepared the amendment and said it should be put in at this place; and I should like to have the chairman of the committee get up here and say that the Secretary of Agriculture is opposed to this amendment. I do not say he is for it, but let the gentleman say that he is opposed to it.

This is not a partisan amendment. I have a letter here from Floyd Oles, who was a campaign manager for my predecessor here in Congress. I ask unanimous consent to read two paragraphs of the letter and then I shall ask unanimous consent to put the entire letter in the RECORD.

The letter is as follows:

L. P. C. CONTROL COMMITTEE,
Seattle, Wash., February 14, 1936.

Hon. MARION A. ZIONCHECK,
House Office Building, Washington, D. C.

DEAR SIR: In the course of the consideration of any revision of the Agricultural Adjustment Act, there will probably come up the question of the retention or amendment of section 32 of the current act, which provides for the use of 30 percent of the customs receipts for the distribution of surplus commodities or their diversion to various channels. On behalf of some thirteen or fourteen hundred farmers who are associated with this organization in western Washington, I wish to speak a word in behalf of the retention of section 32 or its essential parts.

In the last two marketing seasons we have had the benefit of a very small appropriation of money to divert surpluses of vegetables to relief uses. Not only has this money been properly and effectively used in such a manner as to give the relief organization a very large and satisfactory return in products for the money expended, but this small expenditure has been responsible for maintaining a market for vegetables in this territory during what would otherwise have been definitely disastrous seasons. We are hopeful that the same modest appropriation may again be available during the coming season.

The method of application has been simple. A sum was set aside to purchase all surpluses from time to time and divert them to uses other than the regular channels of trade. Small quantities indeed were all that were purchased, but the effect upon the market was instant and salutary. This small expenditure set the pace for all other purchases for other than the normal market uses and had the effect of assuring a return to farmers of a sum scores of times as large as the amount expended in the effort.

I sincerely hope that your influence will be exerted toward retaining the essential provisions of section 32 of the Agricultural Adjustment Act.

Very sincerely yours,

L. P. C. CONTROL COMMITTEE,
FLOYD OLES, *Managing Agent.*

Mr. Chairman, unless something is done in this bill for American consumers, it is nothing but a program of destruction and curtailment of production, because I realize that even with my amendment and other amendments presented pertaining to consumers, that this is not a cure for the depression; that we must produce everything it is possible to produce, and then distribute it among the American consumers. Any program of taking from Paul and giving to John is false in its premise, and does no more than assist in keeping an antiquated system alive, a system where we curtail production, ship so-called surpluses to foreign countries for foreign consumption, when millions of Americans are underfed.

Let us not continue in this crazy manner, but work out ways and means for a land of abundance, where every man, woman, and child may have all of the things that this great Nation is able to produce.

Unless this amendment or others embodying the same principles are accepted to this bill, I will not and cannot vote for it in fairness to the people I represent.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and put the entire letter in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. JONES. Mr. Chairman, I insist on the point of order.

Mr. ZIONCHECK. Mr. Chairman, I should like to be heard on the point of order.

Mr. JOHNSON of Texas. Mr. Chairman, the hour is late and, realizing the urgent necessity of passing this bill before we adjourn for the day, I shall speak very briefly with reference thereto.

The district which I represent is one of the richest agricultural sections of the United States and my people are vitally interested in legislation designed to conserve and properly utilize the soil resources of the Nation and to aid the farmers in its cultivation.

Crop planting is at hand in Texas and if we are to have any legislation in time for this year's crop it must be passed at once.

I am glad that we are to substitute the House bill, H. R. 10835, for the Senate bill. While the bills are largely alike the House Committee on Agriculture, of which my colleague from Texas, Mr. JONES, is chairman, has, in my judgment, improved upon several features of the Senate bill, and we have still further improved the bill by adopting the amendment by my colleague from Texas, Mr. DIES, which is in this language:

In carrying out the provisions of the bill the Secretary shall in every practical manner protect the interest of small producers.

I also voted for the amendment by the gentleman from Georgia [Mr. TARVER], which I am glad was adopted, which reads as follows:

On page 5, line 22, after the word "producers", insert a comma and the following: "including tenants and croppers"; on page 6, line 8, after the word "made", insert a comma and the following: "and in determining the apportionment of any payment or grant with respect to any land, the Secretary shall take into consideration the contribution in services of tenants and croppers, and any loss of income sustained by tenants and croppers by reason of changes in the farming practices adopted during such years."

The interests of the small producers and also that of the tenants and croppers must be protected in any legislation that we pass. Under the Agriculture Adjustment Act and also the Bankhead law, both of which have now been repealed, there was some criticism that in their administration in some instances the small farmers and the tenants did not receive the benefits to which they were entitled. I sincerely hope that the Secretary of Agriculture will see to it that under this new law the small farmers and the tenants are given fair and equitable treatment. That is the will of this House as expressed in the two amendments which we have adopted, and it is his duty to see that they are carried into effect.

Under the decision of the Supreme Court holding unconstitutional the Triple A Act the power of Congress to legislate is greatly circumscribed, and the Committee on Agriculture and those who drafted this law have not been able to draft the kind of legislation they would have preferred, and this bill is not my choice as to dealing with the subject. It gives blanket authority to the Secretary of Agriculture to make Federal payments to farmers for land conservation. There will be no tags or tax such as we had under the Bankhead law, and there will be no contracts such as was had under the Triple A. Everything will be voluntary on the part of the farmer.

The payment by the Secretary of Agriculture direct to producers is only authorized for 2 years—that is, during the crop years of 1936 and 1937—after that time payments will be made in the nature of State aid; that is, the various

States will set up agencies and the Federal Government will contribute to the States and the States will deal with the individual farmers.

This bill may not work; if so, we can repeal it at the next session of Congress. It is designed to and I believe will materially contribute to the conservation of the soil and aid the farmers of America in maintaining and holding the degree of recovery which they have already made from the depression. It is unthinkable that agriculture and the farmers of America shall revert to the condition they were in when Franklin D. Roosevelt became President on March 4, 1933. Critics may talk about platform pledges and performances of the administration, but not one of the sharpshooters seeking to discredit and destroy the President can claim that he has not made good in his pledge to aid agriculture. He stated at the outset that the restoration of the buying power of the farmers of America was essential to recovery, and I am glad that today some of the Members from the industrial sections have spoken in support of this bill and have admitted that which we all know, that the industrial sections have begun to recover because the farmers' income has been substantially increased.

The prices of all major agricultural products have doubled under the Roosevelt administration. According to the Alexander Hamilton Institute, New York statistical organization, the total farm cash income in 1935 amounted to $6,932,000,000 as compared with $4,328,000,000 in 1932. Farm income in 1935 was 60.2 percent higher than for the low of the depression.

According to the figures of this institute the prices which farmers paid for goods they bought in 1935 were only 1.4 percent higher than in 1934. Consequently the farmers' purchasing power for 1935 increased nearly as much as their income for that year over 1934. The farmers' purchasing power in 1935 was 7 percent higher than in 1934. As compared with the low of the depression the farmers' purchasing power in 1935 showed a smaller increase than their income due to a 16.6 percent rise in price level of the goods they bought. While their income was 60.2 percent higher than in 1932, their purchasing power was only 33.8 higher. At the same time the purchasing power of the farmers made a more favorable comparison with 1929 than their income, since the prices which they paid were 18.5 percent below the predepression level. While their income was 33.8 percent lower than in 1929, their purchasing power showed a decrease of only 18.8 percent. The farmers' purchasing power in 1935 therefore represented the recovery of 54 percent of the ground lost in the 1929–32 slump.

We are rapidly emerging from the depression, but we must hold the gains we have made; and it is my opinion that if we do not pass this or some similar bill there will be an immediate slump in the prices of all major agricultural products. I shall therefore support it and urge its immediate passage.

Mr. CELLER. Mr. Chairman, I shall vote against this bill. I say that reluctantly. The amendment that would have protected dairy farmers of my State was defeated. I must protect New York City's milk supply. But aside from that, I believe the principle of the bill is wrong.

Our prosperity depends upon our exportable surplus. The bill would prevent abundance. It would destroy exportable surpluses. As was clearly pointed out in an editorial in the Brooklyn Daily Eagle recently, each farm proposal, including the Jones bill, is "based upon the theory that farmers must be paid a subsidy to offset the costs to them of the excessive tariffs. The effect of such legislation is bound to be a further entrenchment of the tariff rates that have already played havoc with farmers and the country, and the creation of another vested interest similar to the groups now benefiting from monopolistic tariff schedules."

Restore our export markets and the farm problem is solved. To do this we must embark upon the plan of breaking down high tariff barriers. Europe will not buy our agricultural products and thus relieve our farmers, unless we buy from Europe. It is quid pro quo. I do not advocate free trade, simply general reasonable lowering of tariffs. Roosevelt and Hull are doing excellent work in the reciprocity trade treaties. Those treaties are not establishing free trade. They are predicated upon protection, but limited protection and not protection that fosters manufacturing monopolies. I want to let into this country by a bill lowering our tariffs and by the reciprocity procedure enough diversified imports of foreign manufactures to pay for vast quantities of our agricultural products. During the years 1924 to 1929 we had great and lucrative export trading, but those exports were paid for by moneys we loaned Europe. We cannot loan again in that fashion. We cannot again furnish money to Europe to pay for the goods and products supplied by our farmers.

We must follow one of two courses: Either, first, export farm products and not interfere with farm production either by process taxes or soil-erosion schemes and pay for those farm products by allowing Europe to export into this country its manufactured products through lower tariffs; or, second, keep the tariff as high as it is, freeze out imports, and curtail farm production.

Curtail farm production and you are bound to increase prices of farm products. We in the city pay the increased cost. Curtail production and you curtail trade and business resulting in less employment and greater relief rolls.

It is about time we awakened to the idea that a high protective tariff—which plagues at the present time—does not give us prosperity with high wages and increased employment. High tariff did not prevent our depression. It has been accompanied since 1929 by low wages, little employment, and dreadful distress.

This bill, with its soil-erosion idea, will do no good. It must be followed by a bill to raise the money. Where is it going to come from? We are taxed to the hilt.

Let us, therefore, let the farmer produce under ordinary competitive conditions and under no unusual, artificial Government restraints or inducements. Pull down our tariffs so that the farmer may export abroad.

Mr. JONES. Mr. Chairman, I make the point of order that the amendment is not germane as a substitute for my amendment.

Mr. ZIONCHECK. I am not offering it as a substitute, Mr. Chairman.

Mr. JONES. I thought I had an amendment pending.

The CHAIRMAN. No; the amendment of the gentleman from Texas was agreed to.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on the committee amendment and all amendments thereto close in 30 minutes.

Mr. KENNEY. Mr. Chairman, I object.

Mr. JONES. Mr. Chairman, I move that all debate on the committee substitute which I offered and all amendments thereto close in 30 minutes.

The motion was agreed to.

Mr. WITHROW. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WITHROW. Is it the intention of the Chair that men who have pro-forma amendments shall be given preference in recognition over those who have bona-fide amendments?

The CHAIRMAN. It is not; and that practice has not prevailed here today. I have recognized more Members on the gentleman's side, by 2 to 1, than I have on the Democratic side, although there are twice as many Members on that side. The Chair will recognize the gentleman.

Mr. ZIONCHECK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. ZIONCHECK. Mr. Chairman, I have offered an amendment and made an argument upon it, and these gentlemen are bringing about confusion here before I have a vote on the amendment. I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. ZIONCHECK].

The amendment was rejected.

Mr. KENNEY. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 8, line 7, after the word "Hawaii", strike out "and the possession of Puerto Rico"; page 8, line 9, after the word "Hawaii", strike out "and Puerto Rico."

Mr. KENNEY. Mr. Chairman, this bill is designed to benefit the farmers of 48 States, Alaska, Hawaii, and Puerto Rico. We all realize that this will help the farmers of many States of the United States, but the bill will not be of any great benefit in point of dollars and cents to my State of New Jersey.

If we look to the benefits accruing from the A. A. A., the figures show that under the Triple A the farmers of New Jersey received $520,000 in benefit payments, while the State contributed more than $4,000,000 in processing taxes. Besides that, New Jersey has contributed something like $60,000,000 in miscellaneous Federal taxes and more than $50,000,000 in income taxes.

I do not feel that I can vote to put my people into bankruptcy, and I do not know how benefit payments under this bill are to be raised. The bill calls for an expenditure in benefits, according to estimate, of $600,000,000. New Jersey will have to contribute heavily under any tax plan. The State's relief funds are exhausted. Our consumers will pay high prices for necessaries under the bill. New Jersey will be called upon to pay a large part of the proposed benefits. It is well for us to be generous, but charity begins at home.

If we are to give Puerto Rico the advantages accruing under this bill, we ought to extend to Alaska, Hawaii, and the States the rights and privileges the United States Government has granted Puerto Rico. Puerto Rico has privileges not accorded to the people of the United States, which puts her in a superior position to meet the exigencies of the times.

Under Triple A something like $3,888,000 went to Puerto Rico for benefits and rentals. The island contributed in processing taxes only one million and a half dollars. So that, over and above her contribution, she received over $2,300,000. Only the other day we provided for a 5-year P. W. A. plan involving an expenditure there of $10,000,000 during the next 5 years. Then the United States Government permits in Puerto Rico a voluntary tax in which all may join by participation for a small amount in extraordinary drawings, two of which in about a year have furnished a sum between $300,000 and $500,000 for relief purposes and the care of its hospitals.

We seem to be discriminating in favor of Puerto Rico. Why should we be denied the same opportunity given to Puerto Rico of raising money for expenses through voluntary contributions of our citizens? If you vote down this amendment and give Puerto Rico the farm benefits called for by this bill, then you ought to let us raise the money to pay off the obligations we are incurring on the same basis that we permit Puerto Rico to do so. You gentlemen of the farming sections should be interested not to cripple our taxpayers, and you can relieve them at the same time that you are receiving benefits under this bill if you will sign the petition on the Speaker's desk to discharge the Ways and Means Committee from further consideration of H. R. 8540. By such action on your part the money will be available for our purposes without any new tax bill. The taxpayer wants to be fair to the farmer. We should be fair to the taxpayer.

Mr. CROWTHER. Mr. Chairman, I do not know that I can add anything to the wisdom contributed in the discussion of this bill. I was interested in the statement of the gentleman from Texas [Mr. SUMNERS], who suggested that, of course, a little politics might creep into a measure of this character. As a matter of fact, the politics are already in. This is essentially an administration measure and, of course, the bill is going to pass. My Democratic friends in the House know that if they were to desert the farm program and leave it where the Supreme Court decision left it and say, "We did the best we could for you, but the Court decided against it", they could not carry a single State west of the central line of Ohio. They know that and, of course, we know it, too. This bill is just the A. A. A. in disguise. They have got it dressed up in blue glasses and Santa Claus whiskers and a tin cup that $500,000,000 will be poured into. That is all there is to this bill. We know it is slated for passage.

Last summer I traveled in the West as far as Colorado and Nebraska through Indiana, Ohio, Illinois, and Kansas, and everybody I contacted on the farms was for this type of legislation. It is a system that you cannot beat politically. You have selected the most successful method in the world of attempting to reelect yourselves next time. [Applause on the Democratic side.] When you give the average farmer an opportunity to walk down to his mail box or ride down in his car a couple of weeks before election day or a couple of weeks before Christmas and pick up one of these nice long envelopes with a green United States Treasury check in it, you have established a very practical method of securing votes for your party in the coming election. That is the real reason this bill is going to pass. You do not dare stop that program. You realize that it is most efficient. I am not against the farmer's receiving a just return for his products and placing him on an even keel with industry, but I do not think this is the right method. I would be willing to let you take all of the money from the tariff revenue and pay a subsidy to the farmer, if necessary; but this is not the right way to do it. You are doing it under false pretenses.

Under the guise of soil conservation, and so forth, you are presenting another crop-control measure—which, by the way, is decidedly unfair to the dairy farmers of the country.

The CHAIRMAN. The time of the gentleman from New York has expired. The question is on the amendment offered by the gentleman from New Jersey.

The amendment was rejected.

Mr. WITHROW. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 9, line 8, in lines 8 and 9 strike out the words "is likewise authorized to be made available until June 30, 1936", and insert in lieu thereof the words "shall remain available for the purposes enumerated in said acts until June 30, 1937."

Mr. JONES. Mr. Chairman, I reserve the point of order on the amendment.

Mr. WITHROW. Mr. Chairman, I realize that if the distinguished gentleman from Texas insists upon his point of order the Chairman will be compelled to rule my amendment out of order, but I sincerely hope he will not insist upon the point of order. In 1934 we passed what was known as the Jones-Connally Cattle Act. As amended by the Senate, that measure provided for a possible authorization of $250,000,000. However, the Appropriations Committee, after due consideration, saw fit to appropriate only $150,000,000. The actual appropriations were made in 1934. In 1935 this House continued the unexpended balances until June 30, 1936. The House did this by waiving all points of order upon the measure, which made it unnecessary for the Appropriations Committee to again pass upon the propriety and the amount of the appropriation.

My amendment will do just exactly what was done a year ago, in that it will make it unnecessary for the Appropriations Committee to reappropriate these unexpended balances.

There are a great many of us from dairy States who are fearful of the effects of the passage of this legislation. While I am of the opinion that normally we have no dairy surpluses, I must admit that at the present time, due to a bad case of underconsumption, we do have dairy surpluses. There is every indication that during the next fiscal year these dairy surpluses will reach their peak. Therefore we feel that the adoption of this amendment provides a safety valve for our surpluses and the proper usage of the unexpended balances will prevent the bottom falling out of the price producers receive for dairy products.

In every State in which the production-control program of the A. A. A. has been in effect there has been a material and astonishing increase in the production of butterfat, and likewise a material increase in the number of milk cows, which means an increase in dairy surpluses. I sincerely hope the chairman will not insist upon his point of order.

The CHAIRMAN. The time of the gentleman from Wisconsin his expired.

Mr. JONES. Mr. Chairman, I insist upon the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. HOBBS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: Page 6, line 8, after the word "year", change the period into a semicolon, at the end of the amendment by Judge TARVER, just adopted, and add immediately thereafter the following words: "and also the curtailment of the market and depression of the prices for the products of the land not directly affected by the program set forth in this act, by the use of the land directly affected or by its products."

Mr. JONES. Mr. Chairman, I reserve the point of order.

Mr. HOBBS. Mr. Chairman, the hay farmers of the United States may be ruined by the operation of this act. Every acre of land taken out of cultivation is very apt to be put into grass which, whether offered for sale or not, will be fed, and thereby every ton of it that is raised will decrease the vanishing market of the hay farmers of America.

Marion Junction, Ala., used to ship 1,500 carloads of hay every year. Last year there were shipped from that place only 100 carloads. The reason for this is clear to every thoughtful person who is familiar with the operation of the Bankhead Cotton Control Act and the A. A. A. The row-crop farmers of Alabama, before the acreage-reduction program, used to buy a large part of the hay grown by the hay farmers of Alabama. But since then the acres taken out of production of row crops have produced a sufficiency of hay to feed the work animals of the row-crop farmers of Alabama, and therefore that part of the market for the hay produced by the hay farmers of Alabama has gone.

The pending bill—which I favor and shall vote for—will take out of row-crop production an exceedingly large acreage, 90 percent of which will be planted to or produce grasses. This will mean the same curtailment of the market of the hay farmers and continue to keep the price of hay depressed.

This amendment is designed to relieve this distressing situation, which is sure to arise. I earnestly urge the passage of this amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. HULL. Mr. Chairman, I have an amendment at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HULL: On page 7, line 16, after the word "thereof", insert the following: "In carrying out the provisions of this section the Secretary is authorized and empowered to enter into contracts with associations of producers or associations composed of producer associations as defined by the act of Congress of February 18, 1922, as amended, known as the Capper-Volstead Act, under which said associations may be designated by the Secretary as the agency to carry out any program authorized by this section, and the Secretary is further authorized and empowered to allot to said associations whatever funds may be necessary to carry out any program authorized by this section."

Mr. WHITTINGTON. Mr. Chairman, I make the point of order against the amendment that it is not germane.

Mr. HULL. Will the gentleman kindly reserve the point of order?

Mr. WHITTINGTON. I will reserve the point of order.

Mr. HULL. Mr. Chairman, there is nothing in this bill of benefit to northern dairymen. There is much in this bill that may be and will be, in my opinion, very detrimental to their industry. There is nothing in the whole measure that gives the dairymen a look-in anywhere in this entire program. The amendment which I have offered is offered on the part of the cooperative dairy associations which handle a large part of the butter and cheese production of my State and the adjoining States. It is to permit the dairy cooperatives to come in just the same as other agencies may come in under the bill, as is provided on page 6, and have a share in its administration. In other words, to permit the Secretary of Agriculture to use these associations for the purpose of carrying out the objects and general aims of the act. That is what this amendment means. It was adopted in the other body as a part of their bill without a single vote in opposition. When we substituted the House bill for the Senate bill, automatically this amendment died. I am offering it for the purpose of putting it back into the bill, in order that that same provision may be in our bill as it was in the bill of the Senate.

Mr. CLAIBORNE. Will the gentleman yield?

Mr. HULL. I yield.

Mr. CLAIBORNE. Why do you not confine it to the dairy industry, then?

Mr. HULL. I am willing that some other Member offer an amendment if he desires to do so. I am making it broad enough so that it cannot be ruled out on a point of order.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. HULL] has expired.

Does the gentleman from Mississippi desire to be heard on the point of order?

Mr. WHITTINGTON. Yes, sir. This has to do with the market stabilization and prices of commodities, while this section does not deal with that at all. It is not germane to it.

The CHAIRMAN. Does the gentleman insist on the point of order?

Mr. WHITTINGTON. Yes; I do, Mr. Chairman. That is the reason I made it.

Mr. HULL. I desire to be heard on the point of order, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman from Wisconsin.

Mr. HULL. Permit me to call attention to lines 8 to 15 on page 6 of this bill:

In carrying out the provisions of this section the Secretary is authorized to utilize county and community committees of agricultural producers and the agricultural extension service, or other approved State and local agencies.

It provides already that the Secretary may have the assistance of such organizations in the administration of the measure. This amendment includes among them these dairy producer associations and associations of such organizations.

The CHAIRMAN (Mr. FULLER). The Chair overrules the point of order.

The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. HULL) there were ayes 46 and noes 115.

So the amendment was rejected.

Mr. MONAGHAN. I have an amendment at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MONAGHAN: Page 9, line 9, insert the following new section:

"SEC. 4. Federal judges are forbidden to declare this act of Congress unconstitutional.

"No appeal shall be permitted in any case in which the constitutionality of this act is challenged, the passage by Congress of this act being deemed conclusive presumption of its constitutionality.

"Any Federal judge who declares this act unconstitutional is hereby declared to be guilty of violating the constitutional requirements of 'good behavior' "——

Mr. JONES. Mr. Chairman, this has gone far enough to make it clear that it is subject to a point of order. I make a point of order against the amendment.

The CHAIRMAN. The Chair does not need any enlightenment on this amendment.

Mr. MONAGHAN. I want to be heard on the point of order, Mr. Chairman.

The CHAIRMAN. If the gentleman will confine it to the point of order and make it brief, the Chair will hear him.

Mr. MONAGHAN. I have presented this amendment because I believe that the Supreme Court does not have a monopoly on knowledge of the Constitution or law. I wish to say that every bill brought before this Congress has a saving or separability clause in it. I have offered this in lieu of the separability clause, which the Supreme Court will please take notice is absent from both this bill and the Senate bill. I offer it under the authority of article III, section 2, of the Constitution, which gives the Congress the power to except legislation from the jurisdiction of the Court.

I supported this bill and hope that this amendment to except it from the Court's jurisdiction will prevail, not be-

cause I believe that the bill is the last and final word for relief of the farmer but because it embodies some small portion of the relief which that great part of society, so indispensable to our livelihood, needs. I had hoped that I might be able to present such an amendment to the Frazier-Lemke bill, which I hoped would be brought before the House long before this for passage to save the farms of those millions who are now in distress. The widespread demand for the Frazier-Lemke bill proves the need of aid for the farmer.

The CHAIRMAN (Mr. FULLER). The Chair is ready to rule. The Chair holds that it goes further than separability. It includes judicial procedure, and is therefore not germane. The point of order is sustained.

Mr. GREEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN: On page 7, line 4, after the word "commodity", insert a comma and the following: "including gum turpentine and gum rosin."

Mr. GREEN. Mr. Chairman, this amendment was drawn after conference with Members of the other legislative branch and Members of Congress, because we felt that possibly these producers of gum turpentine and gum rosin should be specifically provided for. I hope the Committee will accept the amendment.

Mr. JONES. Mr. Chairman, if we go to naming commodities, there is no place to stop. I am sorry, but the committee cannot accept the amendment.

Mr. GREEN. I have obtained assurance from official sources that gum turpentine and gum rosin are included in the scope of the bill as same as other agricultural products. Consequently, if the chairman will not accept the amendment, I ask consent to withdraw it.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BOILEAU. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: On page 8, line 23, after the word "out", insert "section 2 and"; page 9, line 2, after the word "appropriated", insert "or reappropriated"; and on page 9, line 7, strike out all after the period down through line 9 and insert "The authorization which is limited to June 30, 1936, contained in section 37 of Public Act No. 320 (74th Cong.), is likewise extended so that the funds therein authorized are authorized to be made available until June 30, 1937."

Mr. JONES. Mr. Chairman, this amendment should be adopted.

Mr. MARTIN of Colorado. Mr. Chairman, I have sought this time for the purpose, first, of thanking the committee for accepting the amendment offered by the gentleman from Texas [Mr. JONES] this morning appropriating $2,000,000 for the immediate execution of an emergency wind-erosion program in the Dust Bowl of the drought area in the Southwest. This condition is a menace not only to that country but it is a menace to much of the agricultural area of the Great Plains country, which can be saved only by the strong hand of the Federal Government, if it can be saved.

Mr. Chairman, we have heard much about the forgotten man. I want to say something about the forgotten land, the land which seemingly God has forgotten. I get letters from it every day, letters which make my heart ache and which I am hardly able to answer. I refer to the land which has come to be known as the Dust Bowl, where for 4 successive years there has been a drouth, growing in intensity until in the past 2 years there has been an almost total crop loss, and threatened with a fifth year, a land in which a population of farmers, practically 100 percent American, are carrying on a fight against a pitiless nature without parallel in the history of this country.

In the last 2 years the dust storms have originated, black blizzards, reaching to such a height that airplanes must fly at an altitude of 15,000 feet to surmount them, turning day into night, and once beautiful fields into deserts, and spreading a pall of dust at times which has drifted over the National Capital, obscuring the sun and reaching far out into the Atlantic Ocean.

It is more than a local problem. The circle is expanding. The soil from the blown lands is carried many miles, destroying crops and damaging lands which have not blown. Millions of acres have been ruined and other millions will be, unless preventive measures can be put to work.

Such a program must be long-time. The appropriation of $2,000,000 is for a superficial and temporary treatment only, a listing program which should have been under way weeks ago, a program which should be completed by the time it will only be started.

A five-state conference was held in my home city, Pueblo, Colo., on December 5 last, which approved an emergency wind-erosion program. The areas represented were southeastern Colorado, southwestern Kansas, western Oklahoma, northwestern Texas, and eastern New Mexico. Several Department representatives from Washington attended, also the directors and representatives of these departments in the affected States. It was felt that the actual work on the ground should be begun by January 15. It is now nearly March 1 and we are only getting to the appropriation of funds. This, however, is no fault of the Resettlement Administration. Funds appropriated for other purposes could not be transferred and only this act of Congress can furnish the necessary funds.

What this delay has resulted in is shown by the following telegram received by me from the board of county commissioners of Baca County, in my district:

SPRINGFIELD, COLO., *February 19, 1936.*

Hon. JOHN A. MARTIN, M. C.,
Washington, D. C.:

Ten mass meetings were held Monday in this county on listing program. Dust storms are occurring almost daily. We request advice on progress of bill providing for listing program and how soon emergency listing can be started. We urge that funds be made available immediately for emergency work. If we do not have assistance immediately all wheat in the county will be lost and much land destroyed, with conditions rapidly becoming worse with thawing weather. Every person, organization, and municipality in the county is behind this.

THE COUNTY COMMITTEE AND THE BOARD OF
COUNTY COMMISSIONERS, BACA COUNTY.

I am told that many thousand acres of wheat have already been destroyed, not only in southeastern Colorado but in the other areas named. A businessman just arriving from Amarillo, Tex., says that 3 weeks ago they had a splendid prospect for wheat—now it is a desert. He said eastbound airplanes from Albuquerque, N. Mex., detoured hundreds of miles through Dallas to reach Amarillo, and flew at an altitude of 15,000 feet over the surface of an ocean of dust.

Mr. Chairman, there is only one way by which this great and growing menace can be combated and conquered and that is through soil conservation. Much of this land must be renatured, that is, taken out of cultivation and returned to grass for regulated grazing. Other of it can be preserved and built up by the contour system, a light, trenching system following the contours of the land so as to catch and conserve rainfall, which is now being demonstrated by the soil-conservation service in the drought area. This, I say, must be a long-time program. And it must take in much more territory than the so-called Dust Bowl or the still larger drought area.

Mr. Chairman, as I have driven about over the western country with my eyes opened by what I have learned in the past few years about soil erosion, water as well as wind erosion, the devastation being wrought by deforestation, overgrazing, scratch farming, water, and wind, I have become alarmed for the future of the country. I have seen the 15-foot soil bed of a mountain valley washed down to the gravel. In my lifetime I have seen streams widened from 40 or 50 feet to 600 or 800 feet. I have seen the growth of the arroyos eating into and destroying the lands along the streams. I have seen once grassy stretches turned into sand boils which would make a man's flesh creep.

This destruction has been largely man-made, and it must be cured in the same way. In going about over my district last fall it occurred to me that it would take the combined and continued activities of all the Federal agencies now at work to stop this progressive destruction. Much of it is irremediable, but the process is continuing.

No bigger problem confronts this country than soil conservation. For that reason alone I would support the pending bill, and for that reason alone it is entitled to the support of every Member of this House. This country could well afford to spend $500,000,000 this year and every succeeding year to stop the waste and destruction which is depleting the greatest and the most permanent source of natural wealth—the soil.

THE NEW FARM BILL

Mr. Chairman, I want to say a few words about the farm bill. I am supporting this bill, but not on the theory that it will replace the A. A. A. I want to refer to the opening sentence of an editorial from the leading antiadministration paper in the Rocky Mountain country. It is as follows:

Senator ———, of ———, says the administration substitute farm bill is worse than the A. A. A. He is dead right about that.

I want to agree with the Senator and the editorial writer but for a different reason. It is worse than the A. A. A., because it is not as good. No substitute is as good. The McNary-Haugen plan is not as good. No tariff equalization is as good. No bonus or substitute is as good. Under the A. A. A., each farm commodity stood on its own bottom, financed its own plan. It was a simple plan. The effect of the processing tax on the producer, the processor, and the consumer could be easily calculated. The plan was working. It had been accepted by nine-tenths of the farmers and most of the processors. The former were getting a better share of the profits of the latter. This is the reason an unjust burden was not falling on the consumer. After all, the producer comes first. He must produce before anybody can consume. Also the farmer himself to the extent of one-fourth of our population is a consumer. As pointed out by the farmers of Kansas in resolutions read by me in some remarks I made a few days ago, neither the farmers nor the consumers were protesting and filing suits in the courts—only the processors, who were only the collectors of the tax and who were getting by. The processor always gets by.

Mr. Chairman, the case for A. A. A. can never be better stated than by the American Farm Bureau Federation at Chicago only last December, when they declared that the Agricultural Adjustment Act of 1933 and its amendments of 1935 were the successful culmination of a 12-year fight made by organized agriculture in the United States, that 2½ years of administration had proved the soundness of its principles, and dedicating themselves to its continued support and improvement.

WHAT THIS BILL PROVES

Mr. Chairman, there are honest conflicting views about the pending farm bill. There are able, honest, well-informed men contending for other plans. But this bill and the debates on the bill in both Houses demonstrate one thing beyond argument, and that is that agriculture in the United States must have the aid of Government. Not 10 percent of the membership of either House oppose this bill on the ground that agriculture needs no such aid. They oppose it on the ground that it is not a good plan or that some other plan is better. They are practically agreed on the proposition that some plan is needed.

It is a disturbing thing that agriculture, the great basic industry of the Nation, is not self-supporting. The class which produces all the food of all the people cannot make a living out of it and must get in one form or another a Government subsidy.

Here is another fact, even more disturbing. If some part of the present plight of agriculture can be attributed to the depression, the fact remains that during the period from 1921 to 1929, conceded to be the most prosperous period in the history of this, or any other nation, agriculture became bankrupt. The crash of October 1929 did not bring agriculture low; it was already prostrate. During several years of that period every industry but agriculture, every business but agriculture, every line of enterprise but agriculture, was making money. Agriculture was going bankrupt, not only agriculture in some lines, but agriculture in all lines. If wheat and cotton and corn and hogs and cattle were worth nothing, chickens and eggs and milk and butter were worth nothing. The only thing that flourished and prospered in connection with agriculture was mortgages, interest, and taxes.

This is an almost unbelievable phenomenon. It indicates some basic trouble in the national economy. We cannot hope to get back to where the people will consume more, or much more, than they consumed from 1921 to 1929. We cannot hope for a major solution in increased domestic consumption. Nor do I believe we can look for it through a major increase in exports. Perhaps no one cause is responsible for this phenomenon. Perhaps one man's guess is as good as another. My guess is, uncontrolled and unregulated production and marketing. What industry in this country could keep off the rocks in the unregulated and uncontrolled way in which agriculture is conducted? Not any. When supply begins to overrun demand, when a glut is in sight, Ford and General Motors shut down, the industrial plants and the mines suspend, but the farmer and the dairyman keep right on. This, as I see it, while not the whole problem, is a sufficiently large part of it to challenge the best thought of the leaders of the Nation in government, in agriculture, and in industry.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was agreed to.

Mr. BURDICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURDICK: After the last word in the bill, insert the following new section:

"BOARD OF APPEALS, APPOINTMENT, POWERS, AND DUTIES

"For the purpose of carrying out the provisions of this act there is hereby created a Board of Appeals to consist of three members, to be appointed by the President of the United States. One member shall represent agriculture, one shall represent the consuming public.

"COMPLAINTS

"Any farmer, or group of farmers, dissatisfied with any ruling or order of the Secretary of Agriculture made, promulgated, or decided by said Secretary, may take an appeal therefrom to the said Board of Appeals, and the final decision of said Board of Appeals shall be final so far as the rights of a farmer or group of farmers are concerned under the provisions of this bill.

"COMPENSATION AND DUTIES OF SAID BOARD OF APPEALS

"The members of said Board of Appeals shall be paid the sum of $5,000 per annum and their necessary traveling expenses to and from the place or places of hearings had in connection with complaints arising under the terms of this act. Their principal office and place of business shall be in the city of Washington, but they are hereby authorized to hold hearings on complaints anywhere in the United States, upon notice given complainants, in writing, duly deposited in the United States Post Office directed to the complainant or complainants at their place of residence at least 15 days prior to such hearing."

Mr. JONES. Mr. Chairman, I make the point of order against the amendment that it is not germane.

The CHAIRMAN. Does the gentleman from North Dakota desire to be heard on the point of order?

Mr. BURDICK. Yes.

The CHAIRMAN. The Chair will hear the gentleman briefly.

Mr. BURDICK. You have done everything else in this bill; you have conferred absolute autocratic power upon the Secretary of Agriculture. Merely because I want to release you from this arbitrary power and leave a modicum of freedom to the American farmers, the gentleman says it is not in order. Is this the gentleman's position?

Mr. JONES. I say merely that in several places the language of the amendment does not follow the rule of germaneness.

Mr. BURDICK. I simply set up a Federal board to which a farmer, if he is not satisfied with an order of the Secretary of Agriculture, can appeal and not have to suffer the consequences of being before a czar.

The CHAIRMAN. The Chair rules that the amendment is not germane and sustains the point of order.

Mr. HOBBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: Between lines 2 and 3, on page 7, insert:

"SEC. 9½. The Secretary of Agriculture is hereby authorized and directed to make loans to any farmers whose lands are not in any soil-conservation demonstration area and which are in need of

terracing and should be terraced, in the opinion of the Secretary of Agriculture, to each of such farmers the amount of money necessary to have his land terraced by some approved terracing association, the repayment of each of such loans to be secured in any way which in the judgment of the Secretary of Agriculture shall give reasonable assurance of repayment; such loans may be made for such length of time as may be agreed upon, not exceeding 5 years, and shall bear interest at the rate of 4 percent per annum, the interest and such part of the principal as shall amortize and repay the loan in equal annual installments to be payable annually: *Provided, however,* That no loan shall exceed $3 per acre nor a total of $2,000.

"For carrying out the purpose of this section there is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, such an amount of money as may be necessary to achieve the manifest intent."

Mr. JONES. Mr. Chairman, I make the point of order against the amendment that it is not germane.

Mr. HOBBS. Mr. Chairman, will the gentleman reserve his point of order?

Mr. JONES. Mr. Chairman, I reserve my point of order.

Mr. HOBBS. Mr. Chairman, the sole purpose of this amendment is to equalize opportunity for soil conservation and up-building among all of the people of our Nation instead of the chosen few who have the money to pay for the terracing of their lands.

I make the statement without fear of successful contradiction that 98 percent of all terracing in this country outside of the demonstration areas now connected with soil-conservation projects, is upon the lands of the rich. I am no baiter of the rich, but I do submit that if we mean business in the matter of soil conservation we must make it available to those who have small and run-down farms, as well as to those who can afford to pay for it presently.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I yield.

Mr. ANDRESEN. Does the gentleman anticipate that only the rich will be benefited by the soil-conservation act which will be passed here today?

Mr. HOBBS. No; this is a good bill and will benefit both rich and poor; but I want the benefits to be derived from terracing to be made available to all.

Mr. Chairman, I am 110 percent for the bill under consideration, but I insist that this amendment will make it a better bill, and should be adopted.

Mr. JONES. Mr. Chairman, I make the point of order against the amendment.

The CHAIRMAN. The Chair sustains the point of order and rules that the amendment is not germane.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made in connection with my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. JONES. Mr. Chairman, I ask unanimous consent to correct, if necessary, the section numbers and cross-references.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAPES. Mr. Chairman, I ask unanimous consent to include in the extension of my remarks a short paragraph from report of a committee of the National Cooperative Council.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The question is on the committee amendment offered as a substitute for the Senate bill.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FULLER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 3780) to produce the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers, and by providing for a permanent policy of Federal aid to States for such purposes, pursuant to House Resolution 419, reported the same back to the House with an amendment agreed to in Committee.

The SPEAKER. Under the rule, the previous question is ordered on the bill and amendment to final passage.

The question is on the adoption of the amendment.

The amendment was agreed to.

The bill was ordered to be read a third time, and was read the third time.

Mr. BOILEAU. Mr. Speaker, I offer a motion to recommit.

The Clerk read as follows:

Mr. BOILEAU moves to recommit the bill to the Committee on Agriculture with instructions to report the bill back to the House forthwith with the following amendment to the substitute amendment offered by Mr. JONES, containing the provisions of H. R. 10835: On page 6, line 20, strike out the period, insert a comma and the following: "and any payment or grant or other aid which is conditioned in whole or in part upon the growth of soil-restoration, soil-conservation, or erosion-preventing crops on any land, or any change in the kind of crop to be grown on any land, shall be subject to the further condition that no crops intended for sale be harvested from, and no livestock intended for sale, or the products of which are intended for sale, be grazed or pastured on such land.

"(d) No payment shall be made to any producer exceeding $2,000 in any calendar year."

Mr. JONES. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. SNELL. Mr. Speaker, on the motion to recommit I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 146, nays 225, answered "present" 1, not voting 58, as follows:

[Roll No. 22]

YEAS—146

Allen	Dunn, Pa.	Kniffin	Risk
Amlie	Ekwall	Knutson	Robsion, Ky.
Andresen	Engel	Lamneck	Rogers, Mass.
Andrew, Mass.	Englebright	Lehlbach	Ryan
Andrews, N. Y.	Evans	Lemke	Sauthoff
Arends	Fiesinger	Lord	Schneider, Wis.
Bacon	Fletcher	Ludlow	Scott
Binderup	Focht	Lundeen	Secrest
Blackney	Gambrill	McGroarty	Seger
Boileau	Gehrmann	McLean	Short
Brewster	Gifford	McLeod	Sisson
Brown, Mich.	Gilchrist	Maas	Smith, Conn.
Buckler, Minn.	Goldsborough	Main	Smith, Va.
Burdick	Goodwin	Mapes	Snell
Burnham	Greenway	Marshall	Somers, N. Y.
Cannon, Wis.	Greever	Martin, Mass.	Stefan
Carlson	Guyer	May	Stewart
Carter	Gwynne	Michener	Sutphin
Celler	Halleck	Mott	Sweeney
Christianson	Hancock, N. Y.	O'Day	Taber
Church	Hart	O'Malley	Taylor, Tenn.
Citron	Harter	O'Neal	Thurston
Claiborne	Healey	Patterson	Tinkham
Cole, Md.	Hess	Perkins	Tobey
Cole, N. Y.	Higgins, Conn.	Pettengill	Wadsworth
Collins	Higgins, Mass.	Peyser	Wallgren
Cooper, Ohio	Hildebrandt	Pierce	Welch
Corning	Hill, Knute	Pittenger	Wigglesworth
Crawford	Hoffman	Plumley	Wilson, Pa.
Crosser, Ohio	Hollister	Powers	Withrow
Crowther	Holmes	Ransley	Wolcott
Culkin	Hope	Reece	Wolverton
Darrow	Hull	Reed, Ill.	Woodruff
Dirksen	Imhoff	Reed, N. Y.	Young
Ditter	Jenkins, Ohio	Reilly	Zioncheck
Dondero	Kahn	Rich	
Duffy, N. Y.	Kinzer	Richardson	

NAYS—225

Adair	Brooks	Coffee	DeRouen
Ashbrook	Brown, Ga.	Colden	Dickstein
Ayers	Buchanan	Colmer	Dies
Bankhead	Buck	Cooley	Dingell
Barden	Burch	Cooper, Tenn.	Disney
Barry	Caldwell	Cox	Dobbins
Beam	Cannon, Mo.	Cravens	Dorsey
Belter	Carmichael	Creal	Doughton
Bell	Carpenter	Crosby	Doxey
Berlin	Cartwright	Cross, Tex.	Drewry
Biermann	Cary	Crowe	Driscoll
Bland	Casey	Cullen	Driver
Blanton	Castellow	Cummings	Duncan
Bloom	Chandler	Curley	Dunn, Miss.
Boehne	Chapman	Darden	Eagle
Boland	Clark, Idaho	Deen	Eckert
Boykin	Clark, N. C.	Delaney	Eicher
Boylan	Cochran	Dempsey	Faddis

Farley	Kerr	Nelson	Smith, Wash.
Ferguson	Kleberg	Nichols	Smith, W. Va.
Fitzpatrick	Kloeb	Norton	Snyder, Pa.
Flannagan	Kopplemann	O'Brien	South
Ford, Calif.	Kramer	O'Connell	Spence
Ford, Miss.	Lambeth	O'Connor	Stack
Frey	Lanham	O'Leary	Starnes
Fuller	Larrabee	Owen	Stubbs
Fulmer	Lea, Calif.	Palmisano	Sumners, Tex.
Gasque	Lewis, Colo.	Parks	Tarver
Gildea	Lucas	Parsons	Taylor, Colo.
Gillette	Luckey	Patman	Taylor, S. C.
Gingery	McAndrews	Patton	Terry
Granfield	McClellan	Pearson	Thom
Green	McCormack	Peterson, Fla.	Thomason
Greenwood	McFarlane	Pfeifer	Thompson
Gregory	McGehee	Polk	Tolan
Griswold	McGrath	Rabaut	Tonry
Haines	McKeough	Ramsay	Turner
Hamlin	McLaughlin	Ramspeck	Umstead
Hancock, N. C.	McMillan	Randolph	Utterback
Harlan	McReynolds	Rankin	Vinson, Ga.
Hennings	McSwain	Rayburn	Vinson, Ky.
Hill, Ala.	Mahon	Richards	Walter
Hill, Samuel B.	Maloney	Robertson	Warren
Hobbs	Mansfield	Robinson, Utah	Wearin
Hook	Martin, Colo.	Rogers, N. H.	Weaver
Houston	Mason	Rogers, Okla.	Werner
Huddleston	Massingale	Romjue	West
Jacobsen	Maverick	Rudd	Wheichel
Jenckes, Ind.	Meeks	Sadowski	White
Johnson, Okla.	Merritt, N. Y.	Sanders, Tex.	Whittington
Johnson, Tex.	Miller	Schaefer	Wilcox
Johnson, W. Va.	Mitchell, Ill.	Schuetz	Williams
Jones	Mitchell, Tenn.	Schulte	Wood
Keller	Monaghan	Scrugham	Zimmerman
Kelly	Moran	Sears	
Kennedy, Md.	Moritz	Shannon	
Kenney	Murdock	Sirovich	

ANSWERED "PRESENT"—1

Costello

NOT VOTING—58

Bacharach	Edmiston	Kvale	Sabath
Bolton	Ellenbogen	Lambertson	Sanders, La.
Brennan	Fenerty	Lee, Okla.	Sandlin
Buckbee	Fernandez	Lesinski	Shanley
Buckley, N. Y.	Fish	Lewis, Md.	Steagall
Bulwinkle	Gassaway	Marcantonio	Sullivan
Cavicchia	Gavagan	Mead	Thomas
Connery	Gearhart	Merritt, Conn.	Treadway
Daly	Gray, Ind.	Millard	Turpin
Dear	Gray, Pa.	Montague	Underwood
Dietrich	Hartley	Montet	Wilson, La.
Dockweiler	Hoeppel	Oliver	Wolfenden
Doutrich	Kee	Peterson, Ga.	Woodrum
Duffey, Ohio	Kennedy, N. Y.	Quinn	
Eaton	Kocialkowski	Russell	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Eaton (for) with Mr. Mead (against).
Mr. Lambertson (for) with Mr. Gassaway (against).
Mr. Dockweiler (for) with Mr. Daly (against).
Mr. Millard (for) with Mr. Dear (against).
Mr. Cavicchia (for) with Mr. Sullivan (against).
Mr. Hartley (for) with Mr. Woodrum (against).
Mr. Bolton (for) with Mr. Costello (against).
Mr. Bacharach (for) with Mr. Lewis of Maryland (against).
Mr. Marcantonio (for) with Mr. Bulwinkle (against).
Mr. Gavagan (for) with Mr. Peterson of Georgia (against).
Mr. Turpin (for) with Mr. Lesinski (against).
Mr. Shanley (for) with Mr. Lee of Oklahoma (against).
Mr. Doutrich (for) with Mr. Gray of Indiana (against).
Mr. Treadway (for) with Mr. Buckley of New York (against).
Mr. Thomas (for) with Mr. Underwood (against).
Mr. Fish (for) with Mr. Edmiston (against).
Mr. Wolfenden (for) with Mr. Fernandez (against).
Mr. Merritt of Connecticut (for) with Mr. Dietrich (against).

General pairs:

Mr. Oliver with Mr. Buckbee.
Mr. Kennedy of New York with Mr. Gearhart.
Mr. Steagall with Mr. Kvale.
Mr. Sabath with Mr. Fenerty.
Mr. Duffey of Ohio with Mr. Sandlin.
Mr. Montague with Mr. Russell.
Mr. Gray of Pennsylvania with Mr. Brennan.
Mr. Connery with Mr. Quinn.
Mr. Kee with Mr. Montet.
Mr. Wilson of Louisiana with Mr. Ellenbogen.
Mr. Kocialkowski with Mr. Sanders of Louisiana.

Mr. MARTIN of Colorado changed his vote from "yea" to "nay."

Mr. WALLGREN and Mr. ROBSION of Kentucky changed their votes from "nay" to "yea."

Mr. COSTELLO. Mr. Speaker, on the roll call I voted "nay." I wish to withdraw my vote due to the fact I have a general pair with the gentleman from Ohio, Mr. BOLTON.

Mr. FERGUSON. Mr. Speaker, my colleague from Oklahoma, Mr. GASSAWAY, is unavoidably absent. If present, he would have voted "nay."

Mr. HIGGINS of Massachusetts. Mr. Speaker, my colleagues from Massachusetts, Mr. RUSSELL and Mr. CONNERY, are unavoidably absent on official business. If present, they would have voted "yea."

Mr. BOLAND. Mr. Speaker, my colleague from Pennsylvania, Mr. DIETRICH, is detained on account of illness. If present, he would have voted "nay."

Mr. JOHNSON of West Virginia. Mr. Speaker, my colleague from West Virginia, Mr. KEE, is unavoidably absent on account of sickness. If present, he would have voted "nay."

Mr. GINGERY. Mr. Speaker, my colleague from Pennsylvania, Mr. GRAY, is unavoidably absent. If present, he would have voted "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. JONES. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 267, nays 97, answered "present" 1, not voting 65, as follows:

[Roll No. 23]

YEAS—267

Adair	Dickstein	Jenckes, Ind.	Parks
Allen	Dies	Johnson, Okla.	Parsons
Andresen	Dingell	Johnson, Tex.	Patman
Arends	Dirksen	Johnson, W. Va.	Patterson
Ashbrook	Disney	Jones	Patton
Ayers	Dobbins	Keller	Pearson
Bankhead	Dorsey	Kelly	Peterson, Fla.
Barden	Doughton	Kennedy, Md.	Pettengill
Barry	Doxey	Kenney	Pfeifer
Beam	Drewry	Kerr	Pierce
Beiter	Driscoll	Kinzer	Polk
Bell	Driver	Kleberg	Rabaut
Berlin	Duncan	Kloeb	Ramsay
Biermann	Dunn, Miss.	Kniffin	Ramspeck
Binderup	Dunn, Pa.	Knutson	Randolph
Bland	Eagle	Kocialkowski	Rankin
Blanton	Eckert	Kopplemann	Rayburn
Bloom	Eicher	Kramer	Reece
Boehne	Evans	Lambeth	Reed, Ill.
Boland	Faddis	Larrabee	Reilly
Boykin	Farley	Lea, Calif.	Richards
Boylan	Ferguson	Lewis, Colo.	Robertson
Brown, Ga.	Fiesinger	Lucas	Robinson, Utah
Brown, Mich.	Fitzpatrick	Luckey	Rogers, N. H.
Buchanan	Flannagan	Ludlow	Rogers, Okla.
Buck	Fletcher	McAndrews	Romjue
Buckler, Minn.	Ford, Calif.	McClellan	Rudd
Burch	Ford, Miss.	McCormack	Ryan
Caldwell	Frey	McFarlane	Sadowski
Cannon, Mo.	Fuller	McGehee	Sanders, Tex.
Carlson	Fulmer	McGrath	Schaefer
Carmichael	Gambrill	McKeough	Schuetz
Carpenter	Gasque	McLaughlin	Schulte
Cartwright	Gilchrist	McMillan	Scott
Cary	Gildea	McReynolds	Scrugham
Castellow	Gillette	Mahon	Sears
Chandler	Gingery	Maloney	Secrest
Chapman	Goldsborough	Mansfield	Shannon
Christianson	Green	Marshall	Sirovich
Clark, Idaho	Greenwood	Martin, Colo.	Smith, Conn.
Clark, N. C.	Greever	Mason	Smith, Va.
Cochran	Gregory	Massingale	Smith, Wash.
Coffee	Griswold	Maverick	Smith, W. Va.
Colden	Guyer	Meeks	South
Cole, Md.	Gwynne	Merritt, N. Y.	Spence
Colmer	Haines	Miller	Starnes
Cooley	Halleck	Mitchell, Ill.	Stefan
Cooper, Tenn.	Hamlin	Mitchell, Tenn.	Stubbs
Cox	Hancock, N. C.	Monaghan	Sumners, Tex.
Cravens	Harlan	Moran	Sutphin
Creal	Hart	Moritz	Tarver
Crosby	Hennings	Murdock	Taylor, Colo.
Cross, Tex.	Hildebrandt	Nelson	Taylor, S. C.
Crowe	Hill, Ala.	Nichols	Taylor, Tenn.
Cullen	Hill, Knute	Norton	Terry
Cummings	Hill, Samuel B.	O'Brien	Thom
Curley	Hobbs	O'Connell	Thomason
Darden	Hook	O'Connor	Thompson
Deen	Hope	O'Day	Thurston
Delaney	Houston	O'Leary	Tolan
Dempsey	Imhoff	Owen	Tonry
DeRouen	Jacobsen	Palmisano	Turner

Umstead	Walter	Werner	Wilcox
Utterback	Warren	West	Williams
Vinson, Ga.	Wearin	Whelchel	Wood
Vinson, Ky.	Weaver	White	Zimmerman
Wallgren	Welch	Whittington	

NAYS—97

Amlie	Dondero	Lemke	Rogers, Mass.
Andrew, Mass.	Duffy, N. Y.	Lord	Sauthoff
Bacon	Engel	Lundeen	Schneider, Wis.
Blackney	Englebright	McGroarty	Seger
Boileau	Focht	McLean	Short
Brewster	Gehrmann	McLeod	Sisson
Burdick	Gifford	Maas	Snell
Burnham	Goodwin	Main	Somers, N. Y.
Cannon, Wis.	Granfield	Mapes	Stewart
Carter	Greenway	Martin, Mass.	Sweeney
Casey	Hancock, N. Y.	May	Taber
Celler	Harter	Michener	Tinkham
Church	Healey	Mott	Tobey
Citron	Hess	O'Malley	Wadsworth
Claiborne	Higgins, Conn.	O'Neal	Wigglesworth
Cole, N. Y.	Higgins, Mass.	Perkins	Wilson, Pa.
Collins	Hoffman	Peyser	Withrow
Cooper, Ohio	Hollister	Pittenger	Wolcott
Corning	Holmes	Plumley	Wolverton
Crawford	Huddleston	Powers	Woodruff
Crosser, Ohio	Hull	Ransley	Young
Crowther	Jenkins, Ohio	Reed, N. Y.	Zioncheck
Culkin	Kahn	Rich	
Darrow	Lamneck	Risk	
Ditter	Lehlbach	Robsion, Ky.	

ANSWERED "PRESENT"—1

Costello

NOT VOTING—65

Andrews, N. Y.	Edmiston	Lanham	Sanders, La.
Bacharach	Ekwall	Lee, Okla.	Sandlin
Bolton	Ellenbogen	Lesinski	Shanley
Brennan	Fenerty	Lewis, Md.	Snyder, Pa.
Brooks	Fernandez	McSwain	Stack
Buckbee	Fish	Marcantonio	Steagall
Buckley, N. Y.	Gassaway	Mead	Sullivan
Bulwinkle	Gavagan	Merritt, Conn.	Thomas
Cavicchia	Gearhart	Millard	Treadway
Connery	Gray, Ind.	Montague	Turpin
Daly	Gray, Pa.	Montet	Underwood
Dear	Hartley	Oliver	Wilson, La.
Dietrich	Hoeppel	Peterson, Ga.	Wolfenden
Dockweiler	Kee	Quinn	Woodrum
Doutrich	Kennedy, N. Y.	Richardson	
Duffey, Ohio	Kvale	Russell	
Eaton	Lambertson	Sabath	

So the bill was passed.

The Clerk announced the following pairs:

On the vote:

Mr. Mead (for) with Mr. Eaton (against).
Mr. Lambertson (for) with Mr. Dockweiler (against).
Mr. Gassaway (for) with Mr. Andrews of New York (against).
Mr. Dear (for) with Mr. Millard (against).
Mr. Sullivan (for) with Mr. Cavicchia (against).
Mr. Woodrum (for) with Mr. Hartley (against).
Mr. Costello (for) with Mr. Bolton (against).
Mr. Lewis of Maryland (for) with Mr. Bacharach (against).
Mr. Bulwinkle (for) with Mr. Marcantonio (against).
Mr. Peterson of Georgia (for) with Mr. Gavagan (against).
Mr. Lesinski (for) with Mr. Turpin (against).
Mr. Lee of Oklahoma (for) with Mr. Shanley (against).
Mr. Gray of Indiana (for) with Mr. Doutrich (against).
Mr. Buckley of New York (for) with Mr. Treadway (against).
Mr. Brooks (for) with Mr. Thomas (against).
Mr. Daly (for) with Mr. Ekwall (against).
Mr. Fernandez (for) with Mr. Wolfenden (against).
Mr. Dietrich (for) with Mr. Merritt of Connecticut (against).

General pairs:

Mr. Oliver with Mr. Buckbee.
Mr. Kennedy of New York with Mr. Gearhart.
Mr. Steagall with Mr. Kvale.
Mr. Edmiston with Mr. Fish.
Mr. Duffey of Ohio with Mr. Sandlin.
Mr. Montague with Mr. Russell.
Mr. Gray of Pennsylvania with Mr. Brennan.
Mr. Connery with Mr. Quinn.
Mr. Kee with Mr. Montet.
Mr. Wilson of Louisiana with Mr. Ellenbogen.
Mr. Sanders of Louisiana with Mr. Sabath.
Mr. McSwain with Mr. Richardson.
Mr. Stack with Mr. Lanham.
Mr. Snyder of Pennsylvania with Mr. Underwood.

Mr. JOHNSON of West Virginia. Mr. Speaker, my colleague the gentleman from West Virginia, Mr. KEE, is unavoidably absent. Had he been present, he would have voted "aye."

Mr. SMITH of West Virginia. Mr. Speaker, my colleague the gentleman from West Virginia, Mr. EDMISTON, is unavoidably absent. If present, he would vote "aye."

Mr. FERGUSON. Mr. Speaker, my colleague the gentleman from Oklahoma, Mr. GASSAWAY, is unavoidably absent. If present, he would vote "aye."

Mr. HAINES. Mr. Speaker, my colleague the gentleman from Pennsylvania, Mr. DIETRICH, is unavoidably absent. If he were present, he would vote "aye."

Mr. HEALEY. Mr. Speaker, my colleagues, the gentleman from Massachusetts, Mr. RUSSELL, and the gentleman from Massachusetts, Mr. CONNERY, are unavoidably absent on official business. If present, they would vote "no."

Mr. COSTELLO. Mr. Speaker, on the last roll call I voted "aye." I have a general pair with the gentleman from Ohio, Mr. BOLTON, and I therefore withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

EXTENSION OF REMARKS—SOIL CONSERVATION

Mr. LARRABEE. Mr. Speaker, since 1933 there has been a steady and pronounced improvement in the economic state of the farmer and his family in my district, largely the direct result of the benefits extended the producing agriculturalist under the provisions of the Agricultural Adjustment Act, which the Supreme Court of the United States recently declared unconstitutional.

Control of production, with the immediate following of improved prices for the farmer's products, aside from the direct benefits of the subsidy feature of the act, undoubtedly caused by far the greater portion of the improvement in economic conditions in agricultural territory.

In my district and in my State farmers were beginning to feel that life for them once more held hope, and the decision of the Supreme Court left thousands of farmers wondering what the future would hold. Many felt that all hope was lost. Others believed that this administration, as in the past, would come to the front with plans and action to take care of the situation.

The Agricultural Committees of the House and the Senate, bearing in mind the Supreme Court's decision in the A. A. A. case, and with the vast knowledge gained through exhaustive studies of the agricultural situation over the period of the past few years, accepted the recommendations of the United States Department of Agriculture, and brought forth the bill, S. 3780, which we are now considering.

This bill, while not attacking the problem as directly as did the Agricultural Adjustment Act, in my mind provides the necessary ways and means of continuing Federal aid in solving the problem of loss of income to the farming peoples.

In many respects this bill is far superior to the old law, as this legislation looks well into the future, and makes provisions for sound national planning for the future welfare of the farmers by providing a sound system of planning and action for the preservation of the soil resources of the Nation.

In years past competent engineers and scientists of the Department of Agriculture have made exhaustive studies of the problem of exhaustion of the soil resources of the Nation, with findings that concluded that in the not distant future agriculture would be beset with the problem of producing from unfertile fields sufficient produce to make their efforts worth while. The warning has been given that in the not distant future this Nation would face a situation of being unable to provide sufficient basic agricultural commodities to supply the normal needs of our own people.

What better time than now, when we are faced with a definite overproduction of basic farm products, which overproduction, coupled with a condition of enforced subnormal consumption on the part of the consuming public, when farm prices have been climbing through our past several months of crop-production control toward the normal levels, could we possibly find to attack this problem from a national standpoint?

This act, "to provide for protection of land resources against soil erosion, and for the preservation and improvement of soil fertility, the promotion of economic use and conservation of land, the reduction of exploitation and wasteful, unscientific use of national soil resources, the pro-

tection of rivers and harbors against the result of soil erosion, in aid of maintaining the navigability of waters and water courses, and in the aid of flood control—elements of vital importance to millions of acres of farm lands—and reestablishment and maintenance of farmers' purchasing power", will doubtless go down in history as the most vitally important legislation ever designed for the benefit of all the people of the Nation.

Little need be said regarding the economic factor of reviving business through the medium of reviving the purchasing power of the agricultural people. We are all agreed on that point. During the past 2 years in particular we have seen the vast improvement in business conditions generally, the vast improvement in industry and commerce, resulting from the improvement in the farmers' buying power which has already been affected.

My district, in which the people are well divided between the classes of agricultural producers and employees of industry and commerce, is an outstanding example of these facts, referred to by some as simple truths of economics.

This act proposes and provides for a continuous and stable supply of agricultural commodities adequate to meet the consumer demand at prices fair to both producers and consumers.

Aside from partisan political opposition I have heard no opposition to this legislation from the people of my district. However, farmers of my district assembled in conventions and assemblages in practically every township of every county have petitioned me to support this bill. They believe in its purposes and have faith in the results that will be achieved. This expression from the people of my district, it follows naturally, leads me to believe that we can anticipate wholehearted support and cooperation from the agricultural people, and such support guarantees the results we seek.

If means can be found to rehabilitate the agricultural industry by methods not in conflict with the Constitution, the national welfare will be promoted. This bill proposes to meet the problems in conformity with the Constitution. I believe that it meets the problem and that it conforms with the constitutional principles set out in the A. A. A. decision of the Supreme Court.

I have been profoundly interested in the words of Justice Roberts in the A. A. A. decision, in which he said:

> None (speaking of powers) to regulate agricultural production is given, and therefore legislation by Congress for that purpose is forbidden.

In this statement the challenge to Congress—to the people of the Nation—is issued. We had felt that the general-welfare clause of the Constitution was broad enough to cover such emergencies as the emergency which faced agriculture at the outset of the Roosevelt administration. Justice Roberts and the majority of the Supreme Court say "No."

Secretary of Agriculture, the Honorable Henry A. Wallace, speaking in Indianapolis, Ind., recently, recalled the Dred Scott decision which plagued President Lincoln and his administration. Lincoln, fighting to preserve the Union and for principles he felt were right, found that decision definitely blocking his plans for abolition of slavery in the Territories.

Referring to the Court's decision, and speaking of the Constitution, Lincoln said:

> I took an oath that I would, to the best of my ability, preserve, protect, and defend the Constitution of the United States. • • • I understand, however, that my oath to preserve the Constitution • • • imposed upon me the duty of preserving, by every indispensable means, that Government, that Nation, of which the Constitution was the organic law. Was it possible to lose the Nation and yet preserve the Constitution? By general law, life and limb must be protected; yet often a limb must be amputated to save a life; but a life is never wisely given to save a limb.

It is clear that Lincoln meant that preservation of the Constitution was secondary to the preservation of the Nation.

It is just as clear now that if we should find that we are blocked by the present provisions of the Constitution in our efforts to save agriculture from utter ruin, saving of the Constitution, which I am sworn to uphold, preserve, and defend, must of necessity be amended to save agriculture.

However, I do not feel that the present situation is as acute as many would have us believe. There are those who have already declared this new legislation—

> To promote the conservation and profitable use of agricultural-land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes—

will not be sustained if attacked before the Supreme Court. I think this legislation is constitutional. But if it should result that the Court holds otherwise, I see but one avenue open—that of constitutional amendment.

One noted writer, whose articles appear in the Scripps-Howard publications, forecasts that the new farm bill will be held unconstitutional. In his analysis of the law he assumes that the primary purpose of the law is control of production and prices. He points out that the Court has declared such power beyond the limits permitted the Congress.

It is my belief that control of production and prices would follow as the result of the primary purposes of the law—conservation of soil resources. If the Court should hold that Congress has no authority to legislate to conserve our soil resources, because it should follow in the natural course of economic events that control of production and prices would result, then it will follow as surely as the night follows day that we will be faced with the insistent demand of the people for constitutional amendment.

The Constitution has been amended many times. It will be amended again. I do not think that it will be necessary to amend the organic law of the Nation to save the basic industry of the Nation from destruction, because I believe the new farm law will be found constitutional. However, we may as well assume that as a possibility and be ready to meet it.

Those who are pessimistic of the outcome evidently have read with great caution the statement in the A. A. A. decision which reads:

> It is an established principle that the attainment of a prohibited end may not be accomplished under the pretext of the exertion of powers which are granted.

The methods proposed by the bill to accomplish its purposes are twofold. First, the bill provides for grants to States to enable them to carry out their own programs for agricultural rehabilitation.

In the A. A. A. decision the Court stated that—

> Powers not specifically granted or reasonably to be implied from such as are conferred are to be reserved to the States or the people.

In order to receive Federal aid under this bill a State must submit to the Secretary of Agriculture a plan which has as its objective the carrying out of any one or more of the specified purposes of the new Federal farm law during a given year. The Secretary is to approve the State plan if he finds it is likely to do so, if he finds that the plan and other plans submitted by other States warrant going ahead under them to carry out the plans, and if the particular State plan is designed to do what can reasonably be regarded as that State's share. Safeguards are provided under which the Secretary can assure that the money given the State by the Federal Government is being properly spent and that the spending of the money will continue to effectuate the purposes of the Federal law. Provision for fair distribution of Federal moneys among the cooperating States is carefully set out.

The only limitations on the type of State plan which may secure Federal aid are those limitations which will provide for proper administration of the plan and for securing coordination of State plans on a national scale. The bill provides for decentralization of administration activity and provides for participation in the execution of the plans by producers.

We have no indication and no precedents which indicate that the Court will declare Congress powerless to provide aid to the States for such purposes. I see no danger of this feature of the law which is designed to provide for permanent future conservation activity being held unconstitutional.

The bill also adds a new section, temporary in its operation, to the Soil Erosion Act. Under its terms the Secretary of Agriculture is given power to make payments or other grants of aid to agricultural producers to encourage farming practices designed to result in preservation and improvement of soil fertility, promotion of the economic use of land, and curtailment of exploitation and unprofitable use of national soil resources. The Secretary is given no independent power—which the Supreme Court has challenged—under the temporary plan to provide for a continuous and stable supply of agricultural commodities or to provide for reestablishing and maintaining farm purchasing power. Such payments or grants are to be conditioned upon such utilization of land as the Secretary finds has tended to accomplish the purposes specifically provided by the act. The amount to be paid to each producer for carrying out soil-conservation practices is to be based upon the treatment or use of land for soil conservation and restoration or the prevention of erosion, as the case may be; changes in the use of land; or a domestic-allotment percentage. The Secretary is to take into consideration the productivity of the land affected in making any payments based on land use.

The Secretary is expressly denied the power to enter into contracts binding any producer to any course of action or to acquire any land or right or interest in land under the bill.

This feature of the new law might well be called the stopgap feature. It is undeniably intended to provide ways and means of progressing toward the proposed goal during that period of time required for the States to set up their own plans.

In several States plans are already under way. In Indiana the agricultural extension service has held a number of county and township meetings designed to acquaint the producers with the plans proposed in this act. State officials are keeping well informed on these plans, and organized agriculture in those States where State officials are not yet aroused to the necessity of such legislation are planning to go before the legislatures requesting full State cooperation with the Federal program.

This feature of the new law is specifically temporary, and no grant or payment under the second section, above outlined, can be made after December 31, 1937. By that time it is anticipated most States at least will have come under or had an opportunity to come under the plans designated in the first section of the law.

It is apparent that if no provision is made for soil conservation prior to the time when State activity becomes effective, the task of the States will be greater and, as a consequence, the expenditures of the Federal Government will be greater.

The Supreme Court, to use this Court's words, has held that a temporary plan is not a statutory plan to regulate and control agricultural production, and the objects of this plan are specifically stated to be soil conservation and powers conferred are only such powers as are needed to carry out this purpose.

It is the consensus of opinion that the Supreme Court did not, in the A. A. A. decision, condemn conditional expenditures not in pursuance of a contract which have as their object the accomplishment of a purpose to promote the general welfare. The Court, however, did say:

> There is an obvious difference between a statute stating the conditions upon which moneys shall be expended and one effective only upon assumption of a contractual obligation to submit to a regulation which otherwise could not be enforced.

Under the temporary plan, each producer is completely free to do as he pleases with his farm. There is no coercion upon him to change his practices, to adopt any particular practice, or to fail to adopt any practice. The farmer has complete freedom of choice and the Secretary of Agriculture is entirely forbidden from any action to bind the farmer in any choice.

This new bill also provides, among other things, for the expansion of foreign and domestic markets, the search for new markets, and the disposition of any accumulated surpluses which may be stagnating local markets.

Before closing I should like to point out that even though the A. A. A. Act was declared unconstitutional, during the period of its operation prices of commodities generally produced in my State increased greatly to the ultimate and decided advantage of the producer.

From December 1932 to December 1935 wheat prices climbed from 31 to 90 cents per bushel; corn from 18 to 53 cents per bushel; hogs from $2.73 per hundredweight to $8.72 per hundredweight; wholesale milk from $1.26 per hundredweight to $1.86 per hundredweight; and butterfat from 21 to 33 cents per pound.

We have gone forward consistently under the old law, which is now lost, and I feel we shall continue to go forward under the new law which we are now enacting.

I feel also that the permanent features of the new law are much to be desired and that the future of agriculture will be adequately safeguarded under these provisions.

MILITARY ROAD

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H. J. Res. 488) to close Military Road, with a Senate amendment, and concur in the Senate amendment.

Mr. SNELL. Is this the Military Road across the river here?

Mr. MAY. Yes.

The Clerk read the title of the House joint resolution.

The Clerk read the Senate amendment, as follows:

Strike out all after the resolving clause and insert:

"That permission is hereby granted to the National Airport Corporation to use as a part of the runway of its airport located near the city of Washington, D. C., such part of the road commonly known as Military Road as may be necessary to connect the two parts of the said airport now separated by the said road; that part of the road to be used for such runway to be determined by the Department of Commerce: *Provided*, That the part of the road hereinabove described shall continue in use as a public road and be open to the public, as contemplated by the act of Congress approved August 24, 1912 (37 Stat. 569, 583), except when necessarily closed during its use for the landing and taking off of airplanes: *And provided further*, That the permission herein granted shall be effective only so long as the said National Airport Corporation provides, maintains, and operates such traffic signals or other safety devices as shall be approved by the Department of Commerce to protect airplane and vehicular traffic on and over the part of the road herein authorized to be used.

"SEC. 2. Any person who knowingly, during its use for the landing or taking off of airplanes, enters, attempts to enter, or who at any time parks upon that part of the road herein authorized to be used shall be punished by a fine not to exceed $500 or imprisoned not to exceed 6 months, or both.

"SEC. 3. Jurisdiction over offenses committed in violation of this joint resolution is hereby vested in the nearest commissioner, judge, or court of the United States having jurisdiction in the premises.

"SEC. 4. Congress reserves the right to alter, amend, or repeal this joint resolution."

Amend the title so as to read: "Joint resolution to provide for safeguarding of traffic on Military Road."

The SPEAKER. Is there objection to the present consideration of the House joint resolution?

There was no objection.

The Senate amendment was concurred in.

ACCOMPLISHMENTS OF THE ROOSEVELT ADMINISTRATION

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to have printed in the RECORD a speech delivered by myself in Boston recently.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech which I delivered in Boston, Mass., on February 15, 1936:

It is a pleasure to come here to greet the friends I met a few years ago and discuss the political situation as it appears today. Then, too, I am reminded that this city is the home of my very good friends, JOHN MCCORMACK and JOHN HIGGINS, both of whom ably represent you in the United States House of Representatives. Indeed I may say in truth that no Member of the House enjoys a greater respect and affection than does your distinguished Representative, JOHN MCCORMACK. His ability, sincerity, and fair-play attitude is appreciated and acknowledged by all our colleagues, particularly the powerful Ways and Means Committee of the House, of which he is a member.

JOHN HIGGINS, too, is a very great credit to your good judgment. Although a comparatively new Member, already his ability and fine personality are recognized by every Member with whom he comes in contact. I do not hesitate to predict a very successful service in Congress for him and sincerely hope Boston will return JOHN MCCORMACK and JOHN HIGGINS to serve you for many years to come.

Someone has slipped a note to ask me what I think of Mr. CONNERY. Well, of course, you must know that BILLY CONNERY is one of the most beloved Members in Congress. Even when disagreeing with Billy we love him just the same. He is very kind and considerate and at the same time a great fighter. And when it comes to the people he represents, well, I can tell you we almost feel we have a bowing acquaintance with every person in Lynn. As chairman of the Labor Committee BILLY CONNERY is doing a fine job. As ranking member of that committee I am in a position to tell you that he deserves your confidence, your gratitude, and your votes.

And now I am going into the subject of my talk, but, first, may I not take a few minutes to express my sincere appreciation of the efforts most of you must have made to come here today. I cannot recall a worse storm at any time. Those of you who are here from the northern and western part of the State must have experienced great difficulty in traveling and your presence goes to prove something we have come to realize during the past few very strenuous years—that the women of the country can be depended upon for service if and when we are needed, and probably at no time in our history have we been needed more than we are today. I know it is because of this fact and of your loyalty that you are here in such numbers. You realize that vicious forces are at work trying to undermine our faith in one of the greatest humanitarians of all time—our beloved President. I like to think that those of us who understand all that has been accomplished during the past 3 hectic years will stand shoulder to shoulder in the work ahead and prove in the election this year that we are grateful for all that has been accomplished by the administration under the leadership of President Roosevelt.

I like to think, too, that women, because of their obligations to the home and to improving social conditions in their communities as well as in the Nation, are preparing with facts and figures to prove that the New Deal is and has been a vital force in improving the economic conditions of hundreds of thousands of our citizens, many of whom in 1933 had lost not only their savings, their homes, their business, but that which is of more importance, their courage. To me that was the most pitiful part of the whole depression. During 1929, 1930, 1931, and 1932 the records disclose the greatest number of suicides of any period in our history. Strong men and women lost not only their material possessions but their mental stability as well, and broken in spirit they sought what seemed to them the only way out.

It was a sad period and those selfish men and women who are now crying loudest about the Constitution in their efforts to destroy the work of 3 years of constructive effort on the part of an administration devoted to the welfare of all the people of this great land might well compare the record of the Hoover administration with that of the New Deal. If then they continue to decry the accomplishments indicated, it may well be said of them that their selfishness has taken possession of their conscience.

It might be well to discuss here the subject about which you invited me to talk today, "the accomplishments of the Roosevelt administration." I feel inadequate to do justice to this subject, but at least I shall try to tell you in simple language what seems to be most important. When I say that those of us who are Democrats can look back upon our 3 years of stewardship of national affairs with a feeling of pride, I know you will agree with me, and I know we can look toward the future with confidence and with faith in the unfailing ability of the American people to recognize and appreciate honest, unselfish effort, and to place the stamp of approbation upon a job well done, undertaken in a time of great national stress, during a period of serious emergency, when fear and apprehension were widespread; when rumblings of discontent were becoming more and more pronounced, when the general welfare of the Nation truly was at the crossroads and called for immediate, definite, courageous action.

Nobody reading the record of accomplishment since March 1933 who compares it with the previous 3 years of inaction can fail to acknowledge that President Roosevelt has done a man-sized job for the people of this great country. The newspapers tell the story far better than I can. Not the front pages, but the financial and industrial reports. If you doubt what I tell you, get a copy of your favorite newspaper as of March 1933 and place alongside of it a copy of the same newspaper of this date. You will find figures that will amaze you. If you continue your investigation, you will find that our exports have increased almost 150 percent, imports about 95 percent, construction contracts in 37 States 213 percent, life insurance written shows an increase of approximately 10 percent, newspaper advertising an increase of more than 50 percent. In the retail sales and chain stores—18 chains—we have an increase of over 30 percent, rural sales—general merchandise—an increase of 118 percent, variety stores—5-and-10 stores—an increase of almost 25 percent, department stores an increase of almost 50 percent, industrial production an increase of about 65 per cent, and so the story goes; and it is the same with respect to all industry, all business throughout the Nation. This is a steady, healthy improvement, increased production, larger pay rolls, greater revenues, and added dividends.

In your own State, Massachusetts, income taxes collected in 1933 aggregated $35,169,560; in 1935 the total collection amounted to $50,882,728. Miscellaneous tax collections for 1933 totaled $14,219,010, whereas those in 1935 aggregated $43,386,934. Total employment for the month of October 1935 showed a gain of over 25 percent over March 1933. Pay rolls for the same period showed a gain of almost 50 percent. Is not this a record to feel proud of?

One hears much glib talk of regimentation, of Constitution safeguards, and of rugged individualism. Who cares about all that when we know that the only real test in any undertaking is that of accomplishment?

We know that under the leadership of President Roosevelt our savings banks, commercial banks, and trust companies are now in a healthy condition. The number of individual bank accounts on July 1 was the largest on record, nearly 14,000,000. Insurance companies, protectors of the destinies of many millions of families, are today as strong as ever in their history. Recovery came through wise legislation, sound and careful supervision, and the great advance not only in the value of securities but in the value of mortgages on farms, homes, and business properties. As to manufacturers and merchants, many facing bankruptcy in 1932 are now definitely on the way up, and some have reached 1929 level of production. I quote from Thomas J. Watson, president of one of our largest corporations:

"Industrial activity stands at 80 percent as compared with 1929. Pig-iron production, a basic industry, was more than one-fourth greater in 11 months of 1935 than in 1934, one and one-half the output of 1933, and more than two and a quarter times that of 1932. Net earnings of all industrial corporations in 9 months of 1935 were 29 percent above 1934 and 54 percent above 1933. Corporate-share values increased 32 percent in 1935 and 97 percent during the past 3 years. There was not a single failure on the New York Stock Exchange during 1935."

These statements from a man who is a leader in the industrial and business world represent definite accomplishments and should furnish much food for thought in appraising the work of the President and of the Congress during the past 3 years. They are facts, clear and convincing. On and before March 4, 1933, the Nation was on the threshold of economic chaos and worse. Poverty, destitution, hunger, business stagnation, bankruptcies, and despair were widespread. Today even our enemies will concede that the clouds have lifted and that courage has taken the place of despair in the heart of the average person.

The important thing to us is that the Nation has progressed, has found firmer ground, and is going on to better things. The Republican administration during 3 full years after the crash in the fall of 1929 had not the ability nor the courage to suggest or carry through a program that probably would have prevented the frightful condition confronting President Roosevelt when he assumed leadership of our country in March 1933. The American people are prone to forget, but I do not believe we shall soon forget the do-nothing leadership of Mr. Hoover and his party during the most trying period within the memory of most of us. I still insist that the American people are grateful, and it is because of this faith that I know they will listen to all of the arguments presented and weigh them on the scales of justice.

The task we have before us is to present our case. It is not a difficult case, for it is built upon facts. Cold logic may be substituted for emotionalism and the jury of millions who have been benefited through the legislation enacted under the leadership of a man who placed the necessity of restoring courage to a nation above any other consideration can be depended upon to render a fair verdict on election day. Any good lawyer tries his case on facts. I have tried to give you facts in this case. It is up to you, the workers in the Democratic Party, to present your facts to the people of this great State. The issue is clear-cut. On one side we have the do-nothing policy of the Hoover administration and on the other 3 years of intensive planning to benefit all the people of this great Nation. We do not ask you to approve every act. We do ask you to render your verdict on the results achieved.

In considering the achievements let your conscience guide you and ask yourselves these questions: Is the Constitution of my country in danger because the administration provided the means to feed the hungry? Or because millions of jobless have been given jobs; because thousands of boys, idle and desperate, were

given an opportunity to work in camps provided for them; because the farmer has been assured a reasonable price for the product of his toil; because the natural resources of the Nation, grabbed by beneficiaries of special privilege in the days of the "invisible Government", have been restored to the people; because the investment securities and bank savings of a lifetime have been made secure against the sharp practices and high-pressure finance that destroyed most of us? We hear so much of the Constitution these days and of the fear of "inciting class warfare." I am not the least bit worried about the Constitution. The very people who talk most about it are those who may well ask themselves whether or not they have honestly lived up to even the preamble to that Constitution. As for "inciting class warfare", we need only ask ourselves a few questions on that subject. Is it "inciting class warfare" to secure for the worker just compensation for honest toil, to reduce hours of labor to a plane consistent with the requirements of health, or to remove the underprivileged from city plague spots, germ-laden, crime-breeding tenement hovels, to decent habitations that will bring health, happiness, and contentment?

The honest people of this country must acknowledge that the Farm Credit Administration saved thousands of farms and farmers The Home Owners' Loan Corporation saved thousands of city and suburban homes. The Reconstruction Finance Corporation galvanized into new and vigorous life, saved hundreds of banks, railroads, industry, and came to the rescue of depositors in closed banks. The Federal Emergency Relief Administration cared for more than 10,000,000 of destitute people. The Civilian Conservation Corps took a million youngsters off our city streets and gave them wholesome, useful occupation, and in doing so probably prevented many from becoming habitual criminals. A Federal Housing Administration stimulated home modernization and new construction.

A Public Works Administration with its millions for great and necessary projects spent on 50,000 miles of highway alone approximately $1,200,000,000, not to mention the many other useful works. In addition, the Administration has guaranteed the safety of bank deposits, placed a legal check nationally on selling worthless stocks and bonds, preventing men like Insull from robbing the public through stock-promotion corporations, exposed by investigations the outrageously large salaries, bonuses, and graft by which members of the "invisible government" at the head of large corporations and banks fleeced their stockholders and customers, aided States, counties, and cities in caring for the poor and giving work to the unemployed, thus easing the burden of local taxation; and it is in this connection that we may say had it not been for the aid of the Government, many of our cities would be bankrupt today. It reformed the banking system of the country, saved our gold supply, and maintained the soundest currency in the world. It restored living prices to farmers, strengthened and modernized our neutrality laws to prevent our becoming involved in other people's wars. And while the national debt was increased seven and one-half billion dollars, the value of all property under Roosevelt was increased many times that amount.

These are some of the accomplishments that according to the distinguished constitutional lawyers of Wall Street have placed the Constitution in jeopardy, have delivered the country to the Socialists, and have "incited class warfare." You know it is singularly ungrateful that some of our bank executives, our industrialists, our big businessmen, and others who pleaded in 1933, "Save us or we perish", and who have been saved, are loudest among those who now cry, "Down with Roosevelt!" They are loudest among those who now cry, "Give us back the Grand Old Party, the party of Harding and Hoover." Now that they are out of the red they want the party back in power that put them in the red. There must be some powerful reason, some great, impelling motive that has caused these leaders of big business to turn and bite the hand that has fed them. Is it because they yearn for the good old days of "go-as-you-please", the days of no regulation of special privilege, of uncontrolled pillage and plunder? Are they irked because the Government at Washington has exposed and laid bare before the people of the Nation some of the wizardry permitted under Republican administration that brought the Nation to the threshold of economic chaos or worse? Do they resent the existence in the Federal statute books of the Securities Act, which has placed rigid control over stock transactions, or the legislation that prevents crooked stock-exchange practices?

In reviewing the case we have, you must marshall all of these forces to your side and present them to the people who, through a Republican-controlled press, rarely hear the true account of the 3 years of administration under the leadership of President Roosevelt. I am not criticizing the press. It is an old story that the press must listen to the voice of those responsible for its success; and while the front pages and editorials may be against the administration, as I have said before, the financial and industrial pages are all for it. So take your choice as to what you think is the honest story, and remember that the voice that will be heard at the polls next November will be that of those who are not looking for any special privilege—just hoping and praying that they may have the opportunity guaranteed under our Constitution, the inalienable right to work and live happily under the protection of a just government. And because the great majority will feel that these rights are safer in the hands of an administration which regards the welfare of the masses as of greater importance than those of special privilege, I believe without the shadow of a doubt that Franklin Delano Roosevelt will be renominated and reelected President of the United States next November.

In conclusion, may I say that I came to you in 1932 asking you to support another candidate, one I had reason to believe then would be the best fitted to assume leadership of our great party? Today I am glad to acknowledge before this same audience that I was mistaken. I have served 3 years in Congress under the leadership of President Roosevelt, and do not hesitate to say that no leader could have given more unselfish service nor could any man have accomplished more to benefit humanity than has our President under the most adverse circumstances. Circumstances that have tried the souls of most of us. His courage and his faith have been a source of great inspiration to me and if we followed him blindly, as many seem to think, it was a blindness we are proud of. We offer no apologies for our record. We feel that in the years to come, when partisanship has given way to sane thinking and final appraisals made of the Roosevelt administration, history will record that in 3 years social legislation, contemplated and dreamed of for many years by all who believe in the brotherhood of man, became an actual fact years before any of us had hoped so great a change could take place. There has been much misunderstanding and probably it has been largely because it is difficult to digest so many new laws in so short a time. That is unfortunate, but those of us who were close to the picture have and do realize it was necessary. The emergency compelled us to act quickly and the future will bear witness that we acted wisely. Expenditures have been and will continue to be large, but not much larger than those of the World War when our American billions were spent on a war to destroy and did destroy the flower of our American manhood and little opposition was heard about that spending.

The war we are financing today is a war on depression, and its sole purpose is to create happiness—not tragedy. Instead of death and desolation, its objective is to increase hope and courage, to destroy fear, that horrible thing that through 4 years almost succeeded in destroying the spirit of America. Is it too high a price to pay? Do you not agree with our President in his endeavor to feed the hungry, to clothe the naked, and to instill into your heart and mine the faith, the hope, and the courage to go forward to better things? His responsibility is our responsibility. The question we must ask ourselves is this, Are we to go forward with a sound, liberal, economic Government, concerned with the happiness of all the people, or shall we turn our back on the advantages we have gained to follow the leadership of selfishly organized interests that either could not or would not hear the cries of distress echoed throughout the length and breadth of our land only a few short years ago. It is our problem, not the problem of President Roosevelt. Our welfare is at stake, not his; and it will be our decision at the polls next November that shall determine whether or not we select the flag of special privilege or that of unselfish devotion as exemplified by the accomplishments of the New Deal under the leadership of a great President—Franklin Delano Roosevelt.

PRIVILEGES OF THE HOUSE

Mr. COOPER of Tennessee. Mr. Speaker, I rise to a question of the privileges of the House and present a resolution for immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 425

Resolved, That the bill (S. 3410) to exempt from taxation receipts from the operation of Olympic games if donated to the State of California, the city of Los Angeles, and the county of Los Angeles, in the opinion of this House contravenes that clause of the Constitution of the United States requiring revenue bills to originate in the House of Representatives, and is an infringement of the prerogative of this House, and that said bill be respectfully returned to the Senate with a message communicating this resolution.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

On motion of Mr. COOPER of Tennessee, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

REPEAL OF COTTON, TOBACCO, AND POTATO ACTS

Mr. JONES. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 11138) to extinguish tax liabilities and tax liens arising out of the Tobacco, Cotton, and Potato Acts, which I send to the desk and ask to have read.

Mr. SNELL. Mr. Speaker, reserving the right to object, as I understand it, this bill does what the gentleman thought he was doing with a bill of similar nature passed a short time ago, but which was not properly worded.

Mr. JONES. Yes. One part of it was doubtful. There is some question about whether the tax itself was technically released.

Mr. SNELL. And there is nothing new about this except that?

Mr. JONES. Except that, and to make sure that we repeal all three of those acts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to repeal the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935", approved February 10, 1936, is amended by striking out "; and all liens for taxes imposed as provided in subdivision (f) of section 4 of Public Law No. 169 are hereby canceled and released." and inserting in lieu thereof a period and the following: "No tax, civil penalty, or interest which accrued under any provision of law repealed by this act and which is uncollected on the date of the enactment of this act shall be collected; and all liens for taxes, civil penalties, or interest arising out of taxes under such provisions of law are canceled and released."

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ELIAS DUKE

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 4086, for the relief of Elias Duke, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to take from the Speaker's table the bill H. R. 4086, with a Senate amendment thereto and concur in the Senate amendment. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 1, line 8, strike out "$1,750" and insert in lieu thereof "$1,000."

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I object.

ESTIMATED NET INCOME OF OPERATING FARMERS IN THE UNITED STATES COMPARED WITH THE NET INCOME OF ALL BUSINESS CORPORATIONS

Mr. STEWART. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a tabulation in order to complete my statement.

The SPEAKER. Is there objection?

There was no objection.

Mr. STEWART. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement:

ESTIMATED NET INCOME OF OPERATING FARMERS IN THE UNITED STATES COMPARED WITH THE NET INCOME OF ALL BUSINESS CORPORATIONS

There is much popular misunderstanding as to the real financial position of our farming population, due to inadequate knowledge of the facts. Also, for many millions of people, farming in the United States has traditionally been a "mode of living" rather than a commercial business, and so cannot properly be measured by the usual business standards.

Figures recently compiled by the United States Department of Agriculture, but not publicly disseminated, indicate that for the year 1934 the average operating farmer in the United States realized a net return of 4.4 percent on his "net capital", after the most liberal allowance for all expenses, and after the inclusion of many noncapital items in the investment account. This was the highest rate of return since 1925, and unquestionably 1935 will show an even more satisfactory situation. For the same year, 1934, all business corporations in the United States showed an estimated loss of 1.3 percent on their invested capital.

However, the real return to the farmer was much higher than the Government figures at first indicate.

The Department of Agriculture in its estimates of the operating farmers' "net capital" includes dwellings and passenger automobiles amounting in the aggregate to several billions of dollars in value. Neither of these items are a part of the investment, which for comparative purposes enters into the cost of producing farm products. Accordingly, in the attached tabulation they have been eliminated.

Further, the farmers' "costs" were built up on some remarkably "liberal" assumptions:

(a) Depreciation of 5 percent on all farm buildings was figured, and at 21 percent on all farm implements and machinery, including passenger cars. The Government commentator states that even in 1934 the depreciation figured as cost, $789,000,000, was almost $300,000,000 in excess of what the farmers spent for replacement and repairs of all capital items. (See Crops and Markets, July 1935, p. 272.)

(b) Actual wages paid to hired labor were increased by 37½ percent for assumed cost of board and other perquisites.

(c) The current rate of wages was assumed for the farm operator and the working members of his family and deducted as a part of the costs. The aggregate wages of the family thus estimated for 1934 amounted to $2,586,000,000, or almost seven times as great as the actual cash wages of $377,000,000 paid to "hired" labor.

(d) Again, the farmers' income has been credited with the value of products raised and consumed on the farm, valued at current local prices received by the farmer for similar products. However, this figure has no comparative relation to the amount customarily paid for corresponding items by that 75 percent of our population who do not live on farms. It has been conservatively estimated that the average nonfarmer would, on the average, pay two or three times as high a price for such items as the Government here credits to the operating farmer. Hence for comparative purposes, and in order to show more nearly the true income position, the Government's estimates of income from this source—in kind—have been doubled.

(e) Finally, in the operating farmers' net income no allowance was made for the large amount—probably at least hundreds of millions of dollars—received by farm operators for work other than agricultural production, such as part-time work in industry, part-time work for other farmers, income from boarders and tourists, income from small manufacturing and handicraft work of various sorts, work on the roads, trucking, and so forth. If such an adjustment could be included the rate of return would be substantially increased.

After making conservative adjustments for some of the above-mentioned factors, but without cutting the abnormally high depreciation rates, and without crediting the farmers' income with the large receipts from working sources other than agricultural production, we find that for the year 1934 the estimated net return on the operators' net capital—value of farm property less indebtedness—was 12.3 percent, or 8.7 percent after deducting $594,000,000 received in rental and benefit payments from the Government.

We find, also, that even in the poorest year, 1932, there was a small net return, and with the exception of the years 1930–32, the average net return over the past 11 years has been more than 10 percent. Further, this return has been realized after the most liberal allowances for depreciation, and after full allowance for the estimated value of the services of the operator and the working members of his family. Before deducting the amounts credited for operators' and family wages, the average return on net capital invested has usually been more than 25 percent.

On the other hand, we find that all business corporations in the United States—almost 500,000—have operated at a loss during every one of the last 4 years, and probably even in 1935 scarcely broke even. Also, in the years of supposedly great prosperity from 1924 to 1929, the average rate of return of these same corporations was only a little more

than 5 percent on their invested capital—capital stock of all kinds, plus surplus and undivided profits—as compared with 11 percent return for operating farmers.

Finally, it is significant that in every year since 1924 there has been a steady reduction in the amount of farm indebtedness. In the earlier year the total net indebtedness is reported by the Government at $9,873,000,000 and for 1934 the preliminary figure is $6,950,000,000. Along with this decrease in indebtedness has come a continual decline in the amount of interest payable, which stood at $731,000,000 in 1924 and was only $472,000,000 in 1934. Possibly even more significant is the fact that between 1930 and 1934 total taxes payable on real estate and personal property dropped from $600,000,000 to only $387,000,000.

Estimated income of operating farmers in the United States compared with all corporate net income

[In millions of dollars]

Year	Operators' net capital as reported by U. S. Department of Agriculture	Operators' net capital adjusted for dwellings and passenger automobiles [1]	Allowance already made for wages of operators and unpaid family labor at current wages	Amount available for capital and management, as reported by the U. S. Department of Agriculture [2]	Amount available (d) after adding back estimated depreciation on passenger autos [3]	Additional value of products retained for home consumption [4]	Amount available (d) adjusted for depreciation of autos, and value of products consumed	Real amount available for management and capital before allowance for wages of operators and their families	Percent return on operators' net capital (adjustments indicated are cumulative)					Percent return on invested capital of all business corporations [5]
									As reported by U. S. Department of Agriculture	Net capital adjusted for dwellings and passenger autos	Income adjusted for depreciation on autos	Income adjusted for value of produce consumed	Income adjusted for allowance for operators' and family wages	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i) (d÷a)	(j) (d÷b)	(k) (e÷b)	(l) (g÷b)	(m) (h÷b)	(n)
1924	34,389	29,178	4,405	1,394	1,494	1,697	3,191	7,596	4.1	4.8	5.1	11.0	26.1	4.5
1925	33,632	28,421	4,447	1,687	1,787	1,882	3,669	8,116	5.0	5.9	6.3	12.9	28.6	6.3
1926	33,550	28,348	4,534	985	1,086	1,822	2,908	7,442	2.9	3.5	3.8	10.3	26.3	5.7
1927	32,680	27,469	4,501	1,136	1,236	1,744	2,980	7,481	3.5	4.1	4.5	10.9	27.3	4.9
1928	32,945	27,734	4,491	1,105	1,205	1,742	2,947	7,438	3.4	4.0	4.3	10.6	26.8	5.8
1929	33,911	28,700	4,519	1,150	1,250	1,524	2,774	7,293	3.4	4.0	4.4	9.7	25.4	5.7
1930	34,119	28,908	4,096	−233	−133	1,424	1,291	5,387	−.7	−.8	−.5	4.5	18.6	.9
1931	29,675	24,935	3,218	−825	−725	1,167	442	3,660	−2.8	−3.3	−2.9	1.8	14.7	−1.7
1932	23,659	19,390	2,460	−968	−868	900	92	2,552	−4.1	−5.0	−4.5	.5	13.2	−3.5
1933	18,670	14,872	2,297	386	486	997	1,483	3,780	2.1	2.6	3.3	10.0	25.4	−1.5
				[6]108	[6]208		[6]1,205	[6]3,502	[6].6	[6].7	[6]1.4	[6]8.1	[6]23.6	
1934	20,129	16,331	2,586	882	982	1,033	2,015	4,601	4.4	5.4	6.0	12.3	28.2	[7]−1.3
				[6]288	[6]388		[6]1,421	[6]4,007	[6]1.4	[6]1.8	[6]2.4	[6]8.7	24.5	
Average percent return, 11 years									1.9	2.3	2.7	8.6	23.7	2.3

[1] The value of dwellings and passenger automobiles is included in "net capital" as reported by the Government, column (a); but their estimated value is here deducted as their use is not properly considered an item of production cost. The value of all farm dwellings in 1930 was $6,730,000,000. As farm operators owned approximately 70 percent of all land and buildings, 70 percent of the value of all farm dwellings was deducted in each year from 1924–30. This estimated value of owned farm dwellings was reduced 10 percent in 1931, 20 percent in 1932, and 30 percent in 1933 and 1934. Passenger automobiles on the farms, 4,134 675 in 1930, were estimated to have had an aggregate value of $500,000,000 each year.

[2] After deducting (1) depreciation at 5 percent on all farm buildings, and at 21 percent on all implements and machinery, including passenger automobiles, (2) wages paid plus 37½ percent for assumed board and perquisites, and (3) the allowance indicated in column (c) for wages of operators and unpaid family labor at current wages.

[3] Depreciation on passenger automobiles estimated at approximately $100,000,000 a year.

[4] The figures here listed based on local farm selling prices have been added by the Government in estimating farmers' net income. However, they must be at least doubled to indicate the relative position of the farmer as compared with the great majority of our population which is nonfarming, and customarily pays retail prices 2 or 3 times as high as prices received by the farmers.

[5] Based on Statistics of Income, U. S. Treasury Department.

[6] Excluding rental and benefit payments by A. A. A. In 1933, $278,000,000; in 1934, $504,000,000.

[7] Estimated.

Source of basic data: U. S. Department of Agriculture, Crops and Markets, July 1935, pp. 270–273; 1930 Census of the United States, Agriculture; U. S. Treasury Department, Statistics of Income (annual).

LEAVE TO ADDRESS THE HOUSE

Mr. HOOK. Mr. Speaker, I ask unanimous consent that on Monday next, immediately after the reading of the Journal and the disposition of business on the Speaker's table, I be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, is it not a fact that an appropriation bill will be considered in general debate on Monday afternoon?

The SPEAKER. Monday is District day, but it is expected that an appropriation bill will be taken up during the day.

Mr. TABER. I should think the majority leadership would protect the calendar.

The SPEAKER. Is there objection to the request of the gentleman from Michigan.

There was no objection.

THE CONGRESSIONAL RECORD

Mr. LAMBETH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAMBETH. Mr. Speaker, earlier in the day the gentleman from New York [Mr. SNELL], the able minority leader, asked me to provide the figures showing the cost of the CONGRESSIONAL RECORD. Since that time I have secured a report from the Public Printer showing the cost of the RECORD for the past 10 years, including the number of pages in the RECORD for each session. I shall insert these figures in the RECORD for the information of the House.

Adding to the colloquy which took place this morning, I may say for myself and my colleagues on the House Committee on Printing that we believe the CONGRESSIONAL RECORD should not become either a scrap book or a bulletin for propaganda. I believe the members of the Joint Committee on Printing concur in that sentiment.

If that is not the wish of the House of Representatives, rather than to make ourselves a nuisance here, I respectfully and seriously suggest that the House of Representatives elect a new Printing Committee.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. SNELL. Will the gentleman yield?

Mr. LAMBETH. My time has expired.

Mr. Speaker, I ask unanimous consent to insert this brief table of statistics in the RECORD.

The SPEAKER. Is there objection?

Mr. SNELL. Reserving the right to object, I am heartily in favor of every word the gentleman from North Carolina has said, and as far as I am personally concerned, I am willing to cooperate with the gentleman 100 percent to carry out that program. I do not object.

The SPEAKER. Is there objection?

There was no objection.

The table is as follows:

Cost of Congressional Record, including daily, index, biweekly, and bound editions, 69th Cong., 1st sess., to 74th Cong., 1st sess., inclusive, Dec. 7, 1925, to Aug. 26, 1935

Congress	Date convened	Date adjourned	Number of days	Number of issues	Total pages, bound	Average pages per issue based on bound volumes	Total cost
69th, 1st sess.	Dec. 7, 1925	July 3, 1926	209	176	13,935	97	$715,456.79
69th, 2d sess.	Dec. 6, 1926	Mar. 3, 1927	88	74	6,318	86	340,833.34
70th, 1st sess.	Dec. 5, 1927	May 29, 1928	177	148	11,704	79	650,305.75
70th, 2d sess.	Dec. 3, 1928	Mar. 3, 1929	91	74	5,627	76	313,870.07
71st, 1st sess.	Apr. 15, 1929	Nov. 22, 1929	222	126	6,324	50	370,710.52
71st, 2d sess.	Dec. 2, 1929	July 3, 1930	214	166	13,366	80	766,616.07
71st, 3d sess.	Dec. 1, 1930	Mar. 3, 1931	93	71	7,862	111	421,008.17
72d, 1st sess.	Dec. 7, 1931	July 16, 1932	223	178	16,811	95	983,584.86
72d, 2d sess.	Dec. 5, 1932	Mar. 3, 1933	89	75	5,960	79	274,352.09
73d, 1st sess.	Mar. 9, 1933	June 15, 1933	99	79	6,670	84	292,452.83
73d, 2d sess.	Jan. 3, 1934	June 18, 1934	167	121	13,297	110	650,375.32
Total for 5 Congresses			1,672	1,288	107,874		5,779,062.81
Average for each Congress			334	258	21,575	84	1,155,812.56
74th, 1st sess.	Jan. 3, 1935	Aug. 26, 1935	236	179	15,742	88	829,806.36

WHAT OF AMERICA'S FUTURE?

Mr. HANCOCK of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting a speech delivered by our colleague the gentleman from Ohio [Mr. HOLLISTER] before the Ohio Society of New York.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HANCOCK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by my colleague from Ohio [Mr. HOLLISTER] at a meeting of the Ohio Society, Hotel Pennsylvania, New York City, on Monday evening, February 10, 1936:

As I listen day after day to addresses made on public affairs, it occurs to me with ever-increasing emphasis that, perhaps, we are all concerned too much with the present; let us say with that which immediately affects ourselves, and we have given too little thought to what portends in the future, to the effect which today's popular theories and practices will have on the next generation.

The political campaign has opened with a bang some weeks ahead of schedule, and the air is so full of tin cans and dead cats that it is sometimes hard to discuss important questions of public policy without growing hysterical. The administration is accused one day of out-fascisting Mussolini, and on the next of leading us on the road to Moscow, while opponents of the administration are conveniently grouped as "reactionary apostles of entrenched greed." It is not easy in this hurly-burly to keep our heads and assay truly existing trends in government and their effect on the future.

I was much impressed with one of the remarks which Al Smith made at the Liberty League dinner a few weeks ago. After touching briefly on his rise in the world, and the open door of opportunity which permitted this rise, he told the audience that he had 5 children and 10 grandchildren, and then said simply, "I want to keep that door open for them." My friends, are we today keeping the door open for the coming generations?

I am speaking to an audience consisting chiefly of those who have come to our greatest city for broader horizons; to find an outlet for abilities which were somewhat circumscribed in their native towns. You were looking for opportunity, and most of you found it. What gave this opportunity, and how has the picture changed?

Your opportunity came to you because of the fact that through our industrial system the natural resources of the land were developed through intelligence, inventive genius, and financial daring far faster than has occurred at any time or place before in the history of the world. We are told today that this resulted in the concentration of riches and power in the hands of a few; that the development of the machine makes it possible steadily to produce more with less manpower; and that we have therefore reached a stage where the whole scheme has become top-heavy and finally collapsed. The conclusion drawn is that the only thing which can save us is to redistribute our wealth and to revamp completely our industrial system through strict governmental regimentation.

I am by nature a doubter. I have preferred to question conclusions before adopting them, and before I can accept the ultimatum that my America must become the New Dealer's America I wish to test the facts on which their conclusions are based.

I shall spend little time on the question of the concentration of wealth. The demagogic statements of many of our so-called political leaders have been refuted time and time and again. True it is that certain individuals or families have more of this world's goods than they deserve, but this is a situation which may not be completely eliminated under any system of government, least of all under any dictatorship known to history. The approach to the question should be whether or not there is a reasonably fair division of the earning power of the country. Needless to say, we have never as yet arrived at such a fair division and will not for many years, but I believe that statistics will show that such a situation has been more nearly approached under our industrial system than under any other to which we can point.

Let us turn to the arguments for regimentation. Perhaps in this modern paradise of pseudo economists we have forgotten some basic economic principles, and the simplest one seems to be the one most forgotten today, which is that no individual, no family, no tribe, no nation ever got rich on having too few of the necessary and desirable things of life. Man, starting as a nomadic hunter, never left the stone age until he was able to make his hunting equipment more efficient, so that he might devote a little time to agriculture and housing, those two great problems which we still have with us today. In addition, barter, from which springs modern trade, only started when one man produced a surplus of something wanted by others which he could in turn exchange for something he wanted. Mankind has gone forward through the gospel of abundance and not through the gospel of scarcity.

"But", say the national planners, "admitting the truth of all that you have said in days when physical labor was the base of all increase in wealth, conditions have changed. Because of the machine mankind has developed so rapidly its ability to create surpluses of everything with the expenditure of less and less physical labor, that there is no way in which work can be given to all unless the tempo slows down and the available work is distributed among those able to work."

This argument is a clear evidence of the fundamental weakness of much of our present-day thinking. We do not think in long trends, not in centuries, or even in decades, but in terms of a few years at the most. A temporary phenomenon appears too often as the proof of an economic law. We are inclined to forget the years that separate us from the beast, and how far we have come up the ladder of civilization in that time. We are urged to scrap the slow wisdom of those years because, forsooth, there are temporary set-backs in the evolutionary process. We are told that the immutable laws of supply and demand have ceased to operate, and that we can by legislative or Executive fiat find a simple and improved substitute for the complicated interplay of economic forces which have developed over the centuries.

I am fully mindful of the distress of millions of my fellow Americans during the last few years, distress which has been all too little alleviated, but that the cause of this distress is the economic system under which we conduct our affairs I emphatically deny, and I have yet to hear any convincing argument to that effect.

If we once admit, which is too obvious for argument, that our system brought us to a period of greater happiness, contentment, opportunity, and hope than any other system ever brought any other country in the history of the world; if we once admit that we cannot point to any other nation where today those desirable things are enjoyed more by the common mass of the people than in our own country, by what right is it asserted that we will better our position by a change in the system? Truly it is a short-sighted policy to destroy our house because it may need certain minor alterations.

We have been taught that thrift, honesty, ambition, and hard work were cardinal virtues; that under the American system of liberty and opportunity the man of humble beginning who possessed these virtues and reasonable intelligence could aspire to any position in the political, economic, financial, or social life of our great democracy. Need I point to outstanding examples of this? The great majority of our Nation's leaders started life from humble beginnings. Should the temporary distress of a few years change the whole criterion of human endeavor?

I am told that the last few years have demonstrated the insecurity of our apparent prosperity. The human animal longs for security. It is the desire for security which causes man to work to lay aside something for the future which is responsible for the growth of banks, of building and loan associations, and of insurance companies. There have been terrible examples of deep distress from the loss of these surpluses during the past years, but

does that mean that we should surrender the whole principle of establishing security by personal endeavor rather than foster it by an attempt to avoid the abuses of the past? We should learn our lesson, of course, but the lesson should not be misread. It is only by opportunity that we can reach reasonable security.

Those of us who hold my views are met with the charge that "human rights are superior to property rights", but have we not done under our system more for human rights than has ever been done anywhere else? Can anyone deny that under our American system we have developed beyond all past experience great charitable, educational, and scientific institutions, not only from public money but to a large extent from the fortunes of those who have profited by the American idea of opportunity? A study of the facts will show that much of our progress in inventions which has so greatly increased the comforts and opportunities of our daily life has come from the scientific research carried on in institutions whose endowment rests on accumulations of wealth which the American idea of opportunity made possible.

I have given as the subject of my talk, What of America's Future? America's future rests on the type of citizen we develop to guide her destiny, and that type depends on the nature of the spiritual, economic, and political surroundings which we bequeath to the next generation. What are we doing for it?

We are told by those in power that in order to take care of the unemployed, business must be regimented; that officials at the seat of government must be in a position to tell all industry how to conduct itself, both with respect to the relations between employee and employer, but even with respect to the amount of production and the price charged. Gone will be the free play of competition under which we produced the best article for the cheapest price, with the increased buying power which inevitably resulted, and in its place will be price fixing and the preservation of obsolete equipment and methods, with a limited amount of goods produced and sold for a higher price.

We are told by those in power that the same principle should be applied to agriculture; that scarcity will bring prosperity and abundance will bring ruin—a complete reversal of all that experience in the past has demonstrated.

We are told by those in power that the price level should be manipulated to achieve a certain relationship to the price level of certain specific years, when any orthodox economist knows a price level by itself has no value, the important thing being the relationship of the average wage to the price level, which relationship controls, of course, the buying power of the country.

We are told by those in power that the old virtue of hard work is outmoded, for we offer as largess from the Government to those out of work a wage which in many cases makes the recipient unwilling to take a job when offered. We are told that the old virtue of thrift is outmoded, for we plan to take away the savings of the thrifty and distribute them among their more unfortunate or less thrifty neighbors, reversing the moral of the old fable of the ant and the grasshopper. We have fostered the "gimme" psychology, so that it is no longer the fashion to work for something which is desired but rather to go and ask the Federal Government for a hand-out.

When thrift and hard work are discouraged, what becomes of ambition? Ambition is the desire to better one's self along some chosen line; but if we close the door to betterment and compel all to preserve the mediocre level of the average, can ambition longer flourish?

And what becomes of honesty when the Federal Government itself sets an example of repudiation of its obligations? It has been said that civilization is based on contract. All faith, credit, trust, whatever synonym you wish to use for the basic principle, is based on the theory that we can have confidence in a promise; but when the Government itself breaks its promises, what can you expect of its citizens?

But the tale is not yet told. I have indicated how we are breaking down the spiritual values of life by the repression of the homely virtues of the past. In addition, from the material side, we are loading on the future generation a burden under which it will groan for years.

Facts and figures about Government finance are, unfortunately, dull reading, but they paint the background for impending national tragedy. I shall assume that the rough totals of our national debt and of our continuing Budget deficits are known to most of you. The important question is not so much the exact amounts involved as the implications which continued Budget unbalancing raise. No one can tell at what point the national credit will collapse. Unfortunately history shows that the exact time of such a happening cannot be anticipated. It is on us before we know it, and then it is too late to avert it. Repudiation of Government obligations, with all the horror which that implies, necessarily follows.

The important thing to note is not only that our expenditures continue to exceed greatly our revenues, but that it would be impossible to increase revenues to close the gap without drastic changes in our whole taxation structure, and there is no evidence of any attempt to make such drastic changes. How many of you know that all of the ordinary appropriation bills which we are now considering in Congress, and which do not include emergency spending, exceed the amounts of these appropriations for the current year? How many know that in 1934 the income of those with incomes in excess of $25,000 totaled only one and one-half billions, of which something over 20 percent went for income taxes; while those with incomes of less than $25,000 per year received about eleven billions, of which 1½ percent went for taxes. The total income of all those having incomes in excess of $5,000 per year was only about four billions. It is thus manifest that if we confiscated all the income of the wealthy we would still be far short of balancing our Budget, and we would just about do it if we confiscated the income of all the reasonably well to do. We cannot therefore approach Budget balancing on our present rate of expenditure unless income taxes are changed drastically to affect even the poor.

There are, of course, other sources of revenue, but will we increase the taxes on railroads when their total operations are at a deficit? Will we increase corporation taxes beyond the increases which are already effective for 1936? Will we adopt a general sales tax which is, of course, a direct tax on the consumer? I wonder how generally known it is that the new taxes which went into effect the first of this year will raise about $400,000,000 more than the taxes of last year, and yet the President's 1937 Budget will still be out of balance by some four billions.

I do not want to get into a discussion of methods of taxation, but I wish to bring home the burden which we are casting on the future generation, for if we continue to spend and refuse to raise the revenue to meet the expenditure, there are only two alternatives. The revenue must be raised in the future to retire the debt we are now creating, or the Government must repudiate its obligations. There is no other way out.

Do not forget what heavy taxation means. It reduces accumulated wealth and curtails income. Industry depends upon these items to go forward, so as taxation increases, the march of progress decreases. Taking away savings by taxation destroys the initiative to save. It is from the savings of the people that government in turn must borrow if Budgets are unbalanced; while industry must borrow from the savings of the people for long-term capital investment. When taxation exceeds a reasonable proportion of current income there must of necessity be a slowing down of economic development.

I am only scratching the surface of vast subjects to which days of thought and discussion should be given. I have not touched at all on the abstract problem of individual liberty and how it crumbles in the grip of the authoritarian state, for the time is too short to handle this subject adequately. That is another factor to consider when we visualize the heritage of the next generation.

What is the answer to the rhetorical questions which I have asked tonight? Do we belong to a generation which will turn back the clock and reverse the wheels of progress? We are the inheritors of a great tradition, of a boundless national wealth and power and vision bequeathed to us by those who went before. Am I stirred by groundless fears when I seem to hear a clear voice calling to us from the coming years and speaking something in this way:

"Oh, you short-sighted, selfish elders! What have you done to us? You were bequeathed the virtues of thrift, energy, and ambition, and at the same time the vast resources which the generation ahead of you developed. You inherited the earth. True, you suffered, but so did your predecessors. Did you face your tribulations in the spirit of the American pioneer, or did you whine and run to your Government for help and protection when the storm cloud broke? What right did you have to mortgage our inheritance and exchange your birthright of liberty for a fancied security? You have delivered us up to the bondage of an autocratic government. You have weighed us down with a burden of debt from which we can never emerge. You have closed the door of opportunity to us, and have taken away from us initiative and ambition. Through your weakness and cowardice you have transformed the triumphantly advancing America you inherited into a country of economic and spiritual stagnation."

Let us pray to God that we shall never have to answer such a fearful indictment.

CONSERVATION OF AGRICULTURAL LAND RESOURCES

Mr. LORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LORD. Mr. Speaker, when the processing tax became effective our merchants had to weigh all their cotton goods on their shelves, for they had to pay a tax to the Government. This tax fell very heavily on the merchants of our State, for they could not pass very much of it on to their customers. Of course, when goods came in the prices were advanced, and they added the tax to what the customers bought.

The tax on pork added to the living expenses of all our people, the tax on wheat and corn increased the cost of feed to our dairymen, their feed coming from the Western States, adding a great deal to their cost of operation. They did not receive any more for their milk on account of these processing taxes, so they have suffered very greatly by the A. A. A. legislation. This tax fell on all of our people, but it was hardest for the farmers, dairymen, and poor people, who had to pay the advanced cost of living. New York State paid a greater portion of the processing tax than any other State and received relatively no benefit whatever.

The Government, in its reciprocal trade agreement with Canada, lowered the tariff on milk and milk products so that they come into keen competition with those of New York State as well as the other States of the Nation, have lowered the tariff on lumber and pulpwoods so they came into stiff competition with New York State, as well as the other States, for which we have received no benefits.

The substitute A. A. A. bill that is before us today again proposes to subsidize the western and southern farmers by taking land out of production and putting it into alfalfa and other grasses which will be fed to dairy cows and cattle and so put them into direct competition with New York and the other dairy and cattle-raising States.

This is a good political move on the part of the majority, to use a half billion dollars for so-called soil conservation, but its real effect is to make the next election sure for Democracy by subsidizing the Southern and Western States at the expense of the dairy industry.

In these payments New York State will, as in the past, have to pay the greatest share of any State in the Nation and not only will not receive any benefit but it will make the lot of our farmers worse than it is today by bringing more dairy cows into competition with our market.

I hope, Mr. Speaker, that this bill does not prevail.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DRIVER, for 1 week, on account of important business.

To Mr. LESINSKI, for 1 week, on account of important official business.

To Mr. LEWIS of Maryland on account of illness.

To Mr. MILLER, for 5 days, on account of official business.

To Mr. SHANLEY, for 1 day, on account of official business.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3399. An act for the relief of Rosalie Piar Sprecher (nee Rosa Piar); to the Committee on Immigration and Naturalization.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1381. An act to amend Public Law No. 249, Seventy-first Congress, entitled "An act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy";

H. R. 1415. An act to provide for the establishment of the Richmond National Battlefield Park, in the State of Virginia, and for other purposes;

H. R. 1470. An act for the relief of Carl A. Butler;

H. R. 1867. An act for the relief of Orville E. Clark;

H. R. 2110. An act for the relief of W. A. Harriman;

H. R. 2156. An act for the relief of Cecelia Callahan;

H. R. 2157. An act for the relief of Howard Donovan;

H. R. 2165. An act for the relief of Charles A. Gettys;

H. R. 2527. An act for the relief of Mrs. Amber Walker;

H. R. 2923. An act for the relief of Misner Jane Humphrey;

H. R. 3557. An act for the relief of Helena C. VonGroning and Stephan VonGroning;

H. R. 3565. An act to authorize the Secretary of War to effect exchange of certain rights-of-way in Hawaii;

H. R. 3864. An act for the relief of Gladys Robbins;

H. R. 4047. An act granting 6 months' pay to James Zanetti;

H. R. 4084. An act for the relief of Charles D. Jeronimus;

H. R. 4171. An act for the relief of Look Hoon and Lau Hoon Leong;

H. R. 4210. An act for the relief of Anthony Nowakowski;

H. R. 4292. An act to authorize the Secretary of War to grant rights-of-way to the Arlington & Fairfax Railway Co. across the Fort Myer Reservation, Va.;

H. R. 4777. An act to provide for the advancement on the retired list of the Army of Vincent P. Rousseau;

H. R. 4925. An act to authorize and direct the Comptroller General to settle and allow the claim of George P. Money for fees for services rendered;

H. R. 5181. An act for the relief of the Progressive Commercial Co. of Philadelphia, Pa.;

H. R. 5474. An act for the relief of Lt. M. T. Grubham;

H. R. 5525. An act for the relief of George Current;

H. R. 5747. An act for the relief of Gordon McGee;

H. R. 5876. An act for the relief of Elmer H. Ackerson;

H. R. 5916. An act to authorize the conveyance by the United States to the State of Michigan of the former United States lighthouse supply depot, St. Joseph, Mich., for State naval force purposes;

H. R. 5964. An act for the relief of Carl F. Yeager;

H. R. 6254. An act for the relief of David N. Aiken;

H. R. 6708. An act to authorize the presentation of a Distinguished Flying Cross to Lt. Col. Francis T. Evans, United States Marine Corps;

H. R. 7001. An act for the relief of Alice Markham Kavanaugh;

H. R. 7486. An act to authorize the appointment of midshipmen from among honor graduates of "honor schools" and from among members of the Naval Reserve Officers' Training Corps;

H. R. 7875. An act to provide for the transfer of certain land in the city of Charlotte, Mich., to such city;

H. R. 8024. An act to authorize the Secretary of War to dispose of material no longer needed by the Army;

H. R. 8172. An act to authorize the transfer by the United States to the county of Mohave, Ariz., of all public lands in sections 20, 28, and 30, township 20 north, range 15 west, Gila and Salt River meridian, for public park, recreational, and other municipal purposes;

H. R. 8437. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Arthur B. Walker;

H. R. 8821. An act to define the crime of bribery and to provide for its punishment;

H. R. 8872. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Woman's Club of the city of Paducah, Ky., the silver service in use on the U. S. S. *Paducah;*

H. R. 8966. An act for the relief of World War soldiers who were discharged from the Army because of minority or misrepresentation of age; and

H. J. Res. 356. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Pan American Exposition to be held in Tampa, Fla., to be admitted without payment of tariff, and for other purposes.

ADJOURNMENT

Mr. O'CONNOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 9 minutes p. m.) the House adjourned until tomorrow, Saturday, February 22, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

675. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 21, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Seaside Harbor, Oreg., authorized by the River and Harbor Act approved August 30, 1935 (H. Doc. No. 414); to the Committee on Rivers and Harbors and ordered to be printed.

676. A letter from the Governor of the Farm Credit Administration, transmitting his third annual report, covering operations for the year 1936 (H. Doc. No. 325); to the Committee on Agriculture and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DICKSTEIN: Committee on Claims. S. 2603. An act to authorize the Attorney General to determine and pay certain claims against the Government for damage to person or property in sum not exceeding $500 in any one case; with amendment (Rept. No. 2034). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLENBOGEN: Committee on the District of Columbia. S. 399. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia; with amendment (Rept. No. 2054). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. S. 3035. An act to provide for enforcing the lien of the District of Columbia upon real estate bid off in its name when offered for sale for arrears of taxes and assessments, and for other purposes; with amendment (Rept. No. 2055). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITTINGTON: Committee on Flood Control. H. R. 10975. A bill authorizing a preliminary examination and survey of Marshy Hope Creek, a tributary of the Nanticoke River, at and within a few miles of Federalsburg, Caroline County, Md., with a view to the controlling of floods; with amendment (Rept. No. 2056). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H. R. 11365. A bill relating to the filing of copies of income returns, and for other purposes; without amendment (Rept. No. 2057). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITTINGTON: Committee on Flood Control. H. R. 11006. A bill providing for the examination of the Nueces River in the State of Texas for flood-control purposes; with amendment (Rept. No. 2058). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. EKWALL: Committee on Claims. H. R. 1440. A bill for the relief of Arthur W. Bradshaw; with amendment (Rept. No. 2026). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 2262. A bill for the relief of William H. Locke; with amendment (Rept. No. 2027). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 3388. A bill for the relief of Jessie D. Bowman; with amendment (Rept. No. 2028). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4085. A bill for the relief of Joseph Watkins; without amendment (Rept. No. 2029). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H. R. 4779. A bill for the relief of Capt. Chester Gracie; with amendment (Rept. No. 2030). Referred to the Committee of the Whole House.

Mr. STACK: Committee on Claims. H. R. 5974. A bill for the relief of Thelma L. Edmunds, Mrs. J. M. Padgett, Myrtis E. Posey, Mrs. J. D. Mathis, Sr., Fannie Harrison, Annie R. Colgan, and Grace Whitlock; with amendment (Rept. No. 2031). Referred to the Committee of the Whole House.

Mr. STACK: Committee on Claims. H. R. 6208. A bill for the relief of Joseph Pethersky, of Port Deposit, Md.; with amendment (Rept. No. 2032). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. H. R. 7237. A bill for the relief of the State of New York Insurance Department as liquidator; with amendment (Rept. No. 2033). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 7330. A bill for the relief of Alfred T. Johnston; with amendment (Rept. No. 2035). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. H. R. 7996. A bill for the relief of Sallie Gillespie; with amendment (Rept. No. 2036). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. H. R. 8033. A bill for the relief of Tina Filmore; with amendment (Rept. No. 2037). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. H. R. 8034. A bill for the relief of Mae Pouland; with amendment (Rept. No. 2038). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 8321. A bill for the relief of Julia Long; with amendment (Rept. No. 2039). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 8322. A bill for the relief of Merwin A. Kiel; with amendment (Rept. No. 2040). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 8413. A bill for the relief of Linda Wright Ward; with amendment (Rept. No. 2041). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. H. R. 8521. A bill for the relief of Elsie O'Brine; with amendment (Rept. No. 2042). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 9058. A bill for the relief of the Baker-Whiteley Coal Co.; with amendment (Rept. No. 2043). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 9170. A bill for the relief of Montie Hermanson; with amendment (Rept. No. 2044). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 9171. A bill for the relief of Myrtle T. Grooms; with amendment (Rept. No. 2045). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. H. R. 9369. A bill for the relief of John L. Summers, former disbursing clerk, Treasury Department; and Frank White, G. F. Allen, H. T. Tate, and W. O. Woods, former Treasurers of the United States; without amendment (Rept. No. 2046). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 10521. A bill for the relief of Joseph Mossew; without amendment (Rept. No. 2047). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 11231. A bill for the relief of Rasmus Bech; without amendment (Rept. No. 2048). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1111. An act for the relief of Alfred L. Hudson and Walter K. Jeffers; without amendment (Rept. No. 2049). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. S. 2719. An act for the relief of Capt. Guy L. Hartman; without amendment (Rept. No. 2050). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2889. An act to authorize settlement, allowance, and payment of certain claims; with amendment (Rept. No. 2051). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. S. 2961. An act for the relief of Peter Cymboluk; with amendment (Rept. No. 2052). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. S. 3173. An act to authorize and direct the Secretary of the Treasury to pay men formerly enlisted as members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard, for armory training during the period from November 1, 1932, to July 1, 1933; with amendment (Rept. No. 2053). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 7798) granting an increase of pension to Kate M. Farrell; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 10698) granting a pension to Patricia Swan; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOEHNE: A bill (H. R. 11364) to repeal section 55 (b) of the Revenue Act of 1934; to the Committee on Ways and Means.

By Mr. DOUGHTON: A bill (H. R. 11365) relating to the filing of copies of income returns, and for other purposes; to the Committee on Ways and Means.

By Mr. DINGELL: A bill (H. R. 11366) to provide for the admission of 50 Filipinos to the United States Military Academy pending the consummation of the independence of the Philippine Islands; to the Committee on Military Affairs.

Also, a bill (H. R. 11367) to provide for the admission of 50 Filipinos to the United States Naval Academy pending the consummation of the independence of the Philippine Islands; to the Committee on Naval Affairs.

By Mr. KRAMER: A bill (H. R. 11368) to amend title I of the National Housing Act, as amended; to the Committee on Banking and Currency.

By Mr. VINSON of Georgia: A bill (H. R. 11369) to authorize the construction of certain auxiliary vessels for the Navy; to the Committee on Naval Affairs.

By Mr. KNUTE HILL: A bill (H. R. 11370) to prevent persons not citizens of the United States from occupying lands within the Yakima Indian Reservation; to the Committee on Indian Affairs.

By Mr. QUINN: A bill (H. R. 11371) to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of the founding of the borough of Wilkinsburg, Pa.; to the Committee on Coinage, Weights, and Measures.

By Mr. ROBSION of Kentucky: A bill (H. R. 11372) to amend Public Law No. 215, Seventy-fourth Congress, first session; to the Committee on the Judiciary.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 11373) prescribing tolls to be paid for the use of locks on all rivers in the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. SIROVICH: A bill (H. R. 11374) to amend and consolidate the acts respecting copyright; to the Committee on Patents.

By Mr. SISSON: A bill (H. R. 11375) to repeal a proviso relating to teaching or advocating communism in the public schools of the District of Columbia, and appearing in the District of Columbia Appropriation Act for the fiscal year ending June 30, 1936; to the Committee on the District of Columbia.

By Mr. TREADWAY: A bill (H. R. 11376) to repeal certain provisions relating to compensation paid to officers and employees of corporations; to the Committee on Ways and Means.

By Mr. DUNCAN: A bill (H. R. 11377) to amend section 605 of the Revenue Act of 1932; to the Committee on Ways and Means.

By Mr. RANDOLPH: Resolution (H. Res. 424) endorsing the George Washington Foundation National Health Shrine; to the Committee on the Judiciary.

By Mr. TABER: Resolution (H. Res. 426) directing the Secretary of Agriculture to furnish certain information concerning producers to the House of Representatives; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCHANAN: A bill (H. R. 11378) for the relief of Col. Benjamin F. Delamater; to the Committee on Military Affairs.

By Mr. CALDWELL: A bill (H. R. 11379) for the relief of William H. Milton; to the Committee on Claims.

By Mr. DALY: A bill (H. R. 11380) for the relief of Leib Milgrom; to the Committee on Immigration and Naturalization.

By Mr. DIMOND: A bill (H. R. 11381) granting an increase of pension to Clara B. Kirkendall; to the Committee on Invalid Pensions.

By Mr. DOCKWEILER: A bill (H. R. 11382) for the relief of Edward Martin Howard; to the Committee on Military Affairs.

Also, a bill (H. R. 11383) for the relief of Ingvarda Otelie Tonning; to the Committee on Immigration and Naturalization.

By Mr. FIESINGER: A bill (H. R. 11384) granting a pension to Elinor A. Babcock; to the Committee on Pensions.

By Mr. GREGORY: A bill (H. R. 11385) granting a pension to Ethel Drew; to the Committee on Pensions.

By Mr. KNIFFIN: A bill (H. R. 11386) for the relief of Cecille Gamble; to the Committee on Claims.

By Mr. McLEOD: A bill (H. R. 11387) for the relief of Jack F. Kerby; to the Committee on Military Affairs.

By Mr. MAIN: A bill (H. R. 11388) for the relief of Edward P. Sheppard; to the Committee on Military Affairs.

By Mr. MARSHALL: A bill (H. R. 11389) granting a pension to Mae W. Vince; to the Committee on Invalid Pensions.

By Mr. O'NEAL: A bill (H. R. 11390) granting an increase of pension to Lizzie Cragg; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11391) for the relief of Will Castleman; to the Committee on Military Affairs.

Also, a bill (H. R. 11392) for the relief of William Hill; to the Committee on Military Affairs.

By Mr. REECE: A bill (H. R. 11393) for the relief of George W. Collins; to the Committee on Naval Affairs.

By Mr. ZIONCHECK: A bill (H. R. 11394) granting a pension to Harriett Ware; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11395) for the relief of Alexander E. Kovner; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10221. By Mr. BEITER: Petition of the Common Council of the City of Buffalo, N. Y., urging enactment of Representative BEITER's bill, providing for the improvement of the New York State Barge Canal from Three Rivers to Buffalo; to the Committee on Military Affairs.

10222. Also, petition of the Women's International League for Peace and Freedom, Buffalo, N. Y., urging enactment of the Nye-Kvale amendment (S. 3309) and the Wagner-Costigan antilynching bill (S. 52); to the Committee on the Judiciary.

10223. By Mr. GOODWIN: Petition of the Maritime Association of the Port of New York, opposing the Pettengill bill (H. R. 3263); to the Committee on Interstate and Foreign Commerce.

10224. By Mr. GREENWOOD: Petition of citizens residing in towns served by star route no. 33214, requesting enactment of legislation to extend all existing star-route contracts and increase the compensation thereon; to the Committee on the Post Office and Post Roads.

10225. Also, petition of citizens residing in towns served by star route no. 33179, requesting enactment of legislation to extend all existing star-route contracts and increase the compensation thereon; to the Committee on the Post Office and Post Roads.

10226. Also, petition of citizens residing in towns served by star route no. 33187, requesting enactment of legislation to extend all existing star-route contracts and increase the compensation thereon; to the Committee on the Post Office and Post Roads.

10227. Also, petition of citizens residing in towns served by star route no. 33185, requesting enactment of legislation to extend all existing star-route contracts and increase the

compensation thereon; to the Committee on the Post Office and Post Roads.

10228. Also, petition of citizens residing in towns served by star route no. 33190, requesting enactment of legislation to extend all existing star-route contracts and increase the compensation thereon; to the Committee on the Post Office and Post Roads.

10229. Also, petition of citizens residing in towns served by star route no. 33193, requesting enactment of legislation to extend all existing star-route contracts and increase the compensation thereon; to the Committee on the Post Office and Post Roads.

10230. By Mr. LAMBERTSON: Resolution of the Seneca (Kans.) Chamber of Commerce, urging legislation that will place agriculture on a parity with industry; to the Committee on Agriculture.

10231. By Mr. PERKINS: Petition of John Wenzel and others, of Allendale, N. J., urging Congress to reenact a prohibition law for the District of Columbia by passing House bill 8739 during the early session of the present Congress; to the Committee on the District of Columbia.

10232. By Mr. PFEIFER: Petition of Saltser & Weinsier, Inc., Brooklyn, N. Y., favoring extension of title I of the National Housing Act; to the Committee on Appropriations.

10233. By the SPEAKER: Petition of the Philadelphia Bar Association; to the Committee on the Library.

10234. Also, petition of the Lawyers' Association of Kansas City, Mo.; to the Committee on the Library.

10235. By Mr. KNIFFIN: Petition of Sarah Schofer, of Hicksville, Ohio, representing 30 women of the Acme Literary Club, asking for the immediate enactment of the Guyer bill; to the Committee on the District of Columbia.

10236. Also, petition of J. A. Schofer, pastor of St. John's Lutheran Church, Hicksville, Ohio, urging immediate enactment of the Guyer bill; to the Committee on the District of Columbia.

SENATE

SATURDAY, FEBRUARY 22, 1936

(Legislative day of Thursday, Jan. 16, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, February 20, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Johnson	Robinson
Ashurst	Connally	Keyes	Russell
Austin	Coolidge	King	Schwellenbach
Bachman	Costigan	Logan	Sheppard
Barbour	Couzens	Lonergan	Smith
Barkley	Davis	Long	Steiwer
Benson	Dieterich	McAdoo	Thomas, Okla.
Bilbo	Donahey	McNary	Thomas, Utah
Bone	Duffy	Metcalf	Townsend
Borah	Fletcher	Minton	Trammell
Brown	Frazier	Murphy	Truman
Bulkley	George	Murray	Tydings
Bulow	Gerry	Norris	Vandenberg
Burke	Gore	O'Mahoney	Van Nuys
Byrnes	Hale	Overton	Wagner
Capper	Harrison	Pittman	Wheeler
Caraway	Hatch	Pope	White
Chavez	Hayden	Radcliffe	

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent because of illness, and that the Senator from Wyoming [Mr. CAREY], the Senator from Iowa [Mr. DICKINSON], the Senator from Delaware [Mr. HASTINGS], and the Senator from Minnesota [Mr. SHIPSTEAD] are necessarily absent.

Mr. ROBINSON. I announce that the junior Senator from Alabama [Mr. BANKHEAD] and the Senator from Tennessee [Mr. MCKELLAR] are absent because of illness; that the senior Senator from Virginia [Mr. GLASS] is absent because of illness in his family, and that the Senator from Kansas [Mr. MCGILL], the senior Senator from Alabama [Mr. BLACK], the junior Senator from North Carolina [Mr. REYNOLDS], the Senator from Massachusetts [Mr. WALSH], the Senator from Nevada [Mr. MCCARRAN], the senior Senator from North Carolina [Mr. BAILEY], the Senator from Connecticut [Mr. MALONEY], the Senator from Pennsylvania [Mr. GUFFEY], the junior Senator from Virginia [Mr. BYRD], the Senator from New York [Mr. COPELAND], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LEWIS], the Senator from New Jersey [Mr. MOORE], and the Senator from West Virginia [Mr. NEELY] are necessarily detained from the Senate.

The VICE PRESIDENT. Seventy-one Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers, and by providing for a permanent policy of Federal aid to States for such purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendments of the Senate to the joint resolution (H. J. Res. 488) to close Military Road.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 10490. An act to amend chapter 9 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

H. R. 11138. An act to extinguish tax liabilities and tax liens arising out of the Tobacco, Cotton, and Potato Acts.

The message also announced that the House had agreed to a resolution (H. Res. 425), as follows:

Resolved, That the bill (S. 3410) to exempt from taxation receipts from the operation of Olympic Games if donated to the State of California, the city of Los Angeles, and the county of Los Angeles, in the opinion of this House contravenes that clause of the Constitution of the United States requiring revenue bills to originate in the House of Representatives, and is an infringement of the prerogatives of this House, and that said bill be respectfully returned to the Senate with a message communicating this resolution.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H. R. 1381. An act to amend Public Law No. 249, Seventy-first Congress, entitled "An act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy";

H. R. 1415. An act to provide for the establishment of the Richmond National Battlefield Park, in the State of Virginia, and for other purposes;

H. R. 1470. An act for the relief of Carl A. Butler;

H. R. 1867. An act for the relief of Orville E. Clark;

H. R. 2110. An act for the relief of W. A. Harriman;

H. R. 2156. An act for the relief of Cecelia Callahan;

H. R. 2157. An act for the relief of Howard Donovan;

H. R. 2165. An act for the relief of Charles A. Gettys;

H. R. 2527. An act for the relief of Mrs. Amber Walker;

H. R. 2923. An act for the relief of Misner Jane Humphrey;

H. R. 3557. An act for the relief of Helena C. VonGroning and Stephan VonGroning;

H. R. 3565. An act to authorize the Secretary of War to effect exchange of certain rights-of-way in Hawaii;

H. R. 3864. An act for the relief of Gladys Robbins;

H. R. 4047. An act granting 6 months' pay to James Zanetti;

H. R. 4084. An act for the relief of Charles D. Jeronimus;

H. R. 4171. An act for the relief of Look Hoon and Lau Hoon Leong;

H. R. 4210. An act for the relief of Anthony Nowakowski;

H. R. 4292. An act to authorize the Secretary of War to grant rights-of-way to the Arlington & Fairfax Railway Co. across the Fort Myer Reservation, Va.;

H. R. 4777. An act to provide for the advancement on the retired list of the Army of Vincent P. Rousseau;

H. R. 4925. An act to authorize and direct the Comptroller General to settle and allow the claim of George P. Money for fees for services rendered;

H. R. 5181. An act for the relief of the Progressive Commercial Co. of Philadelphia, Pa.;

H. R. 5474. An act for the relief of Lt. M. T. Grubham;

H. R. 5525. An act for the relief of George Current;

H. R. 5747. An act for the relief of Gordon McGee;

H. R. 5876. An act for the relief of Elmer H. Ackerson;

H. R. 5916. An act to authorize the conveyance by the United States to the State of Michigan of the former United States lighthouse supply depot, St. Joseph, Mich., for State naval force purposes;

H. R. 5964. An act for the relief of Carl F. Yeager;

H. R. 6254. An act for the relief of David N. Aiken;

H. R. 6708. An act to authorize the presentation of a Distinguished Flying Cross to Lt. Col. Francis T. Evans, United States Marine Corps;

H. R. 7001. An act for the relief of Alice Markham Kavanaugh;

H. R. 7486. An act to authorize the appointment of midshipmen from among honor graduates of "honor schools" and from among members of the Naval Reserve Officers' Training Corps;

H. R. 7875. An act to provide for the transfer of certain land in the city of Charlotte, Mich., to such city;

H. R. 8024. An act to authorize the Secretary of War to dispose of material no longer needed by the Army;

H. R. 8172. An act to authorize the transfer by the United States to the county of Mohave, Ariz., of all public lands in sections 20, 28, and 30, township 20 north, range 15 west, Gila and Salt River meridian, for public park, recreational, and other municipal purposes;

H. R. 8437. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Arthur B. Walker;

H. R. 8821. An act to define the crime of bribery and to provide for its punishment;

H. R. 8872. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Woman's Club of the city of Paducah, Ky., the silver service in use on the U. S. S. *Paducah;*

H. R. 8966. An act for the relief of World War soldiers who were discharged from the Army because of minority or misrepresentation of age; and

H. J. Res. 356. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Pan American Exposition to be held in Tampa, Fla., to be admitted without payment of tariff, and for other purposes.

READING OF WASHINGTON'S FAREWELL ADDRESS

The VICE PRESIDENT. Under a standing order of the Senate, the junior Senator from Tennessee [Mr. BACHMAN] has been designated to read George Washington's Farewell Address. The Senator from Tennessee will now read the address.

Mr. BACHMAN. Mr. President and Senators, I am deeply appreciative of the honor conferred on me by being selected to read Washington's Farewell Address. I fear, however, I will have to ask the indulgence of my associates, as the contraction of a cold perhaps will not permit me to give the document such rendition as its character and prophetic quality entitle it to. I shall proceed with the reading of the address.

To the people of the United States.

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its admin-

istration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home: your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But, as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south*, in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter.—Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind, and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations,—*northern* and *southern*—*Atlantic* and *western;* whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations: they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head: they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will

it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to these advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and maintaining within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however spacious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism.—But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free govern-

ments are destroyed. The precedent must always greatly overbalance in permanent evil, any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? and let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should co-operate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another, disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously

respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe; my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
17th September, 1796.

CONSULTING TRUSTEE, NATIONAL TRAINING SCHOOL FOR BOYS

The VICE PRESIDENT, under authority of the act of May 3, 1876, reappointed the Senator from New Jersey [Mr. BARBOUR] a consulting trustee of the National Training School for Boys.

PETITIONS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Commissioners Court of Maverick County, Tex., favoring the enactment of legislation creating a public-health district on the Mexican border, which was referred to the Committee on Commerce.

He also laid before the Senate a resolution adopted by the Washington Wing of the Junior Birdmen of America, favoring the prompt enactment of legislation to provide Washington, D. C., with an adequate and suitable airport, which was referred to the Committee on the District of Columbia.

He also laid before the Senate a resolution of the board of governors of the Minnesota Star Bar Association, favoring the enactment of House joint resolution (H. J. Res. 237) for the establishment of a trust fund to be known as the Oliver Wendell Holmes Memorial Fund, which was referred to the Committee on the Library.

He also laid before the Senate letters in the nature of petitions from Walter C. Woodward, of Richmond, Ind.; Rev. John A. Ingham, and the Department of the Church and Social Service of the Federal Council of the Churches of Christ in America, of New York City, N. Y.; the board of directors of the Philadelphia Federation of Churches, and Walter J. Hogue, of the First Presbyterian Church of York, in the State of Pennsylvania, praying for the enactment of the so-called Kerr bill, being the bill (H. R. 8163) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal

classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, which were ordered to lie on the table.

REPORT OF THE MILITARY AFFAIRS COMMITTEE

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 3997) to authorize the Secretary of War to lend War Department equipment for use at the Eighteenth National Convention of the American Legion at Cleveland, Ohio, during the month of September 1936, reported it without amendment and submitted a report (No. 1594) thereon.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on February 20, 1936, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 3227. An act to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931;

S. 3277. An act authorizing a preliminary examination of the Nehalem River and tributaries, in Clatsop, Columbia, and Washington Counties, Oreg., with a view to the controlling of floods; and

S. J. Res. 118. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of First Lt. Richard Byington Carhart, Infantry, for appointment, by transfer, in the Regular Army to the Quartermaster Corps, with rank from August 1, 1935, which was ordered to be placed on the Executive Calendar.

BILL INTRODUCED

Mr. TRAMMELL introduced a bill (S. 4073) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, which was read twice by its title and referred to the Committee on Naval Affairs.

HOUSE BILL AND RESOLUTION REFERRED

The bill (H. R. 10490) to amend chapter 9 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, was read twice by its title and referred to the Committee on the Judiciary.

House Resolution 425 (with the accompanying Senate bill 3410) was referred to the Committee on Finance, as follows:

Resolved, That the bill (S. 3410) to exempt from taxation receipts from the operation of Olympic Games if donated to the State of California, the city of Los Angeles, and the county of Los Angeles, in the opinion of this House contravenes that clause of the Constitution of the United States requiring revenue bills to originate in the House of Representatives, and is an infringement of the prerogatives of this House, and that said bill be respectfully returned to the Senate with a message communicating this resolution.

AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. DAVIS submitted amendments proposing to increase the appropriation for operating mine rescue cars and stations and investigation of mine accidents, from $583,215 to $609,365, and to increase the appropriation for testing fuel, from $165,400 to $185,400, under the Bureau of Mines, intended to be proposed by him to House bill 10630, the Interior Department appropriation bill, which were referred to the Committee on Appropriations and ordered to be printed.

REGULATION OF TRANSPORTATION BY WATER CARRIERS—AMENDMENTS

Mr. LONERGAN submitted two amendments intended to be proposed by him to the bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, which were referred to the Committee on Interstate Commerce and ordered to be printed.

TAXATION OF LIQUOR—AMENDMENT

Mr. GEORGE submitted amendments intended to be proposed by him to the bill (H. R. 9185) to insure the collection of the revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

EXCHANGE OF LAND BETWEEN THE WAIANAE CO. AND NAVY DEPARTMENT

Mr. ROBINSON. I ask for the adoption of the order which I send to the desk.

The VICE PRESIDENT. The clerk will read the order.

The legislative clerk read as follows:

Ordered, That the House of Representatives be requested to return to the Senate the engrossed bill (S. 3521) to authorize an exchange of land between the Waianae Co. and the Navy Department.

Mr. ROBINSON. Mr. President, this bill was ordered by the Senate to be recommitted to the Committee on Naval Affairs. By mistake it was transmitted to the House of Representatives.

The VICE PRESIDENT. Is there objection to the entry of the order? The Chair hears none, and the order is entered.

ALTA MELVIN AND TOMMY MELVIN—WITHDRAWAL OF PAPERS

Mr. SCHWELLENBACH. Mr. President, last year I introduced a private bill, being Senate bill 1102, for the relief of Alta Melvin and Tommy Melvin. The Congress has passed and the President has signed the bill, which confers upon the United States District Court for the Western District of Washington the right to decide that controversy. In presenting the bill I filed with the Claims Committee certain papers, which were in the nature of evidence necessary in the trial of the case. The Congress is not now interested in these papers, because the bill has passed, and I ask unanimous consent that the papers may be withdrawn from the files of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

The order was reduced to writing and entered, as follows:

Ordered, That the papers filed with the bill (S. 1102) conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon the claims of Alta Melvin and Tommy Melvin, Seventy-fourth Congress, first session, be withdrawn from the files of the Senate, no adverse report having been made thereon.

THE ADMINISTRATION AND BUSINESS—ADDRESS BY SENATOR SCHWELLENBACH

Mr. BURKE. Mr. President, on February 19, at Philadelphia, Pa., before the Shrine Club of Philadelphia, the junior Senator from Washington [Mr. SCHWELLENBACH] delivered a very able and timely address on the subject The Administration and Business. I ask unanimous consent that the address may appear in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD as follows:

I was delighted to receive and accept the invitation to this meeting, which afforded me my first opportunity to meet with a group in the city of Philadelphia. While my home is on the far-distant Pacific coast, I have and always have had that reverence for this city which comes to every student of American history. I was particularly glad because the meeting is one attended by a representative business group of this city. During this year of confused political currents and cross-currents, it is of prime importance that American businessmen give intelligent and tolerant consideration to the problem of the proper relationship between Government and business. I am not one who holds the theory that businessmen are in themselves public enemies who should, as a group, be condemned in the discussion of political problems. I think the overwhelming majority of businessmen in this country are honestly, conscientiously, and humanely interested in the proper solution of our problems. When I say that they should give intelligent and tolerant consideration, I mean that their consideration should be

based upon a knowledge of the facts and should be devoid of the beclouding influence of prejudice.

However, I do subject the average American businessman to two very definite and very important criticisms. The first is their tendency to exaggerate the detrimental effect upon the particular branch of industry with which they are connected of any legislation which may have as its purpose the betterment of conditions in general. American business is so inclined to cry "wolf" and to overemphasize the result of legislation that it has almost lost its influence either in the legislative halls or before the bar of American public opinion. Let me give you a few pertinent illustrations.

Last year while we were considering a piece of legislation I had a visit from the vice president of a certain company which was engaged in the industry affected. The corporation was an eastern concern which had two branches in the State of Washington. Because the company employed a number of people in my State, I was anxious to get the point of view of this executive. He failed to discuss the merits of the legislation. The whole point of his argument was that his particular company was in such dire financial condition that if this legislation was enacted it would result in the bankruptcy of his corporation and the unemployment of several hundred citizens of my State. It happened that just the week before one of the national magazines, in giving a list of salaries of corporate executives, had listed the salary of the president of his corporation, and I remembered having read the item. When he had finished I asked him what salary was received by the president of his corporation. I told him that since he was basing his argument solely upon the fact that this proposed legislation would result in the bankruptcy of his corporation, I thought the question pertinent. He answered that his president was receiving a salary of $250,000 a year. I told him that he had overtried his case and that I could not pay very much attention to his argument. I did not believe that a company which paid a salary of $250,000 a year to its president would go into bankruptcy as the result of the passage of this rather trivial piece of legislation.

Let me give you another example. Last fall when the Canadian reciprocal tariff agreement was promulgated, the lumber industry of the Pacific Northwest proclaimed that it would ruin that industry in our State because it removed the small tariff against Canadian lumber. The newspapers were filled with criticism of the treaty. I immediately went out to tell the people of the lumber sections in my State the actual facts. They were that the total quota allowed to Canada under the treaty amounted to just about the total production of one of our Northwest mills. Quickly the clamor and the criticism subsided. The lumbermen realized that they could not convince the public that the industry would be ruined if the Canadians were permitted to send in an amount equal only to the output of one mill.

You remember the testimony when the Security Exchange Act was being considered a couple of years ago. You remember the criticisms in the newspapers and the prediction that stock exchanges would move to Canada and that the opportunity for the sale of American securities in a market in this country might be destroyed. You know what has been the result of the Security Exchange Act. None of the prophecies have come true. None of the dire results have occurred. The New York Stock Exchange and other exchanges are still operating.

My second criticism of American business is its inconsistency. It is constantly asking for governmental assistance, either financial or in form of regulation which will assist the particular branch of industry in which the particular proponent of the particular legislation may be interested. At the same time American business is constantly criticizing the financial policy of the Government and the regulatory acts adopted by the Government. On this point let me give you illustrations.

Last December I had two visits from a prominent businessman in my home city. On the first visit he was a member of a delegation which came to urge me to support certain legislation enlarging the activity of the Federal Trade Commission in order that he and those with him might be protected against what they considered improper practices by a certain branch of their industry. He was most vigorous in his support of that legislation. A couple of weeks later he returned to urge me to vote against legislation which might result in further regulation of business. He was most vehement in his criticism and said that the greatest difficulty with present-day conditions was the interference by Government in the legitimate business of the Nation. I reminded him of his previous visit, and called his attention to his inconsistency. He did not retract from his former position. He still urged me to support this one piece of legislation, but asked me to vote and work against any other regulatory legislation.

A year ago, when I was coming to Washington to take my seat in the Senate, I met with a business group in one of the cities of our State. It consisted exclusively of those who were publicly and privately most critical of the administration on the question of public expenditures. They were those in the community who were leading the movement for a balanced Budget; yet the purpose of the meeting that night was for them to ask me to secure for that community and the district surrounding it total Federal allocations in an amount in excess of $400,000,000.

The national administration is entitled to be judged upon the basis of its record. It is entitled to have that record analyzed fairly and impartially. It is entitled to have that record considered on the basis of a comparison with the record of other administrations. If you men were sitting around a directors' table and you called your general manager to submit his annual report, you would be interested in one thing and one thing only—that would be the results that he had obtained. You would compare the results during the last year with the results in previous years. You might not like the manager; you might not like some of the people whom he had employed; you might not like some of the policies he had pursued in the operation of your business; but if he had obtained results for you, you would retain his services. Your first desire would be to get the facts. You would not permit your political, your religious, or any other kind of prejudice to influence you in the face of the record. Therefore, I say, quoting from one whom I, a few years ago, most ardently supported, "Let us look at the record."

First, let us look to the record as to agriculture. I put agriculture first because of the fact that 23 percent of our population is engaged in it and another 17 percent is directly dependent upon it. The prosperity of our entire population depends upon the purchasing power of those engaged in agriculture. We cannot have prosperity in industry unless those on the farm are in a financial condition to purchase the products of industry.

In 1920 agriculture received 17 percent of the national income. This was reduced so that in 1932 it received 7.8 percent of the national income. In 1920 agricultural gross income in this country was $13,500,000,000. It had been reduced until in 1932 it was only $5,200,000,000. Farm prices in 1920, using the 1909 to 1914 figure as an index of 100, were 205; by 1932 they were down to 57. The total values of farm properties in this country, including lands, buildings, and equipment, were reduced from $61,300,000,000 in 1920, down to $34,200,000,000 in 1932. The ratio of mortgage debt to farm properties in 1920 was 11.8 percent. By 1932 it had been increased to 24.8 percent. During this period the taxes upon farm properties had increased from $452,000,000 in 1920 to $629,000,000 in 1932. The actual cash income of the farmers dropped from $10,400,000,000 in 1929 to $4,300,000,000 in 1932, and the average net income per family of five engaged in agriculture in the United States in 1932 was $593 for the year, or less than $50 per month per family of five.

What have been the results under this administration? Actual cash income increased from $4,300,000,000 in 1932 to $5,300,000,000 in 1933; to $6,200,000,000 in 1934; and to $6,700,000,000 in 1935. Cotton, which was selling for 5.9 cents per pound in 1932, advanced to 11.35 cents in 1935. Wheat, which sold for 48 cents per bushel on March 1, 1933, rose to $1.01 per bushel on January 1, 1936. Corn, which sold for 24 cents per bushel on March 1, 1933, rose to 60 cents per bushel on January 1, 1936. Those are typical of the advances in farm-commodity prices. Farm-mortgage debt was transferred from private agencies to Farm Credit Administration agencies to the extent of $1,800,000,000, which resulted in an interest saving to the farmers of this country of $55,000,000 per year.

Now, let us look at the results so far as industry is concerned. Industrial production, using 1926 as an index figure of 100, dropped from 110.4 on January 1, 1930, to 61.4 on January 1, 1933, a decline of 44 percent. Under this administration industrial production has risen from 61.4 on January 1, 1933, to 92.9 on January 1, 1936, or an advance of 51 percent. Steel production declined between January 1, 1930, and January 1, 1933, from 2,900,000 gross tons per month to 861,000 gross tons, or a decline of 70 percent. Since this administration took office it has risen from the 861,000 gross tons to 3,081,000 gross tons for the month ending January 1, 1936, or an advance of 257 percent. Auto registrations for the month ending January 1, 1930, were 161,000 units. They dropped for the month ending January 1, 1933, to 55,000 units. They arose again during this administration from the 55,000 units to 235,000 units for the month ending January 1, 1936, or an advance of 326 percent. Wholesale industrial prices, using 1926 again as the index of 100, dropped from 92.5 on January 1, 1930, to 61 on January 1, 1933, or a decline of 34 percent. Between January 1, 1933, they rose from the 61 until they had reached 81 on January 1, 1936, or an advance of 33 percent. Power production in this country, despite all the talk about the crippling of public utilities by this administration, has been raised from 7.14 billion kilowatt-hours for December 1932, to 8.50 billion kilowatt-hours for December 1935, an advance of 19 percent as compared with a decline of 9 percent for the period between January 1, 1930, and January 1, 1933.

Now let us consider the results so far as finance is concerned. When the administration assumed office in March of 1933, 832 national banks were in receivership. Conditions revealed by the bank-holiday examination necessitated the further liquidation of 531 national banks. These banks owed their depositors a total of $1,846,000,000, which was frozen and unavailable for use in the ordinary course of business in this country. Through the careful liquidation by this administration, $1,051,000,000 has been paid to the depositors at a total liquidating expense of 7 percent; that is, the depositors got 93 cents out of every dollar collected. Bank deposits which in 1933 were reduced to $17,500,000,000 because of the loss of confidence of the people had been raised by June 30, 1935, to $22,500,000,000. Since the bank holiday clean-up there have been only five failures among the national banks of the country, which is the most enviable record of any administration since that of President Woodrow Wilson.

A large part of the credit for the restoration of confidence of the banking institutions of the country is due to the Federal Deposit Insurance Corporation, about which last year, speaking on the floor of the United States Senate, Senator ARTHUR VANDENBERG, of Michigan, prominently mentioned as a Republican candidate for the Presidency, said: "From my observation, I think I have never seen a difficult and perplexing public responsibility more ably discharged than during the last 18 months of the Federal Deposit Insurance Corporation, presided over by Mr. Crowley."

Let us now look at the problem from the point of view of the stock and bond exchanges, which were to be wrecked and destroyed by the Security Exchange Act. During the last 3 years of the Hoover administration, starting at a time after the stock crash of 1929, the average of listed stocks on the New York Stock Exchange dropped from 60.52 to 15.20, or a decline of 75 percent. These stocks under this administration were raised from 15.20 to 35.62 on January 1, 1936, or an advance of 134 percent. The bonds listed upon the exchange dropped from March 1, 1930, from 96.19 to 74.89 on January 1, 1933, or a decline of 22 percent. They rose again under this administration to 91.85 on January 1, 1936, or an advance of 22 percent.

Next let us consider the question of foreign trade. England went off the gold standard on September 21, 1931. After that 29 other important nations followed England's example. As a result American exports dropped from $3,843,000,000 during the year ending January 1, 1930, to $1,675,000,000 during 1932, or a decline of 56 percent. During the same period world trade dropped only 25 percent. The reason for this extraordinary condition was the difference between the value of our money and the money of other nations upon the exchanges of the world. So long as it was necessary for those who wanted to buy our goods to pay 40 percent more for our money with which to purchase our goods than it would cost them to buy the money of our competitors, we could not compete in the markets of the world.

Since the devaluation of the dollar by this administration, American exports increased from $1,675,000,000 in 1932 to $2,228,000,000 in 1935, or an advance of 35 percent.

I know what the answer to this argument is going to be. You are going to say, "These results have been accomplished, but they have been accomplished at the cost of a huge national deficit acquired during an extravagant era of public expenditure." I want to discuss with you the question of national debt. I want to discuss it with you the same as your manager would discuss with you the funded obligation of your company if you sat upon the board of directors. I want you to be just as fair, just as unprejudiced, in considering the national debt as you would the funded debt of any corporation of which you were a director. I know the popular thing to do in discussing the national debt is to take the figures as of December 31, 1932, which showed a gross debt of $20,805,000,000, and compare them with the December 31, 1935, gross debt of $30,557,000,000, and rapidly reach the conclusion that there has been an increase of $10,000,000,000 during the last 3 years. Those are the figures that the opposition to the administration give you. Those are the figures which most of the newspapers give you. What I'm asking you to do is to fairly and impartially look at the figures and find out precisely what has been the increase of the public debt during the 2½ years of this administration, as compared with the last 2½ years of the last administration. There are many things that the opposition and the newspapers fail to tell you. The first thing they fail to tell you is that on December 31, 1932, there was cash in the Treasury amounting to only $554,000,000, as compared with $2,208,000,000 cash on hand on December 31, 1935. So that the actual gross debt, less the net balance in the general fund on December 31, 1935, was $28,347,000,000, instead of $30,557,000,000.

They also leave out another item which you as a businessman would include in the consideration of any balance sheet. That is the investment made by the Federal Government in governmental agencies such as the Farm Credit agencies, in each one of which a net profit has been shown each year under this administration. They also leave out of consideration the increase in the debt between the 1st of January 1933 and the 30th of June 1933, during all of which time the fiscal policies of the last administration were in complete control, as appropriations for that period were made by the previous administration. You take into consideration these factors and you find that the debt at the conclusion of the Hoover administration was $18,996,000,000, and that the debt at the conclusion of the last year was $23,756,000,000; or you find that during the last 2½ years of the Hoover administration the public debt increased by $3,277,000,000, while during the first 2½ years of the present administration it has increased $4,760,000,000. In other words, the first 2½ years of this administration have shown an increase in public debt over that of the last 2½ years of the last administration of approximately $1,500,000,000. Fairness and justice require that in considering this difference you must realize that under this administration $3,060,500,000 have been expended for direct relief which Hoover avoided, and that the Federal Government today holds the obligation in the form of bonds issued by States and municipal corporations for P. W. A. loans in the amount of 450 million.

You may say that I am not entitled to use these figures because of the fact that the public debt has increased and that the interest charges have increased correspondingly, and that, therefore, we should consider the figure of $30,000,000,000, despite what are the entirely proper offsets against it. The interesting part of that argument is that the refunding operations of the Treasury Department under this administration have resulted in a condition in which our annual interest charge on the public debt is less than it was in 1933. The interest charge for the year 1933 was $772,000,000, and for the year 1935 it was $755,000,000, or a decrease of $17,000,000 per year.

To the business men and women of Philadelphia I say, these are the facts. This is the record of this administration. I ask whether or not, if the manager of a corporation of which you were director brought in a report of that kind, you would be raising a campaign fund to elect someone to succeed him?

SETTLEMENT OF OKLAHOMA—EXTRACT FROM SPEECH BY SENATOR GORE

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD an extract from a speech delivered by me at Frederick, Okla., in 1930.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

Oklahoma was opened to settlement under exceptional circumstances—I might almost say under dramatic circumstances. The runs in old Oklahoma, in the Cherokee Strip and in the Cheyenne and Arapaho country were unique and were unprecedented in the history of the American frontier.

The "new country" as we love to call it—the Kiowa, Comanche, and Arapaho Reservation—was opened to settlement by a different plan, which was also new and unprecedented. It was opened by lottery. No other lottery ever exerted so much influence on the lives, the fortunes, and the destiny of so large a number of people.

The new country was the land of the last pioneer. I came to this country at the opening. There are many old-timers in this audience who came here at the opening. The new country was then an unpeopled prairie. We have seen it built up, we have helped to build it up, we have helped to convert it from a raw prairie into a seat of civilization. It is now a land of homes and farms and firesides, a home on every quarter section. We have seen towns spring up almost as if by magic. We have seen cities spring up on the site of the prairie-dog town.

There are men in this audience who have helped by their strong hands, their stout hearts, and their clear heads to bring about these revolutionary changes; men who came here in the early days; who endured the hardships and who made the sacrifices which the pioneer has always been obliged to make in building up a new country and working out his own destiny.

I think that the pioneer is entitled to reap what he has sown, and to reap where he has sown. I have never believed that any man had a preference right to reap where another had sown, or to reap what another had sown. Take the independent businessman here in Frederick, take the old-timer who came here first, who risked most, and who has helped build up this town. Should others now reap what he has sown? Should others by combination or otherwise, who do not live in this country, who have not helped to build it up, who did not share either the sacrifices or the risk, now, like an absentee landlord, reap the harvest which another has sown?

It reminds me of the habits of the English cuckoo which lays its eggs in another bird's nest. The cuckoo lays its eggs in the nest of the hedge sparrow. The hedge sparrow sits upon the eggs, warms them into life, hatches them out. The sparrow then feeds the stranger in her nest. It owes its life to her care; it grows with what it feeds upon, and one day, when it has grown strong enough, and the mother bird returns to her nestlings, the cuckoo snaps off the head of the mother which has hovered and nurtured it into being. I think the moral is plain.

AGRICULTURAL RELIEF

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes.

Mr. SMITH. I move that the Senate disagree to the amendment of the House of Representatives, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. SMITH, Mr. MURPHY, Mr. POPE, Mr. MCNARY, and Mr. CAPPER conferees on the part of the Senate.

Mr. MCNARY. Mr. President, it will be recalled that I assumed a position of very active opposition to this bill when it was before the Senate. I have no doubt that I could serve faithfully and fairly as a conferee thereon, but, under the circumstances, in view of my previous attitude, I should prefer not to serve. I, therefore, ask that another Senator be selected in my stead.

The VICE PRESIDENT. If there be no objection, the Senator from Oregon will be excused from service as a conferee on the part of the Senate, and the Chair appoints the Senator from North Dakota [Mr. FRAZIER] in place of the Senator from Oregon.

FEDERAL ALCOHOL ADMINISTRATION

Mr. ROBINSON. Mr. President, the Senator from Utah [Mr. KING] has a matter of an emergency character which he desires to present at this time.

Mr. KING. Mr. President, at the last session of Congress, Senators will recall, the final deficiency appropriation bill carried an appropriation to enable the Federal Alcohol Administration to make certain surveys and to issue certain licenses and permits to those engaged in the sale of various distilled wine and malt liquors. Unfortunately, with the demise of that bill, the work which was to be performed by the organization referred to was not completed. The result is that several thousand persons who are today legitimately engaged in the business may not continue their business after March 1, which is only a few days distant, without receiving permits. The Treasury Department is unable to make the surveys and issue the licenses and permits, including labels, which are indispensable if persons shall continue in the business authorized by the Federal Alcohol Administration Act of August 29, 1935.

In conference yesterday with Treasury officials they requested that a joint resolution be passed immediately to meet the emergency. Senators are receiving communications from many States from persons who are engaged in the business authorized by the act mentioned.

Accordingly, I prepared a joint resolution to carry into effect that which is desired by the Treasury Department and which is necessary to protect persons who are engaged in a business authorized by law.

I offer the joint resolution and ask unanimous consent for its present consideration.

The VICE PRESIDENT. Without objection, the joint resolution will be received.

The joint resolution (S. J. Res. 217) postponing the effective date of certain permit and labeling provisions of the Federal Alcohol Administration Act was read the first time by its title and the second time at length, as follows:

Resolved, etc., That section 3 (c) of the Federal Alcohol Administration Act, approved August 29, 1935, is amended by striking out "March 1, 1936" and inserting in lieu thereof "July 1, 1936."

SEC. 2. Section 5 (e) of such act is amended by striking out "March 1, 1936" and inserting in lieu thereof "August 15, 1936, in the case of distilled spirits, and December 15, 1936, in the case of wine and malt beverages."

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. COUZENS. Mr. President, although I have discussed the matter somewhat with the Senator from Utah, I do not understand why there should be a difference in the dates when the provisions of the law mentioned in the joint resolution are to go into effect under the extension proposed.

Mr. KING. As I understand, in the preparation of the labels, and so forth, a longer period will be required. The Treasury Department indicated that a difference in the dates should be fixed for each of the activities required under the law.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. KING. Mr. President, I have prepared a statement explanatory of the reasons calling for the passage of the joint resolution, and I ask that it may be inserted in the RECORD.

There being no objection, the explanatory statement was ordered to be printed in the RECORD, as follows:

Section 3 (c) of the Federal Alcohol Administration Act approved August 29, 1935, provides that it shall be unlawful after March 1, 1936, to engage in the business of selling at wholesale distilled spirits, wines, or malt beverages except pursuant to a permit issued by the Federal Alcohol Administrator.

It is estimated that there are in the United States between 15,000 and 20,000 wholesale dealers in distilled spirits, wines, and malt beverages. It will be impossible for the Federal Alcohol Administration to issue permits to all such wholesale dealers entitled thereto prior to March 1, 1936. Thus, unless the effective date of section 3 (c) is extended there will be many wholesale dealers who, through no fault of their own, will be denied the privilege of lawfully continuing their business after March 1, 1936. It is believed that the work of issuing the required permits may be completed by July 1, 1936, and the joint resolution extends to that time the effective date of section 3 (c).

Section 2 of this resolution extends the date prior to which the labeling provisions of section 5 (e) of the Federal Alcohol Administration Act must be put into effect from March 1, 1936, to August 15, 1936, in the case of distilled spirits, and December 15, 1936, in the case of wines and malt beverages.

Under the provisions of section 5 (e) no bottler may bottle, and no importer may remove from customs custody, distilled spirits or wine or malt beverages, unless such bottler or importer has obtained a certificate of label approval issued by the Administrator covering such distilled spirits, wine or malt beverages, or an exemption from the labeling provisions with respect to liquors not sold, offered for sale, or shipped in interstate or foreign commerce. In view of the fact that it will be necessary to issue approximately 125,000 certificates of label approval, it will not be possible by March 1, 1936, for the Federal Alcohol Administration to issue the required certificates of label approval or certificates of exemption. Section 5 (e) directs officers of internal revenue and customs to withhold the release of distilled spirits, wine, or malt beverages from the bottling plant or customs custody unless a certificate of label approval has been obtained or an exemption granted. Unless the time is extended for putting the label provisions into effect there will be thousands of cases where the certificate of label approval or exemption has not been granted before March 1, 1936, and internal revenue and customs officers will be compelled by law to withhold the release of products not covered by such certificates.

It is estimated that the issuance of certificates of label approval and exemptions in the case of distilled spirits can be completed by August 15, 1936, and in the case of wines and fermented malt beverages by December 15, 1936; and the joint resolution extends to those dates the time within which the labeling provisions shall become effective.

TAX LIABILITIES AND LIENS UNDER TOBACCO, COTTON, AND POTATO ACTS

Mr. SMITH. Mr. President, I ask the Chair to lay before the Senate House bill 11138.

The VICE PRESIDENT laid before the Senate the bill (H. R. 11138) to extinguish tax liabilities and tax liens arising out of the Tobacco, Cotton, and Potato Acts, which was read the first time by its title and the second time at length, as follows:

Be it enacted, etc., That the act entitled "An act to repeal the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935", approved February 10, 1936, is amended by striking out "; and all liens for taxes imposed as provided in subdivision (f) of section 4 of Public Law No. 169 are hereby canceled and released." and inserting in lieu thereof a period and the following: "No tax, civil penalty, or interest which accrued under any provision of law repealed by this act and which is uncollected on the date of the enactment of this act shall be collected; and all liens for taxes, civil penalties, or interest arising out of taxes under such provisions of law are canceled and released."

Mr. SMITH. Mr. President, just a word of explanation. In passing the repeal law we thought we had repealed all taxes and liens, but it seems the language of the act was not sufficient to accomplish that purpose. The House corrected the language, and that correction is embodied in the measure which has just been laid before the Senate. I ask unanimous consent for the immediate consideration of the bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

ADJOURNMENT

Mr. ROBINSON. I move that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 1 o'clock and 6 minutes p. m.) the Senate adjourned until Monday, February 24, 1936, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

SATURDAY, FEBRUARY 22, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

The Lord is good, His mercy endureth forever and His truth unto all generations. Thou art our God forever, Thou wilt be our guide even until death. O Father of all mankind, whose invisible hand may be traced in shaping the destinies of men and nations, we praise Thee for this day dedicated to free and representative government. We rejoice in the past that lives in the throbbing, grateful heart of the present. We thank Thee for the peerless soldier, statesman, and private citizen whose name we honor. We pray that

his spirit may urge us on to greater issues and vaster achievements. Time has passed, but it has not dimmed his character, nor lessened our reverence for his memory. May the shadow of his great soul fall on our pathway, guiding the patriot on his way, the statesman in quest of wisdom, and inspiring the schools and the firesides in all our broad land. Do Thou preserve the strength of our bodies, the rigor of our minds, and the love of our hearts; and unto Thee be eternal praises, through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

PRIVILEGE OF THE HOUSE

Mr. BLANTON. Mr. Speaker, I rise to a question of the privilege of the House and send a privileged resolution to the Clerk's desk.

The Clerk read as follows:

Resolution

Whereas to aid Senators and Representatives in performing their duties in representing their constituents, as well as the people of Washington, before the various departments of Government, the act of Congress of February 27, 1931, provided them with congressional automobile tags for their official use while on official business, and needed space for their cars has been reserved at the House Office Building; and

Whereas under flaring front-page headlines, "You can't arrest me" and "Congress Members flout traffic laws, hiding behind their immunity", and, on page 6, "Congress violates traffic rules" and "'No parking, entrance', didn't mean a thing to congressional automobilist", the Washington Post Thursday morning devoted much of two pages to unjust attacks upon Members of Congress; and

Whereas again on Friday morning, in flaring front-page headlines, "You can't arrest me", and "Police, unable to penalize Congress Members, put courtesy tags on cars of offenders", and "Violations continue", and again on page 4, "Arrest balked" and "Lawmaker said, 'To hell with the card; you can't arrest me'", the Washington Post again devoted much of two pages unjustly attacking Members of Congress, asserting:

"Following a story in the Post Thursday, revealing open and flagrant parking violations by Members of Congress, a policeman was assigned to special duty yesterday tagging illegally parked cars near the two House Office Buildings.

"But the Constitution allows a Member of Congress special privileges; no matter how well he knows the law or how frequently he violates it, unless the offense is a felony, treason, or breach of peace, he is immune from arrest."

And whereas again today, for the third consecutive morning, under flaring, sensational headlines, "You can't arrest me" and "Impounding of offending congressional cars suggested", the Washington Post deliberately attacks Members of Congress in an unfair, unjust, malicious manner that incites bad feeling between Washington citizens and Congress, indicated by the following carried in the Post: "'Impound these cars,' said General Beach; 'take the Congressman's car away from him; make him immune from immunity'"; and

Whereas in its said malicious publications the Washington Post has deliberately attempted to poison the minds of Washington citizens against Members of Congress wholly without justification or excuse, and that such malicious action affects the rights of the House collectively and its safety, dignity, and the integrity of its proceedings: Therefore be it

Resolved, That the House Office Building Commission be, and it is hereby, directed to look into these charges and report to the House what action, if any, the House should take in the premises.

Mr. SNELL. Mr. Speaker, I make a point of order against the resolution.

The SPEAKER. The gentleman will state it.

Mr. SNELL. If I remember correctly, there have been several decisions in the past to the effect that general newspaper articles did not involve a question of the privilege of the House.

If every time some newspaper man writes something against a Member of Congress or against the Congress itself notice is going to be paid to the article in the House, I doubt if we would transact much other business. I sincerely doubt if any question of privilege of the House can be raised on account of the general articles that have been appearing in the Post. These articles neither affect the dignity or integrity of the proceedings of the House. Personally I do not agree with the articles. But regardless of that it is a serious proposition to say that any of these general articles do go so far as to reflect upon the safety, dignity, or integrity of the proceedings of this House; and, as I say, I sincerely doubt these articles being of such a nature as to warrant a privileged resolution as the gentleman from Texas is trying to present. Therefore I make the point of order against the resolution.

The SPEAKER. Does the gentleman from Texas desire to be heard?

Mr. BLANTON. Yes.

The SPEAKER. The Chair will hear the gentleman from Texas.

Mr. BLANTON. Mr. Speaker, no Member of Congress should abuse his privileges. No Member of Congress ever should be guilty of any act that would warrant his arrest. Merely because a Member of Congress is immune from arrest upon misdemeanor charges while attending sessions, and returning to and from home, is no reason for abusing such immunity.

Congressional immunity does not authorize any Member of Congress to violate any law. No Member of Congress should violate any law, for his wrongful act reflects not only upon himself but also upon the entire Congress. No Member of Congress is in any way immune from punishment, should he violate any law, because as soon as there is a vacation of Congress he may be proceeded against and made to answer for any violation of law.

In presenting this resolution, I am defending no Member of Congress who may have violated any traffic law. I make it a point to obey strictly all traffic regulations, and during the many years I have served here, I have never yet violated any of the traffic laws of Washington.

Members of Congress represent not only their own constituents in their districts, but also the people living in the District of Columbia who, under the Constitution, depend upon Congress for their representation. In order to properly represent the people, it is absolutely necessary that Members of Congress visit many departments of Government, and their numerous bureaus scattered all over Washington, many miles apart. It is absolutely necessary to use an automobile to fill these appointments. Unless special parking privileges were accorded Members of Congress, it would be impossible sometimes for them to find a parking space within five blocks of the Department where they had a conference arranged for a definite time, 9:10, or 9:50, or 10:15, or 11:20, as the case might be, and time is the very element of filling their important engagements, on business for the people of the United States. All of these engagements must be filled each day before the House meets at noon.

I helped to pass the act of March 3, 1925, providing congressional tags to be issued. One only is issued to each Senator and Representative. They are issued for official use only, to be used only by them individually when on official business. They give no authority whatever to park opposite a fire plug, or opposite a fire house, or opposite a loading station, or within loading platform limitations. Any Senator or Representative who violates any of such provisions violates the law, and may be required to answer, and be punished for it when Congress adjourns and is not in session.

An official congressional tag does not authorize any Member to exceed the speed limit. It does not authorize him to drive on the wrong side. It does not authorize him to run through a stop sign or a red light. It gives him no right whatever to violate any traffic laws or regulations. It merely authorizes him to park his car, when on official business, in any available curb space in the District of Columbia, excepting fire plugs, fire houses, loading stations, and the loading platform limitations. The law requires the District Commissioners to establish and locate parking areas in the vicinity of governmental establishments, for cars on official use, and it is the law which has caused these special parking areas to be established, and exactly such comparable special parking facilities have been furnished the newspapers of Washington for their loading and business trucks, and have been furnished to the various business concerns of Washington to aid them in the transaction of their commercial businesses. If parking areas were not furnished around the Capitol and House Office Buildings for the cars

of Congressmen, it would be almost impossible for them to perform their official duties and properly transact the business of the people they represent.

DELIBERATE ATTEMPTS MALICIOUSLY TO CREATE CLASS HATRED

If any unbiased person will read these three consecutive attacks which the Washington Post has made for the last three mornings, Thursday, Friday, and today, under big flaring headlines, "You can't arrest me" and "Congress Members flout traffic laws", they will inevitably reach the conclusion that this newspaper is trying to poison the minds of Washington people against Congress. The Post asserts that "the people are up in arms", that "they have reached the boiling point of indignation", that "they have backed their feelings with strong words and even threats", when the Post knows that all of these assertions were manufactured out of the whole cloth and that it is deliberately creating something sensational in order to try to sell its paper.

POST READERS STOPPING SUBSCRIPTIONS

The Washington Post has been so very unfair and has engaged in so many schemes and plots to try to ruin good men like United States Attorney Leslie Garnett, Maj. Ernest W. Brown, and Inspector Albert J. Headley, of the Metropolitan Police Department, and has printed so many absolutely unreliable and malicious reports about public officials, and has in so many ways unjustly tried to belittle and bemean Members of Congress, that the reading public of Washington has become disgusted, and many readers have stopped their subscriptions. Numerous citizens have written me that they have stopped buying the Post. On February 19, 1936, Mr. Gene Latimer, Jr., apartment 303, at 2100 I Street, wrote the Post to stop his subscription because of its unfairness and injustice. On February 17, 1936, Mrs. R. G. Wood, of the Capital Park Hotel, wrote the Post denouncing its unfairness and injustice, but the Washington Post makes no mention of such letters. It publishes, however, every letter it can get hold of from persons who, by its false and malicious attacks, it has incited to criticize Congress. The Washington Post is losing money. The Washington Post is fast going downhill. It is trying to stage a come-back. It resorts to these sensational attacks on Congress in the hope of selling more papers. It will not be long until its publisher, Eugene Meyer, will have to go out of the newspaper business. The people have found him out.

SPECIAL OFFICER BETWEEN HOUSE OFFICE BUILDINGS

Mr. Richard Ottavio, who came to Washington from Virginia, who lives at 636 East Capitol, is the special policeman who has charge of parking automobiles around the House Office Buildings. He has been out there every day during all of this terribly cold weather and has served there for 18 months. I had him to come to my office and give me a statement about these charges in the Washington Post. He states that he sees to it that every automobile is parked properly. He states that he will not permit an automobile to be parked opposite a fireplug or in violation of the law or traffic rules. He knew about these special photographers-snoopers of the Washington Post sneaking around hunting something sensational, but he states that he has known of no special officer checking up cars here on the Hill, as was charged by the Post.

DENIAL BY TRAFFIC DIRECTOR

I took the matter up with Director Van Duzer's office, and Assistant Director M. O. Eldredge advises me that they have had no officer checking up on parking violations by Congressmen, as was charged by the Washington Post.

DENIAL BY POLICE SUPERINTENDENT BROWN

I took the matter up with Major Brown, Superintendent of the Metropolitan Police Department, and he advises me that they have had no special officer checking up parking violations by Congressmen, as was charged by the Washington Post.

POST MALICIOUSLY REFERS TO TEXAS CAR

In all three of its issues, Thursday, Friday, and today, the Washington Post referred to a car with a Texas license on it being parked more than 18 hours per day at the House Office Building. It wanted people to think this was my car. It was not my car. I have District of Columbia license tags, and have had the same number for many years, and policemen generally know my number and my car. I checked up on this Texas car, and it belongs to one of our colleagues who lives just across the street from the House Office Building, and he had a lawful right to park his car across the street at the House Office Building opposite where he lives. He did not violate any law. He did not violate any traffic regulation. He was within his rights. This attack made by the Washington Post on his car was malicious, unjust, unfair, and wanton.

UNFAIR INDICTMENT AGAINST HOUSE OF REPRESENTATIVES

These malicious charges made the last three mornings consecutively by the Washington Post is an unfair, unjust, inexcusable indictment against the House of Representatives collectively. It affects Members not only in their several Representative capacities, but affects them collectively. It affects the dignity of the House. It affects the safety of the House, and it affects the integrity of the House of Representatives.

Mr. Speaker, I think this is a matter which affects every Member of Congress, the minority leader, the majority leader, and every Member on both sides of the aisle.

Mr. SNELL. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from New York.

Mr. SNELL. Is it not a fact that there is hardly a day in the year but what some newspaper somewhere in the United States on its front page makes a general indictment against the Congress?

Mr. BLANTON. But this is a Washington paper, that should know better.

Mr. SNELL. That makes no difference. They do not vote anyway.

Mr. BLANTON. This Washington paper has its reporters here in the gallery and in and around our House Office Buildings every day. It sends its papers all over the United States. When it attacks, it makes votes for me however.

Mr. SNELL. It has been suggested that the people here in Washington do not vote, anyway.

Mr. BLANTON. Every time they publish something about me it helps me in my district. But, Mr. Speaker, I am thinking about the good name of the Congress of the United States. I am thinking about our right to run our own business and not have some malicious paper here 3 days in succession questioning our right to do so.

Mr. RICH. Will the gentleman yield?

Mr. BLANTON. Yes; I yield to my friend from Pennsylvania, who, I know, entertains views exactly like my own on this subject.

Mr. RICH. Mr. Speaker, I would like to make this statement. I believe that every Member of Congress should obey the laws of the District of Columbia or any other law. I have heard Members of Congress damn the policemen of this city. I think the Members of Congress have no more right to do that than any other citizen, nor have they the right to violate the law.

Mr. BLANTON. I agree with the gentleman.

Mr. RICH. And I think the officials of this city ought to get after those Members of Congress who are not willing to uphold the laws which they enact.

A Member of Congress should obey the law as any other American citizen. In fact, they of all people should set the example. Why should any Member of Congress fear if he obeys the law? It has been a practice of some Members of Congress to damn the policemen, intimidate judges, disobey the laws of the District, just because they think they have immunity from the law. There should be some way to stop it, for a Member of Congress is no better than any other American citizen.

Mr. BLANTON. I agree with my friend from Pennsylvania. Every Member of Congress should obey every law. No Member of Congress should violate any law. We are lawmakers and we should be law-observers. It very rarely occurs that any Member of Congress is charged with vio-

lating any law. It is the exception rather than the rule. The Members who may "damn policemen" or "intimidate judges" or "disobey the laws of the District" are very, very few in number, and such instances very rarely occur. When we remember that we have 96 Senators and 435 Representatives and their secretaries and clerks, and it is only once in a great while that any of them ever gets into any trouble, it will compare most favorably with that number in any other class of officials or citizens anywhere.

All of us have deeply at heart the good name of Congress. We should be ever on the alert to protect that good name. We should not allow any newspaper to traduce it maliciously. I have presented this resolution for the purpose of voicing a protest against the continued efforts of this Washington Post to poison the minds of Washington citizens against Congress. There was no other parliamentary way at this time to get such a protest made public.

The SPEAKER. The Chair is ready to rule.

The gentleman from Texas has presented a resolution which he states involves a question of the privileges of the House. This resolution has been read by the Clerk.

To that the gentleman from New York [Mr. SNELL] made the point of order that it does not present a question of the privileges of the House.

The Chair, of course, must be governed by the rules of the House. It is not a question of the Chair taking a position on one side or the other in reference to this proposition. The rules that must govern the Members of the House as well as the Chair in reference to the proceedings of the House provide:

> Questions of privilege shall be first, those affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings.

The Chair does not understand that the question of whether a measure passed by this House is being properly administered has anything to do with the proceedings of the House. Of course, anything which involves the right of the House to legislate or to conduct its proceedings in an orderly manner, or which would obstruct the House in its proceedings, or which relates to the method by which laws are passed by the House, it seems to the Chair would present a question of privilege under this rule. But the Chair does not think that the questions raised by the pending resolution involve the integrity of the proceedings of the House or affect its safety.

There is a way, of course, by which the gentleman from Texas [Mr. BLANTON] may bring this matter before the House, if it wishes to consider the matter, and that is by the introduction of another resolution. The Chair does not think that the resolution contains matter affecting the privileges of the House, and therefore sustains the point of order.

Mr. BLANTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Where a Member has just one means of getting a protest against a particular newspaper before his colleagues in the House at this particular moment, and he resorts to that means, and does get the protest before the House, I am sure the Speaker will not think he is completely out of order.

The SPEAKER. The Chair did not rule that the gentleman was out of order. The Chair ruled that his resolution did not present a question of privilege.

Mr. BLANTON. Mr. Speaker, I have accomplished my purpose by getting this protest before the Members today against this paper continuing its malicious attack upon Members of Congress.

WASHINGTON'S FAREWELL ADDRESS

The SPEAKER. At this time the Chair wishes to state that the House has assembled here today for one specific purpose, and that is to hear the Farewell Address of George Washington. Therefore, under a previous order the Chair recognizes the gentleman from New Jersey [Mr. MCLEAN] for the purpose of reading this address.

Mr. McLEAN. Mr. Speaker, Washington's Farewell Address to the people of the United States was issued September 17, 1796. It was never read by the President in public, but was given to the people through the medium of David Claypoole's American Daily Advertiser, Philadelphia, in its issue of September 19, 1796.

To the people of the United States.

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want

of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end, but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home: your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But, as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefuly guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south*, in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter.—Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind, and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations,—*northern* and *southern*—*Atlantic* and *western;* whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations: they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this

head: they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and maintaining within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however spacious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism.—But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing

it into different depositories, and constituting each the guardian of the public weal against invasions of the others has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil, any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? and let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should co-operate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another, disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged

in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe; my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
17th September, 1796.

DECORATIONS—ARE WE?

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAVERICK. Mr. Speaker, under unanimous consent to extend my own remarks, I offer for printing in the RECORD a minority report written by me, numbered 1922, of this session, dated January 24, 1936, which accompanies Senate Resolution 169, and which concerns the granting of foreign medals to American officers:

VIEWS OF MR. MAVERICK

Minority opinion of one, wherein is discussed the subject of medals, and the philosophy of numismatics, according to the Hegelian method—which according to Hegel himself, is the only true method—including divers and sundry thoughts, questions, reflections upon civilization, liberty, laws, and our country's "welfare"—and the powers of Congress, including its constitutional right to allow its servants to be decked out with foreign medals and titles of nobility.

PERSONAL EXPLANATION

This concerns the granting of certain medals by foreign governments to American officials or officers. I have no objection to my fellow Americans wearing medals; I even once introduced a medal bill, on request, myself. And had I earned a foreign medal in the late war against the Imperial German Government, when we entered the war to end wars, to save the world for democracy—there now being no wars and with democracy thriving everywhere

throughout the world—I suppose I would have worn it. But this bill ought to be defeated, anyhow. The settled practice, I find, of our Government is to allow only retired officials to accept foreign decorations; legislation exists on the subject. Besides the Foreign Affairs Committee has jurisdiction of this type of legislation, and our committee has not.

CONSTITUTIONALITY

First it is important that I apprise my colleagues of the constitutionality of the legislation. I am happy to report that there is no question as to the constitutionality of this bill. For the Constitution says, in article I, section 9:

"No title of nobility shall be granted by the United States—and no person holding any office of profit or trust under them, shall, without the consent of the Congress, accept of any present, emolument, office, or title, of any kind whatsoever, from any king, prince, or foreign state."

Thus Congress—we, the representatives of the people—can, beyond a peradventure of a doubt, legislate and debate on medals and titles of nobility. This should give us pride. It appears we cannot legislate intelligently on the welfare of those who live from the soil (and all humanity does) for that is a mere local matter—hence, the welfare of 125,000,000 people is not within our scope.

Nor can we provide naturally even for minimum decent labor standards to protect States as against each other, or for millions of workers on whose lives and purchasing power the welfare of the Nation, and business, depends. We must leave such problems to the legislatures of 48 separate States, who never agree among themselves and whose legislation, in any event, will also be stricken down if five-ninths of a tiny body of superlegislators consider that it is not in accordance with what at the moment they choose to decide are included in the cabalistic formulas of (a) privileges and immunities, or (b) equal protection of the laws, or (c) due process.

But we can permit our officers to be decorated by foreign governments—to wear the ornaments and insignia of rank of those born above the common born, and usually inherited—that is a specific power and no doubt the quantity of medals and titles will be for the general welfare. It is true this concerns medals granted by republics, but our practices in the war are indicative of what we may do in the future about titles of nobility—and about the whole practice of foreign "presents, emoluments, offices, or titles." Anyhow, it is written in the Constitution that we have such power—as certainly as it is not written in the Constitution that the Supreme Court has any power to declare the acts of the people's Congress enacted by their representatives, as void.

But we can dress our officers in medals from foreign governments and that proud power we must jealously guard, and if we permit practically all our powers to be usurped, as appears likely, we can devote much of our time to decorations. Thus we can pass our time.

Time was when the Supreme Court spoke of ours as a tripartite Government—the Congress, executive, and judiciary. A tripod must have three legs of adequate strength. If any one of them—legislative, executive, or judicial—is knocked out, down goes what the tripod supports—in this case, the Government of the United States. The Court today says that it is the Government and the legislature of the people, like the President, a vestigial organ. Unless we assert ourselves, we shall soon become a decoration ourselves. When we are content to play that part, then we should become decorative decorationists. We will cease to be meddlers—interfering with the prerogative of the mystic nine—and become medalers.

Why nine? (Once it was 5 and once 10.) Why not 90? Congress has the power to fix the number. Even the Court cannot deny that. Justiceships can be made as plentiful as medals. England has learned thus to curb the House of Lords. Should we follow true Anglo-Saxon traditions? The Court, appointed for life, responsible to no one, has refused to respect the National Representatives, responsible directly to the people.

Thomas Jefferson said, concerning the Supreme Court of the United States: "In truth, man is not to be trusted for life if secure against all liability to account." The Supreme Court says itself that there is no check on it, except its own conscience, not even the people of the United States.

Should we assert our undoubted right to nullify the Court? To do so is constitutional. Lincoln, who cherished the Constitution and the indestructible union, so advised. Jefferson paid no attention to it. Let us show not our medals but our mettle.

Our committees work for months on serious problems; we listen to the views of our constituents; we consult men learned in the subjects on which we ponder; we debate for weeks. Then nine gentlemen listen to feed lawyers for a few brief hours urging the private interests' views of their clients, and then five of these nine, in a few pages hastily dictated, destroy the painstaking efforts of the people's Representatives. With a few hundred words they defeat the hopes and blight the lives of millions. If two of the five had resigned or died, the result would have been different. Democracy? Two men—one sixty-millionth of the population—now rule the rest of us. They dictate to us what is constitutional. They forget that the Constitution speaks much of the Congress and of the President. We Americans started a revolution, fought a Revolutionary War, to get rid of a single monarch—and the English had made him a mere figurehead. But we, for our pains, have two monarchs who say, pontifically, that they are no figureheads but above all law and with no need to exercise self-restraint.

If anyone suggests that my comments on the majority of the Justices is too partisan and critical, let him but read the strong language of that statesman-jurist, Mr. Justice Stone, a great scholar, once a counselor to important businessmen, and not long since a Republican Attorney General, and at present a member of the Supreme Court.

It must be borne in mind that the criticism of the Supreme Court is not entirely from the Democratic Party. Howard Lee McBain, Columbia University graduate, dean and professor of constitutional law, and moreover one of the bitterest opponents of the Democratic Party and the New Deal, says:

"A shining and warning example of judicial supremacy at its worst."

This was an article from the New York Times, expressing the most critical view of the Court's action. Mr. McBain also said:

"An unbiased mind can hardly escape the conclusion that the Court was determined to kill this law, no matter what sacrifice of logic and reasoning was necessary in the process of torturing the Constitution to that end."

Also, Raymond Clapper, famous columnist, in the Scripps-Howard newspapers of Wednesday, January 22, 1936, says:

"In our plain, simple Republic the nearest thing to royalty is our Supreme Court. Our President is more like the British Prime Minister. He battles in the front-line trenches under shot and shell. Our Court stands back some distance from the immediate battle. It is venerated. Speak the slightest word of criticism and it is resented as if it were an impertinence to royalty.

"It holds power as great as that of earlier kings—much greater in a sense, because its authority is so great that it does not need troops to enforce its decrees. Our Presidents come and go with elections, like British Prime Ministers. But our Court remains, supreme in its might. As Associate Justice Harlan Stone so recently said: 'The only check upon our own exercise of power is our own sense of self-restraint.' "

When we view such thoughts as these it is of great importance that Congress devote itself to its real problems rather than decorations.

All civilizations before have been destroyed when a people have either lost the soil or contact with it; when, by the ignorant concentration of wealth—in a few hands—that class destroys the production of wealth; and hence again, and always inevitably, destroys itself. It has been destroyed when a people, face to face with problems, refuse to meet them, and instead build pyramids and great marble palaces (to provide sepulchers for the royal dead, its courts of nobility, and other things) and grant reverential attention to hollow formulas—instead of exchanging goods for labor, thereby creating and sensibly preserving real productive wealth.

THE A. A. A. DECISION

The potentialities of the A. A. A. decision may well be noted, and its connection with similar events in other civilizations now gone and dead. In the present picture, we may compare some of the symbols of today to decadent civilizations. A visit to Indian pueblos covered for centuries by soil first eroded because of human waste and then carried by forces of Nature to the village may convince us of portentous problems. For wind and water mercilessly follow the laws of gravitation. A drop of water in Canada, another nation, passes on its course, enters the United States, then passes over State lines, into the Gulf of Mexico, and no court can stop it, although a court can stop man from controlling it; can stop man from saving himself. A writ, proclaiming it should not pass a State line, would not be obeyed by this little drop of water. Hence, it would appear that the people should protect their lands, their natural resources, and that to do otherwise is to sit still voluntarily in an electric chair and wait for the current—another natural force which obeys no court.

The people do not realize this grave situation. Some think that the universal hue and cry of "Blame it on Roosevelt" is going to solve things; they do not know that the fundamental problem is not Roosevelt, nor the Democratic Party—Republican Party—but representative government. And representative government is not improved or benefited by the adoption of the superficialities of life and by using thought substitutes, mental subsidies in the shape of decorations.

"It seems to me that if our constitutional prerogatives are so dwarfed and cramped by judicial fiat that if we have time, in these grave days for such puerile trivialities, we should disband."

DECORATIONS FOR ALL

To meet this situation, I propose that Congress enact legislation to give each farmer a "foreign" decoration, the title, if necessary of "royal agriculturist." To each of the unemployed, a foreign decoration. That those who starve may die in glory, a foreign decoration. To those who starve without benefit of foreign decoration—a posthumous one. We may ever enter into treaties—for the exchange of medals by the shipload. Thus the cause of good government can be made international; we can have a motto "For every unfortunate citizen—a medal." To follow Marie Antoinette and "let them eat cake" would proabably be held by the court to be unconstitutional. But medals—these we can lawfully bestow.

It is gratifying to know that we may proceed with confidence; and know that this act, at least, will be constitutional.

Since we now may devote the rest of the session to this important subject, let us, as the professors say, make an "exhaustive analysis." Philosophers that we are, let us consider the subject from that angle first.

This power seems now to be one of a very few. But it is not mandatory. The court assumes that we have discretion in this

vital matter and that we are to use it wisely—that means, philosophically—and philosophy, as will be shown in the next section, forbids us to exercise the right given by the court. But let us get to our subject of medals and titles of nobility.

PHILOSOPHIC

Since this matter of medals touches all the heights and depths of civilization—glory, pride, and honor—it is not to be treated lightly. It must be treated philosophically. Now the heaviest philosophy for the occasion is that by Hegel who handled everything dialectically. This method calls for the division of every subject, play, theme, and argument into three parts: thesis, antithesis, and synthesis. It may not be generally known, but thesis, antithesis, and synthesis form the basis of all argumentation and true oratory. This was proved beyond any doubt by Dr. Hegel, a distinguished philosopher.

HEGELIAN TRUTH

Applying the reasoning of Hegel to the problem before us, the burning issue of medals, we are compelled to take the case philosophically in the following manner:

Thesis

If a citizen is not worthy, he should not have a medal; and if he is worthy, he does not need it.

Antithesis

To insist on his having it is, according to the philosophy of the great Hegel, the antithesis.

Synthesis

Don't let him have the medal.

HISTORICAL

Unlike the Government of the United States, those of foreign countries sometimes use medals to buy the souls and bodies of their people. Take, for example, Napoleon. While he was at Elba, all the minds of regal sport, and the glorious pastime of a few deciding on chessboard moves in Europe, wondered whether he could stage a come-back. He paced the shores of the island and figured it all out.

He landed in France on March 1, 1815, with eight trunkloads of medals and proclamations to his "dear soldiers" and his "dear people." One of his medals showed him as an eagle flying over the waters to France on one side, and soldiers welcoming him on the other. He appealed to the vanity of the French. He passed out medals. He gave rank and titles to job hunters. By creating orders of all kinds he bought off people who might have made trouble for him. So he was able to make a "bigger and better" war—to use the language of our great industrialists and munitions makers. In fact, he managed to kill off a huge number of boys and veterans who had escaped his other wars. But despite all his pains, he got it in the neck himself at Waterloo. The medals did not work.

ECONOMIC

For Congress to deliberate on medals takes time. Now, time is money. The costs for heat, light, and power are high. They amount to several thousand dollars an hour. This extra burden should not be put on taxpayers. They have enough aches and pains. We should not unbalance the Budget any more than it is.

INTERNATIONAL

It is sometimes said that the exchange of medals is one of the amenities of international intercourse, that it makes for peace, good will, and the international mind. I doubt it.

Before the World War broke out the kings, emperors, and other rulers of Europe threw medals, honors, military titles, and honorary degrees around like leaves. Did these amenities stop the war? History says "No." After the war broke out, anyway, the British owners of German medals, titles, degrees, and honors flung them back with high scorn, and vice versa. And so on, all along the line.

We have a more recent example. British Sir Knights and all noble brothers are Their Majesties the new King of England, as was his honored and deceased father, King George V; the King of Italy; Haile Selassie, Emperor of Ethiopia; Benito Mussolini, Il Duce and Dictator of Italy; and numerous other monarchs and ex-monarchs and our own distinguished war leader, Gen. John J. Pershing (Sir John, for short, for few Americans know that some of their fellow Americans have titles of nobility).

These eminent men belong, as it were, to the same medal club. They should have been able to keep peace in the club. Were they? War in Ethiopia suggests the contrary to the thoughtful. Hence, Q. E. D., so to speak, medals do not automatically bring peace, not even titles of nobility.

MILITARY

Usually, if anyone opposes anything the militarists, or for that matter, honest enthusiasts, want for the Army or Navy—including a law in violation of the right of free speech and press—such person is generally branded as really opposed to "national defense"! Will national defense be benefited by loading our officers down with rattling foreign decorations? Do we really desire the officers of the United States Army to accept foreign decorations? Would it not subject them to the possibility of criticism? An officer gets a medal, we will say, from Italy. Would he not then be called a "tool of Fascist Italy", a designing monster and a clever spy, having more affection for Mussolini than for his own country? I am sure, at least, that some of our anti-Fascists, Socialists—and even Democrats—would object strenuously. And suppose one of our Army officers, or—worse—a naval officer, should be suspected of accepting a decoration from Stalin of Russia? Banish the thought, but would he not immediately be court-martialed? Or, suppose a bill came before Congress decorating several of our officers with the Sunburst of Lenin, or the Karl Marxian Proletarian Hammer and Tongs of the Soviet Socialist Republics; or, for instance, the Mighty Sickle and Hammer of Russia—or, horrors—the order of the Red Eagle—would not we all rise in righteous fury, denouncing the impudence of such a thing? The Halls of Both Houses of Congress would literally thunder.

To proceed, suppose an Army officer should receive a decoration from the Government of Japan. Would many Californians like this? What would a certain section of our press say if a decoration would be accepted either from Japan or Russia? I tremble.

Suppose we, the American people, start on a numismatic jag; suppose we become numismaniacs and across our bosoms are sunbursts, moons, stars, cruxes, and cruzes and croixes, and all such paraphernalia, appeals to vanity, and tommyrot. Would not the spirit thereby engendered be somewhat superficial, or, we might say, give the wearer a false slant of himself, and give the person who must look upon him emotional reactions of a very questionable nature? And war has a false glamour. Decorations help in creating this. Let us fight for our country—and, if really necessary, die for it—but let us die honestly, facing the truth, and let us ask no man to go to his grave blindfolded intellectually. Should a democracy adopt the policies of an empire, or of a dictatorship? I am sure we will not; but certainly we should not begin bad precedents.

PRACTICAL

It may be suggested that Congress may well devote its time to more important matters than spangling out our officers with foreign decorations. For true courage, both physical and especially mental, no one resents recognition; for scientific and technical achievement, there is no reason why such should not receive rewards, prizes, or medals.

But foreign decorations sometimes bring in complications. It was shown under the captions "Historical" or "Military" some of the things that have happened and are happening. If such a practice is started it will lead to jealousies and bad discipline in our military forces; it will lead to more international jealousies and ill feeling. I can see no practical benefit in starting such a precedent.

NEUTRALITY IN DECORATIONS

Hence, in the matter of decorations, we should at least view it with impartiality and neutrality. Either we accept from all countries, or none. We obviously cannot play favorites. And, as pointed out, it is doubtful if Congress would permit its officers to accept decorations from certain foreign powers—and that if they did it might cause complications, and at least might cause embarrassment and humiliation. Let us therefore accept no foreign decorations.

LET'S BE SERIOUS—CONCLUSION

But let me be serious and sum up. This matter came before our committee hurriedly and was rushed through with practically no consideration. This is not intended as a reflection on my colleagues of the committee, for several asked for facts. It was not regarded as an important matter. It was finally agreed that some explanatory "letters" would be placed in the majority opinion—an explanation afterward. One dislikes to cause controversy on a subject that seems so trivial, and I merely contented myself by asking that I be allowed to file a minority report. To object to such a procedure is like preventing a child from getting a piece of candy, a toy, or red-top boots. But, I repeat, the precedent is bad; and since Congress can include foreign titles in its duties without limit, the best thing is not to start such nonsense. With fascism striking down free government all over the world, for us to adopt a policy like this may prove dangerous to democracy. When a half-good, half-bad bill is presented which calls for vague purposes, the proponents usually say, "This is a step in the right direction." This bill is a step in the wrong direction.

There is no necessity for the granting of these medals—no use, no useful purpose, and no benefit. That ought to be enough. But we may go further—there may be definite harm in the granting of them; it may create jealousy, envy, false social atmosphere, superficiality of thought—bad discipline; it may even cause international eventualities and misunderstandings. Suppose we refused medals from one country and accepted them from others? Certainly those of us who know the history of medals and have seen this habit carried to its natural conclusions in other countries are depressed at the idea. It is all a bad idea, I think, benefiting no American citizen.

I repeat, if our constitutional prerogatives are so dwarfed and cramped by judicial fiat that we have time, in these grave days, for such puerile trivialities, we should disband.

I think that Congress should defeat the bill and proceed to more important matters.

MAURY MAVERICK.

SPECIAL COMMITTEE TO INVESTIGATE OLD-AGE-PENSION SCHEMES

Pursuant to House Resolution 418, Seventy-fourth Congress, the Speaker announced the appointment of the following Members of the Select Committee to Investigate Old-Age-Pension Schemes:

Mr. BELL, of Missouri; Mr. LUCAS, of Illinois; Mr. GAVAGAN, of New York; Mr. TOLAN, of California; Mr. HOLLISTER, of Ohio; Mr. DITTER, of Pennsylvania; Mr. COLLINS, of California; and Mr. HOFFMAN, of Michigan.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. MONTET, for 3 weeks, on account of important business.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 1381. An act to amend Public Law No. 249, Seventy-first Congress, entitled "An act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy";

H. R. 1415. An act to provide for the establishment of the Richmond National Battlefield Park, in the State of Virginia, and for other purposes;

H. R. 1470. An act for the relief of Carl A. Butler;

H. R. 1867. An act for the relief of Orville E. Clark;

H. R. 2110. An act for the relief of W. A. Harriman;

H. R. 2156. An act for the relief of Cecelia Callahan;

H. R. 2157. An act for the relief of Howard Donovan;

H. R. 2165. An act for the relief of Charles A. Gettys;

H. R. 2527. An act for the relief of Mrs. Amber Walker;

H. R. 2923. An act for the relief of Misner Jane Humphrey;

H. R. 3557. An act for the relief of Helena C. VonGroning and Stephan VonGroning;

H. R. 3565. An act to authorize the Secretary of War to effect exchange of certain rights-of-way in Hawaii;

H. R. 3864. An act for the relief of Gladys Robbins;

H. R. 4047. An act granting 6 months' pay to James Zanetti;

H. R. 4084. An act for the relief of Charles D. Jeronimus;

H. R. 4171. An act for the relief of Look Hoon and Lau Hoon Leong;

H. R. 4210. An act for the relief of Anthony Nowakowski;

H. R. 4292. An act to authorize the Secretary of War to grant rights-of-way to the Arlington & Fairfax Railway Co. across the Fort Myer Reservation, Va.;

H. R. 4777. An act to provide for the advancement on the retired list of the Army of Vincent P. Rousseau;

H. R. 4925. An act to authorize and direct the Comptroller General to settle and allow the claim of George P. Money for fees for services rendered;

H. R. 5181. An act for the relief of the Progressive Commercial Co. of Philadelphia, Pa.;

H. R. 5474. An act for the relief of Lt. M. T. Grubham;

H. R. 5525. An act for the relief of George Current;

H. R. 5747. An act for the relief of Gordon McGee;

H. R. 5876. An act for the relief of Elmer H. Ackerson;

H. R. 5916. An act to authorize the conveyance by the United States to the State of Michigan of the former United States lighthouse supply depot, St. Joseph, Mich., for State and naval force purposes;

H. R. 5964. An act for the relief of Carl F. Yeager;

H. R. 6254. An act for the relief of David N. Aiken;

H. R. 6708. An act to authorize the presentation of a Distinguished Flying Cross to Lt. Col. Francis T. Evans, United States Marine Corps;

H. R. 7001. An act for the relief of Alice Markham Kavanaugh;

H. R. 7486. An act to authorize the appointment of midshipmen from among honor graduates of "honor schools" and from among members of the Naval Reserve Officers' Training Corps;

H. R. 7875. An act to provide for the transfer of certain land in the city of Charlotte, Mich., to such city;

H. R. 8024. An act to authorize the Secretary of War to dispose of material no longer needed by the Army;

H. R. 8172. An act to authorize the transfer by the United States to the county of Mohave, Ariz., of all public lands in sections 20, 28, and 30, township 20 north, range 15 west, Gila and Salt River meridian, for public park, recreational, and other municipal purposes;

H. R. 8437. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Arthur B. Walker;

H. R. 8821. An act to define the crime of bribery and to provide for its punishment;

H. R. 8872. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Woman's Club, of the city of Paducah, Ky., the silver service in use on the U. S. S. *Paducah;*

H. R. 8966. An act for the relief of World War soldiers who were discharged from the Army because of minority or misrepresentation of age; and

H. J. Res. 356. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Pan American Exposition to be held in Tampa, Fla., to be admitted without payment of tariff, and for other purposes.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 9 minutes p. m.) the House adjourned until Monday, February 24, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

677. Under clause 2 of rule XXIV, a letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; taken from the Speaker's table and referred to the Committee on Naval Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BUCK: Committee on Ways and Means. H. R. 11327. A bill to exempt from taxation receipts from the operation of Olympic Games if donated to the State of California, the city of Los Angeles, and the county of Los Angeles; without amendment (Rept. No. 2059). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GILLETTE: A bill (H. R. 11396) to declare certain imported fabrics to be within the definition of regalia, as defined in paragraph 1773 of the Tariff Act of 1930, and for other purposes; to the Committee on Ways and Means.

By Mr. HARTER: A bill (H. R. 11397) to promote the development of lighter-than-air craft; to the Committee on Naval Affairs.

By Mr. LEA of California: A bill (H. R. 11398) providing for the creation of a Fuel Research Commission, prescribing its powers and duties, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MEAD: A bill (H. R. 11399) to further increase the efficiency and safety of air-mail transportation, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 11400) to provide for the establishment of a national park or monument in the township of Perry, Fayette County, Pa. (including George Washington grist mill and the property adjacent thereto); to the Committee on the Public Lands.

By Mr. SUTPHIN: A bill (H. R. 11401) to promote the development of lighter-than-air craft; to the Committee on Naval Affairs.

By Mr. WALTER: A bill (H. R. 11402) authorizing the Delaware River Joint Toll Bridge Commission of the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point near Delaware Water Gap; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHAPMAN: A bill (H. R. 11403) granting an increase of pension to Mary Reynolds; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11404) granting an increase of pension to Mary Newton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11405) granting a pension to Mariah Matilda Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11406) granting a pension to Lucy Leach; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11407) granting a pension to Maggie Berry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11408) granting a pension to Lou A. Strother; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11409) granting a pension to Nannie Floyd; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11410) granting an increase of pension to Ellar Bales; to the Committee on Invalid Pensions.

By Mr. CROSBY: A bill (H. R. 11411) granting a pension to Elsie Latshaw; to the Committee on Invalid Pensions.

By Mr. RANDOLPH: A bill (H. R. 11412) for the relief of Lily Singleton Osburn; to the Committee on Claims.

Also, a bill (H. R. 11413) for the relief of Elizabeth Butcher; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 11414) granting a pension to Francis Collins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11415) granting a pension to Allie Burnett; to the Committee on Pensions.

By Mr. THOMPSON: A bill (H. R. 11416) for the relief of Edwin Petis Peterson; to the Committee on Military Affairs.

By Mr. THOMAS: A bill (H. R. 11417) granting an increase of pension to Kate M. Farrell; to the Committee on Invalid Pensions.

SENATE

MONDAY, FEBRUARY 24, 1936

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God, our Heavenly Father, whose love, reaching unto the world's end, doth embrace all the nations upon earth, be graciously pleased to direct and prosper all the consultations of these Thy servants toward the attainment of Thy purpose for our country.

Grant to each one of us the wisdom of a loving heart, patient and ever wondrous kind; may we hearken to the voice of history as it sounds across the centuries the law of right and wrong.

Give us the courage to banish sloth and pride, which foil the spirit's high emprise and veil the goal for which our fathers lived and died.

Bestow upon us all the confidence of reason, that, under the light of truth, inspired by love, we may ever stand upon the sunnier side of doubt and cling to faith even beyond the forms of faith.

We ask it in the name of the Master of mankind, Jesus Christ, Thy Son, our Lord. Amen.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Saturday, February 22, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing, from the President of the United States, were communicated to the Senate by Mr. Latta, one of his secretaries.

AGRICULTURAL RELIEF—COMPARISON OF BILLS PASSED BY SENATE AND HOUSE

Mr. ROBINSON. Mr. President, for the convenience of Senators I have had prepared by an authority in the Department of Agriculture a statement showing the material differences between Senate bill 3780, the agricultural relief bill, as passed by the Senate and as passed by the House of Representatives. I ask that this memorandum be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. Is there objection?

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM RE DIFFERENCES BETWEEN S. 3780, AS PASSED BY THE SENATE, AND AS AMENDED BY THE HOUSE OF REPRESENTATIVES

In this memorandum, S. 3780, as passed by the Senate, and the House amendment, are referred to as the Senate bill and the House bill, respectively.

The first section of the bill provides for the addition of sections to the act of April 27, 1935. References to sections in the discussion of the first section of the bill are to the sections proposed to be added to that act.

Although similar in fundamental plan, the bills differ in essential detail both in the manner of stating the objectives and in provisions for their achievement.

Section 7 in each bill states the objectives and makes provision for grants to States to assist them in carrying out State plans.

Section 7 (a): The House bill has added section 7 (a), which contains the statement of objectives, a more definite standard of parity of farmers' income and a more definite statement of provisions for the protection of consumers' interests. Certain differences exist in the language and order in which the objectives are stated in the two bills which would make considerable difference in administration. The House bill does not include as a stated objective protection of navigable streams and harbors against results of erosion.

Sections 7 (b), 7 (c), 7 (e), 7 (f): The bills differ in sections 7 (b), 7 (c), 7 (e), and 7 (f) only in that the House bill permits approval of plans which will effectuate any one or more of the purposes whereas the Senate bill requires that each plan shall concurrently contribute to the accomplishment of all the purposes.

Section 7 (d): Section 7 (d) (1) of the House bill makes specific reference to land-grant colleges as one of the agencies which may be designated to administer the plan in any State, whereas the Senate bill lacks specific reference to land-grant colleges.

Section 7 (g): The elements to be taken into consideration in making an apportionment to the States of funds available for carrying out the purposes of the act are specified in section 7 (g). The House bill specifies three distinct elements to be considered. The specification of the Senate bill is limited to the acreage and value of the major soil depleting or export crops produced in the State during a representative period. The House bill provides that apportionments to States may be made at any time during the calendar years 1936 and 1937, whereas the Senate bill requires an apportionment to be made on or before November 1 of the preceding year, except in the case of 1936. In view of the fact that there is not likely to be an appropriation available before November 1, 1936, of funds adequate to carry out the plan through the entire calendar year 1937, the extension of the provision for deferred apportionment to 1937 was considered advisable. Section 7 (g) of the House bill also makes the provision for disposition of funds not required to carry out a State plan during any year throughout the term of the bill, whereas in the Senate bill this provision was limited to the temporary period.

The House bill substitutes the word "may" for "shall", in section 8 (a), thereby making operation of the conservation program during the temporary period discretionary with the Secretary rather than mandatory, as provided in the Senate bill, and omits the provision of the Senate bill expressly limiting authority to make direct payments in any State to payments in connection with joining operations commenced before the approval of a State plan for the State.

Section 8: Section 8 (b) of the House bill differs materially from section 8 (b) of the Senate bill. In each bill the section provides for payments directly to producers during the temporary period.

Standards prescribed in this section of the two bills for measuring payments differ.

The language of the Senate bill requires the Secretary to consider the payments with reference to all the purposes specified in section 7 (a), whereas the House bill specifies the Secretary shall consider only the purposes specified in clauses 1, 2, and 3 of section 7 (a).

The language of the Senate bill makes it clearer than does that of the House bill that standards specified in the section relate only to the measure of payment rather than to conditions precedent to payment.

The Senate bill relates the payment to certain land. It is not clear that the House bill does so.

The House bill specifies that tenants and croppers are included in the term "agricultural producers", and expressly requires the Secretary to take into consideration, in apportioning payments with respect to any land, services of tenants and croppers and any loss of income to them by reason of changes in farming practices. It also expressly requires protection of the interests of small producers. The Senate bill lacks such provisions.

The statement of the Senate bill with respect to the services of committees of producers, the extension service, and other agencies more precisely expresses the authorization intended.

The House bill requires the Secretary to encourage soil conserving and rebuilding practices rather than the growing of soil-

depleting commercial crops. Section 8 (b) of the Senate bill contains no provision of this sort.

Section 8 (c): The language of the Senate bill more clearly indicates that payments may be made to farmers who do not own their own farms.

The conditions in both bills are referred only to the purposes specified in clauses 1, 2, or 3 of section 7 (a). It is to be noted that reference to purpose (4) of the Senate bill (the Logan amendment) is omitted.

The Senate bill specifies that conditions shall be those which tend to effectuate purposes specified in clauses 1, 2, or 3 of section 7 (a), whereas the language of the House bill might be interpreted to preclude payments to producers whose farming practices, although designed to effectuate these purposes, having been prevented from having that effect by uncontrollable circumstances.

Section 11 of the House bill provides for allotment and transfer of funds to facilitate effective administration. The Senate bill lacks this provision. Section 11 of the Senate bill, which is comparable to section 12 of the House bill, contains provisions for stabilization of markets and authority to enter into contracts with associations of producers or associations of associations of producers. No such provisions are contained in the House bill. Section 11 of the Senate bill contains a reference, apparently erroneous, to clause 4 of section 7 (a) resulting probably from the insertion of the Logan amendment between clauses 3 and 4 of the bill as it read prior to that amendment. The reference is probably intended to be to clause 5 of the Senate bill.

Section 12 of the Senate bill contains a provision, omitted from the comparable section (section 13 of the House bill), which limits the authority of the Secretary in utilizing the personnel of the Agricultural Adjustment Administration to carrying out the provisions added to Public, No. 46, Seventy-fourth Congress, by this bill. The provision was inserted in the Senate bill to make it clear that the personnel and organization of the Soil Conservation Service are not to be disturbed by the bill.

Section 13 of the Senate bill differs from section 14 of the House bill in the language defining the limitation upon the reviewability of the Secretary's determinations with respect to payments or grants under section 7 or 8. The language of the House bill probably limits somewhat more narrowly the scope of review by officers or employees of the Government other than the Secretary than does the language of the Senate bill.

Section 14 of the Senate bill authorizing annual appropriations limited to $500,000,000 is omitted from the House bill.

Section 15 of the House bill modifies section 15 of the Senate bill, which limits expenditures under the act during any fiscal year to $500,000,000 by making the limitation apply to calendar years and by expressly confining its applicability to sections 7 to 14, inclusive, of the act. The modification is designed to facilitate operations which must necessarily be on a calendar-year basis and to exclude from the limitation operations under the first six sections of Public, No. 46, Seventy-fourth Congress, which apply primarily to the existing Soil Conservation Service.

Section 2 of the Senate bill amends section 32 of Public, No. 320, Seventy-fourth Congress, merely by confirming the construction that moneys appropriated by that section may be used for any one of the three purposes specified in the section. The House bill further amends section 32 by substituting for the third clause (rendered substantially useless by the abandonment of the adjustment programs under the Agricultural Adjustment Act) an authorization of payments in connection with the normal production of any agricultural commodity for domestic consumption and by making final the Secretary's determination as to what constitutes diversion, normal channels of trade, and normal production for domestic consumption. The House bill also eliminates an ambiguity in the language of the Senate amendment to this section by providing that the Secretary may make expenditures under section 32 which he finds will "effectuate substantial accomplishment of any one or more of the purposes" of that section.

Section 3 of the House bill clarifies the provisions of the same section of the Senate bill regarding the extension of authorizations for appropriations contained in section 37 of Public, No. 320, Seventy-fourth Congress, and Public Resolution No. 27, Seventy-third Congress.

The House bill contains a new section, section 4, making available $2,000,000 of the unobligated balance of funds appropriated by the Emergency Relief Appropriation Act of 1935 for allocation to States or farmers in the Southern Great Plains area for wind erosion control under plans to be approved by the Secretary of Agriculture.

AGRICULTURAL RELIEF—REPRINT OF BILL

Mr. ROBINSON. Mr. President, at the request of the Senator from South Carolina [Mr. SMITH], I ask for the printing of the farm-relief bill, being Senate bill 3780, showing, by different types, the form of the bill as passed by the House of Representatives and as passed by the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ORDER TO DISPENSE WITH CALL OF THE CALENDAR UNDER RULE VIII

Mr. ROBINSON. I ask unanimous consent that the call of the calendar today under rule VIII be dispensed with.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Pope
Ashurst	Coolidge	Keyes	Radcliffe
Austin	Costigan	King	Robinson
Bachman	Couzens	Lewis	Russell
Bailey	Davis	Logan	Schwellenbach
Barbour	Dieterich	Lonergan	Sheppard
Barkley	Donahey	Long	Smith
Benson	Duffy	McAdoo	Steiwer
Bilbo	Frazier	McKellar	Thomas, Okla.
Black	George	McNary	Thomas, Utah
Borah	Gerry	Metcalf	Townsend
Brown	Gibson	Minton	Trammell
Bulkley	Glass	Murphy	Truman
Bulow	Gore	Murray	Tydings
Burke	Guffey	Neely	Vandenberg
Byrd	Hale	Norbeck	Van Nuys
Byrnes	Harrison	Norris	Wagner
Capper	Hastings	Nye	Wheeler
Caraway	Hatch	O'Mahoney	White
Chavez	Hayden	Overton	
Clark	Holt	Pittman	

Mr. DUFFY. My colleague the senior Senator from Wisconsin [Mr. LA FOLLETTE], is necessarily absent from the Senate because of temporary illness, due to a bad cold. I ask that this announcement may stand for the day.

Mr. LEWIS. I desire the RECORD to disclose that the Senator from Alabama [Mr. BANKHEAD], the Senator from Florida [Mr. FLETCHER], and the Senator from Washington [Mr. BONE] are absent because of illness, and that the Senator from Nevada [Mr. MCCARRAN], the Senator from New York [Mr. COPELAND], the Senator from Connecticut [Mr. MALONEY], the Senator from New Jersey [Mr. MOORE], the junior Senator from North Carolina [Mr. REYNOLDS], the Senator from Massachusetts [Mr. WALSH], and the Senator from Kansas [Mr. MCGILL] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Wyoming [Mr. CAREY], the Senator from Iowa [Mr. DICKINSON], and the Senator from Minnesota [Mr. SHIPSTEAD] are necessarily absent.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

TRIBUTE TO THE MEMORY OF THE LATE HON. HENRY L. ROOSEVELT

Mr. WAGNER. Mr. President, we, here in the Capital, and the Nation are deeply grieved because of the sudden death on Saturday last of a patriot of America and a citizen of the world, Henry L. Roosevelt, Assistant Secretary of the Navy. The innumerable recipients of his warm and gracious friendship—and I among them—will find none to take his place.

Scholar and cosmopolitan, he began and ended his career in the service of his country. To his most recent work, as to everything in his life, he brought the unflinching sense of responsibility of our finest heroic traditions. He deliberately and knowingly sacrificed himself to duty as surely as if he had been swept from the gun deck of a cruiser of the Navy which he loved and served so well.

A fervent proponent of peace, he strove to maintain the security and honor of America. America sensed his services and deeply mourns his loss.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from Hon. Charles H. Martin, Governor of Oregon, praying for the enactment of the so-called Fletcher bill, being the bill (S. 3417) to provide for extending credit to aid in the conservation and operation of forest lands, to establish a forest credit bank, and for other purposes, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution of the Commissioners' Court of Demmit County, Tex., favoring the enactment of legislation providing protection against the spreading of communicable or infectious diseases, known to be prevalent in Mexico, throughout the Nation by immigrants carrying such diseases and entering the United States at various

border ports, which was referred to the Committee on Commerce.

He also laid before the Senate a resolution adopted by Townsend Club No. 2, of Olympia, Wash., favoring the prompt adoption of the so-called Townsend old-age revolving pension plan, which was referred to the Committee on Finance.

He also laid before the Senate resolutions of the executive committee of the Bar Association of St. Louis, Mo., and the State Bar Association of South Dakota, favoring the enactment of House Joint Resolution 237, for the establishment of a trust fund to be known as the Oliver Wendell Holmes Memorial Fund, which were referred to the Committee on the Library.

He also laid before the Senate letters in the nature of petitions from R. O. Lindsay, director of aeronautics, Aeronautics Commission of Tennessee, Nashville, Tenn., and Sidney Oviatt, managing editor of the Yale Alumni Weekly, New Haven, Conn., favoring the creation of a committee on civil aviation in each branch of Congress, which were referred to the Committee on Rules.

He also laid before the Senate a letter in the nature of a petition from the North Carolina League of Municipalities, Raleigh, N. C., praying for the enactment of the bill (S. 2883) to provide for the further development of vocational education in the several States and Territories, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Downtown Local of the Unemployed Citizens' League of Seattle and Kings County, Wash., protesting against the enactment of legislation abridging the freedom of speech or of the press, which was ordered to lie on the table.

Mr. CAPPER presented a petition numerously signed by sundry citizens of Ness County, Kans., praying for the enactment of Senate bill 541, to prohibit the advertising of intoxicating liquors, which was referred to the Committee on Interstate Commerce.

RECIPROCAL-TRADE AGREEMENT WITH CANADA

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted at the annual convention of the National Grange, denouncing the Canadian reciprocal trade agreement because of its injurious effect on the American farmer.

I desire to state, Mr. President, that this resolution expresses my own opinion of the Canadian agreement, and the general opinion of the farmers of the United States. It should be further stated, that, with a few minor exceptions, the trade agreements so far made by the State Department have been harmful rather than helpful to American agriculture.

There never has been a time in our history when the American farmer was more entitled to the American market for his products than the present time. I had hoped when the Congress gave the Executive power to negotiate and put into effect trade agreements, that they would result in broadening the export market for American farm products, but to date such agreements have not done that. Instead, they have narrowed the domestic market, by giving slices of the domestic market to farmers of other nations. Either Congress should take back the power to approve these agreements before they become effective, or the authority should be taken entirely from the Executive. I ask that the Grange resolution be printed as a part of my remarks at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

One of the chief planks in the tariff platform of the National Grange is that so long as the protective system prevails we demand the American market for the American farmer in the case of all commodities which can be advantageously produced in any part of our country.

Judging from the information contained in press dispatches from Washington, the reciprocal trade agreement just made with Canada will, on the whole, prove injurious rather than beneficial to farmers of the United States.

We already have a domestic surplus of practically every agricultural commodity on which tariff concessions have been made to Canada. Foreign imports cannot fail to add to these surpluses and depress the domestic price level of farm commodities.

Even though quotas have been fixed in the case of some commodities, it cannot be denied that even a small surplus is sufficient to convert a seller's market into a buyer's market and to depress the price level of an entire crop or commodity.

With potatoes having sold at ruinous prices for several years due to overproduction and with domestic growers being asked to submit to a compulsory reduction in acreage, there is no justification for slashing the tariff on seed potatoes. Seed potatoes grown in northern United States are just as vigorous and disease resisting as potatoes imported from Canada.

Our dairy and livestock interests will suffer because of the reduction in tariff rates on cream and cattle. The domestic poultry industry, one of the most important branches of agriculture, needs further protection, and not the lower duties contained in the Canadian pact.

Prices received by American producers of maple sugar have been so low in recent years that only a fraction of our trees have been tapped, yet the tariff on this product has been reduced.

Good timothy hay, which in normal times brought $20 per ton, has been selling in some sections at from $6 to $7 per ton.

AMENDMENT OF FOURTH SECTION OF INTERSTATE COMMERCE ACT

Mr. WAGNER presented a resolution of the Chenango Unit, R. R. Employees and Taxpayers Association of the State of New York, which was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

PETTENGILL BILL (H. R. 3263)

Whereas the long-and-short-haul clause of the Interstate Commerce Act took its present form in 1910 at a time when railroads were the only important form of inland transportation; and

Whereas other forms of transportation have come into competition with the present railroad systems using publicly built facilities and are not restricted by any long-and-short-haul clause; and

Whereas the recent legislation regulating motor carriers does not contain any long-and-short-haul clause, leaving the railroad the sole subject of such a restriction; and

Whereas it is for the welfare of all railroads, as well as the communities served by them that such long-and-short-haul clause should be eliminated in order that competition could be met on an equal basis; and

Whereas the Pettengill bill has been proposed as an amendment to the fourth section of the Interstate Commerce Act by eliminating the long-and-short-haul clause applicable only to railroads: Now, therefore, be it

Resolved, That the Chenango Unit R. R. Employees and Taxpayers Association of the State of New York do hereby request the United States Senators and Representatives in Congress to use all honorable means to provide for the passage of the Pettengill bill, so that fair and more equal conditions of competition will be allowed for the railroads and in order to permit better service for all points and better conditions as to pay rolls and taxes for those intermediate points dependent on railroad service; further

Resolved, That the secretary be, and he hereby is, directed to send a copy of this resolution to the Senators and Members of the House of Representatives for the counties constituting the membership of this unit.

OLIVER WENDELL HOLMES MEMORIAL FUND

Mr. WAGNER presented a resolution of the Rochester (N. Y.) Bar Association, which was referred to the Committee on the Library and ordered to be printed in the RECORD, as follows:

Resolution of the board of trustees of the Rochester Bar Association of Rochester, N. Y.

Whereas the trustees of the Rochester Bar Association are in full accord with the proposal to perpetuate the memory of the late Oliver Wendell Holmes through the establishment of a collection of fundamental works in the field of jurisprudence, to be maintained in the National Library at Washington, D. C., and to be perpetually known as the Oliver Wendell Holmes Collection; and

Whereas this proposal is embodied in House Joint Resolution 237, which passed the House of Representatives unanimously on the 15th day of June 1935: Now, therefore, be it

Resolved, That the Rochester Bar Association, through its board of trustees, hereby records its hearty support and approval of House Joint Resolution 237 and urges upon the Congress of the United States of America the enactment thereof.

NATIONAL CEMETERY NEAR NEW YORK CITY

Mr. WAGNER presented a resolution of the Queens County, N. Y., committee of the American Legion, which was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

Resolved, That the Queens County Committee of the American Legion respectfully requests the Secretary of War and the Congress of the United States to select, as soon as possible, and to

appropriate sufficient funds to establish a new national cemetery located as near as possible to the center of population of the city of New York and, be it

Further resolved, That a copy of this resolution be forwarded to the Secretary of War, the Representatives in Congress from the county of Queens, and the two United States Senators from the State of New York.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3974. A bill to amend the act entitled "An act to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes", approved July 2, 1926 (Rept. No. 1606); and

S. 4026. A bill to amend the National Defense Act of June 3, 1916, as amended (Rept. No. 1600).

Mr. SHEPPARD also, from the Committee on Military Affairs, to which was referred the bill (S. 3821) granting the Purple Heart decoration to Maj. Charles H. Sprague, reported it with amendments and submitted a report (No. 1601) thereon.

Mr. BACHMAN, from the Committee on Military Affairs, to which was referred the bill (S. 3537) for the relief of Felix Griego, reported it without amendment and submitted a report (No. 1602) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3128. A bill for the relief of Daniel Yates (Rept. No. 1603); and

H. R. 2469. A bill for the relief of Michael P. Lucas (Rept. No. 1607).

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (H. R. 3340) for the relief of Jesse S. Post, reported it without amendment and submitted a report (No. 1605) thereon.

Mr. JOHNSON, from the Committee on Commerce, to which was referred the bill (H. R. 7147) authorizing a preliminary examination of the San Gabriel and Los Angeles Rivers and their tributaries; to include both drainage basins and their outlets, in Los Angeles County, Los Angeles, Calif., with a view to the controlling of floods, reported it without amendment and submitted a report (No. 1604) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. VANDENBERG:

A bill (S. 4074) to reduce the interest rate charged by the Reconstruction Finance Corporation on loans to closed banks and trust companies; to the Committee on Banking and Currency.

By Mr. TOWNSEND:

A bill S. 4075) granting a pension to Nettie LaTour Welcome (with accompanying papers); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 4076) exempting newspapermen from testifying with respect to the sources of certain confidential information; to the Committee on the Judiciary.

By Mr. BARKLEY:

A bill (S. 4077) granting an increase of pension to Mary E. Racener; to the Committee on Pensions.

By Mr. LOGAN:

A bill (S. 4078) to authorize the award of the Distinguished Service Cross to John C. Reynolds; to the Committee on Military Affairs.

By Mr. SCHWELLENBACH:

A bill (S. 4079) for the relief of Ernest Bollin;

A bill (S. 4080) for the relief of John M. Elliott; and

A bill (S. 4081) for the relief of Theophilus Steele; to the Committee on Military Affairs.

By Mr. BARBOUR:

A bill (S. 4082) to authorize the presentation of a Congressional Medal of Honor to Taliesin Waters; to the Committee on Military Affairs.

By Mr. HATCH:

A bill (S. 4083) for the relief of John E. Joy, Walter Beale, Mrs. Lilly Ross, Lee C. Yokum, and Verna E. Yokum; to the Committee on Claims.

A bill (S. 4084) granting an increase of pension to Lawrence J. Waterhouse; to the Committee on Pensions.

By Mr. CLARK:

A bill (S. 4085) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended; to the Committee on Agriculture and Forestry.

By Mr. BACHMAN:

A bill (S. 4086) to authorize the acquisition of the John Ross House, together with certain surrounding lands situate in the town of Rossville, Ga., and to preserve same as a national monument, and for other purposes; to the Committee on the Library.

A bill (S. 4087) to provide for the purchase of General Grant's headquarters in Chattanooga, Tenn., and to include such headquarters in the Chickamauga and Chattanooga National Military Park; to the Committee on Military Affairs.

A bill (S. 4088) granting an increase of pension to Arthur Grey; and

A bill (S. 4089) granting an increase of pension to Robert P. Martinez; to the Committee on Pensions.

By Mr. WHEELER:

A bill (S. 4090) to amend the Farm Credit Act of 1935, to provide lower interest rates on Federal Land Bank loans, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. BULKLEY:

A bill (S. 4091) for the relief of Gustava Hanna; to the Committee on Foreign Relations.

By Mr. BYRD:

A bill (S. 4092) to correct the naval record of Comdr. Royall Roller Richardson; to the Committee on Naval Affairs.

COMMITTEE SERVICE

On motion of Mr. ROBINSON, and by unanimous consent, it was—

Ordered, That the Senator from Louisiana (Mrs. LONG) be assigned to service on the following committees: Interoceanic Canals, Post Offices and Post Roads, Public Lands and Surveys, Immigration, and Claims.

WAR DEBTS, DISARMAMENT, CURRENCY STABILIZATION, AND WORLD TRADE

The VICE PRESIDENT. If there be no concurrent or other resolutions, the Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The resolution (S. Res. 141), submitted by Mr. TYDINGS on May 21, 1935, was read, as follows:

Whereas the people of the United States, irrespective of political affiliations, have been desirous of promoting in every practical way the peace of the world and the economic and political welfare of other nations as well as their own, and have never failed to respond to the call of distress of other peoples and countries; and

Whereas the people of the United States are equally desirous of correcting any misapprehensions in this regard and to proclaim that no reason shall exist for questioning their desire to aid in every reasonable way the solution of the acute problems of the world arising from the war and depression; and

Whereas the present administration has frequently declared that national economic recovery and world economic recovery are inextricably bound together and that the principle of the good neighbor should characterize the relationship between the United States and all other nations; and

Whereas similar views have been held by Republican administrations and leading statesmen of the Republican Party, so that these broad views have the endorsement of both our major political parties; and

Whereas it is universally recognized that there is no problem existing today which is operating more directly, constantly, and powerfully to make understanding and good will between nations difficult, and therefore to postpone the return of economic well-being and durable world peace than the chronic problem of intergovernmental debts arising and resulting from the war; and

Whereas the next installment of allied war debts owing to the United States is due and payable on the 15th of June 1935, and no payment on these debts was made when the last installment came due on December 15, 1934, and the value and collectibility of these debts are becoming more and more jeopardized by the passing of time and the failure to devise and consummate a workable and mutually reasonable settlement thereof; and

Whereas such officials and leaders of European public opinion and action as Premier Flandin, of France; Economic and Finance Minister Schacht, of Germany; and the Chancelor of the Exchequer Chamberlain, of Great Britain, have within recent weeks given public indication of their recognition of the gravity of the problem created by the unsettled state of intergovernmental debts and of their desire for an equitable settlement that will promote and not retard world trade and that is in keeping with the present economic and financial conditions of the world; and

Whereas in June and also in December of 1934, in the exchange of notes on the allied-debt subject, both France and Great Britain did not repudiate them but frankly acknowledge the validity and legality of their respective war debts to the United States and expressed a desire and willingness to make a reasonable and feasible settlement of these debts; and

Whereas it is the desire of the people of the United States as indispensable both to economic recovery and to world peace to secure reduction of armaments by all nations and to inaugurate an immediate 5-year holiday in arms construction, in order to facilitate and insure rapid recovery from the ravages of the protracted depression and to prove good faith to one another in their treaty commitments to peace; and

Whereas general and drastic reduction of armaments is vital to both world peace and to economic recovery, the expenditures for armaments and war being by far the largest items in the budgets of the nations; and

Whereas responsible statesmen of all the large nations of the world have repeatedly expressed their willingness to join in a general universal movement for the reduction of armaments, but the disarmament conferences have, during the past few years, failed to reach any substantial accord as to reduction largely because of the ill will, fear, and resentments engendered, particularly in Europe, by the destructiveness of the last war and the treaties resulting therefrom; and

Whereas a strong indication of the sentiment in Great Britain has just been obtained by a popular referendum wherein the vote on the question of all-around drastic reduction of armaments by international agreement showed over 90 percent in favor of such reduction and agreement, a percentage that well represents the overwhelming public opinion of our land; and

Whereas a 5-year holiday in arms construction accompanied by gradual, drastic, and pro-rata reduction in arms, agreed to and carried out by the nations of the world, would be not only the sincerest guaranty of world peace but would also result in bringing national income and national expenditures within balance in all nations, would greatly reduce taxation, would vastly increase the buying power of all countries, and consequently would go far toward restoring to normal the benefits of the world trade, both for agriculture and for the industry; and

Whereas for the further advancement of world trade and therefore for the prosperity of all peoples there should be a revival of confidence in the money units of the world, now so disordered and almost chaotic, by a working stabilization of international currencies under international agreement, such as would inspire confidence in businessmen and producers everywhere, and which would largely restore normal foreign trade, thus tending to relieve unemployment and to reflate our sadly deflated market value of commodities, securities, and real estate; and

Whereas the United States, by reason of its unprecedented contributions to the World War, its unselfish and equally unprecedented abstention from all the spoils of war at the peace table in harmony with the magnanimous pronouncements of President McKinley in 1898, and of President Wilson in 1917, namely, that it is our settled policy not to wage wars of aggression and not to accept the spoils of victory, is in a position to take the lead in a world-wide movement for the solution of these four acute international problems, (1) war debts, (2) disarmament, (3) stabilization of currencies, and (4) a sound revival of world trade, which now so harass the world and retard both economic recovery and world peace, and to the solution of which a world conference should be called to be held at the city of Washington at the earliest convenient and practicable time: Now, therefore, be it

Resolved, That the President of the United States is requested, if not incompatible with the public interest, to advise such governments as he may deem appropriate that this Government desires at once to take up directly with them, with a view to entering into international agreements and treaties with other nations at a conference to be held in the city of Washington the following matters: The settlement of the intergovernmental debts, the means of obtaining a substantial curtailment in world armaments and a holiday in world armament construction, the means of securing a stabilization of the currency systems of the world, and the means for reviving world trade, all to such an extent and under such terms as may be agreed upon.

Mr. ROBINSON. Mr. President, I ask that the resolution go over.

The VICE PRESIDENT. The resolution will be passed over.

APPOINTMENT AND CONFIRMATION OF CERTAIN FEDERAL EMPLOYEES

The VICE PRESIDENT. The Chair lays before the Senate another resolution coming over from a previous day, which will be read.

The resolution (S. Res. 152), submitted by Mr. GORE on June 15, 1935, was read, as follows:

Resolved, That the Comptroller General is hereby directed to submit to the Senate a report showing the names, residence, and annual rate of compensation of all persons who have been appointed or employed under any act of Congress who receive compensation at a rate of $4,000 or more per annum and indicating those who are required by existing law to be appointed by and with the advice and consent of the Senate, who have not been so confirmed, and also those who are not required by existing law to be so confirmed; and further indicating in each case the date of the appointment or employment and under what act or by what authority such person was appointed or employed.

Mr. ROBINSON. Mr. President, I ask that this resolution go over.

The VICE PRESIDENT. The resolution will be passed over.

COTTON PRODUCTION IN THE UNITED STATES

The VICE PRESIDENT. The Chair lays before the Senate a further resolution coming over from a previous day, which will be read.

The resolution (S. Res. 222), submitted by Mr. GORE on January 30, 1936, was read, as follows:

Resolved, That the Secretary of Agriculture is directed to transmit to the Senate immediately one of the 25 copies of the original draft of the unreleased manuscript entitled "Cotton Production in the United States", being part 2 of the work entitled "The World Cotton Situation."

Mr. ROBINSON. Mr. President, I know of no reason why this resolution should not now be agreed to.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

OWNERSHIP OF GOLD STOCK IN THE TREASURY

The VICE PRESIDENT. The Chair lays before the Senate another resolution coming over from a previous day, which will be read.

The resolution (S. Res. 228), submitted by Mr. SHIPSTEAD on February 6, 1936, was read, as follows:

Resolved, That the Attorney General be requested to furnish the Senate with a formal opinion as to the ownership of and encumbrances on the gold stock of $10,182,372,580.54 reported on February 1, 1936, by the Treasury of the United States as among its assets, with particular reference to the status of the gold taken from the Federal Reserve banks.

Mr. ROBINSON. Mr. President, the Senator from Minnesota [Mr. SHIPSTEAD] is absent on account of illness. He stated to me before he left that he would have no objection to this resolution going to a committee. However, in his absence, I will ask that the resolution be passed over, so that he may be present and make his own statement.

The VICE PRESIDENT. Without objection, the resolution will be passed over.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes, disagreed to by the Senate, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JONES, Mr. FULMER, Mr. DOXEY, Mr. HOPE, and Mr. KINZER were appointed managers on the part of the House at the conference.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

H. R. 11138. An act to extinguish tax liabilities and tax liens arising out of the Tobacco, Cotton, and Potato Acts; and

H. J. Res. 488. Joint resolution to provide for safeguarding of traffic on Military Road.

PREPAREDNESS FOR PEACE—ADDRESS BY SENATOR NYE

Mr. NORRIS. Mr. President, on the 16th of February the junior Senator from North Dakota [Mr. NYE] at Champaign,

Ill., delivered an address on the subject Preparedness for Peace. I ask unanimous consent that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

CITATION BY THE CARDINAL NEWMAN FOUNDATION

(Read at time of conferring of Newman Award at Champaign, Ill., Sunday, Feb. 16, 1936)

The Cardinal Newman award for 1935 is conferred upon Hon. GERALD P. NYE, United States Senator from North Dakota, in recognition of his distinguished contribution to world peace, through his penetrating investigation of the munitions industry, his sponsorship of neutrality legislation for the United States, and his investigation of the influence of financial interests in drawing this country into the World War.

Senator Nye presents a refreshing example of a public servant who penetrates beyond current shibboleths and party labels and brings before the eyes of the great masses of our citizens the hidden factors which make for war and menace the peace of the world.

Instead of engaging in innocuous and trite platitudes, Senator NYE has talked realities, and has laid bare conditions which demand a remedy, and has worked with courage and insight for the enactment of remedial legislation. In placing the public welfare, social justice, and world peace above party affiliation, he has presented to the youth of America a refreshing and an inspiring ideal.

PREPAREDNESS FOR PEACE

(Address by Senator GERALD P. NYE, of North Dakota, at awarding of the Cardinal Newman Award at the University of Illinois, Sunday, Feb. 16, 1936)

In this hour when the Cardinal Newman Foundation bestows upon me an award much to be prized, I have one natural regret. My small contributions of last year, which your trustees so graciously term the most distinguished American service performed in 1935, were possible only through the vigorous support of my colleagues of the Senate Munitions Committee. My regret is that these several Senators are able to share only indirectly in this honor to which they are so richly entitled.

I have also at this moment the very real sadness which comes from feeling that the honor is being bestowed for work which was intended to be fundamental, intended to protect this country from the ravages of war, but which is now, unfortunately, at this very minute, being swept aside in the general whirlwind of fear and suspicion that another war is almost upon us and that it is too late to think or to plan or to prevent.

Our hopes as Senators of the Republic have been that we might see, and that the young men and women of this Nation and their parents might clearly see the way in which the world fought a great war and in which humanity lost the peace which should have followed that war. Our hope was that we, as Americans, might have learned a little from what we saw, that we might have learned not only the train of events which led to our entry into the war and to our refusal to join with our Allies in the peace finally imposed upon the defeated nations, but also of the events of a post-war period, now coming to a close. That post-war period was little more than a prolonged armistice and, during that armistice, much was done to bring us to where we are today. We had hoped that the knowledge given to the world of the hidden workings of some of the forces tearing down the walls of our city would have helped free that world from some small amount of the misery and death visited upon every generation in the name of war and in the name of preparation against war. We had hoped that knowledge would have taught the world to follow banners not inscribed "Prepare for War" but to follow instead banners inscribed "Prepare for Peace."

It was many years ago that a great American philosopher, William James, called for a "moral equivalent for war." As I remember it, he knew that there was a fervor in people which wanted expression. He knew that young men would always fight if their elders told them that they were fighting for truth and justice. He saw that when the use of force starts, the use of intelligence stops, with the result that war settles nothing. With these things in mind, he sought for a moral equivalent for war, some manner in which that urge of young men and women to give of themselves for their less fortunate fellows and for the great causes of truth and justice might be transmitted into something other than the trenches and shambles to which they are usually led. In our own day we have seen but brief stirrings of that desire to devote life to the public good and the public service which would have pleased the great philosopher who was searching for a moral equivalent for war. Yet, as a nation, we have not found it, nor have other nations found it. So we stand today, I fear, exposed to that whirlwind of fear and suspicion of war preparation. We have, as a nation, little to offer our young men in the name of truth and justice other than a uniform, a rifle, and sealed orders.

Many of us have thought of preparedness for peace and have wondered whether it was a foolish, empty, meaningless cry or really possible in a world where few trust their neighbors, whether it were possible for us to be very different from our barbarian ancestors of thousands of years ago who stood ready to meet death and administer death at every moment.

During the last year and a half I have been thinking much about preparedness for peace, and I have even allowed myself to wonder if the American people wanted peace. I have tried to find if there were among them a will to prepare for peace.

It is hard to see at the moment in the face of the impending whirlwind. Far easier is it to see the clouds that portend the whirlwind itself—the daily columns of news covering reports of war threats in Europe, Asia, Africa, South America; far easier is it to see the orders given by nation after nation for arms, implements of war, navies, armies. Distinguished gentlemen of industry have told us that another war will destroy what we now know as western civilization, and other distinguished gentlemen are telling us daily that the arms race, which is now accelerated, can lead only to war which will destroy that civilization.

In the face of this, in the face of this admitted failure of men to think and plan their way to peace, it is doubtful that anything I say here or elsewhere can help to save, out of the Great War, even that small section of the world's surface which we know and love and call our country.

I should like to save it from involvement in a world war where the interests of the other belligerents are so different from our own. I should like to build barriers across the roads that lead from this country to war, and on those barriers I should like to place huge danger lights, so that when, in the dark or under the pressure of circumstances the barriers are destroyed or removed, the American people in the face of any whirlwind of fear and suspicion, can ever see that the roads along which they are being told to march are still, after all, the roads to war. There are those of us who hope to do this even now, who hope to say, "Here and here and here are the ways in which we become involved in wars", and to ask Congress to stop those ways.

There are few spectacles offered by mankind for our contemplation more appalling than the one of the young men of this world who are not yet aware that they are today simply waiting their turn to die.

How much like the world of 22 years ago is our world of today! The world is on the march again. The machines of death, the gases of torture, are now being rushed through the factories. When they are done, will it again come the turn of the young men, yes, the old men, the women, the children in the cities far back of the front lines? They have a year, perhaps a little longer to live. This summer still, perhaps, they can enjoy vacation and play. This year still, perhaps, they can experience the delight of life and love. Next year, or the year after, may be a very different matter.

So recently as last week, the Government of Great Britain began consideration of plans for an immediate $2,000,000,000 armament program in response to the program of other nations. Therewith was written probably the summation line beneath the whole post-war period of peace. Whatever peace was won 18 years ago is over. The armament race between England, France, Germany, and Russia cannot last forever. It must stop with war, or it must stop with the revolt of the people who are first taxed to death in preparation for war and then marched to death. It may stop with both war and revolt, and the great governments of Europe, as men have known them for hundreds of years, will go with Nineveh and Tyre.

I am greatly impressed with the fact that even in a democracy, such as our own, people never know, until it is too late, the decisions which affect their destinies. Under a dictatorship it is clear that every citizen has put his life in the hands of his master, and that he may be called upon within an hour to storm across some neighboring frontier.

I had not been aware until recently that the decisions that moved countries to war can be taken many years before the first shot is fired. I had not been aware until recently that it was actually within the power of any President of the United States to provoke a war and whip the Nation into line behind him within a few days. Those of us who have hope and faith in democracy, who really want to hold on to it, who do not propose to give it up at the first or even the last call of a man with a colored shirt, must take this matter seriously. It is important for us to know what decisions are being made in secret which will, in the political field, involve us in the use of military force or, in the economic field, involve us in unemployment or poverty.

Our few remaining democracies can survive if they are fought for, but they can be fought for effectively only by men who are informed and taught the inner workings of the world.

I say these things so much at length because I feel certain that within the past few months decisions of overwhelming importance have been made which will affect every young man in the country, whether he is on the farm or on the campus or on the street or in a forestry camp.

Within the past few months some men have surely sat down together and said: "Let us look at these measures to keep us out of war which Congress is considering—these neutrality measures." They looked and saw there a proposal that no longer should an American citizen be allowed to travel on a ship carrying munitions in time of war. It was a proposal to prevent people who are careless of their own lives from involving the lives of hundreds of millions of their fellow citizens with their own particular destinies. It was a proposal that babies and bullets should not go as mixed cargo. It was a proposal with the *Lusitania* experience in mind. They looked then and saw another measure being considered by Congress. It was a measure to prevent the growth of an abnormal war trade. Allowing for normal trade, it said in effect we shall not sponsor economic involvements with foreign countries to a point where our self-interest becomes automatically the self-interest of that country purchasing our war goods. They saw there also a proposal that we should not allow our financial structure to be tied with chains of gold to any other nation. No loans,

no long-term credits, were to be extended to belligerents for purchases here.

They saw also another proposal that would not insist upon our heavily subsidized marine fleet laden with munitions traversing the war zones, to be sunk by torpedoes from below or bombs from the air. These proposals, these gentlemen considered seriously. They hurt. They might stop the main economic and political entanglements by which we were drawn into the World War. But more direct, they hurt. These gentlemen had been given advance warning of how they would be hurt. President Roosevelt had told the oil companies, which were shipping 10 and 20 times as much oil to Italy as they had ever done before; that it would be nice of them if they no longer shipped abnormal quantities to either Italy or Ethiopia. That was an open warning to all the gentlemen whose pockets are not as full as they might be, to be on guard against a Congress which might pass a definite law, warning, in a sense, that the President's proclamation would bind the industries to refrain from abnormal commerce of war.

There were also other men meeting together, men with no commercial motives, who know that none of the larger aims for which we went to war in 1917 were accomplished. They know, also, that none of the controversies we had with all the belligerents from 1914 to 1917 were settled in our favor then and have not been settled in our favor since then. Nevertheless, they said it was better not to block the roads to war. It is better to be proud and try again to seek the rights we failed to secure between 1914 and 1917 than to prevent our economic involvement in war.

These two groups approached the subject from very different angles. But both seem to have arrived at the same result—do nothing, except, perhaps, increase our preparations for another war. During the past few weeks the pressure of the various groups who want nothing done or who are willing to leave everything undone, has been, for the moment, sufficient to threaten these proposals to keep the country out of war; and whether the threat comes from the man who stabs from behind—knowing that he will make money if this legislation dies—or whether the stab comes in front from men who, like Brutus, loved Caesar but loved Rome more, the result is the same. The legislation will die for lack of friends to strike down the blows.

May I amplify my insistence that decisions are taken years before men go to war, decisions which have a profound bearing upon their going to that particular war, and that the men most involved may never know of those decisions to the day of their death?

When the men who will die in the next war—the men born in 1917 and 1918, were only 1 and 2 years old, it is recorded that four men sat about a conference table in Paris, men representing great governments and millions of dead as a result of the war that had just ended. One of these men asked, "Do we want peace?" The others replied, "Yes; of course." Whereupon the questioner said: "Peace can be had at a price. France and England and the United States will have to give up their colonies. England will have to give up her navy. France will have to give up her army. All nations will have to give up their tariffs. Then we can have peace." When the others about the table dissented, Clemenceau, the questioner, is said to have brought his fist down on the table and said, "I thought so! You don't want peace, so you will get war. And since you get war, France must look out for her own security first!" In that spirit was the Treaty of Versailles written and signed.

Thus were the words spoken and the decisions made by wise men whose names the 2-year-old boys of that day may have since read in books. But, these were not the first words which led finally to the last. For, in 1915, approximately 2 years before these youths were born, someone in a great firm of international bankers in New York said, in effect: "Tomorrow we no longer try to hold up the price of sterling." This decision meant a sudden demoralization of our money markets. It came at a time when the United States was being urged to alter its neutrality policy to the extent of permitting loans to be made to the belligerents. The result of the decision to stay out of the sterling market was a resounding one, and the result which America can never forget. The Secretary of the Treasury and the Secretary of State informed the President that the swollen war trade of the United States with foreign belligerents would collapse unless we loaned the belligerents the money with which to continue our war trade. With foreign exchange slumping, a panic for the country was in prospect. There was danger of America having to go back to the normal state that existed before orders for supplies for warring nations came to us in such abundance. With this picture before it, the administration, the custodian of America's neutrality, decided to permit loans of money to the belligerents.

Then, step by step, followed other consequences, quite natural consequences, as we look back at them now. Less than 6 months after this loan decision was made, the Secretary of State and the President agreed that armed British merchantmen were warships and that the Germans had a right, under any international law, to sink them. Our American leaders then proposed a modus vivendi that the British would not arm their merchant ships and that the German submarines would rise to the surface and search them rather than to torpedo them without warning.

This proposal was declined, not by Germany, but by the British Government. In Washington someone said other fateful words, words which we do not yet know but which may well have been: "Let the matter drop; our trade must not be injured." In any case, the matter was dropped, dropped at a time when we had, as we have now, the power to close our ports to armed merchant ships, and to end with justice the armed merchantmen controversy. Later, the Secretary of State wrote that he thought the result of that decision was a needless loss of hundreds of lives, the lives of Americans lost on British munitions ships. He might have added that it created the submarine issue which was the incident for our entry into that war.

After the peace conference, with the decisions arrived at there, there came other decisions. In 1928, the munitions companies discovered that Germany was rearming and was even selling military powder to Turkey, all of which was contrary to the provisions of the Treaty of Versailles. Among themselves, the munitions companies discussed the matter. Who, they wondered, could stop it? It was decided by them that the big British company could, but that company did not, because that company was in commercial relations with German chemical and powder companies and did not want to endanger or jeopardize their profits. The governments of Europe also kept silent. Thus was another decision made. And the boys born in 1917, 9 years old in 1926, never even heard the names of the munitions company in England or Germany, let alone hearing anything of the decisions. Yet, the very fate and future of these youths were wrapped up in those decisions.

Onward works the world. Every modern and liberal government elected by Germany met with international rebuffs in the name of "security." Chaos came and maddened nationalism, and a dictator who wanted to buy war materials came with it. More decisions were made. War materials, licenses for airplane engines, these and other munitions needs were furnished from England, from the United States, from France and from other lands which had had a hand in writing the treaty which forbade the furnishing of these supplies. Germany was soon again the threat to Europe that she had been in 1914. So, back we are to where we started. Twenty-two years have passed since 1914. The boy born in 1917 is now 19. What have we, his elders, learned? What has the boy learned? Oh, how much we could have learned, could we but have had good teachers who were free to teach us truth!

It is impossible, I think, for any honest man to speak to his fellows today and not state one fact: That fact is that our industries are producing almost as much as they ever did and yet close to eleven million men and women are unable to find employment which will give them back their self respect and their economic independence. If these were times of peace, the country would have no greater problem than that of again giving to these eleven million people the American right of opportunity which has been taken away from them. The time may come when that problem will come to the forefront of our consciousness as the slavery problem came to the consciousness of the men of Illinois and the men of the border States, many years ago.

I make this qualification only because I think that we are no longer living in the days of peace. Yet the unemployed are with us, as they are with Hitler and as they are with Mussolini. Like those nations, we seem unable to organize our economic system sufficiently well to return those men to work. Will we, like them, find it easier to give them jobs in the Army at a few cents a day than to give them work in the mines and mills and farms? There are, I am informed, those in this country who see there any easy solution of the problem of unemployment. It is not an original solution; it is a solution of despair!

Why do men fight? Because they are told to, and they are shot if they do not. Why do nations fight? Is it possible that they fight largely because they are not able to give all their citizens an adequate living? We have learned that men who are frightened will fight, and that men are scared easily when their neighbors arm. But why do their neighbors arm? Is it because they feel themselves starved in an economic way or a commercial way? Very much does a man feel starved who gradually finds less and less food to put on the stove for himself and for those dependent upon him. Is it because the statesmen leading such nations, which are badly organized economically and whose people are troublesome, must then feed their people with dreams instead of food, with delusions of persecution, and with appeals to patriotism instead of with physical nourishment? When that is done, of course, the neighboring nations become afraid and, in turn, arm in the name of patriotism and defense, and then in a contagion of fear and madness the whirlwind starts sweeping the earth.

A representative of one of the munitions companies said to a friend of mine in private conversation: "I personally would like to see a Chinese wall built around this country, a stronger wall than any of the Senators have built. I do not want to go to war for the sake of oil companies with interests in China. But then, it is all no use. Anybody with a few million dollars could get this country into war in 4 weeks through the press, through the radio, and through the concentrated power of the administration." My friend countered manfully and said he doubted that very much. He put up a stubborn argument to the effect that it would take at least 6 weeks.

Certainly our inability to be economically self-sustaining, to use all our great territory and all our great national resources to give all of our citizens an adequate living will give any unscrupulous statesman who happens to wish to take it the opportunity to give the people of this country the pride of military conquest in place of bread. It has been done before elsewhere.

If the men of Europe march, can the feet of young men in America stay in the quiet paths of peace? Or, is it only a matter of months before the boys on the farms and the boys on the college campuses will be tramping up gangplanks onto troop transports?

Unless the people of America show a determination to stay out of other people's wars, and to stay out of wars for the protection of certain small, speculative investments in far eastern countries, I fear that the neutrality proposals will die.

The significance of their death may perhaps one day be known to those boys who are now 19 and 20, known after our trade with nations at war is swollen to the point where public officials will again find it necessary to shape and stretch our neutrality policy so that it will no longer keep our Nation neutral, but will simply protect our war-boom trade. Then our Navy will steam off into the unknown, and the troop ships will follow. Then these boys and their parents will have the satisfaction, if we are to call it that, of knowing that there was a moment in the early months of 1936, when the voice of the people of America could have made itself heard by their Representatives in Congress, a voice that would have said, in effect, "Here, wherever there is the slightest danger of our drifting or of our being moved into war by some few men, some few companies, some few industries which find great and abnormal profits in trade with warring nations, write the law, establish the policy, that will prevent that being done!"

These immediate hours may mean everything to this and following generations. This coming week will find Congress moving to a consideration of the neutrality issue. Committees have reported to the two Houses of Congress and compromise neutrality proposals are now awaiting congressional action. Those who favor the compromises are not saying that they do not want to do everything possible to keep America out of another foreign war, of course. But they are saying that compromise is necessary because there is not time for further consideration and debate. This is a political campaign year, and Congress wants to be away from Washington and at home mending fences by the 1st of May.

They are saying, in effect, "Let us compromise now and meet the neutrality issue more squarely when the campaign and elections are over." I am wondering what may be the reaction of the American people to this. Are they, too, for compromise and for leaving this all-important neutrality issue again for decision to another day? To me it seems that there ought to be almost unanimous demand that, even though it be necessary for Congress to remain in session for months and months, this job should be completed. It should be done not without deliberation but done after thorough deliberation and then done fully. We ought to realize now that a compromise on this issue may easily end the question by a public being lulled into the feeling that the job of providing for our neutrality has been fully done.

If only the American people were awake to their power, what might be the splendid deeds of our Government! There are those who insist that our form of government is such that it fails to afford response to the interests and the needs of the masses of people; that our Government is not truly representative of these wishes and interests. O friends of America, our form of government is not at fault. If our Government has not responded as the great majority feels it should, none are to blame but those people who have failed to utilize their power under that form and make their interests and their wishes known to their representative government.

Representatives in Congress strive earnestly to represent truly those who elected them, but if those who elect them fail to indicate their desires and interests while the few are constantly fighting selfishly for their own interests, is it to be wondered that Congress fails to respond as fully as the people of this land feel it should respond, particularly in hours of great emergency? We have among us many who feel that our form of government should be abandoned and another form adopted. Let me say to those people that no form of government has yet been devised that can be made to respond to the needs of the people more readily than our existing form. If people have failed to exercise their right and their power under the existing form of government, by what right shall any of us anticipate that another form of government might be made to respond?

The parade of preparedness for war, the increasing production of war needs by mills and factories, the tremendously increasing budgets of governments to meet the costs occasioned by these activities, we are witnessing from day to day. This is the first muffled beat of the drums of war—the drums of death. An intelligent and enlightened people ought to be straining every energy for the avoidance of a repetition of experiences which we know to be invariably followed by debt, destitution, and heartbreak. Why are we not all fighting the challenge at our door?

I have stated to you, even without the support of the people of the country, that there are Senators who will attempt to block the roads to war so that no leader, unable to solve his problems at home, will be able to turn the attention of his people abroad. These Senators may no win, but we will try to win; and, as time goes on, it is possible that the people of this country will win others to support us—provided, of course, that enough time remains for them to do that. None of those Senators feel that they can claim that by blocking these particular roads to war, the roads we traveled before, that this Nation or any nation can be kept from war. Simply stated, it will make it much harder for us to enter upon war if we have incurred no economic and financial involvements with any particular side.

You have gathered that I feel strongly that the impulses driving European and Asiatic nations across their frontiers are the fears that come in part from economic causes and in part from the delusions of grandeur of conquest held out to them by their military dictators. There are, however, other causes which should, of course, be considered far more elaborately than I am able to do today.

What are those factors upon which all might agree as constituting causes of war—causes which might be brought under some, if not complete, control? I shall dare to enumerate.

There is the desire for territories, for colonies, the alleged desire for outlets for overpopulated nations. There is the element of commercial rivalry. These are causes not easy of control. But may we not be ascribing too much weight to them? Can we overlook the fact, when nations have won territory to serve as an outlet for overpopulation that the people of the overpopulated nation use this outlet in such utterly insignificant numbers?

Another cause is the alleged desire of mad leaders of nations to cover up their own failures, their blundering and weakness at home by causing an entire people to concentrate their energies and their thought upon the common cause of war against another people.

We find also and agree that secret diplomacy, secret treaties, have entered in a large way as breeders of the fear and suspicion that contributes to the making of war.

Likewise, we find militaristic bluffing, bullying, and public demonstration of preparedness, muscle-driving, and frightening other nations into like demonstrations and challengings.

Too, we see repeated failures of international disarmament conferences building in minds throughout the world the suspicion that some nation other than their own is responsible and must be defeated, thus provoking a spirit of war. What the world has not clearly seen is that these conferences are attended too often by delegates whose interests are the same as those of the munitions plants which would lose business however small the degree of disarmament, or by delegates in gold braid, admirals and generals trained in the business of war and armament, not in peace and disarmament.

Then we must see and admit the large part which the absence of a strict neutrality policy plays in bringing war to people whose appetites are trained to desire profit from the blood of other nations—appetites which seriously weaken whatever resistance is to be found in an even stronger appetite for peace. We must see from experience that we cannot be in other people's wars commercially without ultimately being in those wars politically and actively when our commercial advantage is menaced.

A tremendous influence on behalf of war is the profit to makers of national defense and national offense machinery and supplies. Facts, now of official record, clearly reveal that to gain this profit men actually go forth, resorting to bribery, appealing to prejudice, and using despicable practices with the result that the fears, hates, and suspicions of neighbor nations are aroused to a pitch that will demand larger and larger preparations for war. Undeniable is the record revealing how makers of war supplies arm nations against each other with the same instruments of warfare, and how the makers of munitions in our own land are helping to arm the very nations against whom the same makers are warning us to be better prepared.

I have already mentioned the thought that perhaps the quickest recovery from the depression (a depression which the last war gave us) would be through another little war. Thoughtless expressions such as that should let us see that the prospect of profit, of prosperity from war so distorts our judgment that it is imperative that there be removed from every mind in our great country any thought that anybody can make money out of another war.

Thus, do I enumerate briefly what many understand to be emphatic causes leading to war. Surely, I quite agree, we cannot eliminate all these causes. But why not eliminate such as we can, if we but will? How?

By developing a knowledge of truth such as will create as lively a public interest in the cause of preparing for peace as there is in the cause of preparing for war; by developing such a public interest as the facts, if known, will create, and cause a constant searchlight to be turned upon alleged effort to accomplish understanding between nations and a reduction in so-called national-defense burdens.

How eliminate the causes for war?

By cleaning our own yards and our own hands as a Nation instead of confining ourselves to criticism of other nations as the sole threats to peace; by halting and confining our own preparations for war to a defense of such adequacy as will insure ability to repulse a foe so foolish as to try to attack us; by assuring other nations, through our strict plans for defensive warfare only, that those other nations need not count necessary defense against any offensive warfare or attack from us. Does one need an unusual imagination to realize what the result in this world would be if nations actually confined themselves only to preparation for defense against attack?

Do you ask, "How can we lessen the danger of our Nation being drawn into another foreign war in which we had no interest at its inception?"

By enactment of a stern mandatory policy of neutrality—a policy that forbids sale of munitions to nations at war, that limits commerce with nations at war to a normal commerce in all commodities other than those defined as munitions and implements of war, that forces nations at war to take their own risk and use their own flag in trying to accomplish delivery of their purchases from us through dangerous and war-infested waters where there is no recognition of such a thing as international law or rights of a neutral; a policy that forbids American loans and credits to nations at war; a policy which at once curbs the creation of an appetite for greater prosperity through supplying the sinews of war needed to keep blood flowing.

How, you ask; how can we eliminate causes of war?

By destroying the chance for men to make rich livings or store up wealth through the creation of enlarged demands for preparedness for war; by destroying or curbing the private business of munitions making and selling. This might be done by close governmental regulation of the private munitions industry and its profits; it would, I believe, be more adequately done by nationalizing some few of those industries, such as that of shipbuilding, gun making, powder and gas making, and putting the Government itself into the business of supplying its own national-defense requirements.

Also by taking the profits out of war through income-tax legislation to become effective automatically with the entry of our country into war; by fixing those rates not so high as to make livelihood difficult but high enough to convince one and all that there is not going to be as much prosperity in wartimes as there is in peacetime, and high enough to put all people on notice that one and all alike, not only the dollar-a-day boys in the trenches but all, are going to have to sacrifice in another effort to "make the world safe for democracy", to "end war", or whatever you have as a slogan the next time.

Again I say that laws and policies of this kind do not eliminate all the dangers or causes of war. But I insist that such a program would eliminate the greater percentage of the danger of the United States ever being drawn into war or having to defend herself against attack.

O God, give us the courage to face the facts and to follow the dictates of experience; give us again that high and noble resolve which was ours less than 20 years ago when, while the bells sounded the signing of the armistice, we turned our faces heavenward and gave thanks, while fervently and vociferously we resolved that never, never again would we permit an experience, such as that one was, to be visited upon this earth; that our children and their children would never have to bear or witness the destruction and the heartbreak which came to earth because men felt war the only resort in the settlement of dispute.

Give us courage to resolve against the recognized and sometime acknowledged purpose of men to drive the world or portions of it to more mad armament races which always lead to war, though some insist that great preparation for war is the best insurance of continuing peace. O give us the vision which will permit us to see how mankind is played with by greed, greed which seeks to arm all the world with the same identical instruments of warfare. Give us the will to see and the power to grasp the facts which so clearly reveal war and mad preparation for it to be largely the product of men and systems profiting from the perpetuated fears and suspicions of presumably advanced races of people.

If we can have these powers to perceive and the will to progress we shall meet boldly the challenge laid down by the system which has no great fear of war because experience has demonstrated that war is the one and only thing that pays the systems' participants larger returns than do those hours which find nations only preparing for war. If we can but have the courage asked we will take our places, one and all, giving no quarter in our determination to enlarge and brighten the prospects of our own offspring and their children, building for the present and the future, like

> An old man, traveling a lone highway,
> Came at the evening cold and gray,
> To a chasm deep and wide.
>
> The old man crossed in the twilight dim,
> For the sullen stream held no fears for him,
> But he turned when he reached the other side,
> And builded a bridge to span the tide.
>
> "Old Man", cried a fellow pilgrim near,
> "You are wasting your strength with building here;
> Your journey will end with the ending day,
> And you never again will pass this way.
>
> "You have crossed the chasm deep and wide,
> Why build you a bridge at eventide?"
> And the builder raised his old gray head:
> "Good friend, on the path I have come", he said,
> "There followeth after me today
> A youth whose feet will pass this way.
>
> "This stream, which has been as naught to me,
> To that fair-haired boy may a pitfall be;
> He, too, must cross in the twilight dim—
> Good friend, I am building this bridge for him."

On the other hand, denied the power to see truth and the courage to deal with it, denied the will to pierce smoke screens and keep our eye upon facts, we shall ultimately find ourselves face to face with ugly truths, but not so ugly as to prevent our calloused hearts from dancing with glee over the fact that when we send our sons forth as soldiers in another great war it will be as targets for implements of war, powder, shrapnel, shell, and poison gases invented or manufactured in our own land and sold to those who have become our terrible enemy. Let us learn to laugh at what we can and will see when the boys go marching by. What do we or shall we ultimately see? Well, first of all, we see the courageous and handsome bodies of our sons marching away to war. The airplanes which will zoom over and threaten the heads of those soldiers will be powered with engines made in America. When our own airplanes go forth to battle they will be brought down by antiaircraft guns directed and fired by American-made fire directors, and when our boys are shot down it may well be with improved powder invented in America and with shrapnel sold from our own shores.

Laugh at this, Americans! Laugh to your hearts' content when you hear these things; laugh if you can—if you can! For what we may have failed to do in these days will leave us little to laugh at in the days that are to come.

COMMUNICATION AND DEMOCRACY—ADDRESS BY DAVID SARNOFF

Mr. PITTMAN. Mr. President, I ask unanimous consent to have published in the RECORD, a speech entitled "Communication and Democracy", delivered by Mr. David Sarnoff, president of the Radio Corporation of America, before the Third Annual Woman Congress. I think it is a very able address.

There being no objection, the address was ordered to be printed in the RECORD as follows:

Since the title of this symposium is America's Next Step, it is a temptation to give free rein to the imagination and to forecast the next steps of American inventive genius. If I resist the temptation, it is because the vista is too large to be embraced in a single speech or by one man's thought. In other branches of human endeavor, each step forward limits the field of operation and brings us closer to some goal. In science, on the contrary, each advance widens the horizon and enlarges the scope for exploration. There is no fixed goal. Nothing that the imagination can picture will match the realities being fashioned at this moment in hundreds of research laboratories by thousands of devoted inventors, the inspired poets of science.

The final value of these achievements of science and invention must be measured in terms of their usefulness and significance to man. Unless such developments bring a fuller, freer, happier existence to the mass of mankind, their gifts are worthless.

The truth of this statement is especially manifest in the field of scientific development covered by radio communications. Speed and accuracy of communication between man and man, between nation and nation have become the symbols of civilized progress. New methods of transporation—and even more so, new methods of communication—have telescoped time and space and provided us with powerful instrumentalities for bringing knowledge and entertainment and a sense of human kinship into the most remote and barren lives. Today it is axiomatic that communication is civilization.

Through the progress of our modern communications nations have been turned into neighborhoods and the accumulated riches of music, and the vast resources of education and entertainment have been made available to tens of millions previously cut off from such opportunities. Radio has drawn the most distant places and the most forgotten lives into the orbit of civilization. Science has thus put art and knowledge on a broad, popular basis. Culture is no longer the prize of the few, because modern communication has brought its gifts within easy reach of the humblest. It has served as the most effective impulse and instrument of democracy and government. Free discussion of all sides of public questions has been made easier, more direct, more complete. The barriers of distance that once separated the elected heads of self-governed nations from the people have been removed. Improved communications have become the strongest allies of civilization and of democratic government wherever these channels remain untrammeled.

But, under the dictatorships of Europe we find a different picture. There these new and great instrumentalities of communication have been converted into tools of reaction, intolerance, cruelty, and despotism. There the press, from a living and untrammeled force, has been turned into an instrument of blind prejudice; there radio broadcasting, motion pictures, theaters, and the printed word have only the function of echoing the official propaganda. Because of its command of these new instrumentalities of communication and education, absolutism has become more dangerous to mankind, for never before has it been so well equipped, so efficient in mobilizing hatreds, so powerful in extending the sphere of its domination.

When America looks across the seas, it may well ask: Will the present and the new forces liberated by science and invention be used for the betterment of peoples or misused for their destruction? Will they enlarge freedom of thought, of opinion, and of democratic action? Or, will they become the tools of autocracy and dictatorship? In the answer to these questions, lies the significance of America's next step.

It is, as it should be, a matter of pride to all of us that in our own country the instrumentalities of science are still wide-open channels for democratic thought and opinion. We accept freedom of the press and freedom of the air so much as a matter of course that we tend to underestimate their value. It is a wholesome thing to pause occasionally and to take stock of our great democratic possessions.

The very forum in which I have the honor at this moment to speak is a token of this priceless heritage. For us in America a forum such as this is one of the commonplaces of democratic procedure, but for millions of people in other lands it is not merely impossible but at present unimaginable. The circumstance that a great newspaper and a Nation-wide broadcasting system are cooperating in this symposium has a further significance. For it is well to remember that nowhere in the world where the press is enslaved is radio free; and, conversely, nowhere has the freedom of the air been abrogated and the press

remained free. Their fate, and the fate of all free institutions, are one and inseparable.

With communications free, public opinion controls democratic government and keeps the people free. By the control of communications, autocratic government suppresses public opinion and forges the chains of dictatorship upon the people. The freedom of communications is the freedom of speech. It is the essence of free, democratic government, and suppression of the freedom of communications is the essence of dictatorship.

We have one duty above all others, as we face America's next step at this juncture of world history, and that is the preservation of those commonplace rights and freedoms which have made our civilization. We have fought with blood to make them live; let us be vigilant in keeping them alive.

Science and invention must remain bulwarks against the hammering tides of autocracy and intolerance. Democracy must not lose these bulwarks by default, as it lost them in certain other countries. That, to my mind, is the supreme urgency of our day. It should take precedence over political differences, over class antagonisms, over group sentiments, over economic problems. However serious and clamoring other necessities may be—and I do not for a moment minimize the problems which confront us—their true and permanent solution can be found only within the frontiers of freedom, of justice, and of self-government.

Sometimes free constitutional government seems to be threatened by an inferiority complex. In a world suffering from the effects of a great war, from the blows of economic depression, from great political changes affecting vast parts of Europe and Asia, it is not unnatural that the prayer should be for "supermen"; that overseas millions bewildered by want and weariness should seem willing to give up their freedom for glibly promised economic "security"; that false Messiahs should arise, promising all things to all men; that demagogues should hold forth to eager listeners. This is not the first time that despairing men have yielded to tyranny, dictatorship, and despotism.

Economic expedients as old as ancient Rome, practices perfected by tyrants since the beginning of history, principles whose falsity has been exposed by the mature thought of men throughout the progress of civilization, have been paraded to us from across the seas as new conceptions in government, in social and political life.

In glowing colors we have painted for us the alleged success of the new totalitarian state, the greatness that comes from false concepts of racial destiny, the promise of a civilization to be built upon the ashes of human freedom and human rights. All the old tyrannies are dressed in new clothes. Yet with what results, as we look across the ocean?

Millions herded into armies for the slaughter of the next great war; industry bled white by state exaction; banks, insurance companies, and other public institutions robbed to support a false economy; labor enslaved and reduced to constantly lowering standards of living; women deprived of their hard-won rights; suspicion and fear enthroned in every home; the human intellect degraded; ruthlessness enshrined as a weapon of statecraft.

Such is the insane egoism of the dictator that he always ends by attacking God Himself, in the attempt to force his own brand of faith or faithlessness upon the people as a whole. True religion rests upon the free conscience and the moral instincts of the individual. There is no place in an autocratic state for an individual conscience or an individual morality.

True, the picture of itself that such dictatorship projects to the western world is much prettier than this. A nation that speaks with one voice, a party that plays the same tune, a press that sings the same song. The proud boast is peace and serenity within and safety from attack without.

And why not? The one voice that speaks is the voice of despotism. The one tune that's played is the tune of hatred and oppression. The peace is the peace enforced by a single, cruel jailer.

But who can name a single great invention, a single great book, a single great drama, a single great song that has come out of such prison statehood. The only privilege that such dictatorship has conferred upon its peoples is the privilege of hating and victimizing helpless minorities.

Under whatever slogans it may parade, the autocratic state is everywhere the same in this: It makes of the individual but a cog in the machine of the state, stripping him of all individual dignity and personal rights. Thus the state becomes a ruthless master and the people its slaves, instead of the state being, as in America, the servant of the people.

The significance of recent events, however, will loom larger and larger in the thought of the great democratic nations of the world. Why? Because dictatorship has failed to make good its arrogant boasts. People entrusted to the keeping of supposed supermen or self-chosen minorities their treasures of human rights, of hard-won political freedoms and accumulated culture. They did this in return for the promise of a safer and better economic life.

But the world is discovering that there is no patent medicine solution for the serious problems that afflict it. Standards of living remain low and are sinking still lower in the dictatorship countries. The boasted permanence of their institutions threatens to crumble with every new expedient that a desperate economy creates.

History has proved that no government can survive if its framework is built upon the foundation of despotism and dictatorship. Propaganda, censorship, and suppression may present a glowing picture of progress. But, when the last tawdry and threadbare expedient is used up, the inevitable course is—war and destruction.

And since we are speaking here under the banner of a woman's congress, it is in place, perhaps, to pause a moment to view the position of women under such rule. An author, recently writing of one of these dictatorships, began his article with the words "No sooner had I crossed the frontier than I saw women exercising their newly won equality. They were carrying logs." And this was under a dictatorship in which women's abandonment of the home in favor of the factory bench, had been made a social obligation.

Elsewhere in Europe, we see dictatorships under which woman is being relegated to the place she had in the Middle Ages. All that centuries of progress have achieved in women's education, political equalities, and larger domestic freedom has been scrapped. With these rights have gone their hopes that their children might breathe the free air of tomorrow; masters of their own destinies, participants in the blessings of a free civilization.

Women, I believe, have a special stake in defending democracy against assaults from any direction, because only in a democracy can they retain the rights they have won and hand them down unimpaired to their daughters as well as to their sons.

Now let us look at America again. Notwithstanding the many problems still unsolved, our own country, and the other democratic nations of the world, have much to be proud of in comparison with the empty boasts of dictatorship. Economic recovery may be a slow and laborious uphill climb. But, America today is further advanced in this direction than those States which are embroiled in war or threatened with it, whose economic distress grows with every passing month, whose people live under fear and cruelty; whose leaders are preparing to write their nations' destiny in blood.

In the heat of political and partisan discussion, there are those who insist that any departure from their own particular brand of political conviction must lead inevitably to bolshevism or fascism. They hold the alternative to our heads like a loaded pistol, and cry: "Choose!"

I submit that the choice is a false one, that the sap of democratic government has not yet run dry. The great, broad road of democratic social progress has not reached the dead end of bolshevism or fascism. Our road is the road of American progress and freedom, and our people do not face the choice between different systems of oppression. Our choice, should one become necessary, would be between autocracy on the one side and self-government on the other.

There are those who would wrench our progress out of its normal evolutionary course and reform us overnight with dangerous panaceas. But no less menacing to our freedom are those "die-hards" who believe that progress can be achieved by standing still, and who would freeze American institutions in the mold of their own narrow interests.

It is to the glory of our institutions that we have been able, without departing from our fundamental rights and freedoms, to raise living standards to heights which dictators vainly promise. If there is a silver lining to the clouds of our depression, it is the fact that it has made our society more definitely aware of its duty to the individual. Our institutions have not and do not reject the responsibility of a democracy to its people.

In the development of that responsibility lies America's next step. We must strengthen our democratic institutions to give the fullest opportunities to the individual. But, we must also see to it that the progress of the individual will create a better social and economic structure for the whole of society.

Our destiny will be more profoundly revolutionized by the forces of scientific progress than by the panaceas of theoretical sociologists. And that progress will be more beneficent to the masses under an orderly system of free government than under restrictions imposed by any dictatorship.

Science repeatedly has shown its ability to transcend the limitations of the human intellect. It has crashed through physical barriers too vast for our minds to encompass. It has harnessed natural forces that we can hardly define, let alone understand.

More than that, science often has outstripped the human imagination. We know now that Leonardo da Vinci's daring dream of a man flying through space stopped short of the everyday realities of our own generation. The scientific fantasies of a Jules Verne seem tame against the modern submarine and the stratosphere balloons of our day. Even Shakespeare's immortal fancy lagged far behind the fact of today when he made Puck boast: "I'll put a girdle round about the earth in 40 minutes." Today, radio girdles the earth in one-seventh of a second.

We have watched the unfolding of these scientific miracles in our own lifetime. The spectacle has been so continuous that sometimes it seems that our sense of wonder has been deadened. We have lost much of the thrill felt by our fathers and grandfathers, as the marvels of the steam engine receded before the greater marvels of the electric dynamo, as motion pictures were followed by radio broadcasting. But, however, we may lose the thrill, we do not lose the hope. We accept the latest triumphs of science a little humbly, conscious of the immense mystery still beyond.

Until our own generation the wealth of the world came from below the surface of our globe—from the mines and waters and fertile soils. It is only in the last thirty-odd years that humanity has begun to reach upward for new wealth—upward into the air, into the stratosphere. Already we have made an impressive beginning with transportation and communication through the air

through aviation and radio. It is only a small beginning, but one could speculate at length on the potential resources that still lie untouched in ultra-short waves, in sun energy, and in the stratospheric lanes. Americans once faced the frontiers of geography. Today we face new frontiers of science.

Only about one-half the human race is, at present, within the orbit of industrialized civilization. Untapped resources of science may soon bring the other half into this sphere, may create immense new producing and consuming areas, and provide greater scope for growth and general world-wide enrichment than we now dare imagine. I believe that the solution of the world's economic problems will yet be found through the progress of science.

For a full, unhampered development, we must have freedom of thought, freedom of action, rewards for initiative, for work, and for achievement—in brief, a democratic system of living and of government. We cannot pour inventive genius, which is so closely akin to the spirit of artistic genius, into the hard mold of autocracy. We must not discourage enterprise by abolishing the rewards of success. We must produce leadership as well as goods if our economic and social order is to prosper.

Enlightened democracy therefore must be guided by certain irreducible necessities:

First, the necessity of safeguarding our traditional self-government through democracy, tolerance, equality of opportunity, and individual freedom.

Second, the necessity for the unhampered development of science, invention, and industry through the encouragement of personal initiative and rewards for achievement.

Third the assurance of economic and human justice for all those willing to do their share of the Nation's work.

The hope and the promise of the new communications era which science has brought us lies in the service which it renders to a democratic society in the maintenance of its ideals of freedom, its principles of self-government, and in its preservation of human liberties.

America will solve its problems with democracy instead of dictatorship. It will keep mankind free. In that achievement, as in its contribution to free government a century and a half ago, America will again be an example to the world.

THE FEDERAL FAMILY BUDGET—ARTICLE BY W. M. KIPLINGER

Mr. BARBOUR. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD an article entitled "The Federal Family Budget", by W. M. Kiplinger, which was published in the February number of Today. I feel that this article, in plain, easily understood language, gives a clear and informing picture of this important and timely subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FEDERAL FAMILY BUDGET

By W. M. Kiplinger

This is your budget; you get the benefits and you pay the bills. If you are "rich", you pay a big share of your income to government; if you are "poor", you pay probably a bigger share of your "margin" than the rich pay—the margin between what you get and what it costs you to live. Perhaps you have no margin. Well anyway, you pay concealed taxes—concealed in the price of things you buy. You don't escape taxes. You pay a lot. If you are "middle class", you belong to the class out of which the bulk of the taxes come.

No matter who you are, you get Government aid, direct or indirect—but you also pay. The Government is your hired agent. It does things for you, and it collects from you for doing them.

You, all together, can make the Government do anything you want it to do. Generally and broadly and long-range, it does what you, the people, order—no more, no less.

Is it spending your money as you wish? Perhaps so, perhaps not. You can determine by examining the Budget. The Budget is complicated. Its figures in small type fill 859 pages, a volume 1½ inches thick, weighing four pounds. It's like an encyclopedia. To read it would take a month; to understand it fully would take a lifetime.

You can't spend a lifetime, but you can spend 20 minutes on the high points, the main features and thus get a sense of direction, a sense of proportion. How is the Government spending? Where is it going?

It is your Budget and your money. It is your Government, and you are one of the bosses.

FOR BUDGET PERSPECTIVE LOOK TO THE PAST

Pre-World War years: Budget ran around $700,000,000 a year. Paltry, measly little 700 million, not the big billions of the present. Receipts were about half from customs, about half from internal taxes. There weren't any income taxes to speak of—just a dribble of them. Expenses were mainly War Department, Navy Departments, and pensions for past wars. The ordinary civil government cost less than 200 million a year. Public debt was around 1 billion, with very small interest burden. Budget was always approximately balanced.

WORLD WAR YEARS: BILLIONS, BILLIONS, BILLIONS

Receipts: New income and profits taxes raised 3 to 4 billion a year. New internal taxes on various commodities raised upward of a billion. Expenses for the war went to 18 billion in 1 year alone. Deficits, met by borrowing, shot up to 9 billion, then to 13 billion a year. Result at the war end: A public debt of 25½ billion, Liberty bonds.

Postwar, predepression decade with war to pay for. Budget around four billion a year. Note well the figure—four billion. Receipts, roughly one-half from income taxes, one-eighth from customs, and three-eights from wide variety of miscellaneous excise taxes. Receipts around four billion, expenses ranging around three and one-half billion a year, instead of the old prewar seven hundred million. Increase due mainly to war.

Budget surpluses nearly every year, about five hundred million—one-half billion. These were used to pare the debt from twenty-five and one-half to sixteen billion by 1930. Repeat—predepression years—a national annual Budget of four billion, with three and one-half billion for expenses and one-half billion to cut the public debt.

These postwar years were the years of easy income and wholesome Budget position. They were the years of Harding, Coolidge, and Mellon.

They say "Mellon cut the debt." Well, he did, for he was in office in the years when the debt-paring was possible.

The years of depression

Here is the picture of government-in-the-red fiscal years	Deficit in billions	Public debt billions	Debt per capita	Revenue receipts, billions
1930—Last year of gilt era	None	16.1	$131	4.1
1931—First full depression year	0.9	16.8	135	3.3
1932—Depression at its worst	3.1	19.4	156	2.1
1933—Hoover, two-thirds of fiscal year	3.0	22.5	179	2.0
1934—First full year of Roosevelt	3.9	27.0	214	3.1
1935—Second year of Roosevelt	3.5	28.7	225	3.8
1936—Fiscal year, end next June	[1] 4.7	32.4	254	4.4
1937—Mid 1936 to mid 1937	[2] 4.0	[2] 36	282	5.6
1938—Roosevelt, or Republican	???	???	???	More

Note.—Deficit figures for 1936 and 1937 are unofficial estimates. Can't tell now whether certain deficit items will fall into 1936 or into 1937. For most purposes it doesn't make much difference.

[1] 1936: That's the current fiscal year, ending this June. The official estimate of the 1936 deficit is 3.2 billion. But this official estimate is wrong, too low, because it was made up before the Supreme Court invalidated the processing taxes and the A. A. A., and because it didn't figure on the bonus. So add for existing farm contracts about 300 million. Add for new farm subsidies about 200 million. Thus even without bonus, deficit will be at least 3.7 billion. Then add 1 billion—½ of bonus; deficit becomes 4.7 billion.

[2] 1937: That's next fiscal year, starting this July 1, 1936. The official estimate of 1937 deficit is only 1.1 billion. But this purposely omits new outlays for work relief, and it doesn't allow for new farm subsidies and bonus. So add for new work relief 1½ or 2 billion. Add for new farm subsidy about 500 million. Some, but not all, of this new farm subsidy will be covered by new taxes to be determined later. And add one-half of 2-billion bonus hanging over 1937, 1 billion. Thus it is conservative to figure 1937 deficit around 4 billion. New taxes: To whatever extent new taxes provide new revenues, the deficits will be reduced below the figures suggested above.

[3] And up.

Everything goes up and up

(Millions dollars; add 000,000)

Fiscal years end June 30

	Hoover's last year, 1933	Roosevelt's first year, 1934	Roosevelt's second year, 1935	Roosevelt's third year, 1936	Next year, 1937
Receipts	2,080	3,115	3,800	[1] 4,???	[1] 5,???
Income taxes	746	818	1,099	1,434	1,943
Estate and gift taxes	34	113	212	251	293
Liquor taxes	43	259	411	503	555
Cigarettes, tobacco taxes	403	425	459	478	504
Manufacturers' excise taxes	248	381	342	365	393
Processing taxes		353	521	???	???
Customs duties	251	313	343	353	354
Social security taxes				39	547
Expenditures	5,143	7,105	7,375	[1] 8,???	[1] 9,???
Regular civil government	549	606	549	649	726
Army and Navy (war)	659	479	533	745	937
Veterans (war)	863	556	605	717	790
Debt:					
Interest (war and depression)	689	756	821	742	805
Retirement (war and depression)	462	360	573	552	580
Farm aid, A. A. A., etc.	215	865	870	[1] 1,???	[1] 750
Social security funds					480
Relief, public works, C. C. C., homes, etc.	830	2,681	3,466	3,511	[1] 3,???
Veterans' bonus				2,237	
Deficit	3,063	3,990	3,575	[1] 4, up	[1] 4, up
Public debt	22,538	27,053	28,700	[1]32,???	[1]36,???

[1] These figures cannot be more definite now, but the totals are accurate in a round-figure sort of way—the only way possible just now.

Only main items of receipts and expenditures are listed above.

Under expenditures, reading across: Figures on regular civil government, farm aid, and relief should not be compared too closely, for Hoover and Roosevelt regimes used different bookkeeping classifications. In general proportions, however, the figures are comparable.

Public debt: The total eventually will be reduced by these items: Recoverable assets, three to four billion, the amount being indeterminable. Gold profit fund, two billion, which later may be used to reduce debt.

But consider on debit side the contingent liabilities of about four and one-half billion.

The course of things: 7, perhaps 8, years of unbalance, 1931–37 or 38. No definite assurance of Budget balance even year after next—1938. Deficits going up, not down—and despite rising tide of revenues. Current year's deficit, new high record for United States in peacetime. This is the way other nations have slid into budgetary inflation.

There's the story of the Budget in a page.

EXPLANATIONS AND CONCLUSIONS

First, the deficits and the public debt:

A Treasury deficit is the difference between what comes in (mainly from taxes) and what goes out in various expenses. The deficit is the measure of how much the Budget is unbalanced. Deficits started in 1931 and will continue at least through 1937.

The deficits are met by borrowing. The Treasury sells bonds or other obligations. The buyers of bonds (lenders to the Government) are banks, insurance companies, trustees of accumulated funds, corporations, and many individuals who put savings into Government bonds.

These outstanding bonds constitute the public debt.

The debt is owed directly to the various classes mentioned above, and indirectly to all who have insurance policies, bank deposits, etc.

The public debt and the cost of it:

See, by the first table on the opposite page, how debt has risen from 16 billion in 1930, and will be 36 billion by the end of 1937. This is a rise of 20 billion in 7 years of depression.

See also that the debt has gone from $131 to $282 per capita.

The amount of the debt is less important than the carrying charges, which mean (a) interest, and (b) sinking fund to cut down principal.

Interest rates have been reduced by the Roosevelt administration, partly to help all debtors, partly to help the Government as a debtor.

Thus the Government can carry a bigger debt at a smaller interest cost. In 1930, interest on 16 billions of debt was 660 million. In 1937, interest on 36 billions of debt may be nearly 1,000 million. Average interest rate on Government borrowings now is around 2½ percent. This rate probably will not be lower in the future; it may be higher. The average rate on borrowings early in 1933 was just under 3½ percent.

How will the debt be paid off?

By taxes on you, and me, and business—everybody, no exceptions. By taxes on our children, for it will take a generation or more to pay. Our children will pay in taxes a good share of the depression costs. They will pay for the economic blunderings of past generations. But, also, some of them will inherit the bonds, the items due.

Where the money comes from.

See the second table, last column on right. Direct taxes (you know them because you feel them when you pay them) include income taxes and estate and gift taxes—total 2.2 billion. Indirect taxes (you pay them covered up in prices of things you buy) include most of the other taxes—liquor, cigarettes, manufacturers' excise, processing taxes (defunct), customs duties—total above 2 billion.

Social-security taxes, new next year, are taxes on pay rolls.

Where the money goes.

See second table, expenditures, column on right.

Regular civil government, which includes all permanent agencies, costs around 700 million a year—not so big, but rising.

Look at the cost of war, past and future. They include Army and Navy, veterans, half the debt costs—total over 2½ billion. More than half your taxes go to pay for war or national defense. This is a simple arithmetical fact. Apply it to suit yourself.

Social security taxes will mount into tremendous totals, billions, in future years. Truth is, no one knows exactly how much they will be.

Practically all items of regular Government costs are going up: See second table under "Expenditures"; read across.

Further detail on continuing agencies:

	1936 1937
Department of Agriculture (exclusive of A. A. A.)	105 to 167 million.
Department of Commerce (modest increase)	31 to 33 million.
Department of Interior (more regular pub. wks.)	71 to 111 million.
Department of Justice (more suits to defend)	18 to 22 million.
Department of Labor (more activity in labor realm)	15 to 24 million.
Department of State (conservative increase)	16 to 18 million.
Treasury Department (cost of collecting new taxes)	144 to 192 million.
War Department (nonmilitary functions)	75 to 141 million.
Independent commissions (New Deal has new ones)	44 to 91 million.
Tennessee Valley Authority (now more advanced)	20 to 45 million.
Navy Department (more national defense)	425 to 567 million.
War Department (more national defense)	319 to 369 million.
Veterans' pensions and benefits (without bonus)	717 to 790 million.

About the only items going down are these:	*1936 1937*
Postal deficiency (merely less deficiency)	90 to 79 million.
Civilian Conservation Corps	528 to 220 million.

Not included in above list are various emergency and relief items, for they cannot be explained briefly and some are not yet determined.

Are these increases in costs of civil government justified?

As a first-hand observer of government, I should say most of them are. But even if some of them aren't, it doesn't make a lot of difference in the Budget picture as a whole, for the questionable Budget items are not these relatively minor costs of regular civil government, but rather the big billions of the emergency portions of the Budget.

And whether the big billions of the emergency are now justified is a question of political philosophy to be discussed separately.

The purpose here is to give Budget facts and Budget perspective, so that you may see where we are going—not drift blindly.

Budgetary inflation; we may or we may not be sliding into it.

There are many ifs and ands in the situation as affecting the future. But the present drift warrants close scrutiny of the possibilities.

The mechanics of budgetary inflation:

If a government lives beyond its current income for many years, as ours has done, it creates new credit, it manufactures new credit on which to live. For example, it borrows from banks by selling bonds to banks. It creates in the banks new deposits, either in the name of the Government or of other depositors to whom the Government has paid out money.

The banks acquire expanded deposits, subject to check by depositors. This is "credit", and it is the equivalent of money—new money created by government through borrowings to meet recurring deficits. Banks acquire greater bank lending power. Whether or not they do lend depends on many other considerations too involved for discussion here.

The point, for simplicity, is that by long-continued borrowing the Government creates new credit, which is much the same as new money.

The brighter side—that we shall escape budgetary inflation:

Those who have no fears, or small fears, think the Budget will balance in a year or two, that present tax rates applied in a period of rising business volume will yield ample revenues, that danger will then pass.

They point, furthermore, to many new powers to control inflation, possessed by the Federal Reserve Board, the Treasury, and other agencies. They say that now is the darkest budgetary hour before the dawn.

The President and most officials think and talk along these lines.

The alarming side—that we are sliding toward inflation:

Those who fear this have had new fears in the past few weeks, since the bonus was voted, since it became evident that the Budget is not under close control of either the Executive or of Congress, that each branch of Government is passing the buck to the other.

True, Government has good credit. It can borrow, can sell bonds. Banks or other institutional lenders are under compulsion of their own to support Government bonds; many of their funds are in the bonds. But there may come a time when lenders are reluctant to lend to the Government. Such a time is not clearly foreseeable in advance, is not foreseen now. But if some new Treasury bond issue should fail to go over big, investors would whisper, "Government credit isn't what it used to be." Then trouble. The Treasury might have to pay higher interest rates.

Then new pressure arises for meeting expenses by the printing press. Greenbacks or the equivalent. In the past they have been resisted. There has been no dose of paper money as yet. But it may come.

It's the unending unbalance which makes the current worry:

It's not the past. It's not the 36 billions of debt now in sight. (We can carry that.) It's the collapse of previous semipromises, and the wonder whether new promises now can be relied upon. It's the spectacle of Congress succumbing to organized pressures.

If danger's ahead, who's responsible?

Many elements, not just one. The President, for he encouraged Congress in the spending habit, perhaps with justification at the time, but with seeming nonchalance about the outcome. Now he finds the habit hard to stop. And Congress. It succumbed to spending with the greatest of ease. Congress was egged on by the public. Spending is usually popular.

And Republicans quite as much as Democrats. They got theirs for the home districts. They talk economy, but they don't vote it.

And the organized minorities—organized for the focused purpose of getting government money for themselves. Their causes have some merit as individual causes. But what is the cost of all of them?

And good citizens who grumble in private against spendings, but who do nothing to counterbalance the pressure of special-interest groups.

Does this mean you? Did you ever pat some Congressman or Senator on the back for risking his political future by voting an unpopular "No"?

Good citizens are much to blame.

To good citizens this explanation of the Budget is directed.

SPECIAL EDUCATION FOR KENTUCKY—ADDRESS BY HOMER W. NICHOLS

Mr. LOGAN. Mr. President, I ask to have printed in the RECORD an address delivered over the radio by Homer W. Nichols, director of the division of special education, on the subject of Special Education for Kentucky. The address was delivered November 22, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In order to satisfy the demands of this changing modern social order, adjustments in our educational programs are necessary. These adjustments call for emergencies, special plans, special service, and special facilities, especially for the handicapped child, the handicapped citizen, and the untrained adult. Inspired by these facts the Kentucky Education Commission recommended a division of special education in the department of education. This recommendation has become a law of the Commonwealth and the division now has supervision of special programs for the handicapped child, vocational rehabilitation, and adult education.

The President, in his message of June 1934 to Congress, said:

"Our task of reconstruction does not require the creation of new and strange values. It is, rather, the finding of the way once more to known but forgotten ideals and values. If the means and details are in some instances new, the objectives are as permanent as human nature.

"Among our objectives I place the security of the men, women, and children first. Education, training, and vocational guidance are of major importance in obtaining economic security for the individual and the Nation."

Education is a continuous process and does not end at the schoolhouse door, nor with the issuance of license, nor the granting of degrees; nor does it begin with the 6-year-old child. That education does and should continue throughout life is not an abstration, but a truth forced upon us by our ever-changing environment to which we must constantly readjust ourselves. The person who has reached maturity and has not become literate is as much an educational responsibility to the State as is the child.

Education for all is required in a democracy. The progress of this Nation is the sum of the progress of its individuals. The battle in which we are now engaged, in a campaign of democracy, is raging around the possibility of general education for the grown-ups and special programs for the handicapped child, just as the battle of the last century has been about the general schooling for the normal child between 6 and 16 years.

In compliance, with what sound pedagogical facts did we arrive at conclusions that our system of free education should provide only for children from 6 to 16? As the years from 1 to 6 are the most important in the life of the child, why not provide the training needed for this period, especially where it has not been provided by other agencies, such as children from needy families, which our nursery schools are providing.

The education of the citizen is a function of all governments. I believe we can proceed upon the principle that all education is a public responsibility and all governments, local, State, and Federal, should participate in making it available to all the people.

Kentucky is able to finance a program of education from the nursery child to the aged of our land. Last year we spent less than $50 per pupil for education, while it cost more than $400 to maintain a criminal in penal institutions.

Some think we are not able to expand our educational program. Inquire from your druggist how much he receives annually for cigarettes, soft drinks, chewing gum, and intoxicating drinks. Investigate in your community how much is expended annually for gasoline, oil, amusements, and for luxuries.

In 1932 facts indicate that Kentucky's tobacco bill was approximately $25,000,000; for soft drinks and candy $22,000,000; for theater and amusements, $14,000,000; for sporting goods, $6,000,000; passenger automobiles, $160,000,000. How much will it be this year for intoxicating drinks? Facts indicate we spend more than $120,000,000 annually in Kentucky for luxuries, and still some tell us that Kentucky cannot finance an adequate program of education.

THE HANDICAPPED CHILD

True American philosophy in education proclaims equality of opportunity for all children regardless of maladjustments. Within the century education has become America's largest business, but it is only recent that society's obligations to underprivileged groups have been recognized in the light of modern education. The educational trend today is toward the solution of social problems. The recent Social Security Act provides for more than $31,000,000 for handicapped children. Special education for handicapped groups is a rapidly developing phase of our education program. Besides the State institutions for handicapped children, many city school systems, including Louisville, Lexington, Paris, Covington, Ashland, and others, have made some special provisions for such children. Ninety school systems, with Federal aid, are providing special training for the underprivileged groups of preschool children.

The State boards of education and State educational institutions should consider their responsibilities for the handicapped child as equal to their responsibilities for the normal child.

Although the Constitution specifically implies that the General Assembly shall provide for all children, whether normal or abnormal, "an efficient system of public schools", Kentucky has made special provisions for less than one-fifth of her handicapped children who are unable to attend or make satisfactory progress in the public schools. This army of handicapped children will, one day, become an army of adults. Shall they be a contributing part of the social order, or shall they become liabilities that will drain the resources of society? Shall Kentucky spend part of the public money to train them for social efficiency, or shall the State later be required to spend a greater sum for almshouses, hospitals, reformatories, and prisons in an attempt to protect society and reform the handicapped adult? Kentucky's answers to these questions will be expressed in the provisions which she is willing to make for them while children.

The handicapped child is certainly an economic factor. An intelligent consideration of this alone would force the State to double its efforts to bring to him those facilities which will help him to realize his maximum capacity despite his handicap. The conception of educational opportunity, however, should not be limited to the economic aspects alone. If the educational philosophies of Dewey, of Kilpatrick, of Bode, of Rugg, and others agree in any one phase more than in another, it is in the emphasis that is placed upon the child and upon his welfare as a child. Happiness, contentment, adjustment, achievement—these are some of the key words which apply to the education of every child. A twofold service, then, is the cornerstone upon which any program of education is built that considers the special needs of the handicapped pupil—service to the child and service to society—and both are paramount considerations in the welfare of the State.

We found in the recent census, complete in only eight counties, 749 handicapped children, mostly home-bound cases, receiving no educational benefits. This does not include those who are so handicapped they are not making satisfactory progress in the regular schools. These children have never had any educational advantages. They cannot even read and write, though mentally sound.

On the basis of this partially complete census we now have in Kentucky approximately 7,000 mentally sound children, including only those unable to attend school, not able to read, who are not receiving their per-capita share or the $10.95 guaranteed them by the Constitution. This is neglected discrimination against that forgotten group of helpless, neglected, handicapped children who cannot demand their constitutional rights.

VOCATIONAL REHABILITATION

A handicapped child from birth to 3 is a medical problem. From 3 to 16, if left handicapped, is a twofold problem—medical and educational. After 16 this handicapped person becomes a threefold problem—not only medical and educational but also an economic problem, unless rehabilitated and made self-supporting. Rehabilitation through vocational training is a new phase of the educational system. This new idea contends that not only should vocationally handicapped people be trained, but that the training be specifically adapted to the needs of the individual. The Federal and State Governments provide rehabilitation service because it is sound, economic business. It is essentially a social remedy. It helps unfortunate people to help themselves. It fits them for a livelihood. It adds to the productive power of the Commonwealth. Being included in the recent Social Security Act, it is now firmly established as a public policy of governments. With funds available we are helping to establish in employment annually more than 800 physically handicapped adults.

ADULT EDUCATION

The increase of leisure time has brought many important problems. The proper use of such leisure time now is perhaps as important as time spent in preparing for a changeable vocation a few years ago. Heretofore man has been conditioned by his occupation rather than his leisure, but circumstances have changed. The industrial age has been shortened by mechanical devices, and spare time has correspondingly increased. While earning a living is still a prime requisite in the existence of mankind, the successful life depends also upon the proper use of the free hours. It is this leisure-time period that gives opportunity for the individual to broaden and outgrow his job rather than to let his job outgrow him.

Adult education is a profitable investment. The increase of educational opportunities results in better houses, more refinement in art, books, music, and general culture. In fact it creates a new market for the grocer, the book seller, the clothier, the road builder, and the banker. It increases interest in child education. This year the boards of education of many cities recognize the importance of adult education and have made it a part of their regular school programs.

In spite of the wide range of educational opportunities offered, there are still needs which should receive immediate attention. The last census shows 131,545 people in Kentucky over 10 years of age not able to read. Last year we taught more than 6,000 men and women to read their Bibles for the first time. We are now teaching over 11,000 such persons. We now have 1,137 teachers employed by local superintendents in 118 counties receiving $58,000 per month. The 217 participating school districts have enrolled approximately 60,000 people hungry for additional training. The emergency educational project providing for $1,300,000 has been approved by Harry Hopkins, and now awaits the release of this fund by the Comptroller of the Currency. We are expecting this release of funds next week. This project covers salaries and supplies for the whole program and food for nursery schools. The transfer from relief to W. P. A. may necessitate a short recess in emergency classes. Salaries will be determined by the President's security wage and will be paid twice each month. We now go off relief and take on a program of employment. Definite information will go out to superintendents Monday.

Without work and without interest the individual may become discontented and destructively minded. Thus throughout the land we have read much about the highwayman and the gang.

One of the main purposes of these special programs is the treatment in mental hygiene which requires infusion of new interests—aims and purposes.

Connected with this program are two classes of relief—material and morale relief. Morale relief cannot be purchased; however, it can be transmitted in the form of new interests, new purposes, and new goals to depressed minds of the young and old. It is reducing transiency, vagrancy, delinquency, and social unrest.

Considering the wartime rapidity with which this emergency program has been organized, its success as an educational program is most phenomenal. The effective results achieved were largely due to the splendid interest and cooperation of school administrators, teachers, students, and training institutions. We are faced in Kentucky with the problem of untrained teachers for programs of special education. Through all these years we have been training teachers for the specific purpose of teaching only normal children from 6 to 16, and now we are developing agencies so teachers may be given short introductory courses, in a small way, preparing them for the projects they are to undertake.

I would recommend that programs of our State institutions be made so comprehensive as to include training for teachers to begin with nursery pupils, handicapped children, and carry on through the aged adult.

The division of special education has supervision of programs which reach the forgotten child and the forgotten man. Like the lowly Nazarene and the program provided for Him as recorded in biblical history:

As Jesus Father was a workingman, it is likely that He lived in a house with only one room, with no floor except the earth.

Jesus may have learned to read at the village school held in the synagogue. The lessons were from the Old Testament, but Jesus never had a Bible or school books.

This lowly Nazarene never wrote a book nor painted a picture, yet there has been more written about Him and more pictures painted of Him than any other person.

Some call it the "new deal" in education. I prefer to call it the "old deal" of Plato, Socrates, Aristotle, and the lowly Nazarene revived and made new again.

Good afternoon. I thank you.

BETTER BUSINESS BUREAUS—ARTICLE BY FREDERICK BERLIN

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Mr. Frederick Berlin in regard to the methods of certain business interests.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BETTER BUSINESS BUREAUS FINANCED BY NEW YORK STOCK EXCHANGE, THE INVESTMENT BANKERS ASSOCIATION, THE POWER TRUST, THE DAIRY TRUST, THE CHAIN STORE OCTOPUS, THE GRANITE COMBINE

By Frederick Berlin

(Much of the following data is taken from Government publications including Code of Fair Competition for Investment Bankers, National Recovery Act hearings held in Washington, D. C.)

There are about 90 better business bureaus in the United States, 52 of these being hooked up with a central organization in New York, where Wall Street dominates the general policies. The remaining 40 independent better business bureaus, two of which are located in Washington and one in Kansas City, endeavor to live up to their names, and are not affiliated with destructive interests in the business world. The chain of 52 better business bureaus mentioned above were financed largely by Samuel Insull, the Power Trust, the Money Trust, the Baking and Dairy Trust, and the New York Stock Exchange, and one of the newer sources of revenue is the granite combine who make up a slush fund by assessing 10 cents per cubic foot on granite quarried. This huge fund is distributed through the memorial extension commission and better business bureaus who are very free in throwing accusations, and otherwise discrediting memorial parks, of which there are 600 throughout the United States. Memorial parks are the modern burial ground, using flush bronze markers for the graves, and excluding tombstones or monuments of any type. Therefore, the granite and monument interests are using the better business bureaus in their illegal efforts to stop the progress of the modern burial parks.

It is hardly necessary to comment on the New York Stock Exchange, but suffice to say that as soon as that great gambling institution subsidized the better business bureaus, the bureaus at once and thereafter told the public to buy listed securities. There is one thing sure about listed securities—they do list. A ship always lists before it goes down, and the New York Stock Exchange crash of 1929 cost the investing public around $100,000,000,000.

The dairy combine is now under investigation by the Federal Trade Commission, and I will not comment on the Power Trust. Federal Trade Commission Document No. 153 shows that over 50 percent of chain-store sales are short weight.

The receivers for the Samuel Insull debauchery report that millions of dollars was paid by the Insull enterprises to the better business bureaus, but we admit that this was a good investment because, with the aid of the bureaus, he was able to take the public to the cleaners to the tune of $2,000,000,000. We all know the story of Halsey, Stuart & Co., F. H. Smith Co., S. W. Strauss, and many other nationally defunct companies, bureau contributors.

In the last period losses sustained by depositors and stockholders of banks in the United States will reach the staggering sum of $30,000,000,000, and on top of this banks unloaded on the public $12,000,000,000 of worthless foreign securities. That there were more thieves, pickpockets, confidence men, swindlers, embezzlers, high financiers masquerading as bankers is evidenced by the testimony of former Comptroller of Currency John W. Pole, before Senate committee in Washington (S. Doc. 55, pt. 1, p. 94, May 10, 1933), in which Mr. Pole under oath declared that thefts by bankers of depositors' money was so common that it was merely a matter of routine in the Comptroller's office. United States Savings Bank and the Harriman National Bank of New York and the Park Savings Bank of Washington, D. C., are among the thousands of shining examples.

The banks that flopped in the United States were ardent supporters and financial contributors to the bureaus, particularly when they desired to put over a shady stock or bond deal. There can be no question but what the money paid by these insolvent banks to the better business bureaus was depositors' money and should be recovered for the benefit of depositors. However, Secretary of the Treasury Morgenthau refused to compel refunds.

The St. Louis Better Business Bureau obtained a second-class mailing permit through the use of questionable affidavits, and had been using this permit in mailing out third-class matter. When this was called to the attention of the Post Office Department, the permit was canceled. It is evident from this that better business bureaus will stop at nothing, even to defrauding the United States Government, when their financial pickings are slim. While this was a bold fraud against the Government, no prosecutions were made, and not a word of publicity appeared.

HOOK-UP WITH THE INVESTMENT BANKERS ASSOCIATION, NEW YORK STOCK EXCHANGE AND AFFILIATES

The 52 better business bureaus are associated together and related through an organization known as the Affiliated Better Business Bureaus, Inc.; the whole system operates, in point of fact and law, as one combination or organization. The interlocking methods of cooperation between said bureaus are used by members of the association in pursuance of a general conspiracy to eliminate competition and also as a clearing house to disseminate favorable propaganda concerning members of the association and the securities traded by them, and boycott propaganda concerning competitors.

The bureau system is organized into 52 allied nonprofit membership corporations. The preference for this type of organization as expressed in a secret bulletin issued by the bureaus, is obviously an attempt to avoid liability for damages resulting from boycotts carried on with full knowledge by the bureaus' membership, in violation of the Sherman antitrust laws and the Clayton Act, under these acts the membership is liable for triple damages and subject to injunctive proceedings by the Attorney General of the United States according to opinions of eminent counsel.

The divers methods, scope, and subtlety of the bureaus, activities in boycotting competitors are so cleverly concealed and involved that it is impossible for me to touch upon them fully in this communication.

Proceedings under the same guise of reform and public protection to affect fraudulent purposes as practiced by charlatans down through history, the members of the association, as a screen to cover boycott and other destructive purposes, have adopted the constructive title, Better Business Bureaus, concealing the bureaus' membership and the fact that its boycotts are perpetrated against competitors of those who secretly finance its activities. Thus, the bureaus, through extensive advertising by way of bulletins, booklets, press releases, over the radio, and otherwise, publicize themselves as "maintained for public protection" and "to protect the public's investments", as "quasi-public institutions", as "disinterested and impartial arbiters and advisers on trade practices, products, securities, and dealers therein", and other statements implying an altruistic and benevolent purpose.

In pursuance of the general scheme to boycott competitors, the bureaus, through bulletins, letters, press releases, and otherwise publicize, concerning the persons, firms, and corporations to be boycotted charges of fraudulent practices, of trading in fraudulent products or securities, promotional schemes, and other unfair trade practices as well as scandalous information unrelated to the business of said competitors, all of which is framed in such manner as to destroy their business.

In order to instill confidence and trust in their boycott activities, the bureaus publicize themselves as disinterested investigators and prosecutors of individuals, firms, and corporations engaged in fraudulent practices; that the bureaus have established affiliations and working arrangements with the Post Office Department, public-service commissions, prosecuting officers, securities commissioners of the various States, attorney general's office of New York, Internal Revenue Department, the Federal Trade Commission, and various other governmental departments, as well as the press, banks, telephone, and telegraph companies. By such publicity and by the use on letterheads and boycott propaganda of an insignia designed to appear as that of the United States Government, the bureaus attempt to convey, and do convey, to the public generally that they are quasi-governmental agencies endowed with governmental functions and that the boycott propaganda disseminated by them emanates from a quasi-judicial authority and is entitled to credence.

Through the aforementioned unlawful liaisons and contacts with governmental departments and public institutions and by employment of former postal inspectors and relatives of employees of the Post Office Department the bureaus have secured the names of customers and correspondents taken from the return addresses on

communications addressed to competitors, confidential information, and trade secrets from income-tax reports, from tapping telephone wires and telegraph messages to and from the offices of said competitors, and from other governmental and private agencies; thereafter the bureaus disseminate boycott propaganda among clients and correspondents of competitors whose identity has thus been established. Many of the above agencies are induced to permit the bureaus to obtain said information in the belief that it will be used solely to prosecute or prevent fraud.

The direct injury caused to legitimate business through boycotts of the bureaus in furthering monopolies of various branches of finance and industry runs into billions of dollars annually and a careful study of the entire situation will show that the bureaus' activities have played an important part in bringing about present economic conditions. The policies of the Better Business Bureau is to throw a smoke screen by keeping the public's mind on some trivial fraud while their own members get away with billions.

The legal strategy used in effecting the boycotts herein mentioned is supplied by White & Case and Breed, Abott & Morgan, New York attorneys, the former to the national bureau and the latter to the better business bureau of New York City. These services are furnished gratis and in return for new legal business recommended by the various bureaus throughout the country and the facilities of the bureau are utilized by these attorneys in the interest of their clients. In other words, when a public official or officer of a business enterprise comes to New York to secure capital for his local government or enterprise and has with him a letter of introduction from the bureau in his home city to the national or New York bureau, the said bureaus invariably suggest that negotiations for capital requirements should only be made in the presence of competent counsel and that the aforementioned attorneys are recommended. Breed, Abott & Morgan are attorneys for the Investment Bankers' Association, "New York group", and approve the boycott propaganda of the New York Better Business Bureau. Charles H. Tuttle, former United States attorney is a member of this law firm and utilizes the facilities of the bureaus to promote his political ambitions.

WASHINGTON BETTER BUSINESS BUREAU

The Washington Better Business Bureau, which holds rather a key position at the National Capital, has changed its name three times and evidently adopted its present corporate status to confuse the public with such well-known names as Veterans' Bureau, Bureau of Entomology, Bureau of Standards, and other Government agencies. Under the leadership of the late Henry Lansburgh and directed by Mr. Church, the bureau made a good reputation in the advertising field and won public confidence. With the death of Henry Lansburgh real-estate sharks and financial pirates sought to obtain support of the bureau, but Mr. Church gave them a deaf ear. By heavy contributions and other maneuvering, Swartzell, Rheem & Hensey and many of the burglars who called themselves bankers gained control of the bureau and promptly ousted Mr. Church, placing Mr. Louis Rothschild in charge. From then on things began to happen.

Banker Michels, president of the North Capitol Savings Bank, associated with some other bank officials, promoted the Washington-Baltimore race track, which cost the investing public, principally Government workers, $1,500,000, when that enterprise blew up shortly after the promotion period.

Swartzell, Rheem & Hensey-Harry Wardman combination were one of the heavy contributors to the local bureau, and the public is now holding the bag to the tune of $100,000,000 in worthless, or thereabout, securities, and Edmund Rheem was just recently paroled from the Federal penitentiary.

It is interesting to note that Frank R. Jelleff, who is on the board of the Washington bureau, signed the parole of Edmund Rheem, thereby releasing this master crook to again prey upon the public. The board of the Washington bureau, in addition to having several of our so-called bankers and real-estate operators, have chain-store officials, Dairy Trust magnates, Power Trust officials; also the A., T. & T. and the insurance combine. When the smoke is cleared away from the last bank crash, the loss to the investing public and depositors caused through the questionable operations of Better Business Bureau contributors may reach the staggering sum of $500,000,000 in Washington.

From the best information available the F. H. Smith Co., notorious real-estate operators, did not make their contributions direct to the local bureau, but it would appear from the books of this defunct company that $250,000 charged off as attorneys' fees was paid in to the National Better Business Bureau at New York, to be distributed to bureaus in the Central West, as the Smith Co. were selling their worthless bonds principally to farmers in the Central States. G. Bryan Pitts, head of the defunct Smith Co., still resides in Uncle Sam's boarding house, otherwise known as the Federal penitentiary. Kann's Department Store, who contribute about $1,000 a year to the Washington bureau and are represented on their board, was recently hauled up before the Federal Trade Commission and Cease and Desist Order No. 1269 was issued against them for false advertising.

THE REMEDY

President Roosevelt, while Governor of New York, said, "No honestly intentioned membership corporation should hide its roster; no group of men should be permitted to operate in the dark."

Yet the ironclad policy of the bureaus is to keep a secret membership by preventing their members to identify themselves with the bureaus. All legitimate organizations and trade bodies encourage the use of their insignia or trade-mark, to be used on members' stationery.

The remedy would be to bring the bureaus, their membership, and their sources of revenue out in the open, a matter of public record.

If the business of the country is to come back to normal, the conditions described in this article must be remedied, and a congressional investigation of the activities of the better-business bureaus and their sponsors is most certainly needed and requested.

FREDERICK BERLIN.

DEBTS DUE UNITED STATES BY FOREIGN NATIONS

Mr. LEWIS. Mr. President, I presume this honorable body will conclude that in discussing the matter I am about to bring to the attention of the Senate I am seeking to emulate the character which Carlyle introduces in his Sartor Resartus, claiming that persistency with obstinacy may finally reach some final result, even if not a favorable one.

I invite the honorable Senate this morning to indulge me a moment while I bring to their attention information which I regard as very important and exceedingly weighty, in view of the relation this country bears to its foreign-nation debtors. I call attention to the fact that the Government, by its proper and appropriate department, today will disclose that the Government of France has closed negotiations looking to the advancement of $67,000,000 as a loan to the Government of Rumania, which Government itself, Rumania, has been as unable to pay us anything of the debt she owes us as other debtors have been unwilling to do so. I invite attention to the fact that the loan to Rumania is upon the terms of enabling Rumania to strengthen her Army so that she may enable France, in the language of the report, "to forge a chain along such lines around Germany as will be required in the event of some future action"—whatever those words may mean, fertile as they are with much suggestion—that France may be called on to take.

I invite this honorable body to notice, sir, that the loan is to be advanced also for the aid of anything that will be necessary to carry out the negotiations between Austria and Germany which now rejoin Rumania in this commercial pact. At the same time it was reported that Britain is to lend a portion of the money to France out of which France is to lend a portion of such sum obtained to Rumania.

Sir, when that information was first imparted, it seemed hardly credible in view of the fact that Great Britain, an honorable debtor owing vast sums to America, amounting to billions of dollars, still declines to pay to our Nation a penny of interest, and has even grown so bold in audacity of defiance as to decline even to enter the sum in her budget as indebtedness. Yes, sirs, the debtor poses before the world as having balanced her budget and paid off her debts. This she is enabled to do by striking off the list of considerations all the amount of debts due to the United States.

We pause in something of wonder—for myself, let me add, with considerable doubt as to whether it be true—that England was really going to advance these sums of money to France in addition to that which France was lending to Rumania in order that the loan should be complete to the full sum we have described.

Now, sir, comes the news, important for us, that England today is to lend to France two hundred millions of money, one-fourth of which is to be used by France to execute and consummate her loan to Rumania. In the meantime we hear not one word of paying one penny to the United States of the vast billions which these countries owe us, nor any attempt to excuse their default. Nor, sirs, is anyone suggesting anywhere a point of justification for the conduct toward this Nation, their friend in the hour of their great peril.

It will be interesting to Senators, and under certain circumstances will be somewhat startling, to hear what I now have to say. France, in the face of this record, proposes to a branch of the Government of the United States that the United States shall now execute a treaty with France giving certain advantages of trade in behalf of France as against the United States, and we read something of the report:

Commerce Minister Georges Bonnet today announced that he had obtained from Washington—

Which report I question the past tense. It proceeds:

> the prolongation of the most-favored-nation treatment, and stressed that he was anxious to conclude this trade agreement. He asked the power to do this by decree in order that he may avoid submitting the matter to parliament. Here the subject would be debated and something of its details disclosed.

Then, says he,

> The French manufacturers are opposing the removal of quotas on United States machines, tools, and manufactured articles, because, as charged, the devaluation of the dollar is already permitting these products to compete in the market here to the detriment of French producers.

It is assumed that this new treaty now suggested is to place France in a position where she may overcome the disadvantage that is being created by our monetary policy, and offset it by advantages under what she calls a favored trade treaty with the United States, granting privileges to her.

Mr. President, I rise to take advantage of the patience, and, may I say, the generosity of my colleagues; to present this proposition: If these nations are scattering their millions and billions in every quarter wherever the suggestion is made of an opportunity offered to increase their military armaments in the anticipation of conflict with some nation, or against us all; or if, apart from that purpose, they are still willing, for pure monetary profit, to lend their money out of their treasury for the purpose of speculation by nations around them, in the meantime, with the opportunity fully at their hands, declining to pay a dollar to the United States of the eleven billions due us, of which just now we have such great need and should have great concern, instead of my country making this treaty intimated by the eminent officer of commerce of France this morning, or as brought to us this morning, I propose that this Nation announce now, as a policy, that we decline to make any treaty of any kind, or commerce, or granting any kind of advantage, in trade or otherwise, with a land which deliberately, with power to pay us, continues to cheat us out of the dollars it owes us. Sirs, let us decline to go further, even though the proceedings are pending, to conclude treaties with nations that will still rifle our Treasury, hold the money to their keeping, lend out its results to foreign nations, for profit or for war, and, while such is being done, decline to admit their obligation to the Government of the United States, or even to pay any portion of the interest now due us.

Mr. President, I conclude with this observation to my honorable colleagues:

The hour has come upon the United States, if it is to be worthy the respect of its people, when we should turn to the debtor nations of the world and remind them that, while the Holy Scripture imposes the duty, as it is related, that when one is struck upon one cheek he shall turn the other, in dealing with these who have taken our money from the Treasury and enjoy the benefits in every conceivable way it may be applied, and in the final hour decline to recognize the obligation, there is no law of Christianity, no law of nations or of decency that compels us, after having been struck on one cheek, to turn the other cheek, as would a fool.

I suggest, therefore, that my Government consider that the time has come when, instead of reciprocity of more favors, we announce that the hour of just retaliation is at hand.

I thank the Senate.

TAXATION OF BANK SECURITIES OWNED BY THE R. F. C.

Mr. ADAMS. Mr. President, I move that the Senate proceed to the consideration of the bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity.

Mr. COUZENS. Mr. President, may I ask the Senator from Colorado whether the hearings on the bill have been printed?

Mr. ADAMS. They have been printed.

Mr. COUZENS. Are copies of the hearings available?

Mr. ADAMS. Yes.

Mr. COUZENS. Mr. President, I desire to discuss the motion.

The VICE PRESIDENT. The motion is not debatable before 2 o'clock, except by unanimous consent.

Mr. KING. Mr. President, I ask unanimous consent that the privilege of discussing the pending motion be extended to the Senator from Michigan, because the bill is of very great importance, and most of us have had no opportunity to read the hearings, or even to read the bill.

Mr. McNARY. Why does this require unanimous consent?

The VICE PRESIDENT. The Senator from Colorado has made a motion that the Senate proceed to the consideration of Senate bill 3978. The Senator from Michigan desires to discuss the motion.

Mr. McNARY. Why can he not do that under the present order?

The VICE PRESIDENT. The Chair just announced that the motion was not debatable before 2 o'clock, but the Senator from Utah has asked unanimous consent that the Senator from Michigan be permitted to discuss the motion of the Senator from Colorado. Is there objection? The Chair hears none, and the Senator from Michigan is recognized.

Mr. COUZENS. Mr. President, I thank the Senate for affording me opportunity of discussing the pending motion.

While it may be said in some quarters that what I am about to discuss is not particularly relevant to the bill, I propose to disclose, before I conclude, the relevancy to the proposed legislation, of what I shall say.

On February 11 Mr. Jones, Chairman of the Reconstruction Finance Corporation, appeared before the Committee on Banking and Currency in support of the proposed legislation. The hearings have been printed, but I doubt whether an opportunity to read them has been had by Senators. However, the committee reported the bill, some three or four objections being made, I think. I do not believe a roll call was had; there was no minority record and no minority report.

Subsequent to that time, however, there was handed to me a memorandum from reliable sources showing how the banks which have been helped by the issuance of preferred stock are able to pay very substantial salaries to their officers and yet are unable to pay to the Federal Government or to the Reconstruction Finance Corporation the taxes on the preferred stock.

Mr. Jones, being perfectly fair, said that the agreement which was entered into between the Reconstruction Finance Corporation and the banks provided a low rate of interest as a return or dividend and did not contemplate that the preferred shares would be taxed. The stock was originally issued, as I understand, to pay a return of some 6 percent. By later resolutions of the board of directors of the Reconstruction Finance Corporation the rate was reduced, as I understand, to 3½ percent until 1940 and 4 percent thereafter.

The point I am making, Mr. President, is that with the assistance the Federal Government has given to these banks, and with the statement of their greatly increased earnings, the States should not be deprived of the ability or the right or the authority to tax these preferred shares.

Under the existing law with respect to national banks, States which so desire may tax the common stock of these banks. My information is that all but some 17 States do tax the shares of national banks under the authority given by the Congress.

It is claimed, although I do not recall any discussion about it, that it was the intention of the Banking and Currency Committee and of Congress to exempt these preferred shares from taxation. However, in a Maryland case before the United States Supreme Court it was decided that Congress did not exempt the preferred shares from taxation, and therefore the State of Maryland was sustained in its undertaking to tax them.

About the time this bill was before the Banking and Currency Committee, as I have previously stated, a memorandum from reliable sources was handed to me with respect to Mr. Walter J. Cummings, who since March 15, 1934, has

been treasurer of the Democratic National Committee. He also was previously associated with Mr. Woodin, the late Secretary of the Treasury. At that time Mr. Woodin's name was before the Senate for confirmation, I raised a protest against his confirmation from the viewpoint that he had not only been on the "preferred list" of J. Pierpoint Morgan & Co., but that he also was and had been active as the head of the American Car & Foundry Co. However, the Senate disregarded my objections and confirmed Mr. Woodin; and later he died. Mr. Cummings served as his assistant or helper in the Treasury Department during Mr. Woodin's life, and held the same office for sometime thereafter.

Later, when the Reconstruction Finance Corporation advanced $50,000,000 to the Continental Bank of Chicago, Mr. Cummings was made chairman of the board, although he had had no previous banking experience. He was given a salary of $50,000 per year, and later it was raised to $75,000 a year. Now, Mr. Jones, informs me, by letter and orally, that the condition of the Continental Bank of Chicago has greatly improved. I am not particularly finding fault with the salary that is paid. I do not object to men who have important and responsible positions getting good salaries; but I submit that when a bank is so prosperous that it can pay salaries of this size, it ought to be able to pay to the State a tax on its preferred stock.

I am not even asking that the dividends on the preferred stock come out of the Reconstruction Finance Corporation; but I do contend that this bill should not be enacted in its present form, especially since the bill itself provides that it shall be in force retroactively. Generally speaking, I am against retroactive legislation in any event; but in this particular case it seems inexcusable that the tax exemption of this stock should be made retroactive.

There is another matter which interests me, and that is the fact that Mr. Cummings—against whom I make no personal charge—has also been made a trustee of the Chicago, Milwaukee & St. Paul Railroad. His name was proposed by Mr. Jones, of the Reconstruction Finance Corporation, to the court in Chicago, and the court approved the appointment of Mr. Cummings; and later it was confirmed by the Interstate Commerce Commission. Again, I mention the salary, not as a criticism, but to indicate how these positions may be parceled out by the powers that be, and the consequent influence that they may exert later on. I am, and always have been, vigorously opposed to using political influence or interlocking directorates in any manner which seemed to me to be adverse to public policy.

Mr. Cummings was paid $15,000 a year as a trustee of the Chicago, Milwaukee & St. Paul Railroad. It is true that the Continental Bank is a large creditor of the railroad; but I point out that Mr. Scandrett, who is president of the Chicago, Milwaukee & St. Paul Railroad, is also one of the trustees; so the bank has two members of its administration on the board of trustees for the consideration of a plan of reorganizing the financial structure of the Chicago, Milwaukee & St. Paul Railroad.

When this memorandum was drawn to my attention I first took it up with the Interstate Commerce Commission, for the reason that the law requires that they approve the appointment of trustees for railroads under the Bankruptcy Act. After the appointment of Mr. Cummings by the court in Chicago, the Interstate Commerce Commission confirmed the appointment; so that, as far as the legal phase of the matter is concerned, it is in order. But in the order which was issued by the Interstate Commerce Commission approving the appointment, certain comments are made which I desire to read.

I do not intend to take up the time of the Senate to read the whole order, but it is known as Financial Docket No. 10882, and was decided on December 28, 1935. It goes into considerable detail with respect to the law, and with regard to the protests that were made before the court in Chicago by an independent bondholders' committee. I submit that had the independent bondholders' committee not made any protest against these appointments, the matter might not have been drawn to the public's attention.

Protest was made about Mr. Scandrett on the ground that he was president of the Chicago, Milwaukee & St. Paul Railroad, and that, under the law, these trustees, of whom Mr. Scandrett was to be one, were to investigate and report on Mr. Scandrett's own activities as the chief executive officer of the railroad.

In the order issued by the Interstate Commerce Commission there appears, on page 3, the fact that Mr. Scandrett is a member of the Western Regional Coordinating Committee, a director of the Association of American Railroads, president of the Western Railroad Association, a director of the Railroad Credit Corporation, a director of the Continental Illinois National Bank & Trust Co. of Chicago, and a director of several other corporations. The order continues:

> The Continental is one of the debtor's depositories. Scandrett's financial interests include holdings of the securities of various industries, railroads, utilities, and banks. In his petition he states that these interests will in no way interfere with or affect his duties as trustee. He and the members of his immediate family own 120 shares of the Milwaukee's preferred stock, one share of common stock, and $9,500 of the adjustment-mortgage bonds.

Farther on in the order it is pointed out that the bankers and the reorganization committee that handled an earlier and not very long ago reorganization of the same railroad collected enormous fees in spite of an agreement they had entered into with the Interstate Commerce Commission not to distribute these fees, or not to spend them out of the moneys of the railroad or the bondholders, until the Interstate Commerce Commission had approved thereof. When the Interstate Commerce Commission attempted to interfere in the distribution of some $9,000,000, as I remember, the committee took the Interstate Commerce Commission into court, notwithstanding they had previously agreed not to take this action regarding fees; and the court took the position that the money did not belong to the railroads, but belonged to the bondholders, and therefore the Interstate Commerce Commission had no jurisdiction. It is the same crew that is carrying on this procedure.

Mr. LEWIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Illinois?

Mr. COUZENS. I do.

Mr. LEWIS. May I ask my able friend whether the court, though suggesting—or wherever the suggestion came from; I do not profess to know—that it was bondholders' money instead of railroad money, approved the transaction without regard to whose money it was claimed to be?

Mr. COUZENS. I am only relying upon my memory, I may say to the Senator from Illinois; but my recollection is that it was a collection made by the committee from the individual bondholders to carry on the reorganization plan, and therefore did not come out of the earnings of the railroad but rather came out of the pockets of the bondholders.

Mr. LEWIS. May I ask the Senator if he knows whether the court approved the amount allowed those people?

Mr. COUZENS. I do not recall. I was dealing with the principle; not with the amounts involved.

Mr. LEWIS. I myself am anxious to know whether it was approved.

Mr. COUZENS. From page 6 of the order issued by the Interstate Commerce Commission on December 28, 1935, I quote the following:

> Cummings was suggested for appointment by the Reconstruction Finance Corporation, which, in January 1934, caused him to be made chairman of the board of directors of the Continental Illinois Bank. His appointment meets with the approval of the group of institutional investors hereinbefore mentioned. He is co-receiver of the Chicago City Railways and a director of four other companies, including the American Car & Foundry Co.

Mr. President, that is the significance of my particular protest with respect to dealing out jobs for interlocking activities, entirely outside the fact that Mr. Cummings is treasurer of the Democratic National Committee. It does not require any great stretch of the imagination, it seems to me, to have the treasurer of the Democratic National Committee acting in all these capacities.

Entirely outside the question of politics, I desire to point out that Mr. Cummings, being not only chairman of the great Continental Illinois Bank, but also a coreceiver of the Chicago City Railways and a trustee of the Chicago, Milwaukee & St. Paul Railroad and carrying on numerous other activities, is in a position to parcel out the purchase of railroad equipment. I submit that it does not require much imagination to point out the position in which a competitor would be who made an offer to sell railroad equipment to the Chicago, Milwaukee & St. Paul Railroad or to the Chicago City Railways.

It is alleged, and I have been unable either to confirm or deny the statement, that Mr. Cummings is interested in the Brill Manufacturing Co., which makes equipment for cities to use in the transportation of urban passengers.

We all know, I think—those of us who have been connected with the Interstate Commerce Committee and the activities of the railroads for some 12 or 14 years—the vice of placing on the boards of directors of railroad companies bankers and owners of equipment companies who, in turn, can favor their own corporations. It seems to me that that feature of my discussion may not be particularly related to this particular bill, but I emphasize the fact that if these banks can pay the high salaries which they pay, they certainly can pay the tax on the preferred stock.

I shall read a portion of the letter Mr. Jones wrote me today. I ask, in an effort to be entirely fair to him, to have the whole letter printed in the RECORD as a part of my remarks.

Mr. McNARY. Mr. President, no publicity has been given to the letter. If it is very pertinent to the statement being made by the Senator from Michigan, why is it not proper to have the clerk read it at this time?

Mr. COUZENS. It is rather long and involved, and I just wanted to bring out the pertinent points as I see them and then let the whole letter be placed in the RECORD.

Mr. McNARY. If the Senator will pick out the vital portions of the letter, it will be very helpful.

Mr. COUZENS. Remember that Mr. Cummings was made chairman of the board of this bank under the domination and dictation of the Reconstruction Finance Corporation prior to his appointment as treasurer of the Democratic National Committee, which I understand took place on March 15, 1934. However, Mr. Cummings was already treasurer of the national Democratic convention when he got his support before the court and before the Interstate Commerce Commission to be appointed a trustee of the Chicago, Milwaukee & St. Paul Railroad, which, in my judgment, is much more vicious than his appointment as chairman of the board of the Continental Bank.

It is alleged that because of the R. F. C. having holdings of securities of the Chicago, Milwaukee & St. Paul Railroad Co. and also an interest in the Continental Bank, the R. F. C. is justified in having Mr. Cummings represent it in both places. Not only that, but he represents it in the American Casualty Co., although the salary is not a question at issue there, nor do I raise any particular issue about the salaries anywhere. I never have objected to the payment of reasonable salaries to men who perform service in the interest of their investors and the public; but when such actions have been taken as were taken in this case, and such methods used, I do resent them, and I have resented them not only during the Democratic administration but in any administration which has been in office since I have been in the Senate.

Mr. McNARY. Mr. President, will the Senator advise me and others as to the total combined salaries of Mr. Cummings?

Mr. COUZENS. I have only a record of $75,000 from the Illinois Continental Bank and $15,000 as a trustee of the Chicago, Milwaukee & St. Paul Railroad. I understand he gets some small fees elsewhere. I do not know to what extent he gets fees from the Chicago City Railways. He is a coreceiver of that railroad. I should not be surprised if he got a substantial return from holding that position, although I cannot verify it.

I quote one paragraph from Mr. Jones' letter:

> The success of the bank under Mr. Cummings' direction has been very satisfactory, and I am informed that the directors voluntarily raised his salary after the first year to $75,000.

Well, Mr. President, even some of the dumb bankers who have run the banks during the depression and prior thereto were able to show great improvement in the year 1935. I do not admit that it does any great credit to Mr. Cummings or any other banker that he was able to show a great improvement in 1935 with the general upturn in business and in all activities.

Then Mr. Jones in his letter rather lays stress on the fact that they recovered a very substantial amount of debts which they had considered bad. That is another matter which is to no one's particular credit—namely, anyone who conscientiously attends to business—because that has happened throughout the Nation with the recovery in values of industry and realty.

Here is rather an interesting statement. Mr. Jones says in his letter:

> Dividends on the preferred stock have been regularly paid, and in January of this year $2 a share was declared on the common stock, par value of $33.33 per share, $1 payable February 1 and $1 August 1; $3,000,000 of the preferred stock will be retired as of August 1 this year.
>
> At the time Mr. Cummings became president of the bank, which was shortly after we bought preferred stock in it, the common stock was selling at approximately $24 per share. The market now is $174 per share, an increase of $150 a share on total capitalization of 753,000 shares, or an increase of $112,500,000 in a little over 2 years.

Mr. President, this undoubtedly came about by the Federal Government's injection of its money in the support of an obviously weak and almost insolvent, if not quite insolvent, bank. Yet, in spite of all that aid given for the protection of the savings of the depositors and the holdings of the stockholders, they now resist paying taxes on the preferred stock, or the money that was put into the State of Illinois, the city of Chicago, for the protection of the depositors and stockholders.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. BARKLEY. The Senator said the bank objected to paying taxes. Of course, the bill does not involve the right of any State to tax any stockholder of a bank except the Reconstruction Finance Corporation, which, of course, if the bill shall not pass, will have to pay out of its treasury—that is, out of the Treasury of the United States—the tax levied by a State on the preferred stock.

This stock was purchased by the Reconstruction Finance Corporation, I think, not only theoretically but in fact in order to enable the banks to reopen and continue open. Without the purchase of this preferred stock by the Reconstruction Finance Corporation, which is an agency of the Government, many of these banks could not have reopened. The question now is whether, having put the money of the United States Government at the disposal of the community in which the banks were located through the purchase of preferred stock, the United States Government should be required to pay taxes on that preferred stock.

Mr. COUZENS. Mr. President, I intend to discuss that subject later on, because that is not the exact issue I am now trying to raise. I am contending that so long as the highest court in the land has sustained the position of the State of Maryland that this stock is taxable, I do not wish to have enacted any law which makes retroactive the tax exemption of these shares.

Mr. BARKLEY. The Court held that the Congress had not exempted these shares from taxation. It did not hold we could not do it. It was assumed, inasmuch as the Reconstruction Finance Corporation was a Federal agency, like all the other agencies, including the Home Owners' Loan Corporation, the farm loan banks, and all the rest of them, that the preferred stock was not taxable, and therefore we did not specifically exempt it in any statute. The Court held that the statutes exempting other Federal agencies from taxation locally was not broad enough to cover these shares.

Mr. COUZENS. I do not disagree with that statement of the Senator from Kentucky, but I point out that, in my opinion, that does not affect the equities of the issue.

Mr. ASHURST. Mr. President, I do not wish to interfere with the Senator's able argument, but I desire to propound a parliamentary inquiry. Is the bill now open to general debate, or what is the situation?

The PRESIDENT pro tempore. The Senate gave unanimous consent to the Senator from Michigan to speak.

Mr. ASHURST. Then I do not feel that I should be complying with the spirit of the unanimous-consent agreement if I were to interrupt the Senator at this time. I wish to say that I am very much opposed to this bill, and I see no reason why we could not waive the rule and discuss the bill upon a motion to consider it. Senators would like to hear the arguments for and against the bill—if the Senator from Michigan will pardon me for further interrupting him—before voting to consider it. Forsooth, what is the use of taking it up and then making the arguments for or against the bill? So may we not raise the ban, or waive the rule, and permit the argument to be made, and then vote to take up the bill?

Mr. ADAMS. If we should vote to take up the bill the matter would be open to debate.

Mr. BARKLEY. Of course, the whole procedure is extraordinary; and the Senator from Michigan desired to take up another matter, as he said at the start, not entirely relevant to the bill he has discussed. But it is a little unusual to discuss the merits of a bill simply on a motion to consider it. It would not be unusual after the morning hour, because after the morning hour a motion to take up a bill is debatable; but the exception was made, by unanimous consent, for the present discussion during the morning hour.

Mr. ASHURST. I do not wish to interfere with the discussion of the Senator from Michigan or be a party to taking him off the floor. I simply rose to find out the situation.

Mr. McNARY. Mr. President, I think the matter was covered. It is not unusual to debate a motion to take up a bill, but, of course, it cannot be done during the morning hour, as has just been stated.

I share the view of the Senator from Arizona [Mr. ASHURST]. There should be a complete discussion of this matter; and I shall agree, if other Senators wish to speak, that it is the sense of the Senate that we may discuss it now as formally as we could after 2 o'clock.

Mr. COUZENS. Of course, the Senator realizes that if I should discuss this matter until 2 o'clock it would be perfectly in order to debate the question.

Mr. ASHURST. I do not think the Senate would lose any time by listening to the Senator from Michigan discuss this bill or any other bill on which he might speak.

Mr. BARKLEY. Mr. President, I do not desire to delay the argument, but before the Senator from Michigan was interrupted by the Senator from Arizona he said he was dealing with the equities of the question. As a matter of fact, dealing with it on the basis of equities, the purchase of this stock by the Reconstruction Finance Corporation created no new property in the community.

Mr. COUZENS. Oh, yes; it did!

Mr. BARKLEY. Oh, no. This money could not have been put into the bank had it not been for the Reconstruction Finance Corporation. It was money that could not be obtained locally; otherwise, it would not have been necessary for the Reconstruction Finance Corporation to put this money into the bank.

Mr. COUZENS. I shall be glad if the Senator will let me answer one question at a time.

Mr. BARKLEY. It is all one question.

Mr. COUZENS. If the Senator takes the position, as a good many of our economic friends do, that money is not property, then of course putting $50,000,000 into the Chicago bank was not putting any property into Chicago.

Mr. BARKLEY. No; I am speaking about the preferred stock. Of course, the money is property, and it went into the community for the benefit either of the depositors or of the stockholders of the bank; but it did not create any new local property in the sense that the stock was held locally, and therefore was taxable locally.

Mr. COUZENS. I am not taking that position. I am taking the position that when Congress authorized the issuance of the preferred stock and notes, there was no provision that they should be tax-exempt. I understand from some of my colleagues that they thought they were tax-exempt; but I submit that there was no debate, either in the committee or on the floor of the Senate, so far as I know, showing that it was the intention of Congress to make these preferred stocks and notes tax-exempt.

With respect to the equities of the situation, I submit that if the Federal Government offers a bank $50,000,000 to save its depositors and its stockholders, that is in effect a property interest in behalf of the depositors and the stockholders. I submit that if the $50,000,000 which was put into the Chicago bank has raised the price of the stock from $24 per share to $174 per share, somebody has put some property value in it. If somebody has put property value there, it is my contention that he should pay taxes on it. I am not particularly urgent about who pays the taxes. It is contended that the Reconstruction Finance Corporation cannot afford to pay them because the returns on the stock and the notes are inadequate to enable it to pay the taxes. I do not concur in that view; but, of course, substantial arguments may be made with respect to some other banks.

Mr. Jones submitted to me this morning a memorandum showing that the Reconstruction Finance Corporation has invested in national banks and trust companies alone $229,209,420, on which, if this bill should not pass, there would be a property tax of $5,512,736.

According to the figures of Mr. Jones himself this morning on that particular stock, this corporation would get a return of over $8,000,000. So that, in effect, if the R. F. C. paid this tax it would still have a margin over the $5,512,000 representing the tax which would be assessed in the various States based on the now existing rate.

Then there is another $232,000,000 of such preferred stock of banks located in States which do not tax the stock of national banks. So, as a whole, completely, the R. F. C. would have 3½ percent on that investment. So, taking the whole investment, the sum of $460,000,000, the R. F. C. would make a very substantial return even though they themselves paid the property tax in the States and communities.

I wish to emphasize that if this undertaking by the Federal Government can increase the property value of the stockholders within a year by $112,000,000 somebody ought to pay the communities their tax.

With regard to the Chicago, Milwaukee & St. Paul Railway, Mr. Jones points out in his letter as follows:

> This road now owes the R. F. C. $11,499,460 plus, and I enclose a copy of my letter of June 5, 1935, relating to an additional commitment to this road of $24,000,000. You will note this authorization was conditioned upon approval of the Interstate Commerce Commission and the court and reorganization of the road being completed by December 31, 1935; and this did not eventuate and the authorization lapsed.

I continue to quote:

> There is another letter, dated January 15, 1936, in which we have agreed to assist the road in the acquisition of equipment to the aggregate cost of $4,800,000, the R. F. C. loaning 80 percent of the amount if and when the appropriation was authorized by the Interstate Commerce Commission and the court.

That is just one step in the direction of favoritism to interlocking directors and management which I have complained of, and of which I shall continue to complain. Not only is Mr. Cummings a director and stockholder in the American Car & Foundry Co., coreceiver of the Chicago City Railways, and trustee of the Chicago, Milwaukee & St. Paul Railway Co., but he is the head of the Continental Illinois Bank, and is able in those positions to control from whom the Chicago, Milwaukee & St. Paul Railway would purchase the $4,800,000 worth of equipment. I wonder what a competitor would say about submitting his figures and his

information to a receiver or a trustee who was a director and interested in another competing corporation?

Not only that, Mr. President—I refrain as much as possible from bringing politics into this question—but as treasurer of the Democratic National Committee there is no telling to what extent he might exact contributions for the campaign.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. MURPHY. Has the Senator figures showing how much of this preferred stock is held by the R. F. C. and how much by other owners?

Mr. COUZENS. I have not the figures in that connection, but during the hearings before the Banking and Currency Committee I think it was shown that that question was asked of Mr. Jones, and he replied in the affirmative, but stated that the return on the privately owned preferred stock was some 5 or 6 percent, while only 3½ percent was the rate on the preferred stock held by the R. F. C. I understand that there is some stock, the extent of which I do not know, owned by private individuals, but not under the same conditions as that owned by the R. F. C.

Mr. LEWIS. Mr. President, will the Senator from Michigan allow me to ask a question for information? In the investigation of the matter under his now supervision, his remarks just a moment past excite my attention, saying that the situation Mr. Cummings is in would indicate what might be done by him respecting contributions as treasurer of the Democratic National Committee. I take it the able Senator meant contributions to the campaign?

Mr. COUZENS. I said that.

Mr. LEWIS. And if he did mean that, I ask him, Is there anything in these investigations or in the records he now has that would indicate whether Mr. Cummings has ever made a demand of any of these concerns for contributions?

Mr. COUZENS. Oh, no. I would have no access to that. The Senator from Illinois, I hope, does not consider the Senator from Michigan so gullible as that he would think he could get information about what demands Mr. Cummings might make upon his associates engaged in the same activities.

Mr. LEWIS. I would not assume the Senator to be gullible, but, knowing his activity and his astuteness, I thought he would be able to ascertain the facts for himself. I only meant to ask him if he had the information from any source that would indicate to him that Mr. Cummings has, up to the present time, made any demand upon any of these institutions for campaign contributions or any form of contribution. If so, I should like to know it.

Mr. COUZENS. No; I hope the Senator will understand that I do not make that statement; but I am taking this question up now before the demands of the campaign have been fully developed and the need for money has been fully developed, so, if possible, to create a public opinion against contributions from such sources.

Mr. LEWIS. If they should be demanded.

Mr. COUZENS. If they should be demanded; but I happen to know, Mr. President, as a result of my long membership on the committee appointed by the Senate to investigate the Bureau of Internal Revenue, that during the Republican administration literally millions of dollars were collected from persons who had income-tax claims pending before the Bureau of Internal Revenue.

So, Mr. President, my complaint is in no sense political or partisan. It involves an abuse which I have vigorously fought ever since I have been here for some 13 or 14 years, and I intend to continue to find fault, regardless of what administration may be in power.

Mr. NORRIS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Nebraska?

Mr. COUZENS. I yield.

Mr. NORRIS. I share equally in the views the Senator has expressed about membership on different boards and with various corporations, but I do not agree with the Senator when he passes over lightly the salaries that have been given. I think the payment of such salaries is wrong; there ought to be no such thing. However, I wish to ask the Senator whether that question has anything to do with the bill which is now before us, and does the bill go into anything pertaining to these different appointments and these different salaries?

Mr. COUZENS. Oh, no.

Mr. NORRIS. All the bill proposes to do, as I understand—and I have not examined it—is to relieve the stock owned by the Government or by the Reconstruction Finance Corporation from taxation. Is there anything else in the bill?

Mr. COUZENS. No; I prefaced my comments when I started with the statement that only a portion of the discussion I intended to make related to this bill.

My position is that this bill should not pass, but that the R. F. C. should be required before asking the enactment of the bill to take up the question with the banks and get them to pay their own taxes, because there are large properties within the States and within various communities that would become tax exempt as the result of the passage of the bill.

Mr. NORRIS. Mr. President, will the Senator yield further?

Mr. COUZENS. Yes.

Mr. NORRIS. I am wondering if that would be possible. Could the R. F. C. compel somebody else—the banks, for instance—to pay taxes? If that could be done legally, I would agree with the Senator that it would be a very fine thing to do. The particular bank the Senator is speaking of certainly would be able to do it without any hardship, but I doubt whether there is any way by which we can legally compel somebody else, a bank or any stockholders, to pay this tax.

Mr. COUZENS. I am not concerned about the legality of it, because I am not asking for mandatory legislation to compel anybody to pay the tax. I am perfectly willing to leave the law as it is. I am not asking for any law that may be illegal or designed to compel anybody to pay the tax, but I am perfectly willing to leave it to the States and municipalities and the counties to devise their own ways and means of collecting the tax. What I am objecting to is Congress' taking cognizance of the matter when no effort has been made by the R. F. C. or anybody else to get the banks to pay the tax.

Mr. OVERTON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Louisiana?

Mr. COUZENS. I yield.

Mr. OVERTON. I hope the Senator appreciates the unjust discrimination in favor of those banks in which the Reconstruction Finance Corporation owns preferred stock and against those banks which are not favored by ownership of preferred stock by the Reconstruction Finance Corporation.

Mr. COUZENS. In that connection there is discrimination now at all times, because there are some 17 States which do not collect taxes on national-bank stock, so to that extent there is already discrimination. Whether or not that situation would be accentuated by the bill would depend upon the laws of the individual States.

Mr. OVERTON. In Louisiana there is, so far as I know, no exemption. Bank stocks are assessed against the stockholders and are assessed on a valuation which reflects the capital stock, surplus, and undivided profits. If this bill should become a law, a bank in which the Reconstruction Finance Corporation does not own any preferred stock would have to bear a tax burden which would reflect the total capital stock, surplus, and undivided profits. If the bill should become a law, the banks in which the Reconstruction Finance Corporation owns preferred stock would be exempt from the tax burden to the extent of the ownership of that preferred stock.

Mr. COUZENS. May I point out something that perhaps the Senator from Louisiana does not know and which I was shocked to learn, and that is the fact that the State of Louisiana does not tax national-bank stock? There has been issued in the State of Louisiana $4,340,000 of this preferred stock to the Reconstruction Finance Corporation, on which the State of Louisiana does not attempt to collect a tax. It has not in the past attempted to collect taxes on national-

bank stock. I am surprised that the Senator from Louisiana and his late colleague overlooked that fact.

There are other States in which a tax is levied, not on the stock itself, but on the income only from the bank. In that connection, and as part of my remarks, I ask to place in the RECORD the memorandum submitted to me by Mr. Jones relating to this matter and showing how the issuance of the present stock is divided among the States as it applies to each State, the amount or rate of tax that might be assessed against it in each State if the bill should not pass, and a list of the States which do not tax national-bank stock shares and those which only tax the income from such shares.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

States in which national-bank shares are taxed

State	Investment of Reconstruction Finance Corporation in national banks and trust companies	Percent of actual value at which property is assessed for taxation	Approximate annual tax rate, based on information available (per $1,000)	Approximate amount of tax per year, based on information available
Arizona	$1,340,000.00	100	$51.20	$68,608.00
Arkansas	1,275,000.00	50	52.34	33,366.75
Colorado	4,101,000.00	100	49.15	201,564.15
Delaware	137,300.00	100	2.00	274.64
Florida	1,177,500.00	50	2.00	1,177.50
Georgia	1,507,500.00	100	31.00	46,732.50
Idaho	565,000.00	67	62.23	23,557.17
Illinois	72,797,614.17	50	68.55	2,495,138.23
Indiana	6,857,980.00	100	2.50	17,144.95
Iowa	6,323,400.00	60	5.00	18,970.20
Kansas	2,190,500.00	100	41.96	91,913.38
Kentucky	3,182,350.00	100	13.00	41,370.55
Maryland	2,607,540.00	100	12.20	31,811.98
Michigan	17,680,610.00	100	31.97	565,249.10
Minnesota	11,211,000.00	33⅓	108.00	403,596.00
Missouri	4,217,125.00	60	32.05	81,095.31
Montana	1,051,000.00	30	70.00	22,381.00
Nebraska	4,842,450.00	100	10.00	48,424.50
Nevada	175,000.00	100	41.14	7,199.50
New Mexico	401,000.00	100	43.40	17,283.40
North Carolina	1,317,500.00	100	18.49	24,360.57
North Dakota	1,897,000.00	50	65.23	61,870.65
Ohio	22,828,073.00	100	2.00	45,656.15
Pennsylvania	19,394,886.50	100	4.00	77,579.54
Rhode Island	648,500.00	100	4.00	2,594.00
South Carolina	1,505,000.00	100	90.08	135,570.40
South Dakota	2,748,000.00	100	4.00	10,992.00
Tennessee	7,790,000.00	100	22.98	179,014.20
Texas	21,969,625.00	75	43.01	714,685.18
Virginia	3,043,900.00	100	10.00	30,439.00
West Virginia	2,416,066.66	100	5.47	13,215.88
Total	229,209,420.33			5,512,736.38

States in which national bank shares are not taxed

Louisiana	$4,340,000.00
Maine	2,455,600.00
Mississippi	2,629,000.00
New Hampshire	501,635.00
New Jersey	28,648,575.82
Utah	1,250,000.00
Vermont	497,500.00
Washington	2,062,500.00
Wisconsin	14,573,850.00
Wyoming	565,000.00
Total	57,523,660.82

Territories (no tax information available)

Alaska	$37,500.00
Virgin Islands	125,000.00
Total	162,500.00

Summary

	R. F. C. inv.	Amt. of tax
Taxable	$229,209,420.83	$5,512,736.38
Not taxable	57,523,660.82	
Tax paid by bank (income)	173,173,266.83	
No information available (Territories)	166,500.00	
Total	460,068,847.98	5,512,736.38

States in which tax is levied on income of national banks

Alabama	$6,612,400.00
California	16,716,925.00
Connecticut	3,698,426.00
District of Columbia	1,100,000.00
Massachusetts	9,190,800.00
New York	126,249,715.83
Oklahoma	8,902,500.00
Oregon	702,500.00
Total	173,173,266.83

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Mr. WHEELER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Montana?

Mr. COUZENS. Certainly.

Mr. WHEELER. May I ask the Senator from Michigan whether or not the question of the right of the Government to enact a law exempting these securities from taxation by a State has been looked into by the committee? It seems to me offhand, without careful investigation, that the Congress would have no right to say to a State, "You may not tax securities held by some branch of the Government of the United States."

Mr. COUZENS. May I point out to the Senator from Montana that it is only by the grace of the Congress that the States themselves are permitted to tax the common stock of national banks at any time, they being construed as governmental agencies and therefore not subject to taxation by the States except with our consent?

Mr. WHEELER. But this is quite different, it seems to me, because these are not national banks, as I understand, to which this money has been loaned.

Mr. COUZENS. That is true, but it is only national banks which are affected in this particular controversy, which arose through a suit brought by the State of Maryland for the collection of taxes against some preferred stock issued in Maryland.

Mr. WHEELER. But if I understand the provisions of the bill correctly, they seek to tax—

> Notwithstanding any other provision of law or any privilege or consent to tax expressly or impliedly granted thereby, the shares of preferred stock of national banking associations—

And so forth.

Mr. CONNALLY. Mr. President, will the Senator from Michigan yield?

Mr. COUZENS. Certainly.

Mr. CONNALLY. May I ask the Senator from Michigan as to the provision on page 2, relating to shares of preferred stock, capital notes, and debentures of State banks and trust companies. Does the bill undertake to prevent a State from taxing the capital stock of State banks?

Mr. COUZENS. That is on the theory that such stock when held by the R. F. C. is Federal Government property.

Mr. CONNALLY. Where is there any authority for doing a thing like that?

Mr. COUZENS. I think it is quite conceded that where the Federal Government owns property such as public lands, forests, national parks, or what not, it is tax-exempt.

Mr. CONNALLY. Where it is purely a governmental activity, that is true, but here is a bank chartered in a State, owned and operated by people subject to the laws of the State, a private institution for gain and profit. To say that the State cannot tax its capital stock is totally wrong, it seems to me.

Mr. COUZENS. My position is that the whole proposal is absurd, and the bill should not be enacted into law. I contend that the question of exempting these securities was never discussed by the Banking and Currency Committee, nor on the floor of Congress at all.

Mr. BARKLEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Kentucky?

Mr. COUZENS. I yield.

Mr. BARKLEY. The Senator from Texas [Mr. CONNALLY] will, of course, understand that this bill does not attempt to exempt banks from taxation. It simply exempts the preferred stock held by the Reconstruction Finance Corporation.

Mr. CONNALLY. I so understand, but it is the stock of a State bank chartered under the State laws. Frankly I do not agree with the measure at all.

Mr. BARKLEY. Of course, only that is the Senator's privilege.

Mr. CONNALLY. If we should enact the bill into law I would not regard it as settling the question at all, because the State would still have its right to go to court.

Mr. COUZENS. Certainly; and I hope it does not settle the question because here we have the situation of the stockholders, for example, of a State bank organized in a State which is empowered to assess the stock holdings of its citizens, but is unable to assess the stockholdings of the Federal Government.

Mr. ADAMS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Colorado?

Mr. COUZENS. Certainly.

Mr. ADAMS. I desire to submit an observation to the Senator from Texas [Mr. CONNALLY] to the effect the question he is raising has been definitely settled by the Supreme Court of the United States.

Mr. CONNALLY. I am aware of that decision.

Mr. ADAMS. I have been hoping the Senator would withhold his final opinion until there had been an opportunity to present the bill to the Senate.

Mr. CONNALLY. I certainly will withhold my vote.

Mr. ADAMS. I am asking the Senator to withhold his opinion.

Mr. CONNALLY. That is another question.

Mr. COUZENS. May I ask the Senator from Colorado if it makes much difference, so far as the clock or time may be concerned, when these observations are made?

Mr. ADAMS. No. The only thing that disturbs me is the persuasiveness of the Senator from Michigan. He sometimes takes the minds of Senators and carries them away and prevents their holding their minds open and their judgment in abeyance until they might hear the other side of the question. I recognize the great danger of one who is supporting the bill when the Senator from Michigan has the opening argument against the bill.

Mr. CONNALLY. In my own case, in view of what the Senator from Colorado has said, I am very happy to be listed among those who are easily influenced by the Senator from Michigan.

Mr. COUZENS. The Senator from Michigan does not allege he has any influence upon his colleagues, as intimated by the Senator from Colorado. At times I wish I had, but that is not the fact. The bill is a peculiar bill. I believe the fear that might be engendered, as suggested by the Senator from Colorado, is not to be taken seriously because anyone during the period of the discussion could read the bill in probably 30 seconds. It is not so difficult to understand unless one goes into the implications of the bill.

I do not desire to take the time of the Senate unduly. I am not trying to kill time and I am not filibustering against the bill or trying to prevent the Senate's having a chance to vote on it. What I am trying to do is to point out that as it relates to these specific regulations, the banks which have been helped by investments of the Federal Government could well afford to pay this tax rather than to have the Reconstruction Finance Corporation pay it. No effort has been made by the R. F. C., as I understand, in any way to arrange for the interested parties, the parties who have been made rich through these investments, to keep from paying their own tax.

Mr. ASHURST. Mr. President, will the Senator from Michigan yield?

Mr. COUZENS. Certainly.

Mr. ASHURST. At the appropriate time I desire to ask for the yeas and nays on the question of taking up the bill. I make the announcement now so I may not be foreclosed from submitting the request at a later time.

The PRESIDENT pro tempore. The Senator may submit his request now, as the bill is not yet before the Senate.

Mr. ASHURST. The motion before the Senate is to proceed to the consideration of the bill, and it is upon that motion that I ask for the yeas and nays.

The PRESIDENT pro tempore. Does the Senator from Michigan desire to yield at this time for the purpose of having the yeas and nays ordered on the pending motion?

Mr. COUZENS. I prefer not to do so, because I wish to complete my argument before that is done.

Mr. LEWIS. Mr. President, while the Senator is looking at a feature of his record, I should like to have his attention in connection with the very illuminating statement he has made to us of the sums of money advanced by the Reconstruction Finance Corporation in purchasing stock in the banks with a view, as the Senator has well stated, of aiding those banks and assisting them in bringing up the values of their property; and, as the Senator said, in his judgment these very great aids—from which we gather that the list extends to many banks—should encourage the banks themselves to feel a sense of appreciation. I ask the Senator if he has lately read or had his attention drawn to the fact that Mr. Aldrich, the president of a bank known as the Chase National Bank in the city of New York, in a public speech lately rose and denounced what is called the New Deal and the administration for advancing the public money—let me use his exact words—"in private enterprise", when at the time he and his bank, as the honorable Senator will see from his list, had $50,000,000 of the funds of the Government subscribed to his welfare and the interest of his institution; and yet he damns and denounces the Government for aiding him.

Mr. COUZENS. Does not that remind the Senator of the old statement that "The devil a monk would be"?

Mr. LEWIS. But, when well, "The devil a monk was he."

Mr. COUZENS. Yes; and that applies to many of our great bankers and industrialists who were pleading on the steps of Congress for the enactment of the Reconstruction Finance Corporation law and all other laws which came to their particular help and worked to their benefit.

Mr. GLASS. Mr. President——

Mr. COUZENS. I yield to the Senator from Virginia.

Mr. GLASS. I am not a spokesman for the Chase National Bank, but I think we ought to be fair about it. The Chase National Bank did not desire to sell any of its preferred stock to the Reconstruction Finance Corporation. My understanding is that the Reconstruction Finance Corporation urged the Chase National Bank to do it in order to set an example to other banks.

Mr. COUZENS. I may say to the Senator from Virginia that I made no statement with respect to the Chase National Bank, because I do not know the circumstances in connection with all these individual cases.

Mr. LEWIS. Mr. President, as the RECORD discloses, I made the statement. I say to the able Senator from Virginia that whether the Reconstruction Finance Corporation sought to have the bank sell the stock or whether the bank sought to have the Reconstruction Finance Corporation purchase the stock, the Senator will be shocked to learn that after obtaining $50,000,000 from the administration the head of the bank rose and damned the administration and Congress at a bankers' meeting, before a business house and a gathering of the delegates, for advancing the public money in private enterprise. I felt that it was an ungenerous act.

Mr. GLASS. Mr. President, I did not discuss that phase of the matter. I think that part of it puts the officials of the Chase National Bank in a very unhappy situation—denouncing a thing in which they were participants, whether they needed to be or did not need to be. My information is that they did not need to be.

Mr. BARKLEY. Mr. President, will the Senator yield in that connection?

Mr. COUZENS. I yield.

Mr. BARKLEY. If it be true that the Reconstruction Finance Corporation purchased $50,000,000 of the preferred stock of the Chase National Bank in order that that bank might operate as an example to the other banks of the country, having operated as an example apparently so successfully that more than 4,000 of the banks have had their preferred stock purchased by the Reconstruction Finance Corporation, the Chase National Bank now might at least pay back the money to the Reconstruction Finance Corporation, or repurchase its stock from the Reconstruction Finance Corporation, or cease its criticism.

Mr. GLASS. If the Senator desires my opinion about that, I think the bank ought to be compelled to take back the stock; it ought to have been compelled to take it back

long ago; and many other banks ought to be compelled to take back the stock that the Reconstruction Finance Corporation has bought from them.

I do not mean by that, however, any reflection upon the management of the Reconstruction Finance Corporation. I think it has been the best-managed governmental agency we have had, and I think Mr. Jones has saved the country hundreds of millions of dollars. Even the wisest man, however, is sometimes susceptible to advice; and, if my advice were asked, I should tell him to sell all the preferred stock back to the banks, if he could.

Mr. COUZENS. I do not desire to go into a discussion with respect to policies, but may I ask my colleague from Indiana [Mr. MINTON] whether or not he was interested in this case in behalf of the independent bondholders? It has been reported to me that his name appeared, but that he did not personally appear in the case.

Mr. MINTON. Mr. President, I will say to the Senator that I was approached and offered employment as attorney for the bondholders' committee.

Mr. COUZENS. That is, the independent bondholders.

Mr. MINTON. We agreed to accept employment, but I have never had any time to give to the case.

Mr. COUZENS. I desired to ask the Senator's assistance with respect to the position of the independent bondholders if he was in position to give it.

Mr. President, I also send to the desk a letter from Chairman Mahaffie, of the Interstate Commerce Commission, addressed to me, dated February 21, 1936, and a copy of the orders that were issued in this case, and ask that they may be printed in the RECORD as part of my remarks.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, February 21, 1936.

Hon. JAMES COUZENS,
United States Senator from Michigan,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: In response to your letter of February 18, 1936, transmitting a memorandum on Walter J. Cummings, I forward herewith copies of reports and orders issued by division 4 of the Commission ratifying the appointments of Henry A. Scandrett, Walter J. Cummings, and George I. Haight as trustees of the property of the Chicago, Milwaukee, St. Paul & Pacific Railroad Co., and fixing their maximum compensation and the maximum to be paid to their counsel. You also will find enclosed copies of orders issued by division 4 of the Commission permitting intervention in the proceedings before it for reorganization of the Milwaukee by the Independent Committee for the Protection of Bondholders, and setting the matter of the ratification of the trustees for hearing at the office of the Commission in Washington.

At the hearing held by the Commission Julius Weiss appeared as counsel for the Independent Committee, and was afforded an opportunity to examine all of the witnesses to the fullest extent which he desired and to develop all relative facts with respect to the matter involved. The report and order ratifying the appointment of these trustees are based on the record of this hearing.

I shall be pleased to furnish you with any further information which you may desire in connection with this matter.

Very truly yours,

CHARLES D. MAHAFFIE, *Chairman.*

Interstate Commerce Commission. Finance Docket No. 10882. Chicago, Milwaukee, St. Paul & Pacific Railroad Co. Reorganization. Submitted December 13, 1935. Decided December 28, 1935

Upon their petitions for ratification of their appointments as trustees of the property of the Chicago, Milwaukee, St. Paul & Pacific Railroad Co., debtor, appointments of Henry A. Scandrett, Walter J. Cummings, and George I. Haight, ratified, in part, conditionally.

O. W. Dynes and M. L. Bluhm for Henry A. Scandrett.

Robert T. Swaine for the debtor.

James B. Alley for Reconstruction Finance Corporation.

Kenneth L. Burgess and Douglass F. Smith for group of institutional investors.

Julius Weiss for independent committee for protection of bondholders.

REPORT OF THE COMMISSION

Division 4, Commissioners Meyer, Porter, and Mahaffie

By Division 4:

The Chicago, Milwaukee, St. Paul & Pacific Railroad Co. on June 29, 1935, filed with the United States District Court for the Northern District of Illinois, Eastern Division, a petition for the purpose of effecting a plan of reorganization under the provisions of section 77 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended. On the same date the court entered an order approving the petition as properly filed, and authorizing the debtor to continue in the possession and management of the property, pending further order of the court. A hearing has been held by us on a plan of reorganization filed by the debtor.

Pursuant to section 77 (c) (1), as amended August 27, 1935, and after hearing, the court, on October 17, 1935, entered an order appointing Henry A. Scandrett, Walter J. Cummings, and George I. Haight trustees of the property of the debtor, effective on and after December 1, 1935, when such appointees shall have filed the required bonds and have been duly qualified. Subsection (c) provides that the appointment of trustees shall become effective only upon ratification by us. On November 29, 1935, the court amended its order of October 17, 1935, to provide that the aforesaid appointments would become effective on the first day of the month succeeding the date of our ratification. Copies of the above-mentioned petitions and orders, filed with the court, have been duly filed with us.

In their petitions for ratification, and supplements thereto, the appointees have furnished the information regarding their education, experience, financial interests, etc., required by the order of the Commission, dated November 5, 1935. Subsection (c) provides that where a trustee is appointed, who, within 1 year prior to such appointment, has been an officer, director, or employee of the debtor corporation, or any subsidiary corporation, or holding company connected therewith, there shall be appointed another trustee or trustees who shall not have had any such affiliations. This provision is applicable only in cases where the debtor's annual operating revenues exceed $1,000,000 in the previous calendar year. The Milwaukee's revenues exceeded that amount in 1934.

At the court hearing, counsel for the independent committee for protection of Chicago, Milwaukee, St. Paul & Pacific Railroad Co. bondholders offered the objections of the committee to the appointment of Scandrett and Cummings. Later this committee was permitted to intervene in the proceeding before us, and on November 15, 1935, it filed a petition requesting us to hold a hearing in the matter of the ratification of appointment of these trustees. After due notice to interested parties, such hearing was held on December 2–3, 1935. Testimony in favor of the appointees was introduced and no opposition to the appointments was offered except in behalf of the independent committee.

Previous to his installation as president of the debtor, on January 13, 1928, Scandrett held positions with several western railroads, involving legal, valuation, traffic, and administrative duties, the last of which positions was that of vice president, Union Pacific System, in charge of valuation, commerce matters, land, and public relations. Scandrett is a member of the Western Regional Coordinating Committee, a director of the Association of American Railroads, president of the Western Railroad Association, director of the Railroad Credit Corporation, director of the Continental Illinois National Bank & Trust Co. of Chicago, Ill., and of several other corporations. (The Continental is one of the debtor's depositories. Scandrett's financial interests include holdings of the securities of various industries, railroads, utilities, and banks. In his petition he states that these interests will in no way interfere with or affect his duties as trustee. He and the members of his immediate family own 120 shares of the Milwaukee's preferred stock, one share of common stock, and $9,500 of the adjustment-mortgage bonds.) At the hearing upon the debtor's plan, held in August 1935, he testified at length respecting the steps taken by the management to promote efficiency of operation, and showed that substantial economies had been effected in numerous branches of operation. His testimony also embraced the financial record of the road since its acquisition by the present company, successor to the Chicago, Milwaukee & St. Paul Railway Co. The history of the predecessor company and the events leading to its receivership and reorganization are described in *Chicago, Milwaukee & St. Paul Investigation* (131 I. C. C. 615), and *Chicago, Milwaukee & St. Paul Reorganization* (131 I. C. C. 673).

The appointment of the president of the debtor as a trustee was urged before Judge Wilkerson, of the district court, by a group of institutions having large investments in Milwaukee securities. It is approved by the Reconstruction Finance Corporation, a creditor to the extent of $11,499,462 in loans to the debtor. In a memorandum accompanying his order the judge emphasized the value of Scandrett's training and experience in the group of the three trustees whom he desired to appoint. Strong commendation of Scandrett's qualifications and personal character was given at the hearing by the presidents of the Union Pacific and Northern Pacific Systems.

The committee's objection to the appointment of Scandrett as trustee goes not so much to his ability as a manager of railroad operation as to his alleged connection with its banking interests in New York City, which acted as reorganization managers after the 1925 receivership; to his failure to institute suits for the recovery of funds improperly spent by the predecessor company; and to his participation in the bringing of a suit to enjoin the enforcement of a condition prescribed by the Commission in its certificate and order of January 4, 1928 (131 I. C. C., supra). Scandrett testified at the court hearing and at the hearing before us regarding all the foregoing matters. Determination as to the propriety of his failure to institute suits in the matters referred to by the committee involves many considerations. We fail to find in the protestant's inferences that lawsuits should have

been instituted, or in the record made at the hearing a sufficient basis for denying ratification of Scandrett's appointment.

The condition in our certificate and order of January 4, 1928, which the carrier sought to enjoin related to the impounding of the so-called $4 fund contributed by the stockholders under the plan, and provided that such fund should not be paid out unless and until authorized by the court and by this Commission. As the matter was adjudicated by the courts, the $1.50 portion of the fund, being that portion which had been allocated to the compensation of reorganization managers, protective committees, etc., was held not to be the property of the railroad corporation, and, therefore, not subject to the jurisdiction of the Commission (*United States* v. *Chicago, M., St. P. & P. R. Co.*, 282 U. S. 311). Without attempting to excuse or condone a disregard of our intent in this matter, the fact remains that the courts upheld the legal right of the debtor to maintain the suit. Furthermore, without doubt, Scandrett acted in this connection by direction of the debtor's board of directors.

While the record before us indicates that Scandrett was placed by certain banking interests in the office of president of the debtor, proof is wanting of his subsequent close affiliation with those interests or of their influence upon his conduct as president, except, of course, such interests as were represented on the debtor's board. Regardless of this circumstance, however, under section 77 of the Bankruptcy Act, the plan of reorganization is subject to our approval, and the expenses of the debtor and the protective committees in connection with the proceeding and plan must be within a maximum found by us to be reasonable.

The independent committee points to the short period which has elapsed since the debtor was last reorganized, as evidence of want of ability on the part of Scandrett to operate the property successfully. In view of the marked business depression which has existed during a large part of the period of his service as president, and the unprecedented drop of railroad traffic in this period, we are unable to find from the record before us proof of ineptitude on his part. On the contrary the preponderance of evidence shows him to be held in high regard as a railroad executive and supports the conclusion that his service as trustee would aid materially in reconstructing the earning power of the debtor.

After consideration of these matters we are of the opinion that on none of the grounds urged by the independent committee can Scandrett be considered as disqualified to act as a cotrustee of the debtor's property.

Cummings was suggested for appointment by the Reconstruction Finance Corporation, which, in January 1934, caused him to be made chairman of the board of directors of the Continental Illinois Bank. His appointment meets with the approval of the group of institutional investors hereinbefore mentioned. He is coreceiver of the Chicago City Railways and a director of four other companies, including the American Car & Foundry Co. During 1933 and 1934 he held the positions of executive secretary to the Secretary of the Treasury and Chairman of the Federal Deposit Insurance Corporation. He states in his petition that neither he nor any member of his immediate family has any direct or indirect interest in any securities of the debtor or its subsidiaries. The objection of the independent committee to this appointment is based on the contention that Cummings' present activities will leave insufficient time for performing the duties of a cotrustee, and it is further suggested that his alleged friendliness with Scandrett, through their banking association, will tend to prevent his investigating Scandrett's management of the road. The latter consideration is, in our opinion, without merit. As to the other, it is reasonable to assume that a man of Cummings' standing and experience would not undertake the important office in question unless he was prepared to give it proper attention.

In appointing Haight the judge expressed his conviction that the third trustee should be someone who was not mentioned or suggested by any of the interested parties. Haight is a practicing lawyer of prominence in Chicago, a director of the Enterprise Equipment Co. and the J. W. Butler Paper Co., and a stockholder in various concerns. Together with members of his immediate family he owns the beneficial interest in the Haight Co., Inc., a corporation for investment purposes. He reports that neither he nor any member of his family has any direct or indirect interest in the Milwaukee securities.

Neither Cummings nor Haight, within 1 year of his appointment, has been an officer, director, or employee of the debtor corporation, any subsidiary thereof, or any holding company connected therewith.

It is clear that Scandrett, from his intimate knowledge of the property, is the logical choice as a trustee experienced in railroad management and operation. The judge suggested that it is immaterial whether Scandrett receives compensation as a trustee or as an employee of the trustee. In this and similar situations we interpret the provisions of section 77 (c) to mean that the compensation from the estate of the debtor of any person serving as trustee is subject to the approval both of the court and the Commission, whether such compensation is termed that of a trustee or that of an officer of the debtor corporation. Assuming that Scandrett is to continue as president of the debtor's railroad, our ratification of his appointment will be qualified by the requirement that his only compensation from the debtor's estate during his service as trustee shall be that allowed by the judge within the maximum limits to be hereafter approved by us as reasonable.

We conclude:

That the appointments of Henry A. Scandrett, Walter J. Cummings, and George I. Haight as trustees of the debtor's property should be ratified by us, the ratification of Henry A. Scandrett to be subject to the condition that during the period of his service as trustee he shall receive no salary or compensation from the debtor's estate for service rendered for the debtor or otherwise in this proceeding, except such compensation as may be allowed hereafter by the judge for his services as trustee, within such maximum limits as we may hereafter approve as reasonable.

An appropriate order will be entered.

ORDER

At a session of the Interstate Commerce Commission, Division 4, held at its office in Washington, D. C., on the 28th day of December, A. D. 1935.

Finance Docket No. 10882: Chicago, Milwaukee, St. Paul & Pacific Railroad Co. reorganization.

A hearing and investigation of the matters and things involved in the petitions in this proceeding filed October 25, 1935, and supplements filed November 15, 1935, having been had, and said division having, on the date hereof, made and filed a report containing its findings of fact and conclusions thereon, which report is hereby referred to and made a part hereof:

It is ordered that the appointments of Henry A. Scandrett, Walter J. Cummings, and George I. Haight, as trustees of the property of the Chicago, Milwaukee, St. Paul & Pacific Railroad Co., debtor, be, and they are hereby, ratified: *Provided, however,* That the said Henry A. Scandrett, while he serves as a trustee, shall receive no salary or compensation as an officer or employee of the debtor, and that his only compensation from the estate of the debtor shall be that allowed to him as trustee by the judge, within maximum limits to be approved by the Commission as reasonable.

By the Commission, division 4.

[SEAL] GEORGE B. MCGINTY, *Secretary.*

Interstate Commerce Commission. Finance Docket No. 10882. Chicago, Milwaukee, St. Paul & Pacific Railroad Co. reorganization. Submitted January 22, 1936. Decided January 31, 1936

Upon petition, a maximum compensation at the rate of $36,000 per annum to be paid to Henry A. Scandrett and of $15,000 per annum to be paid each to Walter J. Cummings and George I. Haight, as trustees of the property of the Chicago, Milwaukee, St. Paul & Pacific Railroad Co., debtor, and, conditionally, a maximum compensation of $18,000 per annum to be paid to O. W. Dynes as counsel for said trustees, approved as reasonable.

O. W. Dynes and C. S. Jefferson for petitioners.

REPORT OF THE COMMISSION

Division 4, Commissioners Meyer, Porter, and Mahaffie

By division 4:

Henry A. Scandrett, Walter J. Cummings, and George I. Haight, trustees of the Chicago, Milwaukee, St. Paul & Pacific Railroad Co., debtor, on January 17, 1936, filed with the United States District Court for the Northern District of Illinois, Eastern Division, their petitions for an order fixing their compensation as trustees within such maximum limits as may be approved by us as reasonable, in accordance with the provisions of section 77 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended. By order of the court, copies of these petitions have been transmitted to us by the clerk of the court.

Scandrett, Cummings, and Haight were appointed trustees of the debtor's property by order of the court on October 17, 1935, and on November 29, 1935, such order was amended to provide that the appointments would become effective on the first day of the month succeeding our ratification. On December 28, 1935, after notice and hearing, we issued our report and order herein ratifying these appointments, subject to the condition, with respect to Scandrett, president of the debtor company, that while he serves as trustee he shall receive no compensation as an officer or employee of the debtor, and that his only compensation from the estate of the debtor shall be that allowed him as trustee by the judge, within the maximum limits to be approved by us as reasonable.

The aforesaid trustees, on January 17, 1936, filed with the court a petition for an order confirming their appointment of O. W. Dynes as legal counsel and fixing his compensation in accordance with the provisions of section 77 (c) (2) of the Bankruptcy Act, as amended. On the same day the court entered an order confirming the appointment of Dynes as counsel, subject to the right thereafter to modify or revoke such order, and directing that a copy of the petition and order be transmitted to us, to the end that we may determine the maximum limit of reasonable compensation to be allowed. In their petition the trustees state that counsel's duties shall include, with other duties assigned him, services as head of the law department of the trust estate and shall not include the performance of any services for the debtor corporation that would be in conflict with the interests of the trust estate or its proper conduct and its impartial management.

Testimony introduced at the hearings held by us in these proceedings indicates that Scandrett's salary as president of the railroad company, in 1928–29, was at the rate of $75,000 per annum, that it was reduced, and that the compensation now paid him is $48,600 per annum. It was testified that Cummings receives a salary of $75,000 per annum as chairman of the board of directors of the Continental Illinois National Bank & Trust Co. of Chicago, Ill. As shown by his petition for ratification as trustee, he is

also engaged in various other corporate activities. Haight is a director in certain companies and is engaged in the practice of law in Chicago. According to the annual report for 1934, filed with us by the debtor, Dynes receives a salary of $18,000 per annum as general counsel of the debtor.

The mileage of line operated by the debtor at the close of 1934 was 11,161 miles, the total number of employees was in excess of 28,000, and their total compensation was approximately $42,373,000 per annum. During 1934, the railway operating revenues of the system amounted to $87,859,792. The investment in road and equipment was reported at $681,984,319, total investments at $712,502,057, and funded debt outstanding at $476,443,182. Considering the extent of the property, the magnitude of its operations, and the importance of the duties of the trustees and their counsel, we conclude that we should approve as reasonable a maximum compensation at the rate of $36,000 per annum to be paid to Henry A. Scandrett, $15,000 per annum to be paid each to Walter J. Cummings and George I. Haight, as trustees, and $18,000 per annum to be paid to O. W. Dynes as counsel for the trustees, subject, however, to the condition that Dynes, while he serves in this capacity, shall receive no compensation as an employee of the debtor and that his only compensation from the estate of the debtor shall be that allowed by the court within the maximum herein approved.

An appropriate order will be entered.

ORDER

At a session of the Interstate Commerce Commission, Division 4, held at its office in Washington, D. C., on the 31st day of January, A. D. 1936.

Finance Docket No. 10882: Chicago, Milwaukee, St. Paul & Pacific Railroad Co. reorganization.

Investigation of the matters and things involved in this proceeding having been had, and said division having, on the date hereof made and filed a report containing its findings of fact, and conclusions thereon, which report is hereby referred to and made a part hereof: It is

Ordered, That a maximum compensation at the rate of $36,000 per annum to be paid to Henry A. Scandrett, and a maximum compensation at the rate of $15,000 to be paid each to Walter J. Cummings and George I. Haight, as trustees of the estate of the Chicago, Milwaukee, St. Paul & Pacific Railroad Co., debtor, be, and they are hereby, approved as reasonable; and it is further

Ordered, That a maximum compensation at the rate of $18,000 per annum to be paid to O. W. Dynes as legal counsel for said trustees be, and it is hereby, approved as reasonable: *Provided, however*, That the said O. W. Dynes, while he serves as counsel for the trustees shall receive no salary or compensation as attorney or counsel for the debtor and that his only compensation from the estate of the debtor shall be that allowed to him by the judge of the court of jurisdiction within the maximum herein approved.

By the Commission, Division 4.

[SEAL] GEORGE B. MCGINTY, *Secretary*.

ORDER

At a session of the Interstate Commerce Commission, division 4, held at its office in Washington, D. C., on the 21st day of November, A. D. 1935.

Finance Docket No. 10882: Chicago, Milwaukee, St. Paul & Pacific Railroad Co. reorganization.

Upon consideration of the record in the above-entitled proceeding and petition filed on behalf of James D. Colyer, Louis I. Kane, and Henry Schenk as an independent committee for protection of Chicago, Milwaukee, St. Paul & Pacific Railroad Co. bondholders;

It is ordered, That the said James D. Colyer, Louis I. Kane, and Henry Schenk as an independent committee for protection of Chicago, Milwaukee, St. Paul & Pacific Railroad Co. bondholders be, and they are hereby, permitted to intervene and be treated as parties hereto;

It is further ordred, That a copy of the intervening petition and of this order be served upon each of the parties to this proceeding, and that a copy of this order be served upon all other interested parties.

By the Commission, division 4.

[SEAL] GEORGE B. MCGINTY, *Secretary*.

ORDER

At a session of the Interstate Commerce Commission, division 4, held at its office in Washington, D. C., on the 21st day of November, A. D. 1935.

Finance docket no. 10882: Chicago, Milwaukee, St. Paul & Pacific Railroad Co. reorganization.

Upon consideration of the petition of James D. Colyer, Louis I. Kane, and Henry Schenk, constituting and acting as the Independent Committee for Protection of Chicago, Milwaukee, St. Paul & Pacific Railroad Co. Bondholders, filed November 15, 1935, praying that a public hearing be held by this Commission in the matter of the ratification of the appointment of trustees of the estate of the Chicago, Milwaukee, St. Paul & Pacific Railroad Co., debtor; the court of jurisdiction having, by order entered October 17, 1935, appointed Henry A. Scandrett, Walter J. Cummings, and George I. Haight trustees, subject to ratification by this Commission.

It is ordered that the said matter be set down for hearing before Director Sweet at the office of the Commission in the city of Washington, D. C., at 10 o'clock in the forenoon on December 2, 1935, and that the secretary issue notice thereof and serve the same in the manner provided in the rules of practice upon the said appointees, the petitioner, and the debtor.

By the Commission, division 4.

[SEAL] GEORGE B. MCGINTY, *Secretary*.

RECONSTRUCTION FINANCE CORPORATION,
Washington, February 23, 1936.

Hon. JAMES COUZENS,
United States Senate, Washington, D. C.

DEAR SENATOR COUZENS: Your letter of the 18th with enclosure received and noted.

In reply beg to advise that the directors of the R. F. C. have felt they should not endeavor to assume responsibility for bank management or make suggestions with respect to it unless it appeared that a change would be in the interest of the bank and its depositors.

When we invested $50,000,000 in the preferred stock of the Chicago bank it appeared to us that a new head not previously connected with the bank was desirable. Mr. Walter J. Cummings, whose home is Chicago, accepted chairmanship of the board at a salary of $50,000 a year with the distinct understanding that he could resign at any time should the work not prove to his liking. The position of chairman had previously paid $125,000 per year.

The success of the bank under Mr. Cummings' direction has been very satisfactory and I am informed that the directors voluntarily raised his salary after the first year to $75,000.

In 1934 the bank's net operating earnings were $14,939,849 in addition to recoveries of $1,963,000. In 1935 its net operating earnings were $19,927,058 in addition to recoveries of $4,541,000.

These earnings compare favorably with banks even larger and that pay much higher salaries to their chief executives than Mr. Cummings is now drawing. The bank's deposits have gone up since he became president from $630,000,000 to $1,039,000,000, an increase of approximately 75 percent.

Dividends on the preferred stock have been regularly paid, and in January of this year $2 a share was declared on the common stock, par value of which is $33⅓ per share, $1 payable February 1 and $1 August 1. Three million dollars of the preferred stock will be retired August 1 of this year.

At the time Mr. Cummings became president of the bank, which was shortly after we bought preferred stock in it, the common stock was selling at approximately $24 per share. The market now is $174 per share, an increase of $150 a share on a total capitalization of 750,000 shares, or $112,500,000 in a little over 2 years.

The assets of the bank are something over $1,100,000,000, and its reserves, in the opinion of the Comptroller of the Currency, and of this Corporation, sufficient to take care of all remaining doubtful items. The trust department has something over $2,000,000,000 in its portfolio.

The bank has 99 officers, ranging from chairman of the board and president to assistant cashiers and assistant secretaries.

In suggesting Mr. Cummings for appointment as trustee of the Milwaukee road, we believed that by reason of his broad experience in matters affecting railroads, his counsel would be helpful in its reorganization. Also the fact that he had served creditably as assistant to the Secretary of Treasury Woodin, chairman of the Federal Deposit Insurance Corporation, and chairman of the Continental Bank, we thought his appointment would inspire public confidence. His compensation as trustee was fixed by the court and the Interstate Commerce Commission, without consulting the R. F. C.

This road now owes the R. F. C. $11,499,462.59, and I enclose copy of my letter of June 3, 1935, relating to an additional commitment to this road of $24,000,000. You will note this authorization was conditioned upon approval of the Interstate Commerce Commission and the court, and reorganization of the road being completed by December 31, 1935. This did not eventuate and the authorization lapsed.

There is another letter, dated January 15, 1936, in which we have agreed to assist the road in the acquisition of equipment to the aggregate cost of $4,800,000, the R. F. C. lending 80 percent of the amount if and when properly authorized by the Intertsate Commerce Commission and the court.

When the R. F. C. became heavily interested in the stock of the Maryland Casualty Co., we thought it advisable to have a new directing head as well as some new members on the board of directors.

These new directors include Mr. James G. Blaine, president of the Marine Midland Trust Co., of New York City; Mr. John B. Ford, Jr., vice president of the Michigan Alkali Co., of Detroit; Mr. James M. Kemper, president of the Commerce Trust Co., of Kansas City; Mr. Francis M. Law, president of the First National Bank of Houston, and at that time president of the American Bankers' Association; Mr. Albert C. Ritchie, former Governor of Maryland; Mr. James D. Robinson, executive vice president of the First National Bank of Atlanta, Ga.; Mr. Frank O. Watts, chairman of the board of the First National Bank of St. Louis; Mr. Walter J. Cummings, and Mr. Silliman Evans, the new president.

The Maryland Casualty Co. is doing well under the new management, and I find upon inquiry that the director's fees paid Mr. Cummings for the year 1935 amounted to $40.

The Reconstruction Finance Corporation had no part in the Milwaukee Road matter, except to suggest Mr. Cummings' name

as trustee. Mr. Cummings was well known to Judge Wilkeson; and, incidentally, was not treasurer of the Democratic National Committee, nor to my knowledge in any way connected with it when elected to the chairmanship of the Continental Bank.

While the Reconstruction Finance Corporation has $50,000,000 invested in the stock of this bank, the bank on December 31, 1935, held $565,000,000 United States Government obligations. The bank pays substantially more dividends on the preferred stock than it receives interest on its Government securities.

Should you wish further information that is available to us it will be readily furnished.

Very truly yours,

JESSE H. JONES, *Chairman.*

Mr. BARKLEY. Mr. President, in view of the fact that the remarks of the Senator from Michigan have been heard by Senators and by the press, if the letter of Mr. Jones is not too lengthy, does he not think it ought to be read at this time instead of simply being tucked away in the RECORD?

Mr. COUZENS. I have no objection. I am through now; and if the Senator wishes to have the letter read, I have no objection.

Mr. BARKLEY. In connection with the remarks of the Senator from Michigan, I ask unanimous consent that the letter referred to by him from Mr. Jones, Chairman of the Reconstruction Finance Corporation, be read at this time.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. McNARY. Mr. President, in order that we may have the logical situation truly presented, I suggest that the letter written to Mr. Jones by the Senator from Michigan should precede the answer.

Mr. BARKLEY. I did not understand that the Senator from Michigan had written a letter to Mr. Jones. If he has written such a letter about the matter concerning which the letter was received by him from Mr. Jones, I shall be glad to have it read.

Mr. COUZENS. I have no objection to my letter being read, but it is not particularly important, because it merely asked for information; and I have raised no issue with Mr. Jones.

Mr. ASHURST. Mr. President, I am not going to agree to any more requests for unanimous consent until an order is entered that there shall be a roll-call vote on taking up this bill.

Mr. ADAMS. Mr. President, will the Senator yield to me?

Mr. ASHURST. Certainly.

Mr. ADAMS. The Senator from Arizona, of course, wishes to be fair about this matter.

Mr. ASHURST. Certainly.

Mr. ADAMS. The Senator does not desire a roll call upon taking up a bill when there has been no opportunity to discuss it. That is the situation. The bill has been discussed adversely, and now I desire an opportunity to present the bill. A roll call upon the question of taking it up for consideration, which is not debatable, would exclude and shut off an opportunity to do the fair thing.

Mr. ASHURST. I am trying to demonstrate the fallacy of granting unanimous consent to a Member to discuss a bill without granting unanimous consent to all. Last of all should I make any objection to the speech of the able Senator from Michigan; but it is unfair, it is illogical, it is inconsistent to allow one Member of the Senate an hour or half an hour to discuss a bill and not allow others a similar opportunity to discuss it and then ask us to vote to take up the bill.

Mr. McNARY. Mr. President, I think I can allay the fear of the able Senator from Arizona. The situation is not a unique one. The morning hour was not fully occupied by the routine business of the calendar. Hence, there was a hiatus, of which the Senator from Michigan had a right to avail himself by unanimous consent. It was perfectly proper for the Senator from Michigan to address himself to the Senate. I now ask unanimous consent that the Senator from Colorado [Mr. ADAMS], in charge of the bill, may be permitted to speak upon the bill, as that right was given to the Senator from Michigan.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. ASHURST. And, of course, in view of that, I have no objection to the request of the Senator from Kentucky [Mr. BARKLEY]. It is proper.

Mr. BARKLEY. In view of the fact that the Senator from Michigan discussed the letter in the hearing of everyone here, I thought it was fair to Mr. Jones that the letter be read.

Mr. ASHURST. Certainly.

Mr. BARKLEY. Otherwise it would go into the RECORD; nobody would have heard it, and Senators might not have a chance even to read it.

Mr. COUZENS. If the Senator from Colorado will yield, I desire to make the comment that I have in no sense attempted to be unfair to Mr. Jones. In fact, in my comments I have read all the salient parts of his letter; but I certainly have no objection to the letter being read.

Mr. BARKLEY. I am not suggesting that the Senator has been unfair or has attempted to be, but let us be consistent.

Mr. ADAMS. Mr. President, I am presenting this matter at the instance and by reason of the absence of the chairman of the Committee on Banking and Currency, the senior Senator from Florida [Mr. FLETCHER], whose bill this is, and who introduced it.

The bill is not brought before the Senate at the instance of the banks or the bankers. The bill is brought before the Senate at the instance of the Reconstruction Finance Corporation in order to do a just thing by that Corporation.

This body, together with the other body of Congress, on the 9th of March 1933 passed the Emergency Banking Act. In that act was a provision for the issuance of preferred stock by national banks, and the purchase of that stock by the Reconstruction Finance Corporation. That position has been demonstrated to be one of the most beneficial provisions of the banking acts passed by either of the past two sessions of Congress; and I think nothing has been done under the present administration of greater benefit to the country than putting the banks of the country upon a sound basis, so that the depositor who goes in his bank door today knows he can get his money out tomorrow, or any day he pleases.

One of the things that have aided in that has been the provision for the issuance of preferred stock. The Government aided not the banks but the depositors in the banks; it aided not the banks but the people of the United States by putting its banks upon a sound basis, by laying a foundation for the restoration of business and of credit.

When the Congress passed this act it thought it had exempted from taxation the stock of these institutions. It put in the act this provision:

The Corporation—

Meaning the Reconstruction Finance Corporation—

including its franchise, its capital, reserves and surplus, and its income, shall be exempt from all taxation—

Except on its real property.

So we exempted its franchise, its capital, its reserves, and its surplus. I happen to be one of those who cannot see that everything was not exempted within that definition.

The legal situation is, frankly, this: The Supreme Court of the United States many years ago held that a national bank was not taxable; that it was to that extent an agency of the Federal Government; and that a State could not tax it, because if it was taxable the State could, if it saw fit, destroy it through the exercise of the tremendous power of taxation.

In 1868 Congress passed an act to remedy what seemed an unfair discrimination at that time as against State banks, and provided that the stock in the hands of the stockholders of national banks should be subject to taxation. It so worded the statute so that all stock of national banks should be subject to taxation. The tax is not upon the national bank but upon the stock, upon the personal property of private owners.

When this matter came before the Supreme Court, they said that when they held that all stock of national banks should be taxable that included the preferred stock.

This is the situation which has resulted from that decision: The preferred stock of State banks held by the Reconstruction Finance Corporation is not taxable by the States, but the preferred stock of a national bank is taxable. This is an effort to correct a discrimination.

It is not possible for Congress to make the preferred stock of the State banks taxable. Congress cannot do that. Congress can equalize and remedy the discrimination. While State banks are mentioned, the preferred stock held by the Reconstruction Finance Corporation today is not taxable.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. MINTON. Will the Senator discuss where the situs of stock is for the purpose of taxation?

Mr. ADAMS. It has been accepted generally that the situs of the stock of a bank is in the community where the bank is located. That is the rule, so far as I am acquainted with the law.

As a matter of practice, the banks have been paying the taxes to the States, the cities, and the counties, and, if they saw fit, charging it against their stockholders. In this case the tax which will be levied upon the preferred stock will be paid, not by the banks, but by the Reconstruction Finance Corporation.

The Reconstruction Finance Corporation is paying 2¾ percent for the money which it has advanced to the banks. The banks are paying dividends of 3½ percent to the Reconstruction Finance Corporation. There is a margin of three-quarters of 1 percent.

To illustrate, I live in a city where the tax rate is 5 percent. Some other cities in my State have tax rates higher, some lower, but I venture to say that in my State the average tax rate, on a hundred cents on the dollar valuation, is better than 3 percent. The result is that the Reconstruction Finance Corporation would have its three-quarters of 1 percent wiped out and would be penalized from 2 to 3 percent for its effort to help the banks and their depositors, and to promote the public welfare.

Mr. McKELLAR. Mr. President, what amount of stock is involved, and what is the estimate of the taxes the Government would lose, or the several governments would lose?

Mr. ADAMS. I understand that the Reconstruction Finance Corporation has loaned, altogether, to State and National banks, some $800,000,000. I gathered from the statement of the Senator from Michigan this morning that the tax involved was perhaps some $5,000,000.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. ADAMS. I yield.

Mr. BARKLEY. I happen to have a tabulation of that information.

Mr. McKELLAR. I hope the Senator will put it in the RECORD.

Mr. BARKLEY. The preferred stock of national banks held by the Reconstruction Finance Corporation amounts to $229,000,000. The tax on that would be $5,512,000 a year. That is simply the tax on the preferred stock of the national banks, and does not include any taxes on debentures, notes, or other securities held by the Reconstruction Finance Corporation for money which these banks and other banks received.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. MURPHY. While the Reconstruction Finance Corporation gets a return of 3½ percent on the preferred stock it holds, other holders of that preferred stock get a return of 5 percent.

Mr. ADAMS. Other holders get whatever rate of return the stock itself calls for.

Mr. MURPHY. I understand that to be the fact.

Mr. GLASS. Are there any other holders?

Mr. MURPHY. Yes.

Mr. ADAMS. A very limited number. In some instances the stockholders of the bank have exercised an apparent option of buying from the Reconstruction Finance Corporation rather than redeeming, but it is an insignificant amount.

Mr. GLASS. An inappreciable amount.

Mr. ADAMS. Yes.

Mr. NORRIS. Mr. President, will the Senator yield to me?

Mr. ADAMS. I yield.

Mr. NORRIS. I desire to ask the Senator whether or not I am correct in the assumption I shall state. In the first place, this tax would have to be paid by the Reconstruction Finance Corporation?

Mr. ADAMS. Yes.

Mr. NORRIS. Which would really mean the Government of the United States?

Mr. ADAMS. That is correct.

Mr. NORRIS. The Reconstruction Finance Corporation goes into a locality and takes preferred stock in a bank for the purpose of saving the bank from destruction. They do not go in under any other circumstances, do they?

Mr. ADAMS. They do not.

Mr. NORRIS. They save a bank, and the courts have now decided that for performing that operation they must pay a tax. Is that correct?

Mr. ADAMS. That is correct.

Mr. NORRIS. And this bill would remedy that situation?

Mr. ADAMS. The sequence is this. Property of the United States is not subject to taxation by any State or any subdivision of a State. That is the fundamental premise. That applies to all Federal instrumentalities. The Reconstruction Finance Corporation is an instrumentality of the Federal Government to the extent that the Federal Government owns every share of its stock, and has provided its entire capital. That is a much stronger situation than the situation of the national banks. We might go back and argue, perhaps, the soundness of a decision to the effect that a national bank, the stock of which was owned by private individuals, the money of which was contributed by private individuals, but was merely chartered by the Federal Government, was not a national instrumentality; but that has been settled, and the Supreme Court, in the decision in the case involving this stock, definitely says that the Reconstruction Finance Corporation is an instrumentality of the United States Government.

The United States Government may waive, if it chooses, the tax-exempt qualifications of its property. We pass laws here providing that real property purchased under certain conditions shall continue to be taxable. It was provided, in reference to the national banks, that the stock of those banks might be taxed; in other words, the National Government waived its immunity. The question before us is whether or not the National Government will waive its immunity from taxation upon property which belongs to it.

The thing which is being taxed in this instance is, in substance, money raised from the taxpayers of this country by the taxing power of the United States turned into a bank to aid the depositors of that bank, and evidenced by this preferred stock; in other words, it is a tax upon the actual property of the United States, and the bill merely seeks to reestablish as to this stock the fundamental that the property of the United States cannot be taxed for the benefit of any locality.

Mr. HASTINGS. Mr. President, will the Senator yield to me?

Mr. ADAMS. I yield.

Mr. HASTINGS. My recollection is that the Reconstruction Finance Corporation Act specifically exempts real estate.

Mr. ADAMS. It does.

Mr. HASTINGS. Why does the Senator suppose that was done? The Senator just stated that the practice has been to exempt from taxation all the property of the Federal Government, but in this particular case it did exempt real estate. Does the Senator know why that was done?

Mr. ADAMS. I think I can give the Senator the basis for it. The same exemption applies to national banks. In other words, the real property of national banks is subject to

taxation, and they merely put the preferred stock in the same category.

Mr. HASTINGS. Did the Senator say a moment ago that the Reconstruction Finance Corporation did not advance any money to any bank in the purchase of the preferred stock unless the bank was in difficulty?

Mr. ADAMS. I did not.

Mr. HASTINGS. I understood the Senator to say that in answer to the Senator from Nebraska.

Mr. ADAMS. If I may state my view, it is that the Reconstruction Finance Corporation actually solicited the issuance of preferred stock by gilt-edged banks.

Mr. HASTINGS. That was my understanding also.

Mr. ADAMS. There is no question about that, and there has been a particular instance given here. The Reconstruction Finance Corporation, moreover, did not buy preferred stock in any bank which was not solvent. Every bank was examined before its preferred stock was taken over by the Reconstruction Finance Corporation. It was merely an effort to provide a certain amount of liquid capital in places where there was need not for solvency but for liquidity.

Mr. HASTINGS. Mr. President, will the Senator yield further?

Mr. ADAMS. Gladly.

Mr. HASTINGS. My recollection is that the Chairman of the Board of the Reconstruction Finance Corporation has announced that, either from the beginning up to now or within a certain period, the Reconstruction Finance Corporation has earned $100,000,000. I have forgotten the exact period covered by the statement. It may have been from the beginning of the Reconstruction Finance Corporation up to the present.

I should like to inquire whether or not it would be fair to permit a corporation like the R. F. C., which, in my judgment, has done a good job and made a hundred million dollars, to go into the State of Maryland and buy the preferred stock of a national bank, which preferred stock, if it had been sold to the citizens of the State of Maryland, would be subject to the tax? Why is it a practical thing or a necessary thing under those circumstances to say that the State of Maryland or any other State which has the same kind of a tax law should not be permitted to tax that property belonging to a private corporation, when it is admitted that that corporation is not purely a charitable corporation, but when it is and has been said that it has made, within a certain period of time, $100,000,000? Of course, there is no particular point in putting an income tax on it, because it all belongs to the Government anyway. I suppose that is the reason why we would not have an income tax attachable to such a corporation; but it does seem to me that we must have some regard for States which look to this kind of a tax for the necessary revenue to keep them going. Personally, I very much prefer to see it done in that way rather than to have such States come crawling on their knees to the city of Washington, begging some help to take care of the people who need help in their States.

Mr. ADAMS. Mr. President, of course the Senator knows that the $100,000,000 profit he talks about was not earned from this preferred stock. The earnings on the preferred stock were three-fourths of 1 percent, less the cost of administration. I imagine if the cost of administration were taken out there would be practically no profit so far as the preferred stock is concerned. I think the Senator's argument, followed clear through to the end, would require us to remove the immunity from the post-office buildings and the customhouses in the State of Delaware and elsewhere, so that all Government property should be subject to taxation; in other words, to submit the sovereignty of the United States, so far as its property is concerned, to the unrestrained discretion of local taxing authorities.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Does the Senator from Colorado yield to the Senator from Kentucky?

Mr. ADAMS. I yield.

Mr. BARKLEY. I simply desire to make a remark with respect to the statement of the Senator from Delaware about the $100,000,000 profit which he saw in some newspaper that Mr. Jones had said the R. F. C. had made.

I do not think anybody can say how much the R. F. C. has made or lost, or how much it will lose or gain, until it is finally liquidated. One may take any period of 12 months or 6 months and say that the amount of interest received by the R. F. C. on the loans it has made, compared to its expenses, produced a certain profit; but until the R. F. C. is finally liquidated, and we find out how much of the money which has been loaned can be collected, nobody can tell whether it has made a dollar or whether it has lost $100,000,000.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. HASTINGS. I may say to the Senator from Kentucky that I thought the same thing at the time Mr. Jones made the statement; but he was only talking about the present condition of the R. F. C., and I think he was justified in telling the country what its books show in the way of present profit.

I may say to the Senator that so far as I recollect, the establishment of the R. F. C. was the first time this Government had ever tried to do business through a private corporation. I think it was necessary. I think the R. F. C. has done a great job. But we must bear in mind that since that was done, and without any act of Congress at all, this administration has organized many corporations of various kinds. They have gone into various kinds of business. It seems to me when we put the Government into a business of that kind we ought to be very careful not to deprive the States of their rights to tax the corporations just as they do any other corporations located within their borders.

Mr. ADAMS. Mr. President, I wish to repeat a statement of the situation for the benefit of the Senator from Delaware.

The Reconstruction Finance Corporation holds preferred stock in State banks to a large amount—a larger amount than its holdings of preferred stock of national banks. Under the fundamental law such stock of the State banks held by the Reconstruction Finance Corporation is not subject to taxation, because, as to that stock, the Federal Government has not waived its immunity. What the bill under discussion seeks to do is simply to take away this discrimination as between the two classes of stock. That is assuming that there is some basis for part of the argument of the Senator from Michigan that the banks in some way profited. As a matter of fact, in my judgment, the banks have not profited, except as every bank profits from the maintenance of sound banks everywhere. A bank profits even from the soundness of a competitor bank.

It seems to me the thing we are concerned with is to maintain equality. The Federal Government entered into this situation in order to benefit the depositors of the country, and they have been benefited. The banks have not been benefited other than through the benefit which comes from the general welfare, to which the Government, through R. F. C. loans, has contributed.

I will give an illustration to the Senator. We hear every day about the accumulation of vast excess reserves. That simply means money on deposit in the banks in excess of the demands by those seeking loans and offering good paper. Here are the banks with money piling up in them. They are buying short-time Government securities, as the Senator knows, at as low a rate as one-fifth of 1 percent. A bank cannot get Government securities at a rate which will enable it to pay a dividend. In other words, the money which the banks have from the Reconstruction Finance Corporation is costing them money.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. HASTINGS. In response to the suggestion which was made that what is proposed by the bill is to equalize the tax upon the State banks and the national banks, I will say that at lunch time today the junior Senator from Minnesota [Mr.

BENSON], if I understood him correctly, called my attention to the fact that in his State there was a tax upon State banks, and there could be no tax upon national banks. However, most of the national banks in that State have agreed to pay three-fourths of the amount of the tax anyway, without being compelled to do it; but there are some six or eight of the national banks in his State which would not do so, and there has been pending before the Congress for some time a bill to permit the States to tax the national banks. So far as that State is concerned, there is a very great inequality in the matter of taxation, because the State banks have to pay the tax which the national banks do not have to pay, but which, let it be said to their credit, many of them are voluntarily paying.

Mr. ADAMS. Mr. President, I do not know anything as to the facts in that particular State, but I can readily understand how the situation described may come about. The Federal statute authorizing the taxation of national-bank stock contains the provision that it may be taxed only if other competing capital used for similar loans is taxed; and it may be that the State of Minnesota was allowing certain competing financial institutions to have a lower tax rate, or was not taxing them. However, so far as the State of Minnesota or any other State is concerned, national-bank stock is taxable if other competing capital is treated upon the same basis.

Mr. President, that, in substance, is this bill. It is a bill designed to provide that the United States will not tax itself for the benefit of local communities. Let me give another illustration.

If the R. F. C. were to buy stock in a bank—I know of a city in my State, with a 5-percent tax rate—it would mean that the R. F. C. would have to pay 5-percent tax upon its stock and 2¾-percent interest upon the bonds it issues to get its money. It would be paying out 7¾ percent and receiving 3½ percent as a dividend. In other words, if the Congress wishes to make donations of Government money to high-taxing communities, there is no State which will profit more thereby than my own, because I live in a State in which, unfortunately, many of our cities have high tax rates.

Mr. BARKLEY. Mr. President, will the Senator further yield?

Mr. ADAMS. I yield.

Mr. BARKLEY. In the State of Colorado, where the R. F. C. on the stock it owns draws only 3½-percent dividend, it will have to pay out 5 percent in taxes, which means that it pays in taxes 1½ percent more than it gets in dividends, and that difference is paid out of the National Treasury. In many other States the rates are as high as 5.1 percent, 5.2 percent, 6.2 percent, and 6.8 percent. There is one State in which the tax rate is as high as 10 percent. It is certainly manifestly unfair to the Federal Government, which has taxed its people in order to raise the money to pour into various communities to enable their banks to exist, that it should with a few exceptions already referred to, be compelled to pay in taxes more money than it gets in dividends. The Federal Government by reason of coming to the rescue of the banks is compelled to pay more in taxes than it receives in dividends. That is what it amounts to.

That condition does not exist simply in one State; it exists in more than half the States in which such taxes are levied by local authorities.

Mr. ADAMS. I wish to make one final statement. I may say to the Senator from Michigan, who was absent during part of the time I spoke, that I know nothing whatever as to a considerable part of his discussion. I know nothing as to the facts in reference to the treasurer of the Democratic National Committee. I have yet to make upon the floor of the Senate a speech of a partisan character, and I shall not now begin. I do not believe that it is quite as relevant as the Senator thinks. I am merely saying that because, while I heard what he said, I have not attempted to discuss it, and it is not my intention to answer it at this time; but the fact that it is unanswered and my failure to mention it I do not wish to be construed as a confession of accuracy.

What I am trying to do as the representative of the senior Senator from Florida [Mr. FLETCHER] and of the majority of the Banking and Currency Committee is to see that Congress carries out its original intention when it declared in the passage of the act authorizing this stock that the corporation including its franchise, its capital, surplus, and reserves and its income shall be exempt from all taxation.

I will add that the States, if they see fit, have an avenue of taxation, for they already, under the income-tax amendment, tax the income of all banks; that is, their income is taxable, and taxes are paid on it. In other words, the banks are not exempt from taxation upon their income.

Mr. OVERTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Louisiana?

Mr. ADAMS. I yield.

Mr. OVERTON. In the event this bill shall become a law, will those banks in which the R. F. C. owns preferred stock enjoy an advantage over those banks in which the R. F. C. does not own such stock?

Mr. ADAMS. It all depends, I will say to the Senator from Louisiana, upon whether or not having money upon which they pay 3½ percent is an advantage. In my judgment, in ninety-nine cases out of a hundred it will be a disadvantage rather than an advantage. Today banks cannot make money upon money on which they pay 3½-percent interest, and that is what they are doing in this case.

Mr. OVERTON. There will, however, be this difference, that one stockholder will be exempt from taxation while all the stockholders will have to pay taxes on their stock.

Mr. ADAMS. Only one stockholder is exempt. This applies only to stock held by the Reconstruction Finance Corporation, which is the United States of America. The bill proposes to continue an exemption which applies to every other asset of the R. F. C. at this time.

Mr. KING and Mr. TRAMMELL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Colorado yield; and if so, to whom?

Mr. ADAMS. I yield first to the Senator from Utah.

Mr. KING. As I understand the position taken by the Senator from Colorado, this bill has implications which have not been foreshadowed in the statements which have been made. The Senator, who is a good lawyer, knows that the courts have recognized that municipalities, States, and their political subdivisions, have acted in dual capacities; that they have been organized and exist to perform what might be termed governmental duties, and they have engaged in some activities which are recognized as within the legitimate and proper sphere of private endeavor. When they act in the latter capacity, when permitted by their constitutions or charters, they are subject to the laws and regulations appertaining to private corporations and individuals engaged in the same class of activities. The Federal Government does not have the authority to roam throughout the States and engage in all sorts of activities that come within the sphere of private endeavor. Municipalities may not be taxed for the property owned and used by them, and which are necessary in the discharge of the public or governmental functions which they are organized to perform; but a different rule applies when they act in a proprietary capacity.

It occurs to me that if the Federal Government enters the fields occupied by individuals and competes with them in work and enterprises which, by common consent, are to be undertaken and carried on by individuals and private corporations, it must be subject to the laws, including revenue laws, to which individuals and private corporations are subject. The adoption of a policy which would relieve the Federal Government from the payment of taxes when it is engaged in activities or undertakings within the States—activities and undertakings which are habitually carried on in the States by individuals and the owners of which are compelled to pay taxes—would be an unwarranted discrimination and might be used as a precedent justifying the Federal Government's enlarging its sphere of activity and its entrance into the fields of private and individual endeavor.

In the consideration of this bill it seems to me we should take into account the possibility, if not the probability, of the future expansion of the Federal Government beyond its legitimate governmental field, into spheres of activity and business enterprises which should be occupied exclusively by individuals and private corporations. I would not approve of a policy that encouraged the Federal Government to engage in all sorts of business enterprises and activities which are outside of its governmental sphere.

If State governments and the Federal Government perform the duties devolving upon them as governmental agencies or organizations, they will have sufficient work to perform.

If they remove the boundaries by which they are circumscribed and become small or gigantic business organizations, they will be prostituting the power conferred upon them and work injury not only to the business life of the country but to individuals and communities.

The Federal Government has limited authority. Its authority is restricted to purely governmental activities and within the limits set by the Constitution it should operate. When it seeks to break through the barriers interposed, it should be restrained. I believe in preserving the rights of the States and not invading the fields in which they may legitimately exercise their authority to tax. It is unfortunate that we have not been able to draw a line of demarcation between the sources from which States derive their revenue and those from which the Federal Government obtains its revenue; but if I understand the bill before us, it seeks to deprive the States of one of the sources of revenue. The States may tax the preferred stock of banks operating within their borders, but under this bill they may not tax the preferred stock issued by banks and purchased by an agency of the Federal Government.

Mr. ADAMS. If I may interrupt the Senator right there, I will say here is a line we are trying to wipe out. There is a line between the taxation of State preferred stock and of national preferred stock. They should be treated alike, as I think the Senator will concede.

Mr. KING. I am not combating that view. I am merely challenging attention to the fact that if we pass this bill in its present form, I fear that it may be used as a pretext to relieve the Federal Government from legitimate taxation by States and their political subdivisions when it engages, as it will engage, I foresee, in large private activities, or, at least, activities which now are regarded as solely within the field of private endeavor.

Mr. ADAMS. I know the Senator is not advocating such an expansion of Federal activities.

Mr. KING. Indeed, I am not.

Mr. ADAMS. But there is no basis, is there, I ask the Senator from Utah, to make the declaration that any property belonging to the United States is taxable without its consent, regardless of the use to which it is put? That is a question of law.

Mr. KING. I shall not argue that question other than to say that a declaration by Congress that property owned by it and employed in States in competition for instance with manufacturing plants which are required to pay Federal as well as State taxes, would not, in my opinion, be conclusive and give complete immunity to the Federal Government from taxation under State laws. Suppose that the Federal Government should engage in the manufacture of automobiles—not for its own use alone but to sell in the market in competition with the manufacturing plants of the United States. I cannot believe that a declaration by Congress, that the Government plant and its earnings and profits would be beyond the control of the States in which the Government plants were operated, would be effective to relieve the Government from paying taxes to the States.

Mr. ADAMS. I think I would agree with the Senator's theory, but I do not agree with its application as he makes it here that this was a private money-making enterprise. Here was a great public-spirited activity entered upon in order to save the financial welfare of the country. Money was put up by the R. F. C. not with the idea of making money, but in order to keep the banks open and protect the depositors in our banks and to restore business. The R. F. C. did not buy preferred stock of banks in order to make money. The R. F. C. has lowered its dividend from 6 to 5 and now to 3½ percent; it has put it down just to the cost of its money. Moreover, it is exacting from the banks whose stock it buys an agreement to repurchase and retire so much stock every year.

Mr. KING. The Senator will understand that at the outset I indicated that this might be used as a pretext or as an excuse to extend the immunity, to use the Senator's word, to activities of a purely proprietary character in which the Federal Government might engage.

Mr. MINTON. Mr. President, may I ask the Senator from Utah, Does that rule apply to the Federal Government as it does to State agencies and municipalities? Does not the Federal Government when it exercises this power exercise only a specific grant of sovereign power from the people themselves, and whenever it acts it acts only in its governmental and sovereign capacity, whereas a State has a residuum of power? It has in its own hands all the power which it has not granted by the Federal Constitution or limited by its own constitution, and, therefore, it may engage in proprietary ventures; and, if it does, it takes the consequences as anybody else engaged in private business. But does that apply to the Federal Government that cannot act except under a specific grant of sovereign power?

Mr. KING. Mr. President, to analyze the proposition submitted would require me to unduly trespass upon the time of the Senator from Colorado, who has the floor; but I may say that I do not concede that the Federal Government has all the sovereign power and authority which, if I understand the Senator from Indiana, he ascribes to it. The Federal Government has only limited authority; its grant of power is narrow and it may not transcend its prescribed limits. I find no grant of power in the Constitution for the Federal Government to engage in all forms of business—in fields which concededly should be occupied by private endeavor.

The Federal Government is not a big business corporation organized to carry on private business and make profits. It is an organization having limited authority, and is required to confine its activities to what are concededly purely governmental functions.

If the Government becomes a merchant, or a trader, or engages in activities that are not purely governmental in character, then it is to be treated as an individual or private corporation would be treated, so far as the question of taxation is concerned. And, indeed, its authority might be successfully challenged as being a trespass upon the rights of States or individuals, and as ultra vires.

Mr. ADAMS. I am anxious to get the Senator's mind directed to this particular measure.

Mr. KING. I may differentiate this measure from some of the illustrations I have given.

Mr. ADAMS. That is all I am asking the Senator to do.

Mr. KING. But it seems to me that this might be used as an excuse or as a precedent.

Mr. ADAMS. The Senator knows we do not need a pretext in order to do these things.

Mr. BARKLEY. Mr. President, if the Senator will yield, I wish to say that it was thought by the R. F. C. and by the Government that the language of the Reconstruction Finance Corporation Act, which exempted or attempted to exempt its stock, its capital, and all its activities from taxation was broad enough to cover this situation. If that had not been thought, the Government would not have fought the question out in the courts, but the court simply held that, whatever the intention of Congress was in the language which it used, the language was not broad enough to cover this preferred stock.

Along the line of the Senator's fear about this being an entering wedge, I will say to the Senator that under the law under which this preferred stock was issued, the agreements which were entered into between the R. F. C. and the banks required the repurchase of the stock at a rate of not less than 5 percent each year; so that all this stock must be repurchased by the banks within a period of 20 years.

Not only that, but whatever they earn over and above the 3½-percent dividend, which has been reduced as already stated from 6 to 5 and 4 and now to 3½, the excess is to be set aside in a retirement fund, so that the stock may be retired at a more rapid rate.

I think that disposes of the fear the Senator may have that this is an entering wedge at all. It is not. It is simply the correction of either an oversight, or lack of foresight, or lack of sufficiently broad language to cover what was sought to be covered. The Supreme Court said it was not covered, and we are simply trying to correct that mistake.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. The Senator from Idaho.

Mr. BORAH. I do not wish to stand in the way of a vote if we are to have a vote now on the motion to proceed to the consideration of the bill. Otherwise I wish to occupy the floor a few minutes.

Mr. ADAMS. Will the Senator let us have a vote on my motion first?

Mr. BORAH. Very well.

Mr. OVERTON. Mr. President, before that is done may I make a correction in regard to the Louisiana law. In the course of the debate I had with the Senator from Michigan [Mr. COUZENS], when he was discussing the question relative to what I considered would be an unjust discrimination in the event the bill should become a law, I referred to the Louisiana statute by way of illustration. I understand him to state that under the Louisiana law the stock of national banks is exempt from taxation. I think the Senator from Michigan was misinformed in that regard.

I have before me a letter written by the assistant attorney general of the State of Louisiana with reference to another bill which was pending at the time the letter was written. The letter is dated March 24, 1934, and in it the assistant attorney general makes this statement.

> Act 14 of 1917, section 1, as amended by Act 116 of 1922, provides that the shares of stock and the real estate of all banks, banking companies, firms, associations, or corporations doing a banking business in this State, chartered by the laws of this State or of the United States, be and they are hereby declared subject to taxation for all purposes in the State of Louisiana. The method of the taxation of the shares of such banks, including national banks, is set forth in Act 14 of 1917, as amended by Act 221 of 1928. We follow the method authorized by section 5219, R. S. U. S., and tax the shares of stock in national banks the same as the shares of stock in State banks are taxed.

Mr. President, it is not clear to me, even after the explanation made by the able Senator from Colorado, that there would not be an unjust discrimination against those banks in which the Reconstruction Finance Corporation did not own stock and in favor of those banks in which the Reconstruction Finance Corporation does own stock, under the laws of Louisiana or under the laws of other States. For that reason I propose to vote against the motion to proceed to the consideration of the bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from Colorado to proceed to the consideration of Senate bill 3978.

Mr. VANDENBERG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Johnson	Pope
Ashurst	Copeland	Keyes	Radcliffe
Austin	Costigan	King	Robinson
Bachman	Couzens	Lewis	Russell
Barbour	Davis	Logan	Schwellenbach
Barkley	Dieterich	Lonergan	Sheppard
Benson	Donahey	Long	Smith
Bilbo	Duffy	McAdoo	Steiwer
Black	Frazier	McKellar	Thomas, Okla.
Borah	George	McNary	Thomas, Utah
Brown	Gerry	Metcalf	Townsend
Bulkley	Gibson	Minton	Trammell
Bulow	Glass	Murphy	Truman
Burke	Gore	Murray	Tydings
Byrd	Guffey	Neely	Vandenberg
Byrnes	Hale	Norbeck	Van Nuys
Capper	Harrison	Norris	Wagner
Caraway	Hastings	Nye	Wheeler
Chavez	Hatch	O'Mahoney	White
Clark	Hayden	Overton	
Connally	Holt	Pittman	

The PRESIDENT pro tempore. Eighty-two Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from Colorado, that the Senate proceed to the consideration of the bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity.

APPLICATION OF DISTRICT OF COLUMBIA TRAFFIC LAWS TO MEMBERS OF CONGRESS

Mr. BORAH. Mr. President, I desire to take a few moments to refer to a matter somewhat apart from the measure before the Senate, but, nevertheless, a matter which seems to me worthy of a few minutes' consideration.

There have been appearing in one of the leading newspapers of this city during the past few days several articles on the subject of traffic regulation in the city and the violation of traffic rules and laws, and they present a feature of the question which may be of some interest to the Congress. The purport of these articles is that Members of Congress, assuming to have privileges which the ordinary citizen does not have, take advantage of these privileges, disregard traffic laws, endanger travel, and greatly inconvenience persons who have property by reason of parking across alleys and across paths and streets leading to the property of private citizens.

Mr. President, I do not know anything about the facts except as they appear in these articles; but I am interested in the fact that all these articles close with the sentence, "You can't arrest me", assuming that to have been said by a Member or Members of Congress; and that the presumption or supposition prevails that Members of Congress are privileged to violate these laws by reason of some provision of the Constitution.

Mr. President, as I understand, a Member of Congress, under the Constitution, has no other right or privilege than that of the ordinary citizen when using the streets of the city. There is no immunity from punishment. There is no immunity from arrest. There is no privilege which he can claim which entitles him to enjoy the streets in a way different from that of the ordinary citizen.

I do not know whether the claim has been made, but I do know that privilege is supposed to protect him, and that the country believes that Members of Congress take advantage of some constitutional provision to the detriment, if not to the menace, of travelers upon the streets of the city.

I thought it worth while to call attention to the fact that if any such supposition prevails, either among the officials in the District of Columbia or elsewhere, it is a supposition based upon an erroneous view of the Constitution. The Constitution does not give any such privilege. I am going to take a moment or two to read some extracts from the latest opinion of the Supreme Court upon that subject.

Mr. KING. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. KING. I assent entirely to the view of the Senator; and I may say that I have prepared a resolution which I intend to submit today which will make it very clear that no Federal official has any greater privilege on the streets in respect to traffic regulations than any other citizen.

Mr. BORAH. I was coming to the Capitol this morning, and I met one of the policemen whom I happen to know, and asked him about this matter, and inquired why he did not arrest Members of Congress if they violated the law. He reply was, "We cannot arrest them; they are protected."

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. BARKLEY. I know they can be arrested, because I have been arrested. [Laughter.]

Mr. BORAH. Well, I am sorry they got the wrong man.

In the case of Williamson against the United States, in two hundred and seven United States Reports, the Court had this specific question to consider; and in the opinion it is said:

> We come, then, to consider the clause of the Constitution relied upon in order to determine whether the accused, because he was a Member of Congress, was privileged from arrest and trial for the crime in question, or, upon conviction, was in any event privileged from sentence, which would prevent his attendance at an existing or approaching session of Congress.
>
> The full text of the first clause of section 6, article I, of the Constitution is this:
>
> "SEC. 6. The Senators and Representatives shall receive a compensation for their services, to be ascertained by law, and paid out of the Treasury of the United States. They shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest during their attendance at the session of their respective Houses, and in going to and returning from the same."

The clause in point is that they shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest during their attendance at the session of their respective Houses.

Those terms—"treason, felony, and breach of the peace"—cover all infractions of criminal law. The only exception known to parliamentary history in England, and the only exception contemplated by the framers of the Constitution, was freedom from arrest for debt, or civil arrest. It was believed in England, and perhaps believed in this country, that if Members of Congress could be arrested for debt, it would greatly interfere with the affairs of the Government. [Laughter.] At any rate, the only exception as it is now construed by the court is in reference to arrest in civil cases, for debt, and so forth; and since we have no arrest for debt in this country at this time, it may be regarded that this provision of the Constitution is obsolete. In the eye of the criminal law or laws for the protection of life or the safety of the citizens the Member of Congress is in no wise favored—he is simply a citizen.

The Member of Congress walks the streets and uses the streets of the Capital just the same as the humblest citizen who visits the Capital from another part of the country, just the same as the citizen who resides here in the city, and has no other privilege and no other immunity than that of the ordinary citizen. He is not above the law. The Constitution establishes no classes.

The Supreme Court says:

> But the question is not what would be the scope of the words "all cases" if those words embraced all crimes, but is, what is the scope of the qualifying clause—that is, the exception from the privilege of "treason, felony, and breach of the peace." The conflicting contentions are substantially these—

The Court states the view of the Government and also the view of the defendant. Continuing:

> On the other hand, the Government insists that the words "breach of the peace" should not be narrowly construed, but should be held to embrace substantially all crimes, and therefore, as in effect, confining the parliamentary privilege exclusively to arrest in civil cases. And this is based not merely upon the ordinary acceptation of the meaning of the words, but upon the contention that the words "treason, felony, and breach of the peace", as applied to parliamentary privilege, were commonly used in England prior to the Revolution, and were there well understood as excluding from the parliamentary privilege all arrests and prosecutions for criminal offenses; in other words, as confining the privilege alone to arrests in civil cases, the deductions being that when the framers of the Constitution adopted the phrase in question, they necessarily must be held to have intended that it should receive its well-understood and accepted meaning.

Quoting from Story on the Constitution, it is said:

> The exception to the privilege is that it shall not extend to "treason, felony, or breach of the peace." These words are the same as those in which the exception to the privilege of Parliament is usually expressed at the common law, and were doubtless borrowed from that source. Now, as all crimes are offenses against the peace, the phrase "breach of the peace" would seem to extend to all indictable offenses, as well as those which are in fact attended with force and violence, as those which are only constructive breaches of the peace of the Government, inasmuch as they violate its good order. * * * The inaccuracy of the language has already been pointed out, and it has been shown that, in England, the exception embraces all criminal matters whatsoever, and, of course, includes many cases which do not fall within the denomination either of treason, felony, or breach of the peace.

The Court concludes by saying:

> Since from the foregoing it follows that the term "treason, felony, and breach of the peace", as used in the constitutional provision relied upon, excepts from the operation of the privilege all criminal offenses, the conclusion results that the claim of privilege of exemption from arrest and sentence was without merit, and we are thus brought to consider the other assignments of error relied upon.

There has been no modification of that view that I know of—in fact, I assume there could not be—by the Supreme Court.

Mr. President, the citizen of the District of Columbia is in some respects rather unfortunate. He has practically no voice in the affairs of the Government. He is surrounded by immunity of foreign diplomats and supposed immunities of Members of Congress of the United States. It ought to be understood that there are no immunities upon the streets either for foreign diplomats or for Members of Congress. The immunities of foreign diplomats relate to their property while they are in possession of or enjoying their Embassies, and so forth, not while they are traveling upon the streets of the city.

That, however, is not important, because there is no complaint in that direction. I refer to it only in passing. But if it be true that the rules and regulations of the District of Columbia or the laws of the District of Columbia are being violated by Members of Congress they are amenable to the law precisely as is the private citizen and should be arrested and punished.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. BARKLEY. I agree to all the Senator has said with reference to the matter. I think this, however, ought to be said also:

I do not know to what extent any Member of Congress is violating the traffic laws by parking his automobile in front of a water plug or a stop sign or any other prohibited space on the streets, nor to what extent any Member of Congress deliberately goes through a red light when he ought to stop. I doubt very seriously whether violation of traffic regulations in the city of Washington by Members of Congress, either of the House or of the Senate, is, in proportion to membership, any greater than it is among other people. We all realize how delightful it is to find something against Members of Congress in order to make public some alleged scandal with respect to their conduct—for instance, regarding the drinking of water here in the Senate. It may be that Senators do not drink enough water; but every now and then some newspaper complains because we drink too much water. So it is easy to find fault about what goes on here; but it ought to be said that some years ago, when in front of all the public buildings in Washington there were signs prohibiting anybody from parking except on official business, there was no way to tell whether or not a Congressman's car was officially parked; and finally the District Commissioners provided a tag which each Congressman might put on his car to identify it so that he might stop in front of a public building, go in that public building, transact his public business, and come out without molestation. I think that is a good rule.

Mr. BORAH. Mr. President, I do not know anything about the facts to which the Senator has alluded. I only arose to discuss this question of supposed principle.

Mr. BARKLEY. I desire to bring this out because it certainly is worthy of consideration not only by us, but by the people of the District of Columbia, and by the newspapers which comment on this matter.

It was very difficult, as shown by the experience of Members of Congress, for them to get within three or four blocks of the State Department, or the Treasury Department, or other departments, in order that they might enter them and transact business. There may have been some leniency on the part of the District Commissioners and the police department where a car was identified as belonging to a Member of Congress in order that he might park in front of a public building, a privilege which could not be enjoyed by others, on the assumption that he was in that building transacting public business no less than the head of the department which happened to occupy the building itself.

It may be that some Members have taken advantage of this congressional tag to park in front of fireplugs, and

in other prohibited places. I myself do not know whether that is true or not, but certainly it ought not to be allowed to go without refutation that deliberately and indiscriminately Members of both Houses of Congress are violating all the traffic regulations in the District of Columbia. I do not believe that is true. There may be some who are taking advantage of the situation, and if so, I do not in any way approve of that, and to that extent I agree with the Senator.

Mr. BORAH. Mr. President, I do not know anything about the actual fact of the violation of the rules or laws. I only know what I have read in the newspapers.

Mr. BARKLEY. The Constitution does not, in my judgment, exempt a Member of Congress from arrest if he runs through a red light, or if he drives beyond the speed limit, or violates any of the traffic regulations. I think perhaps it limits its own provisions to the coming and going of Members of Congress from their own homes in the States. That it can be interpreted to include a Member on his way from the Capitol to his residence in Washington, I doubt very seriously.

Mr. BORAH. Even coming from his home in a State to Washington he is not exempt from arrest for violating the law.

Mr. BARKLEY. Oh, no; I agree with the Senator.

Mr. BORAH. There is no exemption, there is no privilege, there is no immunity, in regard to those things, and I think the sooner that is understood by the public the better it will be for all concerned, because the impression prevails that such immunity does exist, and that we take advantage of it to the disadvantage of the private citizens. I do not know of any instances in which Members of Congress have actually taken or assumed to take advantage, but it ought to be understood that they cannot do so if the officers desire to enforce the law.

Mr. DUFFY. Mr. President, will the Senator yield to me?

Mr. BORAH. I yield.

Mr. DUFFY. I did not have the benefit of all the Senator's discussion, but does the Senator contend that a violation of a city ordinance which is not a crime or a felony is to be considered a breach of the peace under the three terms that are used in the Constitution?

Mr. BORAH. I think the violation of any rule or regulation which would be considered as a crime or an offense if violated by a private citizen would be a crime or an offense if violated by a Member of Congress.

Mr. DUFFY. That is true, but the constitutional terms being "treason, felony, and breach of the peace", except in those three cases, I did not understand that violation of a statute passed by a municipality would come within the constitutional provision.

Mr. BORAH. I think so. I have no doubt about it.

Mr. NORRIS. Mr. President, will the Senator from Idaho yield to me?

Mr. BORAH. I yield.

Mr. NORRIS. I should like to have the Senator discuss also, in connection with his remarks, the violation of a traffic rule or any other breach of the peace by others than Members of Congress, high officials of the Government, for instance, or those in the Diplomatic Service, representatives of foreign governments, and so forth, as to whether they are entitled to any preference over Members of Congress or anyone else in this respect.

Mr. BORAH. I do not think they are. Upon the streets of the city or with reference to the laws and regulations of the city I think they are on a level with private citizens.

Mr. NORRIS. I entirely agree with the Senator, but one of the causes of complaint, as I get it from reading the newspapers, is that these regulations are more frequently violated by people who are not Members of Congress, especially by persons who hold minor positions under a foreign legation or embassy. I think they sometimes violate the traffic regulations on the theory that they are exempt from arrest.

Mr. BORAH. I have heard that complaint, but if they do violate the regulations they are subject to the law of the land, if they are not upon territory owned by the foreign governments, such as an embassy. Upon the streets they are no different from citizens of the United States.

Mr. BARKLEY. Mr. President, will the Senator yield to me to read into his remarks, or into my own, the law with respect to these tags of which I spoke a moment ago? It is very brief.

Mr. BORAH. I yield.

Mr. BARKLEY. This is an act approved December 19, 1932, Public Document No. 308, Seventy-second Congress:

[S. 4123]

An act to amend the District of Columbia Traffic Acts, as amended

Be it enacted, etc., That the proviso of paragraph (c), section 6, of the District of Columbia Traffic Acts, as amended by the act approved February 27, 1931, be, and the same is hereby, amended to read as follows: "*Provided*, That hereafter congressional tags shall be issued by the commissioners under consecutive numbers, one to each Senator and Representative in Congress, to the elective officers and disbursing clerks of the Senate and the House of Representatives, the Parliamentarian of the House of Representatives, the attending physician of the Capitol, and the assistant secretaries (one for the majority and one for the minority of the Senate), for their official use, which, when used by them individually while on official business, shall authorize them to park their automobiles in any available curb space in the District of Columbia, except within fire plug, fire house, loading station, and loading platform limitations, and such congressional tags shall not be assigned to or used by others."

Approved, December 19, 1932.

Mr. BORAH. Mr. President, I do not understand that the newspaper articles to which I have referred complain of that law. They complain of a violation of it.

Mr. BARKLEY. Probably so. It may be that chauffeurs are more guilty than owners of cars, taking advantage of these congressional tags to park their automobiles in prohibited places, for which, of course, there can be no justification.

Mr. BORAH. In view of the many, many accidents which are constantly happening on the streets of Washington, I think Members of Congress, above all people, should be exceedingly careful in observing the laws which prevail in the District of Columbia. I am not assuming that they have been violating the laws, but I do say that if they have been, there is no reason in the world why the violators should not be punished. There is every reason why they should be punished. That is what makes this a Government of law and not a Government of men.

Mr. KING subsequently said: Mr. President, I was unfortunately compelled to leave the Chamber by reason of a call from one of the departments before the Senator from Idaho [Mr. BORAH] had concluded his address relative to the traffic situation in Washington. I stated at that time that I had prepared a resolution which would call for some action concerning the matter discussed by him. There is only one law in the District relating to this subject, which might be the subject of criticism. That law provides that congressional tags shall be issued, in consecutive numbers, to each Senator and Representative for their official use while used by them individually on official business; and the tags authorize them to park their cars in any available space in the District of Columbia except, under the regulations, within a certain distance of fireplugs, fire hose, loading stations, and landing platforms.

So, Mr. President, there is no law, so far as I can find, that grants immunity to Representatives in Congress or Senators for violations of the traffic regulations of the District. The only privilege Representatives and Senators have, so far as I am advised, is that congressional tags are issued to them under consecutive numbers to be used by them only while engaged in official business. But if they violate the traffic ordinances, if they come within the restrictions respecting fireplugs, loading stations, if they violate any of the traffic regulations, they may be punished as any other citizen might be punished.

TAXATION OF BANK SECURITIES OWNED BY THE R. F. C.

The Senate resumed the consideration of the bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity.

WORKS PROGRESS ADMINISTRATION IN WEST VIRGINIA

Mr. HOLT. Mr. President, last week on the floor of the Senate I discussed for a short time the Works Progress Administration in West Virginia. A number of things have happened since that time. I am glad to say that Mr. Williams, of the W. P. A., has cooperated in trying to remedy a very rotten situation in our State, involving the carrying out of the relief program.

Senators will remember that in my remarks I spoke about the administrator in the State of West Virginia, Mr. McCullough, and referred to his name appearing on the pay rolls from 1913 to the present time. He has been on the pay roll all that time except the years between 1921 and 1926.

Mr. McCullough was a member of the board of control of the State of West Virginia from 1926 to 1932, when he was fired from the office by the Governor of the State for mismanagement of funds, and was fired for misadministration of duty at that particular time. He got into the race for the Democratic nomination for Governor. He came to Washington on the 3d day of March 1932, and, in a conference with John Corrin, Judge Ritz, Ed Robinson, and another Republican, they put up the money to put him in the Democratic primary so that a certain candidate would have an advantage in the election that particular year. Nevertheless, he polled but 25,000 of the 250,000 votes cast in that election.

Since 1933 this has been his record. He first was in the P. W. A. Then, after he got out of the P. W. A., they put him in the Better Housing of N. E. C., then after he got out of that, he was put in N. R. A., and after he got out of the N. R. A. he was put in the F. H. A. Today he is an official of the W. P. A., and the people of West Virginia want the letters "O-U-T" put after his name. In other words, he has had all the letters of the alphabet assigned to him, jumping from one thing to another.

I spoke about him being a loan shark of the State of West Virginia, and exhibited a picture showing that he has a bank in the city of Charleston, which shows him to be the president and chief director of the 42-percent loan-shark business. He has one in Huntington.

On the 19th day of February, after I made my speech on the floor of the Senate, Mr. McCullough had his name erased and taken off the window, as is shown in the picture I now exhibit to the Senate, and his name will not be found there any more. That happened last week, after the speech.

I referred to his particular political aggrandizement at that time, and I showed the first bulletin of the Works Progress Administration of the State of West Virginia, where his picture was put. Since that time I made a check of this particular bulletin, and I find that his name is mentioned 35 times and President Roosevelt's is mentioned once. I find that in the next bulletin, which was issued just a few days ago, Mr. McCullough's name is mentioned 20 times, for his great work, and President Roosevelt is mentioned 5 times.

I hold in my hand a copy of a bulletin they are putting out in the State of West Virginia. Senators will notice that it is hand-colored, and if we turn to page 17 we find that the man who did this job is paid $3,400 a year. What for? Coloring the bulletins sent out to the people of West Virginia. I do not believe the taxpayers need a $3,400 bulletin-coloring administrator within the State of West Virginia.

I bring that up for this reason: My mail contains hundreds of letters a day from people begging for the right to get a job, for the right to make enough to live, and for employment. They cannot get it. We receive reports back in reply to our request that they cannot put these people on because there are no funds within the State of West Virginia to do it. Yet there are funds to provide for a raise of salaries in the office of the State administrator. The increases in the salaries of 27 men in the office of the administrator of West Virginia would put 828 people to work, meaning that 4,000 people would have clothes and food. That represents simply the increases in the salaries between October of last year and February of this year in the office of the administrator of the State of West Virginia.

Let me quote from their own records. Here is a letter from the supervisor of labor of the third district:

> The unemployment situation is becoming serious and evidence of trouble among this group is noticeable.
>
> A decided change in the attitude of the general public is noticed. This is due to the fact that we are not permitted to make further assignments, and several hundred people eligible to work are now hungry and cold, with no prospect of work or relief. * * *
>
> The above situation must be remedied in some manner in the near future. The explanation to these eligible workers that we have filled our quota of workers does not fill their empty stomachs. A hungry mob would not be pleasant to deal with.

Let me quote from a letter from the State labor supervisor himself:

> Thousands of people have exerted every effort in order to avoid this sacrifice of pride and self-respect.

Talking about going on the relief rolls:

> Why should they be forced to take this ignominious step? They naturally bitterly resent the suggestion that they should appeal to the Relief Administration. Those now unemployed do not want charity; they want work.

They cannot get work in the State of West Virginia because the salaries of the W. P. A. set-up are taking away from the people who need work in West Virginia an amount of money which would give them an opportunity to work.

Let me show, Senators, an instance of that: To run the State administrator's office in the State of West Virginia requires, approximately, $225,000 a year—just to run the State administrator's office, not counting any of the subdistricts—and I find in the Huntington district there were 813 supervisors, subsupervisors, foremen, timekeepers, and straw bosses. Get that figure! Eight hundred and thirteen—not in the offices, but out in the field alone. And there are only 9,531 people on the quota in that district, and 813 of them are foremen, earning, say, an average of $75 a month! That means that that pay roll of supervision, not within the office but out in the field, would amount to about $760,000 a year. Then you add the $150,000 that it takes to run that office and you have over $900,000, or approximately $1,000,000 of the two and three-fourth million dollars, going to a few political henchmen instead of going to the people who need relief in that district. I think it is high time that the people should become aware of where the W. P. A. money is going in the State of West Virginia. I could put into the RECORD a number of letters showing the situation. Let me show, Senators, the State administrative pay-roll list of those who are receiving over $200 a month. I find 38 people receiving over $200 a month; and of that group it totals $8,993.64 per month. Those people had their salaries raised.

We find that the monthly pay roll in the Fairmont district totals $213,480 a year, if the present set-up continues, just within the office, not counting the 420-odd subsupervisors, foremen, timekeepers, and the like.

I made a list the other day of 36 people in the W. P. A. receiving over $3,100 a year in our State, and I find that the average of those men was $3,411 a year, and yet they say that the men at work in the State of West Virginia must get about $38.50 if they get anything at all. In other words, they are throwing these people out of work. They are throwing them out when there is no relief at all in order that these high salaries may continue to be paid.

Mr. McCullough himself receives $6,000 a year and expenses in order to build up this machine that he talks about. You know I call Mr. McCullough a show horse. He has been a show horse that has dodged every race, but he comes prancing down the homestretch when the blue ribbons are passed out. He always dodges every race so far as possible; but when it comes down to any patronage matter, you will find Mr. McCullough there waiting to get the blue ribbon at that particular time.

I say that the Works Progress Administration was set up to feed the people of West Virginia, not to put into office this group of henchmen who are political office seekers or to build up this machine through that particular group.

I have here a list showing the people employed and their salaries on the Works Progress Administration, and showing

where the money is going and why it is going to a few people. May I be pardoned to read something from a Charleston paper showing that situation. It says:

> At W. P. A. headquarters in Charleston at least 128 persons are more or less employed in the business of human relief and the maintenance of a political organization set up for partisan purposes. We say "at least" 128, for we do not think the list before us is complete. This list purports to be as of the last week in January.

I now desire to skip part of it. It says further:

> But there are several other facts which are clearly stated in our list, or can readily be ascertained. * * * The monthly pay roll of headquarters staff (not including the chief administrator and perhaps others not named in our list) appears to have been, prior to the last of January, about $14,533.64. But, although Washington advices say that W. P. A. funds are running low, a sharp increase in the Charleston pay roll has somewhat recently taken place.

Using their article, I continue:

Of the 21 increases we find there are 19 raises in salaries from $208.33 up to $250. But I can give that better by another record of the increases in salaries in the W. P. A. Here is a man who used to get $45 a week working, and today he gets $2,340.

We find another person who was working for the F. E. R. A. at $150 a month. How much do you suppose Mr. McCullough put him on the pay roll for? Three thousand dollars a year, or $100 more a month than he used to get in the F. E. R. A.

Here is another fellow who colored this beautiful picture that you saw here. He used to get around $40 a week as a newspaper writer. He used to earn $40, but now he is on the pay roll at $3,400 a year. I admit that he might be very good.

Then we find another person with a salary of $1,000 who was put on the pay roll at $3,200 a year.

Another, who used to get $255 a month, is drawing from the relief office $3,600 a year.

We find another who used to get $5 a day whenever he worked, and do you know what his salary is today? It is $3,400 a year and expenses.

I will give a few more. An employee of the county court earned $175. He quit that job and went on the W. P. A. at $250 a month.

We find an F. E. R. A. employee who earned $30 a week put on the W. P. A. pay roll at $2,400 a year.

We find a bus company employee, earning $1,800 a year, given a job at $3,000 a year in the W. P. A. set-up.

We find another F. E. R. A. man earning $35 a week who now is getting $2,400 a year.

Another one who used to work for the State road commission at $120 a month we find now on the W. P. A. getting $2,700 a year.

We find another one in the same office who previously got $2,100 a year, but now has been raised to $3,600 a year.

Then another who earned about $125 a month we find him put on the pay roll at $3,100 a year.

We find a former housewife who used to stay at home; she is put on the pay roll at $2,400 a year.

We find another person who used to get $45 a week put on the pay roll at $4,500 a year.

I say that such practices have to meet the condemnation of any man with any honest feeling of desire for relief of the people of the State of West Virginia. And with the cutting down of these people, throwing them off the pay roll, let us see what happened? We find that the October pay roll of the W. P. A. in the State office increased at an average of nearly $13 for every person employed, and in the administrator's personal set-up there were five salary increases and one reduction. While they were telling these people that there was no money to feed them, no place to get them any work, we find that the administrator himself increased the salaries in his office.

I could list this if any Senator would care to have me do so, but I do not want to take up further time of the Senate.

We find that the figures cited alone have brought up the total amount to $225,243.68. And not only is that true in the State office but let me show Senators what they have done in the district office. In the Fairmont district we find that in October the pay roll in administering the W. P. A. was $127,360. Do Senators know what it was during the month of January? Two hundred and thirteen thousand four hundred and eighty dollars, or an increase of 70 percent. They are increasing the pay roll in the Fairmont district at the rate of 70 percent a year, but telling the people in the Fairmont district, hundreds of them, that there is no money to give them work.

Let me show you something else concerning the continuation of that set-up.

I charged in my former speech that these men got their positions through a county boss, and that unless they received the O. K. of the county boss they could not get on the favored roll, no matter whether they needed relief or not. That statement has never been denied and cannot be denied. I bring forward here their own record. When I was in the good graces of the W. P. A. in the State of West Virginia they submitted to me a list of people employed, and who had recommended them; and it can be seen from the list that right down the line the same group, the same outfit recommended them. In a pay roll of 155 people, how many distress cases do you suppose, Mr. President, there were? Out of 155 there were but 4 distress cases in the whole list.

One of these henchmen has been put on in charge of my home district. When he went to his office a group of men were outside wanting work and asking for work. His first act was to call the janitor and say to him, "Put some paper over this window; I do not want to have all these damned bums looking at me." If it had not been for the so-called "damned bums" he would not be drawing $3,600 a year. The W. P. A. was set up for those so-called, as he referred to them, "bums" rather than for the group which was sitting there drawing salaries.

He says in his letter of July 10 to me—and I did not know it was in my files; it was received at the time when I was sick and it was answered by my secretary—that he had applied to the State administration, but he could not get a job. Now listen:

> I got back into my business and also got into the sale of some road material (Kentucky sandstone rock asphalt) which I am promoting as a seal coat for bituminous roads, and then I told the State administration that I was not an applicant for a position—

Let me quote further—

> We decided that with their help and yours and—

Another man, whose name I will not mention—

> that by letting me make a decent living in business that I could do the party considerably more good than by taking a job.

Get that? Here is a director in my home district, selling tar, selling brick, selling cement-tile, and bidding on contracts, and he says if they would let him make a decent living in business he would not take a job and could do the party a good bit more good. Nevertheless, he did take a job at $3,600 a year under the administrator, Mr. McCullough, and his business still goes on. It is peculiar that the connection was not made at that particular time.

With such things continuing, the morale of the relief is going to be destroyed. I stated in my previous speech that I was for President Roosevelt before the Chicago convention; I have been his supporter ever since that time and as a Member of the United States Senate; but such men as McCullough, with his loan-shark activities, and other men who are on the pay roll at increased salaries, and the men who are selling goods to the W. P. A. will destroy President Roosevelt in the State of West Virginia, because we must answer for the administration of the W. P. A. in the State. It is our duty to clean out our own house if conditions are destructive to the common good.

These perpetual officeholders who are drawing down these salaries out of the $15,000,000 that we asked for are saying that we want to keep quiet; let us go ahead. But why should we continue to allow people to beg for the right to work, and beg for the right to eat, and yet allow some of these men to be on the pay rolls drawing three and four thousand dollars a year when they do not earn $5 a day?

It is for the good of my party that we should strike down those political parasites, those political leeches, those political bloodsuckers, whose only interest in the Democratic Party is that it shall be continued in power so that they may continue to hold their jobs within that party.

I will in a few days submit for the RECORD a number of things to show the continuation of these practices that are very destructive to the national administration and destructive to all its objectives. We cannot expect more when at the head of the W. P. A. administration is a 42-percent loan shark, a man who himself was driven out of office by the Republican Party because of the mismanagement of funds in connection with the Huntington State Hospital in 1932. One cannot apologize for those things, and one cannot overlook them; it is our duty to correct them; and I am very hopeful they will be corrected at once by the dismissal of those who should be dismissed and by a reorganization of the entire department.

TAXATION OF BANK SECURITIES OWNED BY THE R. F. C.

The Senate resumed the consideration of the bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity.

Mr. COUZENS. Mr. President, I desire to offer an amendment. On page 2, line 10, I move to strike out the words "whether now, heretofore, or", and on the same page, line 11, to strike out the words "and whether for a past, present, or future taxing period."

The adoption of the amendment will eliminate the present retroactive features of the bill.

The amendment, if adopted, will result in the section reading as follows:

> Notwithstanding any other provision of law or any privilege or consent to tax expressly or impliedly granted thereby, the shares of preferred stock of national banking associations, and the shares of preferred stock, capital notes, and debentures of State banks and trust companies, heretofore or hereafter acquired by Reconstruction Finance Corporation, and the dividends or interest derived therefrom by the Reconstruction Finance Corporation, shall not, so long as Reconstruction Finance Corporation shall continue to own the same, be subject to any taxation by the United States, by any Territory, dependency, or possession thereof, or the District of Columbia, or by any State, county, municipality, or local taxing authority hereafter imposed, levied, or assessed.

The amendment is for the purpose of taking into consideration the fact that counties, municipalities, and States have in many cases fixed their budgets and assessed these stocks and allowed for them in the collection of revenue in arranging their budgets. In any event, I see no good purpose to be served by making this bill retroactive.

The PRESIDENT pro tempore. The Senator from Michigan offers an amendment, which will be stated.

The LEGISLATIVE CLERK. On page 2, line 10, after the word "authority", it is proposed to strike out "whether now, heretofore, or", and on the same page, line 11, after the word "assessed", to strike out "and whether for a past, present, or future taxing period."

Mr. COUZENS. Mr. President, I notice that another amendment should be suggested. On page 2, line 2, I also move to strike out the words "heretofore or", so that it will read "shares of preferred stock, capital notes * * * hereafter acquired by Reconstruction Finance Corporation."

That is to accomplish the same purpose, so that the proposed legislation will not be retroactive.

The PRESIDENT pro tempore. Does the Senator desire the last amendment suggested by him to be considered in lieu of the other amendment?

Mr. COUZENS. No; I wish them both considered. I overlooked the words "heretofore or" in line 2 in proposing my amendment.

The PRESIDENT pro tempore. The Senator desires them to be considered as one amendment?

Mr. COUZENS. Yes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Michigan.

Mr. ADAMS. Mr. President, with reference to the amendment offered by the Senator from Michigan [Mr. COUZENS] to the pending bill, it seems to me to be a mistake to adopt the amendment if the Senate favors the policy underlying the bill. There are, I believe, 18 different States the attorney generals of which have held that the stock was not taxable and consequently taxes have not been levied. The result of the amendment would be the levying of retroactive taxes probably for 3 years, so we would be putting a cumulative tax upon the Reconstruction Finance Corporation, a new tax for 3 years past, and thus we would abandon the theory of the bill.

The theory of the bill is to carry out the intent of Congress when the original banking act was enacted, that the stock held by the Reconstruction Finance Corporation should not be taxed. In no place, so far as I know, has there been a payment of the tax, and this merely means a drive to collect back taxes under a statute we enacted which provided the stocks were not to be taxed.

Mr. BARKLEY. Mr. President, a further objection to the amendment of the Senator from Michigan is that practically all this kind of preferred stock has been issued. There may be a bank or two which will still come in and have some preferred stock taken by the Reconstruction Finance Corporation, but to strike out what the Senator from Michigan calls the retroactive provisions of the bill would mean to make taxable the stocks now outstanding and held by the Reconstruction Finance Corporation. There will not be any more large amounts of it issued to be taxable.

Mr. COUZENS. Then I do not understand language. I am not an expert in drafting such provisions, but it seems to me if there is no objection——

Mr. BARKLEY. Pardon me for interrupting the Senator; but in the second line, on page 2, the Senator proposes to strike out the words "or heretofore", so the provision would be limited to stock hereafter acquired. There is not going to be any more stock hereafter acquired in all probability.

Mr. COUZENS. I am not sure of that; but I am willing to delete that part of the amendment and retain the other parts which refer to the question of taxation.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Arkansas?

Mr. BARKLEY. Certainly.

Mr. ROBINSON. Would the amendment of the Senator from Michigan, if adopted, leave the preferred stock of the banks held by the Reconstruction Finance Corporation subject to tax in the future or would it merely provide for the collection of taxes until the time of the passage of the pending bill?

Mr. BARKLEY. The amendment to which I directed my attention, and which the Senator from Michigan now says he would be willing to withdraw, would make nontaxable all this stock issued in the future, but would make taxable all that which has been issued heretofore, which includes all that will be issued in all probability.

Mr. ROBINSON. It would have the effect of giving preference to stock that has already been issued?

Mr. BARKLEY. Yes, it would. If there should be any more of it issued, the amendment would set up a distinction between that which has heretofore been issued and that which is to be hereafter issued.

Mr. ROBINSON. I have not been able to be present during all the debate on the bill. May I inquire whether the theory of the proposed legislation is that the law now contemplates an exemption from taxation?

Mr. BARKLEY. It was thought that the Reconstruction Finance Corporation Act, which attempted to exempt from taxation this stock and the securities held by it, was broad enough to cover all sorts of securities it might hold including preferred stock in these banks. The Government made that contention in the lawsuit originating in Maryland and decided by the Supreme Court. The Court held the lan-

guage of the act was not broad enough to include this particular kind of security and therefore that it was taxable. This bill is for the purpose of putting such securities on the same basis with any other securities held by the Reconstruction Finance Corporation and all other governmental agencies like the land banks, the Housing Corporation, and others.

Mr. ROBINSON. The other States have not collected or sought to collect the tax?

Mr. BARKLEY. They have not. None of it really has been collected. This case came up from Maryland, and, of course, if the bill is not passed, not only all the States which now tax the stock of these banks, but all that do not tax it, can come in and collect on if if they desire to do so. However, I understand the Senator from Michigan has withdrawn that part of his amendment.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. BARKLEY. Certainly.

Mr. COUZENS. So far as the issuance of new stock is concerned I am willing to withdraw the amendment. What I am attempting to do is not to upset the decision of the Supreme Court with respect to this stock being taxable retroactively and so as not to cause a State, which has gone to the cost and trouble of conducting a test case through the courts, to lose out in the end, I am trying to make it retroactive. I am not trying to make the stock taxable in the future, but I am trying not to disturb the retroactive feature.

Mr. BARKLEY. Of course the Senator's amendment would make the stock taxable.

Mr. COUZENS. Yes; hereafter.

Mr. BARKLEY. Regardless of the date of its issue?

Mr. COUZENS. Yes.

Mr. BARKLEY. It would make stock heretofore issued taxable hereafter.

Mr. COUZENS. No; it is nontaxable hereafter, but if the amendment is adopted it will prohibit any State from taxing it hereafter, but where they have already taxed it, it will not be affected.

Mr. BARKLEY. Of course it seems to me that still vitiates the Senator's amendment. I do not think we can draw any distinction between taxes heretofore levied and not collected, and taxes levied in the future and attempted to be collected. I do not know how many States have already made any effort to collect these taxes. I doubt seriously whether any other State than Maryland, or indeed even Maryland, has prepared its budget on the theory of taxing these securities. Certainly no State has manifested any interest in it or attempted to levy any such tax.

Mr. COUZENS. Where does the Senator get his information that no State has undertaken to levy such a tax upon such stock?

Mr. BARKLEY. I have no information that they have. I have not investigated all the States.

Mr. COUZENS. I have seen statements in the press to the effect that the States are assessing these stocks and placing them on the tax roll under the decision of the Supreme Court.

Mr. BARKLEY. Probably all of them will do it in looking for revenue under the decision of the Supreme Court, but they have not made their calculations on it up to this time.

Regardless of that fact, I am opposed to the amendment and hope it will not be adopted, because I think the bill itself is a just bill. It puts these securities on the same basis as all other securities held by governmental agencies in this country.

The Senator from Colorado [Mr. ADAMS] covered the case very briefly and at the same time very fully when he said this is not a money-making scheme on the part of the United States Government. The original act was a relief measure, not relief to people who were hungry, who were on the relief rolls under the Relief Administration, but it certainly was coming to the rescue of the banks which were in need of relief. In order that the relief might be guaranteed to them, in order that they might function in their communities, in order that they might pay back their depositors, in order that banks might be reorganized under circumstances without which they could not have been reorganized, the Reconstruction Finance Corporation made itself available, because it was possessed of credit and was able to borrow money from the Treasury, and the Treasury was able to borrow money from the people. This was done by the R. F. C. in order to perform a duty that could not be performed by any other public or private agency of the United States. I think we all agree to that.

The question is whether we are going to require the Reconstruction Finance Corporation, out of whatever earnings it makes or out of whatever it may be able to borrow from the Treasury, to pay in taxes to the States more than it gets as income from the preferred stock. That is what may happen.

Mr. COUZENS. Mr. President, will the Senator yield at that point?

Mr. BARKLEY. Certainly.

Mr. COUZENS. That might be true in individual cases, but in the aggregate the R. F. C. will make millions of dollars by all its investment in preferred stock.

Mr. BARKLEY. I do not know about that.

Mr. COUZENS. Mr. Jones so informed me this morning, and figured it out in his own handwriting on his letter, showing how the R. F. C. would make millions of dollars.

Mr. BARKLEY. It might make a profit in some States, but in other States the tax would amount to more than the profit.

Mr. COUZENS. That is true.

Mr. BARKLEY. It is impossible to tell whether the Reconstruction Finance Corporation, when it is finally liquidated, is going to be in the red or in the black. It will depend on how much of the money which has been expended will be collected and recovered. We cannot pick out a particular item and say that the R. F. C. will make money on that, for it may be losing money on something else. That point is involved in a lawsuit in Chicago to determine whether or not the R. F. C. can recover back all the money it loaned to one of the great banks there. That suit is in process of being tried before a Federal judge. The R. F. C. may lose $12,000,000 or $15,000,000 in that case. That goes into the entire balance sheet of the Reconstruction Finance Corporation as to its losses, its gains, its income, and its outgo. It is not fair to pick out this particular kind of security and say the R. F. C. will make money on it and therefore it ought to be required to pay taxes.

The bill really involves an act of justice. It puts all securities on the same basis. It puts all the banks on the same basis, except in States where they are not taxed at all, and that is a matter for local State action, and not for the Federal Government. Therefore, I hope the amendment will be rejected.

Mr. ASHURST. Mr. President, I have been accustomed to rely upon the sagacity and judgment of the junior Senator from Colorado [Mr. ADAMS], because, after years of comradeship, I have learned to respect him as a man of superb intellect, and I presume that I should be expected to follow him in matters relating to banks, because that happens to be a subject upon which I am not an expert. I am unable to follow him on this bill.

This bill, in effect, really is a bill to penalize honest, successful banking. Bear in mind that when the Reconstruction Finance Corporation made its investments in stocks, in many, if not most, instances, it thereby galvanized and transmuted liabilities into assets. Those who were the beneficiaries are now here asking exemption from taxation. It may be that I am obsessed as to taxation; and in our parliamentary work we do grow more or less obsessed and cling to ideas or ideals. I am so much opposed to any property escaping taxation that this may account for my attitude toward this bill.

It will be remembered that I have put forth efforts to secure a constitutional amendment permitting the Federal Government to tax incomes from State securities and permitting the State governments to tax incomes from Federal securities. I do not now believe in exemptions from taxation. Taxes will be almost ruinously high during the lifetime of every person now in existence; and there is no

amelioration of the taxpayer to be found by granting to some property exemptions from taxation.

In my judgment, if this bill shall be passed, its ultimate result will be that those prudent banks which were well managed, and which did not ask the Government for patronage and help, will be required to make up the deficiency in taxation.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. ASHURST. Certainly.

Mr. BARKLEY. This is not a bill which provides for the taxation of the bank.

Mr. ASHURST. I know it.

Mr. BARKLEY. If there is any bank in any community fortunate enough to have its preferred stock taken by private persons in that neighborhood, of course it is taxable under the State law, if the State taxes it. The bill merely relieves from taxation this stock which was bought by the Reconstruction Finance Corporation under such circumstances that without it, in most cases the bank could not have existed.

Mr. ASHURST. The Senator has stated that matter fairly. The hand of the Government gave certain banks timely aid. The banks now say, "Having given us life, give us freedom from taxation as well as life."

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. ASHURST. Certainly.

Mr. BARKLEY. Personally, I do not see any particular virtue in Federal taxation as against State taxation; and if it turns out, as the Reconstruction Finance Corporation contends, that the levying of this tax on its preferred stock held in these banks results in a loss to the Reconstruction Finance Corporation, so that it has to be made up out of the Treasury, and in turn has to be raised by taxes on the whole people, where is the virtue in taxing all the people of the United States to make up a loss of that sort, and depriving some State of a little amount that may be exacted under the present situation if the State is to be allowed to levy the tax?

Taxation is taxation, whether it is by the Federal Government or not; and I do not see why the whole people of the United States ought to be taxed in order to make up a loss suffered by a Government agency that was put into operation in order to enable the people of that community to enjoy these banking facilities.

Mr. ASHURST. When the Government puts its hand to an enterprise, it should not be permitted special privileges. If the Government desires to go into business, it must go into business upon the same ground that others occupy.

Mr. BARKLEY. I do not like to take up the Senator's time; but will he yield there?

Mr. ASHURST. Certainly.

Mr. BARKLEY. The Senator knows—we all know—that when we guaranteed the deposits in banks and created the Federal Deposit Insurance Corporation, many of the banks all over the country could not qualify for that insurance and therefore were suffering some disadvantage as compared to others that could, because people who had money would put it in a guaranteed bank and not in one that was not guaranteed; and the refusal of the Federal Deposit Insurance Corporation to guarantee the deposits of a bank raised a suspicion in the minds of the public as to whether they ought to entrust their money to it.

The Federal Deposit Insurance Corporation and the banks that were seeking to reorganize and continue went to the Reconstruction Finance Corporation in droves, and from my State I went with them, in order to induce and persuade, if possible, the Reconstruction Finance Corporation to invest money in those preferred stocks in order that the banks might serve the communities in which they existed. I doubt very seriously whether any of us ever had any influence in getting the Reconstruction Finance Corporation to do it, because they based their action upon an examination as to the solvency of the banks; and I do not know of a single instance where they went beyond the bounds of soundness in banking in buying this stock. But certainly it was not a voluntary adventure on the part of the Reconstruction Finance Corporation to go into the banking business.

Mr. ASHURST. The Senator is a member of the Committee on Banking and Currency. He has been such a close student that he has won for himself a place on that great committee, and I should be inclined to give weight to the arguments made by the esteemed Senator from Kentucky.

It appears to me, however, that when the Government, through the Reconstruction Finance Corporation, made the investment in the preferred stock it in a sense changed the liabilities into assets for the stockholders; undoubtedly, in the absence of this investment in preferred stock, the stockholders would have had to pay an assessment to restore the impairment of the capital. It would appear that the Government has done enough for the stockholders of the banks thus receiving Government aid through subscriptions for preferred stock or debentures without relieving them of paying a just proportion of the costs of the local government.

That is all I have to say.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. ASHURST. I yield to the Senator from Michigan.

Mr. COUZENS. I desire to take up with the Senator the very question that has been raised by the Senator from Kentucky. He has contended right along that the whole operation of the Reconstruction Finance Corporation may or may not be successful; that we cannot pick out a particular activity or a particular security and say whether that or it will be profitable or otherwise; yet all the statements issued by the distinguished chairman of the Reconstruction Finance Corporation say that he is going to get all his money back and make a substantial profit. There is not a reason in the world why any governmental agency that puts its money into private industry should not have it taxed.

Mr. ROBINSON rose.

Mr. ASHURST. Mr. President, I agree with the Senator from Michigan, and before I yield to my able friend from Arkansas, let me say that my opposition to this bill must not be construed as meaning that I have criticism of the Reconstruction Finance Corporation. The Reconstruction Finance Corporation had done excellent work.

Mr. ROBINSON and Mr. BARKLEY addressed the Chair.

Mr. ASHURST. I yield to the Senator from Arkansas.

Mr. ROBINSON. Mr. President, I do not understand the Senator from Kentucky to have implied that the Reconstruction Finance Corporation may prove to be unsuccessful.

Mr. BARKLEY. Oh, no, oh, no; I did not say that.

Mr. ROBINSON. I am referring now to the statement just made by the Senator from Michigan [Mr. COUZENS]. What I understood the Senator from Kentucky to say was that it would be impractical, if not impossible, now to say whether, on its transactions as a whole, the Reconstruction Finance Corporation will make a profit or will finally suffer some loss.

Whichever happens, the Reconstruction Finance Corporation probably will be regarded as having been successful, for the reason that when it was set up it was intended as a stabilizing and helpful factor to prevent the insolvency of banks that were threatened with it, and to avert the crash of industries that were in danger of going down.

It occurs to me—and I wish to suggest this for the consideration of the Senator from Arizona—that the primary question to be resolved in relation to this proposed amendment is, what was the original intention of Congress when, in order to save banks threatened with ruin, it authorized the Reconstruction Finance Corporation to purchase preferred stocks?

Of course, the Supreme Court has held, in the case referred to by the Senator from Michigan, that the language used in the act did not actually and legally relieve such preferred stocks from liability to tax by the States. That decision, of course, is conclusive and binding; but, still, the question arises as to what was actually the intention of the Congress. Did the Congress, at the time it authorized the Reconstruction Finance Corporation to purchase preferred stocks in banks for the purposes with which we are all more or less familiar, actually intend that such stocks should be subject to taxa-

tion by the States? If it did, the question as to whether this proposed legislation should be passed is different from that which arises in my mind if it is made clear that the original intention was to exempt such stocks from taxation.

Mr. ASHURST. Mr. President, the mere recital of what I shall now state will address itself with force to the very able Senator from Arkansas, whose merits as a lawyer I respect and at whose feet as a lawyer I sit.

He will observe that there was no intention of Congress to grant this exemption, because the law, which my able friend, the junior Senator from Florida [Mr. TRAMMELL], who sits on my left, had the kindness a moment ago to bring to my attention, specified the purposes and benefits. The law itself omitted to enumerate this exemption, and I again say that when, in making any law, we enumerate some, we exclude those not enumerated.

Mr. ROBINSON. I also know that the courts hold that in order to be effective, the intention of a law-making body must be expressed or implied in its language.

Mr. ASHURST. I admit that.

Mr. ROBINSON. The intention is drawn from the language. That is a legal proposition with which all good lawyers, like the Senator from Arizona, must be familiar. Nevertheless, it has been asserted, and the theory of this legislation is, as I understand it, that when Congress passed the law it intended that the stock should be exempt from taxes, and most of the States have placed that construction on it.

Mr. ASHURST. That is true.

Mr. ROBINSON. No doubt in one State, where an able and astute lawyer handled the matter, suit was brought questioning the validity of that interpretation, questioning whether the language actually used had the legal effect of exempting the stock.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. WAGNER. I ask the Senator to yield so that I may read from the present statute, which I think Congress then felt would include the preferred stock. This is the law referring to the R. F. C.:

> The corporation, including its franchise, its capital, reserves, and surplus, and its income shall be exempt from all taxation.

I think in a narrow construction the Court has said that that does not include interest on preferred shares, but I am sure we intended at the time to include them.

Mr. ROBINSON. I had some indistinct recollection of the language which the Senator from New York has just read, and I thank him for reading it, because, to my mind, it at least makes probable the contention that Congress did not intend to subject the property of the Reconstruction Finance Corporation, whatever that property may be, to taxation by the States. I have not had the opportunity of reading the decision of the Supreme Court on that subject.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. BARKLEY. After quoting the language which the Senator from New York has read the Court went on to discuss it, and referring to the contention made by the Government that it did exclude taxation on the certificates of stock, the Court said:

> The contention is plausible, yet it will not prevail against analysis.

Then the Court went on to explain why these preferred shares could not be interpreted to mean either franchise, capital, reserves, or surplus, the things referred to in the language quoted by the Senator from New York.

Mr. ROBINSON. I take it that the Supreme Court held that preferred stock did not come within the terms of the language which has just been read by the Senator from New York and to which reference has been made by the Senator from Kentucky. The material point in this connection, however, is that the Government itself, its agencies, its law authorities, believed that the preferred stock had been made exempt from taxes.

Mr. BARKLEY. And fought the lawsuit on that basis.

Mr. ROBINSON. And conducted the litigation on that basis, the Supreme Court saying that while the contention was plausible, it was not, in its opinion, sustained by the record.

Mr. ADAMS. Mr. President, may I interrupt the Senator?

Mr. ROBINSON. Certainly.

Mr. ADAMS. I gather just a slightly variant view of the Supreme Court's ruling. The ruling as I get it is that they do not say that those broad terms, "capital", "surplus", "reserves", and "income", do not include generally the preferred stock, but they say there was a specific statute providing that all stocks of national banks should be taxable, and they thought the specific declaration that they should be taxable should be read into this general statement, so that the general statement, even though it included it normally, would not include it as against that statute.

May I give one illustration in which I think the Senator from Arizona might be interested? We are dealing here with the one question as to whether the property of the United States Government shall be subject to taxation by cities, counties, school districts, and States. Take an automobile in the Ford factory in the State of Michigan; while it is there it is subject to taxation by the State of Michigan. If the United States Government, for its Army, or for some other purpose, buys that automobile, it is no longer subject to taxation.

If the Senator from Michigan had had a million dollars in gold, it would have been, in his possession, subject to taxation. When the Government, by virtue of the exercise of its power, impounded all of the gold in the country that gold ceased to be taxable.

In the city of Denver, within my State, is $2,000,000,000 of gold. If the argument of the Senator from Arizona is sound, the city of Denver is entitled to tax that $2,000,000,000 of gold within the city of Denver.

Mr. ROBINSON. Mr. President, to my mind the answer to the whole argument is comprehended in the question I originally propounded, what was the actual intention of the Congress, taking into consideration the record that has been made and referred to here by the various Senators, and the further fact, which, in my judgment, is of itself controlling, namely, that the Reconstruction Finance Corporation was not created by the United States for the purpose of making profit. It was created as an agency to save private industry and private organizations, so that it cannot be regarded as a profit-making organization, although I hope it will, at least in the long run, earn enough to offset such losses as may be made on the loans which have been negotiated.

If the Government did not intend when it created this corporation that its preferred stock should be taxed, if it placed that construction on it—and most of the States did the same thing—in my judgment the enactment of the proposed legislation is not only warranted, it is essential.

Mr. BARKLEY. Mr. President, will the Senator yield right there?

Mr. ROBINSON. Certainly.

Mr. BARKLEY. The Court's decision was based upon an old statute regulating national banks, a statute passed before the Reconstruction Finance Corporation was created, which, of course, gave consent of the Federal Government to the taxation of shares of national banks in the State. The Senator knows how impossible it is for us, in the passage of a new act, to specifically repeal or withdraw every exemption or every provision of an old act which may have been enacted before. There is no doubt but that when Congress passed the general legislation referred to by the Senator from New York it intended that all of these securities, whatever was held by the Reconstruction Finance Corporation, outside of real estate, should be exempt from local taxation. The mere fact that the Court held that it was not broad enough or specific enough to do that it seems to me should not militate against the enactment of the pending bill correcting that, and making it specific in the law.

Mr. WAGNER. Mr. President, will the Senator from Arkansas yield to me?

Mr. ROBINSON. I yield.

Mr. WAGNER. I just wanted to add to what the Senator from Kentucky has said, that as a matter of history,

in all legislation where Congress has intended that an instrumentality of government should be taxed, they have said so very distinctly and definitely, and even in the Reconstruction Finance Corporation Act we made an exception of real estate. We did not make any exception of preferred stock. We said, "You may tax real estate." The mere fact that we did not declare, "You may also tax preferred stock", to me shows the real intent of Congress that it should be exempt from taxation.

Mr. ROBINSON. I think that conclusion is supported by the whole record, and it is doubtful whether anyone can successfully maintain that the Congress intended that this preferred stock, which its agency was buying for the purpose of saving the banks, could be taxed. I do not believe that that can be successfully maintained. I am entirely content to rest the matter on that statement, as far as I am concerned.

Mr. SCHWELLENBACH. Mr. President, I should like to submit a question, purely for information, to the Senator from Colorado, with reference to States in a position like that of my State, and a number of others.

The original act, under which national bank stock was made taxable, was passed for the purpose of putting national bank stocks upon the same basis as State bank stocks. That is correct, is it not?

Mr. ADAMS. I think perhaps the reverse of that may be true, that the complaint was made that national banks were exempt from taxation, and then the Federal Government said, "You may tax national bank stocks if you also tax State bank stocks." Prior to that time the tax on the State banks was on the bank itself, rather than on the stock, and it put banking corporations in a separate class, where the tax is upon the stock and the stock owner.

Mr. SCHWELLENBACH. As a part of that act it was provided that the national bank stock would not be taxable if within the taxing district there were those in a competing business who were not subject to a similar tax.

Mr. ADAMS. That is correct.

Mr. SCHWELLENBACH. Under that statute, the national banks in our State went into both the State and Federal courts, and because of the fact that we had savings and loan associations, for example, which were not subject to taxation, the national banks succeeded in avoiding taxation upon their stock. Then the State banks went into court and said that because the national banks did not need to pay, it was unequal taxation to compel them to pay. The result is that we have no taxation of bank stock in the State. The question I wish to submit is this: Will the enactment of the pending bill, so far as my State and States under similar rules are concerned, have the slightest effect on the taxation of bank stock?

Mr. ADAMS. None at all.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Michigan [Mr. COUZENS].

Mr. McNARY. Mr. President, what is the amendment?

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 10, after the word "authority", it is proposed to strike out the words "whether now, heretofore, or", and on the same page, line 11, after the word "assessed", to strike out "and whether for a past, present, or future taxing period."

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Michigan [Mr. COUZENS].

The amendment was rejected.

Mr. VANDENBERG. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, after line 12, it is proposed to insert the following new section:

SEC. 2. Effective upon the date of enactment of this act, interest charges on all loans by the Reconstruction Finance Corporation to closed banks and trust companies, now in force, or made subsequent to the date of enactment of this act, shall not exceed 3½ percent per annum: *Provided, however,* That no provision of this act shall be construed to authorize a reduction in the rate of interest on such loans by the Reconstruction Finance Corporation retroactive from the date of enactment of this act.

Mr. VANDENBERG. Mr. President, the subject matter of this amendment manifestly is not related to the subject matter of the bill itself; but, as we are legislating in respect to the Reconstruction Finance Corporation, I feel that it is entirely appropriate that this particular phase of the R. F. C. activities should be touched upon. The situation is a very simple one, and I shall state it in a very few words to the Senate.

At the present time the R. F. C. is charging 4 percent for its loans to closed banks and closed trust companies, meaning to the receivers of those institutions.

Mr. President, if there is one place more than any other where the R. F. C. certainly should not seek a profit in any degree, it is in this particular classification of loans, because the only possible beneficiaries from any savings in interest rates upon this particular classification of loans are the depositors in closed banks. The bank itself has little or no interest in the situation. It is the depositors having impounded deposits who are interested in the lowest possible administrative costs of the loans the R. F. C. makes to these particular instrumentalities.

I call the Senate's attention to the fact that the R. F. C. borrows its money for 2¾ percent. It loans the money to the receivership for 4 percent. There is a spread of 1¼ percent. I call the Senate's attention also to the fact that all expenses and servicing fees in respect to the management and administration and supervision of this particular class of loans are charged against the receivership by way of direct charge. Therefore, there is no administrative expense in respect to this particular type of loans. Under such circumstances, a spread of 1¼ percent, it seems to me, is not defensible.

Furthermore, if money is available through the Reconstruction Finance Corporation to going banks at the rate of 3½ percent, which is the case in respect to preferred stock, it seems to me there can be utterly no justification for any heavier load upon the receiverships which are seeking to liquidate the impounded accounts for the benefit of depositors whose money has been tied up.

I may add, I think with justification, that I discussed this matter a few moments ago, with the distinguished Chairman of the Reconstruction Finance Corporation, and he said to me that he had no objection to the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. VANDENBERG].

The amendment was agreed to.

By unanimous consent, "Sec. 2" was renumbered to "Sec. 3."

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDENT pro tempore. The question is, Shall the bill pass.

Mr. McNARY. I think there is a general desire for a yea-and-nay vote on this important legislation. This is to be the final vote. I ask for the yeas and nays.

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Byrd	Gerry	Long
Ashurst	Byrnes	Glass	McAdoo
Austin	Capper	Gore	McKellar
Bachman	Caraway	Guffey	McNary
Bailey	Chavez	Hale	Metcalf
Barbour	Clark	Harrison	Minton
Barkley	Connally	Hastings	Murphy
Benson	Couzens	Hatch	Murray
Bilbo	Davis	Holt	Neely
Brown	Donahey	Keyes	Norris
Bulkley	Duffy	King	Overton
Bulow	Frazier	Logan	Pittman
Burke	George	Lonergan	Radcliffe

Robinson	Smith	Townsend	Van Nuys
Russell	Steiwer	Trammell	Wagner
Schwellenbach	Thomas, Okla.	Truman	Wheeler
Sheppard	Thomas, Utah	Vandenberg	White

The VICE PRESIDENT. Sixty-eight Senators have answered to their names. A quorum is present.

The question is, Shall the bill pass?

Mr. McNARY. I ask for the yeas and nays.

The yeas and nays were ordered and the legislative clerk proceeded to call the roll.

Mr. BILBO (when his name was called). I have a general pair with the Senator from Iowa [Mr. DICKINSON], who is absent. I, therefore, withhold my vote.

Mr. BULKLEY (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is necessarily absent. Not being advised how he would vote, I transfer my pair with him to the senior Senator from Florida [Mr. FLETCHER] and vote "yea."

The roll call was concluded.

Mr. GLASS. I have a general pair with the senior Senator from Minnesota [Mr. SHIPSTEAD]. In his absence, I withhold my vote, as I do not know how he would vote.

Mr. FRAZIER. My colleague the junior Senator from North Dakota [Mr. NYE] is necessarily absent. He is paired on this question with the Senator from Illinois [Mr. LEWIS]. If present my colleague would vote "nay", and I am advised the Senator from Illinois [Mr. LEWIS] would vote "yea."

Mr. AUSTIN. I wish to announce that my colleague the junior Senator from Vermont [Mr. GIBSON] has a general pair with the junior Senator from Kansas [Mr. McGILL].

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Florida [Mr. FLETCHER], and the Senator from Washington [Mr. BONE] are absent because of illness.

I further announce that the junior Senator from Massachusetts [Mr. COOLIDGE], the senior Senator from Massachusetts [Mr. WALSH], the Senator from New York [Mr. COPELAND], the junior Senator from Illinois [Mr. DIETERICH], the senior Senator from Illinois [Mr. LEWIS], the Senator from Arizona [Mr. HAYDEN], the Senator from Connecticut [Mr. MALONEY], the Senator from Nevada [Mr. McCARRAN], the Senator from Kansas [Mr. McGILL], the Senator from New Jersey [Mr. MOORE], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Idaho [Mr. POPE], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Alabama [Mr. BLACK], and the Senator from Maryland [Mr. TYDINGS] are unavoidably detained from the Senate.

I also announce that the Senator from Colorado [Mr. COSTIGAN] is detained in an important committee meeting.

The result was announced—yeas 38, nays 28, as follows:

YEAS—38

Adams	Clark	McKellar	Schwellenbach
Bachman	Duffy	Minton	Sheppard
Bailey	George	Murphy	Smith
Barkley	Gore	Murray	Thomas, Okla.
Brown	Guffey	Neely	Thomas, Utah
Bulkley	Harrison	Norris	Van Nuys
Burke	Hatch	Pittman	Wagner
Byrnes	Logan	Radcliffe	Wheeler
Caraway	Lonergan	Robinson	
Chavez	McAdoo	Russell	

NAYS—28

Ashurst	Connally	Hastings	Overton
Austin	Couzens	Holt	Steiwer
Barbour	Davis	Keyes	Townsend
Benson	Donahey	King	Trammell
Bulow	Frazier	Long	Truman
Byrd	Gerry	McNary	Vandenberg
Capper	Hale	Metcalf	White

NOT VOTING—30

Bankhead	Costigan	La Follette	O'Mahoney
Bilbo	Dickinson	Lewis	Pope
Black	Dieterich	McCarran	Reynolds
Bone	Fletcher	McGill	Shipstead
Borah	Gibson	Maloney	Tydings
Carey	Glass	Moore	Walsh
Coolidge	Hayden	Norbeck	
Copeland	Johnson	Nye	

So the bill was passed.

The bill as passed is as follows:

Be it enacted, etc., That section 304 of the act entitled "An act to provide relief in the existing national emergency in banking and for other purposes", approved March 9, 1933, as amended, be further amended by adding at the end thereof the following:

"Notwithstanding any other provision of law or any privilege or consent to tax expressly or impliedly granted thereby, the shares of preferred stock of national banking associations, and the shares of preferred stock, capital notes, and debentures of State banks and trust companies, heretofore or hereafter acquired by Reconstruction Finance Corporation, and the dividends or interest derived therefrom by the Reconstruction Finance Corporation, shall not, so long as Reconstruction Finance Corporation shall continue to own the same, be subject to any taxation by the United States, by any Territory, dependency, or possession thereof, or the District of Columbia, or by any State, county, municipality, or local taxing authority, whether now, heretofore, or hereafter imposed, levied, or assessed, and whether for a past, present, or future taxing period."

SEC. 2. Effective upon the date of enactment of this Act, interest charges on all loans by the Reconstruction Finance Corporation to closed banks and trust companies, now in force or made subsequent to the date of enactment of this act, shall not exceed 3½ percent per annum: *Provided, however*, That no provision of this act shall be construed to authorize a reduction in the rate of interest on such loans by the Reconstruction Finance Corporation retroactive from the date of enactment of this act.

SEC. 3. If any provision, word, or phrase, of this act, or the application thereof to any condition or circumstance, is held invalid, the remainder of the act, and the application of this act to other conditions or circumstances, shall not be affected thereby.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 9130) to authorize the incorporated city of Skagway, Alaska, to undertake certain municipal public works, and for such purpose to issue bonds in any sum not exceeding $12,000, and for other purposes.

The message returned to the Senate, in compliance with its request, the bill (S. 3521) to authorize an exchange of land between the Waianae Co. and the Navy Department.

BANKRUPTCY AND RECEIVERSHIP PROCEEDINGS IN FEDERAL COURTS

Mr. ASHURST. Mr. President, about 2½ years ago I served as chairman of a special committee to examine into the proceedings in bankruptcy and receiverships in the Federal courts.

During the time I was chairman that special committee held hearings in California. We discovered that the total amount of fees and expenses paid on account of bankruptcy and receivership proceedings in three cities in California for a period of about 3 years was $9,243,407. As compared with this total of fees and expenses, the salaries of the President of the United States, the Vice President, 10 members of the Cabinet, 96 Members of the Senate, 9 members of the United States Supreme Court, 37 justices of the circuit court of appeals, and 145 justices of the district courts for a like period amounted, in the aggregate, to $7,782,500, or about 84 percent of the amount disbursed on account of receiverships and bankruptcy fees and expenses in three cities in one State.

In view of that condition, the Senate passed an act amending section 77B of the Bankruptcy Act, and it was expected under that amendment these enormous fees and expenses of receivers and attorneys for receivers and supernumeraries in bankruptcy and receivership cases would not be so large. I am no longer chairman of the Special Committee on Bankruptcies and Receiverships. The able junior Senator from California [Mr. McADOO] is now the chairman of that special committee. The committee of which he is chairman has pursued the work diligently and has brought to light many abuses.

In order that the Senate particularly and the country generally may know the amount of fees demanded by attorneys in bankruptcy cases and receivership cases and how much has been allowed by courts, in some 11 cases I have selected, I ask unanimous consent to have printed in the RECORD certain court decisions.

Mr. President, I call particular attention to the case involving the reorganization of the Paramount-Publix Corporation, a motion-picture concern. That reorganization spelled ruin to small investors, yet one firm of attorneys in that case received an ad-interim fee of $200,000 for its serv-

ices and asked for an additional fee of $700,000. I ask leave, as I said before, to have these documents printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

In re Allied Owners Corporation. *Reconstruction Finance Corporation* v. *Callaghan et al.* No. 499. Circuit Court of Appeals, Second Circuit. July 22, 1935

Appeal from the District Court of the United States for the Eastern District of New York.

In the matter of the Allied Owners Corporation, bankrupt, in which Stephen Callaghan, Percival E. Jackson, and William M. Greve were named as trustees in bankruptcy, and in the matter of the Allied Owners Corporation, debtor, in which the same persons were named as trustees in reorganization under Bankruptcy Act, section 77B (11 U. S. C. A., sec. 207). From an order of the bankruptcy court fixing allowances for the services of the trustees in bankruptcy, the services of Goldwater & Flynn, attorneys for the trustees in bankruptcy; the services of Robert P. Levis, attorney for the bankrupt; and the services of Cullen & Dykman, attorneys for William M. Greve in a special proceeding; from an order fixing the compensation of Theodore Stitt as referee in bankruptcy; from an order in the reorganization proceeding directing the payment of said allowances; and from an order denying a motion to vacate each of said orders the Reconstruction Finance Corporation, a creditor, appeals.

Modified in part and reversed in part.

Debevoise, Stevenson & Plimpton, of New York City; and Max O'Rell Truitt, of St. Louis, Mo. (E. W. Debevoise, William E. Stevenson, and D. F. McGlinchey, all of New York City, of counsel), for appellant Reconstruction Finance Corporation.

Goldwater & Flynn, of New York City (Monroe Goldwater, Nathan Golstein, and Oliver T. Cowan, all of New York City, of counsel), for trustee in bankruptcy in reorganization.

Robert P. Levis, of New York City, for Allied Owners Corporation.

Cullen & Dykman, of Brooklyn, N. Y. (Maximilian Moss and John B. Bennett, both of Brooklyn, N. Y., of counsel), for William M. Greve.

Before Manton, Swan, and Augustus N. Hand, circuit judges.

Augustus N. Hand, circuit judge.

The questions raised by these appeals all relate to allowances which the court in charge of a proceeding for the reorganization of Allied Owners Corporation under section 77B of the Bankruptcy Act (11 U. S. C. A., sec. 207) ordered to be paid to persons engaged in a prior bankruptcy proceeding of that company. On August 8, 1933, the company was adjudicated a bankrupt on its voluntary petition. Stephen Callaghan and Percival E. Jackson became trustees in bankruptcy on August 25, 1933, and William M. Greve became a trustee on September 14, 1933. The delay between the date of his election and the date of taking office was due to his rejection by the referee because of a supposed disqualification. After the referee's ruling he employed Cullen & Dykman as his personal counsel and was reinstated by the court. On June 22, 1934, the bankruptcy proceedings were superseded by proceedings for reorganization under section 77B, and the former trustees in bankruptcy were appointed trustees in reorganization. Messrs. Goldwater and Flynn were attorneys for the trustees in each proceeding. The tenure of the trustees in bankruptcy and their counsel lasted about 10 months, and the amounts to which they are entitled as compensation for services during that period are in dispute on the present appeal. There is also before us the question of the compensation of Robert P. Levis, the attorney for the bankrupt, of Cullen & Dykman, who performed legal services in securing the reinstatement of William M. Greve as trustee, and of William Stitt, who as referee was in charge of the bankruptcy proceeding.

The referee awarded compensation to the persons engaged in the bankruptcy proceeding other than himself, and submitted to the district judge the question of the amount of his own compensation. The judge entered an order fixing the compensation of the referee at $25,000 and approving the awards made by the latter to the other persons. He fixed them at the same amounts except in the case of the three trustees in bankruptcy, whose award he raised from $60,000, allowed by the referee, to $90,000. After this was done the same judge made an order in the section 77B proceeding directing the payment of these allowances out of the estate of the debtor. As finally ordered, they were as follows:

To the trustees in bankruptcy	$90,000.00
To Goldwater & Flynn, attorneys for the trustees in bankruptcy	75,000.00
To Robert P. Levis, attorney for bankrupt	10,000.00
To Theodore Stitt, referee	25,000.00
To Cullen & Dykman, attorneys for William M. Greve, for services and disbursements prior to his qualifying as trustee	2,474.35

The Reconstruction Finance Corporation, a large creditor of Allied Owners Corporation, seeks by this appeal to have the allowances to the trustee, their attorneys, and the attorney for the bankrupt reduced, and those to the referee and Messrs. Cullen & Dykman entirely eliminated.

[1, 2] The appellant objects to the allowance to the trustees not only because it is excessive but because their compensation was governed by section 48a of the Bankruptcy Act (11 U. S. C. A., sec. 76 (a)), and, under that section, they were limited to "such commissions on all moneys disbursed or turned over to any person, including lienholders, by them, as may be allowed by the courts, not to exceed 6 percent on the first $500 or less, 4 percent on moneys in excess of $500 and less than $1,500, 2 percent on moneys in excess of $1,500 and less than $10,000. * * *" They may also, under section 48e of the act (11 U. S. C. A., sec. 76 (e)), receive an additional 1 percent if, as here, they conduct the business. If section 48a and section 48e had been applied, the trustees in bankruptcy would have been limited to the statutory fees on $731,425.57 cash turned over by them, or $14,628.50. But it is argued that their compensation was subject to no such limitations and that the language of section 77B (i) of the act (11 U. S. C. A., sec. 207 (i)) leaves the amount of compensation for services in the prior bankruptcy proceeding to the discretion of the judge in the reorganization proceeding, guided only by the "rule of reason." In our opinion, however, section 48a fixes the bounds of the fees which the trustees in bankruptcy can claim.

We have discussed the application of section 77B (i) in *Matter of New York Investors, Inc.* (C. C. A., 79 F. (2d) 182), so far as it relates to the fixing of fees in a prior-equity receivership. The principles involved where the prior insolvency proceeding is in bankruptcy are the same. Section 77B (i) provides that if a receiver or trustee has been appointed by a Federal, State, or Territorial court and if thereafter a reorganization proceeding under section 77B supervenes, "the trustee or trustees appointed under this section, or the debtor if no trustee is appointed, shall be entitled forthwith to possession of and vested with title to such property, and the judge shall make such orders as he may deem equitable for the protection of obligations incurred by the receiver or prior trustee and for the payment of such reasonable administrative expenses and allowances in the prior proceeding as may be fixed by the court appointing said receiver or prior trustee. * * *" The foregoing section, in our opinion, requires that the prior insolvency court shall fix allowances and the reorganization court shall provide for their payment insofar as they are found to be "reasonable." It seems quite unlikely that such a provision, made, as we believe, in order that the reorganization court might benefit by the experience of the prior court and its familiarity with the details of the business, was intended to leave the prior court free, within its statutory limitations, to fix conclusively any allowance it might deem reasonable. No such freedom had existed where ordinary bankruptcy had succeeded a State receivership (*Taylor* v. *Sternberg*, 293 U. S. 470; 55 S. Ct. 260, 79 L. Ed. 599; *Gross* v. *Irving Trust Co.*, 289 U. S. 342, 53 S. Ct. 605, 77 L. Ed. 1243, 90 A. L. R. 1215; *Hume* v. *Myers*, C. C. A., 242 F. 827). We think it plain that the words "equitable" and "reasonable" were intended to mean "reasonable" in the eyes of the reorganization court, and were to serve only as a check by the section 77B court on payments which might affect the proposed reorganization unfairly. If the parties whose compensation was fixed by the prior insolvency court felt aggrieved, they would seem to have had an obvious remedy by an appeal from the court which had fixed their compensation.[3] Under section 77B (i) the reorganization court is given power to pay allowances which have been fixed by the prior court only to the extent that they are found reasonable. Nothing in the language of the subdivision suggests the removal of any restriction which may exist upon the prior court in the determination of allowances. Indeed, it is impossible to imagine that court awarding compensation in excess of limitations imposed by a statute to which its orders are made subject. It seems equally unlikely that the reorganization court should be empowered by mere implication to make allowances for services by the agencies of another court which the statutes governing the action of that court forbid.

Judge Goddard in *Matter of Paramount Publix Corporation* ((D. C.) — F. Supp. —, Dec. 10, 1934) held that section 77B of the Bankruptcy Act did not enlarge the fees which might be granted under section 48a to trustees in bankruptcy, and we think his decision was entirely correct. In re National Department Stores, Inc., supra, Judge Nields recently held that under section 77B (i) the reorganization court had no power to revise allowances fixed by the prior court. With all due respect, we cannot agree with an interpretation of the subdivision that would seem to make the words "equitable" and "reasonable" mere exhortations to the prior insolvency court which could result in no effective control by the reorganization court over excessive allowances. We believe that it was the purpose of Congress to lessen the cost of insolvency proceedings which have long been regarded as too great (*Cf.* remarks of Cardozo, judge, in *Realty Associates Securities Corporation* v. *O'Connor*, 294 U. S. —, 55 S. Ct. 663, 79 L. Ed. —).

[3] It is argued that section 77B (k) of the act (11 U. S. C. A., sec. 207 (k)) makes section 48a inapplicable to the prior bankruptcy proceeding. This is plainly unsound. Subdivision (k) in terms relates only to "proceedings instituted under this section [77B]." It provides that certain sections of the Bankruptcy Act, including section 48 (11 U. S. C. A., sec. 76), shall not "apply to proceedings instituted under section 77B [this section] unless and until an order" of liquidation has been entered. This means that the judge fixing fees for services in a section 77B proceeding shall not be limited by section 48, and not that the bankruptcy judge in fixing fees in that proceeding is not so bound.

[4] It has been suggested that the trustees might be allowed compensation larger than $14,628.50 by calculating their commissions on the value of property as well as "moneys disbursed or turned over to any person", upon the analogy of *In re Toole* (D. C.) (294 F. 975) and *In re Kessler* (unreported decision in the

southern district of New York, July 16, 1918). But neither of these decisions was made upon facts like the present, and, if sound, each is limited to cases where it can be said that there is a constructive disbursement of moneys by turning over property at an agreed valuation. Here the commissions had to be figured upon cash disbursed (*In re Detroit Mortgage Corporation* (C. C. A. 6), 12 F. (2d) 889; certiorari denied, *Security Trust Co.* v. *De Land*, 273 U. S. 713, 47 S. Ct. 107, 71 L. Ed. 854; *American Surety Co.* v. *Freed* (C. C. A. 3), 224 F. 333). While we should allow a substantially larger compensation if we were at liberty to disregard section 48a, the amount awarded by the district court was plainly excessive. The services of the trustees only lasted 10 months, were in many respects preliminary to a reorganization, and were far less burdensome than those of their counsel. If the reorganization succeeds, they will be entitled to substantial compensation in the 77B proceeding.

We see no reason under present circumstances to suspend the payment of allowances to either the trustees or their counsel for work which has been completed. We award to the former $14,628.50, instead of the $90,000 granted by the district court.

[5] The next item to be considered is the compensation of Messrs. Goldwater & Flynn, the attorneys for the trustees in the bankruptcy proceeding. The value of the assets of the bankrupt based on the statement of its accountants as of December 31, 1933, was $18,161,470.38. This, of course, did not represent the realizable value at the date of bankruptcy, and the properties were subject to mortgages amounting to about $11,662,000. Among the principal properties of the estate were seven moving-picture theaters and a note of Ringling Bros. in which its participation interest was $828,000. In addition to this, there was cash on deposit in various banks and trust companies aggregating $341,414.22. The bankrupt was a subsidiary of New York Investors, Inc., which was in the hands of receivers in equity, and as such was involved in its complicated affairs. One of the most important matters that the attorneys had to attend to arose out of two actions pending on behalf of the bankrupt to recover monthly installments of purchase price on three of the theater properties from Loew's Theater & Realty Corporation and Loew's, Inc. The total amount sued for was nearly $300,000. Many complicated questions of law and fact were involved in these litigations in which answers and counter claims had been interposed, and the cases were prepared for trial by Messrs. Goldwater & Flynn. They were finally settled, shortly after the trustees under section 77B were appointed, by means of a guaranty by Loew's, Inc., of the aggregate amount payable under the installment contracts. Undoubtedly the settlement was largely due to the preparation of the cases for trial, and the guaranty of some $12,000,000 of future installment payments is said to be good. Claims for about $23,000,000 prepared by the attorneys were asserted by the trustees against Paramount Publix Corporation based on alleged damages because of breach by the latter of contracts for the purchase of theaters. The claims against Paramount were settled long after the termination of this proceeding. The Manufacturers Trust Co., which was trustee under a trust deed that secured a large bond issue, was dissuaded from foreclosing mortgages covering the theaters, and this made it possible to proceed with the actions against Loew's Theater & Realty Corporation and Loew's, Inc., and finally to settle them. These and many other important matters, such as litigation over the Ringling note, requiring skill and experience, are said to have occupied one or more of the partners in Goldwater & Flynn and two of their legal assistants for some 4,508 hours, of which 3,023 were those of their assistants. Many of the things done by these lawyers, as is always the case, were routine matters; many were matters of large importance; many were of a sort preliminary to the reorganization, which has not yet been completed. We think $50,000 is a reasonable compensation for these attorneys, and we award that amount, instead of $75,000, to which is to be added their disbursements of $1,247.80 directed to be paid by the district judge.

[6, 7] The attorney for the bankrupt was allowed $10,000 for his services. His most important services were advising the corporation about going into bankruptcy, preparing the petition, schedules, amended schedules, and notices to banks, asking for the immediate appointment of a trustee, and taking steps that were evidently successful, to prevent the expense of a receiver. These things were for the benefit of the estate and properly chargeable to it. His other services in attending creditors' meetings and examinations under section 21a of the act (11 U. S. C. A. sec. 44 (a)), supporting the proceeding of Mr. Greve for reinstatement as trustee, acquainting the trustees and their counsel with the previous business of the bankrupt, making arguments in connection with the Ringling note, arguing against the attempted foreclosure by the Manufacturers Trust Co. and Realty Associates, Inc., negotiating with the Loew interests, and filing the petition under section 77B, are not matters for which compensation can properly come from the bankrupt estate. Undoubtedly, the preparation of the schedules was a difficult matter requiring much time, labor, and skill, but an allowance of $5,000 is, in our opinion, adequate, if not liberal, compensation for all the services chargeable to the estate. We award that amount to the attorney for the bankrupt, instead of the $10,000 granted by the District Court.

[8] The award of $25,000 to the referee was clearly erroneous. We have already shown that the reorganization court was without power to increase allowances fixed by the prior court and that the prior court was limited by the provisions of the Bankruptcy Act. Under section 40a of that act (11 U. S. C. A., sec. 68 (a)), referees are only entitled to "a fee of $15 * * * in each case * * * and 25 cents for every proof of claim filed for allowance * * * and from estates which have been administered before them 1 percent commissions on all moneys disbursed to creditors by the trustee. * * *" Under section 40a, the referee here was limited to a fee of $15 and his filing fees, and under section 72 of the act (11 U. S. C. A., sec. 112) could not "in any form or guise receive * * * any other or further compensation."

[9] The award of $2,474.35 to Cullen & Dykman cannot stand. They performed legal services for Mr. Greve in procuring his reinstatement after the referee declined to approve his election by the creditors. But he was not trustee at the time the services were performed. They were performed for him personally, and, though they doubtless resulted in a benefit to the estate when the selection of a good trustee was thereby secured, it was not the sort of benefit which can be the basis of a charge against the fund in the hands of the trustees. The situation resembles that in *Weed* v. *Central of Georgia Ry. Co.* ((C. C. A. 5) 100 F. 162, 167), where an allowance was sought by counsel for an intervening creditor for securing the appointment of a coreceiver. The application was denied, the court saying: "That kind of service is certainly such a service as should be paid for by their clients."

The orders are modified as to Stephen Callaghan, Percival E. Jackson, William M. Greve, Goldwater & Flynn, and Robert P. Levis, and reversed as to Theodore Stitt and Cullen & Dykman, in accordance with this opinion.

In re Insull Utility Investments, Inc. No. 49943. District Court, N. D. Illinois, E. D. December 22, 1933

In bankruptcy. In the matter of Insull Utility Investments, Inc., bankrupt. On petition by Calvin Fentress, receiver, for compensation for his services rendered as receiver and for compensation to his attorneys for legal services.

Order refusing further allowance of fees to receiver or his counsel.

White & Hawxhurst and Jacobson, Merrick, Nierman & Silbert, all of Chicago, Ill., for petitioning creditors.

Rosenthal, Hamill & Wormser, of Chicago, Ill., for trustee.

William L. Latimer, of Chicago, Ill., for bankrupt.

Samuel A. & Leonard B. Ettelson, of Chicago, Ill., for Amy B. Ettelson.

Cassels, Potter & Bentley, of Chicago, Ill., and Allen & Dalbey, of Danville, Ill., for Calvin Fentress.

Evans, circuit judge.

The questions which are here presented grow out of the petition of Calvin Fentress for compensation for services rendered as receiver and compensation to Allen & Dalbey and Cassels, Potter & Bentley for legal services rendered.

(1) Fentress was appointed receiver of the Insull Utility Investments, Inc., upon motion of plaintiff Cherry, who filed a suit in the District Court for the Northern District of Illinois against said company. After his appointment as receiver in the main suit brought in the northern district of Illinois, he was appointed ancillary receiver in New York and was later appointed receiver in the bankruptcy proceedings instituted in the northern district of Illinois against the same company. He asks for compensation for himself and for the attorneys who acted as his counsel. Although his request for compensation is for services rendered by him and his attorneys in the bankruptcy matter, the court is required, under the rule laid down in *Gross* v. *Irving Trust Co.*, 289 U. S. 342, 53 S. Ct. 605, 77 L. Ed. 1243, to finally pass upon the reasonableness of the compensation allowed in the equity receivership matters and, to do so, must determine the value and the necessity of the services rendered by the receiver and his attorneys.

One Ettelson, an unsecured creditor, objects to the allowance of any fees either to the receiver or his attorneys, Allen & Dalbey, on the ground that the suits were collusively instituted to secure, through the practice of fraud on the court, the appointment of receiver and counsel who would not, and could not, adequately represent those not parties to the fraudulent agreement. No objection is made to the allowance of fees to Cassels, Potter & Bentley, who were employed some weeks after the receiver was appointed, and who are admittedly outside the scope of the alleged collusive agreement; nor is there any objection to the reasonableness of the sums sought, if the court be of the opinion that fees should be allowed.

All of the receiverships above mentioned have been terminated, and the receiver Fentress has turned over all of the assets, which he received or collected as receiver, to his successor, the trustee of the bankrupt estate of Insull Utility Investments, Inc.

The application for the appointment of a receiver of Insull Utility Investments, Inc., was made April 16, 1932. The receiver Fentress was appointed April 16, 1932. He was named ancillary receiver in New York on the 19th day of May 1932. He was named receiver in the matter of the bankrupt estate of Insull Utility Investments, Inc., on the 22d day of September 1932. The trustee of the bankrupt estate was appointed March 9, 1933.

There are two specific questions which the court must determine: (a) Was there such collusion in the institution of the original suit wherein Fentress was appointed receiver, or in the ancillary proceedings wherein he was appointed ancillary receiver, or in the proceedings leading to his appointment as receiver in the bankruptcy matter, as to justify the refusal of any compensation

to him and to his attorneys? (b) If not, what sum would compensate him for work performed and what sum should be allowed his counsel for services rendered?

In order that we may apply the rule, it is necessary first to ascertain what constitutes collusion. It has been frequently defined by various courts, including the Supreme Court.

In *Dickerman* v. *Northern Trust Co.* (176 U. S. 181, 20 S. Ct. 311, 314, 44 L. Ed. 423) the Court said:

"We have no doubt that this judgment was collusive in the sense that it was obtained by the plaintiff and consented to by the defendant company for the purpose of giving the trustees a legal excuse for declaring the principal and interest of the mortgage to be due and to give authority for a foreclosure. But this did not constitute collusion in the sense of the law, nor does it meet the exigencies of the petitioner's case. Collusion is defined by Bouvier as 'an agreement between two or more persons to defraud a person of his rights by the forms of law or to obtain an object forbidden by law', and in similar terms by other legal dictionarians. It implies the existence of fraud of some kind, the employment of fraudulent means, or lawful means for the accomplishment of an unlawful purpose; but if the action be founded upon a just judgment, and be conducted according to the forms of law and with a due regard to the rights of parties, it is no defense that the plaintiff may have had some ulterior object in view beyond the recovery of a judgment, so long as such object was not an unlawful one."

In re Metropolitan Railway Receivership (208 U. S. 90, 28 S. Ct. 219, 224, 52 L. Ed. 403), the court said:

"It is asserted also that there was collusion between the complainants and the street railway companies, on account of which the court had no jurisdiction to proceed * * *. Whether the suit involved a substantial controversy we have already discussed, and the only question which is left under that act is as to collusion.

"In this case we can find no evidence of collusion, and the circuit court found there was none. It does appear that the parties to the suit desired that the administration of the railway affairs should be taken in hand by the circuit court of the United States, and to that end, when the suit was brought, the defendant admitted the averments in the bill and united in the request for the appointment of receivers. This fact is stated by the circuit judge; but there is no claim made that the averments in the bill were untrue or that the debts, named in the bill as owing to the complainants, did not in fact exist; nor is there any question made as to the citizenship of the complainants, and there is not the slightest evidence of any fraud practiced for the purpose of thereby creating a case to give jurisdiction to the Federal court. That the parties preferred to take the subject matter of the litigation into the Federal courts instead of proceeding in one of the courts of the State is not wrongful. So long as no improper act was done by which the jurisdiction of the Federal court attached, the motive for bringing the suit there is unimportant. (*Dickerman* v. *Northern Trust Co.*, 176 U. S. 181, 190; *South Dakota* v. *North Carolina*, 192 U. S. 286, 311; *Blair* v. *City of Chicago*, 201 U. S. 400, 448; *Smithers* v. *Smith*, 204 U. S. 632, 644.)"

Other decisions dealing with the same subject are to be found in *Harkin* v. *Brundage* (276 U. S. 36, 48 S. Ct. 268, 72 L. Ed. 457); *Black & White Taxicab Co.* v. *Brown & Yellow Co.* (276 U. S. 518, 48 S. Ct. 404, 72 L. Ed. 681, 57 A. L. R. 426); *Street* v. *Maryland Central Ry. Co.* (C. C.) (58 F. 47); *Burton* v. *R. G. Peters Salt & Lumber Co.* (C. C.) (190 F. 262); *May Hosiery Mills, Inc.*, v. *F. & W. Grand 5-10-25 Cent Stores, Inc.* (D. C.) (59 F. (2d) 218); *Williams* v. *Nottawa* (104 U. S. 209, 26 L. Ed. 719); *Lake County Commissioners* v. *Dudley* (173 U. S. 243, 19 S. Ct. 398, 43 L. Ed. 684).

A general statement of what constitutes collusion appears in Corpus Juris, volume 11, page 1220, section 2, from which the following quotation is taken:

"Collusion in judicial proceedings is a secret agreement between two persons that the one should institute a suit against the other, in order to obtain the decision of a judicial tribunal for some sinister purpose, and appears to be of two kinds: (1) When the facts put forward as the foundation of the sentence of the court do not exist. (2) When they exist, but have been corruptly preconcerted for the express purpose of obtaining the sentence. In either case the judgment obtained by such collusion is a nullity. The term is nearly allied to covin and has been judicially defined as a secret agreement between two or more persons, whose interests are apparently conflicting, to make use of the forms and proceedings of law in order to defraud a third person, or to obtain that which justice would not give them, by deceiving a court or its officers; a secret understanding between two parties who plead or proceed fraudulently against each other to the prejudice of a third person; an agreement between two or more persons unlawfully to defraud a person of his rights by the forms of the law, or to obtain an object forbidden by law * * * or where two persons apparently in a hostile position, or having conflicting interests, by arrangement do some act in order to injure a third person, or to deceive a court, or by keeping back evidence of what would be a good answer, or by agreeing to set up a false case; a deceitful agreement or compact between two or more persons, for the one party to bring action against the other for some evil purpose, as to defraud a third person of his right; an agreement to obtain an object forbidden by law; a concerted or agreed purpose to commit a fraud or to accomplish a wrong; fraud."

A few illustrations of collusion which clearly fall within the condemnation of the courts may be helpfully stated.

A sues B on a debt when there is no debt, and B by his answer admits the indebtedness pursuant to an agreement between A and B to defraud other creditors of B. Here we have a clear case of collusion. Again, A is indebted to B in a sum less than $3,000 and through agreement with B raises the sum to an amount in excess of $3,000 so that the jurisdiction of the Federal court may be invoked; and B, in his answer, admits indebtedness in excess of $3,000. Here we have another illustration of fraud which clearly establishes collusion.

The instant case, however, may readily be distinguished from the above illustrations.

(2) The inquiry may be stated thus: In a receivership proceeding, may the defendant cause a suit to be brought against it by a bona-fide creditor and, by answering and truthfully admitting the allegations of the complaint, join in the recommendation of a certain receiver? Obviously, the answer must be "yes." No collusion in this statement of facts is disclosed, for, as stated in *Dickerman* v. *Northern Trust Co.* (176 U. S. 181, 190; 20 S. Ct. 311, 314; 44 L. Ed. 423):

"* * * It (collusion) implies the existence of fraud of some kind, the employment of fraudulent means, or lawful means for the accomplishment of an unlawful purpose * * *."

(3, 4) But, if the receivership proceedings are brought about by the defendant (that is, by the defendant's inducing a friendly creditor to bring suit against it) for the purpose of securing a receiver who will be friendly to those who have previously operated the company's affairs and have been guilty of peculation or other wrongdoing, and in the motion for the receiver, the plaintiff, without informing the court who it was that induced him to bring the suit and make the nomination, recommends as the receiver, the party selected by the defendant company, and the defendant, also remaining silent on the conflict of interest, joins in the recommendation, then we have, so far as the appointment of a receiver is concerned, collusion. Likewise, if B, an insolvent company that has preferred X, a creditor, causes a suit to be instituted against it by A, one of its "friendly" creditors, and X and B, for the purpose of preventing the receiver from vigorously prosecuting either the managing officers or those who hold preferred or secured claims subject to be set aside, induce A to recommend to the court the name of one chosen by X and B, and A fails to inform the court by whom his nominee was chosen and fails to inform the court of the adverse character of their interests, then, too, we have a case of collusion.

[5] No other rule could safely be adopted or would adequately protect a court from the imposition of fraud upon it by parties interested in protecting themselves rather than the involved company or its unsecured creditors. The importance of such a rule of practice as here announced can hardly be overestimated. The court should, when appointing receivers, pay heed to the recommendations of those vitally interested. Receiverships are not perquisites or patronage of a court. They are not favors to be passed to friends. The request of those who have invested their money in the enterprise must be the persuasive voice in the determination of the appointee. True, the court has a veto power which should be freely exercised, but only when convinced that another can serve better than the recommended party. It is because of the importance of the recommendation thus made that the court is entitled to candor, good faith, and a full disclosure of the interests of those who bring the suit and of those making the recommendation.

[6] Because the equity proceeding is instituted in order that the affairs of the company may be temporarily operated by a receiver, and operation of such affairs by the receiver is the essence of such suit, we must look to the proceedings preliminary to the receiver's appointment to ascertain whether there was collusion. In the illustrations cited above, the establishment of a fraudulent or an enlarged claim constitutes the collusion. In the case under consideration the inquiry must be directed to interested parties' activities and to the effect of such activities leading up to the appointment of the receiver.

[7] The adversary relation between plaintiff and defendant must exist at all times. It does not and cannot exist where the defendant picks its adversary, prepares a complaint for it, and said adversary appears in court and, as an adversary, nominates one selected by the defendant company or by a creditor whose position is hostile to the position of the receiver to be appointed. That the line of demarcation may be clearly drawn and the distinction between this and other suits which have been sustained by the courts may be emphasized, it may not be inappropriate to more definitely distinguish between proper and improper practices. This I shall endeavor to do.

An involved company may explain its embarrassment to a creditor. It may select one creditor over others. It may urge a creditor to bring a suit and request the appointment of a receiver. It may furnish to said creditor the facts which show the advisability and necessity of the appointment of a receiver. It may recommend for receiver the name of one whom it prefers. All these things it may lawfully and properly do.

But it may not alone, or in conjunction with secured creditors whose security must or may thereafter be attacked by the receiver, induce said creditor to bring the suit and recommend as its own naming a receiver selected by the company and said secured creditors. Nor can an executive of the company interested in protecting his own action, while directing the affairs of the company, assume to speak for the company when it comes to nominating a receiver who, in the performance of his duties, may be required to bring suit against said executive officer. It is not the bringing of a suit by a friendly creditor that is objectionable, nor is consent to the entry of a decree evidence

of collusion. It is only when the suit is one for the appointment of a receiver and the nominee proposed for receiver is urged by one who, assuming to speak as a creditor, voices the recommendation of those whose interests are adverse to that of the company and its creditors that fraud appears.

The word "collusion" is somewhat of a misnomer. The theory upon which the foregoing rule is based must be traceable to certain maxims of equity which find elaboration in the case of *Keystone Driller Co.* v. *General Excavator Co.* (290 U. S. 240, 54 S. Ct. 146, 147, 78 L. Ed. 293), decided December 4, 1933, by the Supreme Court, Justice Butler writing the opinion. The Court was considering the effect of a failure to disclose certain material facts to the Court.

The Court said:

"Plaintiff contends that the maxim does not apply unless the wrongful conduct is directly connected with and material to the matter in litigation, and that, where more than one cause is joined in a bill and plaintiff is shown to have come with unclean hands in respect of only one of them, the others will not be dismissed.

"The meaning and proper application of the maxim are to be considered. As authoritatively expounded, the words and the reasons upon which it rests extend to the party seeking relief in equity. 'It is one of the fundamental principles upon which equity jurisprudence is founded, that before a complainant can have a standing in court he must first show that not only has he a good and meritorious cause of action, but he must come into court with clean hands. He must be frank and fair with the court; nothing about the case under consideration should be guarded, but everything that tends to a full and fair determination of the matters in controversy should be placed before the court.' (Story's Equity Jurisprudence (14th ed.) sec. 98.) The governing principle is 'that whenever a party who, as actor, seeks to set the judicial machinery in motion and obtain some remedy, has violated conscience, or good faith, or other equitable principle, in his prior conduct, then the doors of the court will be shut against him in limine; the court will refuse to interfere on his behalf, to acknowledge his right, or to award him any remedy.' (Pomeroy, Equity, Jurisprudence (4th ed.) sec. 397.) This court has declared: 'It is a principle in chancery that he who asks relief must have acted in good faith. The equitable powers of this court can never be exerted in behalf of one who has acted fraudulently or who by deceit or any unfair means has gained an advantage. To aid a party in such a case would make this court the abetter of iniquity' (*Bein* v. *Heath*, 6 How. 228, 247, 12 L. Ed. 416.) And again: 'A court of equity acts only when and as conscience commands; and if the conduct of the plaintiff be offensive to the dictates of natural justice, then, whatever may be the rights he possesses and whatever use he may make of them in a court of law, he will be held remediless in a court of equity' (*Deweese* v. *Reinhard*, 165 U. S. 386, 390, 17 S. Ct. 340, 341, 41 L. Ed. 757).

"But courts of equity do not make the quality of suitors the test. They apply the maxim requiring clean hands only where some unconscionable act of one coming for relief has immediate and necessary relation to the equity that he seeks in respect of the matter in litigation. They do not close their doors because of plaintiff's misconduct, whatever its character, that has no relation to anything involved in the suit, but only for such violations of conscience as in some measure affect the equitable relations between the parties in respect of something brought before the court for adjudication (Story, id., sec. 100; Pomeroy, id., sec. 399). They apply the maxim, not by way of punishment for extraneous transgressions, but upon considerations that make for the advancement of right and justice. They are not bound by formula or restrained by any limitation that tends to trammel the free and just exercise of discretion."

It is urged that the practice followed in the instant case has the sanction of like practices in most large receivership matters here and elsewhere. If so, the solution is a simple one. Cease the practice.

As the rule of conduct has been determined, it becomes necessary to consider the evidence to ascertain whether the parties seeking the appointment of a receiver kept within, or stepped outside, the rule of proper conduct.

[8] A brief review of the situation that existed when the receiver was appointed is herewith attempted. It is quite impossible to separate the application for the appointment of a receiver in the Insull Utility Investments, Inc., from like applications in Middle West and Corporation Securities Cos. Three companies were organized and promoted by the so-called Insull interests. They all revolved about the activities of one Samuel Insull, Sr. One company, the Middle West, was a holding company, and the other two are investment trusts. Neither the genus, the holding company, nor the specie, the investment trust, can find but little justification for legal existence. Their unfortunate presence in our midst is due to the desire of States to secure revenue and the race of the States has been one of laxity and not one of diligence (*Liggett* v. *Lee*, 288 U. S. 559, 53 S. Ct. 481, 77 L. Ed. 929, 85 A. L. R. 699).

As it was conducted in 1929, the investment trust was nothing but a glorified gambling institution. Hardly had Insull Utility Investments, Inc., sailed forth on the sea of speculation carrying the Insull flag than it was attacked by the pirate ship Eaton, from Cleveland. In 1929, piracy was not outlawed, nor, it seems, was there any closed season on the operations of those engaged in this popular pastime on the sea of high finance. When the smoke of this conflict disappeared and the damage was appraised, it was found that the assets of the Insull Utility Investments, Inc. were sadly depleted. In the succeeding months the company borrowed vast and ever vaster sums of money from banks to secure which it hypothecated most of its remaining assets.

On April 16, 1932, when the receivers were appointed, it had outstanding unsecured debentures of series B, aggregating $60,000,000, and it had another issue of debentures, known as series A, aggregating $6,000,000. It owed banks in the sum of $42,085,020, all secured. Its capital stock was represented by 60,000 shares of prior preferred stock without par value; 40,000 shares of preferred stock, first series without par value; 450,000 shares of preferred stock, second series; and 3,636,622 shares of common stock without par value. Its unliened assets aggregated approximately $1,500,000. Mr. Insull made one last, final effort to borrow money with which to pay interest on the debenture notes but failed. The company was therefore unable to pay the interest about to become due upon its debenture notes. In short, its financial condition was desperate beyond all hope of rehabilitation. It was hopelessly and irretrievably insolvent.

Each debenture note contained the following provision:

"The company hereby covenants and agrees with the holder hereof that so long as this debenture shall be outstanding and provision for the payment thereof shall not have been made, it will not mortgage or pledge any of its property unless the instrument creating such mortgage or pledge shall provide that this debenture shall be secured thereby equally and ratably with all other obligations issued or to be issued thereunder, except that the company without so securing this debenture (a) may at any time mortgage or pledge any of its property for the purpose of securing loans to the company contracted in the usual course of business for periods not exceeding 1 year, and (b) may, in order to secure the purchase price or part thereof of any property which it may hereafter acquire, mortgage, or pledge any or all of such acquired property."

It was in the face of this situation that Samuel Insull, Sr., invited representatives of banks, who held the company's notes secured by the company's assets, to meet and discuss with him the question of a receivership, which discussion included the nomination of receivers.

Mr. Insull's attorneys, presumably upon his instructions, drew bills of complaint for the appointment of a receiver for at least two, if not three, of the aforenamed companies. At the second meeting held in Insull's office that gentleman refused to accept Mr. Calvin Fentress as sole receiver of Insull Utility Investments, Inc.

Secured creditors suggested the name of Mr. Calvin Fentress. Mr. Insull insisted upon naming one of his attorneys as coreceiver. An agreement was then reached and carried out whereby the banks named one receiver, Mr. Insull named the others. The plaintiff who brought the suit represented to the court that the two chosen individuals were the choice of himself and other creditors.

The banks insist that they were activated only by the best of motives in suggesting the name of Calvin Fentress. The subsequent conduct of Mr. Fentress justified the words of commendation of him spoken, but the situation which existed in the affairs of the company made the action of those who sponsored him collusive.

The company had assets of $1,500,000 with which to meet the unsecured debenture obligations of $66,000,000, as well as other debts which would, of course, leave nothing for the stockholders. The debenture holders had, however, a possible claim against the banks because of the alleged unauthorized action of Mr. Insull in hypothecating the assets which were the only security back of the debenture notes. I do not mean to say that the cause of action in favor of the debenture holders against the secured creditors is a good one. That question is not before me, and I have not been enlightened as to the facts. However, there was the cause of action, and it constituted the one and only hope of the debenture holders.

In such a situation the query, Who represented the debenture holders?, becomes an insistent and a most pertinent one.

The secured creditors were not interested in the receiver, for their claims were secured by the hypothecated securities of the company. Mr. Insull, the other nominator of the receivers, asserted an interest because he and his family owned stock in the company. The stock was worthless, however, even if the assets of the bank were returned to the company. Only a small fraction of the indebtedness could be paid, which left absolutely nothing for the stockholders. Mr. Insull (and I refer at all times to Insull, Sr., and not Insull, Jr.) was, however, interested in perpetuating his control and perhaps avoiding liabilitity for unauthorized official and other action. The secured creditors, likewise, might have been interested in obtaining the appointment of receivers who would not too aggressively or ably prosecute the company's suit to recover the hypothecated assets. These two interests, thus uniting upon receivers, sought a creditor who signed the bill of complaint prepared for him, and his representative presented it to the court with a statement that the principal creditors desired the appointment of Mr. Fentress and Mr. Cooke.

Upon this showing, and bearing in mind that the suit was one for the appointment of a receiver, a finding that the suit was collusively brought is unavoidable.

But the question of Mr. Fentress' compensation, notwithstanding the collusive agreement, remains for determination. Moreover, his appointment in the ancillary suit was not objectionable, unless such ancillary proceedings are subject to the same attack

as the main suit. There can, however, be little question but that his appointment as receiver in the bankruptcy proceedings was on the judge's own initiative and uninfluenced by any outside recommendation. The testimony on the trial supplemented by the voluminous record before me confirm Judge Lindley's judgment. Calvin Pentress, as receiver, earned and deserved the appointment of receiver in the bankruptcy proceedings provided it was a proper case for the appointment of a receiver. His conduct throughout the receivership proceedings was that of an independent and aggressive officer of the court, who merited the court's approval. No sooner was he appointed than he sought and secured an order enjoining the creditor banks in New York from selling the securities which they held. When the order was vacated on appeal, he was appointed ancillary receiver in New York and again stayed the hand of the secured creditor banks in New York by legal action. He promptly demanded and secured the consent of the creditor banks in Chicago, who held the securities hypothecated with them, to hold such securities and not to offer them for sale without 5 days' notice to him, and otherwise fully protected the assets of the company for which he was acting as receiver. He was vigilant, honest, and industrious.

His coreceiver, Mr. Cooke, resigned shortly after he was appointed and there is no question involved concerning his action or his compensation.

Mr. Insull, who, as a part of this general scheme, was appointed one of the receivers of Middle West Utilities Co., was, a few weeks after his appointment and immediately upon the discovery of irregularity in his conduct, removed as receiver by Judge Lindley. Judge Lindley's prompt action in dismissing him immediately upon the discovery of grounds therefor, is to be commended.

During the entire period from April 16, 1932, when Pentress was appointed, until he turned over the assets to the trustee in bankruptcy, no creditor, debenture holder, or anyone else objected to his appointment as a receiver.

Whether the compensation of a receiver appointed under the circumstances here shown should be denied in toto (where creditors do not object and the receiver renders valuable and honest service) or whether such compensation should be charged to the plaintiff who brought the suit, need not be decided in view of my determination of the fair value of the receiver's services necessarily rendered.

FEES

[9] While the objecting creditor has not contested the amount of the fees, if the right to recover exists at all, the court is not so readily absolved from responsibility. The court must determine the reasonableness of the charges, even though no objections are made by any security holder.

Before taking up the specific facts in the instant case, it may not be inappropriate for me to give my conception of a receiver's duties, without an understanding of which it is difficult, if not impossible, to appraise the value of his services or the amount of compensation which should be awarded him.

The position of receiver is one which calls for the performance of responsible and onerous duties, the rendition of which may, as in this case, result in criticism. At times the positions of creditors and stockholders of an involved company are antagonistic and the receiver must act honestly, fairly, impartially and without fear of criticism or attack. He is an officer of the court and often referred to as an arm of the court. His selection evidences confidence in him by those who nominate him and by the court that appoints him. His qualifications should be those that invite trust and confidence. Because of his integrity and experience and his record of achievement in other fields of activity, he is selected. The position is therefore one of honor. And this, too, must have a large bearing in determining the amount of his compensation. By honor, I do not refer to those superficial and artificial indicia of office or position which express themselves in titles, in robes, in ranks, in preferred positions at social functions, and so forth. Honor as here used has reference to the esteem which is paid to worth—to men who have learned and fully appreciate the meaning of the word "responsibility." I, of course, use the word "honor" in this sense when I refer to the position of receiver as one of trust and honor.

The position of receiver being one of honor and trust, an officer of the court, the incumbent must recognise that a substantial part of his compensation must be found in the opportunity to serve. He has, in other words, joined the ranks of those who are public servants, whose compensation never has been and never will be as large as of those engaged in private employment. His compensation must in some ways be compared to the salary of the judge who was sitting on the bench when the appointment was made. An inquiry into the compensation of the United States district attorney and the postmaster is appropriate. The salary of the Chief Justice of the United States Supreme Court may well be viewed as the maximum which should be allowed. These are not the sole tests, but it must be recognized that receivers in the Federal courts are in their nature public officers and their compensation must be determined in the light of such facts. Unless the courts can secure the services of such men, and unless courts insist upon the selection of such receivers, the task of meeting a situation such as has confronted them since 1929 may well be surrendered to other bodies.

Unless the appointee looks upon the appointment as an opportunity for real service, he will not be reconciled to this compensation. But until and unless such a conception of his position is fully established, it seems to the writer that the administration of embarrassed or bankrupt companies in the Federal courts will never be satisfactory.

[10] The Supreme Court in *Newton* v. *Consolidated Gas Co.* (259 U. S. 101, 105, 42 S. Ct. 438, 439, 66 L. Ed. 844), has announced standards by which compensation of officers of the court may well be measured. It said:

"The value of a capable master's services cannot be determined with mathematical accuracy; and estimates will vary, of course, according to the standard adopted. He occupies a position of honor, responsibility, and trust; the court looks to him to execute its decrees thoroughly, accurately, impartially, and in full response to the confidence extended; he should be adequately remunerated for actual work done, time employed, and the responsibility assumed. His compensation should be liberal, but not exorbitant. The rights of those who ultimately pay must be carefully protected; and while salaries prescribed by law for judicial officers performing similar duties are valuable guides, a higher rate of compensation is generally necessary in order to secure ability and experience in an exacting and temporary employment which often seriously interferes with other undertakings. See *Finance Committee of Pennsylvania* v. *Warren* (82 F. 525, 527, 27 C. C. A. 472); *Middleton* v. *Bankers' & Merchants' Tel. Co.* ((C. C.) 32 F. 524, 525).

"Having regard to these general principles and the special value of knowledge possessed by the trial court, much weight must be given to its opinion. Ordinarily we may not substitute our judgment for its deliberate conclusions, nor interfere with the exercise of its discretion. But when that court falls into error which amounts to abuse of discretion and the cause comes here by proper proceedings, appropriate relief must be granted.

"Notwithstanding protracted, painstaking, and for the most part excellent services rendered by the master and the large amounts involved in these causes, after viewing the records and considering the circumstances disclosed, we cannot doubt that the allowances are much too large—certainly twice and three times what they should be. If the time devoted to the entire service—282 days—be accepted as equivalent to 1 year, the total allowance is 15 times the salary of the trial judge and 8 times that received by justices of this court. It may be compared to the compensation of the mayor of New York City, $15,000, the salaries of the Governor and members of the Court of Appeals of New York, $10,000, and the $17,500 paid to judges of the supreme court in the city of New York. Although none of these can be taken as a rigid standard, they are to be considered when it becomes necessary to determine what shall be paid to an attorney called to assist the court. His duties are not more onerous or responsible than those often performed by judges."

Another important factor in the compensation of the receiver is the time devoted to the work and the character of the work performed. Does such appointment exclude the appointee from carrying on other work? Is the appointee thus named a receiver in other suits? Are the appointees engaged in business, and does the appointment terminate such participation? Another matter: Does the performance of the receivership call for special knowledge and special training? If so, does the receiver who is appointed qualify? A single illustration will suffice. A president of a railroad has reached his position after 40 years of service. He has devoted his entire life and all his time to the transportation business. His road goes into receivership, and he is named receiver. He continues to devote his entire time, and his experience is as valuable as a receiver as it was as president of the railroad. Under such circumstances the court must, of course, consider the compensation which the appointee received as president of the railroad. The same applies to the receiver of any other utility. If the appointee be an engineer or an operator, whose years of experience especially qualify him and he has technical training supplementing such experience, and he gives all of his time to the task, he should be paid more than one who, though entitled to the confidence of the court, is not equally qualified to render the service for which the technical experience of the engineer qualifies him. Nor should one award the same compensation to an outsider who does not devote all of his time to the management and operation of the company.

Moreover, the success of the receivership cannot be entirely overlooked in determining the fees which should be allowed, although at times the importance of this factor is often greatly exaggerated, and at times, though rarely, it has been underestimated.

[11] And finally, in determining compensation, it must be kept in mind that 1933 is not 1929. The wages and salaries of all kinds were much lower in 1932 than in the twenties. The difference must be reflected in the compensation of receivers and their counsel, as it is in other fields.

[12] Mr. Fentress as receiver in equity charged and received $12,500. As receiver in the ancillary proceedings, his bill is $7,500. As receiver in bankruptcy, he asks $10,000. In all three proceedings he served for a period of 11 months.

Mr. Fentress devoted 11 months to all three services. He has received $12,500. He has not severed his connection with the business house of which he was an officer. Considering what has been said, I am of the opinion that Mr. Fentress has received all the compensation the court should allow him. In other words, I fix the value of his services at $12,500 in this case. This sum he has received. No further allowance will be made.

[13, 14] In view of what has already been stated on the subject of receivers' fees, little need be said of lawyers' fees.

Receiverships, as far as fees are concerned, are of two kinds. One class calls for administrative work such as the operation of a manufacturing plant or the running of a public utility. Here

the receiver renders the greater service. In the other class of cases, the problems are legal in nature and demand the rendition of legal services in following assets which have disappeared or which have been transferred, etc. In the latter class, the attorneys render the more important service.

The legal services rendered in this case, while entirely worthy and evidencing ability, were devoted to maintaining the status quo rather than to the recovery of the securities hypothecated with the secured creditors. No increase in the assets of the estate resulted from the services of counsel or receiver. This fact is most significant. Compensation should be generous when the attorneys, through their efforts, create the estate to be administered. When their services are rendered without hope of compensation unless they are successful in creating the estate to be administered, their compensation should be still larger. For under such circumstances the attorneys work on a contingent or a nearly contingent basis.

Each firm has filed itemized statements setting forth the time devoted to the case. Each firm has received $12,500. The firm of Cassels, Potter & Bentley ask for a further allowance of $5,000; while Allen & Dalbey pray an allowance of $9,000.

Under numerous authorities there was no ground for the appointment of a receiver in the bankruptcy matter. *In re E. H. Walsh, Inc.* (C. C. A. 295 F. 504); *In re Gochenour* (C. C. A. 64 F. (2d) 500); *Ingram* v. *Ingram Dart Lighterage Co.* (D. C. 226 F. 58); *In re Federal Mail Co.* (D. C. 233 F. 691); Collier, Bankruptcy Supp., p. 23. The rule seems to be that receivers in bankruptcy matters will not ordinarily be appointed where there are duly appointed receivers in possession of the property. The statute itself (Bankruptcy Act, sec. 2, subd. 3, 11 U. S. C. A., sec. 11 (3)) provides limitations on the powers of the court to make appointments. It provides for the appointment of "receivers or marshals, * * * in case the courts shall find it absolutely necessary, for the preservation of estates, to take charge of the property of bankrupts * * *."

Likewise, the duties of the receiver and his attorneys are limited—quite different from those of a receiver in the ordinary equity suit or from those of a trustee subsequently named in the bankruptcy matter. *In re Marcuse & Co.* (C. C. A. 11 F. (2d) 513).

The bankruptcy estate for which the receiver was appointed and for whom the attorneys rendered their services consisted of stocks, notes, and bonds of various public utilities. These assets required little or any service, legal or otherwise, to protect them pending the election of the trustee in bankruptcy. They were not perishable commodities. It is inconceivable that any considerable amount of time was necessarily devoted to the protection or preservation of these securities by counsel or receiver.

Under all the circumstances the court finds that the allowance or $12,500 in each case is sufficient. The court concludes that further allowance in either case would be unjustifiable.

The court finds there was no collusion in the naming of counsel. in fact, the firm of Cassels, Potter & Bentley was not appointed until some weeks after the receivers were named. The objector Ettelson, in open court, disavowed all intention of involving this firm in the collusion charges.

Expenses and disbursements have been incurred by counsel as well as receiver. No objection is made to either the amount or to any item. They will be allowed.

An order will be entered refusing further allowance of fees to receiver and refusing further allowance to counsel. The same order will provide for the payment of said expenses and disbursements.

In re Kentucky Electric Power Corporation. District Court, Western District of Kentucky. August 12, 1935

Proceedings in the manner of the Kentucky Electric Power Corporation, debtor. On petitions of attorneys for bondholders' committee, attorneys for debtor, and bondholders' committee for allowance of fees and expenses.

Orders in accordance with opinion.

Ritchie, Janney, Ober & Williams, of Baltimore, Md., and Crawford, Middleton, Milner & Seelbach, of Louisville, Ky., for petitioners.

Hamilton, district judge:

This action is pending before the court on the petition of the law firm of Ritchie, Janney, Ober & Williams, Baltimore, Md., attorneys for the bondholders' committee, for an allowance of an attorneys' fee of $20,000 and expenses of $918.89; petition of Crawford, Middleton, Milner & Seelbach, Louisville, Ky., attorneys for the debtor, for an allowance of $5,000; and petition of Moncure Biddle, J. C. M. Lucas, and Charles B. Roberts 3d, bondholders' protective committee, for an allowance of $12,000, $4,015.94 of which has heretofore been paid (without the approval of the court), and in addition the committee requests an allowance of $4,473.68 for expenses incurred.

The attorneys for the bondholders' protective committee set out as a basis for their charge for services substantially the following facts:

The committee was formed in June 1932, and immediately employed the firm of Ritchie, Janney, Ober & Williams to represent it. The attorneys immediately prepared a bondholders' deposit agreement in the customary form, and made an investigation of the liability for stamp taxes under the internal-revenue laws in the exchange of bonds for certificates of deposit under the deposit agreement, and as a result of this investigation advised the committee to change their plan of deposit to an outright assignment of the bonds to the committee, which was done. The attorneys also supervised, considered, and approved letters and statements mailed by the bondholders' committee to the debtor's creditors.

At the time the bondholders' committee was formed, the company had defaulted in the payment of interest and amortization requirements for the retirement of the bonds, and the company was required to raise additional capital to finance the construction of transmission lines. Cash was also required to meet payroll expenditures.

The bondholders' committee, together with the attorneys, held six meetings during July, August, and September 1932, and as a result of these meetings the committee and the attorneys worked out plans for procuring additional capital. The attorneys prepared forms for assignment of accounts and a pledge of deposited bonds to secure loans, and prepared for the corporation necessary resolutions for the borrowing of money from banks and assignments to the lenders of accounts receivable and the pledge of the company's bonds that had been deposited with the committee. As a result of the efforts of the committee and the preparation of the papers by their attorneys, $17,448.63 was borrowed.

The company has from the date of its incorporation operated a power plant, disposing of power wholesale under contract with the Kentucky Utilities Co. This contract was about to expire and it appeared that probably it could not be renewed. It was, therefore, necessary for the company to acquire franchises and build distributing lines. The bondholders' committee prepared to do this, and the attorneys advised them what legal steps to take to accomplish it. However, because of an injunction, this plan was not feasible, and it became necessary to negotiate a new contract, which was made possible by reason of the cooperation of the bondholders in providing money in order to keep the corporation alive, even to the extent of entering the independent distributing field. The committee and its counsel negotiated a contract with the Kentucky Utilities Co. for the purchase by it of all the power produced by the company at its plant. Several conferences were held in Kentucky with the utilities company before this contract was completed, which required the committee and its counsel to leave their places of business in Baltimore and come to Kentucky. Also, there was much correspondence between the representatives of the Kentucky Utilities Co. in Kentucky and the committee and its counsel in Baltimore, Md. The contract, as originally drawn, provided that it should be terminated at the option of the Kentucky Utilities Co., if the Kentucky Electric Power Corporation, the debtor herein, became bankrupt or was placed in receivership. This provision of the contract was a barrier to a reorganization of the company or bankruptcy proceedings. The committee and its counsel commenced negotiations to obtain a modification of the contract in this particular, which was accomplished in July 1933, whereby the Kentucky Utilities Co. agreed to waive this provision of the contract, provided 75 percent of the bonds of the company were deposited with the committee and retained by it. The required amount of bonds having been deposited, the committee's counsel prepared the petition filed in this action for a reorganization under the provisions of section 77B of the Bankruptcy Act (11 U. S. C. A., sec. 207).

The committee and counsel examined and considered all contracts existing between the debtor and others, prepared the plan of reorganization, submitted it in writing to the bondholders and counsel for the committee, and some members of the committee attended several hearings before this court at Louisville, Ky. The committee's counsel prepared the charter and bylaws and attended to the organization of the new corporation, which acquired the assets of the old corporation under the judgment and orders of this court. Committee's counsel prepared the mortgage indenture between the Kentucky Electric Power Co. (the new corporation) and the Baltimore National Bank, trustee for the bondholders. Petitioners' counsel spent approximately 1,500 hours on these matters.

On the filing of the petition in this action this court on January 22, 1935, appointed the law firm of Crawford, Middleton, Milner & Seelbach as counsel for the debtor, the Kentucky Electric Power Corporation. Thereafter said attorneys represented the debtor in these proceedings.

The company's counsel critically examined all pleadings, the plan of reorganization, the draft of letter to the bondholders, notifying them of the plan, arranged for an appraisal of the properties of the company, and held numerous conferences with counsel for interested parties; prepared and presented to the Kentucky Utilities Commission the proposed plan of reorganization and attended several hearings before the court on matters connected with the reorganization, spending a total of 151 hours on these matters.

The debtor in this action had immediately before it was instituted assets of the book value of $2,648,413.28, and had outstanding $107,755.55 of debenture notes, $1,100,000 first-mortgage bonds, $400,000 of 10-year debenture notes, $500,000 par-value preferred stock, and $1,000,000 of common stock. The reorganization plan approved in this action has reduced the book value of assets approximately $1,878,413.28.

[1] The attorneys representing both the debtor and the bondholders' committee possess learning and ability and are outstanding in their profession. However, it is the duty of the court to carefully protect the rights of those who must ultimately pay the allowances herein granted.

Section 77B of the Bankruptcy Act (11 U. S. C. A., sec. 207), provides that the court "may allow a reasonable compensation for the services rendered and reimbursement for the actual and necessary expenses incurred in connection with the proceeding and the plan by officers, parties in interest, depositaries, reorganization managers, and committees, or other representatives of creditors or stock-

holders, and the attorneys or agents of any of the foregoing and of the debtor, but appeals from orders fixing such allowances may be taken to the circuit court of appeals independently of other appeals in the proceeding and shall be heard summarily."

The court is faced with an unpleasant and delicate task in fixing reasonable allowances in proceedings under section 77B. Usually, as in this case, no one objects to or protests the amounts of such allowances as requested by counsel and committee. The court must, therefore, independently pass on the question unaided by counsel for opposing parties.

The members of the bar have a greater personal interest in the allowance of reasonable fees than anyone else. Bishop Burnet in his History of Our Own Times said, "The law of England is the greatest grievance of the nation, very expensive and dilatory."

Exorbitant fees cause the people to set up bureaus in the executive branch of the Government to pass on their rights and to formally approve and supervise corporate reorganizations and the issue of securities. Much is said by members of the legal profession about bureaucracy and the intrusion of the executive branch of the Government into the judicial field. If the courts were more prompt in disposing of matters brought before them and attorneys were less eager to receive exorbitant fees, the cry against bureaucracy would not be so blatant and the legislatures would not be so often importuned by members of the bar to pass acts defining the practice of law and prohibiting the layman from invading the legal field.

All deeds of conveyance were one time written and prepared by lawyers. This was likewise true of wills. The charges of the lawyers for these services drove the layman to either prepare his own deeds or wills or hire another layman to prepare them for him.

The exorbitant fees allowed by courts to lawyers and excessive allowances to receivers in the Federal courts have so aroused litigants as to cause the Congress to appoint a committee to investigate the courts of the land. Section 77B provides a simple and convenient method for the reorganization of financially distressed corporations. The salutary benefit of this act will be destroyed, and it will become a disused statute unless the judges of the Federal courts carefully scrutinize the claims of attorneys and committees for allowancs for services and allow only reasonable fees based on services rendered.

There has been no contest of any kind over the proceedings in this action. The plan of reorganization was simple; and while the attorneys for the committee have spent a great deal of time in considering the affairs of the debtor, most of the time was consumed on work that did not contemplate a reorganization.

[2] In the administration of the bankruptcy law it is the policy of the courts to keep the administration expenses to the minimum, and unless this is done the purpose of the act will be defeated. Economy is strictly enjoined, and this policy should always be adhered to by the courts and the attorneys.

In determining reasonable compensation for the attorneys in this case I am taking into consideration their excellent character, ability, and experience. They have performed their duties well.

The court in the case of *Frink* v. *McComb* (C. C., 60 F. 486, 489) said: "There is no standard by which the compensation of counsel can be properly and definitely determined as to amount. The question, when presented at this time, must be decided upon considerations as vague and indefinite as when it was said in the Mirror (ch. 2, sec. 5) that 'four things are to be regarded: (1) The greatness of the cause; (2) the pains of the sergeant; (3) his worth, as his learning, eloquence, and gift; (4) the usage of the court.'"

The second circuit, *In re Consolidated Distributors, Inc.* (298 F. 859, 863), said:

"In the case *In re Curtis* (100 F. 784, 785, 41 C. C. A. 59, 60) the Circuit Court of Appeals for the Seventh Circuit cut down an allowance to the attorneys from $12,500 to $2,000, and in doing so said: 'We have searched this record with care that we might arrive at just judgment with regard to the amount that should be allowed for the service rendered. We have been solicitous to award full reasonable compensation, but careful to withhold inordinate allowance. We reach the conclusion that an allowance of $2,000 fully compensates the service. We have doubted if this be not too large a sum. We are not unmindful of the dignity of the profession, nor forgetful of the important duty of counsel. We would not underrate that duty. We would magnify his office. For exacting labor done, weighty responsibilities assumed, and great results accomplished, we would deal out compensation with a liberal hand. We think, however, that the dignity and honor of the profession are not conserved, or its influence for good promoted, by excessive allowance for service. That would lend countenance to the suggestion, sometimes heard, that the commercial spirit of the age has invaded even the legal profession, to the impairment of its dignity, the blunting of its sense of honor; that a profession instituted for the maintenance of justice has become degenerate, and that its main calling now is a vulgar scramble for the almighty dollar. We cannot bend our judgment to lend sanction to a foul aspersion.'

"We find ourselves in entire sympathy with the statement which we have quoted. The administration of the bankruptcy law is to be conducted primarily for the benefit of the creditors of a bankrupt's estate, and that is and ought to be the policy of the law. Any different policy would discredit the law itself and the courts. We have no doubt that the district judge was conscientious in fixing the amount of compensation he allowed the attorneys in this case. He would not intentionally lend himself to extravagance and injustice, and we think he was in error, and that his conclusion was founded in a misconception of the ground upon which the allowance was to be based. In our opinion, under the circumstances disclosed, the allowance of $5,000 is unreasonable compensation to the attorneys for the service they rendered to the bankrupt's estate."

[3, 4] The usual guidepost for fixing attorneys' fees is absent in this case. There was no recovery of any sum for creditors. There was a scaling down of the corporate structure, and some classes of creditors lost their entire claim. I have concluded in view of all the facts that the attorneys for the bondholders committee are entitled to receive a fee of $7,500 and $918.89 expenses; the attorneys for the debtor, a fee of $1,500.

[5–8] The committee for the bondholders relies on the statement of its counsel for proof of its work performed and the allowances asked. It is a little difficult to tell from the record just what was done by the committee independently of its attorneys. Its chairman, Mr. Moncure Biddle, claims his services were worth $7,000 and his associates $2,500 each. While the committee was acting the debtor corporation continued its active business and paid salaries to its executive officers. Its board of directors continued to function, and this court did not disturb the management of the corporation during the pendency of this action. The bonds of the company were owned by approximately 300 individuals and corporations. It had deposited with it approximately 84 percent of the entire bonds outstanding. No commissions were paid to anyone for getting bonds deposited.

In letters mailed to the owners of the bonds seeking deposits with the committee no statement was made that the committee intended to charge for its services. Under these circumstances the court should exercise the utmost care in making any allowance whatever to the committee. In fact, it would be a wholesome rule for courts to adopt to make no allowances to bondholders' committees under section 77B of the Bankruptcy Act unless the committee in its formation and requests for the deposit of bonds or securities advised the depositors that it expected to be remunerated for its services. However, in view of the fact that no such rule has been adopted by the courts, I do not feel justified in applying it to this case.

Some of the facts on which the committee relies for an allowance, such as the negotiation of the contract with the Kentucky Utilities Co., and its modification, are properly within the province of the board of directors and should have been handled by them.

The Bankruptcy Act contemplates that allowances for compensation shall only be made for services rendered in connection with the proceeding for the reorganization, and I do not believe this court has jurisdiction to allow compensation for services rendered in matters collateral to or indirectly affecting the proceedings.

The bondholders' committee has approved an allowance for its members of $12,000, and also an allowance of $20,000 for its attorneys. I find myself unable to act on the recommendation of the committee, and have reached the conclusion that the total allowance to the committee should be as follows:

Moncure Biddle (chairman)	$3,500
J. C. M. Lucas	1,250
Charles B. Roberts, III	850
	5,600

Mr. Biddle has been paid, without the approval of the court, $3,215.94, which leaves a balance of $284.06 due him. Mr. Iredell W. Iglehart, a former member of the committee, now deceased, was paid before his death $800, without the approval of the court. This allowance is approved to the extent of $400.

The secretary of the committee, Mr. Robert L. Randolph, is allowed $1,500, credited by $250 heretofore paid to him by the committee without the approval of the court.

The committee has furnished the court inadequate supporting evidence of its expenses, but probably it is sufficient for the court to approve the amount requested of $4,473.63, which is done.

[9] In future cases this court will not approve allowances of compensation to committees for stockholders, creditors, or bondholders, where voluntarily formed, unless the committee in writing, when soliciting the deposit of bonds or stocks or assignment of claims, advises that it expects to charge for its services.

In re De Witt Clinton Co., Inc. District Court, Southern District of New York. November 27, 1934

Proceeding in the matter of the petition of the De Witt Clinton Co., Inc., debtor.

Decree in accordance with opinion.

Kadel, Van Kirk & Trencher, of New York City, for debtor.

Hornblower, Miller, Miller & Boston, of New York City, for bondholders' committee.

Wise, Shepard & Houghton, of New York City, for successor trustee.

Samuel L. Chess, of New York City, for certain bondholders.

Pollock & Nemerov, of New York City, for certain bondholders.

Harry Hoffman, of New York City, stockholder in person.

Goddard, district judge:

The compensation of the committee is fixed at $7,500 with the following amounts for expenses incurred and to be incurred:

Item (a): Mr. Pounds' affidavit of Nov. 22, 1934	$1,500
Item (b): Mr. Pounds' affidavit of Nov. 22, 1934	2,238
Item (c): Mr. Pounds' affidavit of Nov. 22, 1934 (disbursements of depositary)	100
Item (d): Mr. Pounds' affidavit of Nov. 22, 1934	1,500
Item (e): Mr. Pounds' affidavit of Nov. 22, 1934	1,000

(This allowance of $1,000 is, I believe, a generous share of these general expenses for this estate to stand.)

The compensation of attorneys for committee is fixed at $10,000.

Relative to the amount of fees and disbursements which should be allowed in this matter is the fact that this is only one of a large number of similar Strauss & Co. issues covering various properties which are represented by this same committee and counsel. Presumably one of the reasons for placing so many of them in the hands of one committee and its counsel is that they could be handled less expensively, a considerable part of the services rendered and agreements prepared being substantially duplications of those in other bond issues represented by the committee and its counsel.

The compensation of the Continental Bank & Trust Co., of New York, for services rendered in the foreclosure proceeding and to be rendered, including fees for its counsel and other disbursements, is fixed at $6,000.

The compensation of Kadel, Van Kirk & Trencher, as attorneys for the debtor, for their services is fixed at $12,500.

[1] It is obvious that the fact that the debtor may have agreed to the allowances of the committee and of counsel is not an infallible guide as to the actual value of the services rendered by them, for although they presumably negotiated solely in behalf of the bondholders, other considerations may enter into the situation.

[2, 3] I believe that except in very unusual instances the Court should make no allowances from the estate for fees to counsel representing individual bondholders, as that would tend to encourage evil practices. Such counsel ordinarily should look to their own clients for their compensation. From the hearing before me and from the records I am convinced that Mr. Samuel L. Chess and Pollock & Nemerov, who respectively represented groups of bondholders, devoted an exceptional amount of time and effort in helping to bring about a successful reorganization in which all the bondholders have benefited, and in fairness that they should be allowed some compensation. Accordingly Mr. Chess is allowed a fee of $3,000 and Pollock & Nemerov are allowed a fee of $1,000.

No fee from the estate can be allowed to Mr. Hoffman who, although he may have aided in the reorganization, represented bonds which he himself or his family owned.

The amount of $19,641.97, which is the difference between the amounts the debtor had offered to pay to the committee and counsel for fees and disbursements and to the Continental Bank & Trust Co., and the allowances now fixed by the Court are to be paid into a fund and distributed by the debtor to bondholders who had to forego interest for a period prior to reorganization.

Settle order on notice.

In re National Department Stores, Inc. (two cases). In re Tech Corporation. No. 966. District Court, District of Delaware. July 1, 1935

In bankruptcy. In the matter of the National Department Stores, Inc., bankrupt; in the matter of the National Department Stores, Inc., debtor; and in the matter of the Tech Corporation, a subsidiary of the National Department Stores, Inc., debtor. The proceedings are now before the court on the question of allowances heretofore paid and other allowances now claimed by receivers and their attorneys and by others.

Order in accordance with opinion.

See, also, 8 F. Supp. 19; 11 F. Supp. 101.

Jacob Demov, of New York City, and Reuben Satterthwaite, Jr., of Wilmington, Del., for trustees.

The other petitioners for allowances appeared in their own behalf.

Nields, district judge.

National Department Stores, Inc., has been administered by this court in bankruptcy for almost 2½ years. The successive steps of administration were by bankruptcy receivers from February 6, 1933, until June 30, 1933; by bankruptcy trustees from June 30, 1933, until June 12, 1934; and by trustees under section 77B, Bankruptcy Act (11 U. S. C. A., sec. 207) from June 12, 1934, until the present. In this proceeding Tech Corporation, a subsidiary of National Department Stores, Inc., was also administered by this court from February 26, 1935, until the present. April 19, 1935, a plan of reorganization was approved. Throughout this opinion the word "debtor" refers only to National Department Stores, Inc.

Allowances heretofore paid and other allowances now claimed by receivers and their attorneys, by trustees and their general and special attorneys, by the debtor and its attorneys, by reorganization managers and their attorneys, by a creditors' committee and its attorneys, by attorneys of a second creditors' committee, and by a stockholders' committee and its attorneys, and by accountants, auditors, and tax consultants aggregate approximately $1,500,000. Claims to which objections have been filed with the amounts heretofore paid and the additional amounts requested to be paid are as follows:

	Amount paid	Additional amount claimed
Harry H. Schwartz, coreceiver and cotrustee	$35,000	$110,000
Joseph Bancroft, cotrustee		55,000
Samuel C. Lamport, cotrustee		55,000
Reuben Satterthwaite, Jr., general attorney for trustees	25,000	100,000
Jacob S. Demov, associate general attorney for trustees	25,000	295,000
Charles F. C. Arensberg, attorney for receivers and trustees at Pittsburg	1,800	26,000
Edgar A. Hahn, attorney for receivers and trustees at Cleveland	10,800	20,000
Stevenson, Butzel, Eaman & Long, attorneys for trustees at Detroit		$14,000
Clark R. Fletcher, attorney for trustees at Minneapolis		22,500
Carter & Jones, attorneys for receivers and trustees at St. Louis	$3,600	3,600
Morton Stein, attorney for receivers and debtor at New York	22,500	75,000
Richards, Layton & Finger, attorneys for receivers and debtor at Wilmington	18,000	17,500
Wolf, Block, Schorr & Solis-Cohen and Hirshwald, Goff & Rubin, attorneys for trustees at Philadelphia		5,000
Phillips B. Scott, Pennsylvania tax attorney		3,000
Alter, Wright & Barron, attorneys for Tech Corporation at Pittsburgh		5,000
Samuel D. Leidesdorf and Robert C. Adams, reorganization managers		20,000
White & Case, attorneys for reorganization managers		90,000
Advisory merchandise creditors' committee, Mortimer J. Davis, secretary		10,000
Otterbourg, Steindler & Houston, attorneys for advisory merchandise creditors' committee		65,000
Edward B. Levy and Joseph Handler, attorneys for a second merchandise creditors' committee		10,000
Samuel Ungerleider, Robert C. Adams, E. S. Hanson, Philip W. Russell, and Hugh W. Long, stockholders' committee		25,000
Weil, Gotshal & Manges and John Biggs, Jr., attorneys for stockholders' committee		60,000
Dunbar & Dubail and Charles R. Judge, attorneys for 2 stockholders		150
Total	141,700	1,086,750

National Department Stores, Inc., was incorporated in 1922 and operated either as a holding or operating company a chain of 18 department stores. These stores were located in Portland, Oreg.; Houston and San Antonio, Tex.; Minneapolis; Detroit; Cleveland; two in Wheeling; Memphis; St. Louis; three in Pittsburgh; Atlanta; Richmond; Trenton; and two in Philadelphia. Merchandise of all kinds was purchased for these stores through an executive and central office in New York. To this office reports were sent from time to time from the various stores. The officers, managers, and employees of the subsidiary corporations and units of the debtor called there for the purpose of exchanging views, determining questions of policy, submitting budgets, and making purchases. Practically all important documents were kept in the New York office. That office is the clearing house for the business of the debtor. The chain of stores employed upward of 7,000 people and furnished an outlet of business to over 30,000 supply houses. The annual sales volume during the 2½ years of bankruptcy administration was about $40,000,000. The major problems involved the abandonment of properties, revamping of leases, and rehabilitating credit. The solution of these problems required high talent and a vast amount of work in many mercantile centers of the country. The work was crowned with substantial success. This is demonstrated by the conversion of a loss at the beginning of the administration into a profit at the present time. The reduction of the claims as filed by several million dollars was a notable accomplishment. From the start, the problem of reorganization was considered by all parties in interest. Owing to the depression, efforts to obtain financial aid from private bankers proved futile. Liquidation appeared inevitable until the passage of section 77B. In the fall of 1934, necessary aid was afforded by the Reconstruction Finance Corporation. Thereafter an operable plan of reorganization was drafted. When the required acceptances were obtained, the plan was approved by this court.

Technically, this proceeding may be divided into three periods, but actually the proceeding involves the same estate pending before the same court with identical creditors and stockholders. The services were practically continuous throughout the whole period and related largely to the same matters. At the conclusion of the bankruptcy receivership, allowances were made by the special master and his report thereof was confirmed by this court. These allowances appear under the head "Paid" at the beginning of this opinion. A consideration of the full record proves the allowances of the special master excessive.

[1, 2] The amount of fees to be charged against a bankrupt estate is an expense of administration subject to examination and approval of the court. At any time before the closing of the estate, and on its own motion, the court may review and reexamine allowances paid to trustees and attorneys and make such final disposition of the matter as the equities of the case require. The mistake made by the court in approving the report of the special master is not irreparable and must be corrected at this time. An allowance to each person now seeking compensation should be considered as one allowance for the entire period of his service. I have therefore considered the record of allowances before the special master, together with the testimony during the 5-day hearing in open court.

[3] The court is not without instruction in making allowances. Last April the Supreme Court declared: "Extravagant costs of administration in the winding up of estates in bankruptcy have been denounced as crying evils" (*Realty Associates Securities Corp.* v. *O'Connor*, 55 S. Ct. 663, 665; 79 L. Ed. 1446). A year ago Congress, in enacting section 77B, provided: "The compensation allowed a receiver or trustee or an attorney for a receiver or trustee shall in no case be excessive or exorbitant, and the court in fixing such

compensation shall have in mind the conservation and preservation of the estate of the bankrupt and the interests of the creditors therein" (act June 7, 1934, sec. 3, 11 U. S. C. A., sec. 76a). Recently our own circuit court of appeals adopted language of the Supreme Court: "We were desirous of making it clear by our action that the judges of the courts, in fixing allowances for services to court officers, should be most careful, and that vicarious generosity in such a matter could receive no countenance" (*in re Gilbert*, 276 U. S. 294; 48 S. Ct. 309, 310; 72 L. Ed. 580). The circuit court of appeals followed with the words: "This warning of the Supreme Court against vicarious generosity has also been sounded by other Federal courts" (*Bailie v. Rossell* (C. C. A.), 60 F. (2d) 806, 807). Formerly the idea prevailed that attorneys were entitled to greater compensation when employed in a receivership or bankruptcy case than when serving private interests. In reality, receivers and attorneys are officers of the court. As public servants, their compensation should never be as large as the compensation of those engaged in private employment. By such considerations, debtors may be relieved and creditors and stockholders served.

[4] Applying these general principles to the protracted, painstaking, and for the most part excellent service rendered by petitioners, it is apparent the allowances claimed are excessive and in certain instances exorbitant. Valuable services were rendered. Those who rendered such services are entitled to fair compensation. Where numerous persons participate in rendering one service susceptible of being rendered by one person, needless duplication results which should not form the basis of compensation. This evil is well illustrated in this case.

In the following recital of services under the names of the various petitioners there is no attempt to make a full and detailed recital of services. To do so would unduly prolong this opinion and serve no useful purpose.

ALLOWANCES

[5] Harry H. Schwartz was employed by debtor for a year and a half before bankruptcy at an annual salary of $25,000, with an option on 10,000 shares of debtor's common stock. As the active receiver and trustee for 2½ years he shouldered the burden of operating the numerous enterprises of debtor and effectively assisted in its rehabilitation and reorganization. His services to the estate are worth $25,000 per year. After deducting the $35,000 received, there should be paid to him the sum of $27.500.

[6] Joseph Bancroft and Samuel C. Lamport were cotrustees with Schwartz. As Schwartz was the active trustee, his cotrustees were relieved from personal participation in operating the chain of stores. Their character, experience, and advice were helpful. Bancroft was more constant in his attention to the work and should be allowed somewhat higher compensation than Lamport. Eighteen thousand dollars should be paid to Bancroft and $12,500 to Lamport.

[7] Reuben Satterthwaite, Jr., served as general counsel of the trustees for approximately 2 years. During the first year he devoted about 80 percent of his time to this business and during the second year about 50 percent. He received daily reports from his cocounsel in New York for his own use and the use of the cotrustee resident in Wilmington. He attended the 20 meetings of the trustees. He obtained orders from the court upon many petitions drafted in large part by others. It does not appear that he actively negotiated in solving the major problems. He shared with the assistant general attorney of the trustees in scrutinizing the claims and in filing exceptions. He has received $25,000 and should be paid an additional amount of $12,500.

[8] Jacob S. Demov was associate general counsel for the trustees. A study of the petitions, record, and testimony shows that the major part of the services performed by general counsel for the trustees was performed by Demov. He was in New York, close to the office of the debtor and within easy access of the trustees and store managers. A report of matters handled by Demov and copies of correspondence were sent to his cocounsel in Wilmington and to the trustees. From the start, he was occupied with the problem of reducing rents in some 75 leases and in negotiating use and occupation agreements. With local counsel he attended hearings in connection with leases in Trenton, Minneapolis, Detroit, Pittsburgh, Cleveland, St. Louis, and Philadelphia. The local counsel in these cities have been paid or are asking handsome allowances for the results of the hearings. Attempts were made to segregate the assets in the local jurisdictions of each of the stores. Demov, with the aid of local counsel, obtained possession of the assets from ancillary receivers in Philadelphia, Minneapolis, and Detroit. He gave instructions to the various local counsel in jurisdictions where the stores were located.

Demov conducted the greater part of the litigation before the referee. He made an analysis of upward of 4,000 claims filed with the referee. Eighteen hundred and sixty-eight of these claims were compromised through conference and correspondence. Comparatively few claims were submitted to the referee or special master for determination, and none was reviewed by the district court or by the circuit court of appeals. As a result of his efforts, the general claims were reduced by over $2,000,000. Demov attended all meetings of the trustees which numbered about twenty and were held in New York, Philadelphia, and Wilmington. He drafted the minutes of the meetings. He prepared numerous reports and petitions filed in these proceedings. He has served the trustees efficiently for 2 years. He has been paid $25,000. Upon the basis of an annual salary of $30,000, there is now due him the sum of $35,000.

[9] Charles F. C. Arensberg was local counsel for the receivers and trustees of the debtor at Pittsburgh. There the debtor was burdened with complicated leases. Petitioner participated in negotiations in the revamping of the Frank & Seder and Rosenbaum leases, in the preparation of use and occupation agreements, and in communications leading to the settlement of contingent claims of landlords. Claims investigated included DeRoy, Mellon, and Acheson claims. The last is the principal claim and remains unsettled. Petitioner attended probably 20 hearings in the Tech receivership proceedings, and reported events to general counsel for the debtor and trustees. He has been paid $1,800 and, in view of the services rendered, should receive an additional sum of $10,000.

[10] Edgar A. Hahn was local counsel of the receivers and trustees at Cleveland. He had been local attorney for the debtor for many years. His services extended over a period of about 2½ years. They involved correspondence, drafting agreements, notices, and pleadings, and trips to New York, Wilmington, Wheeling, Columbus, Cincinnati, and Dayton. He participated in negotiations for the settlement of rents and the making of new leases. He has received $10,800 and has earned an additional sum of $10,000.

[11] Stevenson, Butzel, Eaman & Long were local counsel for the receivers and trustees in Detroit. Here, again, the problems were the lease situation and an ancillary receivership. Numerous interests in the leases required the drafting of seven different agreements. The services included conferences and correspondence about tax claims of the city of Detroit. Trouble with labor unions had to be ironed out and important claims compromised. Options for continuance of leases were obtained. Petitioners have received $11,000 and in addition should be paid $7,500.

[12] Clark R. Fletcher was local counsel for the trustees at Minneapolis. Here also ancillary proceedings and leases were the problems. Petitioner acted as counsel for the ancillary receivers in Minneapolis and was paid a fee of $18,000 in that proceeding. Through that appointment he came to represent E. E. Atkinson & Co., a wholly owned subsidiary of debtor. Representing that company he recovered judgment in the Neisner action for rent. Petitioner deducted $25,000 as a fee from the amount recovered in that action and remitted to his client the balance. The Neisner trial consisted in taking formal proof on behalf of the plaintiff. The trial court refused to permit defendant to introduce any proof under the pleading. This ruling was affirmed on appeal. Petitioner has received $43,000 in fees. A further allowance of $5,000 will fully compensate him for all of his services.

Carter & Jones were local counsel for the receivers and trustees at St. Louis. They rested upon their petition for an allowance of $3,600 and submitted no testimony in support thereof. They have received $3,600. Upon consideration of their petition I consider them entitled to a further allowance of $1,400.

[13] Morton Stein was counsel for the receivers and for the debtor. He had been a director, member of the executive committee, and treasurer of the debtor until 1931. Thereafter he continued its general counsel. He was familiar with the set-up, personnel, and operations of the entire chain of stores. In addition, he knew personally the landlords and the trustees for bondholders. Petitioner advised the receivers respecting the abandonment of property, the disaffirmance of leases, and about the credit situation. He procured an order of court subordinating obligations of the debtor against its subsidiaries to claims of creditors. During the trusteeship petitioner went to St. Louis with others and helped settle the claims of landlords and the claims of Nugent Realty Co. bondholders and of Giblin bondholders. He aided also in revamping the Frank & Seder leases, in reducing rents, and in canceling landlord claims. His records show that he devoted to the affairs of debtor, 1,508½ hours; that he conferred with 118 persons; and that, in all, the number of conferences were 709. His acquaintance with the landlords and representatives of bondholders materially assisted in procuring acceptances of the plan of reorganization. Immediately before bankruptcy, he was under a general annual retainer of $22,500. He has been paid $22,500 and is entitled to receive $27,500 in addition.

Richards, Layton & Finger were local attorneys for the receivers and for the debtor at Wilmington. As such, they rendered effective service. They have been paid $18,000 and should receive $7,000 in addition.

[14] Wolf, Block, Schorr & Solis-Cohen and Hirshwald, Goff & Rubin were attorneys for the ancillary receivers in Philadelphia. They were allowed $60,000 for their services. Turning over the assets by such receivers to the trustees was incidental to the closing of the receivership estate. Petitioners' services incident thereto were fully covered by the allowance made in the ancillary receivership. No further allowance should be made.

Phillips B. Scott, tax attorney in Pennsylvania, petitioned for an allowance of $3,000, and has sustained his petition by oral proof.

[15] Alter, Wright & Barron were attorneys for Tech Corporation at Pittsburgh. In the Tech receivership proceedings in the western district of Pennsylvania these petitioners were allowed $80,000. They prepared a creditors' petition under section 77B against Tech while acting as attorneys for receivers of Tech, and submitted the same to the Chase National Bank of New York, a large creditor of Tech. Thereafter they delivered the petition to another attorney who filed the same in Pittsburgh for the petitioning creditors. An examination of the record shows that any services on behalf of Tech Corporation in the section 77B proceeding in this district were trifling in character. For such services, the court allows the sum of $500.

Samuel D. Leidesdorf and Robert C. Adams were reorganization managers. The court had the opportunity of hearing both peti-

tioners testify about their services as managers and awards to each the sum of $5,000.

[16] White & Case were attorneys for the reorganization managers. Their services cover the entire period of 2½ years and were of high quality. The preservation of this estate for the benefit of its creditors and stockholders necessitated the elimination of claims by litigation and adjustment; the settlement of large disputed claims by negotiation; negotiations for reduced rentals; negotiations for renewed leases; obtaining new money for working capital; the formulation of a proper plan of reorganization; and obtaining assents to the plan by creditors and stockholders. In the accomplishment of this purpose petitioners were the indispensable agents. Briefly, the causes of bankruptcy were: (a) Loss of adequate working capital due to losses in operations resulting from decline in sales; (b) unprofitable stores in St. Louis and Pittsburgh; (c) failure to obtain bank credit or extension of existing bank indebtedness; (d) failure to obtain satisfactory merchandise and trade credit; (e) burdensome leases; and (f) burdensome fixed charges in connection with bonds, mortgages, and other long-term indebtedness. Relief from these oppressive conditions had to precede the formulation and approval of a plan of reorganization. The credit of furnishing this relief is primarily attributable to petitioners, yet the full accomplishment of the results obtained was due to the effective cooperation of Schwartz and other petitioners. Throughout the entire period of 2½ years petitioners were engaged in the task of formulating an acceptable plan of reorganization. This involved the formulation of numerous plans and reconciling, through skillful negotiation, diverse interests. This skillful and difficult work was primarily performed by Colonel Hartfield. He enlisted the aid of the Reconstruction Finance Corporation, which resulted in a commitment for a loan of $2,250,000. He negotiated with the creditors and stockholders' committees and other interested parties until far more than the required number favored his plan. For these constructive services petitioners should be paid $62,500.

[17] Mortimer J. Davis was secretary of the advisory merchandise creditors' committee. He is associated with a credit organization or adjustment bureau in New York which is very active in bankruptcy proceedings. The services and facilities of that association were furnished through Davis to the creditors' committee. These services, however, are compensated by the expenses allowed to the petitioner in the sum of $3,847.02. For his services as secretary of the committee Davis should be paid $1,000.

[18] Otterbourg, Steindler & Houston were attorneys for the advisory merchandise creditors' committee. That committee was organized about February 6, 1933. By advertisements and circulars petitioners communicated with merchandise creditors of the debtor and procured numerous proxies. The committee represented 1,981 creditors of debtor with claims aggregating $447,250.26 and 575 creditors of Tech with claims aggregating $124,161.33. Petitioners took an active interest in the affairs of the debtor by attending conferences, appearing in court in Pittsburgh and Wilmington, and participating in various hearings. In the Acheson and in other proceedings they filed independent briefs. They appeared and participated in the examination of witnesses at the hearing in Pittsburgh on allowances in the Tech receivership proceeding. Representing creditors they participated in the formulation of the plan of reorganization and made many suggestions which were adopted in whole or in part. Petitioners communicated with the creditors concerning the plan and furnished them with copies of their opinion with respect thereto. They were of great assistance in procuring acceptances of the plan by merchandise creditors. For their services they should be paid $25,000.

[19] Edward B. Levy was attorney for a second merchandise creditors' committee. This committee was not authorized to intervene in this proceeding until February 19, 1935. It was organized subsequent to the organization of the advisory merchandise creditors' committee. After the filing of the 77B petition in this court, Levy, in association with another New York lawyer, filed an involuntary petition against the debtor under section 77B in th southern District of New York without the knowledge of the debtor. This petition was dismissed. The record fails to disclose a reason for the organization of a second creditors' committee. Its interests were identical with the interests of the creditors' committee already organized which was fully cooperating with the trustees, the debtor, and the reorganization managers. In view of all the circumstances the court feels that no allowance should be made to this committee or its counsel.

[20] Samuel Ungerleider, Robert C. Adams, E. S. Hanson, Philip W. Russell, and Hugh W. Long constituted a stockholders' committee. This committee held no fixed or organized meetings. It received no deposits of stock. From the petition and testimony it is difficult to determine what services were rendered by the committee. Mr. Adams has waived any fee as a member of this committee. The record only justifies a nominal allowance of $1,000 to each of the four remaining members of the committee.

[21] Weil, Gotshal & Manges and John Biggs, Jr., were attorneys for a stockholders' committee. It is difficult to grasp from the record what services were rendered and what results were obtained by petitioners. The time actually spent by them on behalf of the committee does not clearly appear. The day sheets are brief and do not indicate services of a substantial character. Petitioners did cooperate with their committee in procuring the assent of stockholders to the plan of reorganization. For all their services they should be allowed the sum of $5,000.

[22] Dunbar & Dubail and Charles R. Judge, attorneys for two stockholders, petitioned for an allowance of $150 for examining and filing objections to the plan of reorganization. The estate was in no way benefited and no allowance should be made.

Accountants, auditors, and tax consultants have petitioned for payment of their services. An examination of the record discloses that the services set forth were rendered and that the amounts claimed should be paid.

It is unnecessary to consider in detail the expenses claimed in the various petitions filed. Adequate proof was furnished relating to these expenses, and in each and every instance they should be paid.

An order in accordance with this opinion may be submitted.

In re 2747 Milwaukee Ave. Bldg. Corporation. No. 57262. District Court, Northern District of Illinois, Eastern Division. October 24, 1935. Supplemental opinion November 19, 1935

Proceeding in the matter of the 2747 Milwaukee Avenue Building Corporation, debtor, on applications for fees and allowances for services rendered in connection with proceeding brought under the Bankruptcy Act to reorganize the debtor.

Order in accordance with opinion.

Woodward, district judge:

A plan of reorganization of the above-named debtor has been confirmed. Applications for fees and allowances have been made as follows:

Leo S. Samuels [of Chicago, Ill.], attorney for petitioning creditors:		
Fees	$6,000.00	
Expenses	134.06	
		$6,134.06
Francis A. Lackner, employee of petitioning creditors to prepare plan of reorganization, fees		800.00
Schwartz & Cooper [of Chicago, Ill.], attorneys for debtor, fees		7,500.00
Benjamin E. Cohen [of Chicago, Ill.], attorney for trustee, fees		1,200.00
Howard K. Hurwith, trustee, fees		2,500.00
Taylor, Miller, Busch & Boyden [of Chicago, Ill.], attorneys for intervening creditor, fees		200.00
Butz, Von Ammon & Marx [of Chicago, Ill.], attorneys for trustee under trust deed, fees		5,000.00
Chicago Title & Trust Co., services to bondholders' committee:		
Fees	$1,500.00	
Expenses	559.40	
		2,059.40
Barkhausen et al., bondholders' committee:		
Fees	10,523.00	
Expenses	534.21	
		11,057.21
Butz, Von Ammon & Marx [of Chicago, Ill.], attorneys for bondholders' committee, fees		4,000.00
Total		40,450.67

The court at this time is withholding its ruling on the application of the bondholders' committee and its attorneys for the allowance of their fees and expenses.

The applications were referred to a special master, who has submitted his report with recommendations.

The Corporate Reorganization Act (Bankruptcy Act, sec. 77B; 11 U. S. C. A., sec. 207) was framed with the view of economical administration. The allowance of fees and expenses, therefore, is of prime importance. The pertinent statutory provisions may be summarized as follows:

Section 64b (3) of the Bankruptcy Act (as amended by act May 27, 1926, sec. 15, 11 U. S. C. A., sec. 104 (b) (3)), of which section 77B (11 U. S. C. A., sec. 207) is a part, provides for the payment of one reasonable attorney's fee to petitioning creditors, irrespective of the number of attorneys employed.

Section 77B (k) (11 U. S. C. A., sec. 207 (k) provides that, with certain exceptions not material here, the general provisions of the Bankruptcy Act shall apply to proceedings under section 77B.

Section 77B (b) (3) (11 U. S. C. A., sec. 207 (b) (3)) provides that the plan must contain provisions for the payment in cash or securities of the costs of administration and other allowances found by the court to be reasonable.

Section 77B (c) (9) (11 U. S. C. A., sec. 207 (c) (9)) provides that the judge may allow reasonable compensation and reimbursement for actual and necessary expenses incurred in connection with the proceeding and the plan to officers, parties in interest, depositaries, reorganization managers, and committees or other representatives of creditors or stockholders, and the attorneys or agents of any of the foregoing and of the debtor.

[1] The court may allow only the fees and expenses authorized by the statute, and may not enforce, as a charge against the debtor's property, a liability neither assumed by it nor imposed by the Bankruptcy Act.

[2] Under the provisions of section 77B, fees, allowances, and expenses which may be awarded by the court fall into two categories: (1) Those in connection with the proceeding and the plan, as described in subsection (c) (9) (11 U. S. C. A., sec. 207 (c) (9)); that is, those incurred in this proceeding; and (2) those incurred in a prior receivership or trusteeship, as described in subsection (1) (11 U. S. C. A., sec. 207 (1)), being the reasonable administrative expenses and allowances in a prior Federal or State court proceeding.

Whether the fees and allowances are awarded for services in connection with the present proceeding, or are allowances in the prior proceeding, they must be reasonable. Moreover, subsection (k) specifically provides that section 64 of the Bankruptcy Act shall apply to a 77B proceeding, and subsection (b) (3) of section 64 permits only reasonable compensation for services actually rendered. It will therefore be observed that the rule of reasonableness as to compensation to be allowed is stressed in the three sections noted. Further, under the general Bankruptcy Act, the design of Congress was that the administration of bankrupt estates should be had at the minimum of expense. (*In re Curtis* (C. C. A.) 100 F. 784, 792; 2 Collier on Bankruptcy (13th ed.), p. 1351.)

The intent of the act is to minimize the expense of debtor's rehabilitation, wherein it will be noted that the general purpose is to facilitate amicable adjustments between creditors and distressed debtors under the supervision of the bankruptcy court, which holds the property during the period of readjustment, thus saving the debtor in the first instance from liquidation. The estate is kept intact under the jurisdiction of the court, the purpose being to disturb the operation of the business as little as possible, thereby minimizing losses caused by the filing of the petition. The intent of Congress to provide relief, to rehabilitate the debtor, and to minimize the cost of administration is further expressed in the following:

(1) Compensation allowed must be found to be reasonable.

(2) Ancillary receiverships are obviated, and the estate is administered by one trustee, thereby saving the ancillary cost.

(3) Debtor corporation may be the finally reorganized corporation, thus saving the cost of the formation of a new corporation and the expense incident thereto.

(4) Outstanding securities may be exchanged or extended, and liens modified or satisfied, saving the cost of new securities and the expense of foreclosure.

(5) The debtor may be continued in possession and its officers retained at salaries approved by the judge, or, because of their interest, at no salaries, thus saving the expense of a trusteeship.

(6) New securities may be issued free from stamp tax.

(7) A plan of reorganization may be accepted by creditors and stockholders before the petition is filed, thus shortening the proceeding.

The attorney for the petitioning creditors, under subsection (c) (9), is asking for an allowance of $6,000. Although he performed conscientious services, yet in view of the rule of reasonableness, an allowance of such sum would be excessive.

Before any allowance can be made, the court must determine for what services the attorney for petitioning creditors is entitled to receive compensation from the debtor estate.

[3] Section 77B (a), 11 United States Code Annotated § 207 (a), provides that the burden of satisfying the court that the petition has been filed in good faith is upon the petitioner, regardless of whether the petition is voluntary or involuntary (*Manati Sugar Co.* v. *Mock*, C. C. A. 75 F. (2d) 284).

While no satisfactory and comprehensive definition can be given to the vague term "good faith", it is certain that in a 77B proceeding, one of its elements is that it must appear that there is at least some prospect that the affairs of the debtor corporation may be reorganized. A general showing, therefore, should be made, either in the petition or otherwise, that the circumstances reasonably indicate the desirability and possibility of a reorganization. An allowance, therefore, may be made to the attorney for the petitioning creditors for actual services rendered in establishing "good faith."

If the court is satisfied that the petition has been filed in "good faith", the petition is approved and the court takes jurisdiction of the debtor and its property. The services required of an attorney for petitioning creditors under section 77B are similar to those rendered by an attorney for petitioning creditors under the General Bankruptcy Act, and an order approving the petition is equivalent to an order of adjudication in bankruptcy.

[4] The circuit court of appeals for the second circuit, in the case of *In re Consolidated Distributors* (298 F. 859, 863), holds that the allowances must be confined to services actually rendered in preparing and filing the petition and prosecuting it to the adjudication of the bankrupt, whereupon the estate passes to the control and jurisdiction of the court, and thereafter there is no necessity and no opportunity for the attorney for the petitioning creditors to render actual service to the estate.

The approval of the petition in a 77B proceeding concludes the services required of petitioning creditors. However, their service may extend to and include the appointment of a temporary and permanent trustee. Such approval opens the door of the court to suitors who desire debtor's reorganization. For such services actually rendered the attorney for the petitioning creditors is entitled to receive reasonable compensation from the debtor estate.

[5] Without contest the petition was approved. Subsequent thereto, with leave of court, petitioning creditors filed a plan of reorganization. This plan was not approved, and bore no resemblance to the approved and accepted debtor's amended plan, which was the result of collaboration with the attorneys for petitioning creditors and the bondholders' protective committee. To the extent of their participation in debtor's plan, the attorney for the petitioning creditors is entitled to receive reasonable compensation for actual services rendered.

The attorney for petitioning creditors rendered further beneficial services to the debtor estate in the appointment of the temporary and permanent trustee, in the matter of claims, and other minor services as reported by the special master. The court recognizes these services.

The court is of the opinion that the sum of $3,000 is a reasonable allowance for the services rendered by the attorney for the petitioning creditors, and the fee is fixed at that amount. Petitioning creditors are allowed the sum of $134.06, representing reimbursement for advances.

[6] The court is asked to allow a fee to a real-estate expert employed by petitioning creditors. The work for which he asks compensation consists of investigating the affairs of the debtor, preparing and submitting to petitioning creditors the data for their plan, securing consents thereto, investigating court records, and attending hearings before the master on the fairness of the debtor's plan. He further states that it will be necessary to spend additional time in putting the debtor's plan into effect.

Part of these services are compensable from the estate of the debtor. He may be compensated only for those services which directly affected the question of "good faith." The reasonable value of these services is the sum of $60, which is allowed to Francis A. Lackner.

The remaining services were rendered subsequent to the approval of the petition, were not required of petitioning creditors, and were duplications of the services rendered by the attorney for the debtor. Such services are not compensable in this proceeding.

The trustee has been in full control and management of the debtor estate since his appointment by this court. The estate consists of a building having 52 apartments under one net lease, and 14 stores. For the period from October 19, 1934, to June 15, 1935, the trustee has collected a total gross rental of $22,891.52.

[7, 8] In determining what allowance should be made to the trustee in addition to what has been stated, the following from *Bailie et al.* v. *Rossell* (C. C. A.) 60 F. (2d) 806, 807, is of importance: "The controlling consideration in fixing a receiver's compensation are the fair value of the time and labor required in the performance of his duties as measured by ordinary business standards and the degree of activity, integrity, and dispatch with which the work has been performed."

The Chicago Real Estate Board, in its schedule of commission rates, rule 29, section 3, article 2, declares that for property of this character the minimum charge for complete management service, such as would be required of an owner, should be not less than 5 percent of gross collections. With these principles as a guide, and considering that 90 percent of the premises are under a single net lease, the court is of the opinion that 5 percent of the gross amount collected, which the special master finds to be $22,891.52, is a reasonable charge for the trustee's services, and fixes that amount at $1,144.58, which is allowed.

[9] Benjamin E. Cohen, duly appointed attorney for the trustee, requests an allowance. He is entitled to receive reasonable compensation from the estate for services rendered to the trustee in the preservation and prosecution of the trust estate, including court appearances involving the trust property. The special master has reported that a reasonable charge for this service is the sum of $965.63, which is allowed. A request for an allowance for services rendered in the examination of the various plans of reorganization and attendance on the hearings thereof before the master is denied.

[10] The firm of Taylor, Miller, Busch & Boyden, representing a nondepositing bondholder, seeks an allowance of $200 for services rendered in the examination of the debtor's plan resulting in accepted modifications of debtor's amended plan. The special master has found that such services were beneficial to the estate and that the sum of $200 is a reasonable charge therefor, which sum is hereby allowed.

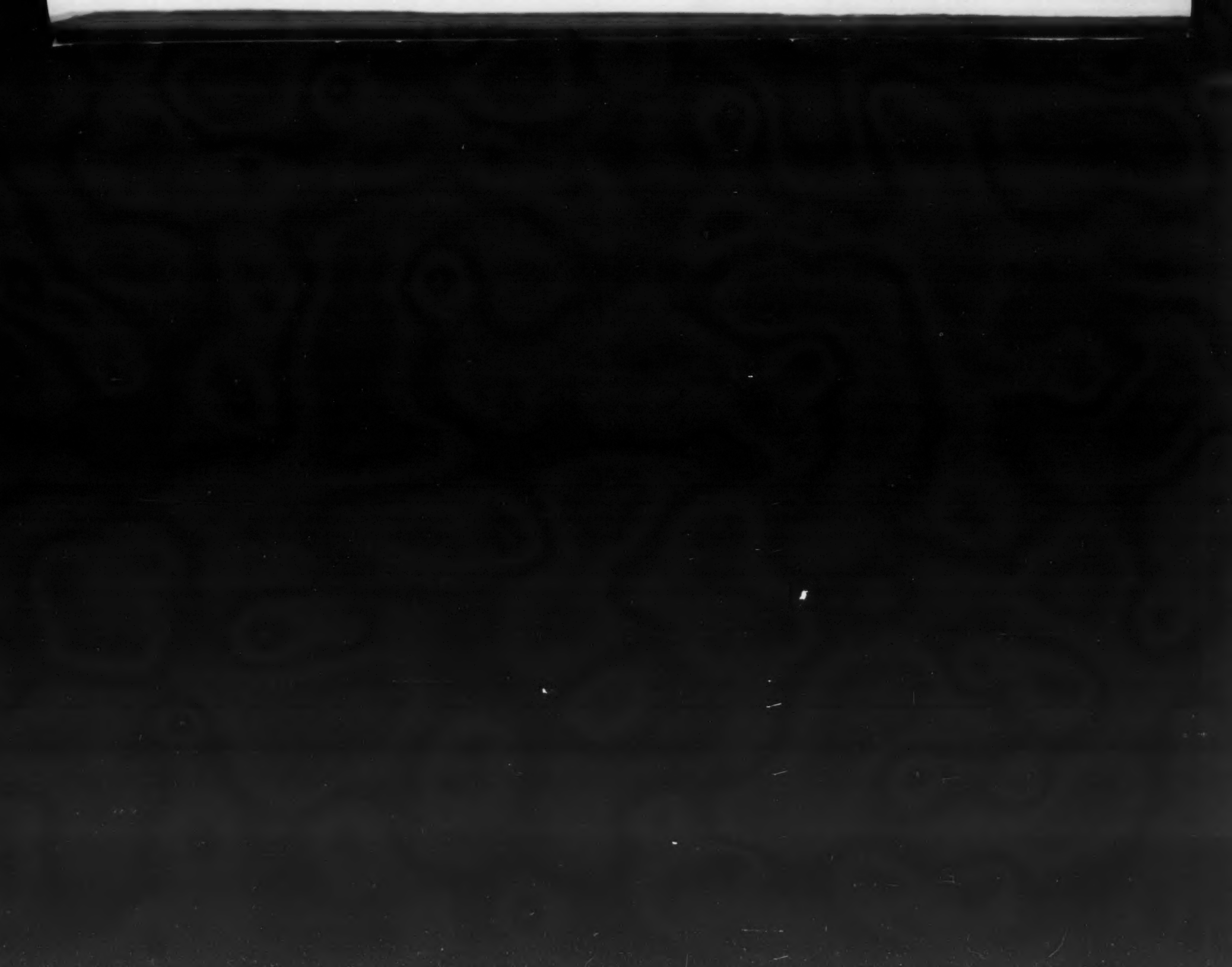
An order may be presented in conformity herewith.

SUPPLEMENTAL OPINION

In an opinion in this cause, bearing date October 24, 1935, the court reserved for further ruling the applications of the bondholders' committee and others for the allowance of fees and expenses. In this supplemental opinion the court will cover the matters heretofore reserved.

The bondholders' protective committee and its attorneys, as well as the Chicago Title & Trust Co., are asking for allowances. The petitions for allowances were referred to a special master to take the evidence and to report with recommendations. The master filed his report. On the motion of the Chicago Title & Trust Co. testimony, so far as pertinent, taken in another proceeding, is to be considered on the final hearing of its application in this case, together with the special master's report. The matter now comes up on the report of the special master and the testimony taken in the other proceeding.

The Chicago Title & Trust Co. was named trustee in the trust deed securing a bond issue of the debtor in the aggregate sum of $425,000, as well as the trustee in other bond issues sold by or through Lackner, Butz & Co., the house of issue. Prior to the default of the debtor, which occurred on January 1, 1933, the Chicago Title & Trust Co. cooperated in the organization of a voluntary bondholders' protective committee for the protection of the bondholders of all Lackner and Butz issues. Under the provisions of the bondholders' protective agreement, the Chicago Title & Trust Co. was designated the depositary for the bonds. It was also employed by the committee to render secretarial and clerical services to the committee. Under the provisions of the trust deed concerted action of 20 percent of the unpaid and outstanding bonds was necessary in order to institute foreclosure proceedings. Upon default communication was sent to the bondholders of the debtor requesting the deposit of their bonds with the depositary. the depositary accepted $247,600 in principal amount of bonds, approximately 59 percent of the issue, and issued 214 certificates of deposit. Upon demand of the bondholders' protective committee, the Chicago, Title & Trust Co., as trustee, filed a bill to foreclose



the trust deed in the circuit court of Cook County, Ill. No proofs were ever offered on the bill to foreclose. Thereafter a creditors' petition was filed under section 77B (11 U. S. C. A., sec. 207), resulting in the confirmation of a plan of reorganization. The plan, as finally adopted and confirmed, was the result of the joint services of the attorney for petitioning creditors, the attorney for the debtor, and the attorney for the bondholders' protective committee.

The Chicago Title & Trust Co. has since April 27, 1933, acted as depositary for and has rendered secretarial services to the bondholders' protective committee. The Chicago Title & Trust Co., by its organization and experience, was well equipped to render such service. In the discharge of its duty as depositary and secretary it furnished office space, office machinery and equipment, and a trained personnel, including the services of its executive officers and financial experts. It set up books and records, conferred with bondholders, and held numerous conferences with members of the committee and the attorneys for the committee. This service also included the making of appraisals and reappraisals, correspondence with bondholders, assembling from the various departments of the Chicago Title & Trust Co., and presenting data for consideration at committee meetings with reference to the valuation of the properties, tax questions, income and rental problems, and management operations. This service also included keeping books of account on committee operations and maintenance of books and records for the committee. Subsequent to filing the petition under section 77B, the Chicago Title & Trust Co. furnished secretarial services with respect to negotiations for the proposed reorganization and, through attorneys, assisted in consummating the plan of reorganization.

The same department, equipment, and personnel were used in at least 90 similar Lackner-Butz issues.

The supplemental evidence relates largely to the reasonableness of the rates charged for depositary and secretarial services covering the whole period of service from the deposit of the bonds to the final decree in the reorganization case. The contention is made that the rates fixed by the Corporate Fiduciaries Association should govern.

In order to determine to what extent the services of the bondholders' protective committee, the Chicago Title & Trust Co., as depositary and secretary, and their respective attorneys are chargeable to the debtor estate, resort must be had to the provisions of section 77B. Section 77B (i) (11 U. S. C., sec. 207 (i)) provides in part as follows: "And the judge shall make such orders as he may deem equitable for the protection of obligations incurred by the receiver or prior trustee and for the payment of such reasonable administrative expenses and allowances in the prior proceeding as may be fixed by the court appointing said receiver or prior trustee."

[11] Obviously, the terms of the trust deed dictated the method by which bondholders might institute foreclosure proceedings. In the absence of any provisions in the trust deed, there is no provision under the laws of the State of Illinois whereby the court in the foreclosure proceeding had the power to allow fees to be paid from the mortgage estate to bondholders' committees, their depositaries, secretaries, or attorneys. Compensation for such services performed by the bondholders' protective committee, its depositary and secretary, and their attorneys is not allowable as administrative expenses in a "prior proceeding" under section 77B (i).

[12] If compensation is to be allowed from the debtor estate to the above parties, it must be by virtue of section 77B (c) (9), 11 U. S. C. A., section 207 (c) (9), which, so far as pertinent, reads as follows: "The judge * * * may allow a reasonable compensation for the services rendered and * * * for the actual and necessary expenses incurred in connection with the proceeding and the plan by * * * depositaries, reorganization managers, and committees, or other representatives of creditors or stockholders, and the attorneys or agents of any of the foregoing and of the debtor."

The relief contemplated by section 77B of the amended Bankruptcy Act is relief to an involved debtor. Such relief cannot be accorded to it if, on reorganization, its estate is burdened with the payment of large and excessive fees and administration expenses. Fees and administrative expenses in bankruptcy and insolvency litigation must be held down to a minimum consistent with fairness and equity to all parties who have contributed to the presentation of the res and its administration for the common benefit. When, therefore, the judge is authorized to make allowances for expenses "incurred in connection with the proceedings and the plan" the words must be given a construction in harmony with the principles above stated. While the words "proceedings" and "the plan" have different connotations, yet, so far as the allowance of expenses are concerned, such expenses must have been "incurred" in or in contemplation of the proceeding by which some scheme of reorganization was consummated. The "proceeding" mentioned can mean nothing more than the proceeding instituted under section 77B. The words "the plan" seem to have been used deliberately to deprive the court of any power to allow expenses except in connection with the plan formulated and approved in the section 77B proceeding. Any other construction would open wide the door to the allowance of undefined, excessive, and extravagant expenses not connected remotely or directly with any reorganization under section 77B. Congress never intended the district judge to exercise so wide a discretion.

(13) The court must reject as untenable the contention of counsel for the committee and its depositary that the court may allow as administration expenses under section 77B (c) (9) compensation for the committee members as well as compensation and expenses to the depositary and secretary of the committee for all services from the inception of the committee to the final decree in the reorganization case. Creditors, in the absence of special contract with their debtors, assume the expense of prosecuting and collecting their debts. In the instant case they were persuaded that this could best be accomplished by their joint action. In receiving the deposit of bonds, in making appraisals, in holding conferences, and writing letters to bondholders, in instituting the foreclosure proceeding, and in practically all the other work performed before the commencement of the section 77B proceeding, the committee and its depositary were performing services in the interests of the depositing bondholders. The debtor's estate cannot be burdened with such expense.

It is contended that the debtor's reorganization was made possible by the cooperation of the bondholders' committee; that thereby the debtor was able to conclude a speedy reorganization and, in addition, was saved the expense of securing the consents which the committee caused to be voted to the final plan. It is admitted that the work and expense of assembling the bondholders was completed long before the adoption of the section 77B amendment, and that the general purpose in assembling the bondholders, in the first instance, was the protection of their rights under the trust deed and in the foreclosure action. Nevertheless, it is urged that the committee's services also inured to and were beneficial to the debtor's reorganization, and that therefore their fees and expenses in assembling the bondholders should be considered as services rendered and expense incurred in connection with "the proceeding and the plan", and compensated accordingly.

The answer to these contentions is that the work so performed was primarily to the benefit of the depositing bondholders and evidently contrary to the wishes of nondepositing bondholders and other creditors of the debtor. It may well be contended that nondepositing bondholders, constituting 41 percent of the total issue, after considering the unprecedented chaotic condition of the realty market, were not in sympathy with the methods employed by the bondholders' committee and were content to let the debtor remain in possession after its default, thereby eliminating the burden and expense to the estate resulting from the foreclosure proceeding. What was done prior to the section 77B proceeding was to the interest of the depositing creditors and they must bear their own expense.

It is further urged that the fees and expenses of the committee should be allowed because the plan so provides. The court, before confirming a plan of reorganization, must be satisfied that the plan is fair and equitable and does not discriminate unfairly in favor of any class of creditors or stockholders. Section 77B (f) (1) 11 U. S. C. A., section 207 (f) (1). Without further comment it is apparent that any allowance to a bondholders' committee for services rendered prior to a section 77B proceeding would unfairly discriminate, decrease the assets of the estate, and be prejudicial to the rights of other creditors of the debtor, including nondepositing bondholders. The court holds that no compensation or item of expense can be allowed from the assets of the debtor estate to bondholders' committees for services rendered prior to, and not in contemplation of, a section 77B proceeding.

[14] Beneficial services were rendered by the committee in connection with the debtor's reorganization, as reported by the special master. Services rendered in connection with the actual proceeding and the plan are compensable, for which the court may award reasonable compensation, from the assets of the debtor estate. In determining what is reasonable compensation, the court considers that the committee, over the same period of time, with the same facilities, rendered similar services in approximately 90 similar Lackner-Butz issues. For their services in connection with 214 certificates of deposit, the following sums are allowed, which the court finds to be reasonable:

(1) To Henry G. Barkhausen et al., comprising the bondholders' protective committee, for their advice, attendance at conferences, resisting petitioner's plan of reorganization, their advice and counsel in the formation of debtor's amended plan, their advice and services with reference to the release of the second mortgage, attendance by one of their members before this court and its masters on the hearing on the plans, and all other services, the total sum of $750

[15] (2) To the Chicago Title & Trust Co., as depositary, for its complete services in this proceeding, in the exchange and delivery of the new securities. Such services are clerical in nature, and the court allows the sum of $1 per certificate, or the total sum of 214

[16] (3) To the Chicago Title & Trust Co.:

(a) For their complete past secretarial services to the committee, in connection with this proceeding and the plan, consisting of correspondence with the bondholders, making of appraisals, and assembling data for the committee $750

[17] (b) For their future secretarial services and expense with reference to the exchange of the securities, which services are clerical, the sum of $1 per certificate, or 214

Total 964

All other requests of the committee and its depositary and secretary are disallowed.

[18] Butz, Von Ammon & Marx ask an allowance for services as attorneys for the bondholders' protective committee. This firm was employed in this proceeding and rendered valuable legal serv-

ices herein from September 15, 1934, the date the petition was filed, continuously to the date of the confirmation of the plan. The services to which such petitioners are entitled to compensation out of the debtor estate include the following:

Examination of the petition, conferences with the attorneys for the petitioning creditors, and the attorneys for the debtor corporation, conferences with the bondholders' protective committee, appearances in court upon the appointment of temporary and permanent trustees, examination and taking an active part in the resistance of the plan proposed by the petitioning creditors, examination of receiver's reports and accounts, securing entry of an order authorizing the trustee under the trust deed to file a bulk claim on behalf of the bondholders securing an order authorizing the bondholders' protective committee to file a claim on behalf of the depositing bondholders, collaboration with the debtor's attorney and the attorney for the petitioning creditors in the formation of an amended plan for the debtor, appearances before the district court and Master Herriott on the hearings on said plan, and participation in the proceedings eliminating the $80,000 junior trust deed from the proceeding.

The court fixes the reasonable value of such services at $2,037.50, which sum is allowed.

[19] Schwartz & Cooper represented the debtor in this proceeding and are entitled to compensation out of the debtor's estate. These services consisted of investigating the affairs of the debtor, preparing and submitting the debtor's plan, the attendance of Mr. Schwartz throughout the various stages of debtor's reorganization. The special master has recommended that a reasonable charge for the services set forth in the petition is the sum of $4,200, which the court allows.

[20] The Chicago Title & Trust Co. requests an allowance for its services and expenses as trustee under the trust deed. Petitioner was designated as trustee May 15, 1927, and since that time has acted as such. As trustee it maintained adequate books and records, answered inquiries by mail and telephone, but performed no substantial duties until May 5, 1933, when demand was filed and the bill of foreclosure was presented for its signature and later filed. It employed attorneys to represent it in the legal phase of the foreclosure proceeding. Aside from the cancelation of a unit lease, its services were largely clerical in nature and should be compensated for on that basis. The court fixes the reasonable value of such services at the sum of $500. As trustee it incurred expenses for filing fees, abstract examination, sheriff's fees, and publication costs in the sum of $559.40, which are allowed in that amount.

[21] Butz, Von Ammon & Marx request an allowance for legal services to the trustee in the foreclosure proceeding in the State court.

Mr. Joseph H. Lawyer appeared and testified that his firm represented the Chicago Title & Trust Co., as trustee, in the State court foreclosure proceeding; that in April 1933 the issue was referred to the bondholders' protective committee for action; that after examination of the files and ascertainment that the committee had acquired 20 percent of the bonds to institute foreclosure proceedings, he caused notice to be served upon the debtor corporation for the default that existed; that as attorney for the committee, he notified the trustee of the default and the election to accelerate the unpaid balance, prepared the bill of complaint in foreclosure, affidavit of unknown residence; submitted the bill of complaint to Chicago Title & Trust Co. for signature, prepared the summons, filed the bill of complaint on May 5, 1933, case no. B-268212, entered order of consolidation in the foreclosure of the second mortgage, contested the fairness of the leases entered into by the receivers, ordered examination of title and information from the Chicago Title & Trust Co. covering the filing of the foreclosure proceeding, examination of the same, filing an amended bill of complaint, summons issued thereunder, appeared in mechanics' lien action, examined the receiver's reports, and appeared in court when such reports were filed and allowances of fees asked for, and suggested that the receiver carry fire insurance in more than one company.

Mr. Lawyer testified that following the schedule of fees of the Chicago Bar Association, dated January 20, 1933, the minimum total fee provided for in an uncontested typical $420,000 bond issue foreclosure would be $8,150, and that the services rendered constituted three-fourths of the services which would have been rendered in a complete foreclosure proceeding.

While the Chicago Bar Association rules are intended as a guide to the courts in the allowance of fees, they are merely advisory and can have no application where the law is otherwise and judicial determination has found the policy for fee allowances in the Federal courts.

The court finds that reasonable compensation to the attorneys for the trustee is the sum of $3,087.50, which is allowed.

Attached hereto is a summary of the allowances made in the first and supplemental opinions.

An order may be submitted in conformity with this supplemental opinion.

Memorandum of allowances

Leo S. Samuels [of Chicago, Ill.], attorney for petitioning creditors:		
Fee	$3,000.00	
Expense	134.06	
		$3,134.06
Francis A. Lackner, employee of petitioning creditor:		
Fee		60.00
Howard K. Hurwith, trustee under section 77B proceeding: Fee		$1,144.58
Benjamin E. Cohen [of Chicago, Ill.], attorney for trustee Hurwith: Fee		965.63
Taylor, Miller, Busch & Boyden [of Chicago, Ill.], attorneys for intervening creditor: Fee		200.00
Chicago Title & Trust Co.:		
(1) As trustee under trust deed:		
Fee	$500.00	
Expense	559.40	
		1,059.40
(2) As depository for bondholders' protective committee: Fee		214.00
(3) For past secretarial services to bondholders' protective committee: Fee		750.00
(4) For future secretarial services to bondholders' protective committee: Fee		214.00
Butz, Von Ammon & Marx [of Chicago, Ill.]:		
(1) Attorneys for trustee under trust deed: Fee		3,087.50
(2) Attorneys for bondholders' protective committee: Fee		2,037.50
Schwartz & Cooper [of Chicago, Ill.], attorneys for debtor: Fee		4,200.00
Henry G. Barkhausen et al., bondholders' protective committee: Fee		750.00

In re New York Investors, Inc. *Reconstruction Finance Corporation* v. *Endelman et al.* Nos. 492, 493. Circuit Court of Appeals, Second Circuit. July 22, 1935

Appeal from the District Court of the United States for the Eastern District of New York.

In the matter of New York Investors, Inc., debtor. From orders directing Charles H. Kelby and Clifford S. Kelsey, as trustees in reorganization of the debtor, to pay out of the estate of the debtor certain allowances for services of Charles H. Kelby and Clifford S. Kelsey, as receivers, Powell & Ruch, as attorneys for the receivers, and Edward Endelman, as attorney for an intervening preferred stockholders' protective committee, in the receivership in the suit in the eastern district of New York, entitled "John A. Selby, complainant, against New York Investors, Inc., defndant, in Equity No. 7020, the Reconstruction Finance Corporation, a creditor, appeals.

Modified in part and reversed in part.

Root, Clark, Buckner & Ballentine, of New York City (William P. Palmer and Everett I. Willis, both of New York City, of counsel), for appellant.

Edward Endelman, of New York City, pro se.

Powell & Ruch, of New York City (Clinton J. Ruch, of New York City, of counsel), for appellees; Powell & Ruch and Charles H. Kelby and Clifford S. Kelsey, as trustees.

Before L. Hand, Augustus N. Hand, and Chase, circuit judges.

Augustus N. Hand, circuit judge:

The appellees Kelby and Kelsey were appointed equity receivers of New York Investors, Inc., on July 14, 1933, and remained such until January 7, 1935. Their work thus covered about 18 months, and upon its termination they became trustees in the reorganization proceding instituted by the debtor under section 77B of the Bankruptcy Act (11 U. S. C. A., sec. 207). On June 29, 1934, they were appointed trustees of Prudence-Bonds Corporation, a subsidiary of New York Investors, Inc., in a similar reorganization proceeding, so that their time was considerably occupied during the final 6 months of the receivership of the latter company in the affairs of the Prudence-Bonds Corporation. The receivership of New York Investors, Inc., was particularly difficult because of the numerous large subsidiaries of which it owned the stock and the intricate relations of these subsidiaries with the debtor and in many cases with one another. Proper administration of the receivership by the receivers and their attorneys, Powell & Ruch, required constant attention, as well as skill and training of a high order. Judge Kelby and Mr. Kelsey have each received an interim allowance of $20,000. The former has been awarded $25,000 more and the latter $10,000 more as final allowances. Each allowance was fixed by the court which had appointed the equity receivers, and was thereafter ordered paid from the debtor's estate by the court in the 77B proceeding. The same judge who had charge of the estate from the beginning made the orders in each court.

The Reconstruction Finance Corporation, a secured creditor having a claim of $20,000,000, intervened in the 77B proceeding and objected to the foregoing allowances, as well as to the others we shall discuss, on the ground that they are excessive. It has chiefly objected to any final allowances at this time, when the prospects of a reorganization are yet uncertain and the yield of the estate in reorganization or, if reorganization shall fail, in liquidation, cannot be foreseen.

[1] In an opinion denying the motions by the appellees to dismiss the appeals by the Reconstruction Finance Corporation, which is to be filed herewith (79 F. (2d) 179), we have held that the court in the reorganization proceeding was authorized under section 77B (1) of the act (11 U. S. C. A., sec. 207 (1)) to reduce the allowances fixed in the equity receivership, if they were found to be unreasonable. There remain for consideration the questions whether only ad-interim allowances should be made at present and whether, in case final allowances are appropriate at this time, those granted have been too large.

Although section 77B (1) only provides for "payment of such reasonable administrative expenses and allowances in the prior

proceeding as may be fixed by the court appointing said receiver or prior trustee" and does not in so many words authorize ad-interim payments, we have no doubt that the section 77B court may employ any fair method to determine what allowances are "reasonable", and to that end may authorize payments on account if it is otherwise difficult to determine what, under the circumstances, is proper compensation. But here the work in the receivership is completed, there are ample assets with which to pay the expenses of the receivers, and we can see nothing to be gained by delaying a final settlement. We, therefore, shall dispose of the allowances at the present time.

[2] Judge Kelby during the first 3 months of the receivership not only performed all the usual services of a receiver but substantially all legal services required, and apparently gave the receivership a great part of his time. During the last 6 months of his tenure he also acted as trustee of the Prudence-Bonds Corporation, and in that capacity will be entitled to remuneration. In view of the fact that the receivership had free assets of only about $1,200,000 and that the total assets, of a book valuation of $42,000,000, are of uncertain value and are to a great extent pledged to the appellant, an allowance to Judge Kelby of $37,500 seems more reasonable than that awarded by the court below. We accordingly reduce the total of $45,000 to $37,500 and direct a further payment to him of $17,500 instead of $25,000.

[3] Mr. Kelsey's allowance by the court below, if reduced in the same way, would aggregate $25,000, and the further payment to him would amount to $5,000. His work for the receivership seems to have been largely concerned with attending to claims filed with the receivers and with care of the bank accounts and office of the debtor. As this work was divided with work for the Prudence-Bonds Corporation, or as trustee thereof, and as he seems to have had no individual office expenses, we think such allowance reasonable. Accordingly the total allowed to him is reduced from $30,000 to $25,000, and a further payment to him of $5,000, instead of $10,000, is directed.

[4, 5] The compensation awarded to Messrs. Powell and Ruch seems far too large. Though we realize the difficulty and intricacy of the problems with which they have had to deal and the training and skill necessary for their solution, they were engaged on this receivership for only 15 months, and received an ad interim allowance of $32,500, and during the same period were paid $25,000 by the receivers out of collections on the so-called Ringling collateral by virtue of the terms of the collateral agreement. While this payment did not come out of the estate, it represented compensation for services for the same period during which they are seeking remuneration from the estate. During the last 6 months of the time they have also been counsel for the trustees in the Prudence-Bond Corporation reorganization, and will be entitled to compensation for services from the estate of that company. They also intend to apply for an allowance of $15,000 in connection with the plan of reorganization of Allied Owners Corporation, and have had an allowance of $3,000 awarded to them in the reorganization of the Prudence Co., each of those corporations being subsidiaries of New York Investors, Inc. They set forth, as do the receivers, voluminous services in ascertaining the financial condition of the various subsidiaries. Undoubtedly it was necessary to perform at least many of these services, but they were largely of a preliminary nature, and the most important work of this sort will be in connection with the reorganizations, if and when they take place. In such circumstances an allowance of $50,000 to Powell & Ruch for their services over and above the $25,000 they have already received out of the Ringling collateral will be ample compensation. They have already received $32,500 and should be allowed only $17,500 more, instead of the $75,000 awarded by the court below, as full compensation for their services. We accordingly direct a further payment to them of $17,500.

The Supreme Court has given notice on more than one occasion that receivers and attorneys engaged in the administration of estates in the courts of the United States and in litigations affecting property within the jurisdiction of those courts should be awarded only moderate compensation, and that many of the allowances heretofore awarded have been too high. In *Newton* v. *Consolidated Gas Co.* (259 U. S. 101, 42 S. Ct. 438, 66 L. Ed. 844), the compensation granted to the master by the lower courts was cut nearly in half. In *United States* v. *Equitable Trust Co.*, (283 U. S. 738, 51 S. Ct. 639, 75 L. Ed. 1379), the allowances fixed by the district court for attorneys, who had recovered a fund for the benefit of an incompetent Creek Indian, were reduced almost 73 percent, and those granted by this court by 50 percent. A similar attitude toward extravagant fees and a determination to hold parties connected with judicial administration to moderate ones is evidenced by the recent opinion of Justice Cardozo in *Realty Associates Securities Corp.* v. *O'Connor* (295 U. S. 295, 55 S. Ct. 663, 79 L. Ed. —). These declarations of policy by a tribunal which is controlling upon the lower courts must be kept constantly in mind in dealing with judicial allowances—a subject difficult and unsatisfactory because of lack of any definite standards.

We can readily imagine that our reduction of the fees of counsel by more than 50 percent may be regarded as drastic in view of the "overhead" necessary for the conduct of a large and intricate receivership like the one before us. But there is no claim that any persons except the two partners and an assistant were engaged in performing the services in question, and their office was engaged in other matters outside of the receivership and was earning other substantial fees that are both in esse and in posse. Moreover, it should be remembered that the work of receivers and counsel in equity receiverships was to some extent only preliminary and that they are representing the estate of the debtor in the section 77B proceeding. They will hereafter be entitled to substantial compensation for work of more vital import in connection with the reorganization, if it proves successful.

[6] The final objection raised by appellant is to the allowance from the estate of the debtor to the appellee Edward Endelman. It was fixed by order of March 1, 1935, in the equity receivership, and directed to be paid by order in the section 77B proceeding of March 22, 1935. This allowance was in addition to a prior one of $3,000 which was made on April 13, 1934. Mr. Endelman was never attorney for the receivers, nor was any order made authorizing him to act on their behalf. He represented an intervening protective committee for the preferred-stock holders of the Prudence Co., whose 7 percent annual dividend was guaranteed by New York Investors, Inc. Although he frequently assisted in matters arising during the administration of the estate, his services seem to have been such as were properly within the duties of the attorneys for the receivers, except those which related primarily to securing and increasing the interest of the creditors whom he represented. No claim is made that the services of the receivers and their counsel were not capable or adequate and they have been, or are to be, awarded substantial compensation for their work. Under the circumstances, it is well settled that services by the attorneys for an intervener, however meritorious, cannot be paid out of the general estate (*Louisville, Evansville & St. Louis R. Co.* v. *Wilson*, 138 U. S. 501, 11 S. Ct. 405, 34 L. Ed. 1023; *Davis* v. *Seneca Falls Mfg. Co.*, 17 F. (2d) 546, C. C. A. 2; *Weed* v. *Central of Georgia R. Co.*, 100 F. 162, C. C. A. 5).

In *Nolte* v. *Hudson Nav. Co.* (47 F. (2d) 166 (C. C. A. 2)) the attorney for part of the unsecured creditors was allowed payment out of the share which went to the creditors of that class, but his services there resulted in a definite addition to the share of all unsecured creditors, and were rendered in a controversy in which apparently the receiver could not properly take part. He nevertheless was not allowed compensation from the general estate.

[7] Mr. Endelman contends that the order directing payment of his allowance cannot be revised because the appeal, if of any validity, was taken under section 24b (11 U. S. C. A., sec. 47 (b)) of the Bankruptcy Act, and any revision of the allowance under section 24b must only be based on errors of law. This contention is without merit, for the facts are not disputed, and the question raised is whether an allowance could be granted to the attorney for an intervener who did not and was not authorized to act for the receivers. This is the question of law which we have decided against the appellee, Endelman.

The order granting an additional allowance of $20,000 to Mr. Endelman should be reversed. If we are correct in our understanding as to the $3,000 which he has already received as an ad-interim allowance, the trustees should take steps to secure the refund of that amount from Mr. Endelman.

The order in respect to the allowances of Messrs. Kelby and Kelsey and their attorneys, Powell & Ruch, is modified in accordance with the terms of this opinion, and the order for compensation of Mr. Endelman is reversed.

In re Memphis Street Railway Co. *Central Hanover Bank & Trust Co.* v. *Memphis Street Railway Co.* Nos. 11792, 1205. District Court, Western District of Tennessee. July 24, 1935

Proceedings in the matter of the Memphis Street Railway Co., debtor, and suit by Central Hanover Bank & Trust Co., trustee, against the Memphis Street Railway Co. On applications for fees and allowances.

Decree in accordance with opinion.

Larkin, Rathbone & Perry, of New York City, for themselves and reorganization committee, as petitioners for fees and allowances.

Armstrong, McCadden, Allen, Braden & Goodman, of Memphis, Tenn., for petitioner Walter P. Armstrong, of Memphis, Tenn., for receivers.

Waring, Walker & Cox, of Memphis, Tenn., for petitioner Roane Waring, of Memphis, Tenn., for debtor corporation.

Stickley, Exby, Moriarity & Pierce, of Memphis, Tenn., for receivers as petitioners for additional fee allowances.

Martin, district judge:

The original bill in equity receivership case 1205 was filed on July 21, 1933, by the Central Hanover Bank, trustee, through Messrs. Armstrong, McCadden & Allen, of Memphis, and Larkin, Rathbone & Perry, of New York, as solicitors for the complainant. The bill was filed as a foreclosure proceeding under the consolidated mortgage on the property of the defendant, Memphis Street Railway Co. On the day that the bill was filed, July 21, 1933, the Memphis Street Railway Co., through Messrs. Waring, Walker & Cox, filed an answer, admitting the allegations of the bill, and on the same date an order was entered appointing Messrs. E. W. Ford and J. H. Townsend receivers and Hon. Walter P. Armstrong attorney for the receivers.

On July 22, 1933, an order was entered fixing the fees of Receiver E. W. Ford at $600 per month and Receiver J. H. Townsend at $300 per month. This order was succinct, distinct, and clear-cut, and made no reservation whatever of the right to allow any additional compensation to the receivers. That no additional compensation was contemplated is evidenced by the fact that on August 21, 1933, an order was entered that: "Walter P. Armstrong, as attorney, solicitor, and counsel for said receivers, be, and he is hereby, allowed the sum of $1,000 a month from and after

July 21, 1933, on account of his services as such attorney, solicitor, and counsel. All other matters, including the final compensation of said attorney, solicitor, and counsel, are reserved."

On August 26, 1933, an intervening petition was filed by Messrs. Frederic J. Fuller, Earl G. Johnston, J. K. Newman, A. B. Ruddock, and Paul H. Saunders, through Messrs. Larkin, Rathbone & Perry, of New York, and Roane Waring, attorney, of Memphis, in which a plan of reorganization was presented by the petitioners, as a reorganization committee.

It appears fully from the record that in January 1932 these same gentlemen had been constituted a bondholders' protective committee and had, as such, devoted much time to the formulation of a plan of reorganization for the Memphis Street Railway Co., and in the course of their work had retained as counsel for the said committee the firm of Larkin, Rathbone & Perry, of New York City.

On July 9, 1934, there was entered, nunc pro tunc, as of June 26, 1934, an order approving the fairness, timeliness, and equitableness of the reorganization plan. It has been shown that there were only minor deviations in the plan, as finally confirmed, from the original plan of the bondholders' protective committee.

On October 13, 1934, the Memphis Street Railway Co., through attorneys Waring, Walker & Cox, filed a debtor petition for the reorganization of the company under section 77B of the amendments to the National Bankruptcy Act (11 U. S. C. A., sec. 207); and on the same date an order was entered approving the filing of the petition and appointing Messrs. E. W. Ford and J. H. Townsend as temporary trustees. This order contains the following provision: "The compensation of the respective trustees shall be at the same rate as was fixed for their compensation as receivers by order of this court in the prior proceeding. The trustees are hereby authorized to retain and employ Walter P. Armstrong as their solicitor, upon the same terms as fixed by the order of this court in the prior proceeding."

It was further provided that the court "reserved the full right and jurisdiction to make such orders for the payment of such reasonable administration expenses and allowances in the prior proceeding as may be fixed by the court in the prior proceeding."

On November 3, 1934, an order was entered, making permanent the appointment of said trustees.

On November 17, 1934, an order confirming the plan of reorganization was entered, in which it was provided: "That all amounts to be paid by the debtor, and all amounts to be paid to said reorganization committee for services or expenses incident to the reorganization are to be subject to the approval of this court."

All of the aforesaid orders were entered and proceedings were had during the tenure of office of the predecessor judge of this court, the distinguished and late lamented Hon. Harry B. Anderson.

It now becomes the duty of the successor judge of this court to pass upon the several petitions for allowances and expenses in the equity receivership cause and also in the debtor proceeding under section 77B. A complete hearing has been held on these petitions. Much testimony has been adduced, and arguments have been made.

It is not a pleasant duty for a judge to pass upon the value of services of eminent and able counsel, whose skill is well known to him, but it is his duty to do so when petitions of the character now before the court are presented for consideration and action.

[1] At the outset, let it be said that this court, as has been frequently heretofore pronounced, is firmly of the opinion that it is essential to a proper administration of insolvency and bankruptcy proceedings, in the disastrous era in which our country has been placed, to hold down the expenses of reorganization to as low a basis as is consistent with fairness to parties who have rendered services to creditors in such proceedings or to the debtor.

In the recent case of *Realty Associates Securities Corporation* v. *O'Connor* (decided in the spring of this year and reported in 295 U. S. 295; 55 S. Ct. 663, 665; 79 L. Ed. 1446), the Supreme Court of the United States, speaking unanimously through Mr. Justice Cardoza, has said: "Extravagant costs of administration in the winding up of estates in bankruptcy have been denounced as crying evils (Strengthening Procedure in the Bankruptcy System, S. Doc. No. 65, 72d Cong., 1st sess. (1932), p. 53; also H. Rept. 65, 55th Cong., 2d sess. (1898), p. 44). In response to those complaints Congress has attempted in the enactment of the present statute to fix a limit for expense growing out of the services of referees and receivers" (citing sections of the Bankruptcy Act).

Thus the highest Court in the land has declared this policy in favor of the economical administration of matters in bankruptcy and receiverships.

In *In re Insull Utility Investments, Inc.* (D. C. Ill., 1933, 6 F. Supp. 653, 661), Evans, circuit judge, said: "And finally, in determining compensation, it must be kept in mind that 1933 is not 1929. The wages and salaries of all kinds were much lower in 1932 than in the twenties. The difference must be reflected in the compensation of receivers and their counsel, as it is in other fields."

In a recent district court decision, *In re Wayne Pump Co.* (D. C. Ind., 1935, 9 F. Supp. 940, 942), the court said:

"It might be well to remind all claimants that this procedure is under an act of Congress designated 'An act for the relief of debtors.' If relief is to be extended, it must be real and not illusive or imaginary. Reorganization must result in benefits to the distressed debtor. To accomplish this the expense must bear a proper relation to the advantage gained. The action of some of the claimants in hastily organizing a committee composed of members residing in Minneapolis, Chicago, Buffalo, and New York, employing attorneys in Chicago, Buffalo, and Indianapolis, in traveling from the Pacific coast to New York City, in telephoning and telegraphing to all parts of the United States, in employing expert typists, in advertising in the newspapers in the cities of Chicago and New York, in sending out warnings and appeals to join in the movement in opposition to the proposed plan of reorganization, promising security holders what, under the circumstances, was impossible of performance, should be discouraged. It has all the earmarks of a mad scramble for advantage at grossly exaggerated expenses, which the court is now asked to burden upon the debtor.

"Fees and expenses are petitioned for totaling the tidy sum of $91,000. This amount is out of all proportion to the benefits to the debtor or the real value of the work done and the results accomplished. Counsel, committee members, and their employees seem to have lost their true sense of proportion. It therefore becomes the stern duty of the court to protect the debtor and its security holders."

The court held that where counsel of a debtor corporation, since organization, received annual retainers from $2,500 to $6,000, they were entitled to $5,000 for services rendered in reorganization of the corporation under section 77B. The court said further: "It is a serious question how far a volunteer committee is justified in making charges for services and expenses, but this, at least, may be positively stated, that the true basis of all allowances is the value of the service rendered."

(2) The receivers and the attorneys for the receivers are, of course, entitled to fee allowances to be determined by the court, because these gentlemen are acting as arms of the court. The debtor corporation is also entitled to the benefit of counsel in its own interest. It is, therefore, proper for the court to allow a fee to the debtor's attorney.

Any other fee allowances are not required by the statute, section 77B, and are not, in equity, to be allowed by the court out of the funds of the debtor corporation, being administered in insolvency proceedings, or in bankruptcy, unless the services for which fee allowances are claimed were authorized by the court before they were rendered, or are found by the court to have been rendered by the claimants acting in an entirely disinterested manner for the benefit of the estate as an entirety. The only justification for such allowances, in the discretion of the court, is found in section 77B of the amendments to the National Bankruptcy Act (11 U. S. C. A., sec. 207): "(c) Upon approving the petition or answer, or at any time thereafter, the judge, in addition to the jurisdiction and powers elsewhere in this sectiorf conferred upon him * * * (9) may allow a reasonable compensation for the services rendered and reimbursement for the actual and necessary expenses incurred in connection with the proceeding and the plan by officers, parties in interest, depositaries, reorganization managers, and committees or other representatives of creditors or stockholders, and the attorneys or agents of any of the foregoing and of the debtor, but appeals from orders fixing such allowances may be taken to the circuit court of appeals independently of other appeals in the proceeding and shall be heard summarily."

In the light of these principles, and the policy of this court by its orders and decrees to enforce the economical administration of estates in receiverships and in bankruptcy, the court will now proceed to examine the various petitions which are before the court for action.

[3] The reorganization committee, Messrs. Frederic J. Fuller, Earl G. Johnston, J. K. Newman, A. B. Ruddock, and Paul H. Saunders, ask an allowance of $10,000 to themselves for services. They further ask an allowance of $11,275.90 as expenses paid by the reorganization committee to May 28, 1935, together with an added item of interest of $1,078.63. They further petition for the approval of allowances listed as approved and assumed but not actually paid. These last-named expenses are in excess of $33,000. They further ask for allowances to several banks and trust companies for services as special depositaries.

As has been heretofore pointed out, this reorganization committee was originally a bondholders' protective committee, which commenced its functions early in 1932, more than a year preceding the filing of any court proceeding.

It appears that the committee agreed that the value of the services of Messrs. Larkin, Rathbone & Perry, as counsel, amounted to $25,000 for services rendered prior to the filing of the equity bill on July 21, 1933, for foreclosure under the consolidated mortgage; and that many other expenses were also incurred prior to the filing of the foreclosure bill, for which allowance is now claimed.

It seems obvious to this court that such expenses are not allowable out of this estate in bankruptcy under section 77B. The establishment of the principle in United States courts that such expenses are allowable, carried to its logical conclusion, would be subversive of the idea and purpose underlying the enactment of the amendments to the National Bankruptcy Act. To let gentlemen proceed on the idea and theory that they can employ counsel, advertise, expend money freely, or economically, as the case may be, and then come into court and burden upon the debtor expenses incurred prior to any court proceeding, is not contemplated by the act. Therefore, the allowance of any such claim is not even considerable in this court.

(4) The reorganization committee also approves and asks the payment, by court allowance in this case, of the sum of $22,500 to Messrs. Larkin, Rathbone & Perry, as counsel for the reorganization committee, in addition to the aforesaid allowance of $25,000 to said firm of attorneys. The reorganization committee also asks the allowance of expenses listed in its petition.

Messrs. Larkin, Rathbone & Perry, by the undisputed record, were attorneys for the Central Hanover Bank & Trust Co. and for the bondholders secured under the consolidated mortgage, in which said bank was trustee. Services rendered by them toward a complete consummation of the plan which the bondholders advanced through the reorganization committee (which had formerly been the bondholders' protective committee) must be deemed to have been services rendered to the bondholders. This firm would have been unfaithful to its trust as attorneys unless throughout the entire proceedings it had properly represented the interest of the bondholders. It would have been an obviously conflicting position for them to undertake to represent anyone else who would have a conflicting interest with the bondholders. Therefore, the court assumes that they performed their professional duties and represented their clients throughout this entire proceeding, both in court and out of court, and they must accordingly look to their clients for compensation and not to the funds of the debtor corporation, now under the protection of this court in bankruptcy.

The reorganization committee, as has been stated, was also originally the chosen representative group of the bondholders, and each of the members of that committee, it has been shown, was either personally interested as a bondholder or was representing the interest of large bondholders. Therefore, they were giving their time and attention to the cause of these bondholders in all steps taken both before and after the original bill was filed. Messrs. Fuller, Johnston and Ruddock were really representatives of Mr. Billings, or his estate; the Billings holdings constituting a very heavy percentage of the total bonds outstanding. Dr. Saunders and Mr. Newman were representing the group of southern bondholders, largely centered in New Orleans. From the inception of this matter the reorganization committee and its counsel were in the position of being the special representatives of the bondholders. They must look to their clients, or those whom they represented, for their compensation. It follows, therefore, that the petition of the reorganization committee for the allowances claimed, and the fee claimed for its attorneys, Messrs. Larkin, Rathbone & Perry, is denied.

Certain of the expenses listed in the petition of the reorganization committee, excluding any fee allowances, may be properly chargeable to the estate of the debtor; but these petitions do not separate or segregate the items of expense in such manner that this court can determine which items of expense were of benefit to the creditors and to the debtor corporation generally, and which were expenses of the protective committee, or expenses of the protective committee continuing as a reorganization committee, and acting entirely in the interest of the bondholders. A reference will be made to the standing master for proof of any of such claims as, under the opinion of this court and the decision now being rendered, are properly allowable out of the funds in the hands of the trustees.

The court must not be construed by anything that has been said as intending remotely to reflect upon the good work performd by the reorganization committee, or its highly regarded counsel in working to the consummation of a plan which has been approved by the predecessor judge of this court. The court knows from the record that these gentlemen are experts in their lines; that they have put in much time, thought, and effort to the work, finally resulting in the consummation of a plan of reorganization for the Memphis Street Railway Co., debtor. But the court is simply holding, without passing (because it is unnecessary to do so) on the reasonableness or unreasonableness of any fee allowances, or other allowances claimed as expenses in this case, that the reorganization committee and its attorneys must look to the bondholders for payment.

(5) The receivers in the equity cause, who are also trustees in the corporate reorganization proceeding under section 77B, Messrs. E. W. Ford and J. H. Townsend, have filed claims for the allowance to each of $5,000 additional compensation.

The claims of the receivers and trustees for additional compensation are denied, for the reason that the court orders, heretofore discussed, expressly provided and fixed the basis of compensation at $600 and $300 to the respective receivers and trustees; and for the further reason that the court is of the opinion that the total allowance originally fixed by the court, $600 and $300 a month, is a reasonable and fair allowance, and adequately compensates the gentlemen for their services.

The salary of Mr. Ford was $8,000 per annum prior to the receivership proceeding; his salary as trustee at $600 per month would be $7,200 per annum, a reduction of only 10 percent from his previous salary with a going concern as operating superintendent. Mr. Townsend's services at $300 per month, added to the allowance of $600 per month to Mr. Ford, make the total salaries paid trustees and receivers considerably in excess of the salary which Mr. Ford would have received had the corporation continued operating as a going concern.

Such considerations seem material. No matter how able the official, when the company in which he has been an officer for many, many years reaches the point, whether due to unavoidable causes or not, where it is necessary to have the protection of the courts for the preservation of its assets and to keep it operating, he might be considered lucky, in these days and times, if he is appointed receiver and continues the general work which he has been doing, with some added duties. The court held Mr. Ford in an undisturbed position, as receiver and trustee, and he now continues as an official of the reorganized company. It is not asking any great sacrifice of Mr. Ford that he receive slightly less compensation, only 10 percent, as receiver than he would have received had his company continued as a going concern.

In composition debtor reorganization proceedings there must be sacrifice of self-interest to some extent if successful plans are to be worked out. The creditors generally must make sacrifices, and the debtor cannot expect to obtain all that he desires. It is highly important, also, that the courts insist upon an economical administration to achieve successful reorganization of debtor corporations brought within their jurisdiction under section 77B.

Before passing to a consideration of the claims which have not yet been discussed, the court deems it proper to observe that there has already been paid to the receivers and the attorneys for the receivers the sum of $41,800. Had the claims as filed in this cause been allowed, the total expense of the receivership and ensuing reorganization under section 77B, including the attorneys', receivers', committees', and other expenses would have amounted to approximately $175,000. This sum is entirely too high an expense for a receivership in which, after all, as Dr. Saunders has testified, the bondholders are merely trying to pull themselves up by their bootstraps and to put their collateral in better shape. The Memphis Power & Light Co., owner of all the common and preferred stock, has been satisfied to take stock in cancelation of the entire indebtedness to it of the Memphis Street Railway Co. in an amount in excess of $2,650,000. It would be too heavy a burden to place upon the Memphis Street Railway Co., a utility serving the public, holding its franchise from the public, and receiving its revenue from the public, the total expenses claimed. The allowance of the claims which have been denied might seriously impair the benefit and relief which this proceeding has sought to obtain for the debtor, Memphis Street Railway Co., in corporate reorganization.

Now, of course, in referring to approximately $175,000 of expenses, it must be noted that a portion of such expenses would have fallen upon the Street Railway Co. had the company not been forced into receivership and subsequent bankruptcy.

The fees of the able counsel for the Memphis Street Railway Co., Mr. Armstrong, and the salary of the competent general superintendent, Mr. Ford, would have been payable had the company continued as a going concern. But, even considering those items as obligations, the actual cost of this proceeding would have been in the neighborhood of $140,000.

A clear-cut and comprehensive petition has been filed by the attorney for the receivers and trustees, in which the court is asked to allow an additional fee of $10,000.

[6] Before this hearing the court took pains to study the complete record in the case, because he was not judge of the court during the time that the proceedings had been had, either in the equity cause or in the bankruptcy proceeding under section 77B. The court desired to be fully informed as to all the proceedings and examined all the documents, and had, therefore, a comprehensive view of this case before the hearing. From inspection of the record, it is manifest that Hon. Walter P. Armstrong has done a very excellent piece of work. The receivership and ensuing proceeding in bankruptcy have been handled in shipshape.

It appears that in the original court order allowing his compensation of a thousand dollars per month there is a reservation for additional compensation allowable in the discretion of the court.

Mr. Armstrong has drawn as compensation the sum of $22,000. He is somewhat in the position of Mr. Ford, in that the continuity of his representation of the company as its attorney has been carried on throughout the proceeding. He has performed a heavy amount of work, and his work has been well and ably done. But, during these days and times, a fixed and certain salary of a thousand dollars per month from one client is substantial compensation, even considering the fact that lawyers' fees are not net earnings, but are to be considered in the light of overhead expense. This court knows that, unhappily, the earnings of lawyers have been greatly reduced, as have been the earnings of business men, professional men, laboring men, and men generally. But, as stated in the opinion cited, supra, 1933 is not 1929; nor, it may be added, is 1935.

It is extremely difficult to calculate the value of professional services extending over a long period of time, covering as wide a field of work as is embraced in this case; but the court is not committed in duty to follow opinion testimony entirely in fixing fees, even though the highest respect be entertained for the lawyers who have given their opinions in support of the fee allowances claimed. The court's function is to adjudge these fees, and it is the court's duty to protect the estate under its care.

Considering to the best of the ability and conscience of the court the claim of the able attorney for the receiver for an additional allowance, and viewing it from the double standpoint of conserving the assets of the estate and allowing a fair compensation to counsel for services worthily rendered, the court is of the opinion that an added compensation of approximately 30 percent, to that which has been already awarded and drawn, would be fair and reasonable. Therefore, the court will allow the Honorable Walter P. Armstrong, as attorney for the receivers and trustees, an additional compensation of $6,500.

[7] There remains for consideration the petition of Col. Roane Waring, of Waring, Walker & Cox, for counsel fees as attorneys for the debtor corporation. As has been heretofore stated, it is proper that such fee be paid out of the estate of the Memphis Street Railway Co., debtor in bankruptcy. The firm of Waring, Walker & Cox has been long connected with the Memphis Street Railway Co. Col. Roane Waring became one of its attorneys shortly after he was graduated from the University of Virginia. He has been thoroughly familiar with the Memphis Street Railway Co.'s busi-

ness, and was in a peculiar position to render valuable services to the company. He, like Mr. Armstrong, also had the benefit of the assistance of able partners and associates in the work of this receivership.

Upon the showing from the record in this cause, neither Col. Waring, nor any member of his firm, has received any compensation whatever from the Memphis Street Railway Co. since the filing of the equity-receivership bill. Their services were highly important and valuable, as has been abundantly shown. The court will, therefore, allow a fee of $6,000 to Messrs. Waring, Walker & Cox, as attorneys for the debtor corporation.

Appropriate orders will be drawn and entered in conformity with this opinion.

In re New Rochelle Coal & Lumber Co. District Court, Southern District New York. March 21, 1935

Proceeding in the matter of the New Rochelle Coal & Lumber Co., debtor.

Decree in accordance with opinion.

Twyeffort & DuBois, of New York City, for debtor.

Seacord, Ritchie & Young, of New York City, for New Rochelle Trust Co.

Caffey, district judge:

[1] The statute plainly authorizes allowance to the attorneys of the debtor for services such as have been rendered by the attorneys for the debtor in this case. In view of the debtor having expressly consented to the allowance of the amount applied for by its attorneys, there being no opposition by creditors and it being satisfactorily established that there is no likelihood of the interest of the creditors being adversely affected, the amount asked for by the debtor's attorneys will be approved. In the circumstances it would serve no useful purpose to summarize these services, which are adequately described in the petition. Nevertheless, within the rule of *Randall* v. *Packard* (142 N. Y. 47, 36 N. E. 823) governing the determination of the value of professional services, I think the sum sought here is reasonable.

Subdivision (c) (9) of section 77B of the Bankruptcy Act, 11 U. S. C. A., sec. 207 (c) (9), dealing with compensation to be paid by the debtor or out of the debtor's estate, is very general in terms. On the other hand, the section in its entirety makes it manifest that it is the duty of the court to keep expenses to the debtor or to a debtor's estate carefully within rather narrow limits. This is the view taken by my associates. See, for example, the memorandum of Judge Goddard, dated November 27, 1934, *In the Matter of the Petition of DeWitt Clinton Co., Inc., a Corporation* (D. C. No. 60123, 11 F. Supp. 829).

[2] With the view just stated in mind, I am persuaded that only two types of services rendered by the attorneys for the trust company come within the intention of the clause of the statute referred to. These are the services rendered to the trust company in guiding it as a depositary of the bonds and the services rendered to the debtor as the owner (through a subsidiary) of a portion of the bonds. As nearly as I can estimate, a reasonable value of those services is $500.

All I have said is without criticism of or in derogation of the value of the whole of the legal services rendered by the attorneys for the trust company; but I am persuaded that the attorneys must look elsewhere than to the debtor for compensation for such of those services as are outside of the two specific kinds which I deem to be within the statute.

I have signed an order accordingly.

In re Wayne Pump Co. District Court, Northern District of Indiana, Fort Wayne Division. February 8, 1935

Petition by the Wayne Pump Co. for reorganization under section 77B of the Bankrutcy Act, wherein John H. Farley and others intervened. On petition for allowance of fees and expenses.

Decree in accordance with opinion.

James R. Fleming and Willard Shambaugh, both of Fort Wayne, Ind., and Hays, Wolf, Kaufman & Schwabacher, of New York City, for Wayne Pump Co.

Peabody, Westbrook, Watson & Stephenson, of Chicago, Ill., Moot, Sprague, Marcy, Carr & Gulick, of Buffalo, N. Y., and Pickens, Gause, Gilliom & Pickens, of Indianapolis, Ind., for bondholders' protective committee.

Slick, district judge:

A petition was filed on June 9, 1934, by the Wayne Pump Co., a corporation organized under the laws of Maryland, alleging that the company was unable to meet its obligations as they matured, and desired to effectuate a reorganization under section 77B of the Bankruptcy Act (11 U. S. C. A. sec. 207). The petition was approved as properly filed June 11, 1934.

On September 7 an order was made permitting Mr. John H. Farley, of Minneapolis, Mr. Charles C. Wells, of Chicago, and Mr. Robert M. Weidenhammer, of New York City, members of a debenture bondholders' protective committee, to intervene. Later Mr. David L. Landy, of Buffalo, was added to this committee, and Mr. Maurice P. Angland, of Minneapolis, acted as its secretary. So far as it appears of record, none of the members of this committee owned any of the bonds or stock of the corporation proposing the reorganization.

The court is now asked to allow fees and expenses to the company's counsel, the members of the debenture bondholders' protective committee, and its counsel, special masters' fees and expenses, and some other expenses, all in reference to the reorganization.

[1] It is a serious question how far a volunteer committee is justified in making charges for services and expenses, but this at least may be positively stated, that the true basis of all allowances is the value of the service rendered.

The committee started out to oppose the plan of reorganization, and solicited bondholders to cooperate with them and withhold consents to the reorganization proposed, and revoke powers of attorney already granted. Some of its members traveled quite extensively, employed counsel, and made many other expenditures.

The counsel employed by the committee were Peabody, Westbrook, Watson & Stephenson, of Chicago; Pickens, Gause, Gilliom & Pickens, of Indianapolis; and Moot, Sprague, Marcy, Carr & Gulick, with whom Committeeman Landy is associated, of Buffalo. The committee has presented claims for its own fees and expenses, and the fees and expenses of its counsel, in the sum of $50,464.95, and the counsel fees requested by counsel for the company, including all other expenses, total $40,785.26, making a grand total of counsel fees, committee fees, and expenses to this estate asked in the sum of $91,250.21.

The attitude of counsel for the committee after the first brush or two in court was conciliatory and constructive, and, regardless of the motives of the committee, resulted in a compromise reorganization beneficial to the company and not prejudicial to the rights of the bondholders. The activities of the law firms were of great value to the estate. Bad advice at this point in the proceedings could very easily have resulted in prolonged litigation with possible appeals and unpreventable delays, which would in all probability have destroyed the very purpose of the act and the reorganization proceedings.

[2] The court is persuaded that counsel, when acting in good faith, should be encouraged to advise and persuade clients whenever possible to assist in and cooperate with an honest endeavor to reorganize an industry, and that they should be assured by the courts that such constructive conduct on their part will meet with reward commensurate with the character of the assistance rendered and the results obtained, rather than that such counsel will be penalized for shortening, instead of prolonging, the court procedure.

[3] On the other hand, the hasty organization of so-called protective committees who volunteer advice to bondholders and solicit holders of securities not to go along with a company reorganization, suggesting a better method to be proposed and advising the revocation of assents already made, as was done in this case, should, to say the least, be scrutinized carefully by the court when asked to make liberal allowances to the members of such volunteer committee.

[4] A very much smaller committee composed of members living in closer contact with each other could have functioned as effectively, and, in all probability, more efficiently, and with much greater economy, than did this committee whose members were located in Minneapolis, Chicago, Buffalo, and New York City. If members of a protective committee expect to ask the court for reimbursement of expenses, they must exercise discretion and judgment in creating that expense. At least the same degree of care must be used as if the committeemen were expending their own money. It is entirely too easy to spend the company's money and leads to extravagance and unnecessary travel, as well as to the doing of other unnecessary things. The record discloses that the committee met several times, spent some days discussing the proposed plan and suggesting modifications, and then turned the matter over to their counsel. The committeemen were present in court when the compromise plan was presented, but it does not appear that their presence was necessary. They were not called to testify.

It might be well to remind all claimants that this procedure is under an act of Congress designated, "An act for the relief of debtors." If relief is to be extended, it must be real and not elusive or imaginary. Reorganization must result in benefits to the distressed debtor. To accomplish this the expense must bear a proper relation to the advantage gained. The action of some of the claimants in hastily organizing a committee composed of members residing in Minneapolis, Chicago, Buffalo, and New York, employing attorneys in Chicago, Buffalo, and Indianapolis, in traveling from the Pacific Coast to New York City, in telephoning and telegraphing to all parts of the United States, in employing expert typists, in advertising in the newspapers in the cities of Chicago and New York, in sending out warnings and appeals to join in the movement in opposition to the proposed plan of reorganization, promising security holders what, under the circumstances, was impossible of performance, should be discouraged. It has all the earmarks of a mad scramble for advantage at grossly exaggerated expenses which the court is now asked to burden upon the debtor.

Fees and expenses are petitioned for totaling the tidy sum of $91,000. This amount is out of all proportion to the benefits to the debtor or the real value of the work done and the results accomplished. Counsel, committee members, and their employees seem to have lost their true sense of proportion. It, therefore, becomes the stern duty of the court to protect the debtor and its security holders.

[5] Certainly valuable legal services were rendered, and most certainly those who rendered these services are entitled to fair compensation. The value of these services should be measured by what lawyers would be justified under the circumstances in charging and collecting from a client for the legal work done, having due regard for the results accomplished and the ability of the

client to pay. More than this would be an outrage upon the debtor—less would be unfair to counsel.

[6] However, it should be remembered that the legal services were to be rendered in the northern district of Indiana, and the value of those services is to be measured by the customary fees paid in this jurisdiction. Counsel accepting employment are charged with knowledge of this rule. Where parties or committees procured the services of counsel residing in New York, Chicago, and Indianapolis it was incumbent upon the parties or their counsel to provide for the rendition of the legal services in the jurisdiction of this court, and for that reason no transportation expenses will be allowed.

After the hearing at which testimony was adduced in reference to the services rendered and the value of those services, the affidavit of the treasurer of the company was filed, showing that the firm of Hays, Wolf, Kaufman & Schwabacher, counsel for the debtor, has been on retainer from this company since its organization. It seems that this company was organized in 1928 by an investment banking house of New York City, a client of this law firm. An operating company manufactured and sold gasoline pumps. This company was prospering and making money for its stockholders when, through the aforesaid investment banking house, all of the common stock of the operating company was purchased and a new company, a holding company, which is the company now being reorganized, formed to purchase and hold all the common stock of the operating company.

This was done, and bonds were sold against this common stock. Very large profits were made by someone in this promotion. It was a high-finance promotion typical of the halcyon days of 1928 and 1929. It is not for this court to criticise, and the action taken in 1928 should be viewed as of that date and not as of the present writing.

However, the fact stands out that the counsel who are asking to be reimbursed liberally for reorganizing this company are the same counsel who acted for, and were paid by, the investment company in the original organization and set-up, and who have been on yearly retainer by the company in difficulty since its organization. The retainer fees paid were as follows:

For part of the year 1928	$2,500
For 1929	6,000
For 1930	4,000
For 1931	4,000
For 1932	3,000
For 1933	3,000

And for 1934, while the reorganization was in progress and for which these fees are petitioned, the sum of $3,000.

[7] Under the circumstances, this court does not feel like allowing the fees of $15,000 petitioned for by this firm. The court feels that $15,000 would be a fair fee to all the attorneys who acted for the company in this reorganization, and that amount is allowed, $5,000 being allowed to Hays, Wolf, Kaufman & Schwabacher, $5,000 to James R. Fleming, and $5,000 to Willard Shambaugh.

The court further feels that $11,000 is a fair fee for counsel for the committee, having due regard for the constructive service rendered by these counsel, the results obtained by their advice and labors, and the ability of the reorganized company to pay. That sum is therefore allowed as follows: $6,000 to the firm of Peabody, Westbrook, Watson & Stephenson, and $4,000 to the firm of Pickens, Gause, Gilliom & Pickens, and $1,000 to the firm of Moot, Sprague, Marcy, Carr & Gulick, of Buffalo.

A total of fees and expenses will be allowed in the sum of $44,432.77. This seems like a rather large amount to burden upon the company which is just now struggling to make ends meet, but the allowances have been cut as far as the court feels justified in going.

The company will be ordered to pay all allowances herein made in cash except the fees allowed to counsel for the company in the sum of $15,000, and to counsel for the committee in the sum of $11,000. The company will be ordered to pay these fees as follows: One-half cash and one-fourth in 6 months, and the balance in 1 year from the date of the filing of this order, the deferred payments to be evidenced by notes bearing 5-percent interest.

United States District Court, Southern District of New York. *In the matter of Paramount-Publix Corporation, debtor.* In consolidated proceedings for reorganization of a corporation. No. 56763

OPINION ON ALLOWANCES

Coxe, district judge:

These are applications by 53 petitioners for the allowance of fees and expenses in connection with the equity, bankruptcy, and reorganization proceedings of Paramount-Publix Corporation, the debtor, which, in one form or another, has been under the jurisdiction of this court for about 2½ years. The aggregate amount of the allowances requested is $3,239,828.15, of which $2,841,031.84 is for services and $398,796.31 for expenses. There have been prior allowances in the equity and bankruptcy proceedings amounting to $458,029.99.

The various applications were heard by me in open court on notice to all creditors, stockholders, and persons interested in the proceeding; and I was assisted at the hearings and in the consideration of the different applications by Mr. Joyce, the special master, who has been in charge of the case generally since the commencement of the 77B proceedings.

The debtor was a large company, operating through approximately 500 subsidiary and affiliated corporations, with many outstanding securities distributed widely among the general public. Its business comprised all branches of the motion-picture industry, including production, distribution, and exhibition. Through one group of subsidiaries the company produced motion pictures and distributed them in all parts of the world, and through another it exhibited pictures in theaters in many parts of the United States and Canada, and in some places in England and France. At the time of the appointment of the equity receivers the company held interests of varying character in more than 1,100 theaters in which its motion pictures were exhibited.

On January 26, 1933, equity receivers were appointed in this district. This was followed, on March 14, 1933, by the adjudication of the company as a bankrupt on its own petition; and on April 17, 1933, bankruptcy trustees were appointed. The business remained in their hands until June 16, 1934, when the 77B petitions were approved and the bankruptcy trustees were appointed temporary trustees under 77B. The appointments were made permanent on July 10, 1934.

The reorganization plan, which included also a plan of reorganization of Paramount Broadway Corporation, was formally proposed on December 3, 1934, and, after prolonged hearings before the court, final confirmation was obtained on April 4, 1935; and on July 1, 1935, the debtor became revested with all of its assets.

During the course of the proceedings there were separate reorganizations of many of the subsidiaries, and this necessarily consumed considerable time and effort on the part of the trustees and their attorneys. There are other subsidiaries still in the process of reorganization, on which a large amount of work has been performed. But by and large the work of liquidation, readjustment, and reorganization has been substantially completed, and the business has now been turned back to the reorganized company, with the properties intact and well integrated, the fixed charges greatly reduced, the finances in sound condition, and the good will unimpaired. This is an achievement for which those who have been in positions of responsibility, both in the administration of the estate and the reorganization of the company, are entitled to substantial recognition.

The court, in the order confirming the plan of reorganization, reserved jurisdiction to fix and direct the payment of administrative expenses and to allow reasonable compensation in this proceeding, in the prior equity and bankruptcy proceedings, and in connection with the plan. This provision of the order is in harmony not only with subsection (c), subdivision 9, of section 77B but is a substitute for the alternative procedure indicated by subsection (f), subdivision 5.

The general rule in equity is (1) that a trust estate must bear the expenses of its administration, and (2) that where one of many persons having a common interest in a fund, at his own expense, recovers or preserves the fund, he is entitled to be reimbursed from the fund for his actual and necessary expenses, including reasonable attorneys' fees. *Trustees* v. *Greenough* (105 U. S. 527); *United States* v. *Equitable* (283 U. S. 738); *Nolte* v. *Hudson* (47 Fed. (2d) 166). It is also well settled that action taken adversely to the common interest in an effort to deplete the fund does not give rise to any claim for compensation or reimbursement. *Hobbs* v. *McLean* (117 U. S. 567, 582); *Kimball* v. *Atlantic* (223 Fed. 463). The rule has, however, an important limitation in insolvency proceedings where a receiver or trustee has been appointed and is represented by competent counsel. Ordinarily, there is then no room for independent participation in the administration of the estate and anyone who, without court authorization, performs administrative services, no matter how meritorious, or incurs expense, must look solely to his own clients for payment. *In re New York Investors*, opinion of Circuit Court of Appeals, Second Circuit, July 22, 1935. In bankruptcy proceedings under the general Bankruptcy Act, the limitation is even more stringent than in equity. *In re Eureka* (48 Fed. (2d) 95); *In re Faour* (11 F. Supp. 462), affirmed by Circuit Court of Appeals, Second Circuit, July 1, 1935. The limitation has general application also to proceedings under 77B.

Under the practice prior to the reorganization statute, costs, including compensation of committee members and committee charges, were customarily taken care of outside of the court proceedings. This gave rise to grave abuses, and, in an effort to control such costs, courts frequently resorted to the expedient of making confirmation of the plan, or of the judicial sale, contingent upon the approval by the court of all reorganization expenses. *Bethlehem* v. *International* (66 Fed. (2) 409). In composition proceedings under the general Bankruptcy Act, committees were, however, denied compensation or reimbursement from the estate as not being authorized by the statute. *In re Realty Associates* (69 Fed. (2) 41).

All reorganization expenses are now expressly declared to be proper subjects of judicial scrutiny and determination. Indeed, there can now be no judicial confirmation of a corporate reorganization plan unless the reorganization expenses "have been fully disclosed and are reasonable, or are to be subject to the approval of the judge." Section 77B (f) (5).

Section 77–B (c) provides as follows:

"Upon approving the petition or answer or at any time thereafter, the judge, in addition to the jurisdiction and powers elsewhere in this section conferred upon him * * * (9) may allow a reasonable compensation for the services rendered and reimbursement for the actual and necessary expenses incurred in connection with the proceeding and the plan by officers, parties in

interest, depositaries, reorganization managers and committees, or other representatives of creditors or stockholders, and the attorneys or agents of any of the foregoing and of the debtor."

This language is sufficiently comprehensive to include in the several categories anyone having an interest in the reorganization, provided the services for which an allowance is asked are proper and beneficial, and the expenses are actual and necessary. The term "officers" as used in the subdivision is defined in section 1 of the Bankruptcy Act to include "clerk, marshal, receiver, referee, and trustee"; and the words "parties in interest plainly refer to creditors, stockholders, or other persons having claims against, or interests in, the company or its property, other than those represented by "committees or other representatives of creditors or stockholders." There is nothing in the subdivision which makes formal intervention a prerequisite to the granting of an allowance; for not all of the persons mentioned in the subdivision have sufficient standing even to apply for intervention; and subsection (c) (11) was not intended to qualify persons for applications for allowances.

There is no warrant under the statute for the granting of allowances for unnecessary services or expenses. Committees are essential in cases where vast numbers of bondholders and stockholders are involved, but a multiplicity of committees representing the same general class of security holders only leads to confusion and waste and should not be encouraged. Ordinarily, one fairly representative committee for a particular class is sufficient; and before additional committees for the same class can be justified there should be strong and compelling reasons for their creation and existence. In the present case an independent committee was formed for the debenture holders of the company and another for the certificate holders of its subsidiary, Paramount Broadway Corporation. Both of these committees are asking allowances in the present proceeding. The respective main committees for those classes were selected at the instance of interests which had previously been closely identified with the company; and I think that security holders of those classes were reasonably entitled to independent representation, if for any reason they considered that their rights would not be adequately protected by committees chosen in the manner indicated. I am satisfied, therefore, that there was room in this case for these two independent committees; and, although their activities inevitably resulted in some duplication of effort and expense, I believe they made a real contribution to the reorganization and that they are entitled to allowances.

The statute permits the payment of reasonable compensation to committee members "for services rendered." This necessarily implies loyal and disinterested service in the interest of the persons for whom the committee assumes to act; and a committee member who, during his period of service, purchases and sells or purchases for personal gain securities of the company which he is engaged in trying to reorganize, is not entitled to an allowance for his services as a committee member.

Allowances for reorganization services and expenses are not limited to the period of the 77B proceedings. This is clear from the language of subdivision (c) (9), which provides that allowances may be made for services and expenses "in connection with the proceeding and the plan." The words "proceeding" and "plan", as used in the subdivision, are not coterminous, and services and expenses in connection with the plan may well extend over a considerable period prior to the institution of the proceeding. The statute itself recognizes that the plan may precede the proceeding, and subdivision (e) (1) specifically authorizes the use of acceptances obtained before the filing of the petition. It was held also in *Campbell* v. *Alleghany* (75 Fed. (2) 947) that such acceptances might be used even though they were obtained prior to the enactment of section 77B. The recent decision of the circuit court of appeals for this circuit, in *In re Allied Owners Corporation* (unreported opinion of July 22, 1935), contains nothing to the contrary. That case concerned only allowances for services in a previous bankruptcy proceeding, and it was merely held that the provisions of section 48 (a) of the general Bankruptcy Act were applicable. The allowances had nothing to do with reorganization services under section 77B, and subdivision (c) (9) was in no way involved.

Any creditor or stockholder is entitled as of right to be heard on the question of the permanent appointment of any trustee or trustees, and on the proposed confirmation of any reorganization plan (sec. 77B (c) (11)). But mere participation in the hearings at which these questions are discussed, or offering advice, suggestions, or criticisms regarding the proposed plan, or on matters of procedure, does not give rise to any claim for compensation from the estate. These are services for which attorneys should look to their own clients for payment. Nor can any compensation be awarded to attorneys for opposing petitions for allowances, as it is the duty of the court to protect the estate in that respect (*Matter of the Atty-Gen'l* v. *North*, 91 N. Y. 57).

There are no satisfactory rules or standards which can be applied safely in fixing allowances for services in judicial proceedings, and the principles laid down by the courts with respect to attorneys' compensation generally have only a very limited application. Receivers, trustees, and their attorneys are court officials, acting under court designation, and there is no opportunity for what Chief Justice Taft called "vicarious generosity" in determining what amounts may properly be paid to them (*In re Gilbert*, 276 U. S. 294). They can neither expect nor be paid more than "moderate compensation" (*In re New York Investors, supra*). This is equally true, with respect to committees, depositaries, and others who perform services in connection with the reorganization. They are part of the court's machinery, and should receive no different treatment than that accorded to receivers, trustees and their attorneys. The discretion of the judge in fixing such allowances is judicial, and should be exercised sparingly.

In the discussion which follows, I have undertaken to analyze the different petitions in the order in which they have been presented, and to determine what, if anything, should be allowed on each application.

Nos. 1–4. Charles D. Hilles and Adolph Zukor served as equity receivers from January 26, 1933, until April 17, 1933, when the bankruptcy trustees were appointed. Mr. Hilles and Eugene W. Leake were appointed trustees in bankruptcy; a third trustee was also named, but he resigned and was succeeded on May 19, 1933, by Charles E. Richardson. Messrs. Hilles, Leake, and Richardson became temporary trustees in this proceeding on June 16, 1934, and were made permanent trustees on July 10, 1934, and with the exception of Mr. Richardson, who resigned December 29, 1934, the trustees functioned until the consummation of the plan. They bore a large responsibility during particularly trying times in the operation of a vast enterprise and performed a difficult and important task with thoroughness and signal ability. Messrs. Hilles, Leake, and Richardson were allowed statutory commissions of $32,433.33 each, in full for their services in the bankruptcy proceedings. Mr. Hilles had previously received an ad interim allowance of $20,000 as equity receiver; and I consider that sum adequate for the short period of the equity receivership. I shall, therefore, allow Messrs. Hilles and Leake, who served as trustees throughout the reorganization proceeding, the sum of $60,000 each; and Mr. Richardson, who resigned as trustee on December 29, 1934, $35,000. Mr. Zukor was president of the debtor at the time of his appointment as receiver. His application for compensation as one of the equity receivers was deferred without prejudice, when the order fixing the ad interim allowances in the equity proceeding was signed, and is now renewed. He is a defendant in one or more suits by the trustees which are pending, but, notwithstanding that fact, he is entitled to some compensation for his services as receiver. During the period of his service he received salaries from subsidiaries amounting to $4,502.52. He will be allowed $7,500.

No. 5. Messrs. Root, Clark, Buckner & Ballantine, the attorneys for the receivers and trustees, have acted throughout the three proceedings. The magnitude of the enterprise, the multiplicity of the subsidiaries, and the problems presented, indicate the character of the legal services to which a number of partners, and a larger group of associate attorneys, gave practically their entire time and energy. A large number of reorganizations or adjustments relating to subsidiaries have been concluded or are nearing completion. The aggregate of claims filed has been substantially reduced by litigation or adjustment. Important suits have been instituted; one against the creditor banks was settled as part of the reorganization; and others against officers and directors are being continued by the trustees. A myriad of administrative and legal problems required constant attention and skill. The attorneys state in their petition that during the course of the three proceedings a total of 9,545 hours was spent by partners, and 62,568 hours by associates; and these are factors to be considered in determining the amount of the allowance. In the concerted effort of a large group of lawyers it can hardly be expected that duplication will be entirely avoided; and it may well be that some unnecessary work was performed; but if that was so it was the result of extreme care and thoroughness in handling the many complicated and troublesome problems presented. It is to be borne in mind also that during the whole period of the proceedings the legal department of the debtor and its subsidiaries was maintained and functioned in the performance of routine legal work under the supervision of the trustees' attorneys. As attorneys for the equity receivers, Messrs. Root, Clark, Buckner & Ballantine received an ad-interim allowance of $75,000, and they were paid $175,000 on account of their services in the bankruptcy proceedings. The three proceedings may properly be treated as one continuous employment for the present purpose. I shall, therefore, allow them the further sum of $200,000 for services in all the proceedings, together with disbursements of $7,679.08.

Nos. 6–15. In several instances the trustees were authorized to retain special attorneys, principally for work in other jurisdictions. The most important services were those of Messrs. Choate, Hall & Stewart, of Boston, extending from March 5, 1934, throughout the reorganization, and relating to the subsidiary, Olympia Theatres, Inc., in receivership in Massachusetts. This company and its affiliates controlled or operated an important chain of theaters in New England. The major portion of the task has been concluded. I shall, therefore, allow Messrs. Choate, Hall & Stewart $25,000 for services, together with disbursements of $881.93. The following sums are also allowed to the other attorneys in this group: Messrs. Cobb, Hoke, Benson, Krause & Faegre, of Minneapolis, for services relating to the Minnesota Amusement Co., operating 70 or more theaters in four States, $3,500 for services, with disbursements of $59.31; Messrs. Pillsbury, Madison & Sutro, of San Francisco, for additional services concerning two subsidiaries and related matters, $2,500 and disbursements of $9.83; Messrs. Sonnenschein, Berkson, Lautmann, Levinson & Morse, of Chicago, for additional services in connection with the suits against Marks Bros. and the Continental Bank, $4,000 and disbursements of $80.16, the item of $205 sought for their obligation to Leo Spitz, an attorney, being disallowed; Messrs. Strauss & Hedges, $501.08; Messrs. Kiddle, Margeson & Hornidge, for services in patent litigation, $700 and disbursements of $14; Harry Meyer, of Butte, Mont., $150 and disburse-

ments of $31.50; Messrs. Hornidge & Dowd, for services in patent litigation, $1,980 and disbursements of $26.81; Messrs. Winston, Strawn & Shaw, of Chicago, $1,500 and disbursements of $16.23; and Messrs. Johnston, Tory & Johnston, of Toronto, $750 and disbursements of $6.75.

Nos. 16–17. Price, Waterhouse & Co., accountants for the trustees, received $10,450 for accounting services in the equity and bankruptcy proceedings. For their services in the reorganization proceedings to June 29, 1935, including disbursements, they are allowed $7,500. The application of George W. Myer, Jr., for $1,200, as compensation for work as special accountant is moderate, and that amount is allowed.

No. 18. Joseph P. Day and Peter Grimm, real-estate brokers and agents, were employed by the trustees to aid in connection with some burdensome realty owned by the Seneca Holding Co., a subsidiary, comprising the New York and Criterion theaters and adjacent property in New York, and authorized to conduct negotiations looking to a possible sale, lease, or other disposition of the property. They obtained a delay of foreclosure and a reduction in interest, for which they may be compensated. In the main, their reward was contingent upon a sale or lease of the property, which was never effected, and the property was ultimately abandoned. I shall, therefore, allow Messrs. Day & Grimm, jointly, the sum of $2,000 for their services, which I consider adequate under the circumstances.

No. 19. Messrs. Rosenberg, Goldmark & Colin, former attorneys for the debtor, have received, in addition to a $5,000 retainer, $10,000 on account for services in the equity and part of the bankruptcy proceedings, and $3,500 in full for the remaining portion of the latter period. While mindful of their services in defending the receivership and resisting the attacks on the voluntary bankruptcy petition, the aggregate of the sums received by them is believed to be adequate for all their work in the earlier proceedings. They are allowed $2,500 for their services following the filing of the 77–B petition, with disbursements of $209.75.

No. 20. Messrs. Cook, Nathan & Lehman acted as attorneys for the stockholders' committee throughout the proceedings, and were retained in November 1934 as attorneys and counsel for the debtor in the reorganization proceedings. They have been responsible in large measure for the fact that the stockholders' rights have been preserved. As attorneys for the debtor in the reorganization proceedings, they had the principal responsibility for the successful carrying through of the plan; they conducted the prolonged hearings before the court while the plan was under consideration; they bore the brunt of most of the negotiations which enabled the plan to be offered for confirmation; and they drafted all of the papers and documents in the court proceedings and in the effectuation of the plan. These services required unusual skill and consumed a considerable amount of time. I shall, therefore, allow Messrs. Cook, Nathan & Lehman, as attorneys for the debtor in the 77–B proceedings, $75,000, and as attorneys for the stockholders' committee $40,000, a total of $115,000 for services, together with disbursements of $3,019.18.

No. 21. A committee of stockholders was organized January 27, 1933, and 2,154,000 shares of stock were ultimately deposited under the deposit agreement. Compensation is sought by Barney Balaban, Maurice Newton, and Gerald Brooks, three of the five members of the committee, and by Richard W. Matthews, secretary of the committee. Mr. Balaban is the president of Balaban & Katz Corporation, 96½ percent of the common stock of which is owned by the debtor, and I do not think that one in that position should expect or receive compensation for acting as a member of the committee. While serving on the committee, Mr. Newton purchased and sold debentures, and Hallgarten & Co., of which he is a general partner, bought and sold debentures and stock. Mr. Brooks, prior to joining the committee on June 4, 1934, had traded heavily in the securities of the company; thereafter, he purchased $9,000 of debentures, which he still owns, at a substantial advance above his purchase price. There was nothing objectionable in his purchasing and selling securities of the company before he became a member of the committee, but once he joined the committee, it was his clear duty to the persons he was assuming to represent to refrain from trading in, or purchasing, the securities of the company he was helping to reorganize; and I consider him disqualified from receiving any compensation from the general estate. I make the same ruling with respect to the application of Mr. Newton. In consequence, no allowance is granted to any of the members of the stockholders' committee for services. Richard W. Matthews, who has acted as secretary of the committee since January 27, 1933, is awarded $3,000 for his compensation.

This committee borrowed $60,000 from a banking institution, and disbursed $57,769.31; they incurred other obligations, which they ask to have allowed as expenses. Item (a) represents the committee's actual disbursements of $57,769.31, and consists largely of payments for necessary printing, advertising, postage, stock-exchange listings, and a disbursement of $17,860.92 to Messrs. Coverdale & Colpitts, consulting engineers and accountants, for "out of pocket expenses." The sum of $1,527.92 paid to Messrs. Cook, Nathan & Lehman for typewriting is eliminated, and item (a) is accordingly allowed at $56,241.39.

The following unpaid obligations of the stockholders' committee are also allowed: (b) Commercial National Bank & Trust Co., $150.36; (c) Commercial National Bank & Trust Co., for interest on loan of $60,000 to date of payment, to be computed; (d) American Bank Note Co., $362.40; (e) Messrs. Cook, Nathan & Lehman, $221.78; (h) Bank of America National Trust & Savings Association, Los Angeles, subdepositary, $227.45; (j) Whitney National Bank of New Orleans, a subdepositary, $125.

The charge of First National Bank of Chicago (i), a subdepositary, for $2,978.60, includes an item of $2,238.35 for acceptance of 2,632 stock certificates, which is reduced to 50 cents a certificate; and the total charges of the bank are allowed in the sum of $2,056.25. Mr. Balaban (k), a resident of Chicago, billed to the committee his travel, hotel, and incidental expenses in attending committee meetings, amounting in an aggregate to $2,640.36; he attended 14 meetings of the committee in New York, and should be reimbursed only for his reasonable and necessary expenses, including a moderate allowance for subsistence. I think the present bill is excessive, and it is allowed only at $1,750.

Item (f) is a claim of Coverdale & Colpitts in the sum of $33,116.14, in addition to the $17,860.92 already paid to them by the committee. This includes charges of Mr. Coverdale for all or part of 113 days, at the rate of $250 a full day; Mr. Burpee for part or all of 34 days, at $150 a full day; and Mr. Burgess for all or part of 48 days at the same figure. The fact that a higher rate of compensation was paid to one of these gentlemen by the Government in another case is no criterion of what may properly be allowed in this proceeding. Their charge also includes an item of $7,066.14 for "office overhead to cover general expenses, rent, insurance, etc.", which is measured by 80 percent of their pay roll. This pyramiding of charges in a proceeding of this kind is simply indefensible. I also think the per-diem charges of the various partners are excessive. They will be allowed $10,000, in addition to what they have already received, making a total of $27,860.92 for all services.

Item (g) is an unpaid bill of the Commercial National Bank & Trust Co. for its charges as depositary for the committee, amounting to $73,284.16. While the need of a depositary to receive deposits, issue certificates, maintain safe custody and perform the incidental work in handling securities is recognized, and the charges made are said to be standard, the court will not be bound by any fixed scale employed by banks generally for similar services. The charges as presented include $18,126.88 for receiving for deposit 2,125,377 shares of stock represented by 50,180 certificates from 18,155 depositors; $34,472 for issuing 68,944 certificates of deposit at 50 cents each; $16,614.50 for maintenance of certificates of deposit accounts; and $2,732.07 for custody.

All of these items seem excessive. The first is at the rate of 1 cent a share up to a certain number of shares, and, thereafter, at three-fourths and one-half cent a share. Regardless of what may be the accepted scale, I think that a charge for merely receiving stock certificates should be more related to the number of certificates than the number of shares represented. The charge made amounts to about $1 for each depositor, and about 35 cents for each certificate. When the volume is large, I believe that 10 cents for each stock certificate is ample; and the charge is accordingly reduced to $5,018. Up to a certain point a charge of 50 cents for issuing each certificate of deposit and transfer is not unreasonable, but I think that where the number runs into large figures there should be a scaling down after a specified limit has been reached. For the first 25,000, a charge of 50 cents each will be allowed, and 25 cents for the remaining 43,944, making a total of $23,486. The maintenance item of $16,614.50 is a yearly charge of 50 cents for maintaining each certificate of deposit account. I think that a yearly charge of 25 cents for each account is sufficient, and the item is accordingly reduced to $8,307.25. The custody charge is calculated on a percentage of the value of the deposited securities. This is excessive, if for no other reason than that the values used are entirely out of line with the real value of the security. I think a flat charge of $1,500 for custody during the entire period of the service is adequate. The item of $251 for "cost of supper money account overtime" is disallowed. The other items will not be disturbed. The total charges of the trust company are accordingly reduced to $39,398.96.

No. 22. The Vanderlip committee, representing holders of debentures of the debtor, was organized in January 1933; it has six members; and no compensation is asked by Duncan G. Harris, one member, and none as a committee member by Dr. Julius Klein, who was employed by the committee on a full-time basis at a monthly salary plus his expenses, these being advanced from time to time by Kuhn, Loeb & Co. at the request of the committee. This committee ultimately represented $14,813,000, face amount of debentures, and held 38 meetings; and none of the committee members purchased or sold or otherwise traded in securities of the debtor for his own account, except Messrs. Vanderlip and Stern. Mr. Vanderlip bought in 1934 an aggregate of $175,000, debentures, and sold $99,000 at a substantial profit. He retained the remainder at market levels substantially above the amounts paid. Mr. Stern purchased and sold $30,000 of debentures in 1933 and 1934 and purchased and sold stock certificates of deposit to the extent of 5,700 shares. Lawrence Stern & Co., of which he is a member, purchased and sold in 1934 $25,000 of debentures, on which a profit was realized. The reasons already expressed on this subject require denial of Mr. Vanderlip's request for $50,000 and Mr. Stern's for $7,500. The sum of $2,500 each is allowed to Messrs. Robert R. Cassatt, Morris M. Ernst, and Duncan G. Harris, the remaining members of the committee.

The Vanderlip committee requests (1) reimbursement of $42,077.50 expended for advertising, printing, accounting services, and depositary charges of $18,692.92 by the Chase National Bank,

(2) $48,785.96 for unpaid obligations consisting of charges by the same depositary amounting to $37,716.95, and bills for printing, advertising, and interest on advances by Kuhn, Loeb & Co., and (3) $52,390.15 as the salary and expenses of Dr. Julius Klein, who was employed from July 28, 1933, to April 18, 1935, at $2,000 a month until January 12, 1935, and thereafter at $500 a month, plus his expenses, including the rental of an office in the Paramount Building, and the salaries of assistants.

It is stated that the rates charged by the Chase Bank are no more, and in some instances less, than the scale fixed by the Corporate Fiduciaries Association. The bills paid by the Vanderlip committee include items of (a) $8,439 for receiving for deposit or exchange 8,265 debentures at 50 cents each, and issuing 8,613 certificates of deposit at the same rate; (b) $3,164 for receiving and filing with the referee 1,582 proofs of claim; (c) $3,603.64 for general supervision, which is calculated at 25 percent of the other items in the bills; and (d) overtime items of $273. There is no warrant for any of the last three charges, and they will be disallowed. The charge for receiving debentures should be no greater than 10 cents each, the amount allowed to the depositary for the stockholders' committee. Accordingly, the paid bills of the bank are disapproved to the extent of $10,346.64, and the paid disbursements of the committee are reduced correspondingly and allowed at $31,730.86.

The unpaid bills of the same bank include charges of (a) $15,674.50 for receiving for deposit or exchange 8,388 debentures and issuing 22,961 certificates of deposit, likewise at 50 cents each; (b) $4,810, for receiving and filing with the referee 2,405 proofs of claim; (c) $3,734.87 representing a percentage charge for general supervision, and (d) $213 for overtime. The last three items are disallowed for reasons previously stated. Allowing 10 cents for each debenture received and 50 cents for each certificate issued up to 25,000 and 25 cents thereafter, and giving effect to the number specified in the paid bills, the unpaid charges of the bank are disapproved to the extent of $13,756.57. Among the unpaid obligations of the committee is a bill of $1,942.80 from Lawrence Stern for traveling and incidental expenses. He is apparently a resident of Chicago, and is entitled only to be reimbursed for his necessary and reasonable expenses while engaged in the work of the committee. The bill seems excessive and is allowed only to the extent of $1,750. Giving effect to these reductions, the unpaid bills of the committee are reduced to $34,836.59 and allowed at that sum.

This committee also requests the allowance of the sum of $52,390.15 to cover the amount paid by Kuhn, Loeb & Co. for the account of the committee to Dr. Klein as salary and expenses. The amount includes $2,068.05 paid to the Savoy Plaza Hotel, presumably for living expenses, and $335 for incidental disbursements, for which there is no warrant whatever. The remainder, amounting to $49,987.10, will be allowed to the committee.

No. 23. Messrs. Davis, Polk, Wardwell, Gardiner & Reed have been attorneys for the Vanderlip committee during the entire course of the proceedings, and have had a very large part to play in the reorganization of the company. They have devoted a vast amount of time to the case, and have participated in all of the negotiations leading up to the promulgation of the plan, and in all of the court proceedings. The committee which they represented held $14,813,000 face amount of debentures, and their efforts contributed largely to the successful reorganization of the company. They are allowed $75,000 in full for their services.

No. 24. Twelve creditor banks with claim approximating $14,000,000 were represented by a committee of three. The chairman and secretary, both officers of one of the principal banks, request compensation of $30,000 and $20,000, respectively, in addition to the committee's disbursements, which include $18,500 paid to the attorneys for the committee, Messrs. Beekman, Bogue & Clark. The banks were defendants in a suit brought by the trustees, in which certain transfers to the banks were challenged as preferential, and a large part of the work of the committee was performed in preparing for the defense of this suit; at least to that extent the committee's efforts were adverse to the debtor, and no allowance is justified. I can see no good reason, either, for compensating two of the higher officers of one of the largest bank creditors because they acted for a small committee in which the other banks participated; their services were only such as were required to protect the interests of their own bank; and they should look to it for their compensation. The bank committee has, however, incurred disbursements, which will be allowed to the extent of $20,559.91. This amount includes $18,500 paid to the attorneys for the committee and deducted from their allowance. I have disallowed the item for typewriting, which appears to be nothing more than general typing of papers and reports to the banks; also railroad fares and other items apparently related to the litigation against the banks.

No. 25. Messrs. Beekman, Bogue & Clark, attorneys for the bank committee, were engaged largely in the defense of the bank suit, which was settled as a result of the reorganization; and they should look to their clients for compensation for the services they performed of that nature. They may, however, be compensated for their services in connection with the reorganization proceedings. These services were important, and contributed largely to the result; and I shall, therefore, allow them $35,000, from which the sum of $18,500 already paid by the committee should be deducted.

Nos. 26, 27. I do not think any allowance may properly be made to Kuhn, Loeb & Co., or their attorneys, Messrs. Cravath, De Gersdorff, Swaine & Wood, for services. When the Paramount Co. first went into the hands of receivers, Kuhn, Loeb & Co. immediately brought about the organization of the principal committees preparatory to an early reorganization. They had been the sponsors for most of the company's securities, and it was both natural and proper that they should wish to see a satisfactory reorganization effected. To that end they commenced factual studies and surveys of the company's condition, and with their attorneys participated actively in the preparation and negotiation of a proposed plan of reorganization. In the early stages of these negotiations Kuhn, Loeb & Co. were in effect reorganization managers, and if the situation had remained as it then was they undoubtedly would have appeared in that capacity in the reorganization proceedings, and have qualified for an allowance under the terms of the statute. This, however, was not to be; and when suits were contemplated by the trustees against former directors of the company and members of their own firm they concluded that for the best interests of the company and the good of the entire reorganization they should withdraw from active participation in the proceedings. It was then that Messrs. Cook, Nathan & Lehman were brought into the case and presented the plan as attorneys for and on behalf of the debtor. It was conceded on the hearing that Kuhn, Loeb & Co. could not qualify under the statute as reorganization managers, but it was sought to support the application for allowances on the ground that they were employees of the principal committees; two of these committees even made belated requests that Kuhn, Loeb & Co. be recognized in that capacity. The difficulty, however, with this contention is that they were in no sense performing work which the committees were in any position to delegate, and neither they nor their attorneys are entitled to be paid from the general estate.

Nos. 28–29. Lloyd A. Munger, Harry Mottsman, and James B. Murray acted as an independent committee for the debentures. This committee was formed shortly after the receivership, and represented approximately 750 debenture holders having claims in excess of $1,850,000; it functioned throughout the proceedings, and contributed to some extent in the reorganization. I think there was room in this case for an independent committee, even though some duplication of effort was necessarily involved. The Munger committee is, therefore, allowed $3,000 as compensation, with disbursements of $1,800.72; and Messrs. Szold & Brandwein, attorneys for the committee, are allowed $20,000 for their services, with disbursements of $78.59.

Nos. 30–31. The merchandise creditor's committee have withdrawn their application for compensation, but request reimbursement for their expenses amounting to $1,197.40. The schedule of these expenses contains a number of items which are either unsupported by vouchers or are clearly improper, namely: $217.10 paid to notaries employed on a per-diem basis to solicit proofs of claim and powers of attorney; $75.32 for traveling and local telephones; and items for legal magazines, books, and overtime suppers. I shall, therefore, allow only $784.88 for expenses. Mr. Nathan Burkan, attorney for the committee, is awarded $15,000 for his services.

No. 32. Messrs. Malcolm Sumner and Edwin L. Garvin, representing three holders of debentures, amounting to $15,000, filed a petition under section 77–B. There were already two strong committees representing hundreds of debenture holders then in the field; and these two committees were fully capable of looking after the interests of all debenture holders. The Sumner and Garvin petition was filed the same day that the Vanderlip committee filed a similar petition; and both were refiled on the day following. Clearly, there was no justification whatever for this duplication of effort; the Vanderlip petition was entirely adequate for the purpose of instituting the proceeding, and the other was not only unnecessary but tended to complicate and confuse a perfectly plain and straightforward situation. From then on, Messrs. Sumner and Garvin participated in all of the reorganization proceedings, but they contributed little, if anything, to the work of reorganization; they were in no different position than the other attorneys representing individual creditors and security holders who were heard on the fairness of the plan; and they are not entitled to any allowance from the general estate either for services or disbursements.

Nos. 33–34. Messrs. Sumner and Garvin employed Orrin R. Judd and J. Andrew Crafts as accountants to assist them in the case, and these gentlemen are requesting an allowance of $12,500 for services. Myron Robinson was similarly employed as an expert, and he asks an allowance of $11,000 for services. There was no authority to incur such obligations as these, and make them a charge against the general estate; the work was wholly unnecessary; and the claimants have no standing to ask for allowances. Both applications are denied.

Nos. 35–36. The Chase National Bank was trustee under the two indentures of the debtor, and continued during the proceedings to perform services as trustee and as registrar of indentures. It requests compensation of $1,975.22 for all its services after June 16, 1934, which is granted. The sum of $1,000 is allowed to Messrs. Milbank, Tweed, Hope & Webb, attorneys for the Chase Bank, for their services.

No. 37. The Paramount Broadway Corporation, a subsidiary of the debtor, was reorganized in conjunction with the latter. That company owned the Paramount Building at Broadway and Forty-third Street, which housed the main Paramount Theater in New York City and the principal office of the debtor; the building also had available for leasing to outsiders a large amount of commercial and office space. There was a mortgage on the property, under which certificates amounting in the aggregate to $8,875,000 were outstanding, and two committees were organized to look after the interests of the certificate holders. These committees, after prolonged negotiations with the debtor's trustees, agreed upon a

plan of reorganization, which later was incorporated in and became a part of the plan of reorganization of the debtor.

The committee headed by Peter Grimm was the larger and more important of the two committees, and the petition states that 42 meetings of the committee were held. I shall allow $1,500 each to Messrs. Grimm, Smith, Forgan, and McAneny. Mr. Dowling did not become a member of the committee until January 1934, or a year after the committee was formed, and his compensation is fixed at $1,000. Mr. Goelet purchased certificates of the company while he was a member of the committee, and, for the reasons already stated, will be denied compensation.

The Grimm committee also asks that its expenses, amounting to $15,714.39, be allowed. These expenses include (a) $6,807.50 for printing and advertising; (b) $4,975 paid to Lloyd W. Georgeson for services in procuring assents; and (c) $2,892.41 paid to Messrs. Stroock & Stroock, attorneys for the committee, for their disbursements. The item of $6,807.50 (a) is supported by vouchers, and is allowed at that figure. With respect to the payment to Georgeson, it appears that he was employed on March 19, 1935, under a written contract at specified rates to procure assents to the plan, which were required by April 3, 1935; and, although the amount seems large for the services rendered, I do not think the payment was unwarranted. The item of $2,892.41 (c), stated to have been paid to Messrs. Stroock & Stroock for their disbursements, is allowed at $2,512.41, the charge of $380 for "typing" being disallowed. The total obligations of the committee are allowed as $15,334.39.

No. 38. Messrs. Stroock & Stroock were the attorneys for the Grimm committee during the entire course of the proceedings; they participated in all of the negotiations and court proceedings in connection with the reorganization; and they were for a period of over 2 years in constant touch with the operation and management of the building. These services were important, and consumed a considerable amount of time; and I am accordingly allowing $40,000, inclusive of the services of Mr. Deitch as secretary of the committee.

Nos. 39–40. The Schenk committee represented about 200 of the Paramount-Broadway certificate holders, with claims aggregating about $550,000. This committee is in much the same position as the Munger committee acting for debenture holders of the debtor, and I think an independent committee for such certificate holders was justified. The committee will be allowed a total of $2,000 as compensation, and disbursements of $297.14; and the attorneys for the committee, Messrs. Weiss, Pels & Grant, are allowed $7,500 for services, together with disbursements of $84.33.

Nos. 41–42. The Chemical Bank & Trust Co., as trustee under the Paramount-Broadway indenture, asks $6,100 for ordinary services, including registration of certificates, and for extraordinary services occasioned by these proceedings. A further sum of $15,324 is sought for depositary charges. The indenture provided that the trustee should be entitled to reasonable compensation and reimbursement for expenditures, including the employment of agents and attorneys. For its services as trustee the bank is allowed $1,250. Several of the charges for depositary services are subject to the views already expressed. The item of $2,655.90 for receiving bonds is accordingly reduced to $557.40; the custody item of $2,038, based on a charge for each year at a percentage value, is reduced to $1,000; and the general supervision charge of $3,064, which represents 25 percent of all other charges, is disallowed entirely. The remaining items are allowed, making a total of $10,372.70 for all services, with disbursemnts of $307.15. Messrs. Cotton, Franklin, Wright & Gordon, attorneys for the bank, are allowed $3,500, which is to be inclusive of disbursements.

No. 43. The New York Trust Co. was appointed agent of the special master to receive assents to the plan and old securities for exchange; and its work is not yet completed. It is allowed $3,297.50 for its services to July 1, 1935, together with disbursements of $415.20.

No. 44. A. J. Schanfarber, A. M. Frumberg, Edgar J. Schoen, and Samuel Zirn request an allowance for services and disbursements in the prosecution of a suit by one Levy in the State court. This suit was representative in its nature, and was brought in December 1932 against the debtor and others; and it is now asserted broadly that by reason of the litigation important assets were conserved for the benefit of the debtor. The suit was ultimately dismissed, and under no possible theory are the attorneys entitled to recognition in the present proceeding.

No. 45. Samuel Zirn acted as attorney for several debenture holders in the three proceedings, and asks a separate allowance for his services and disbursements. He challenged the equity receivership and urged administration in bankruptcy, opposed the voluntary petition, intervened on an application for a writ of prohibition, challenged the qualifications and election of the bankruptcy trustees, conducted extensive 21–A examinations, opposed applications for allowances, and participated in the court proceedings. He was entirely unsuccessful in most of his contentions, and is entitled to no allowance from the general estate. He did not recover any property, accomplished nothing by his attacks upon the jurisdiction and against the trustees, and should look to his own clients for his compensation for services and disbursements in connection with the various court proceedings.

Nos. 46, 49. Adolph Feldblum, as substituted attorney for the petitioning creditors, and Messrs. Bibb, Dederick & Osbourne, attorneys for an intervenor in the involuntary bankruptcy proceeding, are obviously in no position to look to the general estate for compensation.

Nos. 47–48; 50–53. The several applications of Saul E. Rogers, Louis M. Levy, Archibald Palmer, Jacob J. Lesser, Samuel Spring, and Louis Boehm are disallowed. These attorneys represented various creditors and stockholders, and Mr. Palmer also appeared for security holders of Allied Owners Corporation, a creditor of the debtor. The services consisted largely in attendance at the court proceedings, participation in the examination of witnesses, and arguments during the consideration of the plan of reorganization. These services, although helpful to the court in the determination of the different issues presented, are not of such a character as to entitle any of the applicants to an allowance from the general estate.

I am appending hereto a schedule of all amounts allowed.

ALFRED C. COXE,
United States District Judge.

Dated October 23, 1935.

Schedule of allowances

No.	Petitioner	Allowances requested		Allowed	
		Services	Expenses	Services	Expenses
1	Charles D. Hilles	$128,000.00		$60,000.00	
2	Eugene W. Leake	118,000.00		60,000.00	
3	Charles E. Richardson	87,000.00		35,000.00	
4	Adolph Zukor	18,545.04		7,500.00	
5	Root, Clark, Buckner & Ballantine	700,000.00	$7,679.08	200,000.00	$7,679.08
6	Choate, Hall & Stewart	35,000.00	881.93	25,000.00	881.93
7	Cobb, Hoke, Benson, Krause & Faegre	4,500.00	59.31	3,500.00	59.31
8	Pillsbury, Madison & Sutro	3,525.00	9.83	2,500.00	9.83
9	Sonnenschein, Berkson, Lautmann, Levinson & Morse	5,750.00	285.16	4,000.00	80.16
10	Strauss & Hedges	501.08		501.08	
11	Riddle, Margeson & Hornidge	700.00	14.00	700.00	14.00
12	Harry Meyer	150.00	31.50	150.00	31.50
13	Hornidge & Dowd	1,980.00	26.81	1,980.00	26.81
14	Winston, Strawn & Shaw	1,500.00	16.23	1,500.00	16.23
15	Johnston, Tory & Johnston	750.00	6.75	750.00	6.75
16	Price, Waterhouse & Co.	10,484.00		7,500.00	
17	George W. Myer, Jr.	1,200.00		1,200.00	
18	Joseph P. Day and Peter Grimm	10,000.00		2,000.00	
19	Rosenberg, Goldmark & Colin	18,500.00	228.70	2,500.00	209.75
20	Cook, Nathan & Lehman	250,000.00	3,759.10	115,000.00	3,019.18
21	Stockholders' committee	70,000.00	170,875.56		110,533.59
	Richard W. Matthews, secretary	5,000.00		3,000.00	
22	Vanderlip committee	80,000.00	143,253.61	7,500.00	116,554.55
23	Davis, Polk, Wardwell, Gardiner & Reed	150,000.00		75,000.00	
24	Bank committee	50,000.00	25,728.95		20,559.91
25	Beekman, Bogue & Clark	75,000.00		35,000.00	
26	Kuhn, Loeb & Co.	100,000.00	14,287.29		
27	Cravath, DeGersdorff, Swaine & Wood	150,000.00	812.15		
28	Munger committee	6,000.00	1,945.72	3,000.00	1,800.72
29	Szold & Brandwen	75,000.00	78.59	20,000.00	73.59
30	General (merchandise) creditors, committee	13,500.00	1,197.40		784.88
31	Nathan Burkan	50,000.00		15,000.00	
32	Malcolm Sumner and Edwin L. Garvin	150,000.00	431.59		
33	Orrin R. Judd and J. Andrew Crafts	11,000.00			
34	Myron Robinson	12,500.00			
35	The Chase National Bank of New York	1,975.22		1,975.22	
36	Milbank, Tweed, Hope & Webb	1,000.00		1,000.00	
37	Grimm committee	40,000.00	16,914.39	7,000.00	15,334.39
38	Stroock & Stroock	100,000.00		40,000.00	
39	Schenk committee	2,500.00	297.14	2,000.00	297.14
40	Weiss, Pels & Grant	10,000.00	84.33	7,500.00	84.33
41	Chemical Bank & Trust Co.	21,424.00	307.15	10,372.70	307.15
42	Cotton, Franklin, Wright & Gordon	8,600.00	48.61	3,500.00	
43	The New York Trust Co.	3,297.50	415.20	3,297.50	415.20
44	A. J. Schanfarber, A. M. Frumberg, Edgar J. Schoen, and Samuel Zirn	75,000.00	7,868.40		
45	Samuel Zirn	75,000.00	1,207.09		
46	Adolph Feldblum	3,000.00	20.00		
47	Saul E. Rogers	10,000.00			
48	Louis Martin Levy	750.00			
49	Bibb, Dederick & Osbourne	25,000.00			
50	Archibald Palmer	15,000.00			
51	Jacob J. Lesser	37,500.00	12.00		
52	Samuel Spring	7,500.00			
53	Louis Boehm	10,000.00	12.74		
	Total	2,841,031.84	388,796.31	766,426.50	278,784.98
	Less deduction for Beekman Bogue & Clark payment				18,500.00
	Total				260,284.98

Mr. ASHURST. Mr. President, before concluding let me say that I commend the chairman of the committee, the Senator from California [Mr. McADOO], who succeeded me, and I commend likewise the members of the committee for the work they are doing. I ask Senators to examine some of these cases, and to examine the report made by the special committee, and they will be astounded at the large amount of the fees demanded.

Mr. KING. Mr. President, may I ask the Senator whether the special committee is still prosecuting its labors; and if so, when we may expect a final report?

Mr. ASHURST. My labors as chairman of the Senate Committee on the Judiciary grew so great that I was unable to serve further as chairman of that special committee; and I repeat that the Senator from California [Mr. McADOO] is chairman of the special committee. I have had occasion, however, because of the fact that I once served as chairman, to review their work. Their work has been proceeding with courage and with remarkable assiduity. I do not assume that they have finished their task; but, so far as they have gone, they have done well.

Mr. McADOO. Mr. President, I desire to thank the able Senator from Arizona [Mr. ASHURST] for his remarks about the special committee which is now investigating the Federal judiciary in the United States. I regret very much that the Senator from Arizona resigned the chairmanship of the committee, and that the duties of the chairmanship had to devolve upon me.

I may say that last fall the committee made a second investigation of the Federal courts in Los Angeles. We had made a previous investigation when the Senator from Arizona was chairman in 1933. I had hoped that as a result of the first investigation some of the unsatisfactory practices in those courts would have been corrected by this time; but we found that the conditions were practically the same, and that serious abuses continue to exist in those courts.

I wish to make this statement merely in order that the Senate may be informed that the committee has not ceased its labors, and that it now has under consideration its report upon the conditions which it found in the Federal courts of southern California.

INVESTIGATION AND COORDINATION OF EXECUTIVE AGENCIES

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably Senate Resolution 217, with an amendment in addition to those previously reported, and ask unanimous consent for the present consideration of the resolution.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 217) submitted by Mr. BYRD on January 9, 1936, referred to the Committee on Rules, reported from the Committee on Rules on the 11th instant with amendments, and referred to the Committee to Audit and Control the Contingent expenses of the Senate.

The VICE PRESIDENT. The committee amendments will be stated.

The amendments of the Committee on Rules were, on page 1, line 13, after the word "agencies", to strike out "or any officials and employees thereof"; on page 2, line 1, after the word "abolished", to insert a comma and "or the personnel thereof reduced"; in line 3, after the words "of the", to strike out "session of 1937" and insert "Seventy-fifth Congress, and from time to time thereafter", and on the same page, line 11, after the word "Senate" and the comma, to insert "in the Seventy-fourth and succeeding Congresses."

The additional amendment of the Committee to Audit and Control the Contingent Expenses of the Senate was, on page 2, line 20, after the word "exceed", to strike out "$50,000" and insert "$20,000."

The amendments were agreed to.

The resolution, as amended, was agreed to, as follows:

Resolved, That there is hereby established a Senate committee to be composed of five Senators, of whom three shall be from the majority political party and two shall be from the minority political party, to be appointed by the President of the Senate. The committee is authorized and directed to make a full and complete study of all the activities of the departments, bureaus, boards, commissions, independent agencies, and all other agencies of the executive branch of the Government, with a view to determining whether the activities of any such agency conflict with or overlap the activities of any other such agency and whether, in the interest of simplification, efficiency, and economy, any of such agencies should be coordinated with other agencies or abolished, or the personnel thereof reduced. The committee shall report to the Senate at the beginning of the Seventy-fifth Congress, and from time to time thereafter, the results of its investigations, together with its recommendations, if any, for necessary legislation.

SEC. 2. For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate, in the Seventy-fourth and succeeding Congresses, to employ such experts and clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per 100 words. The expenses of the committee, which shall not exceed $20,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

ADDRESS BY PRESIDENT ROOSEVELT ON BROTHERHOOD DAY OBSERVANCE

Mr. KING. Mr. President, I desire to invite the attention of the Senate to a notable address delivered yesterday by the President of the United States on the occasion of the Brotherhood Day observance.

It is a message needed in this day of agnosticism and, as many believe, crass materialism. It is an appeal for unity and a renaissance of those spiritual forces important to world progress and world unity.

I think it has been demonstrated that the finite mind of man is inadequate to meet and solve the problems with which the world is confronted. The wisdom and the philosophies of men fail to bring humanity into that kingdom of love, peace, and brotherhood which ultimately is to prevail throughout the world. In my opinion, humanity is not to be condemned forever, as Sisyphus of old, to roll the stone toward the summit of justice, righteousness, and peace, only to have it slip from their hands and crash to the depths below.

The world is torn with racial prejudices and animosities resulting from conflicting views concerning religious, political, and economic questions. There must be some force that will dissipate these prejudices and animosities and set the world upon the pathway to nobler thinking, higher resolves, and enlarged spiritual concepts. Morality and religion were emphasized in the immortal address of George Washington, and President Roosevelt's address is an appeal for religious faith, "which is being confronted with irreligion", and for the development of our "faiths which are being challenged."

A prophet of old said that "without vision the people perish"; and the President of this great Nation pleads for wider vision, for a revival of the spirit of religion that "would sweep through the hearts of men and women of all faiths to a reassertion of their belief in God and their dedication to His will for themselves and for the world."

The address of the President is more than a sermon—it is a message of great spiritual force and power, and challenges the people of this Nation, as well as other lands, to search their hearts and to exorcise from their souls the spirit of unbelief, selfishness, and hatred, and to unite together for the promotion of justice, liberty, and world peace.

Mr. President, I ask that this great address of the President of the United States be placed in the RECORD of this day.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

I am happy to speak to you from my own home on the evening of a Sabbath day which has been observed in so many of your home communities as Brotherhood Day. The national conference of Jews and Christians has set aside a day on which we can meet not primarily as Protestants or Catholics or Jews but as believing Americans; a day on which we can dedicate ourselves not to the things which divide but to the things which unite us. I hope that we have begun to see how many and how important are the things on which we are united. Now, of all times, we require that kind of thinking.

There are honest differences of religious belief among the citizens of your town as there are among the citizens of mine. It is a part of the spirit of Brotherhood Day, as it is a part of our American heritage, to respect those differences. And it is well for us to remember that this America of ours is the product of no single race or creed or class. Men and women—your fathers and mine—came here from the far corners of the earth with beliefs

that widely varied. And yet, each in his own way laid his own special gift upon our national altar to enrich our national life. From the gift that each has given, all have gained.

TIME FOR UNDERSTANDING

This is no time to make capital out of religious disagreement, however honest. It is a time, rather, to make capital out of religious understanding. We, who have faith, cannot afford to fall out among ourselves. The very state of the world is a summons to us to stand together. For, as I see it, the chief religious issue is not between our various beliefs. It is between belief and unbelief. It is not your specific faith or mine that is being called into question—but all faith. Religion in wide areas of the earth is being confronted with irreligion; our faiths are being challenged. It is because of that threat that you and I must reach across the lines between our creeds, clasp hands, and make common cause.

To do that will do credit to the best of our religious tradition. It will do credit, also, to the best in our American tradition. The spiritual resources of our forbears have brought us a long way toward the goal which was set before the Nation at its founding as a nation.

Yet I do not look upon these United States as a finished product. We are still in the making. The vision of the early days still requires the same qualities of faith in God and man for its fulfillment.

No greater thing could come to our land today than a revival of the spirit of religion—a revival that would sweep through the hearts of men and women of all faiths to a reassertion of their belief in God and their dedication to His will for themselves and for their world. I doubt if there is any problem—social, political, or economic—that would not melt away before the fire of such a spiritual awakening.

I know of no better way to kindle such a fire than through the fellowship that an occasion like this makes possible. For Brotherhood Day, after all, is an experiment in understanding; a venture in neighborliness.

WELFARE OF ALL AFFECTED

I like to think of our country as one home in which the interests of each member are bound up with the happiness of all. We ought to know, by now, that the welfare of your family or mine cannot be bought at the sacrifice of our neighbor's family; that our well-being depends, in the long run, upon the well-being of our neighbors. The good-neighbor idea—as we are trying to practice it in international relationships—needs to be put into practice in our community relationships. When it is we may discover that the road to understanding and fellowship is also the road to spiritual awakening. At our neighbor's fireside we may find new fuel for the fires of faith at our own hearthside.

It would be a fitting thing for an organization such as the National Conference of Jews and Christians to undertake this kind of a project in neighborliness. I should like to see associations of good neighbors in every town and city and in every rural community of our land. Such associations of sincere citizens like-minded as to the underlying principles and ideals would reach across the lines of creed or of economic status. It would bring together men and women of all stations to share their problems and their hopes and to discover ways of mutual and neighborly helpfulness. Here, perhaps, is a way to pool our spiritual resources; to find common ground on which all of us of all faith can stand; and thence to move forward as men and women concerned for the things of the spirit.

COMMODITY CREDIT CORPORATION

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of Senate bill 3998, to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season to season.

Mr. McNARY. Mr. President, I have no objection to the motion if we can come to an agreement not to take up the bill this afternoon.

Mr. BARKLEY. I will say to the Senator from Oregon that we do not intend to proceed with the bill this afternoon. I wish to make the bill the unfinished business. It is the measure which authorizes the increase in the capital stock of the Commodity Credit Corporation. It is not desired to proceed this afternoon; but I do desire to have the bill made the unfinished business.

Mr. McNARY. It may be a very worthy proposal, but I think we should wait until tomorrow before taking up the bill.

Mr. BARKLEY. That is entirely agreeable, and that is our intention.

Mr. NORRIS. Mr. President, is this the other bill coming from the Banking and Currency Committee about which we had an understanding?

Mr. BARKLEY. Yes; it is.

The VICE PRESIDENT. The question is on the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 3998) to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing and to provide credit and facilities for carrying surpluses from season to season.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. O'MAHONEY, from the Committee on the Judiciary, reported favorably the nomination of Robert H. Jackson, of New York, to be an Assistant Attorney General, vice Frank J. Wideman, resigned.

Mr. JOHNSON, from the Committee on Commerce, reported favorably the nomination of Lt. Comdr. Henry Coyle to be commander in the Coast Guard, to rank as such from January 1, 1936.

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nominations of several officers in the Marine Corps.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first business in order on the calendar.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations heretofore passed over in the Army.

Mr. SHEPPARD. Mr. President, I ask to have the Army nominations go over until the return of the Senator from Massachusetts [Mr. WALSH].

The VICE PRESIDENT. Without objection, the Army nominations will be passed over.

THE JUDICIARY

The legislative clerk read the nomination of Ralph L. Emmons to be United States Attorney, northern district of New York.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

PUBLIC WORKS ADMINISTRATION

The legislative clerk read the nomination of George D. Andrews, of Pennsylvania, to be State director of the Public Works Administration in Pennsylvania.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Kenneth W. Markwell, of Tennessee, to be State director of the Public Works Administration in Tennessee.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COAST GUARD

The legislative clerk proceeded to read sundry nominations in the Coast Guard.

Mr. ROBINSON. I ask unanimous consent that the Coast Guard nominations on the Calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, it is so ordered.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the Calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

That completes the Calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 20 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, February 25, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 24, 1936

PUBLIC WORKS ADMINISTRATION

Leo J. Voell, of Wisconsin, to be State director of the Public Works Administration in Wisconsin.

UNITED STATES MARSHAL

George E. Miller, of Iowa, to be United States marshal, southern district of Iowa, vice Fred S. Hird, term expired.

APPOINTMENT IN THE REGULAR ARMY

MEDICAL CORPS

To be first lieutenant with rank from date of appointment

First Lt. Bryan Coleman Thomas Fenton, Medical Corps Reserve.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Maj. Philip Blaine Fryer, Cavalry, with rank from November 1, 1933.

TO CAVALRY

Maj. Vennard Wilson, Ordnance Department, with rank from August 1, 1935, effective June 20, 1936.

TO FIELD ARTILLERY

First Lt. Randolph Bolling Hubard, Infantry, with rank from December 1, 1934.

PROMOTIONS IN THE REGULAR ARMY

CHAPLAINS

To be chaplain with the rank of captain

Chaplain (First Lt.) William John Walsh, United States Army, from February 13, 1936.

Chaplain (First Lt.) James Gordon De La Vergne, United States Army, from February 13, 1936.

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES

GENERAL OFFICER

To be brigadier general, Adjutant General's Department, National Guard of the United States, from February 21, 1936, under the provisions of section 38 of the National Defense Act as amended

Brig. Gen. John Aloysius O'Keefe, Adjutant General's Department, Mississippi National Guard.

CONFIRMATIONS

Executive nominations confirmed by the Senate, February 24, 1936

PUBLIC WORKS ADMINISTRATION

George D. Andrews to be State director of the Public Works Administration in Pennsylvania.

Kenneth W. Markwell to be State director of the Public Works Administration in Tennessee.

UNITED STATES ATTORNEY

Ralph L. Emmons to be United States attorney, northern district of New York.

PROMOTIONS IN THE COAST GUARD

James L. Ahern to be captain.
Carl C. von Paulsen to be commander.
Fletcher W. Brown to be commander.
John E. Whitbeck to be commander.
Donald G. Jacobs to lieutenant commander.
Chester L. Harding to be lieutenant (junior grade).
Roy E. Stockstill to be lieutenant (junior grade).
Harold B. Roberts to be lieutenant (junior grade).
James R. Hinnant to be lieutenant (junior grade).
Richard C. Foutter to be lieutenant (junior grade).
Charles O. Ashley to be lieutenant (junior grade).
Quentin McK. Greeley to be lieutenant (junior grade).
Randolph Ridgely, III, to be lieutenant (junior grade).
Arthur M. Root, Jr., to be lieutenant (junior grade).
John T. Stanley to be lieutenant (junior grade).

POSTMASTERS

GEORGIA

Marcus Watson Miller, Colquitt.
Carl M. Simonton, Franklin.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 24, 1936

The House met at 12 o'clock meridian.

The Chaplain, Rev. J. Shera Montgomery, D. D., offered the following prayer:

Lord of life, below, above, let us keep silence before Thee. We thank Thee that each new day is a fresh witness of Thy loving kindness. At its threshold inspire us to rise out of our incomplete selves into conscious kinship with Thee. Animated by Thy spirit, give us sympathetic words to cheer and willing minds to minister. Walk with us through the untried paths of duty and service, guarding our country's honor as our own. Heavenly Father, we pray for Thy guidance; do Thou keep us from temptation as we meet the tests of personal responsibility; bless us with the inward spiritual triumph. We beseech Thee, blessed Lord, that our honored and beloved Speaker, with the entire Congress, may solve real problems and escape from real perplexities. Strengthen all of us with inner steadiness and serene minds. Bless us with new revelations of victorious living. Through Christ, our Redeemer. Amen.

The Journal of the proceedings of Saturday, February 22, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 11138. An act to extinguish tax liabilities and tax liens arising out of the Tobacco, Cotton, and Potato Acts.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3780) entitled "An act to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SMITH, Mr. MURPHY, Mr. POPE, Mr. CAPPER, and Mr. FRAZIER to be the conferees on the part of the Senate.

The message also announced that the Senate had ordered that the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 3521) to authorize an exchange of land between the Waianae Co. and the Navy Department.

JUSTICE WILLIAM W. POTTER, OF MICHIGAN

The SPEAKER. Under the special order of the House, the Chair recognizes the gentleman from Michigan [Mr. HOOK] for 10 minutes.

Mr. HOOK. Mr. Speaker and Members of the House of Representatives, it is with great reluctance that I rise today to speak to you on the subject which I shall discuss. I represent the Twelfth Congressional District of Michigan. I am proud of my district, and I am proud of my State, and so it is with reluctance that I call to the attention of the people of the Nation and to the attention, particularly, of the citi-

zens of Michigan the activities of one William W. Potter, justice of the Supreme Court of the State of Michigan.

In preface to my remarks I might state that I have been a member in good standing of the bar of Michigan for a number of years past. I have had the honor to practice before the supreme court in Michigan, and I have high regard for the supreme bench in Michigan as a judicial body. I expect to try additional cases before our supreme court, but I cannot let that fact deter me from what appears to me my clear duty as a citizen of Michigan and Representative in Congress of a part of her people.

The courts in our democracy have traditionally been regarded as the one great branch of our Government that is and should be free from the taint of politics and partisanship. It is in the very spirit of the Constitution of the United States and of the Constitution of Michigan that our judicial branch of Government must be untrammeled and that our judges must remain free from entanglement in partisan political strife. Any condition other than this is unthinkable in a free democracy. This, I believe, is fully understood.

We in upper Michigan have been treated during the past 10 days to a most amazing spectacle. Justice William W. Potter, of our supreme court, has made a tour of the Twelfth District, a tour for the purpose of delivering a series of the most brazen and ill-considered partisan political speeches that have ever come to my attention.

I have no objection to a judge from any bench speaking to any group. I admit that our judges will have definite political philosophies, but I contend again that there is no judge of any court worthy of the name who will enter the political arena and openly champion the cause of a particular political party.

Lest I be accused of exaggeration as to the activities of Justice Potter, allow me to quote to you from press reports of his speeches. A headline appears in the Marquette Mining Journal, of Marquette, Mich., for February 12, 1936: "New Deal 'Incompetent dictatorship', Justice Potter charges at Ishpeming." "Sound sense is G. O. P. goal, he declares." In the Evening Copper Journal of Hancock, Mich., for February 14, the headline reads: "Potter lashes New Deal in address here." In the Houghton Mining Gazette, of Houghton, Mich., the report of the justice's address was labeled "Potter assails regimentation."

One might well inquire what organization or organizations sponsored this intemperate, political speech-making justice. Or, perhaps you can guess. In Marquette County the honor belongs to the Lincoln Republican Club. In Houghton County the young Republicans take the responsibility.

The eminent Justice Potter placed no restraints upon himself. The New Deal, he said, was a raw deal. The Democratic administration was accused of repressive planning, subversive policies, soviet regimentation, and carried the menace of irresponsible dictatorship. The "brain trust", according to the justice, was made up of perverted intellects.

I need not quote further. Full reports on the justice's speeches are available in my office to anyone who wishes the entire account of his degradation. Justice Potter has violated one of the cardinal, ethical principles of judicial activity. He has stooped to the last resort of an unprincipled politician. Mud slinger, rather than Justice Potter will be his title to every citizen in Michigan who respects our judiciary. Justice Potter has lowered himself to crawl with the vermin which inhabit the mud which he has slung. The headlines of his addresses should have read, "Justice of supreme court descends to demagoguery", or "Michigan Supreme Court fouled by Justice Potter."

In his speeches, Justice Potter had the temerity to speak of constitutional government and the necessity for its protection from the communistic members of the Democratic Party. I submit that the justice lacks an intelligent understanding of constitutional government. Justice Potter's political activity is, in itself, a more flagrant violation of the principles of constitutional government than any action called to my attention in recent times. When the body of a politician hides behind the dignity of a judicial robe, and when the mouth of a politician speaks from the mask of judicial nonpartisanship, then it is time to rise in protection of our democratic institutions. That this should have happened in Michigan brings shame to the cheek of every loyal citizen of our State.

Justice Potter is not alone responsible for the degradation of our judiciary. Those Republican organizations who invited Justice Potter to deliver his political diatribes, are also to be held accountable. The scorn of public opinion is also to be directed against them and their unscrupulous attempts to use a member of our supreme court to bolster up the declining fortunes of their party. If conservatism has indeed entrenched itself in our judiciary, it is well that we are made aware of that fact. When such a situation exists, who can say that our courts are not open to criticism? When State supreme court justices deliver political stump speeches, criticism is not only justified, but absolutely essential. Entrenched greed working through the Republican Party will stoop to any means to regain a privileged position in our Government. The case of Justice Potter is ample proof of this.

Not only did Justice Potter defile his position by openly taking part in partisan political activity, but his statements lead one to question either his intelligence or his veracity. Many of his utterances are so patently fallacious that they would be humorous if the precedent he has established were not so fraught with danger to our liberty and justice. Mr. Potter—he should not be called justice—charged the Democratic administration with buying German steel for use in Federal-construction projects in New York. The justice failed to acquaint himself with the facts. The Government, itself, never entered into any contract with a German steel company. And the only reason any consideration was given to the foreign product at all by the borrowing agencies in New York was because no American steel company produced the steel piling required for the job—and the reason that United States Steel and the rest of them did not make this piling was because there was not enough profit in it for them. Since the controversy over the case of the German steel, it might be called to Justice Potter's attention, the American mills have started to roll this type of steel.

The justice stated, too, that the United States now has the greatest deficit of any nation in the world. He might be corrected by having pointed out to him that the per-capita debt in England is, roughly, three times that in the United States.

Mr. MAPES. Will the gentleman yield?

Mr. HOOK. I yield.

Mr. MAPES. The gentleman has made a very severe criticism of Judge Potter, who stands very high in the State of Michigan. In the last analysis I wonder if the gentleman's only complaint against Judge Potter is that he did not make Democratic speeches at these Republican meetings to which the gentleman has referred?

Mr. HOOK. My criticism of him is that any justice who will defile the bench should not enter politics. These are simply examples of the misinformation in Justice Potter's speeches.

I have spoken of Justice Potter in this manner out of respect to the good citizens of Michigan and of the United States. The honest and decent citizens of our State will be shocked at Justice Potter's action; they will understand also, from which party the inspiration came; they will correct the evil caused by Justice Potter's action. I leave the case in their hands.

CONSERVATION OF NATURAL LAND RESOURCES

Mr. JONES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes, insist on the House amendments and agree to the conference asked for.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MAPES. Reserving the right to object, the gentleman from Michigan [Mr. HOOK] has made a rather unexpected criticism of one of the justices of the Supreme Court of Michigan who stands very high in that State.

The SPEAKER. Does the gentleman from Michigan object to the request of the gentleman from Texas?

Mr. MAPES. No.

Mr. RICH. Reserving the right to object, the only question I should like to ask the gentleman from Texas is, Where are you going to get the $500,000,000 if the conferees agree?

Mr. JONES. I have answered that question.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Chair appointed as conferees on the part of the House Mr. JONES, Mr. FULMER, Mr. DOXEY, Mr. HOPE, and Mr. KINZER.

TAXATION OF STOCKS, NOTES, ETC., OWNED BY RECONSTRUCTION FINANCE CORPORATION

Mr. GREENWOOD, from the Committee on Rules, reported the following resolution, which was referred to the House Calendar and ordered printed:

House Resolution 427

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 11047, a bill relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by Reconstruction Finance Corporation and reaffirming their immunity. That after general debate, which shall be confined to the bill and continue not to exceed 2½ hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

AGRICULTURE DEPARTMENT APPROPRIATION BILL, 1937

Mr. TAYLOR of Colorado, from the Committee on Appropriations, reported the bill (H. R. 11418, Rept. No. 2061) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. THURSTON. Mr. Speaker, I reserve all points of order.

JUSTICE WILLIAM W. POTTER, OF MICHIGAN

Mr. MAPES. Mr. Speaker, I ask unanimous consent that my colleague, Mr. HOFFMAN, may have 5 minutes in which to address the House.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, under no circumstances would I impose upon the Members of the House in this manner were it not for the fact that the gentleman from Michigan [Mr. HOOK] has seen fit to make a very uncalled for attack upon one of the justices of the Supreme Court of the State of Michigan, and, with all due respect, I noticed that much of the applause at the end of his statement came from those gentlemen who have been most free in criticizing members of the Supreme Court of the United States.

Apparently, from what has taken place here in recent months, it is not only proper and according to the rules for Members of this House to take the hide off the fine old gentlemen who sit over here in the United States Supreme Court Building so near to us, but it seems to be a favorite indoor sport of some of the Members of this House.

Not content with criticizing the members of the United States Supreme Court whenever the opinions of that body do not suit the individual whims of a Member, the practice is now to be extended to the judges of the State courts. Hence, because a justice of the Michigan Supreme Court expressed an opinion which was not acceptable to the Democratic Member from Michigan [Mr. HOOK], that justice must be accused of a lack of intelligence and veracity. The accusation will receive absolutely no consideration in Michigan, where all of the members of our supreme court are so well known, that no reply to his charges is necessary, but an explanation of the local situation should be made, in fairness not only to Judge Potter, but to the other judges of that court.

The Michigan delegation should not remain silent while so unjust a criticism is made of a man whose character and actions are above question. Our justices are not appointed; they are elected, and, in fairness to the members of the supreme court of our State, you should all know that each holds his position by virtue of the fact that his name appeared either upon the Democratic or the Republican Party ballot.

Being selected by political conventions, elected by a party vote, they are in no sense barred from political discussions and, necessarily, they take part in political campaigns, and no one, so far as I know, has ever questioned their right so to do nor the propriety of such action.

It is true that Democratic members of that court have had but little to say during the last few years in the way of political discussions. The reason has been that there were no such members upon the court. Unfortunately, perhaps, they were all Republicans; but not so long ago we elected two Democrats, Justices Bushnell and Sharp, and both of those gentlemen, if my memory serves me correctly, have made political campaign speeches, but no one has criticized them for it. That is their own business.

Mr. HOOK. And if I recall correctly, the speeches they made were not political.

Mr. HOFFMAN. Then the gentleman's memory is not good, nor is his understanding of the speeches that they made correct. They were political speeches, and of the highest order, and with the fact they were made we have no criticism to make. That is a part of our way of transacting business up there. And for the information of the gentleman let me state that in Michigan we elect justices of the supreme court, both Democrats and Republicans, whose characters and whose ability are so far above reproach or criticism that we do not become critical when they express their honest, candid, and sincere opinions. When they speak we listen with attention, with respect; we accept or reject their statements as our judgment decides, for their political pronouncements we do not consider binding. Perhaps the fact that 16 members of the gentleman's party, including the State Democratic chairman, have been sentenced for fraud in stealing an election has something to do with this criticism that we have heard today.

Mr. HOOK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. No; the gentleman must excuse me. I have no criticism to make of any judge who honestly and sincerely expresses his political opinions; nor is such criticism common in our State. There is no reason why we should not hear our judges. We are not bound by what they say on political questions; their opinions are not judicial decisions.

Further, let me call the attention of the gentleman from Michigan [Mr. HOOK] to something received this morning in the mail. Here it is:

Announcing Twin City Townsend meetings. Edward J. Jeffries, judge of Recorder's Court, Detroit, Mich., Friday, February 28, 1936, 7:30 p. m., Peace Temple, Benton Harbor, Mich.

* * * * * * *

What's this $200 per month?

I find no fault with that. Let him talk. If his philosophy be true, let it succeed. We can meet those things by argument, not by the gag.

Mr. Speaker, that is all I desire to say, not by way of defense, for under our system the action needs no defense, but that the statement of the gentleman from Michigan [Mr. HOOK] may not go unchallenged. [Applause.]

SURVEY OF MARSHY HOPE CREEK

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 10975) authorizing a preliminary examination and survey of Marshy Hope Creek, a tributary of the Nanticoke River, at

and within a few miles of Federalsburg, Caroline County, Md., with a view to the controlling of floods.

The SPEAKER. The gentleman from Maryland asks unanimous consent for the present consideration of the bill H. R. 10975, which the Clerk will report by title.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland [Mr. GOLDSBOROUGH]?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, it is the custom to take these bills up on the Consent Calendar. I wonder if the gentleman can explain why this is being taken up out of its regular order?

Mr. GOLDSBOROUGH. Yes. The people of Federalsburg had a serious flood last September, and since then they have had floods of smaller proportion, and they are very much afraid of another one at any time. I get daily telephone messages to try to get some legislation. The first thing I have to do is to get this preliminary examination. That is all this bill provides for.

Mr. WOLCOTT. Is this in anticipation of a flood which you expect this spring?

Mr. GOLDSBOROUGH. Yes; absolutely.

Mr. WOLCOTT. I might say to the gentleman that although I am not opposed to his bill, as he undoubtedly should know, this preliminary survey, even if a favorable report is made by the district engineer, will not give them any immediate relief. It is impossible to give the gentleman's constituency any relief this spring with this preliminary examination. It takes at least a year for relief to be given after the examination is made.

Mr. GOLDSBOROUGH. But I have to get along as fast as I can. Of course, if this bill passes the district engineer tells me he will make an examination very shortly and report to the Board of Engineers in Washington.

Mr. WOLCOTT. I might say to the gentleman I have been given definitely to understand by the Board of Engineers that these surveys are merely to determine the necessity for relief.

Mr. GOLDSBOROUGH. No. It is a flood-control bill. It can come us as an independent measure.

Mr. WOLCOTT. But it is handled in the same way as a river and harbor bill.

Mr. GOLDSBOROUGH. The Flood Control Committee does not usually report omnibus bills.

Mr. WOLCOTT. No. I misspoke myself, but nevertheless action must be had by the Board of Engineers. I am given to understand, in connection with a like situation in the State of Michigan, where at the present time the people are very much concerned about their situation, because every year for the last 4 or 5 years their village has been flooded, that there cannot be any relief, even if a favorable report was made, for a year. So although I have no objection to the gentleman's bill, I wonder if we should consent to take it up out of its regular order when there is no possibility of their getting relief this spring.

Mr. GOLDSBOROUGH. I do not have the same information that my colleague has.

Mr. SNELL. Will the gentleman yield for a question?

Mr. GOLDSBOROUGH. I yield.

Mr. SNELL. When the gentleman spoke to me about this bill I understood him to say that this had the unanimous approval of the Flood Control Committee of the House?

Mr. GOLDSBOROUGH. That is correct.

Mr. SNELL. I have been informed that the Flood Control Committee intended, if they did not do so, to strike out the "survey", which will cost $5,000. They are willing to have an examination made, but any complete survey will cost $5,000.

Mr. GOLDSBOROUGH. Well, I do not know anything about $5,000. This is the first time I have heard of it. It was a unanimous report by the committee.

Mr. SNELL. Is the chairman of the Committee on Flood Control present?

Mr. GOLDSBOROUGH. I do not see him now. The gentleman from Mississippi [Mr. WHITTINGTON] is acting chairman.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. ZIONCHECK. When did the gentleman introduce this bill?

Mr. GOLDSBOROUGH. About 2 weeks ago.

Mr. ZIONCHECK. And the hearings have just been completed?

Mr. GOLDSBOROUGH. Yes.

Mr. ZIONCHECK. And there is a full committee report on it, or is it just by a subcommittee?

Mr. GOLDSBOROUGH. No; it is the full committee.

Mr. ZIONCHECK. And the gentleman knows nothing about the $5,000?

Mr. GOLDSBOROUGH. I never heard of it before this minute.

Mr. SNELL. Will the gentleman yield further?

Mr. GOLDSBOROUGH. I yield.

Mr. SNELL. I am informed they have cut the survey out of all bills of this character. If I am correct, I do not think this ought to go through by unanimous consent, although on the information I had from the gentleman from Maryland I said that I had no objection, but I think there is a misunderstanding somewhere. I do not know just exactly where it is.

Mr. RICH. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. RICH. We only had one meeting of the Committee on Flood Control this year, and that was last Friday, and I happened to be attending another committee meeting, so I do not know whether this bill was reported or not, but this bill is coming up in an irregular way, and if the majority leader is going to permit the gentleman from Maryland to bring up this bill out of order, why would he not permit every other Member of Congress to do likewise?

Mr. BANKHEAD. Well, now, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. BANKHEAD. I do not think it is entirely fair for the gentleman from Pennsylvania [Mr. RICH] to undertake to put the responsibility upon the majority leader for a proposition of this sort when it has been clearly stated that it was in the nature of an emergency proposition and the author of the bill conferred with the minority leader and with the Speaker. As a matter of fact, he did not confer with me about it, although it meets with my approval, and I hope there will be no objection to it.

Mr. SNELL. As far as that is concerned, I am willing to take my responsibility that if it was an emergency proposition I was not going to object, but if it is a fact that the Flood Control Committee have cut the survey out of these bills of similar character I do not think we ought to let that go in in this bill.

Mr. GOLDSBOROUGH. It was a unanimous report by the commmittee.

Mr. SNELL. Is there not any Member on the floor of the House who is a member of the Flood Control Committee?

Mr. WOLCOTT. Will the gentleman yield to me for a moment?

Mr. GOLDSBOROUGH. I yield.

Mr. WOLCOTT. I may say that I have just examined this bill, and where it reads "examination and survey" a committee amendment has stricken out the words "and survey." So I call the gentleman's attention to the fact that after a preliminary examination is made, then, if a favorable report is made, the Board of Engineers must make a survey before any relief can be given.

Mr. GOLDSBOROUGH. The authorization must be granted first; there has to be a beginning.

Mr. WOLCOTT. The only objection we have is to its being taken up out of regular order to the prejudice of all the other flood-control bills on the Consent Calendar. I have no objection to the merits of the gentleman's bill, but we over here charged with the responsibility of examining bills on the Consent Calendar cannot stay on this floor every minute watching bills on this calendar; I cannot do it; and, of course, the others interested cannot either. I do not think it is fair for us to let these bills go through in this

manner to the prejudice of other Members who assume their bills will go through in regular order.

Mr. GOLDSBOROUGH. If the gentleman understood the condition of fear which has existed in Federalsburg since the 1st of last September he would not object to this bill. It does not involve any expense.

Mr. WOLCOTT. I have said that I have no objection to the merits of the bill.

Mr. FERGUSON. Mr. Speaker, if the gentleman will yield, the bill came before the full committee and was reported out with that section calling for a survey stricken out. It calls only for a preliminary examination, and the fact that there was an emergency justified the committee in reporting it out at this time.

Mr. SNELL. The survey provision was eliminated from the bill?

Mr. FERGUSON. It is out of the bill entirely.

Mr. SNELL. If it is an emergency proposition I do not think anybody should object.

The regular order was called for.

Mr. ZIONCHECK. If the regular order is demanded, Mr. Speaker, then I object.

SESQUICENTENNIAL, COLUMBIA, S. C.

Mr. FULMER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8886) to authorize the coinage of 50-cent pieces in commemoration of the sesquicentennial anniversary of the founding of the city of Columbia, S. C., for immediate consideration.

Mr. SNELL. Mr. Speaker, reserving the right to object, what committee did this come from, the Committee on Coinage, Weights, and Measures?

Mr. FULMER. Yes; and I would like to say to the gentleman from New York that the reason I am making this request now is that the sesquicentennial is to be held during the last part of March, and unless the House passes the bill promptly so it may be passed by the Senate and signed by the President, it will be too late.

Mr. SNELL. Some time ago I tried to get a measure of this kind passed for some people in my section, but the Treasury Department told me it was against their policy.

Mr. FULMER. I may say to the gentleman from New York that there has been some complaining in the Treasury Department about coining these commemorative half dollars, but it is a regular procedure every session. During this session already there have been reported several bills. As I say, the only reason I am asking consideration at this time is because the celebration will be held the last of March, and that is not very far away.

Mr. THURSTON. Mr. Speaker, reserving the right to object, and I shall not object, I wish to say in fairness to the gentleman from South Carolina that several other bills of a similar character were favorably reported by the Committee on Coinage, Weights, and Measures, and I take it they will be called up in due course.

Mr. SNELL. Why not bring them all up at one time and see if we are able to pass them or not?

Mr. FULMER. That would be satisfactory to me, except if this bill is not passed promptly it will be too late.

Mr. SNELL. It is my understanding that the Treasury Department would not favorably recommend any more of these bills. If they have changed their policy, I have no objection.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. FULMER. I yield.

Mr. WOLCOTT. I may say, in addition to what the minority leader has said, that last year an application was made by certain members of the Michigan Delegation to have 50-cent pieces struck off in commemoration of the centennial of the admission of the State of Michigan into the Union, and we were turned down flat.

We were informed that it was not the policy of the Treasury Department to issue any more of these commemorative 50-cent pieces, that they would not approve them; and that the President would veto the bill if it was passed. For these reasons, and these reasons only, we did not press the matter.

Mr. O'BRIEN. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is, Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Columbia, S. C., there shall be coined by the Director of the Mint 10,000 silver 50-cent pieces, such coins to be of standard size, weight, and fineness of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the model for master dies or other preparations for this coinage.

SEC. 2. Coins commemorating the founding of the city of Columbia, S. C., shall be issued at par, and only upon the request of the committee, person, or persons duly authorized by the mayor of the city of Columbia, S. C.

SEC. 3. Such coins may be disposed of at par or at a premium by the committee, person, or persons duly authorized in section 2, and all proceeds shall be used in furtherance of the commemoration of the founding of the city of Columbia, S. C.

SEC. 4. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material, and for the transportation, distribution, and redemption of the coins; for the prevention of debasement or counterfeiting; for the security of the coin; or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein directed.

SEC. 5. The coins authorized herein shall be issued in such numbers, and at such times as they may be requested by the committee, person, or persons duly authorized by said mayor of Columbia, S. C., only upon payment to the United States of the face value of such coins.

With the following committee amendments:

Page 1, line 6, strike out the word "ten" and insert in lieu thereof the word "twenty-five."

Page 2, line 5, strike out the words "the committee, person, or persons" and insert in lieu thereof the words "a committee of not less than three persons."

Page 2, line 9, strike out the words "person, or persons."

Page 2, line 24, strike out the words "person, or persons."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXCHANGE OF LAND BETWEEN THE WAIANAE CO. AND NAVY DEPARTMENT

The SPEAKER laid before the House the following request of the Senate:

JANUARY 16 (calendar day, Feb. 22), 1936.

Ordered, That the secretary be directed to request the House of Representatives to return to the Senate the bill (S. 3521) to authorize an exchange of land between the Waianae Co. and the Navy Department.

The SPEAKER. Without objection the request of the Senate will be granted.

AURORA DAM AND T. V. A.

Mr. PEARSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PEARSON. Mr. Speaker, last July we had under consideration H. R. 8632, a bill to amend in many material respects the act creating the Tennessee Valley Authority. It will be recalled that only a few months prior thereto a United States district judge in Alabama had declared that the Authority was without the legal or constitutional right to sell power or energy created at Wilson Dam. One of the principal objects of the bill under consideration was to meet the alleged defects set out in the opinion rendered by this district judge, and vest in the Tennessee Valley Authority full power and authority to proceed with its program.

When this measure was under discussion many of us who favored its enactment with certain broadening amendments took the floor and urged its passage, undertaking to point out the advantages which the activities of the Authority brought not only to the trade area of the Tennessee Valley but to all the people of the Nation. There was ample evidence of stubborn opposition to the bill in its original and amended form, and only after prolonged debate was the opposition overcome and the bill passed.

A few days ago the Supreme Court of the United States by an 8-to-1 decision upheld the right of the Tennessee Valley Authority as an arm of the Government to manufacture at Wilson Dam electrical energy and to sell the energy so generated either at the dam or by transmission lines where a market existed. Under the express language of the opinion of Chief Justice Hughes rural electrification is an immediate possibility, and there is no further obstacle to farm owners in the valley having electrical power for their every need. It has long been a dream and will soon be a reality. It will mean that much of the drudgery of farm life will be a thing of the past and that the practical use of a great natural resource will bring to the doors of some of its joint owners luxuries which they had never hoped to enjoy. I cannot adequately express the personal satisfaction which this brings to me. I know thousands of homes where hearts will be made happier and burdens lighter as a result. I expect to assist every community in my district and every home therein to avail itself of the privilege of power at a reasonable rate. They have waited long and patiently for it, and their patience is now to be rewarded.

I happen to represent a district that lies wholly within the trade area known as the Tennessee Valley. In fact, the Tennessee River touches as many counties and affects as much, if not more, territory in my district than it does of any other Member of this Congress. The Tennessee River is the eastern boundary line of my district from the southern border of Kentucky to the northern boundary of Mississippi, across the full width of the State of Tennessee.

I know something of the history of this river and the Tennessee Valley, something of the hardships which the people who love that region and who have spent their lives there trying to earn a living have suffered, and I share with them the dream of hope which the creation of the Tennessee Valley Authority 2 years ago brought to them, and the fruition of which is not far distant if we can command a sympathetic ear from each of you who is in a position to assist in the completion and consummation of the ambitious program which lies ahead. Every Member of this Congress who is interested in the conservation, the utilization, and development of the natural water power in this Nation should be interested in the continuance of the Tennessee Valley Authority and in giving it unhampered and unrestricted power and authority to exploit and harness the hitherto sleeping potential power of Tennessee. It is blazing a trail and charting a course for future conservation of the natural water powers of America, and every section of our Nation will some day enjoy the blessings and benefits which will naturally follow from such experimental activities.

There is one phase of the future activities of the Tennessee Valley Authority that I am particularly interested in, namely, the construction of Aurora Dam at a point on or near the Tennessee-Kentucky line. It will be recalled that one of the primary purposes of the Authority is to make the entire Tennessee River navigable and to establish and maintain a 9-foot channel. It has always been classed as a navigable stream, and the Supreme Court in the opinion referred to holds that it is navigable but not adequately improved for commercial navigation. In order to convert it into a stream suitable for commercial navigation 12 months in the year a series of locks and dams are necessary. Some of these have been started and others are being planned. Among these is the one identified by the Authority as Aurora Dam. For some reason the directors of the Authority have never asked for an authorization for its construction, despite the fact that its construction will ultimately be necessary and despite the fact that the chairman of the board of directors of the Authority has promised to construct it.

During the debate on the T. V. A. amendment last July it was suggested by the opposition that no one could determine just what the Authority's plans were and that a definite program should be outlined and made a part of directory legislation. I agree with this criticism to some extent and think that in the next appropriation bill the Authority should be required to start Aurora Dam and provision made for its construction.

This dam is estimated to cost $40,000,000, and I noticed recently in a newspaper article that the chairman of the Board was suggesting abandoning Aurora Dam and in lieu thereof building a dam across the Tennessee and Ohio Rivers at Paducah, Ky., costing $200,000,000.

The Authority has no right to build a dam across the Ohio River, in the first place, without amending the basic act, and I know Congress is not going to give it $200,000,000 for any such purpose, in the second place. The quicker Aurora Dam is authorized and started, just so much quicker will full navigation for the entire river be accomplished, and I sincerely hope that Congress during this session will definitely direct the starting of Aurora Dam and thereby eliminate forever the possibility of a $200,000,000 expenditure in furtherance of a fantastic and impractical plan.

I intend to work to this end so long as I represent the Seventh District of Tennessee.

A KANSAS FARM WOMAN'S GRATITUDE

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I desire to have printed in the RECORD the following letter from a Kansas farm woman, expressing her gratitude for having been saved from foreclosure and ruin by the humanitarian policies of this administration, and my reply thereto:

VALLEY FALLS, KANS., *Route 4, February 17, 1936.*

DEAR CONGRESSMAN HOUSTON: Words cannot express my gratitude to all of you, regardless of politics, who have stood by President Roosevelt.

There are some who are clamoring loud and long about the unbalanced Budget. These people are warmly clad and well fed and they give little thought to suffering humanity—to the thousands of men, women, and children who are cold and hungry.

Who, may I ask, left the Budget unbalanced? And how long was this precious Budget unbalanced before this administration took office? If I remember right, very little was said about the Budget prior to 1932.

I am not for, nor against, any certain political party; but I am for the man who has had a heart and has been square enough to remember that the little fellow—farmer and town homeowner—loved his home and his wife and children, the same as other groups loved theirs, and wanted a chance to keep them together and to give his children the chance in life that is due every American citizen.

I was reared in northern Kentucky and in a strict Republican home; but this year I'm going to stick to the party which stuck to me; the party which was honest enough to give me a square deal—a chance to keep my home. I am voting for Franklin D. Roosevelt, the squarest man who ever sat in the White House.

Gratefully yours,

MRS. C. M. NORTHRUP.

WASHINGTON, D. C., *February 21, 1936.*

Mrs. C. M. NORTHRUP,
Route 4, Valley Falls, Kans.

DEAR MRS. NORTHRUP: This is to acknowledge receipt of your very kind letter of February 17 and to convey my appreciation.

It is a noteworthy fact that as long as President Roosevelt has the loyal and outspoken support of the grateful and liberty-loving people of every party whom he has helped through his tireless and humanitarian efforts there can be no doubt as to the result of the coming election. Mr. Roosevelt has won the hearts of millions of our people and restored hope where fear and discouragement formerly held sway.

May you and all others whom he has so ably defended against oppression continue to prosper and enjoy to the fullest extent the advantages accrued under his noble leadership.

Thanking you for your expression of gratitude, believe me to be,

Sincerely yours,

JOHN M. HOUSTON,
Member of Congress.

SHIPPING AND POLITICS

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a quotation which will not be in excess of one-eighth of a page of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAVERICK. Mr. Speaker, it begins to look like all we are going to do this session is to pass appropriation bills, do a little parliamentary shadow-boxing, and go home. In the last session the ship-subsidy bill was, in my opinion, very properly defeated because of the form in which it was presented.

I have just read an editorial in the Washington Daily News of today, February 24, entitled "Shipping and Politics", which I shall include in my remarks; but I am hoping that if ship-subsidy legislation comes before us, that Congress will not gag itself, as we did on the neutrality legislation, and pass just any kind of bill. The editorial is as follows:

SHIPPING AND POLITICS

It is reported that some of the President's advisers are reluctant to take up ship-subsidy legislation at this session of Congress. Fear of controversy in an election year is given as the reason.

If complete reformation of the American merchant marine is not undertaken promptly there will be little left to reform. With administration backing a good bill could be passed quickly. The President could then carry into his campaign a valuable accomplishment. He would not be open to attack for ignoring conditions that have forced the American merchant fleet in foreign trade to bottom place in respect to modern ships.

Failure to face the issue extends a long series of deplorable abuses which the President himself has condemned.

It is said that a good bill has now been prepared; if that is the case, I hope it receives consideration, and in receiving consideration I hope that it will be of sufficient time, upon open rule and reasonable parliamentary practices, and not under the gag as on the neutrality legislation.

The editorial continues:

A bill approved by competent authorities has been drafted at the Capitol. Its nominal sponsor is Senator GUFFEY, Democrat, of Pennsylvania. It apparently will not be introduced, however, until approved by the President.

This new measure is unlike previous subsidy legislation in that it was not conceived as a means of bailing out the shipowners. It is designed to give the United States a merchant fleet necessary to carry a good proportion of American exports and imports, and to serve as an efficient naval auxiliary.

It sets up a five-man board to handle all merchant-marine matters except regulation, which would be placed under the Interstate Commerce Commission.

The board would lay down a long-time construction program. Private operators would be asked to build the necessary ships. If they could finance one-third of the initial investment, the Government would supply the balance under strict controls to prevent excess profits and abuse of the subsidies.

If the operator could not put up the money, and most mail contractors cannot, the Government would do the building itself in private shipyards. If no private operator would charter the new vessels, the Government would operate them on essential trade routes.

That, in substance, is the new bill. It faces honestly conditions as they exist in this feeble industry.

MUNICIPAL PUBLIC WORKS, SKAGWAY, ALASKA

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9130) to authorize the incorporated city of Skagway, Alaska, to undertake certain municipal public works, and for such purpose to issue bonds in any sum not exceeding $12,000, and for other purposes, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alaska?

There was no objection.

The Clerk read the Senate amendment as follows:

Page 1, line 10, after "$12,000" insert: ": *Provided*, That the total amount of bonds issued and outstanding at any time under authority of this act and under authority of Public Law No. 174, Seventy-third Congress, approved April 25, 1934 (48 Stat. 611), shall not exceed the sum of $40,000."

The Senate amendment was agreed to.

ARKANSAS CENTENNIAL COMMISSION

Mr. FULLER. Mr. Speaker, I ask unanimous consent for the consideration of a short resolution, authorizing the Clerk of the House to lend to the Arkansas Centennial Commission a lounge in his office upon which Augustus Garland died.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. SNELL. Mr. Speaker, reserving the right to object, I would like to know if that man was a Democrat?

Mr. FULLER. Yes.

Mr. SNELL. If he is dead, all right.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the resolution, as follows:

House Resolution 428

Resolved, That the Clerk of the House be, and is hereby, authorized and directed to loan to the Arkansas Centennial Commission, for use during the celebration of 1936, a lounge in his office upon which Augustus Garland died. The Clerk shall see that the Government is placed to no expense on account of this loan and return of the property and is authorized to exact such surety and regulations as he deems proper for the return of the lounge in good condition.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SURVEY OF MARSHY HOPE CREEK, MD.

Mr. GOLDSBOROUGH. Mr. Speaker, I renew my request for the immediate consideration of the bill (H. R. 10975) authorizing a preliminary examination and survey of Marshy Hope Creek, a tributary of the Nanticoke River, at and within a few miles of Federalsburg, Caroline County, Md., with a view to the controlling of floods.

I think there will be no objection to its consideration at this time.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, my only purpose in rising at this time is to ask the majority leader and minority leader if the objectors to bills on the Consent Calendar are going to be protected in the future, because last year we would object to certain bills, then the majority leader or the acting majority leader would let them slip through at the tail end of a session by unanimous consent.

The regular order was demanded.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a preliminary examination and survey to be made of Marshy Hope Creek, a tributary of the Nanticoke River, at and within a few miles of Federalsburg, Caroline County, Md., with a view to the control of floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

With the following committee amendment:

On page 1, line 4, after the word "examination", strike out "and survey."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill authorizing a preliminary examination of Marshy Hope Creek, a tributary of the Nanticoke River, at and within a few miles of Federalsburg, Caroline County, Md., with a view to the controlling of floods."

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that on tomorrow immediately after the reading of the Journal and disposition of matters on the Speaker's desk I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Mississippi if he is going to show us, as he claims, how electricity can be generated with coal as cheaply as with water?

Mr. PARKS. The gentleman is going to talk about the prosperity in the gentleman's district.

Mr. RANKIN. Mr. Speaker, in reply to the gentleman from Pennsylvania [Mr. RICH] I desire to say that I want to speak on the cost of electric power. Among other things, I am going to answer the statement made by the president of the Commonwealth & Southern, to the effect that his company could sell power cheaper than it is now being sold in the Tennessee Valley area if it could buy it at T. V. A. wholesale rates.

Mr. RICH. And the gentleman will try to give us some information showing that we can generate power with coal as cheaply as we can with water.

Mr. RANKIN. I will say to the gentleman from Pennsylvania that I can show him where every human being in his district who turns an electric switch is overcharged around three or four hundred percent for his electricity, except perhaps the favored few who buy it in bulk. I have already shown that the people of the State of Pennsylvania are overcharged $75,000,000 a year for electric lights and power.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. GREEN. Mr. Speaker, I ask unanimous consent that on next Thursday, immediately after the reading of the Journal and the disposition of matters on the Speaker's table, I may address the House for 20 minutes.

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to know whether the gentleman from Florida is going to tell us where he is going to get the money to build that canal in his State.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, we have an appropriation bill coming in here which will take practically the entire week and on which there will be ample general debate. Could not the gentleman get this time in general debate on the appropriation bill?

Mr. GREEN. I possibly could, I will say to the distinguished gentleman from New York, but I find it very difficult to get much time, because the time is usually consumed by the members of the committee; and if I did get the time in this way it would not take up any more time of the House.

Mr. SNELL. We will see that the gentleman gets 20 minutes from this side this afternoon.

Mr. GREEN. I hope the gentleman will not object.

Mr. O'CONNOR. The gentleman has been assured time from that side of the House if he does not get it here.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. O'BRIEN. I object, Mr. Speaker.

THE CONSTITUTION AND THE SUPREME COURT

Mr. DITTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio broadcast by our colleague the gentleman from Pennsylvania [Mr. WILSON] on Saturday last.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DITTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of the gentleman from Pennsylvania [Mr. WILSON], Saturday, February 22, 1936:

The experimentation in which we have been indulging in the past few years is something new to this country and closely follows the line of thought expressed in governmental activities in some European countries today.

Its object is the centralization of power in one individual and his delegated agents, in direct conflict with American habits, American traditions, and American law.

It contemptuously disregards the fact that ours is basically a Government by the people under an American Constitution formulated upon the belief that these United States form a federation of 48 States and guaranteeing to the individual certain rights which cannot be abrogated by the Government.

Under such a Constitution and its bill of rights, the New Deal and the supreme law of the land cannot exist together. Either we must abandon the idea of embarking our nation upon the high seas of socialistic thought with its fallacies inimical to individual effort, saying to our citizenry that you live and have your being only in a centralized government and that you have no rights which that government is obligated to support and respect, or we must revere and uphold the Constitution, the supreme law of the land, and refuse to surrender or undermine those guarantees which the Constitution gives to our people which would of necessity carry with it that great American ideal, so different from society's conception of the courts in other countries, that before American courts the citizens and the Government occupy an equal position.

I do not believe that the people of these United States are prepared to abandon a government of law. I do not believe they are ready to cast into oblivion the checks and counterchecks our forefathers so wisely imposed upon the functions of government.

A vast majority of our people not only are in favor of and support the Supreme Court, but are in entire sympathy with and understand the many good and basic reasons for doing so.

It is true that our Constitution did not specifically provide for a judicial review of legislative acts, but everyone must agree that its framers were familiar with such a review and plainly intended the courts to be a check on the legislative and executive branches.

John Adams wrote:

"It is by balancing one of these three powers against the other two that the efforts of human nature toward tyranny can alone be checked and restrained and any degree of freedom preserved."

Washington, in his Farewell Address, said:

"The spirit of encroachment tends to consolidate the powers of all the departments in one, and this creates, whatever the form of government, a real despotism. The necessity of reciprocal checks in the exercise of political power by dividing and distributing it into different depositories and constituting each the guardians of the public weal against invasion by the others has been evinced by experience, ancient and modern. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this in one instance may be the instrument of good it is the customary weapon by which free governments are destroyed."

The value of such a check on hastily conceived and ill-digested drastic governmental changes as those made in recent years becomes more evident in the face of experience.

When powers exercised by a Federal government lead to the annihilation of a federal system which has withstood the test of time and formed the keystone of a great nation, our people as a whole will be whole-heartedly glad that we have at least one branch of the Government—the judiciary—to supply the brakes.

As James Madison said—

"The jurisdiction claimed for the Federal judiciary is truly the only defensive armor of the Federal Government, or rather the Constitution and the laws of the United States. Strip it of that armor and the door is wide open for nullification, anarchy, and convulsion."

When national experience confirms the value of acting within constitutional lines, we are reminded that there is also a constitutional method provided by that great document to meet the need for adjusting principles, gradually and constitutionally, and in an orderly fashion to fit changing economic conditions of the Nation.

Some, without thought or reason, are prone to look upon courts of last resort as the mouthpieces of political emotions or the servants of prejudice instead of nonpartisan judges of the basic and fundamental law.

In the quiet realm of sober thought we can truly be filled with gratitude in the possession of a consciousness that in all this turmoil and striving, in all the bitterness engendered by the disappointment of a selfish interest or the sting of defeat there still remains, untarnished and impregnable, this lasting bulwark of human liberty. In this branch of the Government lies a continuing power and authority uninfluenced by partisan bias or political or sectional ambitions; notwithstanding the chameleon desire or prejudice of those creating them.

Changing political and economic conditions affecting the whole people are sure to have weight in the formulating of judgment and are often reflected in opinion, but it would be a sorry day for our country when the whims and fancies of mortal likes and dislikes and partisan selfishness and desires are to become the motivating thoughts behind official acts.

Our courts must be maintained upon a high plane of integrity and must unquestionably remain far removed from partisan bias and, like Caesar's wife, be above suspicion.

The administration's idea of a single simple republic in which the states are mere counties and are subject to one common law is in direct opposition to the thought of the founders of our Republic.

Critics are seeking to deprive the Court of the right to nullify legislation enacted by Congress. Some are of the opinion that this could be accomplished through the adoption of a broad amendment to the Constitution under which Congress would be specifically authorized to enact legislation dealing with questions of social and economic welfare without regard to State lines and State sovereignty.

Such an amendment would be revolutionary and most certainly result in wiping out the independence of each individual State and constituting the United States "a central Government exercising uncontrolled police powers in every State of the Union, superseding all local control or regulation of the affairs or concerns of the States."

Many think that questions arising under the Constitution are abstruse and of little interest to the average individual. Nothing can be further from the truth. The man in the street is vitally

interested in having a job, and it is a well-known fact that jobs depend upon industrial and commercial activity. It is self-evident that we cannot have that sort of activity unless we are governed according to law which is the outgrowth of a clear, careful, conscientious deliberation instead of having foisted upon us rules, regulations, and codes which emanate from hasty action based upon hysteria and emotions.

All fair-minded thinkers, I submit, will agree that national confidence and industrial recovery markedly improved after the famous N. R. A. decision in May last.

In that decision a courageous Court definitely and positively checked a dangerous attempt to pyramid Executive powers, but likewise checkmated what was intended to be a permanent change in a national policy by declaring that if and when our form of government is to be altered, it must be done after due and careful deliberation, according to the rules laid down by the people themselves and only after a proper submission of the questions to a vote of the people and not in a moment of pique, passion, or lust for power.

The Constitution can be changed basically and fast enough by the people after conscientious reflection. To do it otherwise is to abandon reason and become the tool of prejudice and ruthless ambition.

Norman Thomas, former Socialist candidate for President, contended that the Supreme Court presented a stumbling block to prosperity.

No contention could be more in keeping with the apparent un-American trend of thought in the present national administration. It is in entire keeping with the policies of the bureaucratic Government now dominating the lives of our people.

The real problem is shall law alone or arbitrary will rule.

Only law can give that essential protection to individual rights, be they personal or property, no matter what may be the character of the Government or the kind of social or economic questions involved.

History is replete with its examples of the eternal struggle between human rights and arbitrary power, and the world is not without its examples today of the destruction of the rights of the common people where a legislative body is subservient to a dominant political party or the orders of a dictator.

There can be but one offset to despotism, and that is constitutionalism.

To discard the Constitution and adopt despotism with the prayer that that despotism may be benevolent is placing too much faith in human frailties.

People are sometimes disturbed when plans for social betterment are destroyed by the application of sound legal principles, and they fail to consider the abyss into which they may be cast by a failure to apply those principles.

No government can exist without law and no result is worthy of achievement, no matter what benevolent motive may actuate it, if it is accomplished without law.

Such despotism may be the subtle outgrowth of a concentration of power in an administrative hand prone to use its vast influence in forcing legislative action inimical to individual rights. To avert this possible situation, none are better fitted to determine the bounds within which one may go than those technically qualified and lawfully ordained to interpret the law.

The great danger to be avoided is the undermining of the law even, as has been said, under the guise of "healthy public sentiment." Such a theory is an insidious poison which, if not checked, will in time destroy our whole organic system, and our best method of overcoming it is the same today as it has always been, "a fearless and impartial interpretation of law by a free and independent judiciary."

We must eliminate the friction which has been breeding bitterness.

The policy of imposing upon the Government the functions of a nurse to humanity is a mistaken one. When that policy is based upon the nefarious machinations of party politics and personal ambition it becomes abominable.

Grover Cleveland said:

"Federal aid * * * encourages the expectation of paternal care on the part of the Government and weakens the sturdiness of our national character."

Woodrow Wilson said:

"Interpreting the Constitution is a judicial function and deserves the best judicial talent available. Wise interpretation can best be made by those removed from the pressure of politics and the motive of possible personal aggrandisement of power."

And as has been well said—

"Our Government is necessarily a government of laws and not men."

This assurance can only be well founded when it is entrusted to a judiciary not under the control of the electorate nor subject to the whims and passions of the mob.

There is nothing in the Constitution that I have been able to find which gives the Congress the right to interpret its own acts.

If we had no arbiter, no referee, to pass upon the constitutionality of an act of Congress, we would be met with the anomaly of a Congress presuming to act under a constitution and yet with full power to do ought that it saw fit in direct violation of its very provisions.

In this respect the Supreme Court is the last resort of its humblest citizens.

Under the safe and sound principles enunciated in the Constitution we have weathered more than one economic storm, and under those same provisions we will withstand the present one. In constitutional matters the Court only restrains attempted invasions of rights guaranteed to the citizens by the Constitution. It legislates nothing.

Under all circumstances it would seem clear that the Congress ought not to be the judge of its own powers over the States. If that were the case then each State would be at the mercy of an ever-changing political majority in the legislative branch. Neither can it be assumed that the States should be the judges, for in that event it would spell the dissolution of the Union. When these questions do arise there must be some power to settle them, and under our form of Government that power rightfully belongs to the judiciary, not whether the act of Congress is in itself wise, but whether the power itself is properly placed.

No sane person would argue that the framers of the Constitution, with a vision that was prophetic, could to the minutest detail, define and allocate every power of Government. This of necessity gives rise to honest differences of opinion. This difference of opinion exists as well in the legislative as in the judicial branch of the Government. Whenever differences of opinion arise which are insurmountable, the only safe method is that which has always existed under our system of Government—that the will of the majority shall prevail.

PROPERTY CLERK OF THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the bill (S. 399) to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia and ask unanimous consent that it may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That section 416 of the Revised Statutes relating to the District of Columbia be amended by striking out the word "fifty" where it occurs in said section, and inserting in lieu thereof the words "one hundred."

SEC. 2. That section 417 of the Revised Statutes relating to the District of Columbia be amended so as to read as follows:

"SEC. 417. All property, except perishable property and animals, that shall remain in the custody of the property clerk for the period of 6 months, with the exception of motor vehicles which shall be held for a period of 3 months, without any lawful claimant thereto after having been three times advertised in some daily newspaper of general circulation published in the District of Columbia, shall be sold at public auction, and the proceeds of such sale shall be paid into the policemen's fund; and all money that shall remain in his hands for said period of 6 months shall be so advertised, and if no lawful claimant appear shall be likewise paid into the policemen's fund."

With the following committee amendments:

Page 2, line 7, after the word "sale" insert "having been retained by the said property clerk for a period of 3 months without a lawful claimant;"

In line 8, after the word "shall" insert the word "then."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF REAL ESTATE FOR TAXES

Mrs. NORTON. Mr. Speaker, I call up the bill (S. 3035) to provide for enforcing the lien of the District of Columbia upon real estate bid off in its name when offered for sale for arrears of taxes and assessments, and for other purposes, and ask unanimous consent that it may be considered in the House as in Committee of the Whole.

The clerk read the title of the bill.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the request of the gentlewoman from New Jersey?

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I make this reservation only to ask the gentlewoman from New Jersey a few questions on the tax bill. Is this the tax bill that provides for the collection of back taxes upon personal property that has not been paid over a period of years?

Mrs. NORTON. No; this bill simply provides that the District Commissioners shall have the right to sell property that they have bought at delinquent tax sales after serving notice on the last owner of record, and also publishing such notice in the newspapers of the District for 3 successive weeks. There is nothing else involved in the measure.

Mr. ZIONCHECK. May I ask whether the gentlewoman's committee is considering some legislation to provide a method for collecting some of the back taxes that have not

been collected for a period of years, such as the Wardman Park Hotel, the Carlton Hotel, and others that have been dodging their taxes and refusing to pay. I understand there is not adequate legislation to compel them to pay.

Mrs. NORTON. I may say to the gentleman that just at this time we are not considering such legislation.

Mr. ZIONCHECK. Does the committee contemplate considering such a bill?

Mrs. NORTON. We may.

Mr. ZIONCHECK. Soon?

Mrs. NORTON. Possibly.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That whenever any real estate in the District of Columbia has been, or shall hereafter be, offered for sale for nonpayment of taxes or assessments of any kind whatsoever, and shall have been bid off in the name of the District of Columbia, and more than 2 years shall have elapsed since such property was bid off as aforesaid and the same has not been redeemed as provided by law, the Commissioners of said District may, in the name of the District aforesaid, petition the Supreme Court of the District of Columbia, sitting in equity, to enforce the lien of said District for taxes or other assessments on the aforesaid property by decreeing a sale thereof; and up to the time of the sale hereinafter provided for such property may be redeemed by the owner or other person having an interest therein by the payment of all taxes or assessments due the District of Columbia upon said property and all legal penalties and costs thereon, together with such other expenses as may have been incurred by said District prior to, and as a result of, the filing of the action herein provided for.

SEC. 2. That before any such action shall be instituted the aforesaid Commissioners shall cause notice to be given in the name appearing upon the records of the assessor as the owner of such property, by registered mail directed to the last known address of such person, and by publication once a week for 3 successive weeks in some daily newspaper published and circulated generally in the District of Columbia, against said person and all other persons having or claiming to have any right, title, or interest in or to the real estate proposed to be proceeded against, their heirs, devisees, executors, administrators, and assigns, by such designation, to appear before them on a day certain, which day shall be at least 10 days after the last publication of said notice, and show cause, if any they have, why the said real estate should not be proceeded against. For the purpose of the proceedings herein provided for, the person appearing by the assessor's records, at the time of the first publication of notice, as the owner of such property, and any other persons who may appear in response to the publication aforesaid and claim to have an interest in such property, shall be deemed proper parties defendant in any such proceedings. Upon the filing of the petition aforesaid, the court shall pass an order directed to the person or persons named as defendants therein and to all other persons having or claiming to have any right, title, or interest in the real estate proposed to be sold, their heirs, devisees, executors, administrators, and assigns, by such designation, directing them to appear on a day certain, which day shall be not less than 30 days after the date of the last publication of said order, and show cause, if any they have, why said real estate should not be proceeded against and sold. The said order shall be published once a week for 3 successive weeks in some daily newspaper published and circulated generally in the District of Columbia, and such publication shall be considered as sufficient service upon such person or persons as cannot be found by the marshal within the District of Columbia or who are nonresident or unknown, their heirs, devices, executors, administrators, and assigns; and the proceedings or sale of such real estate shall not be rendered invalid if the true owner or owners or any other person or persons having any right, title, or interest in said real estate shall not be included as a party to the suit, if it shall appear that the publication herein provided for shall have been duly made.

SEC. 3. Upon proof in said suit of the failure of the owner of any such property to redeem the same as provided by law, the court shall, without unreasonable delay, decree a sale of the property to satisfy the lien of the District of Columbia for taxes, assessments, penalties, interest, and costs, and any other costs or expenses that have been incurred by said District prior to or after the institution of suit and in connection therewith, which said costs shall include court costs, but in no such case shall there be any allowance by court of a docket fee, attorney's fee, or trustee's commission. All such sales shall be conducted by the collector of taxes or his deputy, by public auction, either in the office of said collector or in front of the premises to be sold, as the court may determine, after advertisement for 10 consecutive days in some daily newspaper published and circulated generally in the District of Columbia: *Provided*, That if it shall appear that there were any substantial defects in any tax sale, no part of the penalties and charges incidental to such sales shall be collectible; but nothing herein contained shall in any wise affect any costs incurred by the District of Columbia in the institution and prosecution of the suit.

SEC. 4. Every such sale shall be reported to and confirmed by said equity court, and no sale shall be made for an amount less than such aggregate taxes, interest, and costs incurred in the institution of suit, including advertising and sale, unless by express order of the court. Any surplus remaining from sales made under this act shall be paid by the collector of taxes into the registry of the court, to abide its further order for payment to the person or persons entitled thereto; and any such moneys remaining unclaimed for a period of 5 years after confirmation of any such sale shall be paid into the Treasury of the United States and credited to the revenues of the District of Columbia. Upon confirmation of such sale by order of court and payment of the purchase price, and upon full compliance with all of the terms of sale, the clerk of the court shall execute and deliver to the purchaser a deed to the property so sold, which deed shall convey to said purchaser all of the right, title, and estate of all persons whether named in such suit or not.

SEC. 5. That all acts or parts of acts inconsistent herewith are hereby repealed.

With the following committee amendments:

Page 3, line 11, strike out the word "pass" and insert "enter."
On page 4, line 2, strike out "devices" and insert "devisees."
On page 4, line 18, after the word "by", insert the word "the."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mrs. NORTON. Mr. Speaker, that finishes the business of the District of Columbia for the day.

TO EXEMPT CERTAIN SMALL FIREARMS FROM THE PROVISIONS OF THE NATIONAL FIREARMS ACT

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 3254) to exempt certain small firearms from the provisions of the National Firearms Act.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill as follows:

Be it enacted, etc., That subsection (a) of section 1 of the National Firearms Act relating to the definition of "firearms" is amended by inserting after "definition" a comma and the following: "but does not include any rifle which is within the foregoing provisions solely by reason of the length of its barrel if the caliber of such rifle is .22 or smaller and if its barrel is 16 inches or more in length."

The SPEAKER. Is there objection?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of H. R. 11418, making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, and pending that, I should like to ask the gentleman from Iowa if we can agree on time for general debate?

Mr. THURSTON. I have requests for 2½ hours.

Mr. CANNON of Missouri. I have no requests on this side, and as far as I am concerned, we can begin reading the bill now.

Mr. THURSTON. I do not know whether to congratulate or commiserate the gentleman. I supposed there would be requests on that side, and we might continue for 2 days or more. If we can go along for the remainder of the day we can take care of it tomorrow.

Mr. CANNON of Missouri. We can conclude debate today, or if it goes over tomorrow, debate will be confined to the bill.

Mr. THURSTON. That is satisfactory to me.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that the time for general debate today be divided, one half to be controlled by the gentleman from Iowa [Mr. THURSTON] and the other half by myself.

The SPEAKER. Is there objection?

There was no objection.

The motion of Mr. CANNON of Missouri was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. MCREYNOLDS in the chair.

The Clerk read the title of the bill.

Mr. CANNON of Missouri. Mr. Chairman, I ask that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Chairman and members of the Committee, I want to thank the gentleman from Missouri [Mr. CANNON] for giving me 5 minutes, in which I should like, not to bring my remarks to bear upon the legislation now before the House for discussion, but simply that I may call the attention of the House to a joint resolution which I have introduced this afternoon, calling upon the Secretary of the Interior to erect an appropriate memorial to the memory of Dr. Samuel Alexander Mudd, who was a physician in Charles County, Md., at the time of the assassination of President Lincoln.

Dr. Mudd was charged with and convicted by a United States military commission for having given aid to John Wilkes Booth on the night following the assassination of the President of the United States. He was sent to what was known in those days as the "Devils Island" of America, off the coast of Florida, on the Dry Tortugas, and at Fort Jefferson incarcerated for a period of 4 years. He knew that he was there unjustly and that he was not guilty of having assisted John Wilkes Booth after the assassination of President Lincoln.

Yet this good doctor, having within himself an embodiment of what we think of always as unselfish service to his fellow men, on that shark-surrounded island off the Florida coast, gave of his medical talent and the real heart of his profession to curing a scourge of yellow fever which swept through officers and prisoners at that time. Because of his heroic and unselfish service, the case was called to the attention of President Johnson that he had been unjustly sentenced by the military commission for a crime which he did not commit. Men had been thinking, unfortunately, in terms of shock from Lincoln's death and the heat and passion following the War between the States remained. One of the last official acts of President Johnson, upon careful review of the case, was to grant an unconditional pardon to Dr. Mudd, this country doctor from Charles County, Md. Dr. Mudd then returned to his home and practiced in that section for many years afterward. One night while on an errand of mercy in the discharge of his profession he contracted pneumonia and died.

The reason I have introduced this resolution is because I have learned these facts in my study of certain authentic articles and historical data and because it was also called to my attention by my friend, the well-known historian, Matthew Page Andrews, of Harpers Ferry, W. Va., and Baltimore; and I realize that while the pardon of this man, of course, struck from the records the guilt previously attached, in that fine act there was that done that was passive, and, now that we remember that Dr. Mudd had nothing to do with the assassination of President Lincoln, it is fitting, after these long years have passed, for the Congress of the United States, through this resolution, to see to it that something positive is done in behalf of this man who embodied all the splendid attributes of the medical profession.

If it had not been for Dr. Mudd, it is doubtful that more than four or five men would have lived to tell the tale of what happened on that vermin-ridden, shark-surrounded key of the Dry Tortugas off the Florida coast. He played no favorites. Even though a prisoner who knew he was not guilty, he never forgot that he was, first, last, and always, a physician administering to mankind. It is impossible to think that any God-fearing, ethical country doctor of the type to which I have been accustomed—if he did not know who John Wilkes Booth was and what he had done—would act any differently today.

I have introduced this short but significant resolution calling for an appropriate memorial to be placed upon the ruins of old Fort Jefferson, that there a tablet will remain setting out the services which this man rendered while unjustly incarcerated in behalf of his suffering fellow men. I trust the Congress of the United States will see to it that the resolution becomes a law, because we realize today that we look at history not through the eyes of prejudice but through the eyes of truth. [Applause.]

Mr. CANNON of Missouri. Mr. Chairman, I am glad to support the resolution offered by the gentleman from West Virginia [Mr. RANDOLPH] providing for the vindication of Dr. Samuel A. Mudd at this late date and the erection of a memorial commemorating the distinguished service rendered by him while a prisoner of war. I have often heard the story of his heroism and his sacrifices from the lips of his kinsman, Dr. Joseph A. Mudd, who was a noted historian and editor and the author of two histories of my own county. Members of the Mudd family emigrated from Maryland, where they had resided since its colonization by Lord Baltimore, and settled in Lincoln County, Mo., where their descendants reside today firm in the faith of their fathers and loyal to the highest ideals of their American citizenship. Dr. Joseph A. Mudd, long a resident of my county, spent the later years of his life in Washington, where he was an intimate friend of Speaker Champ Clark and where he occupied high positions both in the service of the Government and the orders of his church. His accounts of the events leading up to Dr. Samuel Mudd's arrest and incarceration corroborate the statements made by the gentleman from West Virginia [Mr. RANDOLPH] and more than justify the eloquent tribute paid by Mr. RANDOLPH to the life, character, and loyalty of this faithful physician.

I shall support the gentleman's resolution providing for an appropriate memorial to be erected at old Fort Jefferson recalling the great injustice suffered by Dr. Mudd, the nobility of character with which he bore it, and especially his services to suffering humanity and the maintenance of the ethical standards of his profession under such tragic conditions. [Applause.]

Mr. THURSTON. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, disregarding for the moment all political considerations, let us consider the state of the Union in connection with the legislation now before us. Nothing can here be said by me which will in any way enlighten any Member of the House upon the present situation. Nevertheless, in view of a letter received last week, it may be well to again call to mind the situation now confronting us and to suggest what may be termed "constructive measures" which will tend to bring about a betterment in our condition.

It has been the custom for Members addressing the House to call attention to their disinterestedness, their desire to serve the country as a whole, and their sincerity of purpose. To me such statements seem superfluous, and we may assume that the Members of this body, despite the frequent comments to the contrary, possess as much of honesty, ability, and willingness to serve as does the average citizen, no matter in what labor, business, or profession he may be engaged.

Let us refer to the President's statement of a principle as old as the Nation, as old as the family. This is what he said:

> Now, the credit of the family depends chiefly on whether that family is living within its income. And this is so of the Nation. If the Nation is living within its income, its credit is good.
>
> Revenues must cover expenditures. Any government, like any family, can for a year spend a little more than it earns. But you and I know that a continuation of that habit means the poorhouse.
>
> But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxing to the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy.

In his message to this Congress on March 10, 1933, he said:

> For 3 long years the Federal Government has been on the road toward bankruptcy.

Today we are confronted with a situation, not with a theory. As the President so well and so truthfully said:

> Remember well that attitude and method—the way we do things, not just the way we say things, is nearly always the measure of our sincerity.

After 3 long years of unheard-of appropriations, and a few Republicans, as well as many Democrats, voted for these appropriations, the country finds itself, so far as unemployment is involved, practically in no better position than when the spending began.

True, there are signs—yes, evidence—of a return of prosperity, but the degree of prosperity can in no way be compared with our recovery from other panics, other depressions.

Again let me quote the President:

> This depression is today's problem. We cannot, and must not, borrow against the future to meet it.

So here we are. If criticism be made of this situation or of the methods which brought it about, the answer always is, What have you to offer? This is a fair question, and frequently it has been answered, although the answer seems to be disregarded.

For myself I can only agree with the President that continued borrowing has but one end; that continued spending of amounts far beyond the income of the Nation, as admittedly has been the course during the past 3 years, can end only in national bankruptcy.

The answer to this course is obvious. It is plain to everyone. One of two things must happen. Either the income must be increased or the expenditures must be reduced.

It is evident that the income, other than by way of taxation, cannot, under the present method, equal or exceed the expenditures.

Then we have two courses, and this, in all humility, may it be said, is a constructive suggestion—either increase the taxes or reduce the expenditures until a balance is reached, or employ a combination of both; increase the rate of taxation and reduce the expenditures until we are living within our income and the Budget is balanced.

We either must increase our taxes, which none of us, seeking reelection—and the gentleman agrees with me, I am sure—wishes to do at this particular time; or we must reduce our appropriations, and that, too, would cost us votes. We are in for one or the other, or we may have a combination of the two. We may increase taxes a little but not enough to balance the Budget, or we may reduce our appropriations but not enough to accomplish that. Perhaps we should take a little of each.

Mr. ANDRESEN. Will the gentleman yield?

Mr. HOFFMAN. I yield for a question.

Mr. ANDRESEN. What does the gentleman think about placing a high excise tax upon the main necessities of life?

Mr. HOFFMAN. Well, I do not know anything about the different kinds of taxes. I only know that, under whatever name or in whatever form they come, they always fall upon the fellow who produces. As the coauthor of the Frazier-Lemke bill so often tells us, all the wealth is in the earth, and somewhere someone must labor to get it out, either in the form of ore, forest products, or in the form of crops. If the President is correct—and I think he is—he told us how that comes about. He said:

> Taxes are paid in the sweat of every man who labors. If they are excessive, they are reflected in idle factories, tax-sold farms, and hence in hordes of hungry tramping the streets and seeking jobs in vain. Our people and our business cannot carry this excessive burden of taxation.

So my thought was, regardless of the political aspect of the thing, that sooner or later, and probably sooner, unless we are to have repudiation, unless we are to have bankruptcy, we must lessen our expenditures. The only thought we should have is as to how we are to reduce our expenditures and where. Nobody wants to reduce expenses when those expenses affect his district or his particular group. But we will have to commence somewhere, regardless of our personal desires.

Mr. McCORMACK. Will the gentleman yield?

Mr. HOFFMAN. I yield briefly.

Mr. McCORMACK. Is the gentleman in favor of cutting out relief expenditures?

Mr. HOFFMAN. That all depends on what you call relief expenditures. As I understand this $4,880,000,000 was for relief. I suppose the gentleman's question is, Would I favor cutting that out? Am I wrong?

Mr. McCORMACK. As I understood, there were $880,000,000 in connection with the C. C. C. Of course, a substantial portion of the balance was directly or indirectly allocated for public works and Federal grants. The direct relief, or what we call the E. R. A. or the W. P. A., would, of course, be a considerable proportion, but much less than $4,000,000,000. But brushing aside many of the projects with which I am not in agreement on the basic question of relief, having in mind the fact that millions are out of work, what is the gentleman's reaction? I am not asking a question just to ask a question, but I should like to get the gentleman's reaction.

Mr. HOFFMAN. In common with every other Member of the House, I assume, no one believes we should let anyone starve or that we should let anyone freeze; but this thought comes to me, that somewhere, sometime along the line we must quit extending relief, because if we do not, finally we will take from the group that is producing, those who have a little capital to enable men to start business, we will take from that group to support this ever-increasing number. In the end we will all be on relief. It reminds me of a cartoon I saw in the Chicago Tribune 2 or 3 years ago of a wagon being drawn with all the officeholders sitting in it and one or two little taxpayers out in front pulling the wagon, and finally they got an idea and they went back and crawled up on the wagon. Now, that is where we will all go in the end if relief and made work continue.

But, you say, all these people are on relief. They cannot be permitted to starve. True, but some must take less and some must contribute more. I am opposed to the kind of relief we are getting and the method of administration.

Beyond question you cannot continually take from those who are employed and from those who have property and give at an ever-increasing rate to an ever-increasing number who are unemployed and who are in want. If you do, then, in the end, all are reduced to poverty, for there must be some who can furnish the capital, the resources, to build the factories, to furnish the machinery, to restock the farms, to purchase the necessary tools to carry on industries and agriculture and business as well. The individual, no matter how willing, cannot engage in any one of these occupations or businesses if he depends only upon his own individual physical or mental efforts. He must have capital.

There is no question but that expenditures can be reduced, and my purpose this morning is to point out some of the foolish ways in which we have been spending money and, as they are foolish, discontinue them.

If poverty is as widespread, if hunger is as common, if need of clothing and of shelter is as universal as we have been told many, many times in the past months, in the last few years, then certainly we can do without those things which are not essential to the relief of hunger, of cold, of suffering.

Tell me, if you will, why it is that this Government should spend—and I cite but one or two of the instances, for they are illustrative of the whole—$3,993 at Richford, Wis., to improve a trout stream and increase insect life while at the same time it is spending $18,590 at East Bridgewater, Mass., to drain swamps and ponds to eliminate insect life?

Why after the killing of 6,000,000 pigs should the Government spend $9,478 to drain a piggery on Winter Street in Waltham, Mass.?

With all of the unemployed on our roll, why should it spend $40,000 to train 500 girls to act as servants?

If people are hungry, if they are going unclothed, why spend $4,265 to improve race tracks at Dayton, Ohio, when the sponsors of that project put up just $45?

Why spend $500,000—a half million dollars—to make the bridle paths in the borough of Queens, N. Y., more attractive?

Why spend $81,611 to connect the little village of Skull Valley, with 80 people, with the town of Yava, 75 people, in the State of Arizona?

Why spend at Meridian, Pa., $12,589 on tennis courts, handball, and baseball grounds?

Why spend at Duluth for tennis courts and a ball field $117,429 when the sponsors only kicked in $4,494.

Why spend in the city of Chicago $723,853 for amusement and to put vaudeville troupes on the road?

Why appropriate $3,000,000 for a national theater project plan?

Why give to Monroe County, in the State of New York, $10,440 to make a survey of the deaf children of pre-school age when there are only 14 such children in the county?

Let us go over a moment to the State of Wisconsin, where, the New York Sun says, in the town of Ojibwa, with a population of 293, the President has approved a project calling for the creation of navigation pools at an expense of $16,760, an expenditure amounting to more than $57 for each man, woman, and child in the village.

The purpose of a navigation pool, as announced by the W. P. A., is to provide facilities for canoeing, rowing, and fishing. The Sun continues:

> In this way the inhabitants may receive enough to buy the necessary canoes, rowboats, and fishing tackle in addition to enjoying, presumably, the free use of the pool. The New Deal is spending nearly $75,000 more on similar navigation pools in three other Wisconsin towns that are so small that even the Rand-McNally atlas fails to list them.

Oh, the list might be indefinitely extended, but take a look, if you will, at the other side of the picture. Here is a quotation from a letter received last week from the Humane Society of Kalamazoo, a nonpolitical society in the Third District of Michigan, its president, the officers and members of that society having but one thought in mind—to relieve suffering, to aid the unfortunate.

The president of that organization writes that the city of Kalamazoo—a city of 54,786—had available for the original purpose of caring for the unemployable cases some $32,000 per month, and then states:

> But today this $32,000 is spread over so many relief cases that, were ordinary family relief budgets adhered to, it would amount to a relief expenditure of from $50,000 to $60,000 a month. * * *
>
> So thin has relief been spread that, over the case load as a whole, less than 5 cents per meal per person is available in food budgets. Local conditions have been made worse by the extreme weather that has descended upon this region for several weeks. Private-agency funds are taxed to the limit to meet needs which are not being met by the E. R. A. The largest of these private agencies, the Family Welfare Associates (Civic League) is already in the red $2,000 for this month, with the month only half gone. * * *
>
> We are asking you to use your influence to the utmost to bring about some reallocation of Federal funds sufficient so that local E. R. A. administrations may again be able to take care adequately of the employable cases which it seems they now must carry on their rolls, so that this may not be done at the expense of the unemployables, as is now the case; and, second, that W. P. A. checks be paid promptly.

I know the gentleman [Mr. McCORMACK] does not agree with all these propositions. Then why, after killing off 6,000,000 pigs, should the Government spend $9,478 to drain a piggery on Winter Street in Waltham, Mass.? With all the unemployed on the rolls, why should the Government spend $40,000 to train 500 girls to act as servants? Over on the Passamaquoddy project they are putting in an electric dishwasher. After they get those girls trained, at $40,000, why not send them up there and let the electric dishwasher have a vacation? If people are hungry, if they are to go unclothed, why spend $4,265 to improve race tracks? Race tracks! These people over in Kalamazoo, Mich., are living on 5 cents a meal and here we are spending about $5,000 to improve race tracks at Dayton, Ohio.

What was the gentleman's question?

Mr. THOM. What became of the 6,000,000 pigs that were slaughtered?

Mr. HOFFMAN. I do not know.

Mr. THOM. I did not think the gentleman did.

Mr. HOFFMAN. I can tell the gentleman where some of them went.

Mr. THOM. Does the gentleman know officially?

Mr. HOFFMAN. If the gentleman means by "officially" what is shown by the record of the Department, no; and I doubt if anybody else knows. I do know what the papers in Chicago said as to their being dumped along the Illinois Central Railroad tracks.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. SHORT. Being from Missouri, and the gentleman having to be shown, I can inform the gentleman that I saw with my own eyes a thousand of them dumped in the Mississippi River.

Mr. THOM. That is untrue according to the Department of Agriculture.

Mr. SHORT. That is not untrue.

Mr. THOM. Mr. Chairman, will the gentleman yield to me to clear this up?

Mr. HOFFMAN. No; I think I will not yield further.

Mr. THOM. No; I do not think the gentleman wants to have it cleared up.

Mr. HOFFMAN. I hate to see a Democrat and a Republican indulge in acrimonious discussion.

Mr. THOM. The gentleman from Missouri [Mr. SHORT] made a statement which he cannot back up.

Mr. HOFFMAN. I am not talking politics now.

Mr. THOM. No; that is all the gentleman talks.

Mr. HOFFMAN. Mr. Chairman, let the gentleman think this over and tell me the answer tomorrow—not today.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield, not for a controversial question at all?

Mr. HOFFMAN. Yes.

Mr. McCORMACK. Let me state the program as I understand it, and make the observation in passing that none of us know which is the better, a straight dole or relief work. The idea of work relief is that the millions benefited may retain their self-respect. Whether this will be best in the long run time alone will tell. The gentleman from Michigan is fair. Brushing aside particular projects, because I have my own opinion, too, of the value of some of them, would there not be grave danger with a body of people numbering 1,000,000, 3,000,000, or 3,500,000 on the dole of a break-down of their individual morale, and that this would have a serious effect on government in the future? So the basic question of relief was linked up with work, as I understand it, first, in order that the individual could retain his self-respect, and, second, that in the future after the depression is over this group would not have a disintegrating effect upon government itself. Specific projects, or some of them, I criticize; but I think work is a necessary part of relief for the reasons I have set forth; I would like to hear the gentleman's reaction, whether or not he believes a straight dole less expensive over a long period of time, having in mind the next generation, or whether he believes relief should be coupled with some kind of work.

Mr. HOFFMAN. That is a fair question, but it is one that cannot be answered correctly, decisively, satisfactorily, probably because it is purely a matter of opinion. Whether the dole or so-called made work has the greater tendency to break down the morale of the person on relief I cannot say. I believe their morale is being impaired.

On the whole, if relief must be extended to those who are able-bodied, capable of working, then by all means they should work according to their ability to work, but, in my judgment, the work should be not purely made work, in the sense of giving them something to do, for those working at such projects realize full well they are receiving only a dole, but they should be given work on worth-while permanent projects that are self-liquidating and that are necessary.

What can we do about it? There is a limit, as before stated, to the help which can be given. In view of this dire need, is it not time that we take more thought as to the amounts which we are now appropriating?

Permit me to call your attention to the bill now before us. Can we not cut the appropriations in this bill, so that relief may be extended to those in such desperate situations as that just indicated?

Look at this Passamaquoddy proposition. Here is a great project of extremely doubtful value. It is my understanding that, in the beginning, there was an adverse report as to whether it was a self-liquidating proposition. But, if it is to

be built, why should it not be constructed in the ordinary way?

But what is the Government attempting to do at the present time? Among other items is a dormitory of 87 rooms for the accommodation of 145 persons who are to work on the project, with mess arrangements for approximately twice that number.

The furnishings of this dormitory are to cost $33,000—this for 145 persons. It matters not that these dormitories are to be rented and that a profit may be returned to the Government. In the end, the dormitory will be dismantled, will serve no useful purpose.

Why should not the workers be housed as such workers usually are? While people are hungry, while people are cold, while children are going to school in Kalamazoo and vicinity without sufficient covering for their feet and their bodies, the Government is asking for 217 ash receivers for the use of 145 persons who are to work on the Passamaquoddy and these receivers, be it known, are to be furnished with or without design, in white, black, green, blue, and yellow. Two hundred and seventeen ash receivers for 145 workers!

Then there is silverware. The ordinary knives, forks, and spoons will not do. It must be silverware. There must be bath mats. There must be 248 dozen bath and other towels. There must be 10 dozen linen scarfs. There are upholstered chairs. There are love seats. There are pictures, 120 of them for 90 rooms. There are candlesticks of northern maple, of colonial style. There are pewter plates, oval shape, to be used with these candlesticks—I quote, "for ornamental purposes."

There are electric dishwashers. What becomes of those 500 young ladies who were trained for domestic service? If the object of the appropriations is relief and employment, why use an electric dishwasher?

There are two radios, presumably to bring in the speeches of statesmen. Clocks, grandfather type, two of them, walnut, mahogany, or maple, colonial style, 8-day spring driven, with pendulum movement, Westminster chimes, so that the tired and weary souls may be musically told the hour, and the clocks, be it known, must be of a standard make, manufactured in the year in which they are to be purchased.

Let me get a little nearer to Kalamazoo, to that city which sends out the information that it is attempting to feed some of its people on 5 cents a meal—to my home town of Allegan, where, on the 25th day of February 1935, there appeared in the Allegan Gazette and the Allegan News an announcement by the local E. R. A. supervisor that classes for the teaching of basketball, dramatics, chorus, sewing, dancing, bridge playing, and orchestral training would be made available to the women of Allegan who were more than 16 years of age.

Money for the teaching of dancing, bridge playing, when down at Kalamazoo, 23 miles away, the unfortunate ones are limited to 5 cents per meal. Where is the sense to all this?

Note this editorial from the Allegan News of February 21, 1936—Allegan is a town of less than 4,000:

> Is it any wonder that the people are getting heartily sick of the present administration and its program of spending billions of dollars in order to place men and women at a job, any job, especially, when we review the kind of projects through which millions of dollars of the taxpayers' money is being wasted?
>
> In this city we have W. P. A. workers in charge of ice skating, and we even have come to the point where we have W. P. A. employees holding ping-pong schools and conducting checker tournaments or games.

In this little village of mine of less than 4,000 people, is there a boy or a girl in that town old enough to strap on a pair of skates who does not know how to skate, who cannot go on the river, the lakes, the ponds, in the winter, skate, and in the summer swim like a fish?

Mr. Chairman, I am not mentioning these items for political purposes. I am mentioning them to see if we cannot get together as ordinary fellows and cut out what we might term this "monkey business." Think of teaching our boys and girls to skate and how to play hockey, while down in Kalamazoo they only have 5 cents a meal to furnish food for some of their people.

The question may be asked, What are you going to do about it? The President has made the statement that taxes come from the sweat of man's brow and labor. What should we do? I know this statement is not popular, but why should we not now be honest with ourselves? Why should we not be honest with our folks at home? Why should we not take the position that for every bill appropriating $1 or $100 we also bring in a provision levying the tax to pay that bill? [Applause.] Why not let the tax bill follow the appropriation bill? I have faith enough in my people at home to believe they are willing to accept this situation. They are willing to pass judgment on these things.

Mr. KNUTSON. Will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Is it the gentleman's thought that we should levy taxes sufficient to pay the current operating expenses of the Government?

Mr. HOFFMAN. Why certainly.

Mr. KNUTSON. It would bankrupt industry in this country if we were to levy taxes sufficient to accomplish that purpose.

Mr. HOFFMAN. What difference does it make if we bankrupt the Government now or at some other time by piling up an unpayable debt?

Mr. KNUTSON. It would cause chaos.

Mr. HOFFMAN. There appears to be just the one course for us to follow. Let me repeat it for it is constructive. Beset as we are on all sides with continual demands for more cash, for more appropriations, realizing as we must that these debts must some time be paid, unless the Nation is to become a bankrupt, we should have the courage to do the thing which the President once advocated, the only thing which will stop this course which leads only to disaster. As we make appropriations, impose taxes to meet those appropriations and soon the roar from the forgotten man—the taxpayer—will convince us that spending for any except absolutely necessary purposes must end. That is the way a man who is thrifty and wise runs his business, maintains his family; it is the way, and the only way, by and through which we can come out of this depression.

If those who are demanding appropriations understand that they are to be paid "in the sweat of every man who labors", many, yes, most, of the demands will cease and many of our troubles—practically all of them—will be over.

[Applause.]

[Here the gavel fell.]

Mr. THURSTON. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, we now have up for consideration the agricultural appropriation bill.

Mr. KELLER. Where are we going to get the money?

Mr. RICH. If the gentleman wants me to answer the question, which is somewhat irregular at this time, may I say that I do not think there is a Member of the House of Representatives who can answer the question, because I have asked it over and over for the past year. If there is any Member here who has the ingenuity, the initiative, and brains enough to get up here and answer the question I will yield him my time right now; and the gentleman from Illinois is the man I should like to have try to answer the question.

Mr. KELLER. I can do it.

Mr. RICH. All right. I yield to the gentleman for that purpose.

Mr. KELLER. Mr. Chairman, we have heard much about this question, Where are you going to get the money?—that I interjected the question for the purpose of answering it. It is a simple matter to get the money we need, and it always has been a simple matter. There has been much talk about balancing of the Budget, but there has not been a definition given as to what we mean by the "Budget." Somebody ought

to get up here and tell us something about it. I am going to do just that, modest as I am in making the statement.

Mr. Chairman, 4 years ago when the question of balancing the Budget came up, I went to the trouble to look up the subject with the greatest of care from the beginning of our Government to the present moment.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Is the gentleman going to make the official answer now as to where his party is going to get the money? In other words, is he speaking officially? I mean, does the gentleman represent the Democratic Party?

Mr. KELLER. I am representing KENT E. KELLER only and that is sufficient for this time.

Since we started in we have been out of debt once in our lifetime as a Nation, and then only for a short time. That was under "Old Hickory" Jackson. That was the only time we have ever been out of debt.

On the average, every 2 years and 11 months from the beginning of our history to the present time, a full year has been a deficit year; a year in which we did not get money enough to pay our bills for that year—that is, to balance the Budget. I want you to get this, because when we go to discussing balancing the Budget and where we are going to get the money and how we are going to get the money, we ought to see what we have done in the past, because that is going to show us whether we can or whether we cannot get the money.

If we have in the past, we can in the future. Our Treasury report shows that in the 144 years of our constitutional Government from 1789 to 1933, both inclusive, there have been 49 annual deficits—a little more than one-third of the years of our national existence have been years of unbalanced Budgets. Thirteen of those years, at most, were war years. Thirty-six years of unbalanced Budgets were peacetime years. All the war years were years with unbalanced Budgets. Of the 131 years of peace, 1 year out of each 3 years and 8 months showed a deficit—that is, we did not take in as much as we spent. The whole 144-year period taken together shows that on the average 1 year out of every 2 years and 11 months has been a deficit year with its unbalanced Budget. Did all these years of unbalanced Budgets ruin our credit? Did we ever fail to pay? Certainly not.

Mr. KNUTSON. Tell us how to get the money first.

Mr. KELLAR. Wait just a minute. I am going to tell you how to get the money.

Following the Civil War, this country owed a Federal indebtedness of 17½ percent of our total national wealth. Now, get that. At the close of the Civil War the United States Government owed 17½ percent of our total national wealth, and no less than that. Did it cause us to go broke in paying it? Certainly, not. We nearly paid it off before we came to the last war. We could have paid it out long ago if we had tried to, or if we had been more interested in paying off our indebtedness than in reducing the taxes of the rich people and prosperous corporations.

What next? From that time until this, or, from the close of the Civil War to the present war, we have learned how to produce about three and a half times as much wealth, man for man, as we could have done or as we did at that period. This simply shows that if we could pay 17½ percent of our national wealth at the end of the Civil War that we could, if necessary, pay three and a half times that proportion of our national wealth reckoned on our most prosperous years, if we needed to.

This is the first thing I want to get clear to you. I want you to see that this question of balancing the Budget is not only not vital but it is a piece of nonsense, in my judgment, to bring it out every time we get up here and talk about it, unless we know what we are talking about.

Now, if we have done these things in the past, we can do them in the future. I say to you, frankly, that our necessities at the present time are as great or greater than at any period in our history, even includes our periods of war. We are under as great obligation to pay whatever taxes are necessary to take us out of these conditions, and keep us out, as we have been at any time in our entire history.

Now, you ask how are we going to pay. I want to call your attention to one more thing which I have heretofore called to the attention of this House when I was a great deal newer here than I am now, and that is this: Following the World War, if we had continued the taxes on the tax books at that time, inside of the first 10-year period we would have paid every penny we owed. If you want to verify this, get the tables prepared on this subject by the Joint Committee on Internal Revenue Taxes that serves the House and Senate together. All you have got to do is to go back to the speech delivered by my colleague from an adjoining district, the gentleman from Illinois [Mr. PARSONS], who submitted these facts to this body.

What did we do? I will tell you what we did. Instead of paying it when we had it to pay, we turned around in 1921 and reduced the income tax shamefully, and only a few men had the vision and the understanding to see where it was leading us. We could have paid the whole thing inside the first 10 years. We could have paid the soldiers' adjusted compensation at that time and never missed the money if Congress had desired to do that. But did they desire to? Oh, no. The Congress considered it much more desirable to serve the very rich people and the very prosperous corporations than to pay the soldiers their compensation. So they completely wiped out the excess-profits tax in 1921, because the income and excess-profits taxes alone had brought in $4,000,000,000 for the fiscal year of 1920, making a total national revenue income of $6,694,000,000 for 1 year's taxes, actually collected in cash. But the tender-hearted Congress could not stand such cruelty to the war profiteers. So, to protect these friends of theirs, they put the soldiers off without a penny. Again, in 1924, the Congress reduced the income tax and gave the soldiers a rain check, good after 20 years. I am proud of the fact that this Congress has provided for cashing these rain checks 9 years before that income-tax-reducing Congress intended it should be done. Not only this, but if we had known enough to do this, we might also have known enough to prevent the panic that succeeded in 1929.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. KELLER. Certainly. We could have had money enough in our Treasury so that as men fell out of employment for technological reasons, we could have reemployed them in the service of this Government and there need not have been a single, solitary unemployed man in America.

Mr. KNUTSON. Where are you going to get the money?

Mr. KELLER. In just a moment I am coming to that.

There need not have been a single idle man in America, because there are at the present time, and there have been for the last 100 years, a sufficient number of national projects of permanent value to have taken up every solitary man who fell into idleness through no fault of his own.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. KELLER. Surely.

Mr. SNELL. I understood the gentleman to say that he objected to the fact that they reduced the income-tax rates?

Mr. KELLER. I certainly said that.

Mr. SNELL. If I recall correctly, the reduced income-tax rates brought in more income to the Government than the former rates.

Mr. KELLER. The gentleman ought to go back and look up the record on that.

Mr. SNELL. I think that statement is correct.

Mr. KELLER. The gentleman is wrong about that.

Mr. SNELL. I think that is right.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KELLER. I yield.

Mr. SNELL. Is not that statement so?

Mr. KELLER. No; it is not so. The fiscal year of 1920 brought in from income and excess-profits taxes $4,000,000,000 in cash. After the Congress reduced the income taxes in 1921, the income from that source fell to just half that

amount in 1922 and never again reached even that figure. The gentleman will find this statement literally true from the Treasury receipts, and no statement even by Mr. Mellon can change the fact I here state.

Mr. McCORMACK. I do not undertake to say that I know everything or know anything, but I simply express my own opinion——

Mr. RICH. Let Mr. Keller talk—he knows everything.

Mr. KELLER. Sure, I do—for your benefit. I am giving you what you need if you will only heed it.

Mr. McCORMACK. I am very sorry for my friend from Pennsylvania, who has to ask the gentleman from Illinois [Mr. KELLER] to yield to him in the time of the gentleman from Pennsylvania. It is very unfortunate, but the gentleman from Illinois has yielded to me.

We had a depression in 1920 and 1921, and, of course, the amount of income taxes was reduced during that depression. Naturally, when business came back the returns in revenue from existing law increased, and I think my distinguished friend from New York realizes that the depression of 1920–21 sharply reduced the national income, but the national income came back very rapidly because we whipped out of that depression very quickly.

Mr. SNELL. Every time the income tax has been reduced it has returned more income to the National Government.

Mr. KELLER. The gentleman from New York is mistaken, completely and entirely mistaken. I am rather suspecting my friend from New York believes the statements he hears made in the stump speeches of his party.

Mr. GIFFORD. Will the gentleman yield?

Mr. KELLER. I yield with pleasure to my friend from Massachusetts.

Mr. GIFFORD. From what the gentleman has said, he is going to get the money from taxation.

Mr. KELLER. Certainly. That is where all money for carrying on government comes from, always has, always will, always ought to.

Mr. GIFFORD. Is the gentleman ready to vote for those taxes?

Mr. KELLER. Certainly. When a proper tax bill is presented I will vote for it and work for it all the way down the line. Now I want to follow this up. In 1924 we again reduced the income taxes, and again we gave back by a general resolution taxes that were due, that already belonged to the people of this country. In 1926 we reduced the income tax and again gave back by joint resolution a year's taxes that belonged to the people.

Mr. SNELL. The conditions throughout the country in 1924 and 1928 were about the same.

Mr. KELLER. No.

Mr. SNELL. When we reduced the taxes in 1924 it produced more income for the National Government.

Mr. KELLER. Of course, the gentleman from New York has a perfect right to be wrong if he insists on it. But the Treasury receipts show the personal income taxes for 1924 to have been $704,265,390 and the corporation income tax to have been $881,549,546—a total income-tax receipts of $1,585,814,936—the lowest receipts for any year over a 10-year period prior to 1931.

Mr. KNUTSON. Will the gentleman yield?

Mr. KELLER. Yes; I yield.

Mr. KNUTSON. The gentleman is an expert on taxation. Has he given any consideration to the cutting down of governmental expenses?

Mr. KELLER. Yes; that has been my work for many years. [Laughter.]

Mr. MILLARD. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from New York.

Mr. MILLARD. Does not the gentleman think that he has gotten this time under false pretenses? [Laughter.] The gentleman said he was going to tell us how to get the money, and he has not started yet, and his time is almost up.

Mr. KELLER. I have answered the gentleman's question already.

Mr. RICH. Will the gentleman yield?

Mr. KELLER. Certainly.

Mr. RICH. Will the gentleman name one bill where he has voted to cut down governmental expenses?

Mr KELLER. Yes; I voted for one of your bills. [Laughter.]

Mr. RICH. Will the gentleman name it.

Mr. KELLER. Well, I will look it up and get the name and the number [Laughter.]

Mr. HOFFMAN. The gentleman says he has been engaged in cutting down governmental expenses for years—does not the gentleman think that that was love's labor lost? [Laughter.]

Mr. KELLER. I do not think so. Now, to get back to this reduction of income tax. In 1928, you reduced the income tax and gave back certain taxes. In 1929, in December, when Congress met, when every man who knew anything about economic history knew that we were facing a national panic—knew that every time we have had a major stock crash on the stock market we have had a national panic, followed by a national depression. Of that there can be no doubt and is none. Yet in 1929, under those conditions, facing a panic, with men falling out of jobs every day, this Congress voted to again reduce the income taxes and give back supposedly $160,000,000 to the successful corporations and to the successful income-tax gatherers—those who had incomes.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. KELLER. Yes; certainly.

Mr. SNELL. How can you give back something you never have had?

Mr. KELLER. I will tell the gentleman how to give back something you never have had. Just vote as you did in 1929, when the money was due, and you voted to give it back, before it was paid. You did that in 1929, in 1928, in 1926, in 1924, and 1921.

Mr. SNELL. But I still maintain that you cannot give back something that you never have had, and I also maintain that those tax measures produced more than the others did, and I would ask the gentleman from North Carolina [Mr. DOUGHTON], to confirm that.

Mr. KELLER. And I will bring that back to the gentleman and quote what your Secretary of the Treasury said, that whenever you put too high an income tax, the rich man will not pay. I quote from a letter from Mr. Mellon to the chairman of the Ways and Means Committee dated November 10, 1923:

> Ways will always be found to avoid taxes so destructive in their nature, and the only way to save the situation is to put the taxes on a reasonable basis that will permit business to go on and industry develop.

Mr. SNELL. The gentleman obtained his time to tell us where they are going to get the money.

Mr. KELLER. But I have answered that question a few moments back. Through taxes, of course.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. KELLER. Mr. Chairman, I ask the gentleman to grant me 5 minutes more.

Mr. TARVER. Mr. Chairman, I believe the gentleman obtained his time from the other side.

Mr. RICH. Give him some time, so that he can answer the question, because he has not said anything yet.

Mr. TARVER. Mr. Chairman, I yield 5 minutes more to the gentleman.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. KELLER. Yes, to my friend from Idaho.

Mr. WHITE. Is it not a fact that during that very period, huge income-tax refunds, and one item of $45,000,000 refunded to the Steel Trust in 1927, which was collected in 1917?

Mr. KELLER. And is it not a fact that during that period this body voted a law that originally provided that unless when you paid the income tax you protested, you had no right to go back and ask for a rebate? This body revoked that law in 1924, and they went back, and my recollection is they paid out of the Treasury of this country about $4,000,000,000.

Mr. GIFFORD. And having reimposed all of the income taxes last year, all that we could get revenue from, if the gentleman is now going to get his money from taxes, will he tell us what kind of taxes?

Mr. KELLER. I shall be glad to do that though I by no means agree we have reimposed all the income taxes that we could get revenue from. We are going to get some more from income taxes, in my judgment.

Mr. GIFFORD. But we are getting all we can.

Mr. KELLER. Oh, no; we are not. We are going to go, in my judgment, to as low exemptions as will pay for the collection. In England they are down to as low as $600 a year, and we will come to that right here. We are going to come to it, and we are going to take it all the way up through, and if the sixteenth amendment has not been nullified by the Court, since we are talking about the Constitution, we will enforce the law and we can get all the money that we need without hurting anybody.

We are going to take it and do not think we are not. We are not only going to take whatever tax money we need, but we are going to accept the responsibility of coming here as a government and saying to every American man and woman, "There is a job ready for every man and woman who wants to work", and we are going to see to it that they have that job, and when we do that we will produce so much wealth that there will be no longer any excuse for poverty in this country of ours. And when we guarantee a job to every man and woman who wants to work, no man now out of a job, nor who has been out of a job, nor whose job has ever been endangered, as they all have been, not a one of them will object to paying a small income tax to insure himself a job and his children after him. It will be the cheapest possible job insurance; the very greatest security to men, to business, to governmental institutions. That is the only solution for unemployment—the guaranty of an opportunity to earn a living—a competency, in fact.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. KELLER. To my colleague from Massachusetts, surely, with pleasure.

Mr. TREADWAY. To ask the gentleman whether he thinks the program of taxation to which he has referred, going to the very lowest salaried people, to the point where it will simply be paying for the collections, will be a very popular tax with those in control of the Democratic Party, just before election?

Mr. KELLER. Let me suggest to the gentleman that he take that home to his own party and see what it says about it.

Mr. TREADWAY. I am asking the gentleman. He has stated in an authoritative way——

Mr. KELLER. Oh, no.

Mr. TREADWAY. What the majority party here are going to do.

Mr. KELLER. No; I am not stating any such thing.

Mr. TREADWAY. I would like to know whether he thinks that will make votes for his party at the coming election and if that theory will not make votes then I prophesy just as strongly that the theory that the gentleman is proposing will not be carried out by the Democratic majority.

Mr. KELLER. The gentleman may be entirely right as to that. But I beg the gentleman's pardon. I did not say that I was speaking officially. I said that I was speaking for KENT E. KELLER, and nobody else.

Mr. TREADWAY. But we respect Mr. KENT KELLER's position as one of the leaders of the Democratic Party.

Mr. KELLER. I have never been so accused before. I thank the gentleman.

Mr. DOUGHTON. Will the gentleman yield?

Mr. KELLER. I yield.

Mr. DOUGHTON. The suggestion of the gentleman from Massachusetts, a member of the Ways and Means Committee, indicates that he judges the Democratic Party by the standards of the Republican Party. He knows that they approach a question of that kind, especially matters of taxation, with a view to the welfare of the Republican Party and to political benefits, rather than the welfare of the country. That is the viewpoint of his party, and he just naturally assumes that the Democratic Party proceeds on the same basis as the Republican Party. That is a false assumption.

Mr. TREADWAY. I would like to ask the gentleman whether he disputes the accuracy of the statement I made?

Mr. KELLER. I do not yield, Mr. Chairman.

Mr. TREADWAY. I said that the Democratic Party would not make this kind of taxes to which the gentleman from Illinois has referred. I stand by it, and I ask the gentleman from North Carolina [Mr. DOUGHTON] whether he disputes that or not?

Mr. BURDICK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BURDICK. The gentleman from Illinois has been given the floor to explain where we are going to get the money. If about 40 of these curious ones would leave him alone long enough, perhaps he can tell us.

Mr. WEARIN. Will the gentleman yield?

Mr. KELLER. I yield.

Mr. WEARIN. If I remember correctly, we have had about $7,000,000,000 in emergency appropriations since the Democratic Party came into power. I believe it is true that there has been an increase of approximately $67,000,000,000, or thereabouts, in bank deposits, national income, and things of that character since President Roosevelt came into power. That might be one way in which we could pay that debt of $7,000,000,000.

Mr. KELLER. Certainly.

Mr. LAMBETH. Will the gentleman yield?

Mr. KELLER. I yield.

Mr. LAMBETH. Does not the gentleman think that the best progress we could make toward balancing the Budget is to get the national income returned to normal, and has that not been gradually, steadily, and appreciably increasing ever since the present administration went into power on March 4, 1933?

Mr. KELLER. The gentleman has anticipated exactly what I am coming to, and I thank him for doing so. In 1928 and 1929 our national income was about $90,000,000,000 a year.

Mr. McCORMACK. Will the gentleman yield?

Mr. KELLER. I will in just a moment. Our income fell to under $40,000,000,000; about thirty-seven and a half billion, as I recall. We have returned it, through some method or other, to about fifty-five billion. But what I want to put to every one of you, not as a partisan matter but as a matter of common sense, is this, that the minute we return our national income we will have no trouble in paying whatever amount of taxes we may require.

Mr. CRAWFORD. And relief goes out?

Mr. KELLER. And relief goes out. The gentleman from Michigan makes a suggestion, and it is a splendid suggestion, that just as soon as we return the national income, relief goes out, naturally and properly.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. KELLER. I yield.

Mr. CHRISTIANSON. Has the gentleman any figures to show whether or not the drop in national income from 1929 to 1932, and the increase from 1932 to 1936, bear any relationship to the drop and increase, respectively, of the national income in other countries, and of world income?

Mr. KELLER. Oh, yes; I have a great deal.

Mr. CHRISTIANSON. Will the gentleman put those figures in the RECORD, please?

Mr. KELLER. Yes; I will. I make this suggestion to the gentleman, that the proof of the fall of national income, the proof of panic, the proof of depression, lies in one thing, that is, the percentage of unemployment in the country. I want to call this to your attention. I am going to give you facts. The fact is that at the present time all of Europe, with its 550,000,000 people, has about six and one-quarter million unemployed. The United States, with its 127,000,000 people, has more than 10,000,000 unemployed. Can the gentleman tell us why this is true?

Mr. CHRISTIANSON. Despite the resourceful and beneficent administration we have had during the last 3 years?

Mr. KELLER. Oh, I beg the gentleman's pardon. You cannot parallel them to save your soul.

Mr. CHRISTIANSON. But we still have actually 11,400,000 unemployed.

Mr. KELLER. The parallel is not there.

Mr. RICH. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Pennsylvania.

Mr. RICH. Mr. Green last week said there were 11,400,000 out of employment. Harry Hopkins says we are going to have more on relief now than we had a year ago. If we are getting better, why the unemployment and why the greater amount of relief?

Mr. KELLER. I do not say we are getting better on unemployment. I did not say I accepted Mr. Green's figures. I gave the figure I consider conservative, although I think Mr. Green is practically right.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KELLER. I yield.

Mr. McCORMACK. I think the gentleman has made a very powerful argument and a complete answer. The answer was so complete that they now have to ask the gentleman about unemployment. I think the gentleman has made a powerful and compelling answer. [Applause and laughter]. I might make the observation that when we get back to 1929 levels with the present tax laws on the statute books, it is conservatively estimated that the Government will receive a revenue of $8,000,000,000 a year.

Mr. KELLER. And that, of course, will enable us to do what we have to do.

Mr. LAMBETH. Mr. Chairman, if the gentleman will yield, I think the gentleman is the best pinch hitter in the House of Representatives. [Applause.]

Mr. KELLER. I thank the gentleman.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, the gentleman from Illinois [Mr. KELLER] was interrupted at considerable length by the gentleman from Massachusetts [Mr. TREADWAY]. The gentleman from Massachusetts comes from the western part of the State, a splendid region, rich in history and great men. He seems to be worried about the new tax plan that is coming into being.

Mr. TREADWAY. Mr. Chairman, will the gentleman permit an interruption?

Mr. KENNEY. I do not know whether the gentleman still reads that fine paper published in his part of the State; but if he does, he will find a suggestion which I believe up to now has gone in one ear and out the other. There is a great Republican newspaper printed in Springfield, Mass. It is the Springfield Republican; and the ranking minority member of the Ways and Means Committee ought perhaps to have his attention directed to what the Springfield Republican has to say.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. KENNEY. Mr. Chairman, it reads as follows:

THE KENNEY IDEA

Representative KENNEY hails from New Jersey, and he has a bill that fits more snugly day by day into the present fiscal stringency in the United States Treasury. Mr. Kenney's message is, "Let us establish a national lottery."

Everything moves Mr. KENNEY's way. The Government lost the processing taxes. Congress passed the bonus over a veto, and that calls for over two billions. Mr. PATMAN, of Texas, and Senator THOMAS of Oklahoma would start the printing presses and make paper money to fill the void. Mr. KENNEY's idea would avoid inflation and follow an orthodox method of finance.

Yes; orthodox. France today has a national lottery which figures in the French budget as a revenue source for the Government. The French Government fails to balance its budget even with the aid of the national lottery, for the French people feel too poor to buy so many tickets as they did once upon a time. National lotteries are also sanctified by age at least, and their orthodoxy cannot be successfully challenged. Representative KENNEY scores heavily at this point.

Lottery bills are pending in our Massachusetts Legislature. Is a collision imminent, with the issue States' rights? If a national lottery were to enjoy maximum productiveness, it should enjoy a monopoly. Has Mr. KENNEY provided for one? What would the Supreme Court's decision be, if the Federal Government undertook to tax State lotteries out of existence in order to get all the lottery revenue for itself?

There is a prolottery organization somewhere; its headquarters may be in New York. People will gamble, is its great argument. The Government needs money. Keep your eye on KENNEY, of New Jersey.

Mr. TREADWAY. Mr. Chairman, will the gentleman permit an interruption now? Will the gentleman yield?

Mr. KENNEY. Mr. Chairman, I yield back the balance of my time.

Mr. TREADWAY. Will not the gentleman yield to me in view of the fact he mentioned my name in the very beginning of his remarks? He has time remaining, and it would seem that he should yield out of courtesy.

Mr. THURSTON. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, on Friday last I introduced a resolution requiring the Secretary of Agriculture to furnish the House of Representatives with the names and addresses and the amount paid to each producer exceeding $2,000 in each calendar year pursuant to the A. A. A. I did this for the purpose of getting information which it is absolutely necessary for this House to have in order intelligently to appreciate the racketeering that has been going on under the A. A. A.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. CHRISTIANSON. Is the gentleman aware of the fact that 3 or 4 weeks ago Barron's Weekly carried a statement to the effect that a certain citizen of Jersey City, N. J., feeding pigs on the slops of New York, was awarded $48,752 of Federal money as an inducement for reducing his production of pigs from 13,118 to 9,838?

Mr. TABER. I have heard of that instance, and I have heard of other instances running more than that. I have heard of many instances running as much as $50,000 or $75,000.

Mr. CHRISTIANSON. Does the gentleman believe that it was the purpose of Congress in passing the Agricultural Adjustment Act to give the Secretary of Agriculture power to use the proceeds of processing taxes, wrung from the hungry, in a way that does not help a single bona-fide farmer but helps slop feeders who are not farmers, who produce pigs in competition with farmers?

Mr. TABER. It was represented that the Agricultural Adjustment Act would help the real farmer and not the fellow who owned great big plantations, and men of tremendous wealth. It has been used as a racketeering proposition right along, and it is absolutely ridiculous to let it go on this way.

I hope the Committee on Agriculture will report this resolution favorably that we may have this information in detail so we may know exactly how bad it is. We know that there are hundreds and hundreds of cases. When it was put up to the House the other day the millionaire plantation owners were able to control the majority on the Democratic side of the House.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield for another question?

Mr. TABER. I yield.

Mr. CHRISTIANSON. I hope the gentleman's resolution passes because I am convinced it is the only way in which we can exact from the Department of Agriculture information as to what has become of the people's money. I may say to the gentleman from New York that I wrote the A. A. A. upon receiving the information I have just given to the House, asking for a confirmation or denial and for data showing what other similar amounts had been awarded persons in different parts of the country. I was refused this information, the specious reason being given that it would entail too much labor in the Department to supply it; and then the significant statement was added that, in any event, even if the information were readily available, it would not be

given to me, although I am a Member of Congress, unless the Secretary of Agriculture gave his approval.

Mr. TABER. That shows the dictatorial power that the Secretary of Agriculture has attained.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. THOM].

Mr. THOM. Mr. Chairman, a few moments ago the gentleman from Missouri [Mr. SHORT] said that he saw with his own eyes a thousand Government hogs dumped into the Mississippi River. This is an oft-repeated statement, and it deserves investigation.

Hogs, of course, are supposed to have been in that allotment bought by the Government under the emergency action of a year or two ago.

Before the subcommittee on the agricultural appropriation bill last year there appeared Dr. Mohler, head of the Bureau of Animal Industry, Department of Agriculture. Dr. Mohler is not a politician. He is the responsible head of an important bureau of the Department of Agriculture, and he testified as to these widely circulated reports. I want to produce the testimony of Dr. Mohler.

The Bureau of Animal Industry, may I say, supervised the slaughter of 6,000,000 hogs bought by the Government. Eighty-eight million pounds of pork resulting from the slaughter of these hogs were distributed to relief agencies throughout the country. The smaller pigs were used for fertilizer purposes and for grease.

Mr. Chairman, I want to read just a few excerpts from Dr. Mohler's testimony:

Mr. CANNON (the acting chairman of the committee today). Now, right here, doctor, if I may interrupt you, the charge has sometimes been made in connection with the A. A. A. hog reduction program that these hogs to which you refer, instead of being duly processed, either for meat products or for fertilizer, were thrown into the Mississippi River. What is your information on that subject, doctor?

Dr. MOHLER. We have heard reports and seen publications of that kind in the newspapers of the country, and in each case where such a claim was brought to our attention we have had an investigation made, but in no case have we found where such an occurrence has taken place.

Mr. CANNON. You can state, then, positively that any reports to the effect that hogs bought under the program and delivered to St. Louis and East St. Louis plants were thrown into the river are without any foundation whatever?

Dr. MOHLER. Absolutely; without any foundation.

The report of the gentleman from Missouri, Mr. SHORT, has apparently never been submitted to the Department of Agriculture. I now call upon him, in the interest of accuracy, and in the interest of clearing up this problem, to produce the evidence as to the time and the place where he saw these hogs cast into the river, how he knew they were Government hogs, whether they were privately owned hogs or not, to the end that the Bureau of Animal Industry may investigate and report to this body with reference to the truth of the report. Having said he was an eyewitness to this affair, I should like to have my colleague now furnish the complete and exact data.

Mr. WHITE. Will the gentleman yield?

Mr. THOM. I yield to the gentleman from Idaho.

Mr. WHITE. Would not the fact that this vast amount of pork was cast into the river cause pollution and be a violation of the State law?

Mr. THOM. I should think so, but I am not advised.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SHORT. Will the gentleman yield?

Mr. THOM. I yield to the gentleman from Missouri.

Mr. SHORT. May I say, Mr. Chairman, it is such common knowledge out in my State and in Illinois the Government did this that everyone takes judicial knowledge of the fact. These reports were printed in both the St. Louis Post Dispatch and the St. Louis Globe Democrat, and if I had time I think I could secure affidavits from people who live in that vicinity to corroborate the statement that I made. It is my understanding that the Government did not slaughter any pigs for pork purposes unless they weighed over 80 pounds. The smaller pigs, of course, were slaughtered for use for soap and fertilizer. Members of this House will testify that this occurred in their respective districts, just as it did in connection with the dairy cattle purchased in Wisconsin at $10 a head, which were worth $100 a head. Down in my county, at Hurley, Mo., they canned cattle. Much of it spoiled, and they gave the canned meat to the farmers to feed to the pigs in order to raise more pigs to knock in the head. I have repeatedly driven from my home to Chicago during both years of the exposition, and in going through St. Louis and East St. Louis, Ill., I saw truck load after truck load going down there. I do not know whether the employees will testify for fear of losing their jobs.

Mr. THOM. The gentleman said he saw them dumped into the river. Will he repeat that statement?

Mr. SHORT. I said I saw them with my own eyes being hauled down to the river.

Mr. THOM. Did the gentleman see them dumped into the river?

Mr. SHORT. I did not see them actually dumped into the river.

Mr. THOM. That is what the gentleman said just recently?

Mr. SHORT. The gentleman would not allow me time enough to go into the matter. I think everybody knows it. The gentleman will not deny that more than six and a half million pigs were slaughtered under that program.

Mr. THOM. No.

Mr. SHORT. He will not deny that 400,000 brood sows were likewise slaughtered under that program?

Mr. THOM. Mr. Chairman, I decline to yield further. The gentleman from Missouri made a definite, precise statement in this House, and he is not going to wiggle out of it. I repeat his statement: "I can inform the gentleman", meaning myself, "I saw with my own eyes a thousand of them dumped into the Mississippi River."

Is that rhetoric, is it exaggeration, or is it inspiration? Will the gentleman answer?

Mr. SHORT. It is information.

Mr. THOM. Does the gentleman now say "yes" or "no"?

Mr. SHORT. I saw them being hauled in trucks down there.

Mr. THOM. Did the gentleman see them dumped into the river?

Mr. SHORT. I did not see them actually poured into the river.

Mr. THOM. All right; then the gentleman withdraws the statement?

Mr. SHORT. It makes no difference whether they were poured into the river or buried. They were destroyed. That is the significant point.

Mr. THOM. Did the gentleman see them destroyed?

Mr SHORT. Where did they go? What became of them?

Mr. THOM. The gentleman made the charge.

Mr. SHORT. I want to ask the gentleman what became of them.

Mr. THOM. You made the charge.

Mr. SHORT. Do you deny they were destroyed?

Mr. THOM. I do not know anything about it.

Mr. SHORT. Oh, complete ignorance is bliss.

Mr. THOM. I am asking you to prove your statement.

Mr. SHORT. No; but they were slaughtered, and God only knows where they went.

Mr. THOM. In conclusion, Mr. Chairman, I do not want to lecture this House, but I am tired, sick, and weary of unfortified statements going into this RECORD. Let us keep to the truth, and when a Member of this House comes in here and testifies about what he has seen and states of his own knowledge that he saw 1,000 pigs dumped into the river, and then backs down as the gentleman from Missouri has done, it is time to call a halt out of respect for the integrity of this RECORD. [Applause.]

Mr. THURSTON. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and include therein a por-

tion of the second McGroarty bill, page 2, lines 1 to 25, inclusive.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ENGEL. Mr. Chairman, on January 27 I discussed the Townsend plan upon the floor of this House. I gave the cost of that plan on a per-capita basis to the townships, cities, and counties of my district; to my district as a whole, to the city of Detroit, and to the State of Michigan. I compared that cost with the population and the assessed valuation of each township, city, and county, and with my district as a whole. These figures show that the annual cost of the Townsend plan ranges from 21.3 percent to 39.6 percent of the assessed valuation of such counties. These figures further show that this plan would cost Michigan each year upon a per-capita basis $944,253,375, or approximately $144,000,000 more each year than the total debt of my State, including the debt of every political subdivision within that State. I pointed out that this plan would cost the city of Detroit more than $305,000,000 each year, or approximately three-fourths of its entire bonded indebtedness. Many of these municipalities have been unable to pay these bonds in 20 or 25 annual installments. I gave my reasons for figuring the cost upon a per-capita basis. Some organizers and some Townsend papers have criticized my method of computation. I now ask them in all fairness to answer these questions. If this tax cannot be figured fairly upon a per-capita basis, or upon the basis that the consumer pays, what is the fair basis upon which it can be figured so the average workingman, farmer, or taxpayer can learn just how much it is going to cost him each year? If it is not going to cost the State of Michigan $944,000,000 each year, just how much is it going to cost that State annually? If it is not going to cost the city of Detroit $305,000,000 each year, and if it is not going to cost the Ninth Congressional District of Michigan $41,000,000 each year, just how much is it going to cost the city of Detroit or the Ninth District annually if we pass this law? Surely, if the proponents of the Townsend plan ask the people of my district to accept a law and to pay a tax levied under that law, the people are entitled to know how much it will cost and how they are going to pay that cost before they support that law.

In my speech of January 27, 1936—see CONGRESSIONAL RECORD, page 1064—I discussed the Townsend plan as advocated by Dr. Townsend in his weekly and in his testimony before the Ways and Means Committee of the House of Representatives and the Finance Committee of the Senate. I stated specifically that I was not discussing the McGroarty bills.

I now desire to discuss the second McGroarty bill, H. R. 7154, which was introduced on April 1, 1935. This is the only bill receiving any support in the House by any Member, including Dr. Townsend's own friends and supporters.

Section 2 of this bill reads in part as follows:

> There is hereby levied a tax of 2 percent on the fair gross dollar value of each transaction done within the United States and Territories.

Section 1 reads in part as follows:

DEFINITIONS

> SECTION 1. The term "transaction" for the purposes of this act shall be defined so as to include the sale, barter, and/or exchange of either or both real or personal property, including any right, interest, easement, or privilege of commercial value therein or related thereto, whether actually made at the time or only then agreed to be made and whether under executed or executory contract or otherwise; also including all charges for interest, rent commissions, fees, and any other pecuniary benefit of any kind directly or indirectly derived from or for any loan, deposit, rental, lease, pledge, or any other use or forbearance of money or property; and also including the rendering or performance of any service for monetary or other commercially valuable consideration, whether by a person or otherwise, including all personal service, also transportation by any means, and telephone, telegraph, radio, amusement, recreation, education, art, advertising, any public utility, any water rights, and/or any and all other service of any and every kind whatsoever, but excepting and excluding therefrom any single isolated transfer of property of fair value less than $100 which does not arise or occur in the usual course of an established commercial business and excluding any loan, deposit, withdrawal from deposit, hypothecation, or pledge of property or money.

Section 2 requires each citizen or legal entity who comes under the act to make a return not later than 10 days after the expiration of each calendar month, and that all taxes levied for each month must be paid before the expiration of the succeeding month. I have tried to analyze this bill to determine just how it would affect the various interests in my district and in my State. Many of the aged people writing me have been informed that in some vague way the cost of this plan will be paid by Wall Street, by the bankers, the stock exchange, and by men of wealth. In fact they are informed that only a small part of the tremendous cost of this plan would be paid by the farmer and wage-earner. I want to disabuse their mind of this idea. An analysis shows that the major part of this cost will be paid by the farmer, wage earner, and small business man.

Let us consider first, just how does this transaction tax operate? Let us take a concrete example. The farmer sells his wheat to the elevator. A 2-percent tax is levied. The elevator sells it to the miller. Another 2-percent tax is levied. The miller grinds it into flour and sells the flour to the wholesaler. Another 2 percent is levied. The wholesaler sells it to the retailer. Another 2 percent tax is levied. The retailer sells that flour back to the farmer and he pays another 2 percent plus all the taxes levied (a total of 10 percent) from the time it left his hands as wheat until it gets back to his hands as flour. In addition a 2-percent tax is levied on all pay rolls, freight, and other charges for service or material, all of which, except the pay-roll tax, is added to the cost the farmer pays. The same is true when he sells a cow hide or wool and later buys it back manufactured into shoes, harness, or clothing. The wage earner, merchant, or other citizen will pay, of course, the same pyramided tax under this bill that the farmer pays.

Dr. Robert L. Doane, Dr. Townsend's economist and statistician, in testifying before the Ways and Means Committee of the House—page 1109—stated that:

> The findings of the biennial census of manufacturers indicate a turn-over of approximately three times once the raw materials get into the manufacturing process. Of course, it varies. Sometimes it may be 12 or 16 times; in other cases only once.

In other words, Dr. Doane states that there may be from 1 to 16 transactions while the raw material is going through the manufacturing process, each carrying with it a 2-percent tax. He further states that the turn-over after manufacturing is about three times and the average number of transactions six. This means that the consumer pays a 12-percent tax on each article purchased. It does not take into consideration the tax paid on freight, telephone, and electric light bills, a pyramided tax paid on materials, and so forth, nor the 2-percent tax levied against the pay roll which is paid by the wage earner.

HOW THE TRANSACTION TAX WOULD AFFECT THE FARMER

With these facts in mind, let us assume that I want to start farming. Just how would that tax affect me, first, in getting started and, second in operating my farm. Let us assume that I bought an 80-acre farm for $8,000 on terms of $3,000 cash, the balance secured by a $5,000 mortgage; that this mortgage is payable $500 and interest each year. The tax bill on this farm would read something like this:

Original transaction, 2 percent on $8,000 purchase price, $160; 10 payments of interest at 6 percent, totaling $1,650, at a 2-percent tax, $33.

I would also have to pay a 2-percent tax on the real-estate tax I paid on the farm. Assuming that the tax was $150 a year, or $1,500 for the 10 years, another $30 tax on tax would be levied, $30.

I also have to purchase a team, stock, and equipment. That tax bill would read something like this: One team, $300; six cows, $300 (purchased direct from other farmers). Total, $600, at 2-percent tax, $12.

Tools, binder, mower, wagon, and so forth, $1,000, at a pyramided tax of 12 percent, $120. Grand total, $355.

This would make a total tax paid on the farm and equipment of $355.

Next, how will this tax affect the operation of my farm?

First. I pay from 2 to 12 percent tax on all the seed I buy, depending on whether I buy direct or through a retailer.

Second. I deduct and pay 2 percent on all wages I pay my hired help.

Third. I pay from 2 to 12 percent on all groceries, clothing, and so forth.

Fourth. I pay 12 percent on all additional farm machinery, replacements, or repairs.

Fifth. I pay from 2 to 12 percent on all fertilizer.

Sixth. I pay 2 percent on my telephone, telegraph, freight, and electric-light bills.

Seventh. I pay at least 6 percent on my coal bill, plus a 2-percent tax on the freight charges.

Eighth. If I buy an auto or truck, I have to pay a pyramided tax of 12 percent on the purchase price, on all repairs, equipment, gas, oil, and grease. This in addition to taxes I now pay, upon which I pay another 2-percent tax.

Ninth. If I rent land for cash or on shares, I pay a 2-percent tax on the cash rent paid or on the value of the crop rent.

Tenth. When I pay my life, fire, auto, or windstorm insurance premiums, I must add a 2-percent tax. If I take out a new policy, I pay 2-percent tax on face of the policy.

Eleventh. If my family is sick, I pay a 2-percent tax on the doctor's services, medicine, and nurse's bill.

In addition to this, I pay from 2 to 12 percent on everything I buy, of whatever nature not herein specified.

Now, what else do I have to do? Under the McGroarty bill I must make a report before the tenth day of each and every month of everything I sell, whether retail or wholesale. I must add 2 percent to the selling price of everything, including butter, eggs, cream, wheat, rye, hay, pork, beef, cotton, beans, and so forth. If I swap horses, I pay a 2-percent tax on the horse I swap.

If anyone owes me money, I pay a 2-percent tax on any interest he pays me.

How would you like to go back at the end of the session and explain a "yes" vote on this bill to the farmer after he had been operating under it for 6 months?

HOW THE TRANSACTION TAX WILL AFFECT THE WAGE EARNER

First. His employer deducts 2 percent transaction tax each pay day from his wages. This is in addition to the 3 percent the employer will deduct from those wages when the social security bill is in full force for unemployment insurance.

Second. He pays a pyramided tax of approximately 12 percent on each article of food, clothing, fuel, and so forth, he buys for himself and family.

Third. He pays a 2-percent tax on the rent.

Fourth. He pays a 2-percent tax on all insurance premiums, including automobile, life, and fire. If he takes out a new policy, he pays a 2-percent tax on the face value.

Fifth. If he has purchased a home, he pays a 2-percent tax on the purchase price, another 2 percent on payments of interest as it falls due. He pays a 2-percent tax on fire-insurance premiums on the dwelling and a 2-percent tax on the real-estate tax levied against his home.

Sixth. If he or a member of his family is sick, he pays a 2-percent tax on the doctor bill, nurse's fees, medicine, hospital bills, and so forth.

Seventh. If he owns an automobile, he pays a 2- to 12-percent tax on gas, oil, repairs, purchase price, plus a 2-percent tax on all other taxes now levied.

Eighth. He pays a 2-percent tax on all telephone, telegraph, gas, and electric-light bills.

Ninth. If I have forgotten anything else he buys, just insert it with a 2-percent to 12-percent tax.

How would you like to explain a "yes" vote on the McGroarty bill after the workingman has been operating under it for about 6 months?

HOW THE TRANSACTION TAX WILL AFFECT THE RETAIL MERCHANT

First. He would have to pay 2-percent tax on the interest paid on any note or mortgage he gives each time he borrows money to carry on his business.

Second. He pays a 2-percent tax on all real estate, automobile, or other taxes he now pays.

Third. He pays from 2 to 12 percent tax on all stock and equipment purchased.

Fourth. He pays a 2-percent tax on all freight bills, telephone, telegraph, and electric-light bills.

Fifth. He pays a 10-percent transaction tax on the income tax he pays the Federal or State Government, if any.

Sixth. He pays a pyramided transaction tax of from 2 to 12 percent on all goods he purchases. Tax paid on goods resold is passed on to consumer.

Seventh. He pays a 2-percent tax on all wages paid employees. (This tax is deducted from wage earner's pay.)

Eighth. He pays a pyramided tax on all fuel, operating expenses, and supplies of from 2 to 12 percent.

Ninth. He makes a return of all merchandise sold before the 10th of each month for the preceding month.

Tenth. In addition to the above, he would pay every tax that the workingman would pay on his home expenses enumerated under the workingman's list.

COMMENT

The chain-stores system, which purchases in large quantities direct from the producer, eliminates one or more transactions, and therefore eliminates part of the transaction tax. Four hundred and fifty retail hardware merchants went out of business in Michigan during the last 10 years. If this bill passes, it will give the chain store another advantage over the independent merchant and will force thousands of independent merchants out of business because of inability to compete with the chain stores.

HOW THE TRANSACTION TAX WILL AFFECT BANKS AND BANK ACCOUNTS

The bill is rather indefinite as to just how far it applies to banks. The act specifically exempts loans, deposits, and withdrawal from deposits. If by withdrawal from deposits it includes, as contended by some of its supporters, only savings deposits and that the law applies to checking accounts, then it is indeed far reaching. Let us assume I have a working capital of $1,000 cash, which I am leaving in the bank as a checking account. Every time I draw a check, that $1,000 becomes smaller because the bank has to deduct a 2-percent tax. If I sold $50,000 in goods during the year and put the money through the bank, the transaction tax on my bank checks would wipe out my $1,000 balance in 1 year. One of my critics, who is also a friend, is the organizing manager of the Townsend movement in my congressional district. Some time ago he wrote a letter to various papers, stating that the bank clearings in 1929—which is the business level they are trying to reach—showed transactions of $714,240,000,000.

Quoting this gentleman, he says:

> Everybody knows that not more than half of the transactions were reported through the banks; so if you will multiply this amount by 2, you will have $1,428,840,000,000, which would indicate that the dollar turned over about 300 times that year.

This friend of mine is going to levy apparently a 2-percent transaction tax each time the dollar turns over. In other words, he is going to tax each dollar 2 percent 300 times each year and make that dollar pay $6 in taxes. I never knew the dollar to be so prolific. My friend would have to cross-breed the dollar with a guinea pig to make it reproduce itself six times each year. He states that I do not understand this plan. I am frank to confess that when you begin to talk about trillions you are beyond me and that I cannot understand that kind of arithmetic. The same logic applies to the transactions on the stock exchange. How long do you suppose the banks and the stock exchange would be in existence under this law? How long would you collect a 2-percent transaction tax on bank and stock turnovers? How long would your bank account and my bank account last? My friend and colleague the gentleman from the Third Congressional District of Michigan—and he is my friend—said in his speech on the floor of the House on January 27 that this transaction tax was a "mild capital levy." Well, a tax that wipes out a dollar six times each year does not appeal to me as being a "mild capital levy." To be perfectly frank and candid, it is my conviction that my friend, Dr. Townsend's organization manager in my dis-

trict, is mistaken. While everything he says about turn-overs would apply to the stock exchange, the McGroarty bill certainly exempts bank loans, savings deposits and withdrawals from deposits, and, I believe, commercial accounts.

HOW THE TRANSACTION TAX WILL AFFECT THE MANUFACTURER

First. He would have to pay a 2-percent transaction tax on the interest he pays on any notes or mortgages given each time he borrows money to carry on his business.

Second. He would have to pay a pyramided tax of from 2 to 32 percent—if the biennial Census of Manufactures quoted by Dr. Doane is right—on raw material while it is put through the manufacturing process. This would be added to the cost of production.

Third. Then he would have to deduct 2 percent on all pay rolls in addition to the 9.6 percent paid under the social security bill when in full force for unemployment insurance. The 6.6 percent he must absorb. The 5 percent is taken from the wage earner.

Fourth. He pays 2 percent on all freight, telephone, telegraph, and electric-light bills.

Fifth. He pays 2-percent tax on all taxes paid to the county, State, city, and school districts, and so forth.

Sixth. He pays 2-percent tax on all corporation taxes, fees, and so forth.

Seventh. He pays a 10-percent transaction tax on any income tax he may pay the Federal or State Governments.

Eighth. He must make a return of all goods sold before the 10th of each month for the preceding month.

There are 750 paper mills in America, including 3 in my district. Due to keen foreign competition, from 50 to 60 percent of these are in the hands of receivers, trying to get on their feet financially. Ask the owners and operators whether they think they could absorb this tax. The fact is that practically every one of these 750 paper mills would close down and their employees be thrown upon the welfare if they have to add this additional burden to the cost of production. The copper and iron mines of the Upper Peninsula of my State could not operate and one-half of that area would have to be abandoned. What is true of the paper, iron, and copper industries in my State is true of hundreds of industries throughout the United States.

HOW THE TAX WOULD AFFECT THE STATE, TOWNSHIP, CITY, COUNTY, AND SCHOOL-DISTRICT GOVERNMENTS

A 2-percent tax would be deducted from all fees and salaries paid the county, township, city, and school officers, including school teachers. A pyramided tax of from 2 to 12 percent would have to be paid on all supplies bought, and a 2-percent tax added to the amount of taxes paid by every taxpayer.

The State would have to deduct a 2-percent tax on all salaries paid. In Michigan, this tax would amount to more than $500,000 annually. The State would also have to pay a pyramided tax of from 2 percent to 12 percent on all food, clothing, fuel, and supplies purchased to feed and care for the thousands of inmates in its various institutions. It would have to pay a similar tax on supplies, wages, salaries, and so forth, purchased and paid in the operation of its university, teachers' colleges, or other educational institutions. In other words, it would increase the cost of State and local government from 12 percent to 20 percent. This additional cost would ultimately have to be paid by the taxpayer.

"But", my friends say, "we are going to increase business." Just permit me to leave this thought with you. What is the difference in the amount of business done between these two cases. In the first case, each of 12 men spends $200 a year, the 12 spending $2,400. In the second case, each of 11 men gives his $200 each year to the twelfth who spends the entire $2,400. The latter case is the McGroarty bill in operation. Eleven men give their $200 to the twelfth who spends it, but after all, in each case the amount spent is the same.

This is the most far-reaching tax bill ever presented to any legislative body. You are taxed and retaxed from the second you are born until after you are dead. Your father pays a tax on the doctor and hospital bills, nurse's fees when you come into the world. He pays a tax on the soap with which you are washed; the clothes they put on you. You are taxed and taxed and taxed again each minute of the day from then on until you die. Even then they refuse to stop. They tax the coffin into which they place you. They tax the undertaker's fee for embalming you, and he pays a tax on the embalming fluid. They tax the hearse that takes you on the last ride and they tax the driver's wages. They tax the lot in which you are buried. They tax the grave digger's wages for digging your grave, and the grave digger pays a tax on the pick and shovel with which he digs your grave. They tax the preacher's salary who preaches your funeral sermon. They tax the coal with which they heat the church, and the mourners have to pay a tax on the crepe they wear when they follow your casket. If you want a tombstone, you pay a tax on that. They tax the probate judge's fee who probates your will, the administrator's fees who administers it and then they start in on your heirs. The only consolation you have is that you cannot kick on the taxes you pay after you are dead.

ENFORCEMENT OF THE M'GROARTY BILL

Now let us determine just how we are going to enforce this law if enacted. The act requires the Administrator of Veterans' Affairs, the Secretary of the Treasury, or the Collector of Internal Revenue among other things to do the following:

First. He or they must require and secure the proper spending of annuity money as required by law within 5 days after the expiration of the month for which annuity is paid.

Second. He or they must require adequate and sufficient accounting of money spent, which means, of course, a monthly return by the annuitant.

Third. He or they must create or maintain boards within the several States to administer the law.

Fourth. He or they must create or maintain boards of review within the several States to review the law.

Fifth. He or they must issue, promulgate, and enforce proper and suitable rules and regulations governing the manner and place of registration of applicants for annuities.

Sixth. He or they must see that the annuitant does not give away more than 10 percent of the annuity each month.

Seventh. He or they must see that the money is not spent for unreasonable and unnecessary maintenance of any able-bodied person in idleness.

Eighth. He or they must see that no money is used to unreasonably and unnecessarily employ a person or persons, and that no payment is made to any person of any salary or wages in disproportion to the service rendered.

Ninth. He or they must determine whether the annuitant has refused to pay any just obligation.

Tenth. If annuitant has income of less than $2,400 per year not derived from personal service, he or they shall determine what his income is and pay an annuity of the difference between the annuitant's actual income and the amount paid other annuitants.

Eleventh. He or they must provide for methods of identification and registration of annuitants.

Twelfth. He or they must see that eight or ten million annuitants do not engage in gainful occupation.

Thirteenth. All taxes shall be deemed levied and become payable on all transactions occurring 30 days after the act takes effect.

These are only a few of the duties imposed upon the Administrator of Veterans' Affairs, the Collector of Internal Revenue, and the Secretary of the Treasury. Some job! Think of eight or ten million reports coming into an office monthly made by aged people, many of whom are too feeble to write. Think of the condition and the form of those reports. Think of the required monthly reports from millions of farmers, garage men, gas stations, merchants, manufacturers, banks, businessmen of all kinds, individuals, corporations, townships, cities, counties, boards, commissions from 48 States and from the United States Government itself. Think of the United States Government reporting every transaction, pay check, and purchase and paying a tax thereon. The United States Government is not exempt under the provisions of this act. The only exemption I find—and that is only partial—applies to the

banker and bank deposits. Think of these millions of reports coming into an office, accounting monthly for every transaction from the sale of the Woolworth building down to a 10-cent sale made in that building. Reports accounting for every dollar paid in salary or wages in the United States, whether it be to the President or to a hod carrier. Reports accounting for every dollar of taxes paid in whatever form by every taxpayer in America and paying a tax on that tax. Every interest charge, telephone, telegraph, electric light, and freight bill is included. It is impossible to begin to describe the extent of this law.

Mr. Glen J. Hudson, of Oakland, Calif., one of Dr. Townsend's experts, a leader in this movement and one of the framers of the second McGroarty bill, testified at the committee hearings that in 1929 the United States did $1,200,000,000,000 worth of business. Mr. Hudson further testified that in 1929 each dollar was used 132.70 times, according to the New York banks. He quoted the Research Division of the Federal Reserve Board and Dow Jones as his authority.

This is twelve hundred billion dollars' worth of total business transactions each year. If the average of each transaction were $100, it would mean that someone would have to make and check over returns on over 12,000,000,000 transactions each year in 12 monthly installments. Imagine the field force and office force necessary to check over these reports 12 times each year to see that 12,000,000,000 transactions representing $1,200,000,000,000 were properly accounted for, the amounts properly computed, and the tax properly paid monthly. I will say to General Hines or Secretary Morgenthau, "Gentlemen, you have some job. If you get away with it, all I can say is 'What a man!'" Consider the tremendous expense and cost of administering and enforcing this law. I believe I am conservative in saying that a small part of that cost and expense would pay a real pension to the aged of our land.

I am merely pointing out the absolute and utter absurdity of the proposed law and the impossibility of enforcing it. I want to ask the most enthusiastic supporter of either the Townsend plan or the McGroarty bill how long he or she thinks the general public would stand for an enforcement of a law of this kind. If this law is ever passed and any attempt is made to enforce it, you will see many a tax collector tarred and feathered and driven out of town. We had a little experience in Michigan in 1933. We passed an old-age pension bill and made provision that the money be raised with a head tax. The legislature appropriated enough money to take the census of old people. They took that census, but when they tried to collect the head tax it was so unpopular that no one dared make the collection. Not enough money was taken in to pay the expenses of taking the census, and certainly none with which to pay the pension. The administration which was responsible for that law was defeated at the next election, and that head tax was one of the factors of that defeat. Right here is where I want to ask the people of my district who have joined a Townsend club, "How many of you paid that little $2 head tax? I paid mine. Did you pay yours?" You know and I know that if this law is ever passed it will make the old-age pension so unpopular that it will be years before that cause will regain the ground it will have lost. It will put us back to where we were 15 years ago when as a member of the Michigan State Senate I first advocated an old-age pension. Some of the Members of Congress are wondering whether they can be reelected if they vote against the McGroarty bill or oppose the Townsend old-age-pension plan. I am wondering whether they can be reelected if they vote for this bill or support the Townsend plan.

I want to comment on just one other feature of the old-age pension. Some 14 years ago I spoke in a little town in my district on Memorial Day. There were 168 Civil War veterans located in that community on land given them by the Government as a bounty. They had cleared the forest, built their schools, their churches, their homes, and turned that wilderness into a successful farming community. All but a few of these old soldiers are now sleeping on the hillside. They fought to make this country a better place in which to live for themselves, their children, and their grandchildren. They fought to preserve the Union just as the old Confederate veteran fought for what he believed to be the rights of his State. Many times I have heard some of these old veterans, as their family was growing up, say, "I want my children to have a better chance in life than I had. I don't want my children to work as hard as I have had to work." Today their children and in some instances their grandchildren have joined a Townsend Club in their community. I have a family, and as a husband and father, I have two ambitions in life. One is to save enough money so the mother of my children and I will be independent in our old age. In other words, I want for myself and my wife old-age security. The other ambition I have is to give my children a good start in life. I think every father and mother has these two ambitions—old-age security and the desire to have their children do well. I do not believe there is a father or mother, a grandfather or grandmother, who would do anything to handicap in any way their children or grandchildren as they go through life.

After all, there are, according to the 1930 Census, 122 million people in America. Approximately 10 million of these will benefit by an old-age pension. The other 112 million will have to pay the cost of the old-age pension. Who are these 112 million people? They are the children and grandchildren of the first 10 million.

Is there one among those 112 million people who is so ungrateful, so selfish, so devoid of feeling and of love to those to whom he or she owe their very existence, that he or she does not want to do their share toward giving the old father and mother or grandfather or grandmother that security in old age to which they are entitled? On the other hand, is there one of the 10 million aged who is so selfish that he or she can ask for a sum that is larger than is necessary to give them that security in old age, a sum which under this bill will be so large that to raise it, it will require the taxation and retaxation many times of every article purchased by their children for themselves and their grandchildren. I still believe in that old Grandpa and Grandma who always got more joy and happiness in giving than in receiving. I don't believe that the aged of our land want that sort of a law. I don't believe that sort of a tax is necessary. I believe we can have old-age security without it. That law should be so simple that the average person can understand it; so definite in its terms that everyone will know just how much they will receive, how much they will pay, and how they will pay it. I stand ready and willing to support such a law.

In conclusion, let me repeat what I said in my speech of January 27:

> Would it not be wonderful if on the first day of every month an old couple could go to the post office and get a check for $80? Would it not be a wonderful thing if they could depend upon that amount monthly, without strings attached as to spending but to spend as the pensioners saw fit and without having Government employees coming into their homes to see what the money was spent for? Not perhaps everything that we would like, but a beginning. I recognize the absolute inadequacy of the present law. I am willing to do everything I can to bring about the passage of a law which will place a definite sum into the hands of every aged person on the first day of every month, commencing not next year, or the year after, but now.

[Applause.]

Mr. MAIN. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. Yes.

Mr. MAIN. Does the gentleman realize that at the bottom of page 2 of the McGroarty bill there is an exception whereby any single isolated transfer of property of fair value less than $100 which does not arise in the usual course of an established business is exempt from the operations of the bill?

Mr. ENGEL. I am putting that section in as it is, but an isolated transfer does not include the matter of insurance or a man's wages or a man's grocery bill.

Mr. GREEVER. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. Yes.

Mr. GREEVER. I am interested in what the gentleman is saying, and would like to know if he has ever estimated

how many people it would require to carry out the terms of the bill?

Mr. ENGEL. It would be impossible for me to estimate that. It is impossible to carry it out, in my judgment, to account for $1,200,000,000,000 in transaction and check over every pay roll annually.

Mr. MAIN. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. Yes.

Mr. MAIN. Does the gentleman realize that even though he spent his whole congressional salary of $10,000 per year in his own community he would pay only $200 as a direct tax into the Treasury of the United States for the purpose of financing the Townsend old-age plan?

Mr. ENGEL. And I would pay 12 percent on everything that I buy. I would pay 10 percent tax on any income tax I pay.

I would have to pay 2 percent tax on my rent, on my life insurance, and everything, according to the statement of Dr. Doane.

Mr. MAIN. But does not the gentleman realize that he would pay directly only 2 percent of his entire salary or his income to the support of this plan?

Mr. ENGEL. The law provides for a 2-percent tax on all salaries. I have no objection to that. I maintain a man drawing $10,000 a year salary could better afford to pay 10 percent of that salary than the wage earner could afford to pay that 2 percent.

Mr. WOODRUFF. And how much would the gentleman take indirectly?

Mr. ENGEL. I have enumerated that in this talk. They would pay from 2 to 12 on everything that they buy, including rent, electric-light bill, everything. It is entirely too broad.

Mr. WHITE. The gentleman mentions the cost in Detroit, Mich. Is it the gentleman's contention that that money is to be withdrawn from that community and not to be respent there?

Mr. ENGEL. Here is my contention. What is the difference between these two cases? If it is the question of increasing business, suppose you have 12 men and each one of them spends $200 a year. That would be $2,400. Suppose 11 of them give their $200 to the twelfth man and he spends the $2,400. That is the McGroarty bill. It would not, in my judgment, increase the total business transactions as the total amount spent would be the same.

Mr. MOTT. Will the gentleman yield?

Mr. ENGEL. I yield.

Mr. MOTT. I am not sure that I get the gentleman's argument. As I understand it, it seems to be the gentleman's contention that because under the McGroarty bill a person pays 2 percent on his salary, 2 percent on this thing that he buys, 2 percent on this thing that he needs, 2 percent on his rent, that all of those 2 percents together would run his tax up several hundred percent. The fact is that that is not the case, obviously. If everything that you have to buy is increased by 2 percent or 10 percent under the McGroarty bill, then is it not true that the ultimate tax burden would be that increase of 10 percent or 2 percent or whatever you say it is in the cost of your living? I ask the gentleman if he can make anything except that out of it?

Mr. ENGEL. I think the gentleman will find the answer to his question in what I have already said. I have tried to state heretofore exactly what the wage earner, the farmer, the merchant, and so forth, will pay.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. ENGEL] has again expired.

Mr. TARVER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, in an Associated Press dispatch carried in many newspapers on Saturday afternoon there appears an outburst from a gentleman who, in the absence of a more appropriate name, I shall refer to as Cotton Ed. Cotton Ed, it seems, has always posed as the representative of the southern cotton farmer. Just what grounds he has upon which to base the claim of his friendship for the southern cotton farmer I am not advised.

It seems that this House, in the passage of the bill on Friday of last week, offended Cotton Ed by including in that bill some provision for the tenant and sharecropper class who, until that amendment had been included in the bill, were apparently not going to receive any benefits as the result of its passage, although it involved the paying out in benefits to the farmers of the country, who were the owners of land, of approximately a half a billion dollars.

The House of Representatives, as I have said, made some provision in the bill for this class of our agricultural population. It was not so definite a provision as in my judgment should have been made, but it at least directed the attention of the Secretary of Agriculture and those under him to the fact that Congress did intend that the tenant sharecropper class of farmers should not be ignored in the administration of this bill. There appears no reason why a real friend of the farmer, such as Cotton Ed has claimed to be over a long period of years, should have become excited because of the inclusion in this bill of such a manifestly just provision, but in the Associated Press article to which I have referred it is stated that the gentleman in question "bristled and roared" when his attention was called to this provision, and among other statements said something like this:

> What kind of a fool thing is this they have adopted? The tenant and sharecropper get it all now. They are given their part of the crop with no strings on it. The landowner has to pay taxes and cost of production, housing, implements, and repairs. It is not fair that he should give away what he gets for good land practices, which make more money for his workers.

Now, I want to call the attention of the Members of this House to these facts: I assume that the majority of the membership are already acquainted with them, but for fear they may not be, in order that they may be included in the RECORD, I wish to point out that the 1930 census shows that in the South alone there were a total of farm operators aggregating 3,223,816; that of this number the owners were 1,415,675; managers, 17,358; tenants 1,790,783, of which number 776,278 were sharecroppers. As against 1,415,675 landowners in the South, according to the 1930 census, we therefore have 1,790,783 tenants and sharecroppers.

Under those circumstances, how can there be a man anywhere in the country, and especially from the South, who would stand up and say in the discharge of a legislative duty, that a bill which was intended, at public expense, to carry benefits in the nature of a subsidy to the farming classes of this country should contain absolutely no provision for tenants, of whom there are more than 1,700,000 in one section of the country, but should provide that all benefits payable in that section should be paid to the land-owning class of 1,400,000; and that the same rule should apply throughout the country as a whole?

Mr. COX. All of that 1,700,000 having been discriminated against in the administration of the law heretofore.

Mr. TARVER. My colleague is quite right in his statement. It is generally acknowledged, at least it is acknowledged in the section of the country where the Bankhead Act operated, that in the administration of the Bankhead Cotton Act the small farmers and the tenant farmers were in many cases unjustly discriminated against.

Mr. ROBSION of Kentucky. Will the gentleman yield right there?

Mr. TARVER. I am glad to yield.

Mr. ROBSION of Kentucky. I was very much interested in this farm relief being spread out, and the little fellow getting help. I wonder how the gentleman would administer to the tenant farmer, and why did the gentleman, the other day, when we were trying to limit relief to not more than $2,000 to any particular farmer, vote against that proposal?

Mr. TARVER. The gentleman well knows, if he is referring to the motion to recommit, that the provision to limit the relief to $2,000 to any particular farmer was included with another provision in the same motion, to prevent the use for commercial purposes of lands planted in soil-conserving crops, a provision which was generally recognized by the membership of this House as clearly unconstitutional, and which would have invalidated the entire bill, it was passed. That is my answer to that question.

Mr. ROBSION of Kentucky. I am interested in how this could be administered to help the tenant farmer, the sharecropper.

Mr. TARVER. May I say to my colleague, in the manner that was provided in the House amendment which I proposed on Friday, and which was adopted; that is, that those administering this act should take into consideration the value of the labor of the tenant in carrying out soil-conservation programs, what labor will be done by the tenant, and the extent to which the income of the tenant might be diminished because of the taking of lands which he would otherwise have cultivated, and devoting those lands to the production of grasses, legumes, or other soil-conserving crops.

That was the amendment which was adopted by the House, and it will certainly be no more impractical in administration than the provisions of the bill with reference to the payment of benefits to the landowners.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I yield myself 5 additional minutes.

The gentleman to whom I have referred as Cotton Ed is represented to be one of the largest plantation owners in his State. His interest in the matter, therefore, may be assumed to be the interest of the large landowner. I frankly say that I do not believe he represents the majority of the landowners of my section of this Nation, because I believe that the majority of those do not entertain such a narrow, selfish, heartless attitude toward the tenant population of our section as that manifested by the statement of Cotton Ed.

Cotton Ed is the man who sat on the Doxey bill all last summer after it had been passed by the House and refused even to allow its consideration. That was the bill which proposed to exempt three bales of cotton to each farmer under the Bankhead Act.

May I say also that Cotton Ed, according to the newspapers, last fall came down to the capital of my own State and made a speech discussing the agricultural situation, in the course of which he undertook to criticize severely the administration of the Bankhead Act because, he said, it had resulted in undue hardship to the small farmers. A great sympathizer with the small farmer, is Cotton Ed, when he makes speeches in the South; but when he issues statements to the newspapers in Washington he does not hesitate to say that the tenant and the sharecropper get all now, and the thing that Congress ought to do is to undertake to take care of the landowner. There is such a thing as playing both ends against the middle. I have known gentlemen to attempt it sometimes, without being perpetually successful. Sometimes a practice of this sort may survive in a successful manner for a number of years, but I say to you that the man who at home pretends to represent and have the interest of the small farmer at heart, but who, when he comes to Washington, adopts the view that only the landowners are to be considered, is holding with the hares and hunting with the hounds in a thoroughly unjustifiable way.

His statement has accomplished at least one thing: There has been sifted through this House the information coming from certain quarters that it was not necessary to amend this act so as to say anything should be done for the tenant or the sharecropper. Why? Why, because they said, "We are going to take care of the tenant and the sharecropper; that is unnecessary surplusage; you should not put anything of that sort in the bill. It will simply hamper us in its administration."

But this gentleman to whom I have referred, and who this article states is a very powerful influence, does not state that this amendment ought to be eliminated because it is intended, any way, to take care of the tenant and sharecropper in the bill. No. On the contrary he says, "Eliminate it because you ought not to do anything for the tenant and the sharecropper." If the conferees appointed on the part of the House agree to the elimination of this amendment and if the House should concur in the conference report, nothing could better prove that the views of the powerful gentleman on the question had been adopted, and that it had been officially determined by this Congress that in the payment of this subsidy, because it is nothing else, to the farm population of the country more than a majority in my section of the country of those engaged in agriculture should be ignored. I have no objection to the bill as a subsidy. If it were 20 times the amount, it would still be only a fraction of what has been taken from the farmers and given to manufacturers by the tariff. But it was taken from all of them, and if you are going to help farmers, help them all.

I do not claim that in what I have said to you this afternoon I have perhaps been politic. I admit that it might have been more diplomatic if I had not placed in the RECORD the facts to which I have referred, but in my judgment this is an issue about which if anything is done it must be done in the open. The forces that are operating in this Congress to deprive the tenant farmer and sharecropper of any benefits under this bill are not operating in the open.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I yield myself 2 additional minutes.

It was only the anger of the gentleman who issued the statement on Saturday which caused him to expose his hand so completely and to frankly admit that so far as he was concerned there was no purpose to be of any benefit to the tenant and the sharecropper; that they do not deserve the attention of Congress.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. MASSINGALE. The gentleman is familiar with the conditions of tenantry in the South, and knows about the percentage of people who are tenants and sharecroppers. I should like to get the gentleman's opinion, if he does not mind giving it, on the disastrous effects that would follow the elimination of this amendment in the bill.

Mr. TARVER. Why, my dear colleague, I believe that any farm program which is patently intended or claimed to be an agent to bring about the rehabilitation of agriculture in this country which ignores in one section of the country alone 1,700,000 tenants, while undertaking to help 1,400,000 landlords, is foredoomed to failure, and ought to fail. So far as I am concerned, I would not have voted for this bill if that amendment had not been included; and I shall not vote for any conference report which undertakes to eliminate it. If the tenant farmers and the sharecrop farmers have enough friends on the floor of this House, we will deny the right of Cotton Ed to misrepresent and ignore the rights of the tenant-farmer class of our people as he undertook to do by the heartless statement published in the papers on Saturday. [Applause.]

[Here the gavel fell.]

Mr. THURSTON. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, a few moments ago the arch high priest of payment of Government bills by lottery made a personal reference to me and then was not sufficiently courteous, although he had time to spare, to permit me to correct his statement, which I will proceed to do at this time. However, before doing so, I may add I have a very high regard for the institution of learning situated in my district, from which that gentleman graduated. On the other hand, I doubt very much whether the course of training in that splendid institution had any leaning toward advocating gambling or lotteries; however, it does, I am quite sure, train the young men along the line of courtesy. I do not think the gentleman from New Jersey took that course as an elective one, otherwise he would have yielded to me a few moments ago after having used my name.

Mr. BIERMANN. Will the gentleman yield?

Mr. TREADWAY. I refuse to yield. I am referring to the gentleman from New Jersey [Mr. KENNEY], a graduate of Williams College. I do not believe he took the course in courtesy. If he had, he would have yielded to me for a correction of the statement he was then making. He said that the gentleman from Massachusetts [Mr. TREADWAY] seemed worried about a tax bill. He was absolutely in error about that. I have not the slightest worry about a possible tax

bill, as the Republican minority will have no hand in writing this tax bill. That is a matter in the lap of the Democratic majority, after they have received their instructions from downtown. So the worry is all on that side of the House. The only worry on our side is for the unfortunate taxpayers who will have to pay the bill of Democratic extravagance. That is the correction I wanted to make, if the gentleman from New Jersey had been courteous enough to yield to me. I will now proceed with the subject matter which I wish to discuss at the present time.

Mr. Chairman, we find in this agricultural bill a page devoted to an appropriation for the Bureau of Agricultural Economics. The total appropriation for the Bureau of Agricultural Economics for 1936 is $5,734,801. I have not an analysis of how that money is to be expended, but it is fair to assume that the appropriations asked for are based upon estimates which come from experts capable of saying how much the various branches of the Government need for such purposes during the ensuing year. I believe these departments intend to expend this money in an impartial manner. Five million dollars today, in view of Democratic expenditures, is just a drop in the bucket. It is of no consequence to them. And, nevertheless, I say that these estimates should be made up upon a fair, impartial, and nonpolitical basis.

During the month of September 1935 there was submitted to the Secretary of Agriculture by the Bureau of Agricultural Economics a report dealing with the cotton-reduction program of the Agricultural Adjustment Administration. This report, among other things, showed that although the price received for cotton during 1934 with the adjustment program was about 3.6 cents per pound higher than the estimated price that might have been received without the program, this difference was not enough to offset the smaller quantity of cotton available for sale; so that the estimated gross return from cotton and cottonseed were less with the program than they would have been without the program. A portion of said report, although conceded to be accurate, was deleted therefrom before publication on the basis of a memorandum submitted by an official of the Agricultural Adjustment Administration which contended that "the publication of this report will result in intensifying the criticism of the entire principle of the adjustment program."

Would not that be too bad? It would be just too bad to have any criticism intensified. So, of course, it was deleted.

When the report was issued in altered and revised form, it was accompanied by a press release stating that "Continued cotton-production adjustments are needed." This is absolutely contrary to the undeleted, unexpurgated edition of the report that came into their hands from their experts, a conclusion directly opposite to that to be drawn from the original report.

Mr. Chairman, such suppression of the true facts relating to the Agricultural Adjustment program and the publication of misleading information in regard thereto is contrary to the public interest and frustrates the effort of Congress to legislate independently and impartially with regard to the agricultural program, as has been previously done. This situation attracted the attention of the press, and I have here several most interesting items from the press. First, I have some clippings from the Wall Street Journal covering the ground to which I have just referred. Further, may I say, not on the authority of the man himself but having secured the information elsewhere, that at the press conference following the publication of the report to which I have referred, the man who had written and made that statement in the Wall Street Journal was given a first-class calling down by the Secretary of Agriculture. This information did not come to me from the gentleman himself.

What could be more embarrassing for a fair-minded newspaperman, supposed to place the facts before the reading public, than to have the head of that Department scold him in the presence of his newspaper colleagues? Nobody has ever denied that this report was deleted. Further than that, not only was an attempt made to scold this truthful reporter, but in addition to that, it was an effort to intimidate other reporters not to print things disagreeable or unsatisfactory to the Secretary of Agriculture. That is a very good illustration of how this administration and the Department of Agriculture are treating free press.

Mr. McCORMACK. Will the gentleman yield?

Mr. TREADWAY. I would prefer not to, but I yield to the gentleman.

Mr. McCORMACK. I just wanted to ask the gentleman if his statement is based on hearsay evidence?

Mr. TREADWAY. No. It is based on corroborated evidence, or I would not submit it, and furthermore, nobody has ever denied the accuracy of the report to which I have made reference.

Mr. McCORMACK. The gentleman has made certain accusations.

Mr. TREADWAY. Yes.

Mr. McCORMACK. I just wanted to know if he had based his statement upon hearsay evidence or from evidence which he himself obtained?

Mr. TREADWAY. Permit me to continue, and then the gentleman may draw his own conclusion. I am not using hearsay evidence. I am using accurate accounts from various newspapers, which statements have not been denied or corrected; in fact, they are correct, because it is so admitted in the final report sent out by the Bureau of Economics.

Mr. McCORMACK. I was confining myself to what the gentleman said about the scolding by the Secretary of Agriculture.

Mr. TREADWAY. That is correct and every newspaperman who was in the room at the time will say so.

Mr. McCORMACK. I was simply trying to find out whether the gentleman was making a statement based on hearsay or on accurate evidence.

Mr. TREADWAY. I am basing it on accurate evidence and not from any statement by the gentleman whom the Secretary of Agriculture scolded, but from other gentlemen who were in the room.

I think this answers my colleague's inquiry.

Mr. McCORMACK. I am quite satisfied.

Mr. TREADWAY. I am endeavoring to make accurate statements here and not statements based upon hearsay.

Now, bear this in mind, Mr. Chairman. This report, to which I am referring and which ought to be in the hands of Congress if a fair report is to be submitted on this subject, was made in September last. It then reached the high officials of the Department of Agriculture and the first reference to it is this corrected, deleted story issued by the Department on the 5th of February. It took them some time to get the corrections made in the way they wanted to have the report finally reach the public.

Now, what I am finding fault with is that we are making large appropriations for investigation. We are supporting every branch that furnishes information to the general public, but still it has to have a partisan, Democratic tinge or it cannot get by.

This is a just and fair criticism. What does the Chicago Tribune say about this matter in an editorial of last week? I shall read directly from it:

By withholding from the public and distorting reports of official bureaus, prepared for the information and guidance of the public, President Roosevelt and Secretary Wallace have placed themselves in the same position as unscrupulous corporation officers who withhold and distort reports prepared by auditors for the information of stockholders.

A congressional committee should proceed at once to investigate this scandal in the Department of Agriculture. The public is entitled to have the full and unexpurgated reports of the Government experts. A committee might also look into the question as to whether the suppression of official reports constitutes misfeasance and whether impeachment is called for. In any case, give the bunk about farm relief an airing before passing any more crop-control laws.

This is a portion of the editorial in connection with this subject matter. Now, there is another angle to this matter and in this connection I want to read an extract from the current issue of the Nation:

The supposedly nonpartisan Bureau of Agricultural Economics was caught doctoring a supposedly scientific report on the cotton situation in order not to embarrass the administration's efforts to get the new A. A. A. bill through Congress. Credit for the disclosure belongs to John W. Hazard, of the Wall Street Journal's

Washington bureau, who, undaunted by a rebuke from Secretary Wallace for having stated 2 weeks ago that the report had been doctored, ferreted out a copy of the report as originally written and a copy of an A. A. A. memorandum objecting to sections of the report as inimical to continuance of the crop-reduction program. Comparison of these with the report finally made public showed that the objectionable passages had been deleted and comments in line with A. A. A. policy substituted for them.

It seems to me, Mr. Chairman, that these facts absolutely nullify the advantages of this supposedly impartial type of report. I am not at all surprised about this. The Democratic administration is so obsessed with putting these blame-fool notions through that they will go the limit, even to doctoring their own reports or reports submitted by their own officials.

There is another angle to this same question. There has been a gentleman connected with this Bureau for 16 years. He was 6 years at the head of the Bureau of Agricultural Economics, and about the time this report came out he found it advantageous to resign, and a gentleman who is a college professor, of course—we expect these places to be filled with them—a college professor who had been in the hog end of the work of the Department of Agriculture—I do not know just what he was doing there, but, at any rate, that was his official position, having something to do with hogs—Democratic hogs, I guess—was appointed to this gentleman's place after his 16 years of expert assistance in the Department of Agriculture. You can draw your own conclusions.

I was quite interested to look over the report or the memorandum that the new chief gave to the Subcommittee on Appropriations. He simply filed with this subcommittee various items, handed to him, undoubtedly, because he is evidently quite an honest man, for he says, "I have been in the Bureau about 9 months and have not known very much about the working of it except in a general way up to this time." He is honest enough to admit he does not know anything about it, but he did take the place of a man who knew all about it, whom they wanted to get rid of.

Now, there are other newspaper comments just as adverse to this situation as the ones I have read. Here is a front-page story, under date of February 14, in the Baltimore Sun:

Report on cotton outlook altered. A. A. A. requested Agricultural Economic Bureau to make change. Aim reported not to embarrass work for new farm program.

In other words, the report as finally submitted had to have in it the line of argument the present Triple A officials wanted to have there. If that does not absolutely nullify the value of the report, tell me what would.

Now, the Baltimore Sun follows up this 2-column story with some details. Changing the Facts is the title of the editorial. It says:

CHANGING THE FACTS

There are in Washington several agencies that were established exclusively for the purpose of engaging in research and fact finding. Their activities are supposed to be, and as a rule are, entirely above politics. They serve no political party but only the public.

Recently, however, according to a despatch from Washington by Mr. Paul Ward, the Bureau of Agricultural Economics, one of these nonpartisan agencies, "revised a report on the cotton situation at the A. A. A.'s request in order not to embarrass the administration's efforts to get its new farm program through Congress." One section of the original report indicated, on the basis of a special study, that "though the A. A. A. had succeeded in raising cotton prices by reducing production the farmers enjoyed no actual benefit", for their returns were less than they would have been had there been no reduction of output.

The revised report omitted this significant section. The Secretary of Agriculture, as Mr. Ward recalls, sought subsequently to deny that the original report had in any way been revised. He called upon the Bureau of Agricultural Economics for confirmation of his contention, and this was forthcoming. As a result, Mr. Wallace took to task those newspaper correspondents who had suggested in their despatches that something had been left out of or changed in the final report. But now, 5 months later, a copy of the original report has been discovered, and this shows that the "embarrassing" section was deleted, while Mr. Ward goes on to state that this was done at the request of the A. A. A.

This matter is of great importance not only because it reveals that supposedly nonpartisan Government fact-finding agencies can be subverted to political ends but also because the original finding of the Bureau of Agricultural Economics would appear to undermine one of the administration's strongest arguments for its new farm program.

Mr. BANKHEAD. Will the gentleman yield?

Mr. TREADWAY. I will yield to the gentleman.

Mr. BANKHEAD. The gentleman has read extracts from several newspapers that are antiadministration.

Mr. TREADWAY. I do not know that.

Mr. BANKHEAD. Oh, yes, the gentleman does know it; and he says that this has not been denied. Does the gentleman know whether or not the Secretary or the members who made the report have ever been interrogated?

Mr. TREADWAY. Yes; by those members of the press who were present at the press conference, and I have read extracts of what actually happened. I am persona non grata with the Agricultural Administration, so I would not be invited to the press conference.

Mr. BANKHEAD. My complaint is that on the whole the statement made by the gentleman is not a fair accusation——

Mr. TREADWAY. It is absolutely fair, for it is accurate, and what is accurate is absolutely fair.

Mr. BANKHEAD. Will the gentleman yield further?

Mr. TREADWAY. Certainly.

Mr. BANKHEAD. Will the gentleman state on his responsibility, upon information he knows is accurate, that any real inquiry has been made of the Secretary of Agriculture or the members of this board who filed the original report as to the reasons, if any change was made?

Mr. TREADWAY. The reason why the change was made is apparent on the face of it.

Mr. BANKHEAD. That is the gentleman's conclusion.

Mr. TREADWAY. No; it is the conclusion of everyone else, that no longer can we depend upon impartial, nonpartisan information coming out of these Departments.

Mr. TARVER. Mr. Chairman, I yield now to the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Chairman, I was quite astonished to listen to a statement some time ago that the Agricultural Adjustment Administration had wastefully destroyed pork products. I thought that that accusation had been answered fully at least a year ago, but apparently it has not been answered to the satisfaction of some gentlemen on the other side of the aisle. In order not to take up the time of the Committee, I ask unanimous consent that at this point I be permitted to extend my remarks by including a letter which I received a year ago from Chester C. Davis answering somewhat in detail that accusation.

The CHAIRMAN. Is there objection?

There was no objection.

The letter referred to is as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
AGRICULTURAL ADJUSTMENT ADMINISTRATION,
Washington, D. C., February 14, 1935.

Hon. FRED BIERMANN,
House of Representatives.

DEAR MR. BIERMANN: This is to acknowledge your letter of February 5 relative to the disposal of the lightweight pigs purchased during the emergency pig- and sow-buying campaign in the early fall of 1933.

There have been a number of charges or accusations made, similar to the one which you mention, that packers dumped whole carcasses into streams or piled them up in places so as to menace public health. No specific instances of such irregular disposition, however, have come to the attention of the Agricultural Adjustment Administration.

Such rumors were prevalent a few months ago, particularly in some regions. Since that time, however, I had believed that these charges had been proved false and hoped that they were no longer being spread. But if such rumors are still in circulation, they should not be allowed to go by without further refutation.

For your information and in order that you may aid us in dispelling these erroneous statements, here are some high lights relative to the processing of the pigs and sows purchased during the campaign:

The emergency pig- and sow-buying program, as you know, was recommended by the corn-hog producers and was conducted through a period of about 5 weeks, beginning on August 23, 1933. By the close of the buying period in late September about 5,100,000 light pigs, 1,100,000 heavy pigs, and about 220,000 sows had been acquired. The heavy pigs, weighing between 80 and 100 pounds, and representing about one-third of the total live weight of all pigs bought, and the sows were processed for edible use; that is, they were converted into dry salt pork, which was later distributed to needy families by the Federal Emergency Relief Administration. The heavy pigs and sows utilized in this manner yielded nearly 100,000,000 pounds, or approximately 3,200 carloads of pork.

The light pigs, those weighing 80 pounds or less, were not utilized for edible purposes, because of two reasons: (1) Their small carcasses could not be adequately and satisfactorily handled by the packing-house machinery involved in the initial processing operations, particularly the dehairing machines; and (2) the complete utilization of all pigs for edible purposes, irrespective of the higher costs involved, would have considerably delayed the program. Light pigs, therefore, were utilized for inedible products, that is, fertilizer tankage and grease, of which the inedible grease was the more valuable.

After the animals had been dispatched, the principal processing operation for producing inedible products from the whole pig carcasses was complete rendering in tanks. The grease, which rose to the top of the tank during the process, was then drained off, and the residue, called fertilizer tankage, either was dried and stored or disposed of immediately—either dried or pressed and undried as the circumstances of the processor under contract permitted. The average yield of inedible grease per light pig was about 3 to 5 pounds per animal, depending on the weight. The tankage yield, dry basis, was about 5 pounds per animal. As animal flesh is composed of a high percentage of water, the product yield on a dry basis is, of course, a small percentage of the total live weight.

All of the grease, amounting to about 21,000,000 pounds, was saved because of its value for technical uses. This grease was sold to the highest bidders during the latter part of 1933. In the case of the tank residue, only about one-fourth of the product was saved, because of the lack of storage facilities and the low value of the product. The rendering-tank residue, because of its hair content, could not be converted into digester tankage, the most valuable type used in hog feeding. Federal regulations require that digester tankage be free from hair. Regardless of the disposal of the tankage, however, the contract required that all carcasses be completely rendered in order that the maximum yield of grease should be obtained.

Depending upon the situation of the contracting processors, the tankage not dried and stored was given to farmers who came to the processing plant, or it was hauled away and dumped where such dumping was permissible, or burned, buried, or consumed at public incinerators.

All slaughtering and processing operations were carried out under the supervision of the Bureau of Animal Industry of the United States Department of Agriculture. This assured the Agricultural Adjustment Administration that the processing contract specifications would be carried out in full. At points where the Federal inspection services were not available, processors were not permitted to enter into contracts with the Secretary under the emergency program.

In a few cases it was ascertained that the processors, under pressure of heavy receipts of pigs, were failing to render adequately the carcasses, thus failing to obtain the average yield of grease. In these cases compensating deduction was made in the reimbursement to packers under the terms of the contract. Insofar as possible, objectional disposal methods were not used, and in all cases the pigs were dispatched and the carcasses were rendered before disposal of the residue.

I hope that I have answered your question fully and accurately and to your satisfaction. However, if you wish to obtain further information relative to the emergency pig- and sow-buying campaign, I shall be very glad to get it for you.

Sincerely,

CHESTER C. DAVIS, *Administrator.*

Mr. TARVER. Mr. Chairman, I yield now to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Chairman, it is frequently the case that public servants of the Government are subject to criticism; and I think it fitting, when a public servant of many years shall have terminated his service in a highly satisfactory manner, that there should be some recognition of the fidelity of that servant.

On January 31, 1936, Dr. Hugh S. Cumming, because of the condition of his health and his need for rest, retired as Surgeon General of the Public Health Service. He had held this position since February 1920, or a period of 16 years, and had served as an officer of the Public Health Service for 42 years.

Dr. Cumming is my constituent, and I do not think that his retirement from this position which he has filled with signal ability for such a long period of time should be permitted to pass unnoticed. He is the fifth Surgeon General of the Public Health Service. Preceding him have been Dr. John M. Woodworth, who served from 1871 to 1879; Dr. John B. Hamilton, who served from 1879 to 1891; Dr. Walter Wyman, who served from 1891 to 1911; and Dr. Rupert Blue, who served from 1912 to 1920.

Dr. Cumming was born in Hampton, Va., on August 17, 1869. His literary education was obtained at Symmes Eaton Academy, Hampton, Va., and Baltimore City College. He received his medical training at the University of Virginia, where he was graduated in 1893. He entered the Public Health as assistant surgeon in 1894. In 1899 he was promoted to the grade of passed assistant surgeon; in 1911 to surgeon; in 1918 to Assistant Surgeon General; and in February 1920 he was appointed as Surgeon General.

Dr. Cumming received a broad preliminary training which fitted him particularly for his service as Surgeon General. He was peculiarly qualified to deal with the medical aspects of the immigration question by service at Ellis Island, San Francisco, and in foreign countries. He was on field duty in the yellow-fever epidemic of 1900, and his work as quarantine officer at southern quarantine stations and later at San Francisco brought him into intimate touch with diseases of the Orient and Tropics against which the United States has always maintained strict quarantine. Later he was brought into actual contact in Japan with these diseases.

After a tour of duty in the Orient he began the study of the pollution of navigable streams and made an investigation of coastal waters along the Atlantic seaboard.

During the World War he was detailed to the Navy as adviser in sanitation, and later was sent to Europe in charge of Public Health Service activities relating to sanitation, returning troops, and the resumption of trade. He then served as president of the Interallied Sanitary Commission to Poland, and it was from this work that he was recalled to the United States to assume the position of Surgeon General in 1920.

Dr. Cumming is a fellow of the American College of Surgeons, the American College of Physicians, American Public Health Association, and the American Medical Association. He has represented the United States as head of the American delegation at the Pan American Sanitary Conference at Lima, Peru, Habana, Cuba, and Buenos Aires, Argentina, and was a member of the American delegation to the Immigration Conference in Rome; he was head of the American delegation at a meeting of the Office International d'Hygiene Publique, which proposed the new international sanitary treaty, and a member of the international meeting which proposed the Pan American sanitary code. He is a member of the permanent committee of the Office International d'Hygiene Publique, and is a member of the health committee of the League of Nations.

Surgeon General Cumming has received the decoration of commander of the Legion of Honor of France and the decoration of commander, Poland Restituta of Poland, and has been tendered the crder Al Merito of Ecuador, the Order of Carlos Finley of Cuba, and El Sol of Peru. A special act of Congress authorized him to accept these decorations.

Among the important achievements that have been accomplished during the time Dr. Cumming has been Surgeon General of the Public Health Service the following may be mentioned:

First. Reorganization of the hospital work and expansion of hospital facilities of the service to meet the emergency of temporarily caring for ex-service men and women who were beneficiaries of the Veterans' Administration—now Veterans' Bureau.

Second. Completion of the national quarantine system by securing transfer to Federal control of the last State-owned quarantine stations in operation, which were located at the port of New York and at several ports in the State of Texas.

Third. Establishment of a national leprosarium for the care of lepers in the United States.

Fourth. Successful control of outbreaks of bubonic plague at New Orleans, La.; Beaumont, Tex.; Galveston, Tex.; Pensacola, Fla.; and Los Angeles, Calif.

Fifth. Erection of new marine hospitals at Cleveland, Ohio; Detroit, Mich.; New Orleans, La.; San Francisco, Calif.; Baltimore, Md.; Stapleton, N. Y.; Seattle, Wash.; and Galveston, Tex.; and new quarantine stations at Mobile, Ala.; New Orleans, La.; Los Angeles, Calif.; Miami, Fla.; and Sabine, Tex.

Sixth. Inauguration of plan of assigning medical officers to American consulates abroad in connection with the medical examination of intending immigrants prior to departure for the United States.

Seventh. Development and expansion of important research and field investigative activities of the Public Health Service.

Eighth. Rationalization of maritime quarantine procedures, differentiating and lessening the restrictions applied in international intercourse with the United States, and resulting in conservation of time and costs due to these procedures.

Ninth. Supervision of sanitary control of international serial navigation provisionally established on a tolerant and understanding basis, pending the completion of studies inaugurated to determine scientifically the basis for any necessary quarantine restrictions, and participation in international conferences on the sanitary control of serial navigation.

President Roosevelt nominated Dr. Cummings for a fourth term as Surgeon General, which became effective March 10, 1932.

In addition to the duties directly connected with the Public Health Service, Dr. Cumming is a member of the Board of Hospitalization formed by the President for the purpose of making recommendations concerning the expenditure of funds for the purchase and erection of hospitals used by the Veterans' Bureau. He holds a designation from the President as a member of the board of visitors of St. Elizabeths Hospital (Government hospital for the insane), an institution for the reception of insane patients under the jurisdiction of the Department of the Interior. Surgeon General Cumming was chairman of the section on public health organization of the White House conference on child health and protection. He is a former president of the Southern Medical Association, the American Public Health Association, and of the Association of Military Surgeons.

Surgeon General Cumming was three times elected director of the Pan American Sanitary Bureau, dealing with sanitary problems common to the Pan-American countries. As Surgeon General, Dr. Cumming was the responsible administrative head of the Public Health Service, whose functions, under law, may be summarized as follows:

First. Protection of the United States from the introduction of disease from without, through the Federal maritime quarantine system.

Second. Prevention of the interstate spread of disease and suppression of epidemics.

Third. Cooperation with State and local health authorities in public health matters.

Fourth. Investigations of the diseases of man.

Fifth. Supervision and control of biologic products.

Sixth. Medical examination of prospective immigrants in foreign countries and of arriving aliens at ports of entry in the United States.

Seventh. Public health education and dissemination of health information.

Eighth. Medical care and treatment of certain beneficiaries authorized by law.

Ninth. Operation and maintenance of narcotic farms designed to rehabilitate and restore to health persons addicted to the use of narcotic drugs.

In all of these services and in performance of his duties, Dr. Cumming was always diligent, faithful, and efficient. He gave them his personal attention, and no matter was too small to receive his attention if the health of the Nation was involved.

I have known him since his early manhood and my admiration for him has grown with the passing years. Quiet and modest, he has never sought for personal glory, but has always tried, as a faithful public servant, to leave behind him a record of duty well done.

Hampton, where he was born, is proud of her native son, and Virginia feels that he has added new luster to her roll of distinguished men and faithful public servants. He holds, and will ever hold, the abiding affection of his native town and State. A warm welcome awaits him at home.

I am sure that I speak the sentiments of all who have known him here when I wish for him many years of health and happiness. [Applause.]

I desire to incorporate as a part of my remarks copies of letters from the President and from the Secretary of the Treasury on the occasion of Dr. Cumming's retirement, and commending his work.

THE SECRETARY OF THE TREASURY,
Washington.

Surg. Gen. HUGH S. CUMMING,
United States Public Health Service.

MY DEAR DR. CUMMING: I have most regretfully given my approval to the finding of a board of medical officers convened at your request that you are no longer in fit physical condition to continue to bear the heavy burdens of your office as Surgeon General of the Public Health Service, and their recommendation that you be placed on waiting orders effective February 1, 1936.

In thus acceding to your wish that you be placed on an inactive status to conserve your health, I can express only inadequately my admiration for the long career of distinguished public service that you have rendered. It has been a career of benefaction not merely to the Government and the people of the United States, but it has transcended the national boundaries, and you have deserved fame as a faithful and able servant of humanity that is world-wide.

I feel honored to have had the opportunity to work with you, and I desire to record my gratitude for your wise counsel and cooperation in more than 2 years of our association in public duty.

Sincerely yours,

H. MORGENTHAU, JR.,
Secretary of the Treasury.

THE WHITE HOUSE,
Washington, January 28, 1936.

Surg. Gen. HUGH S. CUMMING,
United States Public Health Service.

MY DEAR DR. CUMMING: It was with great regret that I learned that the state of your health would no longer permit you to bear the heavy strain of your work as Surgeon General of the Public Health Service and that Secretary Morgenthau had therefore given approval to the findings of a medical board, convened at your request, which recommended that you be placed on waiting orders as of February 1.

Your release from active duty marks the rounding out of a career in the public service which the American people can view with pride and admiration because of the honor you have brought to them as their faithful servant and benefactor. You yourself may view it with the most thorough satisfaction in a task well done.

I am happy to recall that your labors in protecting humanity against disease and in advancing health standards everywhere have brought you deserved recognition and honor, not only in your own country but throughout the world.

I am privileged to express to you the gratitude of the Nation and to add my own thanks for the great service you have rendered.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. BLAND. Yes.

Mr. MAPES. Mr. Chairman, I heartily join with the gentleman from Virginia [Mr. BLAND] in paying tribute to the very great service of Surgeon General Cumming during the many years he occupied that office. Under his direction, the Public Health Service has attained its present high efficiency and reputation. His many friends and associates, I am sure, wish him a long life of happiness.

Mr. TARVER. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. WILCOX].

Mr. WILCOX. Mr. Chairman, contrary to custom I desire to make a reference to the bill under consideration during general debate. My object in doing so is to serve notice that at the appropriate time when the bill is being read, I expect to offer an amendment. My purpose in rising at this time is to urge the committee at the time of the offering of my amendment not simply to vote it down, but to give it careful consideration.

The appropriation bill for the Weather Bureau is deficient in that it does not make sufficient appropriation for storm-warning service. This service is of particular interest to my district. Probably I ought not to refer to the fact that occasionally my district is visited by tropical hurricanes which originate in the Caribbean area. For a number of years we tried to deny the existence of those hurricanes, we tried to avoid any reference to them, but denying their existence did not stop the hurricane, when it decided to pay us a visit. In recent years a number of these tropical disturbances originating in the Caribbean area have stricken my district with a resultant property loss and loss of human life that none of us likes to think about. I think

I may say with all propriety that they do not originate in Florida and that they are therefore not Florida hurricanes. A hurricane is not dangerous provided sufficient warning is given of its approach to enable the people to take necessary precautionary measures. When adequate warning has been given there has been no loss of life and practically no loss of property. Precautionary measures can be taken which greatly minimize the danger of these disturbances, but in recent years, through lack of adequate facilities, the Weather Bureau has not been able to properly and efficiently forecast the path of these tropical disturbances, the most recent of which was brought home to us in a very unfortunate way with the enormous loss of life in the veterans' camp on the Florida Keys. It is no reflection on the Weather Bureau that that hurricane struck with the resulting loss of life.

The Bureau did the best it could with the inadequate facilities at hand. These disturbances originate in the Caribbean Sea. The Weather Bureau has to depend, in very large measure, upon ships in the area for accurate information. Naturally, the ships leave the area when these disturbances arise. So when the Labor Day hurricane of 1935 struck, the Weather Bureau was without sufficient, adequate information to plot the course of the storm. The result was that it was only a few hours before the hurricane actually struck that the Weather Bureau was able to warn people in that section, and it was too late for them to get out of the area and get to a place of safety. The result was that more than 500 people lost their lives.

Mr. Chairman, I expect, when this bill is read for amendment, to offer an amendment to the Weather Bureau portion of the bill. I want to appeal to the committee not to resist that amendment. I know, of course, the difficulty of amending an appropriation bill on the floor. I know that everybody who comes in from the cloak rooms and the lobbies like to support the committee because they have not had an opportunity to avail themselves of the information at hand. Naturally, they want to go along with the committee. I want to appeal to the House and to the Committee on Appropriations not to resist this amendment, because I have just been in telephonic communication with the Director of the Bureau and he tells me that this amendment is very vital and necessary. I expect to ask for an additional amount to be made available to the Weather Bureau for the purchase of additional instruments and the installation of additional facilities which will enable the Bureau to correctly and accurately plot the course of these storms, and distribute and disseminate accurate information in time for the people in the danger zone to avail themselves of it. I do not expect to ask for any large sum. I am told by Mr. Gregg, of the Bureau, that an additional $25,000 will cover the cost of additional instruments and additional facilities. So, at the proper time, I am going to offer an amendment of that character. The purchase of instruments is only a part of a program which includes the construction of stormproof houses of refuge, but that portion of the program is expected to be financed in another way, and all I am seeking at this time is the money to purchase necessary instruments.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. TARVER. I yield the gentleman 1 additional minute.

Mr. BEAM. Will the gentleman yield?

Mr. WILCOX. I yield.

Mr. BEAM. Mr. Chairman, I am very much interested in the enlightening statement which the gentleman has just made. For my own information and the information of the committee I should like to hear just what precautionary measures, in addition to those taken, the people of Florida would avail themselves of?

Mr. WILCOX. It will take more than the minute which has been allowed me to answer the gentleman's question. If I had sufficient time I would be glad to answer the gentleman.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. WILCOX. I yield.

Mrs. ROGERS of Massachusetts. I should like to ask the chairman to yield the gentleman additional time so that I may ask him a question or two.

Mr. TARVER. Mr. Chairman, I yield the gentleman from Florida 2 additional minutes.

Mr. WILCOX. The course of a hurricane is easily plotted if sufficient and accurate instruments are available. The barometric pressure, wind direction, and velocity may be ascertained, and the path of a hurricane may be accurately plotted many hours in advance of its actual approach. But these hurricanes originate in the Caribbean area and they come across the Bahama Islands, the Lesser Antilles, across the open water. There are at this time in that area no adequate facilities for taking the barometric readings, the wind direction, and pressure, and other readings necessary to an accurate plotting of the course of the hurricanes. It is proposed by the Weather Bureau to install adequate instruments in that area and along the Florida coast, which would give them sufficient information to accurately plot the course and direction which a hurricane is taking. I may say that these hurricanes have certain well-known characteristics. Those that originate at certain seasons of the year move northward through the Atlantic. Those that originate in certain other seasons move directly westward through the Yucatan Channel into the Gulf of Mexico. Those hurricanes strike the east coast of Texas and Mexico. Those that originate in the month of September usually proceed in a northeastly direction and are apt to strike the east coast of Florida. If sufficient instruments are provided and sufficient facilities are made available the plotting of the course of a hurricane is a very easy and a very accurate matter. Once it is plotted, and sufficient warnings are given, the people may take the necessary precautionary measures, by means of boarding up their houses, and so on, and seeking places of safety so that there is no real danger of loss of life or of property.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. WILCOX. I yield.

Mrs. ROGERS of Massachusetts. Does not the gentleman think that someone was very remiss in not removing the veterans earlier? I have the report released in September of the W. P. A., and it seems to me clear, after reading this report, that there was some mismanagement resulting in great tragedy.

Mr. WILCOX. I would not want to get into that difficulty at this time. There is quite a conflict of opinion as to who, if anyone, was to blame. I should like to discuss that some other time, but I do not want to get that question involved here. Of course, we all have our own ideas as to who may or may not have been at fault, but I can say to the lady that I believe, if we had had accurate instruments and enough of them in enough places so that the course of the storm might have been accurately charted, sufficient information could have been given in advance of the approach of the storm, that the veterans could have been removed.

I hope, Mr. Chairman, that when I offer this amendment it will not be voted down.

Mrs. ROGERS of Massachusetts. Will the gentleman yield further?

Mr. WILCOX. I am sorry, but my time has expired.

The CHAIRMAN. The time of the gentleman from Florida has again expired.

Mr. TARVER. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Chairman, I was very much interested in the very illuminating and brilliant presentation by the gentleman from Florida [Mr. WILCOX] of what might be done to avert the results of hurricanes in his region. I want to call the attention of the House to the fact that there is another hurricane on the horizon, which we might call a political hurricane. That hurricane is the Townsend plan.

Opponents of the McGroarty bill are vehement in their asserting—first, that it will not accomplish its purpose; second, that a transaction tax will so pyramid as to increase

the price of commodities that a situation of wild inflation will result; and, third, that the idea is ridiculous; which, of course, is not argument at all but merely opinion, backed only by prejudice, and barren of facts in substantiation of the position.

It is my view that a 2-percent transaction tax will produce sufficient to pay every qualified person over 60 a pension of $200 per month.

It is my opinion, based on careful research, that this would not be a calamity but a national blessing.

Why? Because it would put a vast volume of purchasing power into circulation, based on the theory of velocity of money, a theory held by a large body of reputable economists.

This vast volume of purchasing power would arise due to the fact that the money would be spent in the 30-day period.

This would increase demand for consumer goods. This demand for consumer goods would at once call for increased production. This increased production would call for increased manpower to meet the demand; thus, our unemployment problem would be solved and prosperity, such as we cannot even envision, would result.

There would be some increase in prices, but there was a vast increase during the war due to the war demand—at that time it was 37 percent—and most of the goods went abroad—and everyone was prosperous. No one, I am sure, has the hardihood to maintain that we are today able to consume all that we produce. Give us the McGroarty bill, and that happy situation will be brought about.

This would create an increased demand for goods produced and consumed at home.

It would not transfer purchasing power from one group to another, as is charged, because the demand would at once, through higher wages, increase the purchasing power of both producer and consumer.

Eighty-seven and one-half percent of all the purchasing power of money in this country comes from pay checks. The pay check consumes 87½ percent of all the goods and services produced in the United States. If you increase the number of people drawing pay checks, by reason of this increased labor you will increase the wages of labor and the purchasing power of labor; and, Mr. Chairman, increase of purchasing power has been the one thing this Congress has done its best to bring about. Here is a plan simple in conception and nothing like as intricate in execution as most of its opponents claim. It would actually increase the consuming power of a vast number of the people of the country. By reason of their increased purchasing power there would be a tremendous demand for consumer goods. This tremendous demand for consumer goods would call for the rehabilitation of many of the factories that now lie idle. It would bring into operation that well-known law of the velocity of money; and, in my reasoned judgment, it would bring about prosperity.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. CASTELLOW].

Mr. CASTELLOW. Mr. Chairman, I ask unanimous consent to revise and extend my remarks, and to contract the same if necessary.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CASTELLOW. Mr. Chairman, I had no idea of being able to secure time this afternoon to address the House upon any subject whatever until just a little while ago. It had been my hope to have secured some time during general debate on the agricultural conservation bill.

I was struck especially with the remark made by my most esteemed and highly appreciated colleague, the gentleman from Georgia [Mr. TARVER] on that occasion. It did not seem that he was entirely satisfied with all of the provisions of the bill, and on that I certainly have no quarrel with him. One of the suggestions he made in regard to the situation was that it did not yet appear what answer would be given to the oft-repeated question of the gentleman from Pennsylvania [Mr. RICH], "Where are you going to get the money?" There is but one place from which money can be secured by the Government, and that is from its citizens, and from that class of its citizens who produce money. Money is not produced except by those who labor. The men who produce money, as a rule, are not in the millionaire class, but are those who earn their living by the sweat of their brow. Most of the money which we have, and which we are appropriating, has or will come from the toiler; and who has a better claim to that expression of identification than the farmer? Since he, in the last analysis, must provide most of the revenue for the Government, he should certainly be entitled to some consideration in its distribution.

The question of taxes which has not yet, it occurs to me, been seriously considered, will finally be of utmost importance. In this connection, Mr. Chairman, I desire to call the attention of the House to the remarks which I made in January 1934 upon this subject. At that time I said that I found in this legislative body one committee to deal with the expenditure of money and a separate and distinct committee to provide the revenue out of which the appropriations are made. At that time I compared it to the situation of the head of a family who is called upon to produce the money to meet the family budget without having any say-so as to how it should be spent. As I recall, I stated on that occasion that I felt the old man who toiled to earn the wherewithal should at least be consulted at times about its distribution and expenditure. I went so far as to suggest that the Committee on Ways and Means should act first, should see how much money could be raised, from what sources it could be supplied, and that after we had accumulated the money we should consider its expenditure. I stated it was my observation that the successful man in the conduct of his business or his home was the man who provided the money before he even permitted his good wife to go shopping and who acquainted her with the amount he had. Then she could more wisely make her choice of purchases. As it is good for an individual, so I believe it would also be good for a government. Not only that, there is a psychological effect.

Throughout all time taxes have been unpopular and government officials desiring to retain individual popularity developed the policy of imposing taxes in such a way as not to invite too much criticism or opposition from the people who had to pay them. Consequently they often resorted to indirect taxes, and this is the one thing that will destroy financially a man or a nation quicker than any other—concealing the thing which kills. Strychnine is one of the bitterest of all drugs, but administered in capsules its taste is concealed. Its destructive effect, however, is just as sure.

Taxes may be concealed from the people upon whose backs they are placed, but the weight is there just the same, and bears down accordingly.

I have even gone to the extent of saying I doubt the advisability of permitting a government to issue any bonds whatsoever. They should run on a cash basis. They should collect the taxes as they go along. If they will do that, there will always be sound government and not so much complaint about reckless expenditures. There is a psychological effect to that also. If you do not agree, just try it. We should cease buying on credit. As I have stated before, there are two words which I believe are responsible for more bankruptcies than all others combined, and those two words are "charge it."

If every man were required to pay in cash his proportionate part of governmental expenditures as made, and not be permitted to make payment even by check but, rather, count it out in new silver dollars, governmental extravagance could not exist. Adopt this policy, if you will, in your private affairs and note the result. Pay over the counter in new silver dollars! You will see what difference it makes in the budget that must be provided.

Mr. Chairman, this is not all I had in mind to say about this bill. I made some remarks in this House on the 6th day of February in reference to regimentation. I believe there is not a man in America, whether he be from the North, West, East, or South, who is more opposed to being regimented, supervised, and controlled than I am. You may not

readily recall my remarks on that subject, but if you do and have noted my vote on the agricultural bill it might occur to you there is some inconsistency. However, I insist that my conclusion in each instance is not only reasonable but logical. The agricultural bill, as before stated, contains certain objectionable features. It makes of the Secretary of Agriculture a court of last resort. For this year and next it gives him a broad discretion in distributing $500,000,000 annually among the farmers of the Nation, in accordance with regulations to be formulated. Thereafter, and as a permanent policy, payments or grants will be made from the Federal Treasury to the farmers of each State in accordance with laws or plans formulated and submitted by the respective States or organizations therein, provided such laws or regulations are approved by the Secretary of Agriculture. In other words, the Department will not formulate these plans—that will be left to the States or subdivisions thereof—but before any State may draw anything from the Treasury of the United States the plan must be approved by the Secretary of Agriculture.

The Secretary cannot compel anyone to come into this program. No one can be forced into this program under the bill. However, by way of illustration, suppose an aggregation of 48 men were called upon to provide a fund for a banquet. The table is spread most abundantly with food. The master of ceremony announces, "Now, here we have the food. You see it. I cannot compel a single one of you 48 men to come in and sit at this board or partake of these refreshments. You may come or not, as you like; there is nothing compulsory. Although there is no other source of supply and you have contributed your proportionate share to this splendid spread, you cannot partake thereof without my approval. If I do not like the set of your hat or the cut of your pants, you will have to step out. You must submit yourself for my approval before you can enter. It is up to you, not to me, as to whether you come in; but, if you do not, you may remain out and perish to death, you darned old fool."

There you are. That is the plan. There is no compulsion; none whatsoever.

Just a few minutes ago I remarked to the gentleman from Georgia [Mr. TARVER], when someone on the other side was talking: "I thought when I came here that we were in such a great majority the Democrats had the advantage of the Republicans. But I find, as usual, the Republicans seemingly have it their own way. They have three times as much time per capita to talk as have the Democrats. That is pretty good management for the Republicans, it seems to me."

To this my good friend [Mr. TARVER] replied, "You must take into consideration this fact: I was in the House when the situation was reversed, and we had three times as much time per capita, which shows that it is not satisfactory to try to fix things just for today. You have to think about tomorrow." Then I asked my good friend: "What about the bill we passed last week?" What of the agricultural program we have been administering under a Democratic regime? The Secretary of Agriculture is the arbiter of this entire program, and yet it would seem, from certain remarks heretofore made upon the floor, that at least it has not been conducted in conformity with the wishes and to the liking of some of the most pronounced Democrats in the House.

The gentleman from Texas [Mr. BLANTON], stanchest of the Democrats and a consistent supporter of the administration, declared on the floor of the House on January 8:

> I do not approve of many things that Henry Wallace has done. He has filled my district with Republicans from Iowa and from all over the West. He has an army of them down there.

[Here the gavel fell.]

Mr. TARVER. I yield the gentleman 5 additional minutes.

Mr. CASTELLOW. Mr. Chairman, that statement, as I said, came from the gentleman from Texas [Mr. BLANTON], the Democrat of Democrats. It will be recalled what he said about the situation in his district, and this with a northern Democrat administering the act. What will happen, I ask my friends in the South, when a northern Republican is telling the men of the South who produce the cotton what they must do before they may seat themselves at this banquet board? I can hear now the cry coming from the far-away Dixieland asking the men who are in Congress then, "Where were the Democrats, especially from Georgia, when this bill was put over in the House?"

Think of the situation! It is all right today, possibly, the gentleman from Texas, Mr. BLANTON, states, or I would infer from his remarks that it is even all right now; but how will it be then? Look and see what the situation really is and do not legislate only for today, but think of tomorrow, next year, and throughout the time to come. This is the danger in this kind of legislation. We call it emergency legislation, but when the emergency has passed and another body sits in the seat of the mighty, and they enact certain laws, provide rules and regulations that are not satisfactory to us, then they will point to us and say, "If we are wrong, you pointed the way", and what will be our answer?

My justification in supporting the legislation may be understood from the following illustration: In going through a penitentiary you may find one of the inmates eating, and you may say, "My friend, do you like to be in the penitentiary?" The man would most probably reply, "No; I regret it and detest above all things being in the penitentiary." Then you would say, "Why, then, are you eating? A sure way to get out would be to quit eating, would it not?" The answer is apparent. Although in the penitentiary, why refuse nourishment?

I am speaking seriously. We in the South, as I see it, by much of our legislation, are putting ourselves in just that situation.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CASTELLOW. Mr. Chairman, I wanted to discuss a subject that has been talked about on this floor quite a good deal, but seeing the gentleman from New York [Mr. WADSWORTH] here, I will not have time to take that detour. I always listen to what the gentleman from New York has to say. The gentleman compared the things we have been doing to a balloon that you pressed on this side and it bulged out on the other, or you pressed it at the bottom and it bulged out on top, and so forth. Long before I heard the gentleman speak I had been thinking somewhat along the same line, and here is the way I illustrated the situation. God Almighty has put us flat-footed on the ground, and as long as we so remain we are reasonably safe from tripping. But when ambition prompts one to seek an artificial height by the use of stilts, although only 6 inches in height, he arouses in another a similar ambition to surpass him. Forthwith, he provides himself with 12-inch stilts. Another, unwilling to be outdone, makes his 2 feet in height, and so on until 6 feet or more might be the artificial elevation. The higher they are made, however, the more uncertain is the balance and sooner or later a limit is reached, and one and all topple and tumble to the ground.

In order to protect industry and provide for it superior advantage a high protective tariff was levied. This made it imperative that a similar advantage be given to farming and other industries. We have undertaken, it seems, to raise every enterprise to artificial levels. If everything is placed upon a level, what advantage is there to any even at a dizzy height, for a level is a level after all, and the closer to the ground the more secure. In a recent discourse by the gentleman from New York [Mr. WADSWORTH], he was asked this question by the gentleman from Mississippi [Mr. RANKIN], "Did not the distortion of the economic balloon begin with pushing in the thumb of high-protective tariffs for special privilege?" To this Mr. WADSWORTH answered, "It did." Since I have been in Congress I have heard thousands of questions and answers, but I do not recall I ever heard a single answer of yes or no except on this occasion. [Applause.]

I also believe this all began with your tariff, and now with everybody on stilts, what can the poor farmer do except to

get on stilts himself, even though he knows he is liable to break his neck; but I trust to goodness he does not. [Laughter and applause.]

[Here the gavel fell.]

Mr. THURSTON. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Chairman, earlier in the afternoon, the gentleman from Illinois [Mr. KELLER] was giving some comprehensive statements relative to the finances of the country. He was deploring the fact that in some years the percentage of the rate of high income taxes was reduced. He said that if they had kept them up we would have paid the national debt. At that time I asked him a question, and I said if my memory served me correctly that after the reduction of income rate in the 1924 tax bill we received more income for the Government from income taxes than the year before. He said I was entirely mistaken. I did not proceed much further but I told him that if my memory served me, I was correct.

Since then I have looked up the report of the Secretary of the Treasury for October 31, 1927, and I will read from that report:

The Revenue Act of 1926 eliminated about 2,000,000 individual taxpayers; it increased by 50 percent and 40 percent, respectively, the exemptions for single and for married persons; it cut the normal rates drastically and reduced maximum surtax rates from 40 percent to 20 percent; it doubled the limit of income to which this earned-income provision applied. It was very naturally anticipated that these changes would result in a considerable off of revenue.

In its report the Ways and Means Committee estimated a reduction of $46,000,000 in normal tax, over $98,000,000 in tax returns from the surtax, and a further loss in revenue of $42,-000,000 due to increased exemptions. As a matter of fact, however, the individual filed for the calendar year 1925 showed a larger tax return than did those for 1924, the total (net income) tax returned inceasing fom $704,000,000 to $734,000,000. The Treasury Department had always contended that lower rates would be more productive than the very high rates which prevailed, but neither the Treasury Department nor the Congress had anticipated such an immediate increase, an increase which was, of course, greatly accelerated by the rising tide of prosperity.

Mr. KELLER. From what is the gentleman reading?

Mr. SNELL. I am reading from pages 2 and 3 from the Revenue Division in hearings before the Ways and Means Committee, October 31, 1927, the report of the Treasury which will substantiate my statement.

Mr. THURSTON. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. TINKHAM].

Mr. TINKHAM. Mr. Chairman, on February 6 I addressed the House. I stated that at a later date I intended to submit to the House evidence to warrant the charge that Walter Hines Page, United States Ambassador to the Court of St. James during the last war, conducted himself traitorously in that important office.

This I now propose to do.

On August 11, 1914, President Wilson issued a proclamation of neutrality. In it were these sentences:

We must be impartial in thought as well as in action; we must put a curb on our sentiments as well as upon every transaction that might be construed as a preference of one party to the struggle before another. * * * Every man who really loves America will act and speak in the true spirit of neutrality, which is the spirit of impartiality and fairness and friendliness to all concerned.

This neutrality proclamation bound all Americans to be neutral. It bound all Americans who loved America to be impartial. It enjoined upon all American officials particularly, if they were to be loyal to the United States and to the President who had appointed them, to be impartial in thought as well as in action.

Walter Hines Page occupied the most exalted post in the diplomatic service of the United States. He was United States Ambassador to the Court of St. James.

Great Britain was then a belligerent. The United States was neutral.

It was the official, if not the sacred duty, of Ambassador Page to help the State Department to hold Great Britain to international law, and thereby protect the rights of Americans. Instead of doing that, he threw all his strength upon the side of Great Britain, as the record will show.

In the Intimate Papers of Colonel House, by Charles Seymour, Sterling professor of history, Yale University, volume I, page 310, Mr. Seymour, in referring to the seizure of American vessels as early in the war as November 1914, only 3 months after war had been declared, has the following to say:

Unfortunately, the oil and the copper exporters in the United States felt differently, and protests poured in upon the State Department in Washington. For Mr. Page, who was in vital sympathy with the allied cause, the situation was worse than trying. His nerves became taut. As usual, the minor questions were the more vexatious. What was dangerous was that, in his misunderstanding and irritation with the State Department, he should lose sight of the Washington point of view, which he was sent to London to represent.

On page 312 of the same volume there is printed the following letter from Colonel House to Ambassador Page:

NEW YORK, *December 4, 1914.*

DEAR PAGE: I have just returned from Washington. * * *

The President wishes me to ask you please to be careful not to express any unneutral feeling, either by word of mouth or by letter, and not even to the State Department. He said that both Mr. Bryan and Mr. Lansing had remarked upon your leaning in that direction, and he thought it would materially lessen your influence.

He feels very strongly about this, and I am sending the same message to Gerard.

Faithfully yours,

E. M. HOUSE.

In a book entitled "The Life and Letters of Walter H. Page", by Burton J. Hendrick, volume I, page 394, there is reported the following conversation between Ambassador Page and British Foreign Secretary Grey early in 1915, concerning the *Dacia*, a ship owned by an American, loaded with American cotton, and carrying an American crew and the American flag. Mr. Hendrick writes:

When matters had reached this pass, Page one day dropped into the Foreign Office.

"Have you ever heard of the British Fleet, Sir Edward?" he asked.

Grey admitted that he had, although the question obviously puzzled him.

"Yes", Page went on musingly. "We've all heard of the British Fleet. Perhaps we have heard too much about it. Don't you think its had too much advertising?"

The Foreign Secretary looked at Page with an expression that implied a lack of confidence in his sanity.

"But have you ever heard of the French Fleet?" the American went on. "France has a fleet, too, I believe."

Sir Edward granted that.

"Don't you think that the French Fleet ought to have a little advertising?"

"What on earth are you talking about?"

"Well", said Page, "there's the *Dacia*. Why not let the French Fleet seize it and get some advertising?"

A gleam of understanding immediately shot across Grey's face. The old familiar twinkle came into his eye.

"Yes", he said; "why not let the Belgian royal yacht seize it?"

The *Dacia* was seized by a French cruiser in the English Channel, as Ambassador Page had suggested.

This detailed conversation shows Page, American Ambassador, conspiring with the British Government to which he was accredited to bring about the seizure of an American vessel by a foreign belligerent government. I submit that this conduct was wholly traitorous to the American people and wholly disloyal to the President of the United States, whose representative he was and who had issued a proclamation of neutrality. As the record shows, his one aim was to help Great Britain, regardless of the rights of American citizens and the proclaimed neutrality of the United States.

In the Intimate Papers of Colonel House, volume I, page 445, in relation to the suggestion of President Wilson early in 1915 that Great Britain lift the embargo upon food, we find that Colonel House wrote the following:

Page was inclined not to make a personal appeal to Grey in behalf of the acceptance of the President's proposal concerning a compromise with Germany on the question of the embargo. I called his attention to the President's cable to me requesting me to say to Page that he desired the matter presented with all the emphasis in his power. He then said he would make an appointment with Grey and do so, though one could see he had no stomach for it. He did not consider the suggestion a wise one, nor

did he consider its acceptance favorable to the British Government. I argued to the contrary, and tried to convince him that the good opinion gained from the neutrals would be compensation enough for any concessions this (the British Government) might make, and that the concessions were not really more than those made by Germany.

This, mark well, was in 1915, 2 years before the United States entered the war.

On the next page, page 446, there appears a letter from Colonel House to the President. This letter is dated at London, May 20, 1915, and is as follows:

DEAR GOVERNOR: When your cable of the 16th came, I asked Page to make an engagement with Grey in order that we might protest against the holding up of cargoes and find definitely whether England would agree to lift the embargo on foodstuffs, providing Germany would discontinue her submarine policy. Page promised to make the appointment. He did not do so, and finally told me that he had concluded it was useless because, in his opinion, the British Government would not consider for a moment the proposal to lift the embargo.

According to this letter from Colonel House to President Wilson, Ambassador Page refused to obey an order from the President and was working in the interest of Great Britain. Here we have an example of insubordination as well as traitorous conduct and disloyalty to the President.

On page 456 of the same volume, the author writes:

* * * Colonel House was anxious that President Wilson should comprehend the difficulties which Sir Edward Grey faced, how hard he was pressed by British opinion and the Admiralty, and how important it was that the United States remain on friendly terms with the Allies. Whatever the irritation caused by the restriction of American trade, House never wavered in his conviction that our welfare was bound up in German defeat. All this Ambassador Page had urged in many long letters. But the very number and length of the letters, touched as they were by pro-Ally emotion, lessened the influence of the Ambassador who, in Washington, seemed more like the spokesman of Allied interests than the representative of the American Government.

In the Memoirs of Lord Grey, British Foreign Secretary during the war, volume II, page 110, we read:

* * * In all this Page's advice and suggestion were of the greatest value in warning us when to be careful or encouraging us when we could safely be firm.

One incident in particular remains in my memory. Page came to see me at the Foreign Office one day and produced a long despatch from Washington contesting our claim to act as we were doing in stopping contraband going to neutral ports. "I am instructed", he said, "to read this despatch to you." He read, and I listened. He then said: "I have now read the despatch, but I do not agree with it; let us consider how it should be answered!"

Here we see Mr. Page, American Ambassador, grossly violating his allegiance to the United States. Again we have an evidence of his disloyalty to the President of the United States, whose representative he was. Here we see the Ambassador of the United States collaborating with the British Foreign Office in drafting a reply to a protest from the United States Government. We see him acting as a British agent.

In the Life and Letters of Walter H. Page, by Hendrick, volume II, page 23, we read:

* * * He (the President) would sometimes refer to him (Mr. Page) as a man who was "more British than the British", as one who had been taken completely captive by British blandishments, but he never came to the point of dismissing him. Perhaps he did not care to face the public scandal that such an act would have caused. * * *

In nearly all his communications to the State Department and to the President, Mr. Page spoke as a partisan of Great Britain.

As recently as January 17 last, Senator GLASS, who served in the Wilson Cabinet as Secretary of the Treasury, in a speech in the United States Senate, made the following statement:

* * * As a matter of fact, everybody intimate with Mr. Wilson knows that he was excessively impatient with Ambassador Page because of the Ambassador's frequent and incessant partiality for Great Britain. And when an extract is read here from some letter from Ambassador Page in confirmation of the miserable charge that Woodrow Wilson is a liar, I begin to wonder if that was one of the letters from Ambassador Page which Wilson did not read at all. * * *

This statement may be found on page 573 of the CONGRESSIONAL RECORD of January 17, 1936. Senator GLASS is recognized as a man of high courage and of impeccable intellectual integrity.

In the Intimate Papers of Colonel House, volume II, pages 268–269, referring to the situation in the spring of 1916, Mr. Seymour, the author, writes:

At London Mr. Page was on the most intimate terms with Sir Edward Grey and through him could reach the other members of the cabinet. Unfortunately, as the Ambassador's letters indicate, he himself did not sympathize with Wilson's policy. While he did not advocate entering the war as a belligerent, he insisted that diplomatic relations with Germany should be broken, so as to indicate plainly that our sympathy lay with the Allies. Feeling thus and with intensity, himself inclined to regard Wilson as pursuing the wrong course both in remaining friendly with Germany and in bothering the Allies about trade questions, he found it difficult to explain the President's policy to the British. Wilson had long supported Page against those who insisted that the Ambassador took the British rather than the American view of the war, but his patience began to ebb. On May 17, 1916, he wrote House that the Secretary of State was so dissatisfied with Page's whole conduct of American dealings with the Foreign Office that he wanted to bring him back for a vacation, "to get some American atmosphere into him again."

Then there follows a letter from Colonel House to the President, dated at New York, May 18, 1916. It reads:

DEAR GOVERNOR: I do not think we need worry about Page. If he comes home at once, I believe we can straighten him out. You will remember I have urged his coming for more than a year.

I do not believe he is of any service there at present, and the staff are able to carry on the work. They have just added Hugh Gibson from Brussels, who is a good man. * * *

No one who has not lived in the atmosphere that has surrounded Page for 3 years can have an idea of its subtle influence; therefore he is not to be blamed as much as one would think. * * *

He would have done admirably in times of peace, but his mind has become warped by the war.

He may wish to remain after he comes home, for private reasons; and if he does, I would not dissuade him. On the other hand, if he remains here for the ordinary 60 days' leave, he will probably recover his equilibrium and there will be no further trouble with him. * * *

Affectionately yours,

E. M. HOUSE.

Ambassador Page was then recalled to the United States on leave. Mr. Page was recalled to the United States because the President deemed him "more British than the British" and in need of being purged of his unpatriotic character. However, this proved an impossible accomplishment, as may be seen by the following:

In the intimate papers of Colonel House, volume II, pages 318–319, in an excerpt from the diary of Colonel House, we read:

September 25, 1916: Walter Page called this afternoon (he wrote) and we had a 2-hour conference. I cannot see that his frame of mind has altered. He is as pro-British as ever and cannot see the American point of view. He hit Lansing wherever he could, but expressed profound regard for the President—a feeling I am afraid he exaggerates. * * *

On the following page, page 320, we read:

X (of the State Department) expressed much concern over our strained relations with Great Britain, which are growing worse rather than better. He attributes it to the two Ambassadors, Page and Spring-Rice. Of the two, Spring-Rice is more to blame, because Page is persona grata in London and creates no irritation, since he wholly agrees with the British point of view.

In the Life and Letters of Walter H. Page, by Hendrick, volume II, page 11, in discussing the selection of the successor of Mr. Bryan, who had resigned as Secretary of State, Mr. Hendrick indicates that the appointment of Mr. Page as Secretary of State was being pressed upon the President by Colonel House. Mr. Hendrick then states:

* * * But President Wilson believed that the appointment of an Ambassador at one of the belligerent capitals, especially of an Ambassador whose sympathies for the Allies were so pronounced as were Page's, would have been an "unneutral" act, and, therefore, Colonel House's recommendation was not approved.

In the recently published War Memoirs of Robert Lansing, Mr. Lansing, in referring to his own appointment as Secretary of State in June of 1915, pages 15–16, makes the following statements:

* * * He (the President) undoubtedly considered, among other names, those of Secretary McADOO and the Honorable Walter Hines Page, the American Ambassador to London. Possibly the latter, whose appointment was, as I have been informed, strongly urged by Col. E. M. House, the President's most influential adviser,

would have received more favorable consideration under other conditions. * * * However, Mr. Page's prejudice in favor of Great Britain had embarrassed the administration and caused Mr. Wilson many anxious hours. In view of the President's fixed determination to preserve a strict neutrality, he hesitated to give consideration to Mr. Page's name. It was the Ambassador's lack, or apparent lack, of conformity with the President's policy of preserving a neutral attitude toward all the belligerents that was the obstacle which stood between him and the vacant secretaryship; and this objection even the powerful support of Colonel House, whose personal influence with Mr. Wilson was at the time very great, could not remove, though I believe that the President, on account of his friendship for Mr. Page, would have been glad in other circumstances to have named him as Mr. Bryan's successor.

Ambassador Page was disloyal to the American people. He was not loyal even to President Wilson, and was not in sympathy with the policies of Mr. Wilson, as the record clearly reveals.

In The Life and Letters of Walter H. Page, volume III, page 279, there appears a memorandum which Mr. Page wrote about the visit of Colonel House to London in January 1916. This memorandum contains the following:

The President today sends House a telegram to the effect that the German submarine controversy being laid, all the pressure of criticism will be made on Great Britain—a certain fierce, blue-bellied Presbyterian tone in it.

On page 290 of the same volume, in discussing the so-called House memorandum of 1916, containing a proposal to end the war, which was approved by President Wilson, the author makes the following statement:

The unfortunate fact is that Page had no longer any confidence in President Wilson.

It has been publicly stated that Ambassador Page consented to a British request for permission to intercept and search the baggage of all American diplomatic officials below the rank of minister who happened to be taken by the British while traveling to and from their posts in Europe.

This most shameful violation of international law and diplomatic usage said to have been approved by Ambassador Page is another instance of the traitorous conduct of Mr. Page to the American people and of his disloyalty to the President of the United States in favor of British interests.

As has been said by others, in all this Mr. Page's conduct cannot be excused, as some have tried to excuse it, on the ground that he meant well and had uppermost in his mind only the promotion of a great cause—Anglo-American unity. That was likewise the obsession of Benedict Arnold in the later days of the American Revolution, and he worked for it in a more direct and courageous fashion.

In the Life and Letters of Walter H. Page, volume II, page 237, there appear quotations from a memorandum written by Mr. Page in 1917 after the United States had declared war. Mr. Page in this memorandum relates an intimate conversation with King George on the occasion of a visit to Windsor at the invitation of the King. In this connection, Mr. Page writes:

* * * After I had risen and said "good-bye" and was about to bow myself out the door, he (the King) ran toward me and waving his hand cried out, "Ah, ah; we knew where you stood all the time."

A memorial to Walter Hines Page has been erected at Westminster Abbey, a fitting place. Westminster Abbey is the shrine of British national heroes. We do not find there any memorial to George Washington, to Thomas Jefferson, to Andrew Jackson, to Grover Cleveland, or even to Woodrow Wilson.

I submit that the foregoing documentary evidence from the lips of Ambassador Page himself, from President Wilson, Colonel House, and other men with whom he was closely associated, fully proves that Ambassador Page was faithless to his trust and disloyal to his President. There is no escape from that record. There can be no palliation.

The moving finger writes; and, having writ
Moves on; nor all your piety nor wit
Shall lure it back to cancel half a line,
Nor all your tears wash out a word of it.

It will forever remain unknown exactly what influence Ambassador Page had in involving the United States in the last war. It is clear, however, that from the very beginning of the war Mr. Page was the agent of the British Foreign Office and was working in the interest of Great Britain; also, that President Wilson finally adopted the viewpoint of Mr. Page.

On February 6, last, I submitted to the House an excerpt from the private diary of Col. Edward M. House, dated September 28, 1914, in which it was disclosed that although he had no official status, he obtained a note written by the Secretary of State destined to the British Government, protesting against the seizure by the British Government of American shipping, and that he took it to the British Ambassador here at Washington and allowed the British Ambassador to rewrite this note of protest to his Government.

There is ample evidence that the British Foreign Office dominates the foreign policy of the present administration. Let us not wait until 20 years after, and until the "Memoirs", the "Intimate Papers", and the "Confessions" of our present pro-British officials are compiled and published. Let us have the disclosures now. I renew my suggestion that this Congress should institute an inquiry of the most searching character into the present domination of our State Department by the British Foreign Office.

Mr. UMSTEAD. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. LAMBETH].

Mr. LAMBETH. Mr. Chairman, I am undertaking to do what is perhaps a presumptuous thing, and that is to reply to an address just delivered which had been prepared in advance and read to the House. I waited the entire day, as I have waited every day for the past 2 weeks, for that address. Perhaps the best description that I can give of it is to quote to you from one of Aesop's Fables:

The mountain was in labor, sending forth dreadful groans, and there was highest expectation throughout the region, but it brought forth only a mouse.

The gentleman who just preceded me has read a lot of books, and he quoted here most of the time during his remarks from the works of Hendrick on the Life and Letters of Walter Hines Page, from Seymour's Intimate Letters of Colonel House, and from the Autobiography of Viscount Grey, 25 Years, 1892–1916. Those books were published in the following years: The book on Colonel House in 1926, Viscount Grey's Autobiography in 1925, Life and Letters of Walter Hines Page in 1923. Ten years have elapsed since all the information which the gentleman from Massachusetts has brought to the House was published. It is very interesting to note that the gentleman relied chiefly upon the papers of Colonel House to prove that Ambassador Page was "guilty of traitorous conduct", when he had already denounced Colonel House as being "the son of an expatriated Englishman."

I shall quote from that great authority, than which there is none greater nor more authentic, the CONGRESSIONAL RECORD!

On January 17, 1918 (65th Congress, 2nd sess., Vol. 56, pt. 1, p. 976), the gentleman from Massachusetts [Mr. TINKHAM] delivered an address, and I take my text for the remarks which I shall submit in reply to the address that he just delivered the following words: "America wants the truth, and it is vital that America have the truth." Those words were spoken by that great truth teller, the gentleman from Massachusetts, and none other. He had just then returned from a visit to Europe, and I quote further from that address, because it is a very interesting one:

Autocracy in Europe has democracy by the throat and is strangling it. * * * It seems impossible for France and England to obtain a military decision, and France and England frankly admit the absolute necessity of a colossal effort on the part of America. * * * The best informed men in France and in England believe a decisive military decision cannot be reached before 1919 or 1920, when America will be able to contribute her real military strength. * * * This war, cost what it may, in blood or treasure, strength and sacrifice, must be won for America's honor and America's future.

Thanks to an efficient administration, headed by our great war President, our able Secretary of War who still lives, and our distinguished Secretary of the Navy, who is now the Ambassador to Mexico, the gentleman from Massachusetts

turned out to be a poor prophet, because within 10 months after his address was delivered, an armistice, a humiliating surrender, had been wrested from that autocracy about which he spoke, and we had sent into France 2,000,000 American soldiers who turned the tide of that conflict.

The gentleman speaks of a traitor. He has discovered after 10 years what no other man has discovered, and that is that the great war-time Ambassador to the Court of St. James was a traitor. What is a traitor, Mr. Chairman? I wish the gentleman had defined a traitor. I undertook to interrupt him when he mentioned the word, but he would not yield to me. I should have yielded to him had he been present here 2 weeks ago.

A traitor is one who violates his allegiance and betrays his country, and one who in breach of trust delivers his country to an enemy.

Mr. Chairman, that is a strong word—traitor. I would have been content to say nothing because history had already written its verdict as to the honor and patriotism of Walter Hines Page and as to the statesmanship of Woodrow Wilson, but because the gentleman did not see fit to yield to me for a few remarks, I am now trespassing upon the indulgence of the House.

The gentleman quoted very freely from the book by Mr. Seymour, The Intimate Papers of Colonel House. While I might say that I have not read so many books as the gentleman, because he has had more time to read books and more years in which to read them, I happen to have read everything that he said here on the floor today. He read from page 310 of The Intimate Papers of Col. House, and you can get the citation from the CONGRESSIONAL RECORD in the morning, but he stopped after he finished reading the comment of Colonel House.

I had wished to ask him if he would not read the opening sentence from the letter of Ambassador Page to Colonel House, dated London, December 12, 1914, which occurs on the same page. These are the words:

MY DEAR HOUSE: I am trying my best, God knows, to keep the way as smooth as possible.

The gentleman said that President Wilson was much put out because he thought that our Ambassador was more British than the British. May I use the words of President Wilson himself in order to answer that charge? I quote now from a message of the President, read at the memorial service of Walter Hines Page, held in the Brick Presbyterian Church, New York, April 25, 1919:

It is a matter of sincere regret to me that I cannot be present to add my tribute of friendship and admiration for Walter Page. He crowned a life of active usefulness by rendering his country a service of unusual distinction, and deserves to be held in the affectionate memory of his fellow countrymen. In a time of exceeding difficulty he acquitted himself with discretion, unwavering fidelity, and admirable intelligence.

That was signed by Woodrow Wilson.

Mr. Chairman, if there is any word that is the antithesis of traitorous conduct, it is fidelity or faithful conduct.

Of course, the President could have removed the Ambassador without embarrassment, because, as I stated on a previous occasion, the Ambassador tendered his resignation, which was refused.

The gentleman from Massachusetts also spoke of the fact that there is a tablet in Westminster Abbey to Walter Hines Page. That is not a new discovery. I quoted the remarks of Viscount Grey, who was the foreign minister under the Asquith government during the difficult period from 1914 to 1917. But there is a tablet in Westminster Abbey to another great American Ambassador from the State of Massachusetts, James Russell Lowell. I recall, parenthetically, and it has no connection, that I once spent a winter in the State of Massachusetts, and the Lowells ranked at the top. There was something that went like this:

Here's to Massachusetts,
The land of the bean and cod,
Where the Cabots speak only to the Lowells,
And the Lowells speak only to God.

As to this charge that the Ambassador was a traitor—let us dismiss that. Now as to the accusation that he was pro-British. I would like for the gentleman, who has had much contact, more than any man in this House, with foreign offices, foreign ministers, and ambassadors, to tell us sometime what is an Ambassador for, anyway, if it is not to keep his government out of trouble with the government to which he is accredited; if it is not to develop more friendly relations between his country on the one hand and the country to which he was sent? I wish the gentleman from Massachusetts had included in his remarks the fact that Walter Hines Page was tendered the most conspicuous decoration that the British Government ever gives to a person in a similar position, and he declined that distinction. I will insert it in the RECORD. It was the Grand Cross of the Order of the Bath. He declined it because of his anxiety, Mr. Chairman, to keep himself untrammeled for his work. Out of a long line of illustrious Ambassadors that our Government has sent to the Court of St. James, Walter Page was the second man ever offered it, and the only man ever to decline it. It is by all such men the most coveted decoration.

He referred to the *Dacia* incident, as I expected he would. Time will not permit me to go into that question, except to say this: The *Dacia* was one of the German ships which was in an American port at the time war came on, and, of course, it was interned. Then it was bought by a gentleman from Marquette, Mich., by the name of Breitung, who I think must have been at least of German descent. That ship, flying the American flag, was loaded with a cargo of cotton. It had been announced in advance, and was known by all people, that it was going out as a test case. That was the most difficult period that Mr. Page had to deal with as Ambassador, because our relations with Great Britain were quite strained at the time. What would happen if the British Navy seized the *Dacia* and its cargo, destined for a German port, or for a neutral port for transshipment to Germany? It is upon the basis of that incident and that conversation that the gentleman seems to pin his charge principally. Our Ambassador did what I think any Ambassador, who wished to keep friendly relations between the two Governments, who, having had personal conversations daily for 2 years at least with the Foreign Minister, in addition to official conversations, would have done. We speak of such conversations in this House as "off the record." The suggestion was made that it would avoid complications for all of them if the British Navy did not seize that ship but let it be attended to by the French, which is what happened; and as a result of that skillful stroke of diplomacy a most difficult situation was averted. I wonder sometimes if the gentleman from Massachusetts had been our Ambassador during that period what his policy would have been in dealing with all these difficult matters.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. LAMBETH. Mr. Chairman, let me say that whatever mistakes the Ambassador may have made, that was a most difficult period. It was a difficult period for men in Congress, just as the period we have been going through has been a difficult period, and we have made mistakes. Even Congressmen are not infallible, Mr. Chairman! He kept our relations with Great Britain from reaching the breaking point. When the *Lusitania* was sunk, Mr. Page advised the President to send the German Ambassador home. If that had happened, in my humble opinion—of course, no man can predict what might have been the result of anything that might have been done—but in my opinion if that had been done, as the Germans expected, as the German Ambassador himself expected, as the German press in this country practically admitted they expected, it would not have necessarily led us into the war with Germany, but it would have shown that ruthless, autocratic, imperialistic German Government that this Government meant business.

It might have been, Mr. Chairman—in my opinion, quite possibly it could have happened—that the war would have ended 1 or 2 years earlier, saving the lives of millions of men, saving billions of treasure, and possibly saving our having to send any American boys to the other side of the water.

Mr. Chairman, my time has about expired. I have taken more time than I should have. I wish the Members of the House would avail themselves of an editorial in the United States News dated December 23, 1935, written by David Lawrence, headed "Traitor or Statesman?" This editorial constitutes the finest statement I have seen as to the facts leading to our entry into the war and the reason why war became inevitable, to use the words of the German Ambassador himself.

In closing this discussion—and for my part it is closed—I hope I can put my finger upon an editorial which appeared recently—not in a North Carolina paper, for, frankly, I suspect that an editorial upon this subject by a paper in North Carolina would have to be printed upon asbestos—this editorial appeared in a paper printed in the city of Boston, and it is in such good humor that I am sure even the gentleman from Massachusetts will have a rollicking good laugh as I read it. I have said nothing about Colonel House, because Colonel House is living and is able to take care of himself. Besides, there are other Members here who are able to take care of the colonel. But the editorial is headed "Riding the Colonel." I quote:

Civil wars being the fiercest of all, the attack of Congressman GEORGE HOLDEN TINKHAM on Colonel House as an "expatriated Englishman's son" who was guilty of "scandalous and perfidious conduct" under Woodrow Wilson is not surprising, although a little difficult to understand.

I interrupt the reading to say that I think the Boston Herald is not only a strong Republican organ in the city of Boston, but that it is one of the traditional Republican papers of New England.

The Congressman does not accuse the colonel, Ambassador Page, or Woodrow Wilson of having sold themselves for British gold, but, but—well, anyway, Mr. TINKHAM is alarmed in an ex-post-facto sort of way.

But why the attack on the diffident colonel as the son of an expatriated Englishman? The only difference between the colonel and the Congressman dynastically is that the latter's ancestors beat the former's to it by a few generations. It is the understanding of genealogists that Mr. TINKHAM is descended from any number of *Mayflower* passengers. A Herald writer was once unkind enough to say that a chart on the Congressman's walls, showing his ancestry, had been worn out by his incessant glances of admiration.

And who knows? The colonel and the Congressman may have stemmed from the same family tree, the resemblance between the names House and Holden being strong. There are three letters in common. George may be attacking his own kinsman.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

HON. EDWARD M. HOUSE

Mr. BLANTON. Mr. Chairman, the gentleman from Massachusetts shows that he has not any correct information at all about Hon. Edward M. House. Every statement he made about Colonel House being incorrect, I shall not waste my time answering him.

Col. Edward M. House is one of the patriots of this Nation. He has been the close adviser of many of the most distinguished Governors of my State for the last 40 years. He was the close friend and personal adviser of President Woodrow Wilson throughout the World War. He is now the close friend and personal adviser of President Franklin D. Roosevelt. He has not in his whole life asked anything whatever from either any State government or from the Federal Government. Everything he has done in a public way, and all the valuable service he has performed for his country, he has done as a patriot. It is useless to refer further to the gentleman from Massachusetts.

GEN. JOHNSON HAGOOD

I do want to mention one of the most damnable outrages ever connected with this Government that today was perpetrated by the War Department on one of the greatest major generals who ever served the United States Army. Prior to our committee holding any hearings on the War Department bill, I wrote Mr. Secretary Dern and called attention to the restrictions that are usually put about Army officers to prevent them giving their own opinion of matters about which the committee interrogates them. I called attention to the fact that our committee had asked the War Department to bring before it Gen. Hugh Drum, in command of Hawaii; Gen. Paul D. Malone, commanding the Ninth Corps Area, from the Presidio of California; Gen. Lyman Brown, in command at Panama; Gen. Johnson Hagood, the able commander of the Eighth Corps Area at Fort Sam Houston; and other high officers; and, in effect, I said, "If you are going to prevent these men giving us their honest opinions, I am not going to waste my time fooling around with any hearings. We want to be able to ask them questions and we want them to give us their conscientious opinions in frank answers. What are you going to do about it?"

I have a letter in my office right now from Gen. Malin Craig, Chief of Staff of the United States Army, advising that my letter to Secretary Dern had been referred to him for reply and stating that they had withdrawn all restrictions from these high Army officers; and he said he had issued an order to them that they could give us their frank answers, their frank opinions, and their frank judgment on any matters that came up in committee.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. THURSTON. Will the gentleman include this letter in his remarks?

Mr. BLANTON. I am so busy in some hearings upstairs just now that I do not know whether I shall have time to go to my office for it. If my secretary is still in my office after I conclude I will have her find it, and would then insert it. If I do it this evening, I will print it in the RECORD in the next day or so.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. RICH. Did the Secretary of War give his permission for these generals to give their own opinions?

Mr. BLANTON. Gen. Malin Craig in his letter stated that the Secretary of War had referred my letter to him for answer and he was answering it. It came from the Chief of Staff of the United States Army, who stated unequivocally that all of said officers were directed by him to give their own conscientious opinions freely and without any restrictions whatsoever. Then these major generals came here, and we spent our Christmas holidays in Washington holding hearings. I came here in December.

I missed all of my family reunions at Christmas time in Texas in order to help hold these hearings, which were not perfunctory in character. We wanted to get the frank opinions of these great major generals. Now because General Hagood forsooth gave his honest, conscientious opinion, the War Department says it is going to spank him. It has taken his command away from him and has ordered him to stand by subject to the orders of the War Department.

Mr. Chairman, I want to say to General Malin Craig, Chief of Staff; I want to say to Secretary Dern; and I want to say to Harry Woodring, Assistant Secretary of War, that they cannot get away with this outrage. I know they have General Hagood where he cannot say a word, but I am here to say a word for him. They have started a scrap that is going to last, so help me God, if He will let me live long enough, until I see they do not put this over without punishment to themselves.

Mr. WADSWORTH. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from New York.

Mr. WADSWORTH. Does the gentleman suspect that this order comes from a higher authority?

Mr. BLANTON. The gentleman has been in public life too long not to know just how the Chief of Staff handles his punitive orders. Sometimes when the Chief of Staff pulls off these stunts, no higher up even knows about it. But they are going to know about it. I am going to bring the facts to the attention of the President.

I will say to the gentleman from New York that in my representative capacity I will back up 100 percent every word that Johnson Hagood said in that hearing. His sentiments, then expressed, are my sentiments. It is my opinion. This waste of

public money by scores of officials not loyal to the President must stop. All of my constituents want this waste stopped. Who will deny that all this money which was spent here in Washington shaking rocks in tin cans to scare the starlings from one building to another was not stage money? We all know it was. Who ever heard of putting balloons up in trees to scare the birds from one tree to another? It cost thousands of dollars here in Washington to do that. The administration does not stand for that. It stopped it when we brought it to the attention of the President. It is the foolish, wasteful spending of the underlings who are causing criticisms to be heaped upon our great President and our administration.

Mr. RICH. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Pennsylvania.

Mr. RICH. I congratulate the gentleman on defending these Army officers because as a rule they are afraid to come up and say anything in these hearings. When they do say something they get the devil for it, and I think the gentleman is quite right in standing up here on the floor and defending them.

Mr. BLANTON. Mr. Chairman, I want Secretary George Henry Dern, Gen. Malin Craig, and Harry Woodring to know this, that they ought to be impeached for this and put out of office, and that comes from a loyal Democrat who has faithfully supported his party for his entire lifetime. Ninety-five percent of the people of my district would express exactly the same opinion that Gen. Johnson Hagood did. Ninety-five percent of the Democrats of my State will back up 100 percent every word that General Hagood said at those hearings.

Harry Woodring is the man who has attempted to spank a great major general, one of the ablest, one of the most efficient, and one of the most courageous major generals we have in the United States Army. It is outrageous. It is damnable. If they get away with that, Congress might just as well quit and adjourn. We might just as well adjourn Congress. We might just as well turn the Treasury over to the War Department and say, "Take it. We have taken the front door off the hinges. Put your long arms in and get all you want." We might just as well do all that if we cannot get frank expressions from the high Army officers of this Nation.

Talk about ability? Johnson Hagood has more ability in his little fingernail than Harry Woodring will have in his whole system when he dies.

Mr. Chairman, let me tell you what is the matter with Harry Woodring. Get the hearings, and they will substantiate what I say. When he appeared before our committee I got after him for not punishing Major Hoffman for selling out to a parachute company.

[Here the gavel fell.]

Mr. THURSTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BLANTON. Mr. Chairman, I asked Harry Woodring why he had not taken action against Major Hoffman. This major had the last say so as far as buying parachutes for the Army Air Service was concerned. This Major Hoffman helped organize a parachute company, in return for which the parachute company gave him $23,000 in shares of the company. He was the man who let the contracts for parachutes. The Triangle Parachute Co. advertised him all over the land as being their servant. They advertised all over the country how he was in their company. They stated our War Department had spent thousands of dollars perfecting their parachutes. They sold stock all over the country by holding up the name of Major Hoffman in the United States Army as their stock in trade.

Mr. Chairman, I brought this matter to the attention of Mr. Woodring 3 years ago. He sat there and did nothing about the matter. My committee burned him up recently when he came before us for his inaction. He did not like it, and, because foresooth Johnson Hagood is down in my State with the respect and confidence of every Texan down there, he thought he would take a backhanded slap at General Hagood because he is in command at Fort Sam Houston. Harry Woodring, you are not going to get away with it! You have started something that you are not going to carry through, because I am going to give you the scrap of your life.

Mr. LUCKEY. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Nebraska.

Mr. LUCKEY. May I call attention to the fact that, the other day, I inserted in the RECORD figures showing that the United States had paid for armament and army and naval purposes more than any other nation in the world since 1919, and yet we have less to show for it than any of the other large nations?

Mr. BLANTON. Mr. Chairman, may I say that if we Democrats let General Craig and Woodring get away with this, it will cost the Democratic Party a million votes in November as sure as we live. It would cause the loyal Democrats in my district, who know Hagood, who also do not believe in this waste of public money, and who want this money spent for things worth while, to have a contempt for the General Staff and our War Department for this infamous, dirty, damnable, inexcusable outrage.

Mr. LUCKEY. I think it is about time that we clean house in the Army and Navy.

Mr. BLANTON. I think it is about time for us Democrats to clean our own house, and I appeal to the President of the United States to do the cleaning.

Mr. RICH. Will the gentleman yield?

Mr. BLANTON. No; I want you Republicans to keep out of this row.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield to my friend from Massachusetts, but do not criticize; let me do that.

Mrs. ROGERS of Massachusetts. I am just asking as a favor if you will go to the President and to the Secretary of the Interior. Colonel Hopkins has urged the use of a certain sum of money for buildings, for instance, at Fort Devens in my district, and for buildings at other Army posts all over the country.

Mr. BLANTON. I have already paid my respects to Harry Hopkins in a speech I made the other day when I called attention to the fact that there are thousands of men in my district, patriotic men, who have skimped and denied themselves and made sacrifices and gone hungry and let their wives and little children go without shoes or clothing because they were too proud to go on relief. And Harry Hopkins will not give them W. P. A. work because they have not been on relief.

Mrs. ROGERS of Massachusetts. But he has already recommended this.

Mr. BLANTON. Harry Hopkins says worthy starving men cannot get work unless they have been on relief. He is penalizing them for keeping off of relief, and he is putting a premium on those who have been on relief.

Harry Woodring, I despise injustice like I hate the devil, and you had better withdraw this damnable, unjust order to Johnson Hagood, because I am after you. [Applause.]

Mr. THURSTON. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Chairman, I give my hearty endorsement to the remarks of the gentleman from Texas in respect to the action taken concerning Major General Hagood.

Major General Hagood was invited to testify before the subcommittee of the Committee on Appropriations having in charge the Army appropriation bill. He testified in response to the request of the committee. He testified, pleading for appropriations for Army housing, and in support of his plea for an appropriation in the appropriation bill, he showed the impossibility of getting money from other sources that might be available for this purpose, but the gentleman from Texas does not go far enough. He told the committee that he could get W. P. A. money for purposes that resulted in nothing of permanent value, but for projects such as housing on Army posts he could secure no allocations from relief money. This testimony was given under examination by a committee of the House, who had the

right to require his testimony not only on facts but on his conclusions and his best judgment.

Publication of his testimony was not his act, but that of the committee who may control what they include, in the printed hearings.

For this testimony he has been relieved of his command and sent home in disgrace.

In his denunciation of this reprisal on General Hagood the gentleman from Texas indulges in shadow boxing.

He denounces Assistant Secretary of War Woodring, he speaks about the Chief of Staff, General Craig, and mentions Secretary of War Dern in passing. The gentleman could not have read the order. Let us read the order. The Army order reads:

By direction of the President.

Not a routine matter, not a staff matter, not a War Department matter, but the order reads:

By direction of the President, Maj. Gen. Johnson Hagood, United States Army, is relieved from assignment to the command of the Eighth Corps Area, and further duties at Fort Sam Houston, Tex. Major General Hagood will proceed to his home and await orders. The travel directed is necessary in the military service.

Although Major General Hagood was obeying a Committee of Congress, although he had express carte blanche to give his views from the Chief of Staff, in this reign of terror he is to be disciplined by President Roosevelt because he said something which might militate against Candidate Roosevelt in the next election. Private citizens have been bedeviled about income-tax revisions going back years and years. Businessmen and banks do not dare to call their souls their own. This reign of terror of which Hagood is only one example, will be increasing all over this country from now until November. The New Deal certainly has a bad case of jitters.

Mr. THURSTON. Mr. Chairman, will the gentleman yield for a question?

Mr. LEHLBACH. Yes.

Mr. THURSTON. While the President is Commander in Chief of the Army and, as such, has all the prerogatives of that office, yet in regard to the fiscal policies of the Government, a committee, duly constituted by the Congress, has the power and the authority to interrogate Army officers or any other employees of the Government with respect to any information that may be necessary for such committee.

Mr. LEHLBACH. And an Army officer who refuses to express fully his honest views when asked by such committee, is contumacious and, consequently, more in error than making any statement which might militate against anybody. [Applause.]

Mr. TARVER. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman and members of the Committee, I want to discuss in these few moments allotted to me a phase of this agricultural appropriation bill.

At the last session of Congress an authorization was had for sea-food inspectors in the various parts of this country where sea food is produced.

In the deficiency bill this year an appropriation of $33,000 was made for the carrying out of that authorization. Through a misunderstanding that was cut out of the deficiency bill.

Then when this appropriation bill was considered, following the fact that that was cut out, the Appropriations Committee left out an appropriation of $80,000 for carrying out the work for the fiscal year.

I realize that it is almost impossible, certainly impracticable, to get an amendment on the floor that is opposed by the committee. But I think the Members of this House, if they understood this proposition, understood the misunderstanding that prevailed among certain gentlemen in charge of the bill, that this item would be reinstated in the bill.

So I am serving notice now that I will offer an amendment at the proper point in the bill for reinstatement of the $80,000, and I hope that this amendment may prevail. I say there was misunderstanding about this, and I want to point that out.

When the deficiency bill was under consideration on January 23, the gentleman from Virginia [Mr. WOODRUM] made this statement:

Since it has been incorporated in this bill, the Department of Agriculture is of opinion that perhaps this would operate as a limitation on their right to administer the act. It is an unnecessary item of the bill, and therefore ask that it be stricken out.

That was done. I have no criticism of the committee. They are my personal friends.

As I say, there was some misunderstanding; and I hope the membership of this body will not blindly go along as we are prone to do—go along with the committee and give little consideration to the legislation.

Mr. RICH. Will the gentleman yield?

Mr. COLMER. I yield.

Mr. RICH. During the past 2 years committees have come in here and recommended something and the House has gone along blindly and that is the reason we have got such legislation.

Mr. COLMER. Let me say to the gentleman that I am not interested in any partisan view of this matter. The gentleman has industries in his State, at least there are such industries in some of the States represented here by Republicans, that are interested in this matter just as vitally as I am. I am interested in the matter because I think we are entitled to have the provision in the bill. We are entitled to the inspection of sea foods just the same as the meat packers at Chicago and other places have their food inspected. It costs the Government about $5,000,000 a year to furnish food inspectors for the meat-packing industry. We are asking here for $80,000 for the extension of the service to sea-food packers. An opinion prevails in this country that sea food is poisonous, that it is injurious to the human body, and people will not eat it unless it has the Government stamp upon it. We are asking here for the same treatment on a limited scale that the meat-packing industry receives on a large scale.

In a letter from Dr. Campbell, the head of this department, to Senator HARRISON of my State, he writes:

I pointed out that if the opinion of Congress as expressed in the sea-food amendment of August 27, 1935, was carried out, it would be necessary to appropriate $33,000 for the remainder of this year and $80,000 for next year. I stated to the committee that some of the small packers of shrimp did not have inspection because they were not able to pay the cost of inspection, but that if the salaries of inspectors were paid by the Government it was highly probable that practically all shrimp packers would apply for that inspection. It is to provide more adequate protection for the consuming public, since there is always potential danger in the sale of uninspected shrimp. I advanced this added protection to the public as the chief justification for the appropriation. I also stated that it was the opinion of those who advocated the enactment of the amendment that there was the same justification for appropriating funds for sea-food inspection as for inspection in the packing of meat.

Remember this. We have an authorization for this appropriation. The Budget has submitted it with approval. What is the use of getting an authorization for a certain line of work unless we can get the appropriation to carry out that work? So I hope that when this amendment is offered at the proper time, the chairman of this committee, able gentleman that he is, considerate as he is, fair as he is, will accept the amendment. In the event that he does not, I hope that we can muster sufficient strength to put it over.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. COLMER. Yes.

Mr. TABER. Is it not a fact that that bill to which the gentleman refers authorizes the collection of a fee from all these people who pack shrimp and that that fee is being collected and that the inspection is going on out of that fee.

Mr. COLMER. That is not true. The original bill did authorize that kind of procedure, but the bill as amended now provides for Government inspection up to within the limits of appropriation.

Mr. THURSTON. Mr. Chairman, I yield 3 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I wanted the gentleman from Texas [Mr. BLANTON] to yield further, to ask him if he and other Members of Congress who have Army posts in their district, and also the entire membership of the House, would join me in a trip to the White House to see the President of the United States and the Secretary of the Interior, Mr. Ickes, to ask them to grant the money necessary for building Army cantonments as they should be built. In some posts there are quarters that are nothing better than shacks.

I know that Colonel Hopkins last summer recommended some $800,000 allocation at Fort Devons, which is in my district. It is now, I understand, in the office of the Secretary of the Interior, and I think that a request by Members of Congress and also the taxpayers and workers all over the country—particularly those in the building trades—would go a long way toward getting that money allocated for necessary buildings. I heartily agree with the gentleman from Texas [Mr. BLANTON] when he decried, ridiculed, and denounced the great expenditure of money for useless projects. Individually the personnel in Colonel Hopkins' office and in the field offices are very courteous and very cooperative, but a chaotic condition exists in the entire work-relief program. It is a perfect whirligig and like other New Deal schemes. As a result not only the taxpayer suffers but hundreds of unemployed. If the President and Secretary Ickes would approve the allocation for the Army-post projects, employment could be given at once, because the War Department's plans have been drawn and it could put people on the projects at once.

Mr. WHITE. Will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. WHITE. Does the lady know there has been $164,000,000 allocated to the Army out of the public-works appropriation bill?

Mrs. ROGERS of Massachusetts. I think not recently, except in one or two instances. One, I think, for a hospital at Fort Bragg, in South Carolina; that was some time ago, however; but nothing recently.

Mr. WHITE. One hundred and sixty-four million dollars of that money is yet to be expended for Army improvements.

Mrs. ROGERS of Massachusetts. That may have been, but not for these projects. This is for buildings that were recommended last summer by the War Department and I am sure they were recommended prior to that. I have pleaded and pleaded in vain for those buildings. I realize the work it would give and also the great saving of money, because rent is being paid for quarters for officers and men in the towns. In some Army posts there is a great fire hazard due to lack of suitable buildings. These buildings must be erected sometime to have our Army properly housed. It is only common sense and sound business management to have relief money spent so that it will give employment and at the same time fill a real need. Every day it seems that someone is punished for expressing his opinion or for giving perfectly legitimate governmental information. The removal of Colonel Hagood from his post for expressing his opinion before an appropriations committee is the latest proof of that. Truly we are becoming more and more like Russia.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

Mr. TARVER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. MAVERICK].

TOWNSEND OATH VIOLATES CONGRESSMAN'S OATH; YOU CANNOT BE TRUE TO BOTH

Mr. MAVERICK. Mr. Chairman, this is a nice small meeting, and possibly someone will read this in the RECORD. At any rate, it has become customary to say things about the Townsend plan. I have always been for old-age pensions and am still for them. I was among the very first to announce myself for old-age pensions in Texas. That, however, is not my subject. My subject concerns the methods of so-called leaders in Washington. Although the "plan" is rapidly passing away and will be of no moment as such in 6 or 7 months from this time, I want to make a few remarks in a quiet sort of way about some practices here in Washington.

They have sent out a questionnaire, and I have not received one, but it is endorsed by the Townsend organization, and it says:

> Will you make a pledge to support and vote for national legislation sponsored by it?

It does not say what this legislation is. They want to know in advance if you are going to vote for it blindfolded, just as they tell you. Then it says further:

> Will you pledge yourself to a bill enacting the Townsend plan, leaving the detail of such legislation to the national organization of the Townsend plan, which evolved the plan and presented it to the American people?

Now, they go on to say that you must go before a notary public and swear that you will keep this as an oath to the national Townsend group. In other words, you must take an oath to the national Townsend group which is superior to your national oath of allegiance to the United States of America, which is superior to your oath as a Congressman, which is superior to the duty that you owe your country.

I am making a nonpolitical talk. I am not trying to denounce anybody; but for sheer impudence, for sheer cheek, for sheer ignorance, I have never heard such a thing in the history of the American Republic.

Mr. TABER. Will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. TABER. Could anyone who had taken such an oath qualify as Member of Congress, under the statute?

OUR OATH IS WITHOUT EVASION OR MENTAL RESERVATION—TOWNSEND OATH WOULD VIOLATE THIS

Mr. MAVERICK. No. I do not want to criticize anybody who favors the Townsend plan. They have a right to favor any plan they please, but any man that takes this oath, in my opinion, cannot qualify as a Congressman, because this is the oath which we must take as Congressmen:

> I take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter, so help me God.

Some of these promoters at the head of the Townsend plan are so grossly ignorant of parliamentary practices and duties, so ignorant of a man's self-respect and his personal honor, that they ask you to swear that you will violate your oath in advance.

Mr. WHITE. Will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. WHITE. On what authority does the gentleman say that any such language is contained in any communication that came from the official Townsend organization?

Mr. MAVERICK. I have the personal word of Raymond Clapper, of the Scripps-Howard newspapers, and I have this article in the newspaper. I have checked it. He told me that he went to the headquarters and saw Mr. Clements, and saw the questionnaire.

Mr. WHITE. Do you believe everything you read in the newspapers and everything any reporter tells you? Is that right?

Mr. MAVERICK. Of course not; but this is true, and you know it is true.

Mr. WHITE. Sure, it is true.

Mr. MAVERICK. Well, I am glad to know you admit it is true.

MORE OATHS TO GIVE UP YOUR SELF-RESPECT

I am told that other questions of a grossly impudent nature were asked. They ask this:

> If already a candidate, will you sign a statement agreeing to withdraw your candidacy in the interests of unity and success at the polls if someone other than yourself is endorsed for the position you seek?

Then another question:

> If your answer is "yes", will you, in that event, support the candidate endorsed by the organization?
>
> On a separate sheet set forth in a few words (not less than 200 nor more than 500) why you are in favor of the Townsend plan, and what method you intend to use to convince others to support the Townsend plan at the polls?

In other words, we are ordered to give not less than 200 words nor more than 500 words, because this group of leaders does not want to be bored by too many words.

Raymond Clapper, in the Scripps-Howard papers on Saturday, February 22, 1936, says:

If anyone knows of a more brazen attempt to kidnap national legislation in advance and hold them, signed, sealed, and delivered, he would be doing a public service to expose it.

I agree 100 percent with Mr. Clapper; and this exposes it as far as Congress is concerned.

Now, I want to make this appeal to Republicans, Democrats, Progressives, and Farmer-Laborites, that we ought not to stand for any such thing, as honest, honorable men. I am not criticizing any Member of this Congress. I do not say that a man is not honest because he is for the Townsend plan, but this group of men are misleading people all over the country for a plan which they know is utterly impossible, and are trying to bulldoze Congressmen, and we, as self-respecting men, should not stand for it. Personally, I would consider myself as a crook, as a dishonorable man, if I should sign any such oath.

I call upon all Members of Congress, whether they are for the Townsend plan or not, to denounce such tactics. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MAVERICK. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include therein certain parts of this article.

The CHAIRMAN. Without objection, it is so ordered. There was no objection.

Mr. TARVER. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, I have asked for this brief time while the House is discussing the state of the Union to express my unqualified approval of the following provision in the pending agricultural appropriation bill now before the House:

Provided, That no part of the appropriations contained in this act shall be used to continue the establishment of the so-called shelterbelt project of trees or shrubs in the Plains region undertaken heretofore pursuant to appropriations made for emergency purposes.

The agricultural subcommittee, of which Hon. CLARENCE CANNON, one of the ablest Members of this House, is chairman, wisely declined to make a specific appropriation for this shelterbelt.

The adidtional language cited above, which the committee approved today, puts an end, in my judgment, to one of the most ridiculous and ill-conceived projects ever though of by well-meaning but impractical officials, who actually thought they could construct a luxuriant forest belt across a part of the country where the Almighty will hardly permit a cactus to grow. They already have spent $2,000,000 of the taxpayers' money on this irridescent dream and they were asking for a million dollars more. Ultimately the project would have cost at the very minimum $100,000,000. Even if these gentlemen could have done what the Almighty has not done and could have brought this so-called shelterbelt into existence, it would not have affected climate or temperature, and the only benefit would have been to local people in the belt zone who would have profited by the Government's largess.

This whole scheme was fairly dripping with extravagance. A de luxe prospectus on a superquality of calendered paper and highly illustrated with pictures and maps was issued the other day entitled "Possibilities of Shelterbelt Planting in the Plains Region." It was such a high-toned looking document that I was seized with a desire to know what it cost the taxpayers, especially when it seemed to me that a Government release less ornate and less expensive would have served the purpose quite as well, so I wrote to Mr. Giegengack, the Public Printer, inquiring the cost of producing this release. His reply was as follows:

This will acknowledge the receipt of your letter of February 14 in which it is requested that you be informed as to the total cost of producing the volume entitled "Possibilities of Shelterbelt Planting in the Plains Region", and in reply I am pleased to advise that there was a total of 5,000 copies printed for the Emergency Conservation Work (Forest Service) and the total cost was $4,011.64.

Of course, this was just the printing cost of the release. The cost of collecting and editing the material is another matter and still back of it was the cost of making a detailed study of the region, costs on top of costs never ending, it seems. Out in Indiana a mighty good farm can be purchased for $4,000 these days and here we find the cost of a splendid Indiana farm was spent merely on one relatively small item connected with this irrational and indefensible project—the cost of printing an ornate description of it.

I am a thousand percent for the President of the United States in his efforts in the direction of curtailing expenditures, as demonstrated by his recent orders calling in various emergency appropriations. I do not hold the President to blame for all of the vagaries of impractical persons in his administration, but I do hope and pray that an early frost will come along and nip all such dreamy and impossible schemes as this shelterbelt project, to the end that with the worst of the depression over, we may get back as speedily as possible to real economy in Government which is so much needed as a basis of sound recovery. [Applause.]

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MCREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 11418, the agricultural appropriation bill, 1937, had come to no resolution thereon.

PERMISSION TO ADDRESS THE HOUSE

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the Resident Commissioner from Puerto Rico?

There was no objection.

Mr. IGLESIAS. Mr. Speaker and Members of Congress, permit me to make a declaration which comes from the bottom of my heart and my own convictions. The tragic and brutal assassination of Col. E. Francis Riggs in the city of San Juan should in no way reflect on the Puerto Rican people. They resent such dastardly crimes as much as you and I.

I knew personally the late chief of police of Puerto Rico, and I have yet to hear of any complaint being made with respect to the performance of his duties. I want to make clear to the Members of this body that the people of Puerto Rico are absolutely innocent of the slaying of Colonel Riggs and ought not in all fairness be connected with it. I hope that a thorough investigation will be made by Governor Winship of the background of this terrible crime, and that the responsibility should be placed where it belongs forever in order to purge any reflection which might have been made on a law-abiding people, who cherish American democratic ideals and institutions of liberty and freedom that the Puerto Ricans enjoy under the American flag and its institutions. An overwhelming majority of the people resent this crime.

We wish the respect and loyalty of the American people and hope some day to be admitted into the Union.

I besearch you to consider the people of the island in this light. We have in the island free speech, freedom of press, freedom of association, and the rights of citizenship, and these institutions must be maintained at any cost against every enemy or emergency within or without the island. [Applause.]

Mr. IGLESIAS. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I must mention again the very unfortunate death of Col. E. Francis Riggs, perpetrated by two youths. I feel constrained, as a matter of record, to transcribe a few of the comments and opinions which followed that terrible crime, something which the entire people of Puerto Rico energetically protested against and condemned.

It is true that on one hand the feeling of the people in Puerto Rico, of those who look upon with anxiety the arrival of the economic and social reconstruction of our country on the basis of true justice and the uplifting of the masses, were shocked by such a killing as that which recently took place. On the other hand, those who have created a supergovernment over the head of the insular government, and who still believe in the supremacy of a chosen few to govern the rest of the people, those reactionaries, think another way.

Puerto Rico, without those attempts at the destruction of democracy and popular representation imposing a supergovernment, will evolve as rapidly as possible toward rehabilitation without privileges for anyone or any party and most surely under the rules of our democratic institutions and the protection of the American flag. We do not have to renounce that which means our pride because of the greatness of our historical background, and we can benefit by much of that which represents human happiness to us—American civilization.

The Democratic, Socialist, and Republican Parties and the American Federation of Labor during the past 30 years have constantly advocated the obtaining by the people of Puerto Rico the decided cooperation of the Congress in Washington in order to solve the most serious problems affecting its social and economic life.

Before I continue, it is my desire again to affirm that the people of Puerto Rico, since the time of the occupation by the American Army and every year after, the Presidents and Congress have continually been requested from the nation through representatives of all our political parties and organized labor of the island to define and to set a policy for the island's future and to give recognition to the aspirations and demands of the majority of representatives elected by the people, with prospects in view for economic rehabilitation and self-government.

Unfortunately the press of the United States gives the affairs of the island scant publicity, failing to mention, among other things, the causes of disgust and indignation in Puerto Rico, and only when something like these regrettable tragedies happen is Puerto Rico mentioned.

Without doubt the New York Times has given more consideration and taken a greater interest in the economic, political, and social conditions existing in Puerto Rico than any other paper. Commenting on Colonel Riggs' assassination, the New York Times says:

The politically conscious among the 1,500,000 American citizens of Puerto Rico are tugged between two warring schools. One, represented by a majority of the island legislature, wants elevation from a dependency to a State of the United States. The minority demands independence.

Most militant among the independence advocates are the nationalists—mostly young men, some of whom carry weapons which they occasionally use. Last Sunday two of them shot and killed the chief of the insular police, Col. E. Francis Riggs, formerly of the United States Army. They did it openly, in the presence of other police, who arrested them.

In the police station they said they acted to avenge the killing of four Nationalists in disorders last October. While being questioned the killers tried to arm themselves from a nearby closet; they were shot dead.

* * * * * * *

Puerto Ricans became American citizens in 1917. But never since the United States took the island from the Spaniards in 1898 have the people been exactly sure of the form of government that would eventually be theirs. At present the islanders elect their own legislature, but not the heads of the executive departments; the President of the United States appoints the Governor and each of these two men names some of the executive chiefs, subject to confirmation by the Senate at Washington or at San Juan, as the case may be.

Washington policies toward Puerto Rico have varied with administrations. The uncertainty caused the island legislature in 1934 to petition Congress to grant statehood with a large degree of autonomy. The coalition majority, now in power in the island with 205,000 of the 388,000 votes cast in 1932, backs the statehood proposal. The chief opposition, the Liberals, have a platform declaring for independence, but do not push it strenuously.

At this point I also wish to include in my remarks some very short comments on the subject which appeared in the Washington Daily News, as follows:

The San Juan assassins who slew Col. Francis Riggs, ex-Army officer and member of a distinguished banking family here, were followers of Pedro Albizu Campos, "president" of the "republic." The men who killed a local police chief a few hours later also were identified as nationalists.

This group, which polled 5,000 votes in the last Puerto Rican elections, is represented here as an organization of patriotic zealots formed on Fascist lines rather than as a political party. It is not identified with either of the major parties—the Liberals or the Republican-Socialist coalition.

Another comment appeared as an editorial in the Baltimore Sun, as follows:

The sudden and ugly appearance of terrorist assassination in Puerto Rico will come as a profound shock to mainland Americans, who, whatever the defects of their attempts at overseas administration, have always tried to cultivate the best interests of the insular possessions and have always prided themselves upon relative success of their relationship with the insular peoples. When overseas administration is not founded upon the naked principle of colonial vassalage and brutal repression, its problems are bound to be difficult.

Under the British, both in India and in Egypt, we have seen the imperial relationship develop in precisely that way. In both countries handfuls of extremists have at one time or another reduced the political problem very nearly to the insoluble. But Americans, both of the mainland and the island, have more successfully managed to meet the unavoidable difficulties of the relationship with sanity and compromise, and mainland Americans certainly hope that they may continue to do so. The two wretched youths who murdered Colonel Riggs in San Juan and called down upon themselves what looks horribly like an application of the ley de fuga, have rendered Puerto Rico a terrible disservice, but not so great a one as that of the politicians who incited them with fantastic talk of an "army of liberation" and a "war of independence." There are only two possible answers to terrorism. One is drastic suppression. The other implies a much worse fate for the island; it is independence, which means economic and political death.

And the other was printed in the Washington Post, which follows:

The only policy which we have consistently followed with respect to Puerto Rico is one of drifting. So casually "conquered" by General Miles in 1898, the people of this island have never been advised as to what may be their final position in the American scheme—or as to whether they are ultimately to belong to that scheme at all. Meanwhile, Hawaii, with a population largely Asiatic in composition, has become a full-fledged Territory.

The uncertainty as to Puerto Rico's future political status has bred three distinct schools of thought among the islanders. One, a minority representing substantial property interests, would be satisfied to retain the present form of connection with the United States. Another and very influential group has long worked for outright statehood within the American Union. The third would have nothing less than complete independence.

The issue of independence was first openly intruded into local politics in 1932 by the Liberal Party of Antonio Barcelo. The Liberals would attain their ends by the peaceful weapons of petition and argument. However, members of the Nationalist group, composed largely of hot-headed youths, have favored a program of violence. They have apparently acted on the theory that if they make the situation of American officials on the island uncomfortable enough we might withdraw and leave the natives to their own devices.

Until recently extremist agitation had largely been restricted to displays of untempered speech. But ever since the sanguinary incident of Rio Piedras last October more direct methods have been feared. The passive attitude of responsible elements in the face of this strong probability is evidence of serious negligence in dealing with the fundamental problem. Now, resort to terrorism by members of the Nationalist Party reveals a situation which can no longer be ignored.

I want to make clear to the Members of the House that the people of Puerto Rico are absolutely innocent of the slaying of Colonel Riggs and ought not, in all fairness, be connected with it, because the great majority of Puerto Ricans are law-abiding citizens, who cherish democratic ideals and the institutions of liberty and freedom which they enjoy under the American flag.

POLITICAL PARTIES

The island's political parties in existence at this time are organized in four groups, as follows:

The Union Republican Party of Puerto Rico historically represents a true spirit of Americanization of the island and maintains the fundamental principle of permanent association with the United States. This party strongly supports the ideal of the admission of Puerto Rico as a State of the Union, as recently stated in the platform of the National

Democratic Party. The total number of votes obtained by this party in November 1932 was 110,793.

The Liberal Party is asking for independence and the organization of Puerto Rico as a republic. They want also that the statehood be granted by Congress at once. The total number of votes obtained in November 1932 by this party was 170,162.

The Socialist Party of Puerto Rico is a creation of the labor organization as represented by the American Federation of Labor. Since its organization over 30 years ago as a political party, it has also maintained and supported the fundamental principle and aim of our permanent association with the people of the United States of America. The total number of votes obtained by this party in November 1932 was 97,433.

The Nationalistic Party is radically antagonistic to American institutions and advocates the immediate constitution of Puerto Rico as a free republic with no connection whatsoever with the United States of America. The party obtained only 5,254 votes at the last election.

THE COALITION

Both parties, the Union Republican and the Socialist Parties, having some common ideals, decided to form a coalition.

The total votes cast by the four political groups for the Resident Commissioner from Puerto Rico in Washington were as follows:

Coalition:	*Votes*
Union Republican	110,793
Socialist Party	97,433
Total	208,226
Liberal Party	170,162
Nationalist Party	5,254

The majority of the coalition for the Resident Commissioner was 38,064 against the Liberal Party.

PUERTO RICO AN ORGANIZED TERRITORY

The following decision with regard to the political status of Puerto Rico was rendered by one of the Assistant Attorneys General of the United States, in which the opinion is expressed that Puerto Rico is an organized Territory of the United States:

DEPARTMENT OF JUSTICE,
Washington, D. C., February 15, 1934.

MEMORANDUM FOR MR. STANLEY, THE ASSISTANT TO THE ATTORNEY GENERAL

I have had under consideration your request for recommendation on H. R. 7873 (73d Cong., 2d sess.) and reasons in support thereof, particularly concerning the request contained in the letter of SANTIAGO IGLESIAS, Resident Commissioner of Puerto Rico. I take it that the request of the Commissioner goes no further than to consider whether Puerto Rico is such a Territory as is intended to be governed by this act. I will therefore confine my consideration of the matter to that question.

* * * * * * *

If, therefore, Puerto Rico may be said to be within the meaning of the term "Territories" the act applies to Puerto Rico. It is true that Puerto Rico is not a fully organized Territory such as Alaska and Hawaii and has not been incorporated into the Union as a Territory (*Balzac* v. *People of Puerto Rico*, 258 U. S. 298, 305). On the other hand, it has been held by the United States Supreme Court to be a completely organized Territory.

* * * * * * *

"Puerto Rico, although not a Territory incorporated into the United States, is a completely organized Territory."

In the opinion Mr. Chief Justice Fuller said (p. 476):

"It may be justly asserted that Puerto Rico is a completely organized Territory, although not a Territory incorporated into the United States, and that there is no reason why Puerto Rico should not be held to be such a Territory as is comprised in S. 5278."

* * * * * * *

The specific question asked by the Commissioner is:

The object of this letter is to ascertain whether under the term "Territories" Puerto Rico is included and will benefit by this bill or any other bill where the word "Territories" is used.

I therefore answer this question in the affirmative.

Respectfully,

HARRY W. BLAIR,
Assistant Attorney General.

VACATIONS TO GOVERNMENT EMPLOYEES

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8458) to provide for vacations to Government employees, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. RAMSPECK, SIROVICH, and LEHLBACH.

SICK LEAVE

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8459) to standardize sick leave and extend it to all civilian employees, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman tell us how much sick leave it is expected will be given Government employees?

Mr. RAMSPECK. We are reducing the sick leave from 30 to 15 days.

Mr. RICH. For all Government employees?

Mr. RAMSPECK. Yes.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, does not the gentleman feel he is jeopardizing the legislation in view of the fact the Senate, as I understand, has given certain Senators an absolute promise that they would stand by the amendments they desire?

Mr. RAMSPECK. I do not think so. I may say to the gentleman I have consulted with the gentleman to whom he refers on the other side of the Capitol, and I think we shall have cooperation.

Mr. COCHRAN. It has always been my observation that when the Senate makes an agreement with certain Senators to do something they generally stand by their agreement. The gentleman might be jeopardizing his own legislation by sending it to conference.

Mr. RAMSPECK. I do not think so, I may say to the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none and appoints the following conferees:

Messrs. RAMSPECK, SIROVICH, and LEHLBACH.

ALLIES OF THE COMMUNISTS

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address I delivered February 22, also to include a letter I received criticizing that address and my reply thereto, and three of four extracts from Communists' publications in regard to the same subject matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, by permission of the House I am offering herewith to be printed as a part of these remarks an address delivered by me over the Columbia Broadcasting System at Washington on February 22, 1936, applying especially to the McCormack-Tydings bill and the Kramer bill. The enactment of these bills into law is being vigorously opposed by the Communists.

I do not charge that all who oppose these bills are Communists, but I do believe it fair to assert that those who oppose the enactment of these bills into law are, to that extent, perhaps unwittingly, but nevertheless actually, allies of the Communists in that respect, in connection with their opposition to these bills. Mr. Speaker, I am getting too old to become excited over any question and certainly old enough to be calm, temperate, and judicial in my judgments about all matters. I hope that I have cultivated a spirit of tolerance, liberality of views, and willingness to hear and to try to understand the other man's views. I have been an ardent student of Thomas Jefferson all my life. I have read everything that he ever wrote, if the same was published in the 20-volume edition of his writings that I have, and have read most of them more than one time. But Thomas Jefferson was an individualist of the most pronounced character. Believing in the Declaration of Independence, he also believed that it implied equality of opportunity to every man and woman to make of themselves all that their ability,

their energy, and their character justifies them in making. But he also believed that ability must be stimulated, energy must be aroused, and character must be strengthened in the fierce fires of competition. Thomas Jefferson did not believe that the sluggard should eat. He believed that the man who would not work should feel the pinch of hunger. He believed that the man who would not strive to be something, to do something, and to have something should not be permitted to enjoy that which others by their labor and sacrifice produce. I take my stand upon this broad platform, and that is why I believe that this doctrine of the Communists is an enemy to the progress of the human race.

Mr. Speaker, the general public may not think there is any danger from Communists and communistic sympathizers in this country. But they are active and energetic; they are working with the zeal of missionaries; they are pushing their propaganda with fanatical enthusiasm, but at the same time discreet, prudent, and well-nigh secretive methods. That is why these Communists are so bitter in their efforts to defeat the legislation to punish those who would incite disaffection and mutiny among our soldiers and sailors. This opposition has the same source as the opposition to the Kramer bill. How any loyal, reasonable American citizen will take the second thought about the Kramer bill and still continue in opposition to it is beyond my comprehension. Do not we all recognize the wisdom and the fairness of a law that prohibits, under criminal penalties, one person to advise and urge another to commit murder, or to commit burglary, or to commit arson, or to commit larceny, or to commit any other of the hundreds of crimes, common law or statutory? Yet can there be a higher crime than the urging and inviting and advising other people to bring on civil war? The Kramer bill simply says that it shall be unlawful for one person to advocate the overthrow of the Government of the United States by force and violence. The heart of that proposed law is the use of force and violence. We recognize the right under the Constitution of all citizens to advise and plead for the overthrow of the Government of the United States at the ballot box. Of course, the Communists of Russia would not allow any such privilege. If any person in Russia today were to speak or write advocating replacing the Soviet Government with any other government, that person would be thrown in prison immediately and perhaps finally executed. We have an accepted liberal Government under a liberal Constitution. I believe in it with all my heart.

I derive that belief from my understanding of the political philosophy of Thomas Jefferson. But I deny, and Thomas Jefferson would deny, and it seems to me that any very reasonable and fair-minded person would deny that any man should advocate the overthrow of our Government by force and violence, thus bringing on civil war, wholesale murder, destruction of property, and perhaps the destruction of our civilization itself. No greater crime can be contemplated. No greater act of treason could be committed. Yet some groups oppose our setting up a law that it shall be unlawful to commit this high treason by advocating civil war as a means of overthrowing our Government.

Mr. Speaker, the McCormack-Tydings bill is a corollary of the Kramer bill. Why do we spend nearly a billion dollars a year for national defense? Manifestly it is to support and defend our Government and our institutions against all enemies, foreign and domestic. In other words, our Army and our Navy are to prevent any foreign government from invading us and conquering us and forcing upon us their laws and their institutions. Without adequate national defense, the Soviet Government of Russia, with its most powerful air fleet and its most powerful armies, with adequate sea transport, could invade us and make another U. S. S. R. in good old U. S. A. Without an army and a navy to assist our civil-law agencies and officers, including our police force, our sheriffs and our deputy sheriffs, the sappers and miners within our own borders, these very Communists who openly and frankly admit that when they get sufficient strength and when the psychological moment arrives they will strike like a tiger, with all possible force and violence, at the throat of our Government, will surely seize the opportunity, seize our broadcasting systems, seize our telephone and telegraph systems, seize our transport systems, and seize all of our public utilities, and then finally seize the reins of government itself, and within a few days set up a Communist dictatorship as tyrannical, as cruel, and as murderous as that set up by revolution in Russia.

Mr. Speaker, it seems a popular pastime in the last few years for many of our citizens, heretofore loyal, to find some fault with our Government and with our economic system, and instead of working patiently to correct it, either by amending the Constitution, or by enacting legislation under the Constitution, or by forming public sentiment to make such changes effective, they impatiently insist upon overthrowing the Government itself. It seems to me very much like burning the barn to get rid of the rats. I know our Government is not perfect, but I also know the government of Russia is not perfect. I would a thousand times prefer to leave my children and the children of my brothers and sisters in a government controlled by the will of a majority of the people, where a man may freely express himself, either in writing or by speech, upon all public questions affecting the policies and laws of his Government, than to leave them subject to an autocratic, bureaucratic, dictatorial group of irresponsible commissars never elected by the people and not removable by the people, such as they have in Russia. Conditions in Germany and in Italy are bad enough, and I am as bitterly opposed to fascism and to nazi-ism as I am to communism. I am for Americanism, under the American Constitution, which can be amended at any time. I am now pleading with those who find little faults in our governmental and economic system not to join the ranks of our outright domestic enemies, not to sympathize with their opposition to this proposed legislation, not to become their virtual allies in this particular respect, but to stand by the Government that holds wide the doors of opportunity for our boys and our girls.

Ours is a Government that says to every boy and girl that he has a chance in life to be something and to have something. At the same time our Government says to every boy and girl that if they will not work, if they will not obtain an education, if they will not become efficient, if they will not economize, then they must brand themselves as failures, and while we will not see them suffer for bread, we will grant them an old-age pension sufficient to maintain reasonable comfort, yet those who do not work and produce shall not and should not enjoy the same benefits as those who work, sacrifice, and save in order to have something in old age.

M'CORMACK-TYDINGS-KRAMER BILLS

Mr. Speaker, to make application of these general propositions to the McCormack-Tydings bill, I express surprise that so many people and so many newspapers and magazines misunderstand the provisions of the McCormack-Tydings bill, as amended by the Committee on Military Affairs. Will any editor or anybody else claim the privilege of advising police officers and firemen not to obey the laws, regulations, and orders governing them? If so, why? Why do we pay and maintain policemen and firemen? The answer is obvious. Disobedience by them defeats the very purpose of our paying them. By the same token, it must be manifest that disobedience by a soldier or sailor defeats the purpose of having soldiers and sailors. If that be so, then who should have the privilege of urging soldiers and sailors to disobey? How can it deny ordinary freedom of speech and of the press to say that citizens shall not urge soldiers and sailors to disobey? When employers, the heads of newspapers and magazines, the heads of factories, and railroads, and other industrial institutions, tolerate the presence in their organizations of people who urge their employees to disobey the rules of the industry, to do defective work, to neglect their duties, to damage the property of the employers, and thus to derange, disorganize, and virtually destroy the business of their employers, then we understand why it would be proper to let Dick, Tom, and Harry advise and urge soldiers and sailors to disobey the laws, regulations, and orders governing them.

Mr. Speaker, there can be no danger to freedom of speech and of the press from this bill as amended. The committee is scrupulously careful to respect the principle of free speech and of free press. The provisions of the proposed law are directed solely at those who say to soldiers and sailors, directly and in person, that they should not obey those having authority over them. This talk I have heard and read that to circulate Bibles, or the Declaration of Independence or the Constitution of the United States, among soldiers and sailors would constitute the person so distributing them a violator of the law, seems to me too weak and unreasonable to deceive or mislead any informed mind. There is not a word in the Bible or in the Declaration of Independence or in the Constitution of the United States that could be, by any possibility, twisted into advising soldiers and sailors to disobey orders. In fact, the Bible is full of advice to the contrary. The Bible even says that servants should be obedient to their masters. The Bible throughout, and especially in the writings of St. Paul, exalts the virtues of the loyal and faithful soldier. When the Ten Commandments say, "Thou shalt not kill", it refers, as every reasonable mind must know, to malicious killing defined as "murder", and not to killing in lawful form. Surely there are very few, if any persons, who do not believe in capital punishment for certain hideous crimes. Can it be said that the Bible forbids capital punishment? When Jehovah led the hosts of Israel in battle against their enemies, did He, himself, violate his own command to his children? All language must be interpreted reasonably and in connection with the object to be accomplished and the idea to be expressed. True, Jesus Christ is the "Prince of Peace", but I have searched carefully, through many years, his words, and in vain, to find where he condemned a warfare of defense, a righteous warfare for truth and justice. He will reign after the final triumph of truth and justice over error and sin.

Who condemns the American Revolutionary War? Who condemns the War of 1812, to enforce our rights upon the sea and to defend our infant Republic? Who says that when the British put their feet on the soil at the shores of Chesapeake Bay and were marching toward our then infant Capital that it would not have been proper for our soldiers to have destroyed the last one of them rather than permit them to destroy our Capitol, our Executive Mansion, and many other public and private buildings? Who but deplores the inadequacy of our defense, who but hangs his head in shame to think of our defeat at the battle of Bladensburg? Who but recalls with humiliation the fact that the invader drove our President and his Cabinet and all other Government officials out of the city of Washington?

SINISTER APPEALS TO SELFISHNESS

Mr. Speaker, some very strange and subtle and misleading arguments have been used to try to defeat the McCormack-Tydings bill and the Kramer bill. I hope our people will wake up and think carefully about these matters. I know how susceptible enlisted men in the Army and the Navy are to the seductive insinuating suggestions that they are unjustly and unfairly treated, and yet employed to maintain an unjust capitalistic system. As a result of this fact, the enlisted men of the Army and the Navy suffer from what is now called "inferiority complex." Their minds and hearts are thus rendered fertile ground for the planting of feelings of insubordination, of disaffection, of disloyalty, of mutiny. It would sound very plausible, it would have a powerful appeal for Communists and their sympathizing allies to remind the enlisted men of the Army and Navy, and especially the noncommissioned officers, that the leaders, the masters, of Russia, of Germany, and of Italy today, were, during the World War enlisted men and noncommissioned officers.

How powerful would be the appeal to these noncommissioned officers to promise them that, when our Government is overthrown by the Communists and their sympathizers by using force and violence, then the present generals and admirals and other high ranking officers would be displaced, would, perhaps, have to face a firing squad or flee the country, and that those who are now noncommissioned officers and enlisted men, would be in command of the armed forces that a Communist government is certain to organize and maintain. The talk about the bottom rail getting on top is always a powerful appeal to the bottom rail. The good old English way, the good old American way, of rising from mud sill to the capstone, of advancing from the log cabin to the White House, of advancing from the sweatshop to the counting house, of advancing from the mine to the United States Senate, of advancing from poverty to wealth, of advancing from obscurity to power and influence, is the slow but sure method of competition, the fair and just method of personal ability, of individual industry and of private economy and thrift. If this system has been abused, let us correct it. If powerful business has abused its power, let us regulate it as we have done and as we are doing. If a few individuals receive too large a share of the national income, let us regulate that. But do not let us burn the barn to kill the rats.

Who would ask the legal right to advise and urge pupils in public schools to disobey the rules of the school and directions of the teacher? Who wishes the legal privilege of advising and urging cooks, chauffeurs, salesmen, trustees, cashiers, watchmen, and all employees and agents to be disloyal to their employers and principals? Then why should any person claim his rights and privileges are infringed by a law against advising and urging soldiers and sailors not to do their duty? "If any, speak, for him have I offended."

PROGRAM OF REVOLUTION IN AMERICA

The following is taken from the August issue of A Survey of Americanism, by the Veterans of Foreign Wars of the United States. Published and distributed by the Veterans of Foreign Wars, and they assume the responsibility for its accuracy:

RED TACTICS IN AMERICA

In the National Bulletin, Military Order of the World War, is published an excerpt from a confidential report of an address given recently in one of our large cities by a Soviet agent, an emissary of the criminal dictatorship of Soviet Russia. Said this sedition-breeding gentleman:

"We are proceeding in America just as we are in Europe, and throughout the world. We Communists and Socialists will haul down the dirty American flag and fly our own red flag over the White House. We are boring from within the labor unions. We are penetrating pacifistic organizations, organizing student clubs, and planting our workers in the culture clubs of women. We are organizing to fight the Boy Scouts, the rotten breeding places of patriotism. We will infiltrate into the American Army and Navy and stamp the men with our cause. Don't think we can't do it! We will drive them like sheep before us. We will put into your legislature, into Congress, into the Senate, those who will do our work for us. Think these things over. Get America ready for its fall."

Communists are feverishly attempting to organize within the National Guard, the Army and Navy of the United States. They have made progress in that direction. While legislation has been introduced to take care of this serious situation, the red-aiding American Civil Liberties Union is bitterly opposing it, assisted by Congressmen, at least one of whom admits his membership in this organization. The foregoing are but a few of the many of the astonishing facts available, showing the infiltration of sedition, atheism, and disloyalty into our national life.

COMMUNISTS WORK LIKE TERMITES

This speech was made at a mass meeting of key men of the Communist Party and sympathizers for the purpose of developing a united front against class legislation. The speech was made by one Paul Richie, San Diego assemblyman to the California State Legislature. Extracts are quoted below:

"We're as busy as termites." Perhaps we are going to come together in a united front, but I am here to protest some sinister un-American activities being carried on by certain subversive minority groups. I refer to the Junior Chamber of Commerce, Elks, etc. [loud boos], Fascist tendencies represented by Billy Hearst. The working class is waking up. It runs the industries except in ownership. We need to study tactics for the abolition of capitalism. Must convince the capitalist class that the rotten old system don't work. Your power lies in revolutionary industrial organization. The ballot preserves your respectability; advocate a peaceful revolution. I don't say we're going to have it, but it won't be our fault if it's a violent revolution. Do you want a revolution? [Audience: Yes; yes.] Then you must nullify the military forces of the United States (or the capitalist class). Then you can say, "Shoot us if you will, but we won't make your guns." I'd like to see it come soon. I believe the revolution tradition of American people will be stirred by our plank. Try "abolition of capitalism"; freedom of speech means nothing unless you have the right to advocate the overthrow of

the Government by force and violence if you wish. [Reading bills.] "One bill denies freedom of conscience in universities, etc."

ROCHESTER, N. Y., *February 22, 1936.*

Hon. JOHN J. MCSWAIN,
Member of Congress from South Carolina.

DEAR SIR: After listening to your talk via the radio today, I just couldn't resist the temptation to write you, and if what I say doesn't meet with your approval, please believe me when I say, at least it is an honest opinion of one who likes to think of himself as a patriotic American citizen; from the Mexican War through the Civil War, Spanish-American, and World War, my family has been amply represented.

I saw active service in France as a private in the doughboys; I might add I volunteered. I tell you this, not in the spirit of bravado, but to emphasize my claim as a patriotic citizen.

First, let me tell you I think you greatly underestimate the number of communistic sympathizers in this country. However that may be, the point I wish to stress is, instead of the bills which you have discussed, why not get at the bottom of this communistic action, find out why loyal American citizens are willing to listen to these "red" orators? If you do this, I am confident you will find that it is not so much "red" propaganda that is responsible as it is the greed and selfishness of the so-called "capitalistic class."

Unless you and your colleagues of both Houses of Congress can devise some means to stop this concentration of wealth in the hands of a few, which as you know creates untold hardship on most people, all the prohibitive legislation you pass will only serve to give these red agitators something to squawk about and thereby gain more sympathizers.

Please believe me when I say I am a firm believer in our American system of government and I sincerely hope it is never overthrown, but facts are facts, and I think you'll agree with me when I say that something is wrong with a system that permits all this wealth and splendor for some and misery and suffering for millions of others.

Find out what this wrong is, remedy it, and you won't have to pass prohibitive legislation to curb Communists. They will disappear almost over night.

In conclusion let me say, if the day ever comes when we have bloody revolution it can only be the fault of these greedy, selfish few who think that money makes right.

Very sincerely yours,

WILLIS O. PEACOCK.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MILITARY AFFAIRS,
Washington, D. C., February 23, 1936.

Mr. WILLIS O. PEACOCK,
41 Wooden Street, Rochester, N. Y.

DEAR MR. PEACOCK: I have received your letter which you volunteered to write me, and since you do not ask me to keep it confidential, I assume that you are proud of it. Accordingly, I am putting it in the CONGRESSIONAL RECORD along with my reply.

You say that you are a patriotic American citizen and you believe in our system of government, but manifestly you sympathize considerably with the Communists. Your reference to a bloody revolution is significant, and reveals the state of mind of these Communists. They openly confess that they will hail the day with joy when bloody revolution will stalk the land, and when thousands and tens of thousands will bite the dust in death. If you are the loyal American citizen you claim you are, and if you believe in our system of government, as you profess to do, then you should set your face and influence against the Communists and join our Democratic Party in our efforts to correct, as far as possible, the injustices of our constitutional and economic system. I believe that if private persons in Russia could express themselves about the tyrannical and despotic dictatorship now prevailing in that country, millions of Russians, yea, tens of millions of them, would be writing against Sovietism much stronger than you have written against the defects of our American system. Any Government and any system will always have some defects, but I fear that the Communists and their sympathizers, of whom you are manifestly one, would burn the barn to get rid of the rats; that is, you would overthrow the system in order to correct the defects, and if thus you bring in Communism, I feel sure that you will jump out of the frying pan straight into the fire.

Yours very truly,

J. J. MCSWAIN.

COMMUNIST FLAVOR HERE

The Washington Herald of December 19, 1935, reports a meeting called the National Peace Conference, which met behind closed doors, claiming to represent 29 organizations, and put out the following six-point program:

1. A Nation-wide program to have the United States enter into obligations of international action.
2. To cripple the Army and the Navy by cutting appropriations.
3. Defeat of the antimutiny and antisedition bill and the Kramer bill, which would forbid advocating the overthrow of the United States Government by force and violence.
4. Abolish R. O. T. C. in universities, colleges, and schools and begin with the entering wedge of the Nye-Kvale bill to make military training in land-grant colleges optional.
5. Vigorous propaganda for our entry into the League of Nations so that our Army and Navy might not be used to enforce League sanctions.
6. Adoption of a drastic neutrality bill, the effect of which would be economic isolation for a while but ultimately would probably mean our entry into another World War.

SINISTER SUGGESTIONS

A leaflet circulated among the sailors on shore duty signed "Shipmates' Voice", and pertaining to be published by the enlisted men in the Navy and the Marine Corps, contains the following:

WE MUST ORGANIZE FOR PEACE

Unless the soldiers and sailors and the millions of workers who would be called upon to swell their ranks in the threatening war do some thinking on their own accord and back it up with independent collective action against the war danger, the cause of peace is lost. The workers in their unions and the masses of the people in their antiwar organizations have made a good beginning. It is up to us to go along with them.

American capitalism regards the Navy as the first line of defense of its profits in time of war. It maintains the Navy to enforce the tradition of the freedom of the seas, which serves as a screen to war-profiteering trade. No more telling blow could be struck for the cause of peace than an organization of enlisted men in the Navy which would refuse to defend the profits of American business.

There are plenty of men in the Navy who are ready to support this program. Some of us are already organized into the groups which publish Shipmates' Voice. But to be really effective in the fight for peace, we must broaden this organization to include the entire enlisted personnel. Talk it up with your shipmates. Form a group on your own ship or shore station.

Join the workers' fight for peace. Not a shot in defense of capitalist war profits.

PLAN OF CAMPAIGN

A statement issued by the Communist Party at San Pedro, Calif., and circulated among soldiers and sailors and marines, addressed to them as fellow workers, contains among other things the following:

[Issued by San Pedro Unit, Los Angeles section, district 13, Communist Party, United States of America]

FIGHT THE BOSSES!

If we are to fight, let us not fight other workers! Let us join the millions of other workers to fight against our common enemy—the plundering, exploiting, bloodthirsty boss class!

Joint the Communist Party, the only party which fights for full and immediate payment of the bonus, against imperialist war preparations, for unemployment insurance, against wage cuts, and lay-offs! For information write to 1164 Market Street, San Francisco.

Turn all war funds over to the unemployed and for the veterans' bonus! Demand the withdrawal of American battleships from Chinese waters! Defend the Soviet Union, the First Workers' government! War means the butchering of millions of working-class youth! Fight against imperialist war preparations! Demand "hands off China!" Defend the Chinese Soviets! Fight against the wage-cut drive of the boss class!

MISREPRESENTATION RUN MAD

A glaring example of the misrepresentations made to the people whereby they are induced to express opposition to the legislation to protect our armed forces from disloyal, seditious propaganda, is the following extract from a newspaper sent to me by a lady out in Michigan:

Under the Tydings-McCormack military disaffections bill, a person who said the Army or Navy was too large would be liable to prosecution. Indeed, the critic who said the Army and Navy are too small would also be a criminal.

The mother who advised her son not to reenlist in the Army, Navy, or marines would be committing a crime and subject to a $1,000 fine and 2 years in prison.

How any person with the slightest intellectual honesty could so distort his imagination as to say that the McCormack-Tydings bill, if enacted into law, would make possible prosecution and conviction of any person who argued that the Army or Navy is too large or too small, is inconceivable to me. But the zenith of insincerity, of absurdity, of rank hypocrisy, not to mention falsity, is reached when they say that the bill levels its prohibition against a mother who might advise her son against reenlisting in the Army or Navy or the Marine Corps. There is no law, regulation, or order to the effect that any soldier or sailor shall reenlist. Many of the most loyal, patriotic women in the land might advise their sons not to reenlist. One enlistment for an American citizen is usually his share of military duty. There are millions stridently professing 100-percent Americanism

that not only have never in their lives done any sort of military duty, but have done all they can to evade and escape military duty for themselves and others. Jury duty, military duty, and many other kinds of public duty may be burdensome and unpleasant, but to have a government of the people, by the people, and for the people, these public duties must be discharged.

I respectfully ask all of those who write and publish these tirades against the McCormack-Tydings bill and the Kramer bill first to publish the exact language of these bills as recommended to the House by the appropriate committees. If they will do that, the bitter fulminations and false representations constituting their mere comment upon these bills will fall flat in the minds of intelligent and thinking people. All that I ask is that the people be given the knowledge of the exact language of these bills.

RADIO ADDRESS BY REPRESENTATIVE M'SWAIN, OF SOUTH CAROLINA, DELIVERED OVER COLUMBIA SYSTEM, FEBRUARY 22, 1936, AT WASHINGTON, D. C.

I am venturing on the discussion of the subject of subversive communistic activities in this country, especially as relates to the Army and the Navy, with a full realization that ordinarily the subject excites so much feeling, either for or against, that it is difficult for those aroused by such feelings to reason calmly and to distinguish truth from falsehood. I am hoping to offer a calm and judicial discussion and am begging all listeners to lay aside feelings, for the moment at least, and to reason calmly and coolly.

First, let us take up the Tydings-McCormack bill, now pending in the House of Representatives, having passed the Senate and having been reported favorably by the Committee on Military Affairs of the House. It has been erroneously thought by some people that this bill in some way impinges the freedom of the press and the freedom of speech of the ordinary citizen, due to misleading propaganda.

I cannot believe that those who come to this conclusion have considered the subject quietly. We must remember that the Army and the Navy are in a special group by themselves and have something of the same relationship to the public as the police force and the fire departments. No person is compelled in peacetime to join any of these organizations, but having joined them, and receiving the benefits coming from such membership, the individuals thereby set themselves apart as a peculiar class and establish for themselves a peculiar relationship to the Government. They no longer have the freedom and privileges of civilians. Now, the bill under discussion merely proposes that any person who knowingly, and with the purpose to incite mutiny or disobedience, advises or counsels any soldier or sailor to violate the laws or regulations governing the Army or Navy, shall be guilty of a criminal offense. This is simply and absolutely all there is in and about the bill. The very essence, benefit, and advantage of maintaining an Army and a Navy, and a police force, and a fire department, rests upon the principles of absolute and instantaneous obedience to orders. If the members of the fire department were permitted to delay after receiving the fire alarm and to debate and take a vote before responding, then the house would burn down before they arrived. If the members of the police force were permitted to deliberate and hesitate and pass resolutions before enforcing the law, then lawlessness and crime would stalk the land, until civilization would be impossible. In like manner, if soldiers and sailors are to discuss and debate the questions of obeying orders in any case whatsoever, or in certain classes of cases, then the money spent to have organized force to resist invasions, and surpress insurrection, would be largely wasted.

It is no answer, I respectfully submit, to say that neither the Army nor the Navy now need such legislation. Certainly, it is no reflection upon either the efficiency of the officers or the loyalty of the enlisted personnel to propose such legislation. All of us know the facts and none of us need dispute them, that pouring suggestions, insinuations, suspicions, and doubts into the minds of people will ultimately bear fruit in action. This psychological fact is the basis for billions of dollars spent in advertising. If communistic agencies and their sympathizers are to be free to speak and to hand out literature to soldiers and sailors, telling them that the existing economic institutions are unjust and unfair, and inhuman, and that our armies and navies are maintained to support and bolster up a selfish and wicked capitalistic system, and that the real interests of the enlisted men are with these communistic agitators and against their own Government, and that when a critical emergency arises and an opportunity presents itself for Communists to overthrow the existing Government, then such soldiers and sailors should defy the law and the authority of their officers and should join the Communist revolutionaries and should turn their guns against the Government that has been paying them, feeding them, clothing them, and housing them; if such propaganda is to be permitted, then the very condition that communistic agitators so ardently desire may ultimately come about. History is constantly repeating itself in different parts of the world, and I find that the communistic literature is full of suggestions about the French Revolution, the Russian Revolution, and the German Revolution, and hints are many about a coming world-wide revolution at the first opportune moment. All education, all propaganda rest upon the universally known fact that thought, ideas, sentiments finally bear fruit in action.

Now, note well, the prohibitions and penalties proposed by the Tydings-McCormack bill are directed exclusively against those who conduct such propaganda among the personnel of the Army and the Navy, and such propaganda must be under the amendment proposed by the House Committee on Military Affairs, be specifically and directly addressed to and knowingly and purposely aimed at such personnel of the Army and the Navy. If the speech or literature be addressed to a general audience of civilians and if incidentally the propaganda comes to the ears or eyes of the soldier or sailor, that would not constitute the offense. Therefore, all newspapers would be absolutely free and all speakers would be absolutely free to print or to say anything in favor of the communistic government and anything against our own democratic Government that they saw fit. It certainly is a high evidence of the toleration and liberal-mindedness of the American people that they do permit under their Constitution agitators to speak and to write sentiments and suggestions directly aimed at the overthrow of this Government and thus directly calculated to bring on civil war and to destroy the institutions that have made America great and upon which I believe her future greatness, power, and prestige must rest. I am wondering if a communistic government, such as prevails in Russia, would permit any speaker or writer to say or write anything critical and calculated to overthrow the Soviet regime, and proposing to establish a capitalistic system in Russia. I am informed it would not be tolerated one second.

Undoubtedly, there are some people in America who believe in the system of economics and the government now existing in Russia. Just how many I do not know, but they are certainly turning out a considerable volume of literature in the form of newspapers, pamphlets, magazines, and books. I wonder if their ideas should prevail, and ultimately they should be able to overthrow our American system and to set up in America their Russian system, if then they would permit any person to propose a return to the former American system and the overthrow of their Russianized and communistic system? I venture to say they would not and that either the prison or the firing squad would be the fate of all who dared to speak honest convictions to the effect that our good old American competitive system, based on private property and personal liberty, was better than any imported system based on communism, whereby private property would be destroyed, personal liberty wiped out, and all the people regimented in every detail of life by laws that they dared not question nor defy.

Now let me take up the Kramer bill which is also pending in the House of Representatives. This bill too has been misunderstood and misrepresented. All and simply all that it proposes that any person who advises the overthrow of the existing American system of Government by force and violence shall be held guilty of a criminal offense. Is there anything dangerous in such a proposal? Is it not essentially in the interest of public order and of human life and liberty? Mark you, the language does not say that it shall be against the law to advise a change from the existing system to some other system, such for instance, as communism in Russia.

The inhibition is directed against advising the use of force and violence to make such change. In other words, and reduced to its last analysis, it means that people shall not be permitted lawfully to advice insurrection, rebellion, and civil war, with all their horrors, sufferings, and destructive forces. We agree that all persons have absolute freedom under our Constitution to argue that our Constitution may be amended in any way the requisite majority wishes to amend it. Therefore the requisite majority may legally so change our Government that it will cease to be a government regulating a competitive economy based on private property and shall become a communistic or socialistic government, abrogating private property and wiping out personal liberty. If those holding such views can get enough votes in the ballot box in a peaceful and legal manner, then their will must prevail. But the Kramer bill says that you shall not advise and urge the people to use force in order to bring about the change. Every individual is invested by God Almighty with the right of self-defense. Every government is invested with the right of self-defense, and the government which does not lay a penalty against advising and preaching violence, internecine strife, fratricidal slaughter, and civil war would certainly not be taking adequate measures for self-defense.

Some persons say that concern and anxiety about the presence and spread of communistic sentiment in America is not justified. Some people tell us that the number of Communists is too small; that there are only 30,000 in the United States. However, there is a much larger fraction of the population, while not openly avowed Communists, who sympathize with and have many ideas in common with the Communists, and are willing to exert their influence to protect communistic propaganda. Too many good Americans join such organizations. The net result of this situation is that even in our colleges and universities, and in the studies of certain dreamy, theoretical, impractical people, claiming to be the intelligensia of America, even in some pink-tea drawing rooms, as well as in low dives and disreputable places, also among some submerged minorities, unduly class conscious and seeking opportunity for any change in the social order, there are perhaps hundreds of thousands who bear different organizational names, but all actually give aid and comfort to the philosophy of communism, and thus indirectly help the avowed Communists to overthrow our Anglo-Saxon institutions and to set up a communistic soviet society.

Those who smugly assure themselves that there is no danger from all these subversive sources may some day meet a rude awakening.

Though I have not hunted down any communistic missionaries, yet knowledge of their presence and activities in many places has been thrust upon me. From this knowledge, I feel safe in asserting to my fellow American citizens that an actual, deliberate, and thoroughly organized secret campaign for spreading disloyal sentiments and subversive teachings among the sailors and soldiers of America is today going on. Generally the Army and naval officers do not know about these things any more than they know about the private lives of their men. How can the officers tell with whom sailors and soldiers associate while off duty, and while strolling around the streets and alleys of the great cities? One soldier or sailor converted to this dangerous, disloyal thinking becomes the efficient emissary to induce many other soldiers and sailors to accept the same false doctrines. Thus they are advised to wear citizens' clothes while off duty and while attending the conferences and sessions of these hellholes of disloyalty. Their whispered program tells them to await the great day of decision and action. They are told by these Communist agitators to continue to accept the pay of the loyal taxpayers of this Nation, to eat their food and to wear their clothes, and to pretend to be their defenders. But these Communists have a deliberate, well-concealed and firmly fixed plan to cooperate with their traitorous conspirators in the civil population, and when the time is deemed ripe by the autocratic leaders of this school of traitors, they will seek to take possession of our forts, fields, and arsenals; to seize our stocks of food and clothing, to man airplanes, machine guns, cannon, and rifles, and following the commands of some American Stalin, they will turn against organized society in America all the instrumentalities of warfare that we have built up at great expense to defend ourselves against enemies, foreign and domestic, against invasion from abroad and insurrection at home.

GEORGE WASHINGTON

Mr. LORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech made by the gentleman from Illinois [Mr. REED], on February 22, at Alexandria, Va.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LORD. Mr. Speaker, under unanimous consent to extend my remarks in the RECORD I include therein an address delivered by my colleague, Representative CHAUNCEY W. REED of Illinois, to the members of Alexandria-Washington Lodge No. 22, A. F. & A. M., on the occasion of their celebration on February 22, 1936, of the birth of George Washington.

Brother Toastmaster, Most Worshipful Grand Master, distinguished guests, ladies, and brethren, meager indeed is my command of the English rhetoric with which I must needs express the satisfaction that is mine in the rare privilege this evening to address you, the members of Alexandria-Washington Lodge No. 22, Ancient Free and Accepted Masons, on the anniversary of the birth of your first worshipful master. Tonight, throughout these United States, millions of citizens of this great Republic, which he founded, are seated by the firesides of their homes, and through the medium of radio are listening with rapt attention to eloquent tributes that are being broadcast through the air concerning the life, character, and distinguished services of this great man. Although more than 200 years have passed since he first saw the light of day, a grateful Nation seems never to tire of a recital of the incidents and accomplishments of his eventful life. It is a story that will never grow old.

To you, however, is accorded the privilege of meeting this day each year to honor the memory of a brother, who, although dead, is bound to you by a tie stronger than human hands can impose. In flesh and blood, he mingled and associated in fraternal comradeship with your older brothers. He guided the destinies of this lodge in its infancy and relinquished that trust only after there had been thrust upon his shoulders the responsibility of blazing the trail for a new Republic of which he was the acknowledged leader. I realize how futile must be my poor effort to discuss with this audience and in these surroundings the life and the character of the man—George Washington. He was born in this vicinity. He lived most of his life here. Many of the distinguished services he rendered to State and Nation were accomplished within a few miles from where we are now assembled. Anecdotes of incidents in his personal and public life are well known to all of you. You, and each of you, have been familiar since early childhood with the scores of historic landmarks that still remain to remind us of the long-ago struggle for freedom in which he played so important a part. Your lodge is rich with priceless treasures that continually emphasize to you with a mute eloquence more potent than words, his character as a Mason, a soldier, a statesman, and a man.

Like all great men, George Washington was blessed with a good mother. Not much is known of the girlhood of Mary Ball Washington. She was born in 1708 and lived in Westmoreland County, Va. She is said to have been a girl of rare beauty, and at the age of 18 was known as "the Belle of the Northern Neck." At the age of 22 she married Capt. Augustine Washington, and 2 years later the Father of his Country was born. Washington is said to have resembled his mother in many ways. From her he inherited his features, calmness, and dignity.

During the Revolutionary War she knitted constantly, making garments for the soldiers. When news was bad she would often say, "The mothers and wives of brave men must be brave women." On one occasion of bad news when her daughter Betty Lewis gave a cry of despair, she murmered, "The sister of the Commanding General must be an example of fortitude and faith." When news of victory at Trenton reached her and the neighbors were congratulating her on her son's victory, she said, "George is apt to succeed in anything he undertakes. He was always a good boy." After the surrender of Cornwallis at Yorktown she was in attendance at a jubilation ball at Fredericksburg. One of the French officers observing her and learning her identity exclaimed, "If such are the matrons of America, she can well boast of her illustrious sons."

As a surveyor in early life, George Washington entered the wilderness of Virginia and Kentucky and there, through hardship and peril, gained the knowledge that enabled him in later years to save the army of General Braddock from annihilation. The French and Indian War provided him with the opportunity to develop his natural military ability and assert his character of leadership. So universal was the knowledge of his prowess that hardly had the echo of the shot at Lexington ceased its reverberations when the American people called him to Cambridge and he received the sword never to be sheathed until he had won the War of Independence.

As a general, Washington was truly great; not merely for the things he did but also for the things he didn't do. He knew his soldiers. He appreciated his resources. He comprehended his enemies. He realized the odds that were against him. He knew when it was advantageous to fight and when it was wisdom to retreat. He was keen to grasp opportunity when within his reach and when he struck it was with all the energy, dash, and daring of which he was capable. Never will the brilliance of that achievement be dimmed, when, in a blinding snowstorm, amidst huge cakes of floating ice, he and his army crossed the Delaware and vanquished the unsuspecting foe at Trenton. And then again at Monmouth when, through the treachery of Gen. Charles Lee, the retreating and demoralized troops were about to surrender a well-earned victory, it was Washington who dashed at their lead and, through his personal magnetism and appeal, victory was snatched from defeat. At Princeton, too, the inspiration that must have permeated the ranks when their leader, scoffing at danger, led his troops into the thickest of the fight, was largely contributory to the victory that crowned his valor.

Too numerous to mention are the instances of sorrow, of despair, of intrigue, of conspiracies, of jealousies, of discouragements that fell to his lot during that awful winter at Valley Forge. It was here, during the darkest hour of the Revolution, that a private soldier is said to have seen his Commander in Chief drop to his knees in the snow and, lifting his eyes to Heaven, ask Divine guidance from Him in whom he had put his trust. His prayers were answered. A powerful foreign nation proffered its assistance. A brilliant military stratagem on the part of Washington culminated in the surrender of the British Army at Yorktown.

The struggle for independence was at an end. Peace was declared, and the political ties that bound the colonists to the mother country were forever severed. America was born. It was then that General Washington bade farewell to his officers and men and went back to spend what he thought would be a life of retirement and rest. But he was not long to remain in seclusion. The new Government was functioning badly. It needed strength. It required permanence. It lacked stability. A convention to remedy its faults was called in Philadelphia. Washington was chosen a delegate. The men who constituted that Convention were the most able and brilliant men in the country at that time. General Washington was their unanimous choice to preside over their deliberations. Only once did he take the floor, when he advocated a larger representation in the lower House of Congress. But the influence he wielded as presiding officer and the realization by the delegates that he and only he would be the one chosen as Chief Executive in the Government that was to be, had much to do with the approval and ratification of that bulwark of American liberty, the Constitution of the United States, which Gladstone described as "the most wonderful document ever struck off at a given time by the brain of man."

On February 4, 1789, the electoral college by a unanimous vote chose him President of the United States, and on April 30 of that year constitutional government began with his inauguration. For 8 years Washington remained at the helm of government. He demonstrated that kings were not essential to the proper control of the affairs of state and that orderly administration could best be attained when the people themselves ruled under and by virtue of delegated authority. As President it became his responsibility to maintain in peace that which he had acquired by war—the independence of his country. To accomplish this end he steadfastly insisted upon the enforcement of law, the maintenance of public credit, and the avoidance of entangling foreign alliances. This latter policy outlined by him was subsequently declared by President Monroe as the recognized doctrine among the nations of the world.

Refusing a third term, he returned to his beloved Mount Vernon to pass the remainder of his years. He died December 14, 1799. On the day following his funeral, Timothy Pickering, speaking in the United States Senate, said: "With patriotic pride we review the life of our Washington and compare him with

those of other countries who have been preeminent in fame. Ancient and modern names diminish before him. Greatness and guilt have too often been allied; but his fame is whiter than it is brilliant. The destroyers of nations stood abashed at the majesty of his virtue. It reproved the intemperance of their ambition and darkened the splendor of victory. Let his countrymen consecrate the memory of the heroic general, the patriotic statesman, and the virtuous sage; let them teach their children never to forget that the fruit of his labors and his example are their inheritance."

Men in public life are always the targets of those who seek to gain selfish ends through the missiles of abuse and ridicule. Washington was no exception to this rule.

In December 1799, during the final months of his last administration the Philadelphia Aurora, a fiery, partisan publication, edited by a grandson of Benjamin Franklin said, "If ever a nation was debauched by a man, the American Nation has been debauched by Washington. If ever a nation was deceived by a man, the American Nation has been deceived by Washington." And later upon the occasion of his retiring from the Presidency this same publication announced editorially: "We rejoice at the ending of a career of one who carried his design against the public liberty so far as to have put in jeopardy its very existence."

Thomas Paine that same year in an address, directing his remarks to the retiring Chief Magistrate of the Nation shouted, "As to you, sir, treacherous to private friendship * * * and a hypocrite in public life, the world will be puzzled to decide whether you are an apostate or an impostor; whether you have abandoned good principles, or whether you ever had any."

These utterances and the characterizations of aristocrat, tyrant, anglomaniac, monarchist, embezzler, crocodile, and even hyena, were hurled at him from all sides by fanatical, idiotic, and yet frantically sincere partisan political opponents.

Time has effaced all these unkind allusions to him whose memory we honor tonight, for, like the ever-changing tempest of the deep, they came, they lashed, they raged, they subsided, they shifted, and departing left behind them only a calm and tranquil sea. Reference to them is available today only through perusal of the musty files of long ago.

But sometimes I wonder if the living George Washington was more cruelly maligned than has been the dead George Washington. We Americans are prone to adapt ourselves to the movement of a pendulum. We go from one extreme to the other. We are apt to abuse and vilify a good man during his lifetime, but when he dies we honor and glorify him. With Washington we seem to have gone a step farther. We have stripped him of his attire of reality and clothed him in a mantle of unreality. In other words we have attempted to transform him from a real human, robust man to a supernatural man. When a small boy attending public school I was taught that George Washington never told a lie. It is difficult for the average schoolboy to imagine the creation of a human being who always tells the truth. He looks at his companions, his teachers, and even his parents and fails to observe in them the same flawless character as that of the man he has been taught to revere and who he has been told could not tell a falsehood. A few days ago, when reading some of Washington's letters, I chanced upon one which he wrote to a man after a trip through New Jersey in which he said "the New Jersey mosquito can bite through the thickest boot." In another letter "I announced that I would leave at 6 o'clock and immediately gave private orders to go at 5 so as to avoid the throng."

At Valley Forge, during the darkest period of the war, when no supplies were available, he issued an order to his men, a portion of which read as follows: "Thank heaven, our country abounds with provisions and prudent management. We need not apprehend want for any length of time."

No, Washington can hardly be classed as a supernormal. He was intensely human. He had his faults and imperfections the same as we have. He too had his weaknesses and his failings. Who among us can feel dissatisfaction over his characteristic natural temper which blazed forth at Monmouth when he denounced the recreant General Lee in language distinguished by its force and vigor, rather than its saintly perfection.

He was not a divinity; he was a man. A red-blooded, passionate, forceful man who thought, dreamed, and aspired. A man who could swear and a man who could pray when occasion demanded it. Sincere, modest, upright, humane. An all-around man with whom his fraternal associates could meet upon the level and part upon the square. He was first in war, first in peace, and first in the hearts of his countryman. His renown cannot be added to or diminished. It will shine with refulgent splendor as long as America remains a Nation of people. Apt, indeed, were the words of Abraham Lincoln when he said: "To add brightness to the sun or glory to the name of Washington is alike impossible. Let none attempt it."

EXTENSION OF REMARKS

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein extracts from an article to which I shall refer. I have an estimate from the Printer.

Mr. TABER. Mr. Speaker, reserving the right to object, how long are those extracts?

Mr. WHITE. My speech and the extracts will not amount to four pages of the RECORD.

Mr. TABER. How much space will the extracts take, about half?

Mr. WHITE. About half.

Mr. TABER. That is too large a proportion. If the gentleman will cut it down to a quarter, I shall not object.

Mr. WHITE. I hope the gentleman will bear in mind that I do not ask this privilege often nor do I take much time on the floor.

Mr. TABER. I shall have to object if half the extension is going to be extracts.

The SPEAKER. Objection is heard.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. GRAY of Indiana, for 1 week, on account of illness.

AGRICULTURAL APPROPRIATION BILL, 1937

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that when the Committee of the Whole House on the state of the Union resumes further consideration of the bill H. R. 11418, the agricultural appropriation bill, that time for general debate shall not exceed 2 hours, to be equally divided and controlled by the gentleman from Iowa [Mr. THURSTON], and myself, at the end of which time the bill shall be read for amendment.

Mr. THURSTON. Mr. Speaker, that is satisfactory.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SENATE BILLS REFERRED

Bills of the Senate of the folloing titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 3. An act to regulate commerce in firearms; to the Committee on Interstate and Foreign Commerce.

S. 536. An act for the relief of Ada Mary Tornau; to the Committee on Claims.

S. 2188. An act for the relief of the estate of Frank B. Niles; to the Committee on Claims.

S. 2336. An act granting compensation to Mary Weller; to the Committee on Claims.

S. 2517. An act to provide for the advancement on the retired list of the Navy of Walter M. Graesser, a lieutenant (junior grade), United States Navy, retired; to the Committee on Naval Affairs.

S. 2747. An act conferring jurisdiction upon the United States Court of Claims to hear the claim of the Canal Dredging Co.; to the Committee on Claims.

S. 2869. An act to legalize the use of emergency-relief funds for the construction of armories for the National Guard; to the Committee on Appropriations.

S. 2922. An act for the relief of Rose Stratton; to the Committee on Claims.

S. 3125. An act for the relief of J. A. Hammond; to the Committee on Claims.

S. 3161. An act to amend section 13 (c) of the act entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, etc., approved March 3, 1925, as amended; to the Committee on the District of Columbia.

S. 3257. An act to amend the World War Adjusted Compensation Act; to the Committee on Ways and Means.

S. 3333. An act for the relief of DeForest Loys Trautman, lieutenant, United States Navy; to the Committee on Naval Affairs.

S. 3367. An act for the relief of James Gaynor; to the Committee on Claims.

S. 3395. An act to authorize the acquisition of the railroad tracks, trestle, and right-of-way of the Gulf Power Co. at the naval air station, Pensacola, Fla.; to the Committee on Naval Affairs.

S. 3514. An act to regulate the manufacture, dispensing, selling, and possession of narcotic drugs in the District of Columbia; to the Committee on the District of Columbia.

S. 3655. An act for the relief of the Vermont Transit Co., Inc.; to the Committee on Claims.

S. 3663. An act for the relief of William Connelly, alias William E. Connoley; to the Committee on Military Affairs.

S. 3761. An act authorizing the Secretary of the Interior to patent certain land to the town of Wamsutter, Wyo.; to the Committee on the Public Lands.

S. 3777. An act to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Maine; to the Committee on Claims.

S. 3860. An act to amend section 2 of the act entitled "An act to amend the National Defense Act", approved May 28, 1928; to the Committee on Military Affairs.

S. 3872. An act for the relief of the present leader of the Army Band; to the Committee on Military Affairs.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled bills, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 11138. An act to extinguish tax liabilities and tax liens arising out of the Tobacco, Cotton, and Potato Acts; and

H. J. Res. 488. Joint resolution to provide for safeguarding of traffic on Military Road.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill and a joint resolution of the House of the following titles:

H. R. 11138. An act to extinguish tax liabilities and tax liens arising out of the Tobacco, Cotton, and Potato Acts; and

H. J. Res. 488. Joint resolution to provide for safeguarding of traffic on Military Road.

ADJOURNMENT

Mr. CANNON of Missouri. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 35 minutes p. m.) the House adjourned until tomorrow, Tuesday, February 25, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

678. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, House of Representatives, for the fiscal year 1936, amounting to $4,250 (H. Doc. No. 415); to the Committee on Appropriations and ordered to be printed.

679. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 19, 1936, submitting a report, together with accompanying papers, on a preliminary examination and survey of channel from Back River to public landing in Wallace Creek, Elizabeth City County, Va., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. GREENWOOD: Committee on Rules. House Resolution 427. Resolution for the consideration of H. R. 11047; without amendment (Rept. No. 2060). Referred to the House Calendar.

Mr. CANNON of Missouri: Committee on Appropriations. H. R. 11418. A bill making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes; without amendment (Rept. No. 2061). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 7090) for the relief of Leonard Gramstad; Committee on World War Veterans' Legislation discharged, and referred to the Committee on Pensions.

A bill (H. R. 8011) to extend the benefits under the World War Veterans' Act, 1924, as amended, to Ethel Boyd; Committee on World War Veterans' Legislation discharged, and referred to the Committee on Claims.

A bill (H. R. 10343) granting a pension to Lou Satterfield; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON of Missouri: A bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes; to the Committee on Appropriations.

By Mr. MAAS: A bill (H. R. 11419) to establish additional national cemeteries; to the Committee on Military Affairs.

By Mr. SIROVICH: A bill (H. R. 11420) to amend and consolidate the acts respecting copyright; to the Committee on Patents.

By Mr. DOUGHTON: A bill (H. R. 11421) to amend the National Firearms Act by extending its provisions to pistols and revolvers, and for other purposes; to the Committee on Ways and Means.

By Mr. FOCHT: A bill (H. R. 11422) to reimburse certain persons whose animals were seized in the Commonwealth of Pennsylvania because of tubercular infection; to the Committee on Agriculture.

By Mr. GREGORY: A bill (H. R. 11423) to authorize a compact and agreement between the States of Kentucky, Tennessee, and Virginia, providing for the control of the production of dark-fired tobacco in the said States and for the further purpose of regulating, protecting, and preserving a fair price for said commodity; to the Committee on Agriculture.

By Mr. KNUTE HILL: A bill (H. R. 11424) to provide for an adjustment with the State of Washington to satisfy the grants made to said State for school and other purposes in accordance with the provision of the act approved February 22, 1889 (25 Stat. 676); to the Committee on the Public Lands.

By Mr. GREENWOOD: A resolution (H. Res. 427) providing for the consideration of H. R. 11047, a bill relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by Reconstruction Finance Corporation and reaffirming their immunity; to the Committee on Rules.

By Mr. CONNERY: Resolution (H. Res. 429) providing for the investigation of labor conditions in the mining and tunneling industries; to the Committee on Rules.

By Mr. TREADWAY: Resolution (H. Res. 430) directing the Secretary of Agriculture to transmit to the House of Representatives a complete and unexpurgated copy of the report of the Bureau of Agricultural Economics relative to the cotton-reduction program; to the Committee on Agriculture.

By Mr. RANDOLPH: Joint resolution (H. J. Res. 496) for the erection of a memorial to Dr. Samuel Alexander Mudd; to the Committee on the Public Lands.

By Mr. DISNEY: Joint resolution (H. J. Res. 497) to permit articles imported from foreign countries for the purpose of exhibition at the International Petroleum Exposition, Tulsa, Okla., to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

By Mr. FERGUSON: Concurrent resolution (H. Con. Res. 43) to direct the joint committee on internal revenue taxation to recommend measures imposing on procession appropriate taxes equal to amounts returned to processors as a

result of the decision of the Supreme Court in the Agricultural Adjustment Act case; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H. R. 11425) for the relief of Gustava Hanna; to the Committee on Foreign Affairs.

By Mr. BUCKLER of Minnesota: A bill (H. R. 11426) for the relief of Arthur P. Foster; to the Committee on Military Affairs.

By Mr. CARTER: A bill (H. R. 11427) for the relief of John N. Paulson; to the Committee on the Civil Service.

By Mr. COSTELLO: A bill (H. R. 11428) for the relief of Robert William Morris; to the Committee on Naval Affairs.

By Mr. CROWE: A bill (H. R. 11429) granting a pension to Elmer Goldman; to the Committee on Pensions.

By Mr. CULKIN: A bill (H. R. 11430) granting an increase of pension to Kate Riker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11431) granting an increase of pension to Cora A. Townsend; to the Committee on Invalid Pensions.

By Mr. DEMPSEY: A bill (H. R. 11432) for the relief of Felix Griego; to the Committee on Military Affairs.

By Mr. DISNEY: A bill (H. R. 11433) for the relief of Jennie May Lee; to the Committee on Claims.

Also, a bill (H. R. 11434) for the relief of Tom Kelly; to the Committee on Claims.

Also, a bill (H. R. 11435) granting a pension to Lena Edna Pollock; to the Committee on Pensions.

Also, a bill (H. R. 11436) for the relief of Mrs. Charles R. Warner; to the Committee on Claims.

By Mr. GASSAWAY: A bill (H. R. 11437) for the relief of W. Cooke; to the Committee on Claims.

By Mr. HOLLISTER: A bill (H. R. 11438) granting an increase of pension to Anna E. Kaney; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11439) granting an increase of pension to Anna M. Parish; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11440) granting an increase of pension to Lulu H. Powers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11441) granting a pension to Emma Ferris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11442) granting a pension to Mary E. Hilles; to the Committee on Invalid Pensions.

By Mr. PARSONS: A bill (H. R. 11443) granting a pension to Ellen Edwards; to the Committee on Invalid Pensions.

By Mr. PFEIFER: A bill (H. R. 11444) for the relief of the parents of Benjamin Muzio; to the Committee on Claims.

By Mr. RANDOLPH: A bill (H. R. 11445) for the relief of Dorsey Costello Rosier; to the Committee on Military Affairs.

By Mr. REECE: A bill (H. R. 11446) for the relief of Estell Gregg; to the Committee on Naval Affairs.

By Mr. ROMJUE: A bill (H. R. 11447) for the relief of James M. De Witt; to the Committee on Naval Affairs.

By Mr. SADOWSKI: A bill (H. R. 11448) for the relief of Charles Bubyak; to the Committee on Military Affairs.

By Mr. SHANLEY: A bill (H. R. 11449) for the relief of Rose Stratton; to the Committee on Claims.

Also, a bill (H. R. 11450) granting compensation to Mary Weller; to the Committee on Claims.

By Mr. TINKHAM: A bill (H. R. 11451) for the relief of Philip Sadow; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10237. By Mr. AYERS: Petition of Walter F. Steeves and 76 other citizens, of Livingston, Clyde Park, Wilsall, and Cradbourn, Mont.; to the Committee on the Post Office and Post Roads.

10238. Also, petition of L. R. Anderson and 33 other patrons of star route no. 63366, Nibbe to Wanetta, Mont.; to the Committee on the Post Office and Post Roads.

10239. By Mr. DRISCOLL: Petition of patrons of star route no. 10219 from Oil City to Fertigs, Pa., petitioning Congress to enact legislation to indefinitely extend existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10240. By Mr. FOCHT: Petitions of citizens and patrons of star route no. 10560, reaching from McConnellsburg to Everett, a part of the Eighteenth Pennsylvania Congressional District, for legislation to extend all existing star-route contracts and increase the compensation thereon; to the Committee on the Post Office and Post Roads.

10241. Also, petitions of citizens and patrons of star route no. 10550, reaching from Harrisonville to Orbisonia, a part of the Eighteenth Pennsylvania Congressional District, for legislation to extend all existing star-route contracts and increase the compensation thereon; to the Committee on the Post Office and Post Roads.

10242. By the SPEAKER: Petition of the Junior Birdmen of America, of the Washington Wing; to the Committee on the District of Columbia.

10243. Also, petition of the Philadelphia Yearly Meeting of Friends; to the Committee on Interstate and Foreign Commerce.

10244. Also, petition of the Minnesota Bar Association; to the Committee on the Library.

10245. By Mr. BIERMANN: Petition of citizens of Calmar and Decorah, Iowa, asking for remedial legislation regarding star mail routes; to the Committee on the Post Office and Post Roads.

10246. By Mr. BLOOM: Petition of the laborers of Bayamon, P. R., favoring an amendment to the Organic Act in order that a public-welfare department may be created in Puerto Rico; urging that Puerto Rico be included in any new legislation in regard to relief which might be presented in the House of Representatives; and requesting an extension of the benefits of the Federal Social Security Act to Puerto Rico; to the Committee on Ways and Means.

10247. By Mr. CULKIN: Petition of the Parent-Teachers' Association of the Grade School of Wyncote, Pa., in support of bills which provide for Federal motion-picture commission to supervise production, distribution, and exhibition of pictures; to the Committee on Interstate and Foreign Commerce.

10248. Also, petition of the board of supervisors, Jefferson County, N. Y., favoring the Great Lakes-St. Lawrence seaway and power project; to the Committee on Interstate and Foreign Commerce.

10249. Also, petition of the Ladies' Auxiliary of the New York, Ontario, and Western Veterans' Association of the Northern Division, Norwich, N. Y., favoring passage of House bill 3263; to the Committee on Interstate and Foreign Commerce.

10250. By Mr. CURLEY: Petition of the Pulaski Memorial Committee, Bronx, New York city, in support of the naming of a Navy destroyer the *Pulaski*; to the Committee on Naval Affairs.

10251. By Mr. CULKIN: Petition of the Railroad Employees and Taxpayers Association of the State of New York, Chenango Unit, favoring House bill 3263 (Pettengill bill); to the Committee on Interstate and Foreign Commerce.

10252. By Mr. FORD of Mississippi: Petition of L. Harrison and 99 other citizens, of Grenada County, Miss., asking for remedial legislation regarding star routes; to the Committee on the Post Office and Post Roads.

10253. Also, petition of M. R. Langston, State president of the Star Route Carriers' Association, and four others, favoring remedial legislation regarding star routes; to the Committee on the Post Office and Post Roads.

10254. By Mr. FULMER: Memorial of the House of Representatives, South Carolina Legislature, memorializing Congress to refund to the farmers the tax paid under the Bankhead Act; to the Committee on Agriculture.

10255. Also, resolution of the House of Representatives, South Carolina Legislature, to memorialize Congress to ap-

propriate necessary funds for returning Paul Redfern from the jungles; to the Committee on Appropriations.

10256. By Mr. PFEIFER: Telegram of M. C. Keveny, president, Local 4, National Federation Federal Employees, New York City, concerning annual and sick leave bills; to the Committee on the Civil Service.

10257. By Mr. SADOWSKI: Petition of the directors of the Oil and Gas Association of Michigan, endorsing House bill 10483; to the Committee on Ways and Means.

10258. Also, petition of the Michigan Bakers' Association, Inc., protesting against any bill in Congress designed to impose any additional tax to replace the processing tax, whether retroactive or not; to the Committee on Ways and Means.

10259. By Mr. SCOTT: Petition of the Fontana Utopian Group, No. 72 A-12, opposing the exporting of any war materials or any such commodities which can be used to sustain a military organization of any foreign power which is waging a military campaign against another country or countries, and demanding the enforcement of the present embargo act, recently proclaimed by the President of the United States; to the Committee on Foreign Affairs.

10260. By Mr. SISSON: Petition of Joy MacLean and others of Sauquoit, Oneida County, urging the passage of the Kerr bill; to the Committee on Immigration and Naturalization.

10261. Also, petition of patrons of star route no. 7250, from Knoxboro to Oriskany Falls, N. Y., petitioning for enactment of legislation indefinitely extending all existing star-route contracts and increasing the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10262. By Mr. STEFAN: Petition bearing the signatures of 59 citizens of Niobrara and Santee, Nebr., asking the Congress to enact legislation at this session to indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

SENATE

TUESDAY, FEBRUARY 25, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, February 24, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Overton
Ashurst	Coolidge	King	Pittman
Austin	Costigan	La Follette	Radcliffe
Bachman	Couzens	Lewis	Robinson
Bailey	Davis	Logan	Russell
Barbour	Dickinson	Lonergan	Schwellenbach
Benson	Donahey	Long	Sheppard
Bilbo	Duffy	McAdoo	Smith
Black	Frazier	McGill	Steiwer
Borah	George	McKellar	Thomas, Okla.
Brown	Gibson	McNary	Thomas, Utah
Bulkley	Glass	Maloney	Townsend
Bulow	Gore	Metcalf	Trammell
Burke	Guffey	Minton	Truman
Byrd	Hale	Murphy	Tydings
Byrnes	Harrison	Murray	Vandenberg
Capper	Hastings	Neely	Van Nuys
Caraway	Hatch	Norbeck	Wagner
Carey	Hayden	Norris	Wheeler
Chavez	Holt	Nye	White
Clark	Johnson	O'Mahoney	

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Florida [Mr. FLETCHER], and the Senator from Washington [Mr. BONE] are absent from the Senate because of illness, and that the Senator from Nevada [Mr. MCCARRAN], the Senator from New York [Mr. COPELAND], the Senator from New Jersey [Mr. MOORE], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Massachusetts [Mr. WALSH], the Senator from Kentucky [Mr. BARKLEY], the Senator from Idaho [Mr. POPE], the Senator from Rhode Island [Mr. GERRY], and the Senator from Illinois [Mr. DIETERICH] are unavoidably detained.

Mr. AUSTIN. I announce that the Senator from Minnesota [Mr. SHIPSTEAD] is necessarily absent.

The PRESIDENT pro tempore. Eighty-three Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 399. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia; and

S. 3035. An act to provide for enforcing the lien of the District of Columbia upon real estate bid off in its name when offered for sale for arrears of taxes and assessments, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to each of the bills (H. R. 8458) to provide for vacations to Government employees, and for other purposes, and (H. R. 8459) to standardize sick leave and extend it to all civilian employees; asked conferences with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. RAMSPECK, Mr. SISOVICH, and Mr. LEHLBACH were appointed managers on the part of the House at the respective conferences.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3254. An act to exempt certain small firearms from the provisions of the National Firearms Act;

H. R. 8886. An act to authorize the coinage of 50-cent pieces in commemoration of the sesquicentennial anniversary of the founding of the city of Columbia, S. C.; and

H. R. 10975. An act authorizing a preliminary examination of Marshy Hope Creek, a tributary of the Nanticoke River, at and within a few miles of Federalsburg, Caroline County, Md., with a view to the controlling of floods.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 9130) to authorize the incorporated city of Skagway, Alaska, to undertake certain municipal public works, and for such purpose to issue bonds in any sum not exceeding $12,000, and for other purposes, and it was signed by the President pro tempore.

PROPERTY IN CUSTODY OF DISTRICT PROPERTY CLERK

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 399) to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia, which were, on page 2, line 7, after the word "sale", to insert "having been retained by the said property clerk for a period of 3 months without a lawful claimant", and on page 2, line 7, after the word "shall", to insert "then."

Mr. KING. I move that the Senate concur in the House amendments.

The motion was agreed to.

ARREARS OF TAXES AND ASSESSMENTS IN THE DISTRICT

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 3035) to provide for enforcing the lien of the District of Columbia upon real estate bid off in its name when offered for sale for arrears of taxes and assessments, and for other purposes, which were, on page 3, line 11, to strike out "pass" and insert "enter"; and on page 4, line 18, after the word "by", to insert "the."

Mr. KING. I move that the Senate concur in the House amendments.

The motion was agreed to.

VACATIONS FOR GOVERNMENT EMPLOYEES

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 8458) to provide for vacations to Government employees, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BULOW. I move that the Senate insist upon its amendments, accede to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. BULOW, Mr. MCKELLAR, and Mr. WHITE conferees on the part of the Senate.

SICK LEAVE OF CIVILIAN EMPLOYEES

The PRESIDENT pro tempore also laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 8459) to standardize sick leave and extend it to all civilian employees, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BULOW. I move that the Senate insist upon its amendments, accede to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. BULOW, Mr. MCKELLAR, and Mr. WHITE conferees on the part of the Senate.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate a cablegram in the nature of a petition from the local committee, Party Affirmation United Workers, of Guayama, P. R., praying for the confirmation of Benigno Fernandez Garcia as attorney general of Puerto Rico, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the Bar Association of Savannah, Ga., favoring the enactment of House Joint Resolution 237, for the establishment of a trust fund to be known as the Oliver Wendell Holmes Memorial Fund, which was referred to the Committee on the Library.

He also laid before the Senate a resolution of the Parents and Teachers Association of Sheyenne, N. Dak., opposing all measures leading to war and fascism, which was referred to the Committee on Military Affairs.

He also laid before the Senate a letter in the nature of a memorial from Sheffield Grange, No. 1900, Patrons of Husbandry, of Ashtabula County, Ohio, remonstrating against the enactment of the bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (H. R. 6982) to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, reported it without amendment and submitted a report (No. 1608) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 3452) to amend an act entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes", reported it with an amendment and submitted a report (No. 1609) thereon.

He also, from the same committee, to which was referred the bill (S. 3301) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of James Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States, and for other purposes, reported it with amendments and submitted a report (No. 1610) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TOWNSEND:

A bill (S. 4093) for the relief of George E. Shockley (with accompanying papers); to the Committee on Claims.

By Mr. SCHWELLENBACH:

A bill (S. 4094) to provide for the transfer from the Treasury Department to the Navy Department of the property in Bremerton, Wash., known as the Navy Yard Hotel site; to the Committee on Naval Affairs.

By Mr. HARRISON:

A bill (S. 4095) granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss.; to the Committee on Commerce.

By Mr. CLARK:

A bill (S. 4096) granting a pension to Herbert Berger; and

A bill (S. 4097) for the relief of Wayne Alvis Suddith and Leona Bernice Suddith, and for other purposes; to the Committee on Finance.

By Mr. BULKLEY:

A bill (S. 4098) to promote the development of lighter-than-air craft; to the Committee on Naval Affairs.

By Mr. LOGAN:

A bill (S. 4099) to authorize the award of the Congressional Medal of Honor for distinguished service to Pleas Sanders; to the Committee on Military Affairs.

By Mr. MCNARY and Mr. JOHNSON:

A joint resolution (S. J. Res. 218) authorizing an investigation by the Bureau of Fisheries of the California sardine (pilchard) fishing industry; to the Committee on Commerce.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and they were referred as indicated below:

H. R. 3254. An act to exempt certain small firearms from the provisions of the National Firearms Act; to the Committee on Finance.

H. R. 8886. An act to authorize the coinage of 50-cent pieces in commemoration of the sesquicentennial anniversary of the founding of the city of Columbia, S. C.; to the Committee on Banking and Currency.

H. R. 10975. An act authorizing a preliminary examination of Marshy Hope Creek, a tributary of the Nanticoke River, at and within a few miles of Federalsburg, Caroline County, Md., with a view to the controlling of floods; to the Committee on Commerce.

CHANGE OF REFERENCE

On motion of Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the bill (S. 4087) to provide for the purchase of General Grant's headquarters in Chattanooga, Tenn., and to include such headquarters in the Chickamauga and Chattanooga National Military Park, and it was referred to the Committee on Public Lands and Surveys.

PREVENTION OF UNFAIR TRADE PRACTICES—AMENDMENT

Mr. KING submitted an amendment intended to be proposed by him to the bill (S. 3154) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases, and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors, which was ordered to lie on the table and to be printed.

REQUEST FOR RETURN OF AN ENROLLED SENATE BILL

Mr. THOMAS of Oklahoma. Mr. President, within the past few days the bill (S. 3227) to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931, having passed both bodies of Congress, was sent

to the White House for approval. It develops there is one word in error in the enrolled bill. The word "material" should be "mineral". It changes the entire meaning of the measure, because it has to do with the payment of taxes.

I submit a concurrent resolution and ask unanimous consent for its immediate consideration, the purpose being to withdraw the bill from the White House for further consideration by the Congress.

There being no objection, the concurrent resolution (S. Con. Res. 32) was read, considered, and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be, and he is hereby, requested to return to the Senate the enrolled bill (S. 3227) to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931.

APPLICATION OF DISTRICT OF COLUMBIA TRAFFIC LAWS

Mr. KING submitted the following resolution (S. Res. 238), which was referred to the Committee on the District of Columbia:

Whereas it is alleged that there has been discrimination in the application and enforcement of the traffic laws and regulations of the District of Columbia; and

Whereas it is desirable that an investigation be made as to the existence of any such discrimination, either in favor of or against any person or class of persons; and

Whereas it is claimed that the traffic laws and regulations of the District of Columbia are inadequate to meet the traffic situation or are not being enforced to that end: Therefore be it

Resolved, That the Committee on the District of Columbia, or any duly authorized subcommittee thereof, is authorized and directed to make an investigation with a view to determining whether any discrimination exists in the application or enforcement of the traffic laws and regulations of the District of Columbia, and whether such laws or regulations should be amended to remove such discrimination, if any, or amended and strengthened in other respects. The committee shall make a report to the Senate at the earliest practicable date, and shall include in such report its recommendations for necessary legislation.

MATANUSKA VALLEY COLONIZATION PROJECT

Mr. DUFFY. Mr. President, a few days ago the junior Senator from Michigan [Mr. VANDENBERG] referred to the Matanuska colonization project. I happened to notice in a newspaper published at Rice Lake, Wis., a region from which a number of the colonists came, a letter in which the writer comments upon that project. One paragraph reads:

Thirty families have gone back to the United States so far and there will be a few more yet. What they want to go back for is more than I know. We get everything we want to eat and everything we need to wear, and what cash we get we don't have to spend for groceries or clothes, so I don't see anything to kick about.

I ask that as a part of my remarks the entire article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Rice Lake (Wis.) Chronotype of Feb. 19, 1936]

ALASKA WARM COMPARED TO OUR CLIMATE—"COME UP HERE", SAYS JOE DRAGSETH TO OLD FRIENDS WHO ARE SHIVERING—GOOD PAY AND GOOD LIVING CONDITIONS THERE, HE REPORTS

Whoever thinks of Alaska as the "refrigerator of the United States" during the present subzero weather in Rice Lake can take a tip from Joe Dragseth, one of the four Barron County farmers in the Matanuska Valley colonization project, and go to Alaska and enjoy the mild weather.

"We haven't had much winter weather yet," Mr. Dragseth writes to his mother, Mrs. Mary Dragseth, of Rice Lake. "We had about 4 inches of snow, but it is all gone now. Our coldest weather so far was 16 below zero, and that was before Christmas. Between Christmas and New Year's it was from 20° to 30° above zero, and for the past couple of days it has been from 40° to 50° above."

The letter, dated January 24 at Palmer, Alaska, continues in part:

"We have the house in pretty good shape now. We have one room to finish upstairs, and some painting to do. I am going to town tomorrow and try and get a carpenter to finish the work. I wish you could see the house we have here and the way it is furnished.

"We have the radio going now and are getting a program from Anchorage, which is about 40 miles away. We get the news from there every night at 10 o'clock. We can get stations along the west coast and Salt Lake City, and a couple of stations in Mexico.

"I have sold 40 cords of wood so far. We get $1 a cord cash and $1 in credit. Thirty families have gone back to the United States so far and there will be a few more yet. What they want to go back for is more than I know. We get everything we want to eat and everything we need to wear, and what cash we get we don't have to spend for groceries or clothes, so I don't see anything to kick about.

"I will have about 8 acres ready to break next spring and will put most of it into oats and peas for hay next winter. Oats and peas sowed together make good hay up here, and it sure does grow well. I have quite a lot of burnt-over land on my farm, so that makes it a lot better to clear."

CRITICISMS OF ADMINISTRATION—ADDRESS BY POSTMASTER GENERAL FARLEY

Mr. CLARK. Mr. President, I ask unanimous consent to insert in the RECORD an address delivered by Postmaster General Farley at a mass meeting of Democrats at St. Louis, Mo., February 21.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, I am glad to greet this fine audience tonight in a State where the Democratic doctrine of social justice has always found a fertile soil in which to flourish. When a Democrat gets to St. Louis, he knows right away that he's in friendly territory. There's something about this great region out here, something in the atmosphere, which spells welcome to the representatives of a political party which bases its policies upon the general welfare.

I come here tonight in a most unusual role. My purpose is to explain and defend the program and the record of the Roosevelt administration. This is the first time, within my memory at least, and I think most of you will say the same, when an administration has been called up to defend itself for restoring prosperity and putting money in the pockets of the people. Back in the dark days of 1932 there seemed to be a unanimous agreement in this country that it was time to stop talking and get things done. Now, our political foes are asking us to stop doing things and to sit around and talk about it. In fact, the radio air is filled with their constant chatter.

I think it was last December that the major spokesman for the opposition, Mr. Herbert Hoover, made a speech in St. Louis in which he made an amazing revelation. Mr. Hoover announced for the first time that in the summer of 1932 he had the depression licked only to have the Democrats come along and spoil it all. I think it was the most sensational knockout in history, and I'm wondering why he didn't let the people in on the secret before they went to the polls in the following November. You know, modesty can be overdone.

Yes; only a blind man or a deaf man could live unaware of the constant torrent of criticism which is being poured out against the Roosevelt administration by a part of the press, by members of the opposite political faith, and by selfish groups inspired by very doubtful motives. This campaign of criticism makes up in volume and bitterness what it lacks in honesty and good faith. I am not unmindful of the fact that fair criticism and justified criticism has been directed against the Roosevelt administration by sincere and honest-minded men and women in this country and by honest newspapers. We appreciate that fact and it has been decidedly helpful to President Roosevelt and other administration officials in the consideration of their problems.

But this constructive criticism has been buried in large measure under the barrage of partisan, biased, and bitter attacks emanating from those who have profited most by the New Deal measures. Strangely enough, the men who are making the most money under the New Deal are complaining the most.

The Republican National Committee has a little cry-baby brother called the American Liberty League. The brothers are always together. They pal around together, they think the same thoughts, they echo the same phrases, and they seek the same end, which is the destruction of President Roosevelt's popularity with the great mass of American people.

The miscalled Liberty League, in the event you don't know it, is an organization of multimillionaires who are making more money than any other group in this country, and in some cases more money than they ever made before in their lives. Let it be said in their behalf that they are making this money honestly. The Roosevelt administration has put an end to stock-market rigging, to stock-market pools, and other financial practices by which the insiders carry off the money and the public holds the bag. That makes it hard on the market operators, but it has saved and will save millions of investors in this country who otherwise would see their small investments disappear because the law gave them no adequate protection.

I believe the miscalled Liberty League has been generous enough to establish headquarters somewhere out in this homespun territory to instruct the voters in the art of casting the ballot. Their spirit is commendable, for if I remember correctly this is the first time on record that the wealthy members of the Liberty League ever showed the slightest concern for your welfare. My own impression is that the people out here have been voting for a good many years, that they do a good job of it, that they understand the issues pretty thoroughly, and they can tell for themselves when their liberties are being destroyed and when they are not. I have only one suggestion to make. If you believe in your heart that the Du Pont brothers are losing their liberties, then by all means join the league. We are perfectly willing to have you make the decision for yourself.

It would be silly on my part to appear here in the Middle West and take the position that the constant barrage of propaganda directed against the Roosevelt administration has not had its effect in influencing the public attitude. Of course it has. There

are millions of fine men and women, thoughtful and open-minded, who are disturbed at the character of the attack and perhaps disturbed also over the apparent failure of the administration to reply. Let me reassure those people. Every reasonable attack made upon the administration will be answered, and adequately answered. Facts will be cited in reply to the fountain of words with which the country is now afflicted.

For the present we are, for the most part, sitting back until our political opponents come to an agreement on what there is wrong about the New Deal which has them so wrought up and so excited. I suspect the real reason they dislike the New Deal is that it has restored prosperity to this country and left a lot of eager and aspiring candidates for the White House with no place to go. But they never admit that fact. Each one has a different reason for opposing the Roosevelt administration, and the result is they have succeeded in admirable fashion in confusing the public mind to such a point that few of us know what it's all about. You feel like saying, "Come, come boys, get together and agree, and then we can give you our answer."

Among other things, President Roosevelt is accused by some of being a Socialist. Others say he is a Communist, although it's my impression there is a great deal of distinction between the two. He is also being denounced as a Fascist who has a lust for power and who wants to establish a dictatorship in this country. He is charged by some of his critics with employing inexperienced dreamers in Federal service, while others protest that only Democratic Party regulars are given Federal jobs. But it remained for a Republican candidate for the President to make the outstanding contribution to the current game of analyzing New Deal faults. The gentleman said President Roosevelt is really a Tory who is trying to fasten a Tory government on this country. That makes him a Tory Communist, which is unique to say the least. There is nothing like having variety in our public men.

I think you will agree with me that by retaining a sense of humor the average American may get a great deal more satisfaction and enjoyment out of the current attacks on President Roosevelt than he otherwise would. These gentlemen are far more entertaining than they think, even though they take themselves and their utterances very seriously.

But let us look at this problem in a more serious vein tonight, without passion, without anger, and without excited and hysterical comment. Very obviously, in view of the vast social and economic change that has taken place in the last few years, a number of problems have arisen which we should consider at this time. As I said before, it is impossible to answer all the attacks, so let's take them one at a time.

Just at present it's extremely fashionable in certain quarters to denounce employees of the Federal Government as bureaucrats. Why a young fellow or a young woman, who has graduated from a typical American school and has the typical wholesome American attitude toward life, suddenly becomes a "bureaucrat" because he or she works for Uncle Sam is a mystery to me. In any event, that charge will be answered later, and adequately answered.

Tonight let us consider this basic, fundamental problem. Is the Roosevelt administration hostile to business? Is the Roosevelt administration impeding business recovery? Would the economic situation improve if the Government got out of business?

The most obvious fact about economic and fiscal conditions in this country today is that the use of Government credit to bolster up finance and industry was one of the wisest policies undertaken in recent years by the Federal Government. Of course, the Government has employed that policy in some degree for untold years, but in recent years, because of the depression, it has been extended and greatly magnified in intensity. The awful blight of the depression did more than merely confront America with an economic crisis. It made those in power think fast, made it imperative to adopt policies and programs which would save our social and political institutions as well as our system of economics.

The policy of using Federal credit to aid industry and business was adopted early, and I think it has won the almost universal praise of the American people. There is general recognition that it would have been cruel in the extreme to let banks, railroads, insurance companies, and other business units go through the wringer of bankruptcy while the national credit was available to help those companies over a temporary emergency. That fact we are all agreed upon.

The thing most people fail to realize is that although the immediate crisis has passed, thanks to the wise policies of the Roosevelt administration, the Government is still in business in a very substantial way.

It's very popular at present to cry for an immediate balanced Budget and to condemn Federal fiscal policies. But the fact remains that if the Federal Government ever moved in that direction, the very people who are demanding such action would be the first to protest. And rightly so, because business would suffer as much and more than other elements in the community if the Government should actually decide to get out of business.

In talking over this matter of getting the Government out of business, it becomes necessary to talk with extreme caution. This country has made wonderful strides forward in the past couple of years, and the major reason for that fact is that the American people have regained their confidence. General optimism has been restored because the mass of people realize that the men at the head of the Government and the men in charge of industry have confidence in what lies ahead for the Nation as a whole. We should all be careful to avoid impairing that confidence in the slightest degree. The American people suffered too much during the depression to run the risk of using tactics which might slow up the processes of recovery. For that reason in what I am about to say I shall be careful to indulge in understatement rather than overstatement.

The primary thing to remember is that it is absolutely impossible for Uncle Sam to get out of business for some time to come. Through the Reconstruction Finance Corporation, literally billions of dollars belonging to Uncle Sam are now in use helping the banks, railroads, insurance companies, mortgage companies, building and loan companies, and other corporate units regain their financial feet. I am avoiding figures and names purposely, because it hardly serves the public good to be discussing the financial condition of American business enterprises in political talks. But those figures ought to be available, and they are. They are referred to and explained from time to time in the very wise and careful speeches of Mr. Jesse H. Jones, the Chairman of R. F. C. They are used in business and financial journals, and thus the facts are readily available for anyone who wishes them.

But the essential fact remains that if Uncle Sam were to follow the advice of those who want him to get out of business immediately, the recalling of such loans would very obviously be one of the first tasks to be undertaken. What's fair for one is fair for all. There is no reason on earth why the Federal Government should help railroads and the banks, while, at the same time, the same aid and help is denied to other industries and to other sections of the American public.

And right here we come to the essential difference between the recovery efforts of the Hoover administration and the tactics endorsed by big business and the methods actually employed by the Roosevelt administration, which have been so successful in attaining the end sought. The Hoover administration helped, in essence, only the intermediaries of commerce, and by that I mean the banks, the railroads, and the insurance companies. But it refused in the main to help business itself. There was no public-works program to prime the pumps and to help the heavy industries which were almost annihilated by the depression. There was no effort to get money circulating again, to get money into the hands of the people, so that they could begin spending and thus come to the aid of the merchants, the small retailers, the doctors, and the dentists, and every man who depends for his livelihood on cash income. Those classes of our population, along with the farmers and the workingmen, were absolutely overlooked in the Republican plan of recovery. There was some vague notion that if the Government took care of those at the top, the gentlemen who control the purse strings would look out for the rest of our people when they found time. It just didn't work.

The great fact which impresses itself upon the man who looks at our present-day economic situation is that for the first time in recent times an effort has been made to consider the needs and the rights of every class of American citizen in the enactment of Federal legislation. President Roosevelt and Congress have worked on the wise plan that it is wrong and dangerous to confer benefits on one class only and then let the rest of the people shift for themselves. The Hamiltonian theory of government has been followed faithfully by the Old Guard element of the Republican Party, and I must confess it always worked admirably—for those at the top. But in fairness we should acknowledge the fact that it has left about 80 percent of the American people in a very uncertain economic condition for most of their adult lives.

Whenever you meet a rugged individualist, ask him, Why don't the rugged individualists practice what they preach? Big business was the first element in this country to learn how to organize, how to pool its interests, and how to march on Washington with a demand that Congress grant its wishes. Big business has been doing that on tariff legislation for I don't know how many years. The farmers and the workers have been willing enough, but the fellow behind the plow needs Government help now and then, and he should get it. Remember big business, and by that I mean the gentlemen who control some of our biggest industries are never bothered about thoughts of rugged individualism when they want help from Uncle Sam. They want 80 percent of the American people to be rugged individualists, while they get pulled over the tough spots by Federal help.

Once again I say, what's sauce for the goose is sauce for the gander. I say the small merchant, the retailer, the doctor, the dentist, the school teacher, the clerks and stenographers, and the great mass of workers and farmers are American citizens who pay taxes just as do the members of the American Liberty League. After the long night of the depression they needed measures undertaken, and undertaken quickly, to restore their cash income. They got that help from the Roosevelt administration.

There are a number of business enterprises, like hotels, and you know those industries as well as I, that can only exist when people have money to spend. They are prospering now and doing well because of the wise policies of the administration. The speed with which the National Government pushed through the job of prohibition repeal was perhaps the greatest factor in rescuing the hotel business from insolvency.

The fact is that if the Federal Government should cease its spending activities immediately, the blow would be so cruel to industry and business that the people would rise up as a unit and condemn the administration which adopted it. What big business wants, is not for the Government to get out of business, but to stop its efforts to help the farmers and the workingmen and the great middle classes. Some very wealthy people want relief spending stopped because it interferes with their own selfish desires and not because it is a bad policy of government.

Out here in the Middle West, you can get the figures on relief spending and the figures on spending by other Federal agencies. Figure out what would happen if all those expenditures were suddenly cut off at the source. For the moment think of it

only in terms of business, passing over its effect in suffering on the families of the poor. I think a little serious consideration will disclose that if the Government should get out of business in a hurry, it might have a very unpleasant effect on the great middle classes. This relief money stays in motion. It does not go into investment. It passes into the hands of merchants and retailers and others as I have just pointed out.

It has always been my impression that department-store advertising is one of the basic sources of revenue for newspapers. I think we all want our newspapers to continue. The more we have, the greater variety of viewpoint, and the better it is for the country. Just a few years ago, because of the financial stringency caused by the depression, some of the oldest and finest newspapers in the country were forced to the wall and forced out of existence. A great many publishers whose newspapers are still in business and doing very nicely were gravely concerned over the future of their publications. They demanded Government spending, and Government spending in a hurry, to rescue them from the morass of insolvency.

The Roosevelt administration came into power, and the President and his aides saw what was necessary and they had the courage to do what should have been done long before. Acting in close unity of purpose with a new Congress fresh from the people, the Roosevelt administration embarked upon the wise course of using the public credit in a crisis, to protect the business enterprises of this country. That policy was successful to a degree unparalleled in the history of modern economics. Of course, some of the newspaper publishers now feel strong enough financially to condemn President Roosevelt for adopting spending policies, but they have that right under the American system.

So I think, my friends, you will agree with me that if the administration should get out of business, the effect would be disastrous on all of us and especially on those who are crying the loudest for the adoption of that policy. And remember that I have only skimmed the surface in touching on what Government has done for business.

The facts are unmistakable. We have reviewed the situation and shown conclusively that business, and by that I mean every class of business, has been aided, and generously aided, by the Roosevelt administration. The complaints come from a small minority of extremely wealthy men who think Federal capital should be used to bail them out but who object to the same treatment for small businessmen and the great middle class.

The Democratic Party is fighting today for the same principle for which it has always fought. If big business is to get help from the Federal Government, so must every other class. There can be no group of preferred citizens in this country.

As I said near the outset of my remarks, it is possible tonight to consider only one of the current charges hurled at the Roosevelt administration by those who have prospered the most by administration policies. As the issues clarify, or rather I should say the lack of issues on the part of our opponents, the true picture of what is happening in this country, and what has happened, will be placed before the people in concrete and complete form. We have nothing to hide and we have honest reason to feel gratified at what has been accomplished to help the people of this country.

Once again let me urge the voters to listen carefully to the sales talk of those Republican candidates who are casting hopeful but somewhat hesitant glances toward the White House. Listen to what they have to say and compare it to the actual facts as you know them to be. Reflect on what happened under the last administration.

As chairman of the Democratic National Committee, I formally invite comparison between the present Democratic President, Franklin D. Roosevelt, and those Republican hopefuls who aspire to succeed him.

The Roosevelt administration has rescued business in this country and we are proud of that fact. We rejoice with the businessmen in their increased profits. We are glad to note that they now feel strong enough to indulge in the good old American practice of taking a healthy swing at anything they don't like.

We have only one note of caution for big business. In your new unrestrained enthusiasm please don't pull down the house which sheltered you.

The Federal credit has been a welcome place of refuge for sorely tried big businessmen in the past and it may be again.

THREE YEARS OF ROOSEVELT—ADDRESS BY POSTMASTER GENERAL FARLEY

Mr. McGILL. Mr. President, I ask unanimous consent to have printed in the RECORD an able address delivered by Postmaster General James A. Farley the 22d of February at the Washington Day banquet of the Kansas Democratic Club at Topeka.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I'm glad to return to Topeka and to join you good people in observing the birth anniversary of the Father of his Country, the immortal George Washington. It is a pleasure to have one national hero whose patriotism and virtues we may honor and revere without thought of party ties.

Ten days ago we observed the birth anniversary of another great American, Abraham Lincoln, a man so universally beloved that he belongs to the Nation regardless of party, creed, or geographical location. It seemed a fitting occasion to review what Mr. Lincoln tried to teach his country. Instead of that the occasion of Lincoln's anniversary was seized upon by partisan leaders for the opening of a terrific economic "fear campaign" directed against the people of the United States.

And the leader in that doubtful business was no less a person than a former President of the United States, Mr. Herbert Hoover, the titular head and spokesman of the Republican Party. I quote the first paragraph of an impartial Associated Press dispatch, which said:

"Herbert Hoover, assailing President Roosevelt's message to Congress on the state of the Union, pictured the New Deal tonight as a 'fountain of fear' fomenting country-wide confusion."

What a familiar ring that has. Having lost every reasonable argument, confronted by a prosperous country, the reactionary element brings out the discredited weapon of fright and fear to intimidate the people of this country.

Eight years ago Mr. Hoover was promising that poverty was about to be abolished by his election to the White House. He was elected and poverty became almost universal.

Four years ago Mr. Hoover went about the country warning that grass would grow in the city streets if the Democrats were placed in power. Now he resumes his campaign to terrorize his own countrymen. By his own choice he becomes the apostle of panic.

Any man who wishes to promote his political interests by shaking the confidence of the country in its economic future can answer to his own conscience. The American people will pass judgment on tactics of that sort.

I passed through Topeka in 1931 when Mr. Hoover was in the White House. Wheat was selling at less than 30 cents a bushel and cotton was around 5 cents a pound. There was confusion then and there was despair. Today wheat is selling above 90 cents and cotton at around 11. Let me remind Mr. Hoover that the only confusion is in his own mind.

It's a pleasure to come back here to Kansas and find abundant evidence of prosperity after the lean years through which you passed under Republican rule. The same picture of contentment presents itself in every section of the country. The Hoover panic was defeated because a courageous Congress used the national credit to rescue the American people from starvation and want.

Kansas got its fair share of this Federal money, and I am informed by Senator McGILL and your three Democratic Representatives, PATTERSON, CARPENTER, and HOUSTON, that it has turned the tide. It was depressing to read sometime back of hungry men creating disturbances at Fort Scott, but incidents of that kind have happened elsewhere. The comforting thing was that you treated them in humane American fashion, and that the Federal Government was at hand to help you give them food and work. Hungry men and women must still get first consideration in this country.

I was sorry to learn that it was necessary here in Kansas to cut the salaries of school teachers and of professors in the colleges and universities. Perhaps it was necessary, but the policy of the Roosevelt administration has been to save the schools of the Nation wherever possible.

On next March 4, my friends, Franklin D. Roosevelt will observe his third anniversary in the White House. In that period we have advanced from economic confusion and paralysis under Mr. Hoover to economic prosperity. This present-day stability is especially welcome because it is well rounded, well balanced, and well adjusted.

Prosperity is a national thing, unlike that of the Republican era, when finance and industry boomed at the very time agriculture was allowed to wallow in the mire of depression.

Yes; we have gone far in the last 3 years, although certain individuals and a few publishers don't seem to have learned that fact as yet. The Old Guard apparently has abandoned the elephant for its emblem and substituted the ostrich. And, believe me, the Republican ostrich has good reason to hide its head in the sand, because everywhere it looks it sees nothing but Roosevelt prosperity.

Without becoming boresome or tiring, let us take a fleeting glimpse back at the unbelievable economic conditions which prevailed in this country under the last Republican President, Mr. Herbert Hoover. During the 4 years of his administration, tumbling downhill from the high peak of 1929, this country slipped further and further into the grip of economic depression, until at the beginning of 1933 the situation could only be described as appalling.

Month by month the army of the unemployed lengthened, until the jobless and their dependents numbered more than 30,000,000 men, women, and children. The press was reporting the suicides of fathers and mothers who were unable to endure the suffering of their own children. And a Republican government sat unmoved in Washington because its leaders said, in substance, it was un-American to feed little children.

The soup line and suicide clubs added to their numbers daily in the big cities. In the country conditions were as bad or worse. The farmer had about as much economic security as a European serf, and he got about the same prices for his products. He gave up buying because he had no money, and he took to barter. The hammer of the auctioneer resounded continuously as the homes of American farmers were put on the auction block for the highest bidder at panic prices.

The American farmers are the most conservative body of men in the world; but in the summer of 1932, about the time Mr. Hoover assures us he had the depression licked, the farmers had enough. They swarmed into the highways, grim-faced and determined, armed with pitchforks, and they actually dragged judges from the

bench. They resorted to violence because they had no other remedy to protect their homes and their children.

Lest we forget those times and those events, let me read you one short quotation from a thoughtful, conservative man. In the fall of 1932 Edward A. O'Neal, president of the American Farm Bureau Federation, said this:

"Unless something is done for the American farmer, we will have revolution in the countryside in less than 12 months."

Mr. O'Neal spoke the truth, and every fair-minded and thoughtful man and woman in this country knows he spoke the truth.

The courts of bankruptcy were busy with the ruin of merchants and retailers because the collapse of buying power and unemployment had reduced the number of purchases by fifty to sixty millions of people.

Banks were failing with increasing momentum until the total became staggering, and the whole banking system, deprived of public confidence, was on the verge of collapse.

Hundreds of thousands of home owners, out of work, out of savings, deprived of an income, were losing their little homes, which represented their life's savings, because the banks were unable to loan them money.

The railroads were on the verge of collapse, thousands of freight cars rusted in idleness, engines were pushed off on the sidings, the tank cars were empty; and because building and loan associations and the banks had invested in railroad stocks, the people were terrorized by the prospect.

Millions of men and women were ruined by the investment of their money in stocks and bonds that were fundamentally unsound and often clearly fraudulent. And a Federal Government stood idly by and made no effort to protect the public against those worthless securities.

Ugly mobs gathered in the large cities to protest the dispossession of families in the dead of winter when they lacked food, fuel, and a place to go. Local government units faced exhausted credits and revenues and pleaded to the Federal Government for help. They pleaded in vain.

The streets were thronged with poor, hungry fellows begging the price of a sandwich or a bit of food. Someone well said the national theme song then was "Brother, have you got a dime?"

Yes, my friends, the depression cut deeper than that. The depression cut so deep that it took almost a year of superhuman effort by the Roosevelt administration before a certain unfair element of the American press felt strong enough to revile the man who pulled it out of the financial mud. Most newspapers perform a fine public service, but I think you know the ones I mean.

What was done in 1930 and 1931 and 1932 to correct the horrible conditions I have just described? You can answer that yourself. Nothing was done. The public lacked confidence because President Hoover in the White House lacked confidence. It was the first time in my memory at least that the typical American spirit of faith and energy had given way to an attitude of brooding despair. A fierce crisis was at hand and no one seemed able to meet it.

The financial giants went off to the watering places of California and Florida and Europe to think it over. A few went grouse hunting in Scotland. Behind closed doors they spoke of the failure of democracy and whispered about the need of a strong dictator like those of Europe to pull the country back on its feet. Fear was everywhere.

Even some of our intellectual leaders were convinced that democracy was too slow, too cumbersome, and too unwieldy to conquer an economic crisis like that which confronted the country in 1932. Almost with an air of resignation the people patiently waited until the end of the Hoover regime, fearful that a terrible tornado of social forces was about to uproot the land.

Well, my friends, the tornado never happened and you and I know why. While the rest faltered and fumed and fussed, a new leader took over the reins of office on March 4, 1933, and his accomplishments were soon echoing like a thunderclap throughout the length and breadth of the land.

Franklin D. Roosevelt did more than save America. He vindicated democracy at a time when all over the world its enemies were ready to declare the death of the finest system of government ever devised by man.

From the day Mr. Roosevelt seized the banner of American leadership from the faltering hands of Herbert Hoover the United States has marched steadily forward toward the goal of economic security and social justice. Why, the very spirit of America has changed. Pessimism has given way to optimism. The people sense the presence of a leader who does things, who gets things accomplished, who knows what they need, and sets about the job of doing it.

You may search history without finding a single parallel for the amazing rise in economic conditions which has happened in the United States under President Roosevelt, who will observe his third year in office on the 4th of next March.

Under his administration confidence has been restored in the banking structure and the banks themselves have been made stronger than ever. The buying power of agriculture has been increased by more than $2,000,000,000 in 1 year, more than 30,000,000 people in agricultural areas were restored to the purchasing class, and the burden of farm debt has been slashed to a fraction of what it was under the Hoover administration. The vicious practice of wholesale farm foreclosure has been stopped.

The same improvement has been noted in the industrial areas. Factory chimneys are again belching forth smoke; production is up, in some cases more than 100 percent; employees are going back to work; soup lines have been abandoned; and the outlook is for a steady and continued improvement. Millions of breadwinners, unable to find employment in private industry, are earning a living on projects which will prove of useful and lasting benefit to the Nation.

The farmers are getting better prices and the working men more pay. The tradesmen, the doctors, and the dentists can collect their bills because the people have money to pay them. The American school system, the proudest boast of our democracy, has been rescued from a state of collapse.

That, my fellow Americans, is the 3-year record of President Franklin D. Roosevelt, and we are proud of it. We challenge any political party to meet us on that record.

The astonishing thing about present-day conditions is not so much what President Roosevelt has accomplished, because the people have faith in this man and they know what he can accomplish. The astonishing and depressing thing is that the man who saved America is being criticized and denounced, reviled and condemned by certain noisy elements as though he were a common enemy of his country. There is an old saying to the effect that republics are ungrateful, and apparently a noisy minority is intent on making that unhappy saying come true.

The financial and industrial overlords who a few years ago were sighing aloud for a dictator are now crying aloud that President Roosevelt is trying to take away your liberties. Three years ago they agreed that democracy was helpless in a crisis; now they complain that the President is attempting too much. Well, some people never are satisfied.

The constant and unsportsmanlike campaign of distortion directed at the Roosevelt administration is so intense, bitter, and biased that I frankly confess many honest and upright American citizens are confused and bewildered. They wonder why such a campaign is being leveled at the President of the United States when their own common sense tells them that he has been laboring night and day to preserve and protect their rights and interests. They want an answer to these attacks. For a few moments tonight I want to talk directly to those troubled people. Let us find the answer together. Let us reflect not so much on what is said but who says it.

First let us take the miscalled American Liberty League, an organization of multimillionaires, which is run as a subsidiary of the Republican National Committee. They think alike, act alike, and their leaders are in constant heavy conference in Washington figuring out ways to destroy President Roosevelt's influence with the people. A brilliant editorial writer said it ought to be called the American Celophane League, and he gave two good reasons. He said, first, it is a Du Pont product; and, second, you can see right through it.

A recent examination of its bottomless war chest disclosed the fact that more than 70 percent of contributions to the American Liberty League came from the Du Pont family or their allies in the automotive and other industries. They can well afford to give because, thanks to the Roosevelt policies, they are earning more money than at any time in history.

The money goes 'round and 'round like this. The Roosevelt administration enacted the A. A. A. to give the farmers a decent income for their products. The farmers paid off their debts and bought automobiles and other products. The Du Ponts got their pockets filled and then they formed the American Liberty League. The league poured out money like water to prove that A. A. A. was destroying America and raising food prices to consumers. In other words, the farmer's money was used to destroy his own prosperity. That's really going 'round and 'round.

So, my friends, the members of the American Liberty League who are making more money than any other group in the United States complain that Mr. Roosevelt is destroying their liberties. They are ungrateful and they want the people of the United States to be just as ungrateful as they are. I think you farming people out here in the Midwest can take care of the Liberty League without any help from me.

I am fully conscious that many of you in the State listening in tonight and a vast number throughout the Middle West territory are members of the Republican Party, and that in the past you have been closely affiliated with its organization and frequently in sympathy with its policies. I hope that partisanship will never blind me to the extent that under its influence I forget the many fine men and women who have accomplished wonderful things for the United States while enrolled under a Republican banner.

It is a fact well known to all of us that victory for the Roosevelt-Garner ticket was made possible in 1932 because many millions of upstanding Republicans became disgusted with the reactionary control of their own party and enlisted under the Democratic banner. Quite frankly we think that our great President has fulfilled his promise to them and we want their sympathy, their help, and their suffrage again. The important thing to consider is who is running the Republican Party today and what may we expect if it returns to power?

The present leadership of the Republican Party has given its own answer to that question. Only recently the national committee sponsored a series of so-called dramatic skits over the radio. The principal characters were John and Mary, whom they introduced as typical young Americans. Perhaps you tuned in and heard these dramatic presentations. The Republican John and Mary turned out to be the most hopeless and stupid morons imaginable. Just think of holding up such characters as typical young Americans! The usual pattern of the Tory old guard was adhered to faithfully. John and Mary were filled up with untruthful statements about the public debt and taxes until they became terrified and abandoned their plan to get married. The old "economic scare" campaign in a new setting.

I think in those radio skits the Republican leaders disclosed very little about what is going on in the minds of the young men and women of America, but they certainly did disclose what is going on in their own minds. They still regard the voters as rather simple-minded folks, who will believe anything if you frighten them badly enough.

I hope the fine, intelligent young men and women in our colleges and universities, or those who have just graduated and are looking for a job, take to heart the lesson of John and Mary. If they do, the Republicans will hear from John and Mary on election day in a big way.

Yes, my fellow Americans, I am afraid the real leadership of the Republican Party has observed nothing and learned nothing from the great economic crisis through which we have just passed. Make no mistake, no matter who the party nominee for President may be, the old reactionaries are determined to control the party's course. They intend to keep it reactionary. The old guard will hang around the neck of the next Republican nominee like a millstone and he won't be able to shake it off.

So then, my friends, don't be disturbed by this torrent of abuse against President Roosevelt. While he is being reviled and denounced, he is hard at work in Washington making certain that the farmers receive a decent and fair return for their crops in 1936. He will be denounced as a dictator, as a demagogue, as a Socialist, and a Communist for doing it, but don't let that worry you because it won't worry him. He goes right on his way and the farmer gets his income, and that's the important thing.

During his first three years in office President Roosevelt has done more to restore the economic rights of American citizens than his Republican predecessors accomplished in generations. The Chief Executive has done more than restore material prosperity to this country; he has revived and strengthened the faith of the people in democratic government. We stand on that record!

Although the election is months away, the political woods are full of earnest and sincere young men who want to move their belongings into the White House. I have listened carefully to find out what they stand for and what they propose to do. Most of them talk fearlessly about experience, faith, courage, common sense, tradition, and other virtues, but I still can't find out where they stand on the vital issues before this country.

These modern Paul Reveres, riding about in luxurious limousines, are 3 years too late. The battle to restore American economic liberties has been fought and won long since. When you see one of these fine young men, give him a word of friendly advice. Drop a hand on his shoulder and say:

"Little man, where were you in the great crisis? What did you propose then?

"I remember only one man and the American people only remember one man in the great crisis. His name is Franklin D. Roosevelt."

NEUTRALITY LEGISLATION—STATEMENT BY CITIZENS OF SOUTHERN STATES

Mr. OVERTON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by citizens of Southern States on neutrality legislation, forwarded to me by the dean of the graduate school of Louisiana State University.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A STATEMENT BY CITIZENS OF SOUTHERN STATES ON NEUTRALITY LEGISLATION

The United States is confronted with the gravest decision on foreign policy which it has been compelled to make since our rejection of membership in the League of Nations in 1920.

Fifteen years have passed, during which the authority of the League has not yet been established. Now the period of war weariness is over, and we are threatened with a series of wars of conquest. Driven by this menace, the members of the League of Nations have taken common action against a clear-cut aggressor. Upon their success hangs, we believe, our own future peace and security.

The first reaction of the American people to the crisis has been a strong recoil from being drawn into the war. It would be strange and disheartening if that were not true. Yet it would be supremely tragic and short-sighted on our part if in attempting to save ourselves we should weaken or defeat the efforts of the members of the League to restrain the present and prospective war makers.

In this effort it is inevitable that the nations should use their economic power to restrain and defeat aggression. In attempting to avoid military sanctions they have no alternative but to use their economic strength and to try again and again in the future to perfect its effectiveness. It is just as unavoidable also that these efforts will succeed or fail according as the tremendous economic power of the United States is used to aid or to defeat economic sanctions.

Believing that the United States cannot avoid playing a determining role, we urge the Senators and Representatives from the Southern States to consider further neutrality legislation with the greatest care, lest more harm be done than good. It is one thing to try to be impartial between an aggressor and the victim of his attack. There may be practical grounds for such a course in the fact of our nonmembership in the League of Nations.

But if the members of the League are compelled to resort to military sanctions a new situation arises. To attempt to levy embargoes against all the League members who may sacrifice men and money to defend the League Covenant, and with it the Kellogg pact, is both unjust and dangerous. There is no sort of equality between a recognized aggressor or one hand and the collectivity of nations engaged in resisting him, and no act of Congress can create such equality.

Nor is an attitude of impartiality in a military conflict between an aggressor and the League feasible. On legal and moral grounds our parenthood of the League Covenant and the Kellogg Pact effectively stops us from terming collective sanctions against a war-maker "war." As the father of these almost universally accepted charters of peace, our country is in the worst position of all for ignoring the delegalization of war and the legalization of sanctions. The proposed classification of members of the League of Nations who may be driven to apply military sanctions to an aggressor as "belligerents", making them liable to all the penalties of our neutrality laws, is both immoral and unworkable.

On strictly practical grounds, any action which strangles the operation of the League in practice can bring us only temporary respite from the dangers of war. Congress can easily make League sanctions inoperative, but it will thereby release forces which will be beyond its power to control by any means other than war on a huge scale.

Two strong nations are already engaged in an attempt to seize empires for themselves, and a third gives every evidence of preparing hastily to do so. If one after another, and finally in unison, these nations are to be permitted to take what they will, there is no prospect ahead except a succession of wars, one of which will certainly spread into a world war. There is every reason to believe, moreover, that another general conflict would be fought not on one side of the United States but on both sides.

The interest of the United States in peace is so enormous and the danger of its involvement in any large wars is so great as to doom to collapse any efforts to avoid war which do not include throwing out weight against the starting and spreading of wars of conquest. There can be no security for our economic structure, not to speak of our peace, if great conflagrations are to be allowed to begin and to run unchecked.

We favor such legislation as will clarify our relation to, and strengthen the hands of, the many nations which desperately want peace and are determined to stand together to maintain it. The opposite policy can only give us a temporary and costly respite. We can make or break the League, but we cannot lead a safe and tranquil life in the midst of a train of wars.

We are concerned, too, that the rules to be laid down for the guidance of the President shall not be so rigid as to destroy, if that were constitutionally possible, the power of the United States to negotiate and to meet constantly changing conditions. There is no guarantee of safety, even for the most powerful single nation, in immobility, especially in rapidly moving situations.

Dean Charles W. Pipkin, graduate school, Louisiana State University, Baton Rouge, La.; Dr. Cullen B. Gosnell, director, institute of citizenship, Emory University, Atlanta, Ga.; Virginius Dabney, chief editorial writer, Richmond Times Dispatch, Richmond, Va.; President Walter D. Agnew, Huntington College, Montgomery, Ala.; President Hamilton Holt, Rollins College, Winter Park, Fla.; Bishop John Durham Wing, Protestant Episcopal Church, Florida; W. R. O'Neal, president, First National Bank & Trust Co., Orlando, Fla.; Prof. D. F. Fleming, Vanderbilt University, Nashville, Tenn.; Bishop James M. Maxon, Protestant Episcopal Church, Tennessee; Dean G. B. Winton, Vanderbilt University, Nashville, Tenn.; Prof. A. Vandenbosch, department of government, University of Kentucky, Lexington, Ky.; Prof. K. C. Frazer, department of government, University of North Carolina, Chapel Hill, N. C.; Prof. C. Perry Patterson, department of government, University of Texas, Austin, Tex.; Prof. D. Y. Thomas, department of history and government, University of Arkansas, Fayetteville, Ark.; Judge John D. DeWitt, Tennessee Court of Appeals, Nashville, Tenn.; Cale Young Rice, Louisville, Ky.; Dr. John W. Fraser, Montgomery, Ala.; Ray Stannard Baker, Winter Park, Fla.; Dean J. S. Waterman, school of law, University of Arkansas, Fayetteville, Ark.; President Pierce Cline, Centenary College, Shreveport, La.; Prof. S. D. Myres, director, Arnold School of Government, Southern Methodist University, Dallas, Tex.; Prof. H. C. Nixon, department of history and government, Tulane University, New Orleans, La.

YOUR TAX BILL—ARTICLE BY B. H. MARKHAM

Mr. GORE. Mr. President, I ask to have printed in the RECORD an article entitled "Your Tax Bill", written by Mr. B. H. Markham, director of the American Petroleum Industries Committee, and published in the National Petroleum News of January 5, 1936.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YOUR TAX BILL

(By B. H. Markham, director, American Petroleum Industries Committee)

A FILLING STATION DIALOG

ATTENDANT. Good morning, Mr. Jones. Shall I fill 'er up?

MOTORIST. No; I guess you better give me 5 gallons.

ATTENDANT. Yes, sir. (Puts 5 gallons in motorist's tank.) That'll be 95 cents—68 cents for the gas and 27 cents tax. Taxes are high, aren't they?

MOTORIST. Did you say 27 cents tax? Say, that's the first time a filling-station man ever told me how much the tax was.

ATTENDANT. I was reading an article the other day. It said: Gasoline is cheap, only the tax is high.

Now, take you for example. The 27 cents tax you're paying on that 5 gallons of gas isn't a lot of money. It's only a little over a quarter. But it would buy you an extra 2 gallons of gas. Besides, it mounts up in the long run. This article I was reading showed that in 1934 motorists in this country paid $735,000,000 gasoline taxes. That makes $33 apiece. Thirty-three dollars would buy you a new set of tires and tubes.

MOTORIST. You're right. But, of course, if it weren't for the gasoline tax we wouldn't have all the good roads we have today. If you can remember the kind of roads they had 20 years ago, when I began driving a car, you wouldn't mind paying a gas tax.

ATTENDANT. That's true. The gas tax was all right in those days. The rate was low and it was easy to collect. Another thing, the money was used for roads. Now, the rate's so high it's brought racketeers into the gasoline business. They start price wars. And to make things worse, about $100,000,000, or 20 percent, of the gas tax money isn't used for roads—it's what they call "diverted."

MOTORIST. Twenty percent—as much as that? I knew some gas-tax money was used for sea walls and other things, but I never thought it was as much as that. I don't mind paying for roads, but I do mind paying the whole cost of government. I don't think it's fair to expect us motorists to pay all the taxes.

ATTENDANT. I don't think they should even expect you motorists to pay the whole cost of roads. You aren't the only ones who benefit from good roads. I know a friend of mine owned a piece of land outside town. It was worth a few hundred dollars. Then the State built a new road past his land. Right after that a real-estate agent offered him $2,000 for it. It looks to me as though the new road paid him a handsome profit.

And then, of course, electric companies, water companies, and gas companies use the roads and streets for their poles, wires, and pipes.

MOTORIST. Say, you're right! You know, I never stopped to think of that. Everybody benefits from good roads. Yet most people think the motorists are the only ones who should pay for them.

ATTENDANT. There's another thing I don't care for. I spend about half my time collecting taxes. Most tax collectors get paid. I don't get anything. I've been thinking of putting up another sign alongside that "Free air" one, "Gasoline taxes collected free."

This conversation indicates what an important role the gasoline tax has come to play in our everyday life. In 1934 it provided one-third of all taxes collected by the 48 States and 80 percent of all the money spent on State highways.

Yet this tax is only one of the 201 different kinds of taxes paid by oil companies, independent dealers, and users of petroleum products.

In all they pay 39 Federal taxes, 121 State taxes, and 41 local taxes. In 1934 the petroleum tax bill was $1,046,149,575, or 11 percent of all taxes collected by all governments—Federal, State, and local.

The gasoline tax accounted for over 70 percent of this sum. Gasoline-tax collections have brought in $5,000,000,000 in the past 15 years. This money has provided most of the funds spent on highways during that period.

Taxes on the petroleum industry and its products in 1935

	1935	1935 tax per barrel of oil produced
State gasoline taxes	$625,000,000	$0.630
Federal gasoline taxes	170,000,000	.171
Real and personal property taxes	135,000,000	.136
Income taxes (Federal, State, and city)	60,000,000	.061
Severance taxes (State, county, and municipal)	30,000,000	.031
Federal lubricating-oil taxes	29,037,648	.029
Federal pipe-line transportation taxes	9,344,748	.009
Municipal gasoline taxes	10,000,000	.011
State registration and license fees on tank trucks, etc	10,000,000	.011
Capital-stock tax	9,955,000	.010
Federal and State excise taxes on tank trucks and other vehicles	7,952,380	.008
Corporation franchise, stock, and mercantile licensing and inspection taxes	3,750,000	.004
Federal taxes on new tires for old tank trucks, etc	4,132,660	.004
State inspection fees, drilling permit fees, etc	3,620,000	.004
Federal excise taxes on crude petroleum processed	1,634,000	.002
Federal and State taxes on parts and accessories for tank trucks	1,070,390	.002
Federal import tax on crude products	4,750,000	.005
Other taxes	10,000,000	.011
Total	1,125,246,826	1.140

VALUE OF GOOD ROADS

Every American has benefited from this money because good roads have made communication easier; they have speeded up transportation; and they have lowered its cost, and in this way lowered prices.

The farmer has benefited directly because he depends on good roads to get his produce to market. They often mean the difference between a profit and a loss for him. He also benefits in another way, because whenever a highway is built near his property, or an old road improved, his land increases in value.

Improved highways have opened up opportunities for travel and recreation. They have made parks, beaches, and recreational centers easily accessible, and they have made it possible for people to spend their vacations at the seashore and in the mountains. These resorts would obviously be of little value except for the highways.

Modern highways have also made it possible for city dwellers to move to the suburbs and rural areas where living conditions are better and cheaper and where children may be raised in a more healthful atmosphere. With our present highway system these people can come to town to do their shopping, attend lectures, symphony concerts, art exhibits, and plays.

Industries which produce highway materials, such as cement, sand, gravel, steel reinforcements, and concerns which manufacture road-building machinery have benefited directly from gasoline-tax money spent for highway work.

DIVERSION

The motorists seem to have no objection to a reasonable State gasoline tax so long as the money is used for highways. In recent years there has, however, been a growing tendency to use the money for other purposes, a practice which has come to be known as "diversion." A study made by the American Association of State Highway Officials shows that in 1934, for example, $95,000,000, or about 20 percent of State gasoline tax money was "diverted."

Using these funds in this way is grossly unfair because the theory of taxing gasoline takes for granted that the money will be spent for highways. C. C. Chapman, one of the sponsors of the Oregon gasoline tax, the first of its kind, has shown that this was the general understanding when the gasoline tax was conceived. Congress has recognized this. When it submitted the Hayden-Cartwright Road Act for President Roosevelt's signature in 1934, it pointed out that:

"* * * [The use of gasoline tax] revenues for other than highway purposes [is] * * * unjust and unsound * * *."

EVILS OF HIGH GASOLINE TAXES

Experience has shown that high gasoline taxes bring with them serious evils, such as tax evasion, gasoline bootlegging, price wars, substitution, misbranding, and other unfair practices.

All sales taxes such as the gasoline tax encourage tax evasion. In general, the higher the tax is, the more serious the problem of evasion becomes. It has been found that serious difficulties are involved in collecting sales taxes of as low as 2 percent or 3 percent. New York City, for example, has had a great deal of difficulty with its 2-percent sales tax. State and local gasoline taxes ranging from 2 cents to 11 cents are collected on each gallon of gasoline sold in this country. They are equivalent to sales taxes of 15 percent to 90 percent. For the country as a whole the average is 40 percent. Evading the gasoline tax is, therefore, just about 20 times more profitable than evading the ordinary sales tax.

BOOTLEGGING

Much bootleg gasoline comes from "hot" oil produced in excess of the limits allowed by law.

One of the favorite ways of avoiding gasoline taxes is by smuggling gasoline across State lines. Under the United States Constitution, gasoline cannot be taxed while it is in interstate commerce.

A gasoline bootlegger, for example, buys gasoline in New Jersey and has it shipped to a fictitious firm in New York. This gasoline is loaded into tank barges, which slip across the harbor at night. In the meantime, the bootlegger has been contacting service stations to find a market for his contraband product. He usually quotes the regular market price minus taxes, but sometimes he adds an extra cent to cover his risk. This price margin of 2 cents or 3 cents a gallon which he is able to offer usually wins over some of the less scrupulous filling station operators.

Gasoline bootlegging in many respects is easier and more profitable than liquor bootlegging. There is much less danger involved. State gasoline tax collection forces are small and extremely busy. They are usually undermanned, and they are often forced to operate on inadequate appropriations. In many cases there are few "teeth" in State laws, and the courts are inclined to deal leniently with gasoline-tax evaders.

TAX EVASION

Gasoline-tax evasion reduces the amount of money available for highways. Motorists pay the gasoline tax with the expectation that their money will be spent in improving highways. When some motorists are able to buy tax-free gasoline they avoid paying their fair share of the cost of highways. The State not only loses revenue, but the majority of motorists suffer who buy their gasoline from law-abiding dealers who pay the tax.

The revenue the Government loses from tax evasion must be made up. If gasoline-tax collections do not come up to expectations, the gasoline tax is often increased to make up for the deficiency. In effect, then, honest motorists who buy gasoline from law-abiding dealers pay not only their own share of the gasoline tax but they also assume the burden of those who get their gasoline tax free.

SUBSTITUTION

Tax evasion is a profitable business. "Substitution" is, however, even more profitable.

A racketeer may buy 1,000 gallons of gasoline a week. In a State which has a 4-cent tax his weekly tax bill is $40. With this 1,000 gallons he may, however, mix 500 gallons of kerosene, naphtha, furnace oil, or some other nontaxable fuel. He then has

1,500 gallons of "hi-test" motor fuel which he may sell at a profit or $20, over 1 cent a gallon.

Any motorist who buys gasoline from a racketeer stands less than a 50–50 chance of getting the kind of gasoline he thinks he's getting.

Besides injuring the public, "substitution" also gives the racketeer an additional price margin which he can use to take business away from legitimate dealers. The racketeer may also injure the legitimate marketer by selling diluted gasoline or motor oil under a well-known trade name. The buying public expects high quality when it buys a widely advertised, branded product. When the product which it gets does not measure up to the usual high standards it has come to expect, other dealers who sell the same kind of gasoline or motor oil obviously lose business.

PRICE WARS

In some cases a tax evader may decide to build up his business by price cutting. Avoiding the tax makes it possible for him to sell his gasoline for a price well below that charged by law-abiding dealers. Once price cutting is started in this way it often leads to a destructive price war which causes a complete break-down of the price structure.

The public seldom becomes seriously disturbed over price wars. Motorists ask themselves, "Why should I worry about price wars? They mean lower prices, don't they?" But such people overlook the ultimate effect which price wars have on the whole gasoline market.

When a price war is going on, motorists from surrounding areas drive over to the low-price district to buy their gasoline. When they do this, their States collect less gasoline tax than they would otherwise have collected. Gasoline tax collections fall off, and more money must be raised to make up for this loss. It is conceivable that the gasoline tax might be raised to make up for the deficiency.

COMBATING TAX EVASION

Because gasoline tax evasion brings with it such evils as gasoline bootlegging, substitution, price wars, and other unfair practices the petroleum industry has spent a great deal of time and money in trying to wipe it out. It has loaned its own investigators, auditors, and attorneys to States to help them check up on tax evasion. This is probably one of the few instances in history of an industry helping government to collect a tax on one of its own products. Since it was created in 1932 the American Petroleum Industries Committee has rendered State governments invaluable aid in collecting the gasoline tax.

EXEMPTIONS AND REFUNDS

Gasoline-tax exemptions and refunds lead to serious abuses. Because the gasoline tax was devised as a method of assessing the motorist for his use of the highways it was thought only fair that people who used gasoline for nonhighway purposes should not be forced to pay a tax.

Experience with exemptions and refunds has shown, however, that they encourage tax evasion. It has been found that much of the gasoline on which no tax is paid because it is supposedly used for tax-exempt purposes is actually used on the highways.

A grave injustice is done the motorist who pays a tax on the gasoline he uses, when other motorists get their gasoline tax free because it is to be used for "nonhighway" purposes. This amounts to unfair discrimination.

In fairness all motorists should bear their proportionate share of the cost of highways. When some motorists buy their gasoline tax free they are able to shift their tax burden to someone else's pocketbook.

The practical effect of exemptions and refunds is to penalize the majority so that the minority may profit. If any justification did exist for exemptions and refunds when all the gasoline tax money was spent for highways, certainly it doesn't exist now when nearly 20 percent of the money is spent for other purposes.

FEDERAL GASOLINE TAX

The Federal Government collects a tax of 1 cent a gallon on gasoline. In 1934 collections amounted to $170,109,269.

This tax cannot be justified on the same grounds as State gasoline taxes. It is not a benefit tax because the revenues are not earmarked for highways—they are used for general governmental purposes.

The Federal tax, furthermore, was adopted as a temporary measure, the argument being that it was needed to make up for the drop off in collections from the income tax and other established sources of revenue during the depression.

One of the most serious objections to the Federal tax is that it invades a field of taxation which properly belongs to the States. The States have come to rely on the gasoline tax as their main source of highway revenue and many of them have drawn up long-term highway programs with the expectation that they could rely on this tax as a certain and stable source of revenue. It is estimated that there are approximately $4,750,000,000 worth of State and local highway bonds outstanding which were sold to investors largely on the security of the gasoline tax.

LUBRICATING-OIL TAX

The Federal Government collects a tax of 4 cents a gallon on each gallon of lubricating oil sold. Collections during 1934 were $24,843,489.

This tax, like the Federal gasoline tax, was originally adopted as a Budget-balancing expedient. It appears that Congress had in mind a tax of 4 cents on a quart of motor oil selling for 25 cents, or a sales tax of 4 percent. Only about half the lubricating oil used in this country, however, is of such high quality. Less highly refined lubricants like cylinder oil, turbine oil, and black oil sell for about 10 cents a gallon. The tax of 4 cents a gallon on these oils is equivalent to a sales tax of 40 percent.

It has been found that this tax encourages unlawful practices. Some racketeers evade the tax by "blending" lubricating oils, for it takes only a small change in refining to make a tax-exempt oil out of a taxable one. Other racketeers "reclaim" used oils. They drain oil from the crankcases of automobiles, strain it, and then sell it as new oil.

Consumers of lubricating oil, the motoring public, and legitimate dealers all suffer from these abuses.

CHAIN-STORE TAXES

The chain-store tax is one phase of the "attack on bigness as such" which has been going on in the United States for some time.

Chain-store taxes were not originally intended to apply to gasoline filling stations. They were designed to protect the local grocer, the butcher, and the druggist against competition from "chains." To the public a filling station is not a chain store. As the Supreme Court of Wisconsin pointed out in the case of *Wadhams Oil Co.* v. *Wisconsin*—

"If one were to stop 500 well-informed, intelligent persons traveling into any city and ask them to stop at the first store * * * it is quite probable that not a single one would stop at a filling station or service station * * *."

More than half the States with chain-store taxes have recognized this and have exempted filling stations from chain-store taxes.

SALES TAXES

A sales tax on petroleum products is unjust because the average gasoline tax amounts to a sales tax of 40 percent, and the Federal tax on lubricating oil often amounts to a sales tax of 40 percent. A sales tax simply adds to the already oppressive burden borne by users of these products.

Sixteen of the 24 States which have sales taxes have recognized this and have exempted sales of gasoline. Three other States have exempted the part of the price which represents the gasoline tax.

Petroleum industry investment, earnings, and taxes

Year	Estimated investment	Petroleum industry net earnings	Percent earned on investment	Capital stock and income taxes	Gasoline taxes	Other taxes	Total taxes
1921	$6,580,000,000	−$1,841,457	−0.03	$41,265,601	$5,382,111	$62,135,919	$108,773,631
1922	7,877,375,000	221,615,211	2.81	39,881,349	12,703,088	77,673,174	130,257,611
1923	8,000,000,000	76,355,904	.95	27,525,849	38,566,338	66,460,994	132,553,181
1924	9,150,871,000	227,938,411	2.49	41,791,402	80,442,995	76,079,793	198,314,190
1925	9,500,000,000	471,106,534	4.96	73,366,894	148,358,087	[1]87,608,285	309,393,266
1926	10,000,000,000	475,293,629	4.75	81,509,304	187,603,231	99,256,037	368,368,572
1927	10,500,000,000	104,324,161	.99	32,319,256	258,838,813	107,764,735	398,922,804
1928	11,000,000,000	386,516,430	3.51	64,909,723	304,871,766	[1]117,764,735	487,546,2 4
1929	11,800,000,000	456,495,196	4.54	66,604,616	431,311,519	[1]127,764,735	625,680,870
1930	12,000,000,000	92,439,088	1.38	38,976,816	493,865,117	[1]137,764,735	670,606,663
1931	12,100,000,000	−333,908,133	−2.76	5,615,514	536,397,438	[1]142,764,735	684,777,687
1932	12,300,000,000	[1]−182,400,000	−1.50	[1]13,800,000	575,887,066	[1]157,410,059	747,097,125
1933	12,000,000,000	[1]204,000,000	1.70	[1]50,000,000	709,321,700	[1]245,502,328	1,004,824,028
1934	12,000,000,000	[1]264,000,000	2.20	[1]50,000,000	745,136,269	251,013,306	1,046,149,575
Total		[2]2,462,039,976					
Averages and totals, 14 years	[2]10,312,731,857	[2]175,859,998	[2]1.86	[2]627,556,324	[2]4,328,685,538	[2]1,737,023,570	[2]6,913,265,432

[1] Estimated. [2] Averages. [3] Totals.

NOTE.—Estimated investment of the oil industry based on best available information. In 1930 American Petroleum Institute estimated the investment $12,000,000,000. Petroleum industry net earnings for years 1921–31, inclusive, from publications of U. S. Treasury Department. Earnings for the year 1932, estimated, based on published report of 30 major oil companies. Earnings for 1933 based on figures compiled by United States News. Earnings for 1934 estimated on basis of reports of representative companies.

Capital stock and income taxes arrived at in same manner. Other taxes partially estimated. Gasoline taxes from actual published figures.

OTHER TAXES

There are some 190 other types of taxes. Several of them are collected on every operation from setting up equipment in the oil field to selling gasoline and lubricating oil at the filling station. Every product and byproduct from crude oil as it comes out of the ground to highly refined gasoline, fuel oil, and lubricants is taxed.

Producers of crude oil and natural gas, for example, pay taxes on crude oil and natural gas produced, oil withdrawn from storage, sales of oil and gas lands, as well as severance taxes, royalties, proration taxes, antipollution taxes, well-drilling permit fees, and derrick taxes.

Refiners pay taxes on refined products such as fuel oil, gas oil, benzine, naphthas, benzol, and heating oils, and other taxes, including property taxes on refining and cracking plants, processing taxes, and fire-inspection fees.

Pipe-line companies pay property taxes on their pipe lines, ad valorem taxes on the crude they transport, taxes on oil they withdraw from storage, pipe-line construction permits, certificate fees, gross-receipt taxes, transportation taxes, and taxes on natural gas carried by pipe line.

Marketing companies and service-station operators pay taxes on the different products they sell, such as fuel oil, gas oil, paraffin, kerosene, tractor fuel, illuminating oil, Diesel oil, premiums on fuel-tax bonds, distributors' license fees, dealers' license fees, filling-station taxes, and location fees, bulk storage plant licenses, tank-car licenses, taxes on oil burners sold, tank-ship license permits, gasoline-pump and curb-pump licenses, and fire-inspection fees.

Although these taxes are of less relative importance than those which have been dealt with, they make up, nevertheless, part of the total-tax burden, and they are all paid by the industry and users of its products.

SUMMARY

Every year the oil business and people who use its products pay over a billion dollars in taxes, or about 11 percent of the country's total tax bill. Motorists pay a tax whenever they buy gasoline. Other people also pay their proportionate share of these taxes. A bus company, for example, fixes the fare it charges passengers so as to include gasoline and lubricating-oil taxes which it pays. People who ride in busses, therefore, pay their share of these taxes. Because motor vehicles are used so extensively in the modern world, a considerable part of the price which the consumer pays for goods represents petroleum taxes.

The oil business also pays its share of these taxes. Taxes tend to keep its earnings at abnormally low levels. The extraordinarily heavy tax burden it bears is one of the chief reasons why this industry earns less than other industries. A study made by one of the leading New York banks shows that 62 representative oil companies earned 2 percent on their investment in 1934. Merchandise chain stores earned eight times as much; tobacco companies, whose products bear a tax burden comparable to the petroleum industry's, earned five times as much; chemical concerns four times as much; and automobile manufacturers three times as much.

Taxes have had the same effect on filling-station earnings. A recent study made by the Merchants' Service of the National Cash Register Co. showed that the average superservice station earns 1.76 percent on its investment. This is considerably lower than the earnings of other representative retail businesses. Florist shops earn four times as much; drug stores three times as much; electric stores and meat markets twice as much; and auto tire and accessory stores slightly more. Only chain grocery stores earn less.

Taxes are of vital concern to all consumers of petroleum products and to all men in the oil business. The American Petroleum Industries Committee invites everyone to join hands in the campaign to keep the present billion-dollar tax bill from reaching even higher levels. Cooperation of this kind is not sentiment; it is economic necessity.

Percentage relationship of the cost of production and refining and of the cost of transportation and marketing of motor fuel and of the gasoline tax to the selling price

Year	Percent of cost of production and refining [1] to sales price	Percent of cost of transportation and marketing [2] to sales price	Percent of tax [2] to sales price	Selling price [2]
1919	68.0	31.8	0.2	100
1920	72.5	27.3	.2	100
1921	52.4	46.8	.8	100
1922	56.8	41.7	1.5	100
1923	45.1	50.7	4.2	100
1924	43.0	50.0	7.0	100
1925	47.8	42.7	9.5	100
1926	43.1	45.3	11.6	100
1927	32.3	54.3	13.4	100
1928	38.2	47.2	14.6	100
1929	36.0	47.1	16.9	100
1930	31.1	50.0	19.9	100
1931	21.2	55.3	23.5	100
1932	24.9	47.3	27.8	100
1933	21.8	47.8	30.4	100
1934	24.9	47.4	27.7	100
1935 (November)	30.2	41.7	28.1	100

[1] Based on the wholesale refinery price of gasoline in Oklahoma.
[2] Based on statistics collected for 50 representative cities.

COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (S. 3998) to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing and to provide credit and facilities for carrying surpluses from season to season.

Mr. GLASS. Mr. President, the bill now before the Senate was introduced by the senior Senator from Florida [Mr. FLETCHER], chairman of the Committee on Banking and Currency of the Senate. I imagine it will not occupy many minutes of the Senate's time and attention. It merely proposes a bookkeeping operation to enable the Commodity Credit Corporation to function with greater facility and to increase its credit operations, but it does not require any new revenue at all nor does it increase the limit of the appropriation to the Reconstruction Finance Corporation for the organization.

In other words, the Commodity Credit Corporation owes the Reconstruction Finance Corporation $284,000,000. This bill simply proposes to convert $100,000,000 of that credit into capital stock of the Commodity Credit Corporation so as to enable that corporation to dispose of its holdings upon commodities such as wheat, corn, and tobacco in an orderly way and in a manner that will not demoralize the markets.

I hope the Senate will pass the bill speedily.

Mr. KING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Utah?

Mr. GLASS. I yield.

Mr. KING. I assume from what the Senator just said that the Corporation has on hand large quantities of agricultural commodities.

Mr. GLASS. Yes.

Mr. KING. How did it acquire them and by what authority?

Mr. GLASS. Under the authority of the Congress of the United States it has on hand 4,500,000 bales of cotton acquired at a guaranteed price of 12 cents.

Mr. KING. May I ask the Senator if the Corporation now lacks authority to sell, having had the authority to purchase?

Mr. GLASS. Oh, no; but should the Reconstruction Finance Corporation undertake to sell its holdings without the exercise of the greatest discretion, it would demoralize the markets for wheat, corn, cotton, and tobacco. This bill proposes to increase the commodity corporation's capitalization from $3,000,000 to $100,000,000. It is merely a bookkeeping operation, transferring an indebtedness to a stockholding.

Mr. KING. I inquire of the Senator whether or not, with the authorization which is sought, the interests of the Reconstruction Finance Corporation will be jeopardized?

Mr. GLASS. Not in any degree. The Director and the board of directors of the Reconstruction Finance Corporation asked that this be done, and have the formal approval of the President of the United States asking that it be done. It does not involve any new money at all.

Mr. KING. I shall not object to the consideration of the bill. I can only say that, having embarked upon an enterprise and adventure which is perilous in many ways, we are seeking now to remedy the defects and trying to protect ourselves so far as we can.

Mr. GLASS. We are trying to protect the Government so that these commodities may be marketed in an orderly way, and at a lower rate of interest and perhaps save the Government, for under the proposed change the commodity corporation may be enabled to borrow money from private sources rather than from the Government.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. GLASS. Certainly.

Mr. ROBINSON. As I understand, the bill is in conformity to and consistent with the purposes of the original act?

Mr. GLASS. Yes.

Mr. SMITH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from South Carolina?

Mr. GLASS. I yield.

Mr. SMITH. Of course, I presume the bill will pass, as it ought to pass. The Senator from Virginia has pointed out that the Government has on hand a tremendous amount of certain farm commodities. In one instance there is now under Government control, in what is called the producers' pool under the 12-cent loan, approximately 5,000,000 bales of actual physical cotton and 800,000 bales of futures. It seems that the pool, when it sold the spot, bought futures. For what reason I am not now prepared to say.

If the market is to be carried on in an orderly manner without absolute destruction, the bill should be passed, because if the corporation should attempt to liquidate this amount it would certainly mean the destruction of the markets perhaps for an unlimited time. This amount of money is necessary for them to carry on the work of distributing these products without loss to the Government and perhaps with some benefit to the producers.

Mr. KING. Mr. President, I should like to inquire of the Senator from South Carolina, the chairman of the Committee on Agriculture and Forestry, whether the Commodity Credit Corporation has not pursued the fatuous and unwise policy which we Democrats condemned so much when followed by the Farm Board, and acquired large quantities of cotton and other commodities; and instead of disposing of them in an orderly way as the Corporation purchased them, or within a reasonable time thereafter, it has held them until now we have on hand this enormous surplus, and in order not to lower the price of commodities which will be produced this year and the coming year it is important that they shall not be sold?

Mr. SMITH. Oh, no.

Mr. KING. Or that they shall be sold in a cautious way?

Mr. SMITH. I may state that the Committee on Agriculture and Forestry has reported a bill, which I hope at an early time may be considered here, which will facilitate disposal of these commodities without jeopardizing the market, and also with some hope of some profit to those who have placed their products in the hands of the Government. If the bill shall be passed, I think it will enable the Corporation to do the very thing we are now attempting to do; namely, to liquidate these holdings without distress to the market or to those who own the products.

Mr. KING. If I may ask the Senator one other question, if the commodities referred to were disposed of today, what would be the loss to the Federal Government.

Mr. SMITH. That is entirely speculative. I do not know that the trade could absorb 6,000,000 bales of cotton. I do not know how much wheat there is; but 6,000,000 bales is one-half year's supply of cotton for the world.

Mr. KING. May I inquire of the Senator what is the investment by the Federal Government in the commodities which have been held by this organization?

Mr. SMITH. The Senator may take the figure of $60 a bale for 6,000,000 bales and do the calculating himself.

Mr. KING. The Senator from South Carolina is so facile in these things that I desired to use his arithmetical powers rather than my own, because I am feeble in that line.

Mr. SMITH. That would be something like $360,000,000 worth of cotton.

Mr. GLASS. Mr. President, I am not going to agree with the Senator from Utah, nor am I going to disagree with the Senator from South Carolina, as to the economics or philosophy of what has already been done. This is a simple, plain business proposition which does not involve any cost to the Government, and may result in lower costs to the farmers of the country.

I hope the Senate will pass the bill.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Virginia a question?

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Michigan?

Mr. GLASS. I do.

Mr. VANDENBERG. The longer the Commodity Credit Corporation holds these commodities, the higher becomes the market cost which the Corporation must realize in order to break even?

Mr. GLASS. That seems to be so.

Mr. VANDENBERG. Are we not, then, pyramiding to a situation where we never can sell without breaking the market, except as there may be an enormous increase in market prices?

Mr. GLASS. No; I think we are simply providing for the discreet, orderly sale of commodities held by the Government, rather than projecting them upon the market without thought or consideration to the loss of the Government.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDENT pro tempore. The bill having been read three times, the question is, Shall it pass?

The bill was passed.

RURAL ELECTRIFICATION

Mr. NORRIS. Mr. President, I move that the Senate proceed to the consideration of Senate bill 3483, to provide for rural electrification, and for other purposes.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry, with amendments.

FREEDOM OF SPEECH—GENERAL HAGOOD

Mr. HASTINGS. Mr. President, a moment ago I stepped out of the Senate Chamber to talk to a newspaperman, and while I was out the Senate passed a bill involving $97,000,000. I suppose I should feel fortunate that it was not $970,000,000. I do not know much about it, but I suppose the purpose of the bill is to do that which the Democratic Party condemned in its platform when it condemned the farm bill which the Republicans had passed.

Ninety-seven million dollars is such a small matter in these days that I should not like to take up the time of the Senate to discuss it. Ninety-seven million dollars is a very small matter when we consider the great sums we are expending for other purposes. But, Mr. President, there is another matter which to my mind is more important than the expenditure of money. The expenditure of money and the increase in the national debt are serious things, but terrorism in government is, after all, a great deal more serious.

As I watch the progress of the Nation and this administration's direction of it I am more impressed every day that the charge frequently made that the present President of the United States is endeavoring to create a dictatorship is not so improbable as many persons believe.

Much has been said in recent days about freedom of the press and freedom of the radio. The Supreme Court of the United States recently has rendered a decision that is very helpful so far as the press is concerned, because by that decision the Supreme Court has demonstrated that, so far as it can control the matter, freedom of the press shall be hereafter enjoyed by the people of America. But, Mr. President, freedom of the press is not all we need. We need freedom of speech as well; and, so far as I know, the feature that more than anything else makes the United States Senate attractive is that by our rules we are permitted to speak our pieces when we care to.

I should feel like apologizing to the Senate for taking up its time just now if the Senate had before it anything of great importance. But we have been here now for many days and many weeks and have accomplished, it seems to me, almost nothing. My information is that we are not expected to accomplish anything, but we are expected to get away from here as soon as we can, so as to give every Member a full opportunity to place himself before his constituents for renomination and reelection.

That does not particularly interest me. I think anyone with very much sense would be glad to get out of this place and get away from this contention and from the duties this place imposes upon him. I dislike to be constantly making in the Senate speeches which are declared to be partisan; but when I find going on around me so much that I feel is wrong, when I find so little opposition raised on either side of the Chamber, it seems to me it becomes my duty at times to say to the Senate what is in my mind, whether or not it

does any good and whether or not it has any influence upon anybody.

I think most of us down in our hearts were shocked yesterday when we read of a great general in the Army being relieved of his duty because he dared say what he thought to a committee of the Congress. It seems to me there is no better illustration of terrorism in government than that very incident. Here is an effort on the part of the Commander in Chief of the Army and the Navy to see to it that nothing be said that reflects upon his administration—not his administration of the affairs of the Army and the Navy but his general administration of the affairs of the Government.

I made some comment upon that yesterday at the request of the newspapers. This morning I received this telegram:

NEWPORT, R. I.

Senator DANIEL O. HASTINGS, of Delaware,
Senate Office Building:

Heartily concur in your published statement regarding the malevolent and vindictive action taken against Major General Hagood. It is common knowledge that this administration intends to strangle all criticism, however constructive or merited; but this evidence of malignant bad temper and attempted terrorism against a man of distinguished and outstanding record should rouse the Nation to a realization of the despotic gag rule now inflicted upon all patriotic citizens in and out of the military and naval services. I was war godmother to General Hagood's regiment and have known the general 20 years. He is an honor to the service and to his country, and I trust Congress will not allow its righteous indignation to be suppressed. Congress has the opportunity to prove it consists of men and patriots who are not puppets in the hands of demagogues, nor such partisans that it permits citizens to be made footballs of for the indulgence of malicious exhibitions of childish bad temper. The citizens, regardless of party, will be behind all Congressmen who show determination to right this obvious wrong to an honored and distinguished officer and gentleman.

MRS. PAUL FITZSIMONS.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. CONNALLY. From whom was the telegram the Senator read?

Mr. HASTINGS. I just read the name.

Mr. CONNALLY. Would the Senator mind repeating it?

Mr. HASTINGS. Not at all; and I will read what the Senator was about to ask me also. This telegram is from Mrs. Paul Fitzsimons, and she is the Republican national committeewoman of Rhode Island. I realize that one may, if he likes, charge her with partisanship.

Mr. CONNALLY. Mr. President, if the Senator will yield, I did not hear the name, and I did not know who sent the telegram. I thought it was sent by some man. I thought it said that he was with General Hagood in France, or something of that kind. I thought it was a soldier. But I beg the Senator's pardon if it disturbed him for me to ask. I am sorry.

Mr. HASTINGS. It is perfectly proper for the Senator to find out who it is, but I desired to forestall any criticism of the telegram by the Senator from Texas.

Mr. President, we are informed by the distinguished Representative from Texas [Mr. BLANTON], who is a member of the committee before whom General Hagood testified, as follows:

Before we called Gen. Johnson Hagood before our committee we had Gen. Malin Craig, the Chief of Staff, to issue an order releasing General Hagood and other major generals who were to appear before us from the usual restrictions which the War Department has thrown around all Army officers who testify before congressional committees, and allowing them to speak their minds and judgments freely in answering questions asked them in hearings; and they shall not punish General Hagood for giving Congress his honest, conscientious opinion about appropriations.

Mr. President, I notice that, in his testimony, General Hagood stated that he had been advised by the Chief of Staff that he might appear and that he might testify freely as to what his judgment was. I desire to read excerpts from General Hagood's testimony in order that the Senate and the country may know the extent of the crime he committed and the reason for his being relieved of duty.

I read from page 602 of the hearings before the Subcommittee of the House Committee on Appropriations. I propose to read rather extensively from the report of this hearing, because it seems to me the RECORD ought to show just what General Hagood did say. He stated:

Of the money so far allotted by the Works Progress Administration to the Eighth Corps Area none of it substantially advanced the interests of the housing program. The War Department had prepared a complete list of everything that was needed, both for new construction and repair, at all posts in the Army and submitted it to the W. P. A. In the Eighth Corps Area this amounts to about $38,000,000. The estimates were made up in Washington, and I am not familiar with how they arrived at the figures. But in my opinion, if all the useless work and all the fancy trimmings were cut out and if the Government bought good material and hired competent labor, as has been its practice in past years, from five to ten million dollars might be lopped off this total. I am perfectly certain that by the intelligent use of soldier labor and other similar methods I could do a great deal of the repair work at anywhere from a half to a fourth of the present estimates, and I have had lots of experience along these lines.

However, we find ourselves today confronted with a $38,000,000 estimate submitted by the War Department to the Works Progress Administration. Thirty millions of this goes to Texas, because about 20 percent of the whole Army is in the Eighth Corps Area, and we have some 17 Army posts down in Texas.

Then he goes on to show where the rest of it is allotted. I read now from page 603:

I am suggesting that you do it now, when there is a lot of easy money floating around, and not to wait until you are skinning the Budget to the bone in order to make up for past extravagance.

He had in the meantime shown that the conditions in the Army were worse than they were in the slums of the cities. I quote further:

There are colored soldiers now living at Fort Huachuca, Ariz., with their families under conditions that are commensurate with the little tin houses you see on the dump heaps from the railroad train as you approach some of our large cities. At other posts there are fine young white girls and boys, children of worthy noncommissioned officers, who have been born and raised under living conditions worse than the darkey tenements in many a southern city. At Brooks Field, during the past year, the officers' quarters, one by one, have been torn down and destroyed as unsafe for human occupation, until now there are only two sets left.

He was pleading for funds to build permanent places for the Army, in which the Army could house themselves. He stated:

I got $45,000,000 last year for the C. C. C., and I got a lot of this stage money from the W. P. A. I call it stage money because you can pass it around but you cannot get anything out of it in the end. Now, the C. C. C. is a fine thing—the best thing perhaps in the whole relief program. But the $45,000,000 I spent on it last year will all be gone away next year. Give me thirty-eight millions for Army housing and my great-grandchildren will show it to your great-grandchildren 50 years from now.

I can put men to work—have put men to work. During the winter of 1931 to 1932 I was working more skilled labor in the city of Omaha than was being worked anywhere else in the State of Nebraska. That statement was made by the labor people to their organization in Washington; and I did not have to ask Congress for the money. I have saved it out of other projects.

Since that time I have poured a lot of money down rat holes. It is harder for me to get 5 cents to buy a lead pencil than to get a thousand dollars to teach hobbies to C. C. C. boys. I do not like the Government standard lead pencils, and I cannot get by the Comptroller with the kind of pencils that I like. But C. C. C. hobbies are exempted from the Comptroller's decisions. They do not have come up to Government specifications. One man can be taught to collect postage stamps, while another man can be encouraged to take an interest in butterflies.

Under the W. P. A. I can get $200 to build a gravel walk to the garden house, but I cannot get $10 to repair a "busted" steam pipe.

For many years this committee has been forcing economy upon the Army. Gentlemen, the tables are turned. I am begging you now to let me use some common sense and to spend this money in the best interests of the taxpayers.

Further along, after he was asked some questions, he made this statement:

In years gone by I have appeared before this committee as a War Department representative and have not hesitated to indicate priorities, but all I can say to you now is that the Quartermaster General has submitted these various projects to the Works Progress Administration and that the total cost, computed by him, runs into the neighborhood of $38,000,000 for my corps area. Normally this committee would make a lump-sum appropriation for barracks and quarters, and the War Department itself would decide on priorities.

As to relief funds and other funds, I am not familiar with the various pockets in which Uncle Sam keeps his money. I understand that there is Budget money, which is very hard to get; there is P. W. A. money, which is not so hard to get; and then there is a vast quantity of W. P. A. money, which is very easy to get for

trifling projects but almost impossible to get for anything worth while. I have heard it rumored that the Works Progress Administration still has about $1,000,000,000 unexpended and that two or three billions more may be appropriated by this Congress for the same general purpose. I do not know how this easy money, or the hard money to be provided by your committee, is going to be divided up among the States. I would not say whether it would be more important to rebuild Kelly Field, in Texas, or to stop the shameful neglect of Fort Warren, in Wyoming. All that I know is that we have been waiting about 15 years for the completion of the Army housing program, and that we still need $150,000,000 to finish the job.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. CONNALLY. How long have they been waiting? Fifteen years?

Mr. HASTINGS. I will read it again.

Mr. CONNALLY. I assume the Senator from Delaware, by quoting the general, is approving what he says. The Senator was here before we Democrats came into office; the Senator from Delaware was here during the administration of Mr. Hoover, and if they have been waiting 15 years for the completion of the Army housing program, I wonder why the Senator, who was strongly in favor of it, did not do something in Mr. Hoover's time to put through the program.

Mr. HASTINGS. In answer to the Senator's question, Mr. President, I will say that Mr. Hoover was a little more careful with the people's money than is this administration. That is the only answer I can make.

Mr. CONNALLY. Then the Senator was against the Army housing program under Hoover, but he is for it now because he thinks it will be to his advantage to be for it.

Mr. HASTINGS. No, Mr. President, not at all. I am against punishing an officer for saying what he thinks about a committee of Congress. That is what I am against. I do not know anything about what the general said. I do not know whether it is true or not. I do not know whether we can afford to give the $150,000,000 that he demands. But I say that this man should not be punished for expressing his opinion to a committee of Congress. That is the only point I make with respect to it, and I hope the Senator agrees with me upon that.

Continuing his testimony:

My suggestion is—

Will the Senator from Texas listen to the reasonableness of it all? The general has never asked, as I recollect his testimony, for the $150,000,000 in a lump sum before, and he gives his reason as to why he asks it now:

My suggestion is that the present Congress, either through your committee or through some other committee, turn over $150,000,000 to the War Department in a lump sum, with instructions to get the Army under shelter. The members of your committee and the people of this country know full well that that money will be wisely spent, that it will put men to work, and that every penny of it will give value received to the taxpayers. There have been times when neither this committee nor any other committee of Congress would dare bring in such a lump-sum appropriation for such a purpose. The usual plan is to spread appropriations over a period of years. But at the present time there is a vast flow of silver—I won't say gold—spreading out all over the country like mud. It will soon dry up without anything permanent to show for it. I shall not be accused of profanity when I say, "For God's sake, put some of it into stone and steel." I am not asking you to build pyramids. I am asking you to put up useful buildings that will be occupied by your men in uniform for a hundred years to come.

Mr. President, I think I have read all the offensive language the general used before the committee. I have not read all his testimony, but I have read that which was offensive. More than that, I have read into the RECORD what a reasonable man, a good man interested in his country, and interested in the Army might reasonably say to a committee of the Congress.

Mr. President, as we bear in mind what has happened to General Hagood I think we ought to go back a few weeks—not many weeks—and see what happened to a women's patriotic association which was meeting in Washington, representing a membership of some 500,000 people, an association which had the honor of having come before it a distinguished former Secretary of State under the Wilson administration. This former Secretary of State was so filled with the things which were going on, and going on in a manner entirely against his wishes and against all his training, and not only that, but against the traditions of his own party, that he felt it necessary to express himself on that evening before the women's patriotic organization, and he expressed himself in no uncertain terms as to what the present administration was doing, and he showed that as a Democrat, as an old-fashioned Democrat, he did not believe in what was going on.

What happened the next day? There were some two or three officers in the Marine Corps who were to address that organization. The Marine Band was to appear on the night of the banquet. These women, who were no more responsible for what Mr. Colby said than I was—perhaps some of them did not agree with what he said, although if they belonged to this patriotic society I do not understand why they did not agree with his statements—though they were in no sense responsible for his remarks, yet the next day they found that the marine officers had canceled their engagements to speak before this patriotic society, they had canceled their engagements to come before those women and show themselves at all.

Does anyone doubt that somebody high in authority had directed that that be done? Does anyone think that anyone less than the President of the United States had directed that that be done?

Mr. CONNALLY. Mr. President——

Mr. HASTINGS. Oh, yes; I know that our good friend, Colonel Roosevelt, The Assistant Secretary of the Navy, took all the blame, like a good soldier would, and like many of the Senators on the other side of the Chamber take it when the President gets them in a hole.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. CONNALLY. The Senator made no reference to what his administration did to General Mitchell, who died a few days ago. Does the Senator remember how General Mitchell was court martialed and practically cashiered out of the Army because the Commander in Chief did not approve of some of his utterances?

Mr. HASTINGS. Mr. President——

Mr. CONNALLY. I do not recall that the Senator from Delaware ever protested.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. I do not recall that the Senator ever protested against that on the floor.

Mr. HASTINGS. Very well; now, Mr. President, I will yield to the Senator from Arkansas, and then answer both Senators at once.

Mr. ROBINSON. In connection with the question just asked by the Senator from Texas [Mr. CONNALLY], is it not true that the Senator from Delaware persistently objected to the consideration of the bill and opposed the bill introduced by myself to give General Mitchell the privilege of retirement?

Mr. CONNALLY. Mr. President, does the Senator from Arkansas mean that?

Mr. ROBINSON. Do I mean that?

Mr. CONNALLY. Does the Senator mean to say that the Senator from Delaware objected to that bill?

Mr. ROBINSON. Certainly; and the only reason he could state in his argument was that Mitchell talked too much while he was trying to promote aviation. Under a Republican administration the Senator from Delaware was not excited about the freedom of speech for Army officers who are bound by a rule of their Department to stay out of politics, but under a Democratic administration, when he hates so much to make a partisan speech, he is grieved to the point where he sheds tears.

Mr. CONNALLY. Mr. President, will the Senator from Arkansas yield?

Mr. ROBINSON. I do not have the floor.

Mr. CONNALLY. I have the utmost respect for the Senator's recollection, but I wish he would verify that statement and confirm it.

Mr. ROBINSON. I do not have to verify it.

Mr. CONNALLY. I do not doubt the Senator's statement, but I am amazed and scandalized at the revelation made by the Senator from Arkansas regarding the position taken by the Senator from Delaware.

Mr. ROBINSON. The Senator from Arkansas is sure of his facts. He introduced a year ago a bill granting General Mitchell the right of retirement with the rank which he had when he was driven out of the Army. The Senator from Delaware was most active, vigorous, persuasive, argumentative in condemnation of any effort to give retirement privilege to General Mitchell, because the War Department said that he ought not to have that privilege. The only reason any man could criticize or condemn General Mitchell was that he spoke his belief that the Army and the Republican administration were going wrong on the subject of aviation, were failing to carry out an aggressive and decisive program. He spoke out in language which rang from limit to limit of the country, and for that exercise of freedom of speech, though it was held in violation of the rule of the Department, he was court-martialed; the most gallant man that wore the uniform of the United States Army during the World War, the man who earned by bravery and courage in action more distinguished-service medals than adorn the breast of any other American soldier, was humiliated, degraded, and compelled to resign his commission that he had so gloriously earned. And the Senator from Delaware took the floor of the Senate some two or three times and opposed any recognition for General Mitchell. Now he is grieved, he is sad, he is hurt at heart, because, under a Democratic administration, another military officer who violated the rule of the Department has been disciplined moderately for his action.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ROBINSON. I have not the floor, but I yield, if I may.

Mr. CLARK. Then, will the Senator from Delaware yield to me just for the purpose of asking a question of the Senator from Arkansas?

Mr. HASTINGS. I yield.

Mr. CLARK. Is it not a fact that in the criticism for which General Mitchell was disciplined he confined himself to recommending appropriations and regulations for aviation, but he did not, as General Hagood did, go beyond the sphere of his own responsibility and his authority by abusing Congress and the administration for other appropriations?

Mr. ROBINSON. General Mitchell did criticize the arrangements that had been made in connection with aviation. He said that the aviation service in the Army of the United States was not efficient; and at that time he spoke from the record. He criticized the service, but not in sarcastic language; he did not ridicule any branch of the service or appropriations for it as a hobby. He did not talk about "stage money"; he did not inject himself into politics. General Mitchell's fight was to build up a branch of the service which he believed had been neglected. His name goes down in history in spite of the fact that the Senator from Delaware was instrumental in sending him to his grave without the restitution of the honors that he had earned in battle.

Mr. HASTINGS. Does the Senator mean his bill did not pass?

Mr. ROBINSON. Yes; I do mean the bill did not pass. The Senator from Delaware held it up for a year and then informed the author of the bill that he would not again object. It may be he had in mind that he would want to criticize the Democratic administration for doing in less degree what the Republican administration had done.

The bill for General Mitchell passed the Senate and went to the House of Representatives just a few weeks ago; that body had not acted on the bill, and General Mitchell went to his grave under the stigma that had been placed upon him by reason of the court martial. There is not a man living, I repeat, who can give any justification for General Mitchell being denied the right of retirement except that, as an officer in the Army, he violated the rule of the War Department which requires high Army officers to restrain their speech. They are not staying out of politics now. I charge that there is at least one more corps commander in the Army of the United States who is actively engaged in politics, who has a candidate of his own for the Presidency, and who boasts that he is exerting his energies in behalf of his candidate. Now, make the most of that.

Mr. HASTINGS. Is he a "new dealer" or a Republican?

Mr. ROBINSON. Oh, he is not a "new dealer." "New dealers" never deal that way, as the Senator from Delaware knows.

Mr. HASTINGS. What is he?

Mr. ROBINSON. He is an "old dealer" like the Senator from Delaware. [Laughter.]

Mr. HASTINGS. Is he a Republican?

Mr. ROBINSON. He is not supposed to have any politics.

Mr. HASTINGS. But the Senator from Arkansas says he has. What is his politics and who is he?

Mr. ROBINSON. F. C. Bolles, the commanding officer of the Seventh Corps Area.

Mr. HASTINGS. I should think, with this warning, he would be a little more careful.

Mr. ROBINSON. I should think he ought to be, and I think the Senator from Delaware, in view of his record on matters relating to this subject, ought to be a little more careful.

Mr. HASTINGS. Let me make an inquiry of the Senator.

Mr. ROBINSON. Yes.

Mr. HASTINGS. I do not quite understand why the correction of this great injustice to General Mitchell has been delayed for 3 years since the Democrats have had an overwhelming majority——

Mr. ROBINSON. Mr. President——

Mr. HASTINGS. Just a minute, please.

Mr. ROBINSON. Will the Senator permit me to answer?

Mr. HASTINGS. Oh, yes, I will; but I do not like to be interrupted until I finish my question.

Mr. ROBINSON. Very well.

Mr. HASTINGS. I am curious to know why it is that this great injustice to General Mitchell has not been corrected during these 3 years when the Democrats have had a great majority in the Senate and a great majority in the House of Representatives. I think it is not quite fair—and I will give the Senator plenty of time to answer——

Mr. ROBINSON. I can take time, as the Senator knows, though not in his time; that is true.

Mr. HASTINGS. I understand that, but I want the Senator to ask to interrupt me, because I am making the speech, and the Senator can make his when he gets ready.

Mr. ROBINSON. How is that?

Mr. HASTINGS. I am making this speech, and the Senator can make his when he gets ready.

Mr. ROBINSON. Is that an implication that the Senator does not desire me to interrupt him?

Mr. HASTINGS. Not at all; but after I have been courteous enough to the Senator to permit him to interrupt me, I should like him, when I am trying to ask him a question, to wait until I finish the question.

Mr. ROBINSON. Very well.

Mr. HASTINGS. I ask the Senator why he blames me for the death of Mitchell when he has had a President of his party and he had a Congress of his party in power for 3 years and they have done nothing to relieve Mitchell? Will the Senator answer that question?

Mr. ROBINSON. Will the Senator yield for me to answer it?

Mr. HASTINGS. I will; yes.

Mr. ROBINSON. In the first place, I have not blamed the Senator from Delaware for the death of General Mitchell.

Mr. HASTINGS. Oh, I think the RECORD will show that the Senator did.

Mr. ROBINSON. I have blamed him for permitting General Mitchell to go to his grave with no correction or change of his record and being denied the right to retire from the United States Army. The reason I do it is that the Senator from Delaware obstructed and prevented proposed legislation introduced by myself and intending to give General Mitchell the right of retirement. The Senator succeeded in

delaying it until so near the time of the general's death that the House of Representatives did not have the opportunity to act upon it.

On numerous occasions the Senator from Delaware objected. On one occasion, as appears in the RECORD——

Mr. HASTINGS. What date was that?

Mr. ROBINSON. As appears on page 13376 of the RECORD of August 16, 1935, I made a speech in behalf of the bill. In that speech it was my privilege to review the record for gallantry which General Mitchell had made, and I asked the right to have the Senate consider the bill. On page 13377 of the RECORD of August 16, 1935, this occurred:

> The PRESIDING OFFICER. Is there objection to the present consideration of the bill?
> Mr. HASTINGS.—
>
> We only have, unfortunately, one Mr. HASTINGS in the Senate of the United States. [Laughter.]
>
> Mr. HASTINGS. I object.

Mr. HASTINGS. Does the RECORD show that the objection was as strong as the Senator's voice indicates? [Laughter.]

Mr. ROBINSON. It certainly does. The Senator from Delaware had the power at the time to kill the bill or prevent its passage, and on other occasions he prevented consideration and passage of the bill.

Mr. HASTINGS. Has the Senator a record of the other cases?

Mr. ROBINSON. Yes; but I have not had time to find it.

Mr. HASTINGS. Well, get somebody to look for it.

Mr. ROBINSON. I will present my side of this matter.

Mr. HASTINGS. Very well.

Mr. ROBINSON. Does the Senator mean to stand in this presence and imply that he did not deliberately and persistently prevent the passage of the Mitchell bill? I instruct the clerk to get me a copy of the Mitchell bill as I introduced it. I want to state the date of the introduction of the bill, and I will state the history of it, if the Senator will permit me. He has asked me the question why the wrong done General Mitchell was not corrected or sought to be corrected sooner. My answer is that the Senator from Delaware is the answer. He took advantage, as he had a right to do, of his prerogative on this floor to object to the consideration of the bill; and that happened on more than one occasion. But whether it did or not, no matter how many times it did occur, the Senator from Delaware could have based his attitude on nothing else than that General Mitchell was alleged to have done what Hagood has done, and Mitchell, under a Republican administration, had been discredited and scourged out of the Army whereas Hagood has been merely disciplined.

Mr. HASTINGS. Has the Senator finished?

Mr. ROBINSON. Perhaps I ought to permit the Senator to resume his speech. I think I have answered his question, at least to my own satisfaction. If he wants the reason behind his conduct any clearer than I have given it, he will have to furnish it himself.

May I ask the Senator from Delaware a further question?

The PRESIDING OFFICER (Mr. BURKE in the chair). Does the Senator from Delaware yield further to the Senator from Arkansas?

Mr. HASTINGS. I yield.

Mr. ROBINSON. Does the Senator deny having objected to the consideration of the Mitchell bill on a number of occasions?

Mr. HASTINGS. The Senator just read it. Of course I do not deny it.

Mr. ROBINSON. I do not know whether the Senator considers himself bound by the RECORD or not.

Mr. HASTINGS. I do not think the Senator is quite fair about that. The only thing about which I am not certain is whether I shouted like he did when I said "I object." I am not certain of the tone of my voice.

Mr. ROBINSON. Does the Senator consider that very material?

Mr. HASTINGS. Yes; I think it is.

Mr. ROBINSON. We will probably not divide on that issue.

Mr. HASTINGS. Does the Senator care to proceed?

Mr. ROBINSON. Yes; I wish to finish my statement.

The bill authorizing retirement of General Mitchell was introduced May 13, 1935, and referred to the Committee on Military Affairs. August 9, 1935, it was reported by the Senator from Kentucky [Mr. LOGAN] without amendment.

Mr. HASTINGS. What day was it reported?

Mr. ROBINSON. August 9, 1935.

Mr. HASTINGS. When did Congress adjourn?

Mr. ROBINSON. I do not remember the exact date, but I think it was sometime in September.

Mr. HASTINGS. Oh, no; it was in August.

Mr. ROBINSON. What date?

Mr. HASTINGS. The 26th; just a little while after the bill was reported favorably.

Mr. ROBINSON. What is the object of the Senator?

Mr. HASTINGS. I want to know what the Senator did for 2 years for this poor man Mitchell? I want to know why he waited until May 13, 1935, to correct this great wrong. I want to know why he complains of me when he did not get the bill before the Senate until August 9, 1935, 15 or 16 days before Congress adjourned? I want to ask him why he insists that I had anything to do with the responsibility of sending Mitchell to his death because I did not let the bill pass?

Mr. ROBINSON. I again say that I did not say that the Senator from Delaware sent Mitchell to his death.

Mr. HASTINGS. What the Senator said amounted to the same thing.

Mr. ROBINSON. I said the Senator sent him to his death with denial of his right to have the retirement privilege, and I repeat that statement, though not so boisterously as the Senator from Delaware may ask his question.

Mr. HASTINGS. If I have been more boisterous than the Senator from Arkansas, I apologize.

Mr. ROBINSON. I state it modestly, timidly, if the Senator from Delaware would like to have it so. I repeat that he, more than any other man living, is responsible for the failure of Congress to act during General Mitchell's life.

The Senator asks why I did not introduce the bill earlier so as to give him several years in which to reflect on the question. I have no answer to make to that except that it did not occur to me to introduce the bill until the time I did introduce it. Then I introduced it and pressed it for passage here and was unable to secure its passage by reason of the fact that a group of Senators—three in number—combined and had an understanding, as I was told, not to let the bill come up. The Senator from Delaware was in the leadership of the group, and every time the bill was called it was objected to.

The Senator had a right to object to the consideration of the bill, but he cannot come here now and howl and rage about the question of free speech when he attempted to perpetuate an alleged wrong done to an Army officer for exercising free speech. It is a question with the Senator from Delaware as to whose ox is gored—whose administration is involved.

If the Senator will permit one further statement, I shall conclude in this connection, and that is that the War Department issued the regulation, of which he now complains, during the administration of President Taft, as I remember. It has been in force during every administration that has occurred since that time. It was thought by those who issued the regulation that Army officers ought not to be active in politics, that the nature of their services is such that they ought not to forget their military duties and become politicians.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. CLARK. Does the Senator from Arkansas recall that the great Lincoln had an Army officer cashiered for making unfavorable comments on his Emancipation Proclamation?

Mr. ROBINSON. That is true, but that is another case of a Republican administration, and the precedent does not

apply, in the judgment of my good friend from Delaware, unless it occurred under a Democratic administration. Then it is horrible indeed, no matter how many counter precedents may be cited under the administrations to which he has been attached.

Mr. HASTINGS. Mr. President, we have this situation, as I understand. The Senator from Arkansas is defending the order of the War Department relieving General Hagood of his duties. I am a little surprised to know that. I did not suppose that would be the situation.

Mr. ROBINSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Arkansas?

Mr. HASTINGS. I yield.

Mr. ROBINSON. That may be an inference the Senator draws from what I have said. My contention has been that there are precedents under Republican administrations where the same thing has been done, and the Senator from Delaware did not complain and does not complain of those precedents. I have said that I think it is a pretty good thing for Army officers to stay out of politics. I think this case is an illustration of that fact, but I do not question the right of any man to say anything he pleases so long as it does not disturb the peace.

Mr. HASTINGS. Am I not correct in my statement that, from what the Senator from Arkansas has said, he undertakes to defend the President in the issuance of this order directing that General Hagood be sent back home?

Mr. ROBINSON. The Senator is correct to the extent that I make no apologies for the order.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Texas?

Mr. HASTINGS. I yield.

Mr. CONNALLY. While we are dealing with the President especially, would the Senator from Delaware mind explaining why his President, Mr. Hoover—and he was a very influential part of that administration—disciplined General Butler, the distinguished marine of Pennsylvania, because he dared to make some comment about Mussolini?

Mr. HASTINGS. I will answer that.

Mr. CONNALLY. Does the Senator recall the incident?

Mr. HASTINGS. I do not recall it, but I will answer the Senator without recalling it.

Mr. CONNALLY. Did the Senator make any protest against that action on the part of President Hoover?

Mr. HASTINGS. I will answer the Senator without recalling the incident.

The Senator from Arkansas [Mr. ROBINSON] and the Senator from Texas [Mr. CONNALLY] interrupted me for the purpose of calling attention to the case of General Mitchell. Then the Senator from Arkansas, I think, gave the distinct impression that I was responsible for the defeat of the bill, and I got the distinct impression originally that it had been pending before this body for a long time. I do not care to discuss the Mitchell incident. I did not know that I had objected to the consideration of the bill. I do not remember it at all. I do not know why I objected to it. It may have been because it was late in the session and I wanted to find out about it.

The remarkable thing to me is that the distinguished leader of the Democrats in the Senate should have kept his peace for 2½ years and should have seen this terrible thing happen to an Army officer under the Roosevelt administration, and with all that knowledge and with his heart burning and his whole being incensed at what happened not a single time did he say a word so far as I know in the Senate; and not until May 1935 did he introduce a bill; and not until August 9, 1935, did he succeed in getting it out of his Democratic committee and before the Senate. Then when the Senate adjourned on the 26th of August he said somebody, some combination on this side of the Chamber, defeated the bill and prevented General Mitchell from getting his just dues before he died.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. HASTINGS. Have I not stated it correctly?

Mr. ROBINSON. I do not wish to inject into the debate conversations had with Senators on the floor about matters that are arising here.

Mr. HASTINGS. I have no objection to it.

Mr. ROBINSON. Does the Senator from Delaware remember coming to me early in this session or late in the last session and stating that he had been made a football long enough by his colleagues in holding up the Mitchell bill and that, so far as he was concerned, he would not do so further?

Mr. HASTINGS. No; I do not remember it; but if the Senator says I said that to him I do not deny it. I have not any recollection of it. I do not remember a thing in the world about the Mitchell matter, but it may be——

Mr. ROBINSON. Perhaps I may refresh the Senator's memory.

Mr. HASTINGS. What difference does it make?

Mr. ROBINSON. It makes a great deal of difference.

Mr. HASTINGS. I have said that if the Senator from Arkansas says I said it to him, I do not deny it. Does that make any difference?

Mr. ROBINSON. I think the Senator will remember it when I recall to his mind a circumstance that happened during the conversation. Two other Senators on the other side of the Chamber at other times objected to the consideration of the Mitchell bill. They later announced their withdrawal of the objection. Does the Senator from Delaware recall stating to me that the "buck" had been passed up to him by the other side to hold up and prevent the passage of the Mitchell bill?

Mr. HASTINGS. I say, I do not remember any such thing.

Mr. ROBINSON. Very well.

Mr. HASTINGS. But if the Senator from Arkansas says I said it to him, I do not deny it. I have done that before, and I perhaps will do it again if I get a good chance. I have no apology to make for that sort of thing; but I repeat that if Mitchell did not get his dues and was punished by Republicans, it is due to the Democrats in the Congress and the Democratic President, because they have now been in control of the Government for 3 years. So do not make that as an excuse now for doing a wrong to a great Army officer.

But, Mr. President, regardless of the precedents to which the Senator from Texas and the Senator from Arkansas call attention, and with respect to which they seek to put me on the defensive, I say they are wholly beside the point for this reason—here is what General Hagood said:

> I have been told by the Chief of Staff that I am perfectly free to express any opinions or answer any question that may be asked by this committee.

All so-called precedents are out of the window in this case, because the House of Representatives long ago established the practice that before they will bother to hear what an Army officer says, or a Navy officer either, they insist that the officer above the one who comes before them shall give him permission to come before the Congress and say what he pleases. I challenge anybody to find, in what General Hagood said, anything that can be construed to be political. I challenge anybody to find anything that has not been said by the best Democrats in the land. I challenge anybody to compare General Hagood's statements with what the Representative from Texas yesterday said; and he said he agreed 95 percent with what General Hagood told the committee. Now, notwithstanding that background, and notwithstanding the fact that Democratic Members of Congress insist that what General Hagood said was true, it is claimed that he was making himself a politician, and that such actions ought to be curbed in the Army.

Mr. President, we have seen here today further evidence of this terrorism in government.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. HASTINGS. We have heard the Senator from Arkansas warn another officer that he might very well have the same punishment unless he is more careful.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. HASTINGS. Yes; I yield.

Mr. ROBINSON. With all due respect to the Senator from Delaware, the Senate has heard nothing of the kind,

because I have not said it. I did make the statement that I believed that another corps area commander was in the business of politics, and the Senator challenged me to name him, and I named him.

Mr. HASTINGS. And what did the Senator say about him?

Mr. ROBINSON. I have not warned him. I do not care what happens to him.

Mr. HASTINGS. What did the Senator say about him before naming him?

Mr. ROBINSON. I said he was actively engaged in politics, sponsoring the cause of a candidate, and feeling very gleeful about it. I will state to the Senator that I say that upon information which I think is very authentic.

Mr. HASTINGS. Did not the Senator intend that word to be carried to the officer through the newspapers?

Mr. ROBINSON. No; I did not. The Senator from Delaware invited me to make the statement, and I have made it. Since the Senator has raised the question, however, I think it would be well for all Army officers to take into consideration the regulations that bind them and to observe the regulations when they can do so.

Mr. HASTINGS. I only stated what the Senator said. The Senator from Arkansas, in talking about General Hagood, said, "There is one other officer, too", intimating that that officer might have coming to him the same fate as General Hagood unless he was more careful. I say there is beginning right here, and there has been going on for some time, an intimation to the people of the land that if they express themselves against this administration, they may very well expect some kind of punishment to come to them.

Mr. ROBINSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware further yield to the Senator from Arkansas?

Mr. HASTINGS. Yes; I yield.

Mr. ROBINSON. Of course, the Senator understands that I think his issue pertaining to free speech and free press, insofar as it relates to the affairs of the present administration, is wholly without foundation. I do not think there was ever a time in the history of the country when the right to speak and the right to write has been more liberally enjoyed than at this time; and I believe the Senator from Delaware will agree if he will just put himself in a frame of mind to agree with the Senator from Arkansas about anything.

I wish to ask the Senator from Delaware whether he thought it was proper for General Hagood to criticize the committee before which he was appearing for trying to economize in connection with the Army. Does not the Senator know, and does not General Hagood know, that the committee reported to the House of Representatives, and the Congress is in the process of passing, the largest Army appropriation bill that was ever passed in the history of the country? Does not the Senator know that the bill carries more than half a billion dollars; and does the Senator from Delaware put the seal of his approval upon Army officers condemning the Government and condemning the Congress for failing to provide a lump sum of one hundred and twenty-odd million dollars, or whatever the lump sum was, to be turned over to the Army to construct such buildings as they desire in connection with a bill carrying half a billion dollars?

There is no justification for the contention the Senator from Delaware is making. Of course, General Hagood had a right to express his opinion about appropriations; but does the Senator from Delaware think General Hagood kept himself within the limits of fair and appropriate comment on the subject about which he was testifying? If every Army officer in the United States should condemn as "hobbies" measures that are advanced and plans that are proceeded with, if he should be encouraged to criticize everything that was done, and to insist that large appropriations, far in excess of any amount that had ever been authorized, should be made, and that it was unpatriotic for the House of Representatives or its committee to fail to make the appropriations, does the Senator from Delaware think that would be proper conduct on the part of a United States Army officer? If he does, I have no quarrel with him. So far as I am concerned, he may take any position he wishes to take.

Mr. HASTINGS. I may say, in reply, that what General Hagood said about this administration is nothing compared to what I am about to say—and General Hagood was in the same kind of position that I am in; namely, he was a free citizen. His superior officer had told him that he might go before the committee and express his own views, and that is exactly what he did. What I complain about is that after he did that, and expressed his honest views and, it seems to me, talked very sensibly before the committee, he was punished.

Has the Senator from Arkansas found something else to which he wishes to call my attention before I proceed?

Mr. ROBINSON. I did not intend to interrupt the Senator further; but since he invites it, I wish to make reference to another record that was made in the Senate.

On August 24, 1935, I asked for the consideration of the Mitchell bill. Another Senator on the other side of the Chamber rose and used this language:

> Mr. President, this bill would place Colonel Mitchell in a status other officers earned by loyal and faithful service. The record shows that a court martial found him guilty of contemptuous and insubordinate utterances with intent to discredit the administration of the Navy Department. The record shows that the court martial found that Colonel Mitchell by his utterances conducted himself to the prejudice of military discipline and to the discredit of the military service.
>
> President Coolidge, in approving the sentence imposed after a court martial and review of the record, stated, among other things.

Then there is a quotation from the President's approval. The discussion continued for some time, the Senator from Vermont [Mr. AUSTIN] and the Senator from Wisconsin [Mr. LA FOLLETTE] participating in it; and finally objection was made to the consideration of the bill.

Mr. HASTINGS. I did not have anything to do with that, did I?

Mr. ROBINSON. Yes; the Senator was acting in conjunction with other Senators on his side of the Chamber, according to the statement to which I have already referred.

Mr. HASTINGS. Does the RECORD show that?

Mr. ROBINSON. No; the RECORD does not show that.

Mr. HASTINGS. Who made the statement which the Senator has read?

Mr. ROBINSON. The Senator from Vermont [Mr. AUSTIN]. The Senator from Delaware later said to me that the "buck" had been passed up to him to carry on the matter, and that he was getting tired of it. I should not have made that reference if the Senator had not challenged me to do it.

Mr. HASTINGS. Mr. President, some time ago I was discussing the situation at the women's patriotic meeting where two marine officers had agreed to speak, where the Marine Band had promised to come and furnish the music for the banquet on the night when it was expected to hold a patriotic service; and that day these good women—representing, as I say, 500,000 women of the Nation—were informed that the marine officers would not appear.

They went on with their program, and then suddenly the members of the Marine Band took up their instruments and walked out. Colonel Roosevelt, the Assistant Secretary of the Navy, some days after much criticism had been expressed with respect to the matter, took all the blame upon himself.

Mr. President, I cite that incident, which happened a few week ago, merely to show the determination at the White House to crush every kind of criticism that is leveled at the present administration. The incident involving the patriotic women's society was particularly unfair, because that society had nothing to do with the criticism, and I repeat that I assume those ladies had a right to expect that a distinguished former Democratic Secretary of State would not offend this administration; but he, like other people who dare raise their voices against it, does offend.

It seems to me that that kind of thing shows the trend, plus what we have seen here, with the Chief of Staff issuing an order to General Hagood and others that they were perfectly free to go before a committee and express their own opinions with respect to anything and answer all questions that were asked them. Suppose, for instance, that under those circumstances General Hagood had been asked the particular question as to whether he thought the money that was coming from the W. P. A. to the Army was being economically expended, and he had said, as he stated in his testimony, that he could take the same amount of money and do twice as much work with it or could do the same amount of work with half the money. What kind of an answer would he have given if he had been asked that question? Would there have been any harm in his answering as he did? Would he have been reprimanded for answering that kind of a question; and is there any difference between answering a question and volunteering to a committee which is trying to find out what the Army actually needs?

The Senator from Arkansas talks about the great appropriations for the Army and the Navy, and as he talks about them I remember the plank in the Democratic platform in which they condemned the Republican Party for appropriating pretty nearly a billion dollars, they said, for the Army and the Navy, but it takes this administration in this year to put the Army and Navy bill over and above a billion dollars, an expenditure of which they complained and because of which they got votes.

Mr. President, in addition to that, let us look for a moment and see whether or not there is any justification for the criticism of General Hagood. We heard yesterday in the Senate a most remarkable declaration of facts about the State of West Virginia, and I want to be permitted to read some of that statement, because I think it worth while to keep drawing attention to the facts until we know something more about the W. P. A. I do it for the purpose of showing——

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. CONNALLY. While the Senator is on the military matter I wish he would answer about the Butler case, before he leaves for West Virginia.

Mr. HASTINGS. Does not the Senator understand when I do answer it? I make this distinction, and this is the only distinction I endeavor to make. I do not know anything about the Butler case, and I said to the Senator that I did not care to know about it, because I could answer him without knowing about it, and I read to the Senator exactly my answer, and I will read it to him again and see if he understands this. This is what General Hagood said to the committee.

Mr. CONNALLY. Mr. President——

Mr. HASTINGS. Just a moment. Let me answer.

Mr. CONNALLY. I am not talking about——

Mr. HASTINGS. Just a moment until I answer the Senator, and then he may ask me another question.

The PRESIDING OFFICER. The Senator refuses to yield.

Mr. HASTINGS. I will answer the Senator's question first; then he may ask me another question. Let me read the answer; and will the Senator hear it? This is Hagood's testimony:

> I have been told by the Chief of Staff that I am perfectly free to express any opinions or answer any questions that may be asked by this committee.

I say that is an answer, and that destroys all the precedent there is, unless the Senator has one based upon some such testimony as that, and the Senator from Texas does not pretend to have any such thing in the Butler case. If he has, then his question is a pertinent one, but until he does have, it is not pertinent.

Mr. CONNALLY. Mr. President, will the Senator yield now?

Mr. HASTINGS. I yield.

Mr. CONNALLY. The Senator does remember that there was a Butler case, does he not?

Mr. HASTINGS. No; I do not remember that there was a Butler case.

Mr. CONNALLY. Does not the Senator remember that President Hoover disciplined General Butler when he made some remark about Mussolini running over a child in Italy, and had him threatened with court martial?

Mr. HASTINGS. I have some faint recollection of it. But what of it? Whether I remember it or whether I do not is not important.

Mr. CONNALLY. I just hoped the Senator's memory was better as to what happened in the administration of his party than in the Democratic administration.

Mr. HASTINGS. The two cannot be compared, as I have pointed out, and you will struggle more than that before you get rid of this Hagood matter.

I wish to read and refresh the recollection of Senators about what is going on in West Virginia, as Senators who were here yesterday heard, and for the benefit of those who were not present I shall read a few paragraphs of what was stated, and I want to comment upon it. This is the statement:

> Of the 21 increases we find there are 19 raises in salaries from $208.33 up to $250. But I can give that better by another record of the increases in salaries in the W. P. A. Here is a man who used to get $45 a week working, and today he gets $2,340.
>
> We find another person who was working for the F. E. R. A. at $150 a month. How much do you suppose Mr. McCullough put him on the pay roll for? Three thousand dollars a year, or $100 more a month than he used to get in the F. E. R. A.
>
> Here is another fellow who colored this beautiful picture that you saw here. He used to get around $40 a week as a newspaper writer. He used to earn $40, but now he is on the pay roll at $3,400 a year. I admit that he might be very good.
>
> Then we find another person with a salary of $1,000 who was put on the pay roll at $3,200 a year.
>
> Another, who used to get $255 a month, is drawing from the relief office $3,600 a year.
>
> We find another who used to get $5 a day whenever he worked, and do you know what his salary is today? It is $3,400 a year and expenses.
>
> I will give a few more. An employee of the county court earned $175. He quit that job and went on the W. P. A. at $250 a month.
>
> We find an F. E. R. A. employee who earned $30 a week put on the W. P. A. pay roll at $2,400 a year.
>
> We find a bus company employee, earning $1,800 a year, given a job at $3,000 a year in the W. P. A. set-up.
>
> We find another F. E. R. A. man earning $35 a week who now is getting $2,400 a year.
>
> Another one who used to work for the State road commission at $120 a month we find now on the W. P. A. getting $2,700 a year.
>
> We find another one in the same office who previously got $2,100 a year, but now has been raised to $3,600 a year.
>
> Then another who earned about $125 a month we find him put on the pay roll at $3,100 a year.
>
> We find a former housewife who used to stay home; she is put on the pay roll at $2,400 a year.
>
> We find another person who used to get $45 a week put on the pay roll at $4,500 a year.

I do not care whether one is in the Army or whether he is out of it, he has a right to oppose and object to that sort of thing, which is going on in this country.

Let us inquire whether or not it is confined to the State of West Virginia. I quote from one of the newspapers of my own city—the Journal-Every Evening, of Wilmington, Del.—under date of November 12, 1935. The headline is:

> Annual pay-roll scale for W. P. A. office workers reaches $111,692 here. Bankson T. Holcomb, with a staff of 66 helpers, had put 935 persons to work by November 1. But all of these were from the county relief rolls.

One hundred and eleven thousand six hundred and ninety-two dollars, with a staff of 66, to put 945 persons to work.

Mr. President, while we are talking about it, let us inquire what these people are doing. But before I do that, with respect to this terrorism about which I am talking, it will be recalled that the junior Senator from West Virginia [Mr. HOLT] a week or so ago made a speech upon this subject. Under date of February 22 we find in the Washington Herald this article:

SENATOR'S KIN IS FIRED BY W. P. A.

> PARKERSBURG, W. VA., February 21.—Matthew H. Holt, a brother of United States Senator RUSH D. HOLT (D.), of West Virginia, said today he had been discharged as district engineer of W. P. A.
>
> District Director Abe Forsythe, who confirmed Holt's announcement, made public the discharge letter:

"Effective today and for the good of the service, I am terminating your employment with the Works Progress Administration in West Virginia."

Senator HOLT's brother was thrown out after the Congress Member told the Senate W. P. A. Administrator F. Witcher McCullough was trying to elect himself Governor through W. P. A.

Matthew Holt declared McCullough had asked him to "set up this district to elect him Governor" and that he declined to do so.

McCullough, however, publicly announced he is not nor will be a candidate for Governor.

There is more terrorism, Mr. President. Not even a United States Senator can criticize this administration and continue to have his brother on the Government pay roll, because what I read shows that the brother loses his job within 2 or 3 days.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. NEELY. It is certainly refreshing to hear the Senator from Delaware [Mr. HASTINGS] fortify his bitter attack on the Roosevelt administration with quotations from the speech which was delivered yesterday by the junior Senator from West Virginia [Mr. HOLT]. Many of those present will recall that a few months ago, when the contest against the junior Senator from West Virginia was before this body, the Senator from Delaware vigorously demanded that Senator HOLT be deprived of his seat, while I implored the Senate to give the young man the place which he now holds. But the Senator from the home of the sponsors of the Liberty League now apparently finds an ally in the junior Senator from West Virginia and great encouragement and comfort in the attack which the young man made on the Works Progress Administration in West Virginia.

But will not the Senator from Delaware, before raising a magnificent structure of partisan argumentation upon the foundation to which he has referred, wait until he shall have learned from an unbiased, reliable source whether the charges against the Works Progress Administrator for West Virginia are justified or utterly destitute of merit?

An investigation of the charges made by the junior Senator from West Virginia has been ordered. That investigation will, in my opinion, show that Mr. McCullough has efficiently, faithfully, and in a praiseworthy manner performed the duties of his office.

It is not my intention to impose upon the patience of the Senate or violate its well-recognized and generally respected proprieties by voluntarily participating, in this august presence, in the washing of the political linen of West Virginia, no matter how deplorably someone may have ignorantly or maliciously soiled it. But at the proper time I purpose to expound, in what I trust will be considered a proper manner, the other side of the Works Progress Administration's case so far as West Virginia is concerned. Until after the completion of the thorough investigation which Director Hopkins has, with praiseworthy promptitude, already ordered, I shall endeavor to hold my peace.

Mr. HOLT. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. HOLT. Will the Senator from West Virginia [Mr. NEELY] state one single, solitary fact in either one of my speeches that is untrue? I defy him to do it now or at any time.

Mr. NEELY. Mr. President, will the Senator from Delaware yield?

Mr. HASTINGS. I yield.

Mr. NEELY. The senior Senator from West Virginia will at the proper time and in the manner which he considers appropriate discuss the charges which the junior Senator from West Virginia has made against Works Progress Administrator McCullough, whom the Senator himself enthusiastically recommended for the office which Mr. McCullough now holds and the duties of which he has most capably performed.

Mr. HOLT. Mr. President, will the Senator further yield?

Mr. HASTINGS. I yield.

Mr. HOLT. I say that my colleague has been unable to defy or challenge any of those facts. I again ask him to challenge any fact that I gave; and I will name the person; and I will name the date; and I will name the place; and I assure him that the action will be accepted by the people of the State of West Virginia that would repudiate the Administration in West Virginia.

Mr. NEELY. Mr. President, will the Senator from Delaware yield?

Mr. HASTINGS. I yield.

Mr. NEELY. Mr. President, the senior Senator from West Virginia is not unable to challenge any of the facts, or rather the alleged facts which the junior Senator from West Virginia has stated. But the senior Senator from West Virginia declines to afflict his colleagues with a discussion the merits of which, in existing circumstances, would have nothing but expressions of opinion to support them. Soon after the completion of the investigation, which has been ordered, the Senate will be supplied sufficient reliable information to enable its membership to determine how much consideration the charges of the junior Senator deserve.

Mr. HASTINGS. Before the Senator from West Virginia takes his seat will he answer a question?

Mr. NEELY. Gladly.

Mr. HASTINGS. Will the Senator from West Virginia personally join in a request for a complete investigation of the P. W. A. in West Virginia as well as in all other States of the Union?

Mr. NEELY. Mr. President, the senior Senator from West Virginia has no authority to speak for any State excepting his own. So far as that State is concerned, he anticipated and answered the inquiry of the Senator from Delaware by asking Director Hopkins yesterday afternoon to order an immediate, thorough investigation of every charge that has been made against Works Progress Administrator McCullough. The senior Senator from West Virginia will unqualifiedly and cheerfully acquiesce in the decision which Mr. Hopkins' investigators may render, and will, to the best of his ability, if necessary, defend their decision on the floor of the Senate. If the investigation establishes the fact that any person, within or without the Works Progress Administration, has subverted, or attempted to subvert, this great humanitarian agency for selfish ends, he will deserve to be mercilessly exposed and unanimously condemned.

Mr. HASTINGS. Mr. President, does the Senator from West Virginia think an investigation by Mr. Hopkins of his own conduct of his office would be entirely satisfactory to the country?

Mr. NEELY. Mr. President, it would probably not be satisfactory to the Liberty League, which is largely financed by the citizens of the Senator's State. It would probably not be satisfactory to the Manufacturers' Association, or even to the chairman of the National Republican Senatorial Committee.

Mr. HASTINGS. I can speak for him.

Mr. NEELY. But it would be preeminently satisfactory to all the fair-minded people of the State of West Virginia and to all the fair-minded Members of the Senate. Mr. Hopkins is a most capable, industrious, and faithful public servant. The record of his service to the distressed people of the United States during the last 3 years is brilliant beyond the possibility of exaggeration. He has fairly and fearlessly discharged his duty in the past. He may be depended upon to discharge it fairly and fearlessly in the future. Since the Senator's inquiry seems to imply that Mr. Hopkins' investigation might be influenced by political considerations, let me observe in passing that Mr. Robert Roth, a most honorable and efficient, lifelong Republican of unquestioned loyalty to his party, was in the very beginning made the manager of the district Works Progress office which is situated in Fairmont—the city in which I live. That gentleman continued in charge of that office until late last year.

Mr. HASTINGS. Why did they throw him out?

Mr. NEELY. Mr. President, as usual, the Senator's partisan conclusion is erroneous. Mr. Roth was not "thrown out." He voluntarily resigned to accept from a prominent coal company a better appointment than the one which he held in the Works Progress Administration. Before I left West Virginia on the 10th day of last October for the Philippine Islands I heard a rumor to the effect that an attempt might be made to remove Mr. Roth during my absence. In order to prevent such action, I requested my assistants to

oppose, in my name, any effort that might be made to dispense with Mr. Roth's services while I was abroad. When I returned to West Virginia on the 19th day of December, I learned for the first time that Mr. Roth had resigned his office in order to accept private employment.

The Honorable Howard Gore, of Clarksburg, a distinguished, patriotic, lifelong Republican, who was once Governor of West Virginia and once a member of a Republican President's Cabinet, was, at a nominal salary, appointed by Mr. McCullough to help make the Works Progress Administration a success in West Virginia. A large number of other Republicans of unquestioned party loyalty are helping, and very faithfully helping, Mr. McCullough to administer Works Progress relief throughout the State of West Virginia.

Excepting the charges which the junior Senator from West Virginia has made against Mr. McCullough, I have heard practically no criticism of him that was not based upon the allegation that he had given appointments or employment to too many Republicans to the possible prejudice of members of his own political party.

Mr. HOLT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the junior Senator from West Virginia?

Mr. HASTINGS. I yield to the junior Senator from West Virginia.

Mr. HOLT. It is true that Mr. Roth is a Republican, but in every single county in that district he had to consult a certain political boss or bosses. I have the list in my office and will be glad to bring it here, showing the names of those appointed, and the name of the boss whose endorsement he had to have before he could get anybody appointed.

Mr. Gore, who had been Governor of the State of West Virginia, was put on as a dollar-a-year man, and is not drawing a salary from the W. P. A.

Mr. NEELY. I challenge the junior Senator from West Virginia to obtain from Mr. Roth a statement that will, in the slightest degree, confirm, or tend to confirm, the charge that he has just made to the effect that Mr. Roth was obliged to consult some political boss or bosses before he could make W. P. A. appointments. Mr. Roth is the soul of honor and veracity. Whatever he says concerning this or any other matter will be true in every detail. I am certain that he would say, under oath, that although his offices and mine were but a few hundred feet apart during the period of his service as manager of the Fairmont office, that I never attempted to dictate to him, or to control his action in the matter of making a single appointment, or concerning the manner in which he should discharge any of his official duties.

In view of the situation thus indicated, there is certainly no reason to believe that an investigation by Mr. Hopkins, or one of his appointees, would not be thorough and fair in the highest degree.

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. Just because the Senator from Delawar makes a political speech, is that any reason we should wash all the dirty clothes in the whole United States at one time?

Mr. HOLT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the junior Senator from West Virginia?

Mr. HASTINGS. I yield.

Mr. HOLT. If the Senator from Delaware intends to speak for a while longer, I will go to my office and get the original list filed with me by the Director showing the names of the appointees, who put them on, and showing the backing of the persons put on.

Mr. HASTINGS. Well, Mr. President, I shall be proceeding for some while. I had no thought by reading from the speech made yesterday by the junior Senator from West Virginia of stirring up any trouble. When I read it I assumed, of course, the junior Senator from West Virginia would not have made the statements unless they were true. I had no prejudice against him because I voted against seating him; I did not think, under the Constitution, that he ought to be seated; but that did not mean that, after he had become a Member of the Senate, I would not treat him as I did other Senators; and I assumed when he made a speech on the floor of the Senate giving facts that he knew what he was talking about.

In addition to that, Mr. President, as I read that speech this morning, and read the facts set forth, I became very certain, in my own mind, that an investigation by the Senate or by any fair congressional committee would show that a similar condition existed in the 48 States of the Union, including Texas. [Laughter.] I do not know that to be true, but I should suspect it to be true. I mentioned Texas merely because the Senator from Texas [Mr. CONNALLY] seems to be somewhat interested in my speech.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. CONNALLY. I beg the Senator's pardon. I usually hang to his honeyed words with a great and tenacious grip, but I missed his reference a moment ago. Would he mind repeating what he said about my State?

Mr. HASTINGS. I suppose the Senator wants me to repeat it so as to give him time to think of an answer.

Mr. CONNALLY. If the Senator doubts my word, I will not ask him to yield.

Mr. HASTINGS. I suggested for the benefit of the Senator from Texas that I suspected——

Mr. CONNALLY. The Senator usually does. [Laughter.]

Mr. HASTINGS. I never suspected the Senator from Texas of doing anything except looking out for himself and his party. Outside of that I do not suspect him, and that is fair enough.

Mr. CONNALLY. Very well; let the Senator go ahead with his "suspects."

Mr. HASTINGS. I suspect that if we got at the facts, we should find the same condition in Texas that was described here yesterday by the junior Senator from West Virginia [Mr. HOLT].

Mr. CONNALLY. If the Senator will yield, I will say that I suspect that the Senator from Delaware does not know anything about what he is talking about or about what he suspects.

Mr. HASTINGS. That is true; I do not.

Mr. CONNALLY. The Senator from Delaware goes around with a magnified "suspect" as to everybody's political actions except his own.

Mr. HASTINGS. I suspect them once in a while.

Mr. CONNALLY. The Senator said he wanted to get at the facts. If the Senator wants the facts, I will tell him all the facts I know as to the set-up in Texas.

Mr. HASTINGS. Let me ask the Senator whether he will join me in a resolution——

Mr. CONNALLY. No; I will not join with the Senator——

Mr. HASTINGS. Wait a moment.

Mr. CONNALLY. I will not join with the Senator in anything until I look at it very carefully and microscopically. [Laughter.]

Mr. HASTINGS. Will not the Senator join me in the advocacy of an ordinary resolution, in the regular form, providing for investigation of the W. P. A., including that in the State of Texas?

Mr. CONNALLY. This thing of the Senator's suspections is so contagious that I am not going——

Mr. HASTINGS. I understand.

Mr. CONNALLY. To make any pledge.

Mr. HASTINGS. Mr. President——

Mr. CONNALLY. Wait a moment. The Senator wanted the facts about Texas.

Mr. HASTINGS. Oh, no; I did not.

Mr. CONNALLY. The Senator said that if we could get at the facts we would find that in the 48 States, including Texas, conditions were like those in West Virginia.

Mr. HASTINGS. Mr. President, is the record showing that the Senator from Texas is mocking me or is it not?

Mr. CONNALLY. I beg the Senator's pardon if I mocked him.

Mr. HASTINGS. No; the Senator is trying to do so, but he is not succeeding.

Mr. CONNALLY. I beg the Senator's pardon.

Mr. HASTINGS. That is all right.

Mr. CONNALLY. If the Senator has any feeling, I will take my seat.

Mr. HASTINGS. I have no feeling in the world, but I should like to finish this speech today if I can.

Mr. CONNALLY. If I could imitate the Senator, I would like to do so.

Mr. HASTINGS. Because it would do the Senator from Texas a lot of good.

Mr. CONNALLY. Because I realize that to get in the Senator's class would be a great achievement to which I never aspire. But I want to tell the Senator, inasmuch as he has challenged the particular situation in every State in the Union, that the Works Progress Administrator in Texas has not appointed one single individual upon the endorsement of the Senator from Texas.

Mr. HASTINGS. Oh!

Mr. CONNALLY. The Senator from Texas has not made any endorsements for public office.

Mr. HASTINGS. The Senator from Delaware has not said that he did.

Mr. CONNALLY. The Senator from Texas had the public administrator in his office when he was here in Washington and told him that he expected him to carry out the instructions of the President of the United States and run the Works Progress Administration on a nonpolitical basis.

Mr. HASTINGS. Let me tell the Senator——

Mr. CONNALLY. And the Senator from Texas has had no one appointed on his recommendation—not one.

Mr. HASTINGS. May I say——

Mr. CONNALLY. I know how incomprehensible that is to the political-minded Senator from Delaware.

Mr. HASTINGS. No.

Mr. CONNALLY. A man who comes from Delaware does not understand machine politics; of course, he knows nothing about bossism; he knows nothing about rival political organizations. A State with three counties when the tide is out and a county and a half when the tide is in [laughter], and over which the Senator can make a campaign in the afternoon before teatime does not know anything about machine politics.

Mr. HASTINGS. Now, is the Senator through? I will wait until the Senator takes his seat, because I want to say to him that the very reason I suspect Texas in this matter is because the Senator from Texas has had nothing to do with the appointments. [Laughter.] Of course, if the administration had done the reasonable thing and had come to the two Senators from Texas and asked their advice, I know they would have named good men. Of course, I know they would have named Democrats; they would have said to me, "We cannot find Republicans down there and we have to name Democrats"; but I know that if they had named them the appointees would be good men. The trouble is they have let Harry Hopkins do the job; they have let Harry Hopkins run it, or Ickes, or somebody else, who does not know any more about it than he ought to know. That is what I complain about.

It has been suggested that an investigation is about to be made of conditions in West Virginia by Mr. Harry Hopkins. I want to call attention to some of the things Mr. Harry Hopkins has done, and then ask whether or not Senators think any investigation by him would be at all helpful to the American people.

I think it was Mr. Harry Hopkins who created the word "boondoggling"; and it was the President of the United States who said, "If we can 'boondoggle' ourselves out of this depression, that word is going to be enshrined in the hearts of the American people for many years to come", and so on. Then we find—I will read a news item which does not pertain to West Virginia or Texas either, but is found in the Chicago Daily News:

> Nation-wide sentiment that the W. P. A. work-relief program had failed to solve the relief problem was reflected at a conference of the American Association of Social Work just concluded in Washington, Joseph L. Moss, superintendent of the Cook County bureau of public welfare, reported here today.
>
> * * * * * * *
>
> The whole country is in the same boat, according to the reports at the conference. These reports also agreed that W. P. A. is not a solution.

I wish to quote from a Washington Post editorial headed "A victory for boondoggling", as follows:

> This so-called reshaping of funds, as a matter of fact, means that various types of "boondoggling" will be continued at the expense of long-range projects of a more useful type. While no details are available as to the sources of funds to be transferred, the money needed to carry the Hopkins organization to July 1 can be found only by dipping into sums allocated to permanent improvements.
>
> * * * * * * *
>
> It has been convincingly shown that the W. P. A.'s policies are wasteful of public money and productive of very limited social benefits. Moreover, they are not conducive to a transfer of relief workers to private industry. In spite of the improvement in business since last spring, it is estimated that over 11,000,000 persons are still without regular work in private employment. Yet the administration proposes to cut down allocations for the kind of public works that stimulate the heavy industries and help to create real jobs, in order to carry on discredited boondoggling activities that temporarily relieve distress but provide no permanent solution of the employment problem.

Those were the things about which General Hagood was talking. Let me read from a speech delivered by Representative LEHLBACH, and I think the Senator from Tennessee [Mr. MCKELLAR] will be interested in this. He said:

> You think this Passamaquoddy project is a sole exception and not typical of the insensate spending orgy now going on? Well, let's look at the dog pound in the city of Memphis, Tenn., for the building of which $25,000 of W. P. A. money has been allocated. I saw some days ago in the New York Sun a reproduction of the architect's sketch of this dog house, and I certainly wish I could live in as handsome a building as the Memphis dogs will occupy. The dogs will have individual pens with fresh bedding every day, exercise runways, shower baths, and every other imaginable comfort of home.

These dogs are not valuable dogs. These are just stray dogs brought in there. If the owner does not claim them in 3 days, after they have had a bath and a night's rest, they are taken into a gas chamber and the gas is turned on and they are killed.

Mr. NEELY. Why do they not bring them to the Senate Chamber?

Mr. HASTINGS. If they would let them listen to the Senator from West Virginia, a little while, it would have a bad effect on them.

Mr. NEELY. It would not make them more vicious than the Senator from Delaware is toward the present administration.

Mr. HOLT. Mr. President, will the Senator from Delaware yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the junior Senator from West Virginia?

Mr. HASTINGS. I yield.

Mr. HOLT. A while ago I made the statement with reference to the Works Progress Administration in West Virginia. I have here now the original copy filed with me on the 27th day of January, and it lists the following bosses:

Taylor County, W. J. Gates.

Harrison County, Howard L. Robinson, who is district attorney.

Marion County, C. E. Smith, Homer Toothman.

In Ohio County, Robert J. Riley.

In Barbour County there is a committee to pass upon the applications.

In Preston County, J. W. Gibson, who is assistant United States attorney.

I have the list and if anyone wants to know how anybody in the Fairmont district got on the roll, I will name his name and tell who put him on the roll.

Mr. NEELY. Mr. President, will the Senator from Delaware yield?

Mr. HASTINGS. I yield.

Mr. NEELY. Will the junior Senator from West Virginia also state that there is now on file in the Fairmont office a communication from him demanding, in effect, that Fuccy Bros., of Weston, never be given a dollar's worth of W. P. A. work because they have not supported him?

Will he also state that there is another communication in the Fairmont office from him in which he urges that a man in the Clarksburg district, whose name I have forgotten, be placed on the W. P. A. pay roll?

After the record of the investigation which has been ordered becomes available, the Senate will experience no difficulty in determining who has endeavored to utilize the Works Progress Administration in West Virginia for improper purposes and selfish ends.

Mr. HOLT. Mr. President, will the Senator from Delaware yield further?

Mr. HASTINGS. Very well.

Mr. HOLT. I shall answer my colleague tomorrow definitely, but as to the telegram with reference to Fuccy Bros., they were connected with the old relief administration and had been guilty of some practices in my own home city against which I protested most vigorously. As to patronage, I believe that can be discussed and it can be shown who put men on the roll. I shall submit the originals and place them all in the RECORD showing who did put these people on the pay roll. So far as dealing with them is concerned, I should like to have the senior Senator from West Virginia tell me what he said about Harry Hopkins last August in the city of Washington?

Mr. NEELY. I do not remember what I said, but I do remember that the junior Senator from West Virginia asked me, in the presence of an unimpeachable witness, if I did not think that he ought publicly to attack Mr. Hopkins. I promptly replied that I thought that that would be the worst way in the world to prevail on Mr. Hopkins to appoint Mr. McCullough works-progress administrator.

Mr. HASTINGS. Mr. President, I want to read a statement, and I think it is a correct statement, referring to the Passamaquoddy project:

The present work carried on there is the building of a settlement to house the relief workers who are not going to build the dam. Recently the Government advertised for bids for furnishings of the homes the relief workers are not going to occupy. In the remote contingency that workers will occupy these houses, they will certainly lead a more abundant life than most of us can afford to do. The furnishings are to be in colonial style. The furniture must be of dull old-fashioned maple, and the all-wool blankets on the beds must be pastel green with wide taffeta rayon bindings 80 by 60 inches and weighing 2¼ pounds each. The puffs to go over the blankets must be of the down of ducks covered with sunfast rust sateen. The fireplaces must harmonize with the colonial style furnishings. In each reception room there must be two grandfather clocks striking chimes on the hour, half hour, and every quarter hour with dials of silver. The love seats, davenports, wing chairs, coffee and card tables and tilt-top and butterfly tables must be in colonial style, and also the old-fashioned pewter candlesticks. The floor lamps must be the Cape Cod style with soft yellow shade, and the paintings for the walls must be by recognized masters. The workingmen and working women of the country do not live in surroundings like these, but for a generation to come they must earn by the sweat of their brows the money to repay in taxes the many billions of dollars thrown away by the New Deal, of which this Passamaquoddy is a typical example.

Mr. President, when an Army officer like General Hagood, who has lived all his mature life in the Army, who has had under him thousands of men who, as he testified, have lived in huts and little tin houses that were not fit for any kind of human beings to live in, finds that kind of situation and comes before a committee and asks for more money to build new and good houses for his boys in the Army, is it surprising that he should become incensed because, as he said, millions of dollars are going to such fool things as this?

Mr. President, I shall not detain the Senate much longer. I desire to read some headlines from the New York Herald Tribune of February 20:

Ickes has fine $19,200 mill with nothing to grind but "ifs."

Most of you read that article. It shows that Secretary Ickes has taken an old mill and searched all over the country to find some way to restore it, and after he has it there he cannot even get wheat to it unless he takes it on his back or in a wheelbarrow.

Over an article of February 20 we find the following heading:

W. P. A. finishing Capital guide, but nobody knows what for.

Other articles are headed as follows:

No provision to publish tome of quarter million words and no funds available; officials hope someone will print data of 48 States.

Her past (ah! the pity of it!) robs Ruby Bae of W. P. A. job.

Minneapolis officials admit fan dancer tried out for place as C. C. C. entertainer, but arrest barred her.

W. P. A. allots $500,000 to train 7,600 to be model housemaids.

W. P. A. will open boarding school for girls in Illinois to teach community leadership.

W. P. A. digs up 350 substitutes for spinach.

Ickes defends public works by asking more.

Likens present program to eyedropper, and denies theory was "really tried."

I will read a portion of that. He is talking now, I think, about the $3,000,000,000 spent in the last 2½ years for public works. He says:

It was like sending out a tugboat to capture the Atlantic Fleet. Instead of siphoning enough money into the channels of trade through the construction of substantial public works to do a recovery job we have been using an eyedropper.

Disposing of $3,000,000,000; and yet Mr. Ickes' idea is that it is nothing more than an "eyedropper", so far as the big job to be done is concerned!

Pinchot charges W. P. A. jobs fees.

W. P. A. studies 1,000 cases of alleged racketeering.

Auto fraud in W. P. A. nets millions here.

Ridder aide quits, charging politics.

W. M. Langsdorf, promoted to deputy last week, protests loss of his old job.

Howell, brother of Democratic aide, indicted in W. P. A. fraud.

Mr. President, since this administration has become a little frightened about the prospect of its own success next November, we have seen it turning the steam on every kind of person who has dared to raise his voice in criticism of it. We have now in the Senate a Lobby Committee which was created at the time when the holding-company bill was being considered by the Congress. It was known to everybody that the holding companies had their agents here, and that they had tried to influence the Congress with respect to that legislation. There was no objection to the organization of that committee. In my judgment it was a very proper thing to do, because with all that was being said and done there was danger that here and there somebody had done something that was wrong; and, if that was true, we were entitled to know what it was. We had public hearings for a long while, or until the holding company bill had passed the Congress; and then what happened? Then we found the Lobby Committee, our own committee, sending out all kinds of questionnaires to all kinds of people who were suspected of being against this New Deal administration!

I sought to obtain copies of those questionnaires. I sent for them in the first place assuming that they were public property, and certainly that a Senator could get them if he desired; but my secretary was told by the clerks in the office of the Lobby Committee that they could not furnish copies of the questionnaires without consulting the chief investigator. Later, they telephoned that the chief investigator could not give them to me, and it would be necessary to consult the chairman of the committee. I saw him here in the Senate and asked him about the matter. He inquired which one I wanted to see. He said, "I assume you want to see the one with respect to the Liberty League." I said, "I want to see all of them." "Well," he said, "you had better come around, and I will show them to you."

Mr. President, since the organization of that committee and since the holding-company bill was passed, we have seen the Internal Revenue Bureau start a reexamination of the income-tax returns of all persons who might be interested in such legislation as that. Why was that done? It was done, I suggest, for no other purpose than to terrorize persons who had enough courage to come before the Congress and tell the Congress that they did not want that particular act passed.

I have no objection to any proper investigation of lobbying, but I do protest against making the people of this country believe they are bound to answer all kinds of questions that may be submitted to them by the Lobby Committee. They send out questionnaires, and they send them out only to those who are suspected of being against the administration. We find no evidence that they have sent them to the lobby that was around here when the bonus bill was before us. We find no suggestion that they are sending them to the American Federation of Labor. We find no suggestion that they are

doing anything except sending these questionnaires to persons who are suspected of doing something against this administration.

Just yesterday I was informed that this very same Lobby Committee had asked the Western Union Telegraph Co. in my State and in my city to furnish to the committee copies of all the telegrams that had been received and sent by the Du Pont Co. during the year 1935. I think that was the time. Why was that done? It is not even suggested that the Du Pont Co. is interested in any legislation here, or has been at any time in the recent past. There is not a single suggestion of that.

I say that before we undertake to investigate lobbying we must determine that the persons investigated are doing that sort of thing. Before we ought to investigate where they get their funds we ought first to determine that their agents are here, and that they are trying to influence the Congress in reference to some kind of legislation. I say that we must be careful in our investigation of lobbying. We must be careful to see to it that we do not prevent a person in America from exercising his right of petition, or give to persons in America the impression that we do not want them to exercise their right of petition which is guaranteed to them under the Constitution of the United States. We do not wish to give to the American people the impression that we can investigate all their personal effects in order to ascertain something that is away beyond any idea that the committee has in mind.

There is a proper way to do these things. I have no objection to their being done in that way; but I insist that this terrorism in government is the one thing that follows dictatorship. I insist that this terrorism in government is the one thing which indicates that dictatorship is in the minds of those who are running this administration. I have always insisted that there was no real danger of a dictatorship here—that it could not come about; but all these acts are just the kind of acts to which a dictator resorts in order to hold on to the power he has.

Mr. President, in my judgment, this terrorism in government is pretty nearly as bad, and unless we put a stop to it it will be worse than the tremendous amount of money we are spending every day foolishly and without any real results to the Government.

I apologize to the Senate for taking so much time; but I think part of that responsibility belongs on the other side.

CONGRESS HAS NO JUDICIAL POWER EXCEPT AS TO IMPEACHMENTS

Mr. ASHURST. Mr. President, a number of persons, respectable in character, have complained against the exercise of the power of the Federal courts to declare acts passed by Congress unconstitutional. Some of the complainants take the position that since we derived our legal procedure from England and that inasmuch as the English courts did not exercise the power to declare an act of Parliament void, it was, therefore, unprecedented and unauthorized for Federal courts in the United States to explore an act of Congress with a view of ascertaining if such act was within the power of the National Legislature.

It will be remembered that the colonial governments in America were grants from the King and were connected with England through the medium of the Crown and not through Parliament. The colonial charters were in fact constitutions, and the words "our constitution" in the Declaration of Independence have particular reference to the colonial charters or grants. These charters differed somewhat as to the powers granted or denied, but they all appear to have contained the provision that local legislation enacted by the Colonies should not be contrary to the laws of England; hence the colonial laws were frequently tested by the charter or by the law of England, and many acts of colonial assemblages were annulled because they did not stand the test as to whether they were in accord with the Constitution; that is to say, with the colonial charter—the grant. Thus the American colonists became familiar with that system and practice.

I now quote from an article written by the Senator from Idaho [Mr. BORAH], whose learning as a lawyer is well known and whose industriousness in research is daily manifest, which article was printed in the CONGRESSIONAL RECORD on January 6, 1936, as follows:

> Years before John Marshall was born it was a settled doctrine in the Colonies that any legislative act of a colonial legislature must be held void if in conflict with the charter or fundamental law of the colony. It was a doctrine which grew up with our constitutional history. It was a doctrine which grew up with American law. Over 500 acts of colonial legislatures were held void under this principle.

I choose also to refer to the able address delivered before the Bar Association of the city of Charleston, W. Va., on January 25, 1936, by the Honorable John H. Hatcher, president of the Supreme Court of Appeals, State of West Virginia.

Moreover, I would direct attention to the address of the erudite junior Senator from Texas [Mr. CONNALLY] before the Virginia State Bar Association August 9, 1935, wherein he demonstrates that under the Constitution it is the duty of the courts to declare whether or not an act passed by Congress meets the test of the Constitution.

In tyrannical governments the supreme magistracy, or the making, construing, and enforcing the law, is vested in one and the same man or one and the same body of men.

In a government where one and the same magistracy makes, construes, and enforces the laws, whether such magistracy be lodged in one man or in a body of men, there can be no public liberty.

It is true that English courts at the time of the formation of our Federal Constitution recognized the absolute supremacy of acts of Parliament. Such recognition, however, did not flow from any suggestion of legislative immunity from review but flowed from the fact that Parliament acted in a double capacity—that is to say, as legislature and as court. Parliament possessed legislative and judicial powers. Parliament was a court, the old curia regis or aula regis—a court established in England by William the Conqueror in his own hall—long before Parliament possessed the legislative power. In other words, when our Government was formed there were reposing in Parliament both legislative and judicial powers; hence, an act of Parliament was both supremely legislative and supremely judicial.

In this connection it must be remembered that when our Federal Constitution was formed much care was taken to see to it that the three powers of government—to wit, the judicial, the executive, and the legislative—should be lodged in different magistracies—different officials—and that these powers should not be permitted to repose in or be exercised by one and the same magistracy.

The Constitution of the United States (art. II, sec. 1) says:

> The executive power shall be vested in a President of the United States of America—

And (art. III, sec. 1) that—

> The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts—

And so forth.

Bear in mind that the executive power shall be vested in a President and the judicial power shall be vested in one Supreme Court, and so forth, but the Constitution did not vest in the Congress all legislative power, but only such powers as were granted and enumerated. The Constitution says that all legislative powers herein granted shall be vested in a Congress (art. I, sec. 1).

Observe the scrupulous phrasing wherein executive power is granted to the President, judicial power to the Court, but that only such legislative power as is granted, is lodged with the Congress; and this was done because the makers of the Constitution desired it to be crystal clear that the Federal Legislature was to be of limited power and that certain rights and powers of the States were not granted to the Federal Government but were reserved to the States. The States possess all the rights and powers not denied to them by the Federal Constitution, whereas Congress possesses only such power as was granted to it by the Federal Contitution.

Parliament was not a body of men with delegated, limited authority. It was a body of men supremely legislative and

supremely judicial. The Congress of the United States is a body of men with delegated, limited authority, with no judicial power except as to impeachments and the qualifications of its own Members, and it is not even supremely legislative, as the States possess the powers that were not granted to the Congress. The belief that Congress possesses absolute and unlimited power is a devastating error into which many well-meaning persons have fallen.

The Constitution makers would have recoiled from the suggestion of granting to Congress the judicial power, and they would have recoiled with repugnance and alarm from the suggestion of granting to the judiciary the legislative power.

Some of the ablest lawyers, not only of our time but in bygone days, complained with not a little reason against judge-made law. The United States courts are and ought to be independent of the Army, independent of the Navy, independent of the Treasury, independent of patronage, independent of popularity, and must be content to remain so. Legislative power is the power to make laws. Judicial power is the power to declare laws. Executive power is the power to enforce laws.

The power to declare the law, of course, comprises the duty to determine what is the law and what is not the law. Article VI of the Constitution, among other things, says:

> This Constitution, and the laws of the United States which shall be made in pursuance thereof * * * shall be the supreme law of the land * * *.

An act not made in pursuance of the Constitution is, of course, not a law. The judicial power may not make laws, but must declare, when its jurisdiction is invoked, whether an act of Congress is in pursuance of the Constitution; and if not made in pursuance of the Constitution, it is not a law.

A judicial review of acts of Congress is not an offshoot of English law, but is an American development arising from colonial practice out of a wholesome effort to keep separate the legislative power and the judicial power. It would be baleful to public liberty in our country for the legislative and the judicial powers to be centered in one and the same magistracy. Our genius of government is built upon the separation of the legislative, the executive, and the judicial power; and I doubt if, upon serious second thought, any enlightened friend to civil liberty will argue that these three powers should be centered in one and the same magistracy.

The legislative powers granted to Congress are enumerated and limited, and such limitation was not by chance, was not fortuitous, was not accidental, but was deliberate. Instead of seeking to acquire the judicial power, we in Congress would more truly serve our country by confining our operations to our legislative power.

It is true that our powers as Members of Congress are limited; but, nevertheless, if properly exercised, they are of sufficient amplitude and grandeur to give scope and opportunity to the most zealous champions of true progress and needful reforms, the most redoubtable defenders of liberty, the most eloquent tribunes of popular government, and to soothe and assuage the most fevered ambition.

There have been insinuations, unjustly indulged in, of course, that whilst seeking judicial power we have at the same time been abdicating some of our legislative powers. We would better first prove that we are faithful guardians of the power we now possess before we begin to try to acquire the judicial power.

In conclusion, Mr. President, if in this address I have been able to rectify any of the errors which either myself or others may have imbibed on this subject, my labors will not have been in vain.

RURAL ELECTRIFICATION

The Senate resumed the consideration of the bill (S. 3483) to provide for rural electrification, and for other purposes.

Mr. ROBINSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CLARK in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	O'Mahoney
Ashurst	Coolidge	Keyes	Overton
Austin	Costigan	King	Pittman
Bachman	Couzens	La Follette	Radcliffe
Bailey	Davis	Lewis	Robinson
Barbour	Dickinson	Logan	Russell
Benson	Donahey	Lonergan	Schwellenbach
Bilbo	Duffy	Long	Sheppard
Black	Frazier	McAdoo	Smith
Borah	George	McGill	Steiwer
Brown	Gerry	McKellar	Thomas, Okla.
Bulkley	Gibson	McNary	Thomas, Utah
Bulow	Glass	Maloney	Townsend
Burke	Gore	Metcalf	Trammell
Byrd	Guffey	Minton	Truman
Byrnes	Hale	Murphy	Tydings
Capper	Harrison	Murray	Vandenberg
Caraway	Hastings	Neely	Van Nuys
Carey	Hatch	Norbeck	Wagner
Chaves	Hayden	Norris	Wheeler
Clark	Holt	Nye	White

Mr. LEWIS. Let me reannounce the absences as announced by me on a previous roll call, and have the announcement apply to the present roll call.

The PRESIDING OFFICER. Eighty-four Senators have answered to their names. A quorum is present.

Mr. NORRIS. Mr. President, I desire to make a brief explanation of the rural-electrification bill now pending before the Senate.

I take it most Senators are, in a general way at least, familiar with the bill, and all are at least familiar with the idea and believe in the idea that some effort should be made to electrify the farms of America. The bill under consideration is the first step in that direction. We have no real precedent in our country for what we propose to do, and to some extent we are going without precedent.

Under one of the various appropriations made by the present Congress in a prior session there was established by the President a Rural Electrification Administration. That Administration has been engaged in active work ever since its establishment. It is the basis of the proposed legislation.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. NORRIS. I yield.

Mr. BORAH. I am one of the Senators who are not very familiar with this matter, except in a general way. Has any written or printed report been made covering this subject?

Mr. NORRIS. There is a report of the Committee on Agriculture and Forestry.

Mr. BORAH. But the Administration has made no report?

Mr. NORRIS. I am not aware that it has made a complete general report, although it has made various reports at various times. In fact, the literature coming from it is rather voluminous.

It took some time, of course, to set up an organization, and it was some time before the Administration was able to do anything in the way of bringing electricity to the farmers.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. I should like to ask the Senator by what authority—and I am asking for information—was that organization created, and what appropriation was made for it; and if the appropriation was made, or if any fund was given to it, by what authority was such appropriation made or such fund allocated?

Mr. NORRIS. I am assuming that the authority was legal. The pending bill does not undertake to go into that subject in any degree. It has nothing to do with it.

The Rural Electrification Administration was set up by authority of the President out of the large appropriation of something over $4,000,000,000 which was made by Congress, and from which the President allocated different parts and set up organizations of different kinds, including the N. R. A., I think, and other similar organizations. The rural-electrification organization was one of them. However men may

disagree as to the various organizations which were set up, so far as I know there is practically no question on the part of anyone that this particular organization has been very successful in its operation.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. LEWIS. I seek from the able Senator from Nebraska information on certain matters which are very necessary to the constituency which I represent.

Assuming that the bill shall be passed, may I ask the Senator whether it provides that the electrification systems on the farms or in the localities in the different States shall be administered by officers of the States or by officers of the Federal Government? And if by officers of the States, are those officers to be designated by the Federal Government or by the local powers in the States?

Mr. NORRIS. I will say to the Senator from Illinois that as I progress in the explanation of the bill, I shall reach those very points. I may say now, however, that the bill does neither one of the things about which the Senator asked, as I understood his question. It is attempted by the proposed legislation, so far as possible, to have all the organizations local in their nature controlled by their owners, the farmers, who borrow money from the Federal Government, and set up distribution systems, and perhaps in some cases generating systems, and supply themselves with electricity. Then, of course, all those organizations must be under State laws. The Federal Government comes in through the Rural Electrification Administration to set up the local organizations, and when they are properly set up and organized, to loan them money in order to complete the organization and get electricity into the homes.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. I hope the Senator will before he concludes his discussion—and doubtless he will—assign the reason why if this activity is to be continued, it should not be under the organization which is already functioning? The Senator has said that it has accomplished a great deal of good and furnished much information. Why not continue it, expanding its power if necessary?

Mr. NORRIS. The question the Senator propounds is a very appropriate one, and one that would naturally come to any mind considering the subject; but, as I shall show, this bill, in effect, does make permanent an activity that is now temporary, and, as will appear upon reading the bill, the President is given express authority to transfer all this temporary authority and the entire machinery of the present organization to a permanent organization.

The bill provides for an agency known in the bill as the "Rural Electrification Administration", controlled mainly by an administrator. The President is given authority to appoint the administrator; the appointment comes to the Senate, and the Senate acts upon it. The appointment is made by and with the advice and consent of the Senate. The administrator is to receive a salary of $10,000 a year.

In section 2 "the administrator is authorized and empowered to promote in the several States and Territories of the United States the electrification of rural areas not receiving central-station electric light and power service."

Mr. McNARY. Mr. President——

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Does the Senator from Nebraska yield to the Senator from Oregon?

Mr. NORRIS. I yield to the Senator.

Mr. McNARY. I have my own idea as to the interpretation and definition of the expression "electrification of rural areas not receiving central-station electric light and power service." What interpretation does the Senator place upon that language? Could he illustrate it?

Mr. NORRIS. That means, as I understand, and as I think the present administration is now doing, that there will not be set up an organization and money loaned to it for the purpose of electrifying a rural area which is now supplied. There are now, of course, a large number of rural districts already supplied with electricity from central power stations. But it does not mean that the agency proposed to be established will be prohibited from going into a locality where there may be a large number of local plants used by individual farmers. In a great many places generators of various kinds produce electricity locally for some particular farmers. The language referred to would not prohibit the setting up of an organization in a locality where that kind of supply was already in existence.

Mr. McNARY. We probably are together generally, but under the language used, it seems to me, where a plant is now in existence which is adequately supplying a certain area with electricity none of the money provided by the bill could be used for that purpose.

Mr. NORRIS. That is as I understand it.

Mr. McNARY. I agree with that, but supposing that some central station by the construction of distribution lines and transmission lines could supply the energy needed in a given area, could the money be used for that purpose?

Mr. NORRIS. If I understand the Senator's question correctly, it is supposing some locality be now supplied from a central station, might it be possible for that central station to extend its lines further and would the governmental agency be prohibited from entering that territory? If that is the question, I think not.

Mr. McNARY. I think we want a definite meaning fixed, because I think it is an important proposition. The prohibition would relate to a central station furnishing light and power in an area that is now enjoying adequate service. Is that the Senator's interpretation?

Mr. NORRIS. Yes.

Mr. McNARY. It would be possible to expand that service if transmission and distribution lines were constructed?

Mr. NORRIS. Oh, yes.

Mr. McNARY. Would it be possible, under this language, to borrow money for the extension of such transmission lines from the central station?

Mr. NORRIS. No; I would say not.

Mr. McNARY. Then, what would be the situation?

Mr. NORRIS. If the question is, if the transmission line did not supply as large a territory as it possibly could, whether the central station could borrow money and extend its lines further——

Mr. McNARY. Yes.

Mr. NORRIS. I do not think it could.

Mr. McNARY. Then, there would be areas that could not take advantage of this measure?

Mr. NORRIS. Suppose a central station at a certain point supplied an area with electricity that went into the farmers' homes, but there was a large contiguous territory the station did not supply, one large enough to justify the organization of a corporation under their State law to buy current or energy, it would be perfectly proper, under this bill, if enacted, for the farmers living in that community to organize under their State law an association or corporation and then buy the current of the central station that is supplying the other farms, and they could borrow the money under this bill for that rural electrification district.

Mr. McNARY. From the central power station there must be transmission lines to take care of the primary power. Who is going to construct those lines to the point of distribution where the farmer picks it up? That is the point I am making.

Mr. NORRIS. There might be a case where the central power station would probably have to construct an additional line to reach the new organization which would be set up.

Mr. McNARY. That is the point. Is this language, in the Senator's opinion, sufficiently ample, adequate, and clear to meet the situation I have just pointed out to the Senator?

Mr. NORRIS. I think clearly it is.

Mr. KING. Mr. President, will the Senator permit me to interrupt him?

Mr. NORRIS. I yield to the Senator from Utah.

Mr. KING. The inquiry which has just been made by the Senator from Oregon provokes a thought in my mind as to how this will operate. Let me give an illustration. Take Washington; we have a power plant here, privately

owned, which furnishes electrical energy for the District of Columbia—and I may add, in parenthesis, that I think we have lower rates than any place in the United States, except one.

Mr. NORRIS. I want to inject there the remark that I disagree with that statement; but that is immaterial, of course.

Mr. KING. I am relying upon statements made to me by officials in the District, but not officials of this organization. Suppose that this plant has a potential capacity for furnishing more power than is consumed—and it does, and indeed may now, with the machinery which it has, furnish more power than is consumed in the District of Columbia—and it has a line running into Virginia and a line running into Maryland, as I understand it has, and is perfectly willing to increase its capacity and to lengthen those lines and to convey electrical energy to farmers in Virginia and farmers in Maryland within a reasonable area. Under the bill which the Senator is now proposing could the farmers, say, in Virginia or the farmers in Maryland, organize corporations and invade the field which this private organization, in part, has covered and is willing to go further and supply all reasonable demands, and thus restrict its operations and build up another activity paralleling the work of the organization now existing?

Mr. NORRIS. The Senator has incorporated in his question some assumptions that will have to be taken into consideration before a direct answer may be given. I will take now the locality he has mentioned and assume that in Washington there is a company that is able to supply additional farmers who have not been supplied as yet, although for 20, 40, or 50 years in a great many places the power companies have not done so. If they have supplied a certain locality, this bill would not authorize the governmental agency going into that locality; but it would not necessarily follow that the agency could not go into the potential territory surrounding Washington and organize farmers under the laws of Virginia or the laws of Maryland, for instance, who, in turn, could, if they wanted to—it would depend on them entirely—buy their electricity from the central station here. The fact is that if we provided in this bill that the rural electrification could not go into any territory that could be potentially held to be within the transmission distance of an existing central power station, it would mean that we probably would continue the conditions which have existed in the past. In many instances, if not in most instances, the central power stations have picked out the cream in a certain locality and have built lines and supplied it with electricity. Before the Rural Electrification Administration would loan money to such an organization in Virginia or Maryland, they would have to know just exactly what the possibilities were. They would have to make a survey of the territory and know what would have to be paid for the electricity if it were bought here. They would not make a loan unless all those things put together should convince them that at a decent reasonable rate the organization which was seeking to get electricity was self-liquidating and would pay out.

Mr. KING. Mr. President, will the Senator permit another inquiry?

Mr. NORRIS. Certainly.

Mr. KING. Assume that an area which is now covered by the power plant in Washington extends into Virginia, say, 10 miles beyond the District line—and I am using this as an illustration without knowing anything about the facts—and adequate lighting facilities are furnished to all farmers within that area who desire such facilities, and suppose a corporation is organized under the law in Maryland to furnish light to farmers a little beyond the area where the lighting is now furnished; would that corporation when organized be permitted to come within the 10-mile area to which I have referred and enter into competition with the company now furnishing light there?

Mr. NORRIS. The Senator says "come in competition." They would not come in competition with farms already supplied. They might come in competition with the central power station.

Mr. KING. That is not my question.

Mr. NORRIS. There is no intention of going into a farming community which is already supplied with electric current and forming farm organizations there and having them built up to go into competition, as the Senator suggests, with farmers who are already getting their electric current from a central station.

Mr. KING. If an organization were formed beyond the 10-mile limit to which I have just referred and within which limit the farmers are supplied with electric energy, that organization would not be permitted to come back into the 10-mile area to furnish light to farmers already receiving it?

Mr. NORRIS. Not to those already receiving it, but it might come into the 10-mile area and supply farmers who were not receiving it. That is a distinction which I think ought to be drawn.

The bill provides an authorization for an appropriation for the fiscal year ending June 30, 1937, of $100,000,000, and then $100,000,000 for each succeeding year for 9 years. The administrator of the machinery proposed to be set up may allocate $70,000,000 for lines in the several States in the proportion that the number of farms not receiving central station electric light and power bears to the total number of farms in the United States not receiving such service. Then the administrator is given power to allocate the other $30,000,000, if that much should be appropriated, without regard to the proportion that exists between farm areas supplied with electricity and the total number of farms not supplied in the United States, although he cannot allocate to any one State in any one year more than $10,000,000 of the amount to be allocated.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Oregon?

Mr. NORRIS. I yield.

Mr. McNARY. Will the Senator advise me why the standard of distribution was changed from the original language to the language now recorded in the bill? Does it affect different sections of the country?

Mr. NORRIS. The amendments were inserted at the suggestion of some of the officials of the present Electrification Administration on the theory that if the language were left as it was they could not get the necessary census information so as to make the allocation, but the census is complete as to the number of farms though it may not be complete as to population. It would be very difficult, if the language were left as originally drawn, to have the population of one section compared with the total population of the United States, because that might be a different proportion, even if they should get the number of unsupplied farms of the country.

Does that answer the Senator?

Mr. McNARY. Practically so. We have always thought the standard of determining the area of population as used in connection with our Federal-aid roads was a very good standard for the distribution of Federal money to the States. That was the idea evidently of the original language of the bill.

Mr. NORRIS. That was my idea when I drew the bill.

Mr. McNARY. Would not the application of this language favor some sections over others because of the proposed basis of apportionment to be adopted?

Mr. NORRIS. I have a map here which shows it by States.

Mr. McNARY. Does it show an equitable distribution of benefits throughout the country?

Mr. NORRIS. No; there are some States that are more completely electrified now, quite a large percentage which are electrified heavier than other States.

Mr. McNARY. Then the money would not be available to them in the same proportion as though based upon rural population?

Mr. NORRIS. No. The information the committee had was that it would be almost impossible, if the language were retained as we had it originally, to get the necessary information from the Census Bureau to make the allocation.

Mr. President, as I pass along, I wish to call attention to the fact that the amounts appropriated and the amounts allocated are, of course, more or less arbitrary.

Mr. ROBINSON. Mr. President, at that point will the Senator yield for a question?

Mr. NORRIS. Certainly.

Mr. ROBINSON. How was the aggregate amount of $100,000,000 per year for 10 years reached? How was it determined that that would be the amount which would be necessary to carry out the purposes of the bill?

Mr. NORRIS. In my judgment, that was more or less arbitrary. I was anxious, however, that the amount should be large enough so that if experience showed they could properly use more money we would be within the law if we appropriated more money. I am not at all certain that we ought to appropriate this much money for the first year. It is all in the hands of Congress. The Congress can appropriate any amount it may desire up to the limit fixed by the bill.

Mr. ROBINSON. But the bill carries an authorization for $100,000,000 for the first year and $100,000,000 for each year thereafter for the 9 following years.

Mr. NORRIS. Yes; it carries that authorization.

Mr. ROBINSON. The reason why I asked the question the Senator just answered grows out of the consideration that there is no provision in the bill—and, of course, there could be none, considering the constitutional requirement that revenue bills shall originate in the House of Representatives—for raising the funds which will be necessary to meet the appropriations we are proposing to authorize. Frankly, that occurs to me as a serious difficulty. Of course, it also relates to other appropriations that might be made, but I have that thought in connection with the further thought that it would be well to limit the appropriation as much as possible and at the same time carry out the purposes of the measure.

Mr. NORRIS. The bill limits the appropriation, though there is no appropriation actually made.

Mr. ROBINSON. It authorizes a total appropriation of $1,000,000,000, which is rather a large amount, considering the fact that we now have a very large deficit.

Mr. NORRIS. That is true. It is a large amount, although it is extended over a term of 10 years. It need not be $1,000,000,000. Congress need not appropriate that much if it does not want to do so.

Mr. ROBINSON. Of course, it need not authorize that much if it does not want to do so.

Mr. NORRIS. Oh, no.

Mr. ROBINSON. But if it does authorize it, it probably will appropriate it.

Mr. NORRIS. I think it would depend upon the report of the activities of the administration as to what they were able to do and how much they were able to handle. I think, to be fair, they are themselves uncertain as to just what exact amounts they could properly use.

Mr. ROBINSON. Mr. President, will the Senator yield further?

Mr. NORRIS. Yes.

Mr. ROBINSON. Has the Senator stated, or does he contemplate stating, just what has been done with the fund that has been allotted out of the Works Relief Act in connection with rural electrification?

Mr. NORRIS. Yes. I would rather not go into that matter just now.

Mr. ROBINSON. Very well.

Mr. NORRIS. I expect to do so, however. I have the information here.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Utah.

Mr. KING. The question I am now about to ask I should have propounded earlier in the discussion.

I should like to ask the Senator whether there were any hearings on this bill; and if so, whether they have been published; and if there were no hearings, what information or data had the committee upon which to base the bill?

All we have now is the report. We have no hearings. So far as I can understand now, we have to rely solely upon the statement of my able friend from Nebraska, whose statements, of course, are always received with due credit. But if there have been any hearings, I should like to be advised to that effect; and if there have been no hearings, I should like to be advised why there were none upon a question of such great importance; and if there were no hearings, upon what information did the committee act? What witnesses appeared before them? What did the witnesses say? What arguments did they adduce in support of this measure?

Mr. NORRIS. Mr. President, of course, the question is a very proper one; but I will say to the Senator that we had no hearings in the ordinary sense. I thought there was no necessity of having them.

In the first place, so far as I have been able to learn, outside of some private power companies, I know and have heard of no objection being made anywhere in regard to the bill. The committee submitted the bill to the Secretary of Agriculture, to the Rural Electrification Administration, to the Federal Power Commission, to the Secretary of War, and I think there was one other governmental activity to which we submitted it. We received replies from all of these governmental agencies with the exception of the Secretary of War, who did not comment on the bill at all, and said his Department had nothing to do with anything of the kind, so he thought it would be improper for him to take part in it; and I think he was perfectly right in that. All of the replies we received on the merits of the bill were favorable.

Mr. AUSTIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Vermont?

Mr. NORRIS. Let me first answer this question, please.

The bill was introduced on the 6th day of January. It was reported from the committee on the 17th day of February. During all that time more or less publicity was given to the bill all over the country; and I know of no one who desired to be heard, or who asked to be heard, unless it was some of those who were favoring the bill. There were all kinds of organizations in almost every State of the Union—farmers' organizations, consumers' organizations, commercial organizations—which would have been glad to appear; but they were all in favor of the bill. They were all on record in favor of it. All of the great farm organizations, I think, have formally adopted resolutions favoring it, and similar resolutions have been adopted by other organizations all over the United States.

Personally, I did not think it would add anything if these men were asked to come here and testify and give the reasons why they favored the bill. The one objection made to us comes in the form of a communication which I suppose the Senator from Vermont has, and which I think was sent to all Senators, from the head of the association of executives of private power organizations. In that communication the objections to this kind of legislation and to this particular bill are set up as fully and as completely and as logically, I think, as they could be; and in the course of the discussion I expect to take up that matter and to consider all the points that are made. I think they are very easily explained, and that it can be easily shown that there is not any real objection to the bill on the part of this organization.

People generally, and Members of Congress generally, have realized for several years that there was one place in this country preeminently in need of electricity, namely, the farm, and that proper legislation had not been enacted to give the farmers electricity. When the President established the Rural Electrification Administration, and they got into operation, that idea was accentuated all over the country, and there was a unanimous demand that there should be some legislation of a more or less permanent nature giving to the people on the farm the benefits of electricity.

I could not see any benefit that the committee would have derived if it had wasted a lot of its time in having hearings and listening to speeches pro and con upon a subject upon which all the members of the committee had a definite idea that there ought to be legislation of some kind. As to just how much we ought to authorize to be appropriated, and as to just how it ought to be allocated, there would be differences of opinion. That is not an objection to the legislation. It is some objection to its details. There is not any guide or precedent established that we can follow, except perhaps the

meager information we have from rural electrification organizations which have been set up and are doing business, and have been for several years, in different parts of the United States.

Mr. McNARY. Mr. President——

Mr. NORRIS. I yield to the Senator from Oregon.

Mr. McNARY. The Senator will recall that by Executive order the Rural Electrification Administration was created by the President more than a year ago. I think $100,000,000 was allocated to that organization.

Mr. NORRIS. I think that was the amount.

Mr. McNARY. Does the Senator know what part of that amount has been expended?

Mr. NORRIS. I stated to the Senator from Arkansas that when I finish with the general discussion of the bill I expect to take up that matter and show just what was done.

Mr. McNARY. I heard the Senator's answer, but I thought probably he would be able to state at this point the amount which has been borrowed from the Rural Electrification Administration for the purposes specified in this bill.

Mr. NORRIS. I can take up that matter now, if desired.

Mr. McNARY. Oh, no; I do not ask the Senator to do that.

Mr. NORRIS. I expect to do that later. I think that is a very proper question. I will state, however, that while this organization has been in operation for more than a year, of course, in view of the fact that it started into a mammoth affair of that kind without any experience and as a new venture, it was quite a long time before the organization was perfected, and a still longer time before its representatives were able to get on the ground and designate specifically the places and communities where they would loan the money.

I forgot that I promised to yield to the Senator from Vermont. I do so now.

Mr. AUSTIN. Mr. President, I was interested in the qualifying word "nonprofit" used in line 19 on page 3.

Mr. NORRIS. Yes; that is in the committee amendment.

Mr. AUSTIN. When the Senator from Nebraska was speaking about those who were interested in the proposed legislation, the question occurred to me whether it was intended that a municipality which is engaged in the business of manufacturing and selling current stands on the same footing, so far as this measure is concerned, as a private enterprise engaged in the same business.

Mr. NORRIS. No; I should say not. As I understand the measure, there is not any authority for a private organization generating electricity to borrow money for the purpose of building a line into the country, although if the farmers organize under their State law that very country locality could buy its electricity from the same central power station, whether it was private or public.

Mr. AUSTIN. Will the Senator yield for another question?

Mr. NORRIS. Yes.

Mr. AUSTIN. Under this bill, if it should be enacted, would such a farmers' organization be enabled to borrow from the Federal Government the money necessary to extend from its distribution center to the central station a transmission line which would tap power in existence?

Mr. NORRIS. Yes; I should say so.

Mr. AUSTIN. And that is true, whether that source is operated by a municipality or by private individuals?

Mr. NORRIS. I do not think there is any difference in that respect.

Mr. CLARK. Mr. President, will the Senator yield for just one statement?

Mr. NORRIS. I yield.

Mr. CLARK. Referring again to the question of hearings raised by the Senator from Utah [Mr. KING], it seems to me the question of whether the committee should have had hearings, and the question which is involved in this bill, is not so much the question of the desirability of rural electrification—which I think everybody is perfectly prepared to admit—but the question as to priority which shall be given to appropriations for improving the conditions of agriculture.

This bill carries an authorization of appropriations to the amount of a billion dollars. Obviously there must be a limit to the number of billions of dollars Congress may authorize to be appropriated; and, with entire sympathy for the desirability of rural electrification, it occurs to me that there might be other objects for the improvement of agricultural conditions in this country which might be precluded by so large an authorization for this one project, and which might be even more desirable.

For instance, it has always been my view that the best money which can be spent from the standpoint of profit to the agricultural class of this country is the money which is spent for farm-to-market roads. Some other Senators and many other persons may disagree with me as to the availability of each of these different methods of improving agricultural conditions; but in view of the enormous authorization in this one bill for this one object, it seems to me that hearings might very well be had, or at least there might very well be discussion as to the priority of the various kinds of aid for agriculture which have been suggested.

Mr. NORRIS. In answer to the Senator from Missouri, I will say that I think this is the place where we should have that kind of a discussion. The Senator has raised the point that we are authorizing the appropriation of so much money for rural electrification. He thinks we had better spend the money for building roads. Some other Senator will have a different view; and if the majority of Senators and Members of the House feel that way, this proposed legislation will be defeated. We shall not have it enacted.

Mr. CLARK. Let me say one further word. I am not speaking in opposition to the general project of rural electrification, of which I am very much in favor; but it does seem to me that when we are authorizing the appropriation of a billion dollars at a time, the question of priority is one which might well be very seriously considered.

Mr. NORRIS. The Senator ought to remember that by this bill we are not authorizing the appropriation of a billion dollars at a time. One billion dollars is the maximum amount which may be appropriated under this bill. That authorization extends over a period of 10 years.

Mr. CLARK. That is perfectly true.

Mr. NORRIS. To be really fair, I think the Senator ought to say that the real authorization for appropriation in any one fiscal year is $100,000,000.

Mr. CLARK. But there is an authorization at one time for the expenditure of $100,000,000 a year.

Mr. NORRIS. Yes.

Mr. CLARK. In other words, no subsequent action by Congress would be required, and an appropriation of $100,000,000 a year would not be subject to a point of order as being without authority.

Mr. NORRIS. That is true.

Mr. CLARK. Therefore we are taking on now, in one year, a program of a billion dollars, providing Congress appropriates money for it, of course.

Mr. NORRIS. Yes.

Mr. President, I concede that if we were about to start on a system of rural electrification there might be a difference of opinion, and I may be wrong as to how much we ought to start with. But if we start with an authorization of just 1 year, we might just as well close up shop and not do anything, because we could not get started on this great program in 1 year. It would be an impossibility.

There is the question again as to the number of years we ought to have the authorization cover. Possibly we have made the time too long, possibly we have not made it long enough. I do not see how it could be bettered by hearing men who are either favorable or unfavorable to the bill. The matter will always be under our control. If we find that the authorization is for too short a period, we ought to enlarge it. We may find that to be so in 5 or 6 years. We may find that we ought to make it shorter. In either event, however, Congress will have a perfectly free hand every year in fixing the size of the appropriation.

It may be that we will not appropriate a hundred million dollars. I am not sure that we will, and I am not sure that we ought to. But when we have operated at least a

year under the law and have ascertained how much work has been accomplished and what can be done, we will be better able to decide whether we ought to appropriate a hundred million or whether we ought to cut the appropriation down even to fifty million.

I think the Senator from Vermont raised a question on which I wanted to comment. He referred to some language in an amendment. Has the Senator the language before him?

Mr. AUSTIN. I referred to the amendment in section 4, on page 3, line 19.

Mr. NORRIS. I wish to discuss that subject somewhat.

As the bill was originally drawn and introduced it provided:

> The Administrator is authorized and empowered, from the sums hereinbefore authorized to be appropriated, to make loans to States, Territories, and subdivisions and agencies thereof, municipalities, and organizations of citizens or farmers, not organized or doing business for profit, but primarily for the purpose of supplying electricity to their own citizens or members.

The committee struck out part of that language, the words "organizations of citizens or farmers, not organized or doing business for profit, but primarily for the purpose of supplying electricity to their own citizens or members", and recommended that instead of that language we insert the words "private cooperative, nonprofit, or limited-dividend corporations and associations organized under the laws of any State or Territory of the United States."

We took that action upon the recommendation of the Rural Electrification Administration. They said, and it will be apparent to anyone who will give it a moment's thought, that the organizations which are to get these loans in the main, probably entirely, are organized under State law, or the law of a Territory, and those laws differ. Hardly two States have the same law upon the subject. It was thought that in complying with those laws, which they had to do in their organizations, they could better do it under the language we have recommended. For instance, we inserted the language "nonprofit, or limited dividend corporations", and when it was called to my attention I recalled that in my own State—and I presume a great many other States have the same kind of law—the law provides for a limited-dividend corporation, applying mostly to farmers. In a case of which I am thinking it applies to elevator associations almost entirely, organizations composed mainly of farmers. But in order to enable them to get money with which to operate, the legislature provided for a limited-dividend corporation which, under the law, might permit outsiders, bankers, or anyone having money, to invest their money and they would get a limited dividend of 6 or 8 percent, and have no voice in the control or administration of the corporation.

I do not know whether that language is better than the original language or not. The other language was taken out of the T. V. A. Act and is a verbatim copy of it.

Mr. McNARY. Mr. President, will the Senator yield at that point?

Mr. NORRIS. I yield.

Mr. McNARY. I wish to suggest an amendment. I am not asking the Senator to accept it at this time if he thinks we should dispose of the committee amendments first, but in the State of Oregon, under a recent statute enacted by the legislature, nonprofit cooperative units of farmers are called "people's utility districts." I am going to suggest to the Senator that in line 15, page 3, after the word "municipalities", we insert the words "people's utility districts."

Mr. NORRIS. At first blush I do not see any objection to that. Of course, we want to cover districts not organized for profit.

Mr. McNARY. That is true. The organizations to which I refer are organized under a State statute. They are statutory corporations, groups of farmers operating exclusively for the purpose of distributing power. I think the word "municipalities" includes all of the minor corporations, but in order to meet the situation, and employ the same language employed in the statute of my State, I shall at the proper time ask the Senator if he will not accept the amendment to which I have referred.

Mr. NORRIS. I suggest to the Senator that in preparing the amendment he employ some limiting words. I do not want an amendment agreed to, nor does the Senator, I know, which would make it possible for some private organization to get money under the proposed authorization for the purpose of making money for its members.

Mr. McNARY. This is language used in a bill which my colleague and I framed in connection with the administration of the Bonneville project, suggested by the farmer organizations of the State of Oregon and the Grange, and based wholly upon statutory organizations.

Mr. NORRIS. Are those organizations in the Senator's State nonprofit organizations?

Mr. McNARY. They are just that.

Mr. NORRIS. Would they not be included?

Mr. McNARY. I think so; but when I prepared the Bonneville bill the Grange and these other organizations wanted us to use the words designated in the statute. I am only suggesting the amendment in order to make it more certain. May I ask the Senator another question?

Mr. NORRIS. Certainly.

Mr. McNARY. I note the words "private cooperative corporations." I do not quite understand what is meant by a private cooperative corporation. I appreciate that there are organizations with limited voting stock which are covered by the Capper-Volstead Act, as the Senator well knows. That is a Federal statute. In our many years of service on the Committee on Agriculture and Forestry we have come in contact with these nonprofit organizations, but I do not know just what sort of a structure or organization the Senator contemplates by the use of this language.

Mr. NORRIS. I can state at least what I think it means. I understand that in its operations so far the Rural Electrification Administration to a very great extent has dealt with private cooperative organizations. There is, let us say, a cooperative organization of farmers organized under a State law sufficient in number and covering enough compact territory to make a system of distribution of electricity self-liquidating. I understand that to be a private cooperative organization. It has not within it any public utility.

Mr. McNARY. Such a structure as is described by the Senator, private in nature, could necessarily make profits and distribute dividends. If that is so, then it comes in conflict with the next specification of the Senator, which is that it must be a nonprofit organization.

Mr. NORRIS. No. As I understand a private cooperative organization, there is no chance for anyone to make money except the organization itself. There is no objection to that kind of an organization making all the money it wants to make. They are their own customers. They sell the electricity to themselves, and if they want to go into it and make money by charging high rates, they themselves have to pay them. There is no opportunity in that kind of a case for any private individual ever to make any money.

Mr. McNARY. That might be one particular set of private corporations, private cooperative corporations, which I state to the Senator is an expression I have not heretofore seen in print, and I just want to get the Senator's definition. If it could do what the Senator says it could do, make profits as a legal structure, it could certainly make profits for its members.

Mr. NORRIS. The members would have to furnish the money with which the organization would pay the dividends. It is just as long as it is short.

Mr. McNARY. It certainly does not seem so to me.

Mr. NORRIS. Suppose the Senator and I and some other Senators organize ourselves into a cooperative organization. If any profit is made, we get it, and in this case if there is a profit we have to pay it, so what is the difference?

Mr. McNARY. Is there anything here that would limit the sale only to the members of the organizations? The Senator is making a set-up of his own. Is there any language here which would limit a private cooperative organization to selling the power only to its own members?

Mr. NORRIS. In another part of the bill we provide for the lending of money for the purpose of buying electrical appliances. Such loans have been made already. A co-

operative organization will take a contract, usually a note or some modification of a promissory note, from the individual who is a member of the organization, who buys, we will say, an electric refrigerator.

The member gives that note to the local organization and the Rural Electrification Administration buys the note, taking it off the hands of the cooperative organization, which endorses the note. That is the way in which the cooperative organization gets the money from the Rural Electrification Administration.

Mr. McNARY. Mr. President, I think I understand the philosophy of the Senator from Nebraska. I am just inquiring if he is not destroying some of the features of his bill by permitting an organization of that character to come in and do a thing which I think is not contemplated by the provisions of his bill. However, if the Senator is satisfied, all right.

Mr. NORRIS. Of course I do not wish to do anything which is injurious to the bill. I believe it would be a mistake not to permit cooperative organizations to organize for the purpose of getting electricity and borrowing money for that purpose. In some States that would not work at all. I understand in the State of Texas such organizations cannot exist. In my own State there are such organizations. I think, as a rule, there is some State law providing for that kind of an organization, and of course we must conform to that State law.

Mr. McNARY. That must be done as to a cooperative, of course. Language has been employed to cover cooperative organizations. It is the word "private" which describes the character of cooperatives I am discussing.

Mr. NORRIS. I do not think it would affect the bill in any way if we should strike out the word "private."

Mr. McNARY. Following the Senator's idea, I think it would improve the bill a great deal and make it conform to the views of the Senator from Nebraska.

Mr. NORRIS. Mr. President, the bill provides that the Administrator is authorized to loan money "for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems for the furnishing of electric energy to persons in rural areas who are not receiving central-station service."

I think that provision answers specifically some of the questions which were propounded earlier in the day by the Senator from Utah [Mr. KING]. It will be noticed that the Administrator does have authority to loan money for the purpose of establishing generating systems, and yet it is not expected that that will be done very frequently. In fact, the idea, so far as I know, is to buy the electricity from some existing plant. However, it might be found necessary at some time to establish generating systems; and if we did not give the Administrator authority to lend money for such purposes, generating systems could not be financed. However, one farmers' organization probably never would be able to borrow money from the Administrator. It would not be good business to build a generating system for a single farmers' organization. The expense in such a case would be too high, so that it would not be a self-liquidating proposition. But one generating system may supply half a dozen or a dozen farm organizations, and that generating system may be owned by a municipality, and the bill does provide that loans may be made to a municipality for the purpose of building a generating system. So while the question might justifiably be asked whether under the provisions of the bill it would not be possible to loan money to every little farm organization to build a generating system, which might bring about the ruin of the project; yet, if we should strike out the provision, we might seriously interfere with the establishment of some systems which would be a great success.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. COUZENS. May I ask the Senator if there is any provision in the bill—if there is, I am unable to find it—requiring anything other than the equipment itself to be put up as security for the loan? The bill, in section 4, provides for lending money to States, Territories, and subdivisions and agencies thereof, and municipalities. It is customary in many places where the municipality or the governmental agency engages in servicing or utility activity that the borrowers guarantee the loan in addition to the mere issuance of so-called income bonds. In other words, unless there is a provision of that sort in the bill there will be no incentive for the municipality or other governmental agency to charge rates adequate to create a sinking fund to pay off the bonds when due.

Mr. NORRIS. In answer to the question of the Senator from Michigan, I will say that there is no provision in the pending bill which provides for mortgaging any other property to cover the cost, for instance, of the transmission line—the loan will be chiefly for the construction of transmission lines—than the line itself. From the very nature of things, even though it were thought necessary, I think it would be found impracticable to mortgage the land. The farm organizations which build these lines extending over perhaps 150 different farms, owned by different men, of course, could not mortgage the land. That would not be practicable. I do not know of any other security that could be furnished, except the income on the property. That is the real intention. There may be exceptions. Sometimes some property will be mortgaged. The general rule, however, will be that the indebtedness will be payable only from the income of the property.

Mr. COUZENS. Mr. President, will the Senator yield further?

Mr. NORRIS. I yield.

Mr. COUZENS. I was not talking about the building of transmission lines to supply electrical energy to farmers but about the provision in the bill to lend to municipalities and States; and if loans are made under this bill to municipalities and States, the officials of those political subdivisions will be required to fix rates and administer the law. They assume the responsibility of borrowing the money, and there is no assurance given by any provisions in the bill that they will charge adequate rates or give the Administrator sufficient security to justify the loans.

Mr. NORRIS. Of course, if such an agreement were not made, they would not lend the money.

Mr. COUZENS. That is an assumption of something which is not specified in the bill.

Mr. NORRIS. Mr. President, as I see it, such a provision could not very well be made compulsory, because a good many times it would be an impossibility to carry it out.

Mr. COUZENS. It would not be impossible so far as properly organized municipalities and States are concerned. As an example, when the city of Detroit bought its street railway lines it never could have gotten the money with which to buy them if it had had to rely upon the politicians to fix rates adequate to pay off the debt. So the whole property of the city of Detroit was pledged to see that the bonds and the debts of the street railway corporation were paid; and that was in part responsible for the success of the system. In other words, there has been no incentive for the politicians or the administrators to make low rates for political purposes and neglect their debts.

Mr. NORRIS. I take it no loan will be made except on a contract which will provide that the Administrator can even take possession of the property if the borrowers fail to pay the installments when they are due. That will mean that they must fix rates sufficiently high, not only to amortize and pay the loan but to pay for the upkeep of plant, to pay for depreciation, to pay the interest as it comes due, and to pay for maintenance. Unless all that were done, no loan would be made.

Mr. COUZENS. I think, however, we should not delegate all that power to the Administrator. I object to that now for the same reasons that I objected to the soil-conservation bill—because the Congress prescribes no yardstick, gives no instructions, and makes no limitations upon the Administrator. He may adopt any policy which, in his good judgment or bad judgment, he may deem advisable. I object to that sort of legislation.

Mr. NORRIS. Mr. President, I realize that if, in every instance, we knew just exactly what the conditions would be and what kind of contract would be possible, we could

put those stipulations in the bill. The Administrator, however, in lending money to a municipality, we will say, might require that the municipality should vote bonds in the regular way, or he might require only that it should provide for the payment of the indebtedness out of the income of the property. In lending money to an organization which owns property, as I understand the language of the bill, and especially of the proposed amendment on page 4, the Administrator is not obliged to rely solely upon the income of the property as security.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. COSTIGAN. On page 4, line 24, reference is made to loans "so secured as reasonably to assure repayment thereof." Does that language apply to other sections of the bill to which the Senator from Michigan has directed our attention?

Mr. NORRIS. No; I think not. I think that applies only to the loans made as provided in section 5.

Mr. COSTIGAN. Is there any objection to the inclusion of such language?

Mr. NORRIS. None whatever. I do not see any objection to that.

We now come to section 5, in which—

> The Administrator is authorized and empowered, from the sums hereinbefore authorized to be appropriated, to make loans for the purpose of financing the wiring of the premises of persons in rural areas and the acquisition and installation of electrical and plumbing appliances and equipment by such persons.

Mr. President, 10 years ago that would have been considered a very unwise thing to do, and some people now think it is unwise. But experience has shown, and I could prove by documents I have before me, that one of the safest loans which can now be made is a loan repayable from the income of property; and one of the safest loans which can be made with respect to an appliance is a loan secured by a mortgage on the appliance itself. If the appliance is taken away, then the farmer, or anyone else for that reason, cannot use the electricity because in the use of electricity one must not only have the electricity but must have the appliance as well.

Experience shows that the farmer will surrender almost anything he has on his farm rather than give up electrical service when it is once installed. I have the history of some cooperative organizations in the State of Iowa which were organized before the depression and which did business all through the depression. There are instances where farmers who were on relief kept up their electric payments. That was the thing above all others they always paid. They gave up their automobiles and gave up everything else, but they kept up the electric payments.

That demonstrates, I think, how the farmer feels about electricity. What would we, the whole United States, think if we were now required to go without electricity? If we were building a house to rent in the city, we know it could not be rented unless electricity were provided. Electricity under our civilization is no longer a luxury. It is a necessity. The farmer thinks just as much of it as does the man who dwells in the city. In the end the farmer is the best customer, because he needs it for all the purposes for which the city dweller needs it, and in addition to that he needs it and utilizes it for many other purposes for which the city dweller has no use whatever.

The farmer saws his wood, separates his cream, fills his silo, pumps his water, and in many instances milks his cows by electricity. That means that the farmer, when he once has electricity installed and uses it, thinks more of it than anything else he has on his farm. Would not any of us? Are we going to say to the farmer, "You cannot have this modern element of civilization that everyone else insists on having. You must go without it. Yet you toil and produce the food that keeps us all. You are the foundation of the pyramid, but to you we will deny this luxury, if it may be called such, this modern necessity of human existence."

Our civilization demands it. I think it is strange that in America, where we boast of being the leading nation of the world, looking after the happiness and comfort of our people, we have neglected to electrify the farms. Our farms are electrified to an extent far below almost any other country in the world.

I shall be able to show and expect to show before the discussion is concluded that in that respect the United States is away behind the procession of nations. Even Japan and Italy, and almost all the countries on the face of the globe, are away ahead of us in the electrification of farm homes.

There is a clause which permits the administrator, in case payment is not made, to foreclose and take title. He can even operate for not to exceed 5 years and dispose of it as soon as he can. I hope that particular provision of the bill may never have to be enforced, but it is necessary. There must be something in the law that will provide for the proper penalties when nonpayment occurs, if it should occur.

Inasmuch as these organizations must operate under the State laws of the different States, it is difficult to so phrase the language as to cover the situation. There are hardly two cases exactly alike. They must operate under the laws of the different States where the laws vary. These laws must control and the organizations must conform to the State laws, so that our language must be general if we are going to have the organization succeed at all. If the administrator is a crook, the whole thing will fail. That is true of everything else in the country. If those who administer the laws do not exercise the proper care and have not the proper wisdom, then the scheme will fail. If they are the proper men and exercise the proper skill, then, in my judgment, there will be no doubt whatever of the financial success of the entire undertaking.

Let it be understood, too, that there is no gift anywhere in the proposed measure. Everything is to be paid for. My opinion is that with even the low rate of 3-percent interest the Government will not only come out whole but will make a small profit despite all the losses it may be called upon to sustain.

One criticism made of the bill by the private power companies in the letter which has been sent to all Senators is that the bill authorizes an appropriation of $5,000,000 every year for the handling of the business, for the administration part of it, to pay the salaries of officials and their expenses. It is said that money is paid by the taxpayers. That is true. Shall we require the farmers to pay the salary of the Administrator? Do we require the railroads to pay the salaries of the members of the Interstate Commerce Commission? Do the States require the public utilities to pay the salaries of the public-utility commissions in the different States? The United States and the different States comprising it have a thousand administrations of different kinds to administer the laws of the country, and their salaries and expenses are paid out of the general fund in the Treasury. Why should the farmers of America be an exception to that rule? Why should we ask them to pay the expenses of administration when we ask it of no other class of human beings in the United States?

Section 8 of the bill is the one which gives the President authority to take the entire Rural Electrification Administration now existing and turn it over, under this measure, to the officials provided for under the bill. Of course, it is believed—I think there is no doubt about it—that if the bill passes, the present Administrator of the existing Rural Electrification Administration will be appointed under this measure, and the whole administration will be bodily transferred, so that the execution of the new law will commence with a complete organization of the facilities now existing; and the President is given authority to make that kind of an order. The President established the Rural Electrification Administration now in existence by order no. 7037, dated May 11, 1935; and he is given authority to transfer that organization over to the organization to be created under this proposed law. The bill provides:

> The President may transfer to the Rural Electrification Administration created by this act the jurisdiction and control of the records, property (including office equipment), and personnel used or employed in the exercise and performance of the functions of the Rural Electrification Administration established by such Executive order.

Section 9, I think, is a very important section.

Mr. McNARY. Mr. President——

Mr. NORRIS. I yield to the Senator from Oregon.

Mr. McNARY. I commend the Senator for that portion of the language of section 9 which is found in lines 18, 19, and 20 on page 6, namely:

No political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency.

I recall that a year or more ago the Senator from Nebraska, in a very earnest speech, advocated language of this kind in another bill.

Mr. NORRIS. Yes; I did.

Mr. McNARY. But I do not know why the words in italics are in there, because they remove from the civil-service laws, which we have found to be effective and to promote efficiency, the group that may be employed by this Administration.

Mr. NORRIS. Let me say to the Senator that the language as I introduced it did not contain the words in italics. That is a committee amendment which was put in on the recommendation of one of the attorneys, who said it was copied from the Tennessee Valley Act. I consented to its going in, because I think the other members of the committee felt just as I did, that if the provision was in that act, it had been tried and worked and found all right; and therefore we put it in. I looked up the Tennessee Valley Act after the bill had been reported, for I had doubt about the provision being there. I had not any recollection of its being there; so I got a copy of the Tennessee Valley Act, and looked it over, and found the provision was not there. When we come to act on the amendments, therefore, I am going to ask the Senate to reject the proposed committee amendment. I do not think it has any use or any application there.

Mr. McNARY. I am very happy to hear the Senator make that statement. I recall that in the consideration of some legislation on the floor of the Senate in which the able Senator from Nebraska participated, when an effort was made along this line, he did exempt some of the experts, engineers, and lawyers from the salaries paid under the Classification Act; but to exempt all these employees bodily from the provisions of the civil-service laws would be more or less to work a destruction of that legislation.

Mr. NORRIS. I think it would have a bad effect.

Mr. McNARY. I thank the Senator.

Mr. NORRIS. Of course, it would not be doing anything I should want to do if this last language were necessary; but I think it is entirely unnecessary. The language in section 9, with the exception of the committee amendment, is copied, as I remember, verbatim from the Tennessee Valley Authority Act. It has worked exceptionally well. I took quite an interest in that particular part of the Tennessee Valley Act to see how it would work, because it was something new. It had not theretofore been put in any statute of the United States, so far as I know, and we started out with it there.

The members of the Tennessee Valley Authority tell me that has been one of the most beneficial parts of the act. It has enabled them to keep their organization above and free from politics. It has brought censure to them. They have been severely criticized and condemned, sometimes even by Members of the Congress; but they have adhered to the policy laid down in that part of the act, I think, in good faith, from the beginning until now. One member of the board told me, in a conversation I had with him 6 months ago of such a matter, that if it were not for that provision in the Tennessee Valley Authority Act he would resign. He said, "I am not going to be part of a machine that is run by politicians. I wish to organize a machine that is based entirely on efficiency. We have done it. We have always been able to refer to this particular law, and we have enforced it."

The particular Administration we are talking about and which, if this bill shall be passed, undoubtedly will have control of the enforcement of the law, is entirely free, so far as I know, from politics of any kind. There has been no partisan influence anywhere in the Rural Electrification Administration, so far as I know. Personally I have had considerable to do with the different officials in that organization. I do not know the politics of a single one of them. The organization is entirely free from politics. That is the way its members are operating, without any law to that effect. So far as I know, there has not been any attempt on the part of anybody, in Congress or out of it, to induce them to deviate from their rule of basing their entire organization upon efficiency, without regard to politics.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. McNARY. The Senator very graciously agreed to remove from the bill the language referring to the civil service and the Classification Act. I now wish to call his attention to page 7, line 15; the language in italics and in brackets—

Including expenditures for personal services.

In my judgment, that language gives the Administrator authority to pay any amount of money he desires in the way of compensation to anyone, which would be wholly inconsistent with the language of section 9. I call the Senator's attention to that matter with a view to its consideration when we finally take up the amendments to the bill.

Mr. NORRIS. Let me say to the Senator that the amendment commencing on line 14 and ending on line 21 of page 7 is an amendment which was put in by the committee upon the request of somebody connected with the Rural Electrification Administration, and it was stated that it was the usual language put in legislation.

I did not look it up to see whether or not that was true, but I have no doubt it was true. We have been putting similar provisions into various laws. Personally, I do not think that amendment is at all necessary; and yet, since we have put it into other laws, I see no reason why we should not put it into this one.

Mr. McNARY. I am not sure about the insertion of the amendment in any other act; but the language—

The Administrator may make such expenditures (including expenditures for personal services * * *) as are appropriate—

Would give him a very large range in fixing the wages and compensation of all those concerned with the administration of this bill.

Mr. NORRIS. Yes; it would.

Mr. McNARY. Then, if that is true—and that is my conception—the language is wholly inconsistent with the civil-service provision which the Senator wishes to strike out in section 9.

Mr. NORRIS. I do not see that. The Administrator would have to do that in accordance with section 9, I should think.

Mr. McNARY. If the language in italics in section 9, referring to the Classification Act, should go out, certainly the language in brackets in the following section should also go out.

Mr. NORRIS. That would take out all of it clear down to the world "binding" in line 20.

Mr. McNARY. No; I am just asking for the striking out of the language "including expenditures for personal services", so that the Administrator could not go beyond the Classification Act in fixing salaries and wages; that is all.

Mr. NORRIS. I understand that the words "including expenditures for personal services" might include a hotel bill, or something of the kind. They might include the hiring of an automobile. They might include anything of the kind. If that language were excluded, there might be doubt about the Administrator being able to provide for such an expenditure.

Mr. COUZENS. Mr. President, will the Senator yield in that connection?

Mr. NORRIS. Yes.

Mr. COUZENS. I think the Senator will discover that the language referred to by the Senator from Oregon will be found in the classification act dealing with employees.

Mr. NORRIS. I cannot understand why the words "including expenditures for personal services" would have the

effect suggested. If I am wrong about it, I should like to be corrected, but if I understand the language, it means just what I have stated, and if we strike that out a man could not pay his hotel bill.

Mr. McNARY. Oh, yes; because traveling expenses are provided for in line 17. I am not asking that the amendment be made at this time. I call the attention of the Senator to it so that he may think it over before tomorrow.

Mr. NORRIS. I shall be glad to do that. I wish to say to the Senator from Oregon and to other Senators that I invite any amendment which might be helpful. I realize, however, that the language we have used in giving power to the Rural Administrator is general, and I think when we reflect on it we will agree that it must be made general. Much as it might be desirable to make it more specific, it will have to be general.

Senators should remember also that the language will not be in effect forever. We know now, I believe, as well as we can know, just who the Administrator will be and who will be in the organization when it shall be started. The organization has been running without such a limitation so far, and I think it has been wonderfully successful.

I desire to return to the part of section 9 to which I was about to refer when the Senator from Oregon interrupted me. Not only must all promotions of officials and employees be made without regard to political test or qualification, and on the grounds of efficiency and merit, but it is provided—

If the Administrator herein provided for is found by the President of the United States to be guilty of a violation of this act—

The word "act" there ought to be made "section"—

he shall be removed from office by the President, and any appointee or selection of officials or employees made by the Administrator who is found guilty of a violation of this act shall be removed by the Administrator.

Section 10 provides that the Administrator shall report every year to Congress.

By section 12 the Administrator is authorized and empowered to extend the time of payment of interest or principal. That is criticized, but it seems to me only fair that he should be given the authority to extend the time of payment in case some great catastrophe should happen, such as has happened in the past, making it almost necessary for such an extension to be made.

There is attempted a definition of rural area. It—

Shall be deemed to mean any area of the United States not included within the boundaries of any city, village, or borough having a population in excess of 1,500 inhabitants.

The limit of 1,500 is an arbitrary selection. I do not know whether it is right or not. It strikes me as being fair, but it may be that the number should be smaller, or that it ought to be larger.

It is provided also that "such term shall be deemed to include both the farm and the nonfarm population thereof." It will often be found, in laying out a district which is to be electrified, that some of it standing alone does not have sufficient density of farm population to warrant the installation of an electric distribution system.

We must concede to start with that there are portions of the country which cannot be benefited by the proposed electrification, but the idea is that in mapping out the territory and organizing the districts the Rural Electrification Administration shall so far as possible include some of the territory which, standing alone, would not have sufficient density of farm population with other territories that would have a greater density of population than would be necessary in order to get some skim milk with the cream so as to make it on an average a self-liquidating proposition. One of the objections to the limited electrification which private power companies have installed is that they have taken just the cream; they have taken only the best and left the other out. It is going to be the idea of the Rural Electrification Administration to include just as much of the lean territory as can be included.

Another thing about the general authority that is given to this rural electrification I am reminded of now, and this exemplifies it. We must give to the Administrator a very wide discretion in carrying out the plan I have just suggested. We cannot lay down a hard and fast rule as to just how much density of population there shall be or in how much of a compact territory it will be, because there will be some places where by reason of extreme density of farm population they will be able to take in a comparatively large area of country where the population is not dense and thus give the benefit of the rural electrification to as many farm people as is possible.

FLOOD CONTROL IN NEW YORK STATE

Mr. WAGNER. Mr. President, I ask unanimous consent that the Senate proceed to consider the bill (H. R. 9062) authorizing the War Department to make a preliminary examination of Esopus Creek and its tributaries in New York, looking to flood control. The people in that section of New York State have suffered from floods in recent years, and the bill provides merely for a preliminary examination and a report.

Mr. McNARY. Mr. President, I understand the Senator is referring to a House bill.

Mr. WAGNER. It is a bill which has been passed unanimously by the House of Representatives and reported unanimously by the Commerce Committee of the Senate.

Mr. McNARY. The emergency consists in the fact that the engineers are on the ground?

Mr. WAGNER. The engineers are now in the territory affected, and this would complement their efforts.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

There being no objection, the Senate proceeded to consider the bill (H. R. 9062) authorizing a preliminary examination of the Esopus Creek and its tributaries of Birch, Bushnelville, Woodland, Warner Bushkill, and Beaverkill Creeks; Sawkill, Rondout, and Neversink Creeks, Ulster County; Schoharie and Catskill Creeks, Greene County; Neversink, Beaverkill, East Branch of Delaware, Willowemoc, and Lackawack Rivers, Sullivan County; Schoharie Creek and its tributaries, Schoharie County; all located in the State of New York, with a view to the controlling of floods, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a preliminary examination to be made of Esopus Creek and its tributaries of Birch, Bushnelville, Woodland, Warner Bushkill, and Beaverkill Creeks; Sawkill, Rondout, and Neversink Creeks, Ulster County; Schoharie and Catskill Creeks, Greene County; Neversink, Beaverkill, East Branch of Delaware, Willowemoc, and Lackawack Rivers, Sullivan County; Schoharie Creek and its tributaries, Schoharie County, all located in the State of New York, with a view to the control of floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River, and the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

IN THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. ROBINSON. Mr. President, at the request of the chairman of the Committee on Military Affairs, the Senator from Texas [Mr. SHEPPARD], I ask that the Army nominations be passed over.

The PRESIDING OFFICER. Without objection, the nominations in the Army will be passed over.

Mr. McNARY. Mr. President, does that include the promotions in the Army?

Mr. ROBINSON. Yes; all the Army nominations.

DEPARTMENT OF JUSTICE

The Chief Clerk read the nomination of Robert H. Jackson, of New York, to be Assistant Attorney General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COAST GUARD

The Chief Clerk read the nomination of Lt. Comdr. Henry Coyle to be commander in the Coast Guard.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE MARINE CORPS

The Chief Clerk proceeded to read sundry nominations for promotions in the Marine Corps.

Mr. McKELLAR. I ask that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock tomorrow.

The motion was agreed to; and (at 4 o'clock and 30 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, February 26, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 25 (legislative day of Feb. 24), 1936

ASSISTANT ATTORNEY GENERAL

Robert H. Jackson to be Assistant Attorney General.

COAST GUARD OF THE UNITED STATES

Lt. Comdr. Henry Coyle to be commander.

PROMOTIONS IN THE NAVY

MARINE CORPS

Samuel C. Cumming to be lieutenant colonel.
Samuel K. Bird to be captain.
Edwin C. Ferguson to be captain.
Martin S. Rahiser to be captain.
Frank J. Uhlig to be captain.
Adolph Zuber to be captain.

POSTMASTERS

ARKANSAS

Thomas C. Hagins, Fordyce.

DISTRICT OF COLUMBIA

Vincent C. Burke, Washington.

GEORGIA

Claude M. Proctor, Summit.

ILLINOIS

L. Janet Merkle, Brocton.
Loy Bagby, Olmsted.
Mary J. Sheridan, Thomson.

NORTH DAKOTA

Genevieve Gregor, Dawson.
William C. Ney, Max.
Clarence B. Stinson, Warwick.

OREGON

Margaret M. R. Calendine, Cascade Locks.
Thomas B. Hoover, Kinzua.
Mary A. Hollister, North Bend.

SOUTH CAROLINA

Samuel Oscar Capell, Easley.

SOUTH DAKOTA

Sylvester Eisenman, Marty.

TENNESSEE

Joel F. Ruffin, Cedar Hill.

TEXAS

Antonia R. Garcia, Benavides.
Edith M. Bursey, Brackettville.
Whittaker Downman Bains, Brookshire.
Eugene Webb, Corrigan.
Clara C. Redford, Johnson City.
Joseph F. Wiles, Olton.
Charles B. Myers, Poteet.
Andrew J. Bushong, Rankin.
Frank P. McCabe, Rio Hondo.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 25, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, we lay our prayer on Thy altar; Thy heart is with those who need divine love, sympathy, and restraint. "Like as a father pitieth his children, so the Lord pitieth them that fear him." We pray that our aspirations may go out for that freedom which comes from knowledge, from virtue, and from faith in God; may we become more heroic in the things that make for righteousness and truth. Direct us in our demeanor that these may abound in word and deed. Forbid, gracious Lord, that we should ever be false to duty and false to ourselves. O Holy Spirit, enable us to stand for those fundamental elements which tend to build us up in self-denial, honor, fidelity, humility, and love, and Thine, through Christ, shall be the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Crockett, its Chief Clerk, announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 3978. An act relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity; and

S. J. Res. 217. Joint resolution postponing the effective date of certain permit and labeling provisions of the Federal Alcohol Administration Act.

THE LATE ALBERT C. RITCHIE

Mr. GOLDSBOROUGH. Mr. Speaker, a great man has passed out of the life of this Nation. Ex-Governor Albert C. Ritchie, of Maryland, was not only an outstanding personality in his State but an outstanding figure in the entire Republic. Wherever the distinguished men of the United States were spoken of, Governor Ritchie's name was mentioned prominently and honorably.

The Maryland Members of the House of Representatives of the United States each feel a deep personal loss at the passing of Governor Ritchie and ask unanimous consent that this memorial may be embodied in the permanent RECORD of Congress.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

AMERICAN HIGH COMMISSIONER FRANK MURPHY

Mr. RABAUT. Mr. Speaker, I rise at this time to ask unanimous consent to place in the RECORD remarks concerning an official function of the Philippines at Malacanan Palace, and a speech by the honorable President, Manuel L. Quezon, in honor of the American High Commissioner, Frank

Murphy, of Michigan, that distinguished statesman who even in recent days has been complimented by the American press as a shining example for others to follow, because without blast of trumpet he goes about his task performing in a most humanitarian way the duties before him, meriting the praise and the eulogy of the President of the Philippine Islands.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by President Quezon, of the Philippine Islands, in praise of High Commissioner Frank Murphy:

Mr. High Commissioner, gentlemen, I feel genuine pleasure in having as guest of honor tonight the United States High Commissioner to the Philippines. He is the representative of the President of the United States and the symbol of American sovereignty in our country. As such he merits the highest regard and distinction from this Government, as well as the friendliest sentiments from our people.

But this occasion is doubly significant to us, for as we honor the office of High Commissioner we are paying personal tribute to its present incumbent, one of our best friends and benefactors, our former Governor General, Frank Murphy. He has brought to that exalted post proved ability, tact, and character. To him we owe much for the laying down of the constitutional foundations of the Commonwealth in an expeditious and orderly fashion. Without his wise counsel and continued support, our new Government might not yet have been inaugurated, nor would such inauguration been held under so favorable auspices. We are indebted to him also for the high standards of efficiency and integrity which he upheld in our government, for his interest in awakening the public conscience to the most elemental claims of social justice, and for the example in simple living and public spiritedness which he has given us since his assumption of the duties of Governor General.

His deep and abiding sympathy for our aspirations, moved by his great love for liberty and the right of the people to rule themselves, has likewise been an encouragement to us. I trust that his faith in our people will be justified. Our nation has chosen the road to independence. That decision was made with full knowledge of the sacrifices and difficulties that must be met. We are following that road with determined and firm tread. There will be no turning back.

The success of the Commonwealth Government will depend in great measure upon the sympathetic attitude and broad understanding of the United States High Commissioner. I feel that President Roosevelt could not have appointed to this office a man possessing more of the quality needed to successfully discharge its duties than the Honorable Frank Murphy. I look forward during my whole administration to maintaining with the United States High Commissioner a relationship that shall be characterized at all times by harmony, friendship, and mutual confidence and respect. I have no doubt that as long as the Honorable Frank Murphy holds that post—and I hope it will be for many years—our relations will also be marked by an intimate cooperation in safeguarding the legitimate rights of sovereignty of the United States in the Commonwealth and in insuring the welfare, happiness, and liberty of the Filipino people.

I wish to relate on this occasion our faith and trust in the United States, and to voice once more our profound gratitude for the policy of altruism and unselfishness it has pursued in our land. We are also thankful to the present administration in Washington and to the Congress which have done so much to bring a speedy and successful accomplishment of America's noble enterprise in the Philippines. President Roosevelt has not only afforded us every facility to carry out the different processes leading to the establishment of our present Government but in every instance has shown solicitude to promote the just interests of our people. It may be hoped that under his leadership our trade relations with the United States will be adjusted in a manner that will give us a fair opportunity adequately to prepare ourselves for the conditions that will obtain when we shall have become independent.

With this in view, the holding of an economic conference between representatives of the United States and the Philippines has been engaging the attention of the Government in Washington for the last few months. This Government is looking forward to the calling of this conference on a date which Washington may consider most propitious. This conference might survey the whole field of American-Philippine trade to determine the inequalities in our present relationship resulting from the provisions of the Independence Act, and also whether under the economic provisions of said act it is feasible to carry out the object of said provisions and the aim of Congress, namely, to readjust our economy prior to the complete severance of the political relations between the two countries. Agreements reached at this conference either to cure inequalities or to make the provisions of the independence law more in keeping with their purpose will receive the support of this Government.

It is hardly necessary to point to the importance of this economic conference for the Philippines. The Government has been preparing the necessary data for the use of our conferees and will be ready to cooperate with the representatives of the United States to the end that we may establish a trade relationship that will redound to the lasting mutual benefit of the two countries.

This Government is facing problems of extraordinary complexity and far-reaching importance. These problems include not only those which confront all new governments but more particularly the preparation of the Philippines for free nationhood. First among these is the question of national security. For this reason, it has been the first concern of our Government to organize and gradually build up a system of national defense. While during the next 10 years the Philippines will continue under American sovereignty and may look to the United States for its defense, we have undertaken this task despite the considerable cost that it will entail upon our finances, because we wish to share with the United States the responsibility of our national defense and thus in some way lighten the burden which it has assumed in our behalf.

We are watching with profound interest developments in Europe looking to the strengthening of the instrumentalities of peace, especially the efforts of the League of Nations to end ruthless aggression. These efforts merit our deepest sympathy. The neutrality policy of the United States as declared by Congress and elaborated upon by President Roosevelt in his last message to that body will have the whole-hearted support of this Government. As all the other countries of the world, the Philippines crave for security and the opportunity to live unmolested and free.

A proper solution of our many problems demands not only the highest degree of statesmanship and willingness to sacrifice individual interest but also the cooperation of the United States, which can be made possible through the intimate collaboration by the High Commissioner with our Government. We are, indeed, fortunate that with the Honorable Frank Murphy occupying that post we shall be assured of that collaboration.

Gentlemen, I ask you to rise and drink the health of High Commissioner Frank Murphy, the trusted friend of the Philippines.

LEGISLATIVE AND OTHER NEEDS OF NEW ENGLAND

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech recently made by Senator E. W. GIBSON, of Vermont.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following speech delivered on February 13, 1936, by Hon. E. W. GIBSON, Senator from Vermont:

My ancestors have lived and labored in New England for nearly 300 years. I am, therefore, deeply interested in all that pertains to the welfare of that section.

In the short time allotted me it is possible to mention only a few phases of our agricultural, manufacturing, and industrial life which need attention. Lack of time prevents more than mere suggestions as to what should be done.

The economic history of New England reveals a story of continued and unselfish help to other parts of our country. We have given to the Nation men and women who have become leaders in thought and action; we have given generously of our resources to build up the business and agriculture of the West and South. The time has arrived when we must look to our own advancement.

NEW ENGLAND SHIPPING

Let us consider our needs as to shipping. This is a matter of more than local or regional interest. There was a period when shipping was one of our chief business activities. The shipyards of Maine were known around the world. Sails of the ships of Massachusetts knew the breezes of the seven seas. * * * All this has changed. On the North Atlantic seacoast there are seven major, or class A ports; these are the natural gateways of that great industrial and commercial area of the United States lying east of the Mississippi and north of the Ohio. This territory is by far the most important part of our country from the standpoint of population, industry, and railroad tonnage. It contains more than half of our country's population; produces nearly three-fourths of its manufactured products, and through its principal ports flow 51 percent of its foreign commerce. Because of this concentration of population, of industry, and commerce, the seven great seaports of the North Atlantic represent interests of the highest national importance. To fully appreciate their value, assume that some upheaval of nature should cause them to disappear. What would become of the population in this great commercial and industrial structure of the eastern territory?

Yet, insofar as foreign trade is concerned, three out of seven of these ports have disappeared to all intents and purposes by reason of the lack of a far-sighted national transportation policy. I refer to the ports of Portland, Maine; Boston, Mass., and Providence, R. I.

We have reached a condition where, at the present time, there is no regular transatlantic steamship services out of Portland or Providence, and the facilities out of Boston have been curtailed to such an extent as to be inadequate for, and prejudical to, the interests of New England.

In contrast, the South Atlantic and Gulf ports have been developed by adequate steamship services furnished them by the

former United States Shipping Board. The control of such shipping has been given to operators whose interests are identical with those of the ports and territories served.

Good shipping facilities build up a seaport, and add to the general prosperity of its immediate section. We have helped the ports of New York, Baltimore, Norfolk, and Philadelphia, and by so doing have injured our own.

The New England railroad and water transportation agencies are in the hands of carriers primarily interested in routing water traffic through ports other than our own. In fact, the control of the principal railroad and steamship lines serving our ports rests in the hands of the Pennsylvania and New York Central Railroads. It is common knowledge that these two railroads center their competition, not in New England but to the south and west of it, and are apparently indifferent to our traffic problems. A recent survey by the United States Department of Commerce discloses that over 66 percent of the exports originating in New England, and over 50 percent of our imports move by way of the port of New York, and only 13 percent by way of Boston.

Our ports were formerly used extensively for traffic destined to or moving from Canadian points. Legislation enacted in 1926 by the Canadian Government caused this commerce to be restricted exclusively to its own ports, yet our traffic moves through Canadian ports in great volume.

In my opinion, the reciprocal trade agreement which the United States recently entered into with Canada works an injury to New England. However, it may be that some advantage will result in connection with shipping because of this agreement, for it is expected that a considerable volume of Canadian traffic will now move through New England ports.

It is a matter of record at the State Department that for years over 20 percent of all passports issued have been to New Englanders. Great numbers of our people find it necessary to sail from New York, Montreal, or Quebec because of inadequate services from Boston, Portland, and Providence. In view of this situation it is clear that the only way we can regain the place that our importance justifies is for New England to recover control of our railroads and to establish adequate steamship services under the American flag to all quarters of the globe. The Department of Commerce can help us if it will. It has the ships. It has the funds for operation. The volume of traffic exists. We must battle for the interests of our homeland. No one will do it for us.

Let me sound a warning. We must beware of those who shout for loyalty from the housetops and at the same time work under cover to prevent a solution of our problem. I am referring to those who direct their energies at the behest of interests foreign to and outside of New England. Such services should be controlled by the people who are loyal to and sincerely believe in developing our section.

Another thing in connection with shipping: the conferences of steamship operators assume to dictate into which port a ship may go. If a ship wishes to operate out of Providence, it must first gain the consent of a conference of the shipowners. These conferences can, and do, dictate as to the ships that can go into any harbor, and are today boycotting or limiting service to certain American ports by the votes of foreign shipowners. One conference has a membership of 17 foreign owners and only 1 American. A monopoly can, and does, absolutely dictate the course of foreign shipping. It is one of the agencies that throttle New England.

There is pending an amendment to the ship-subsidy bill providing that it shall be unlawful for any common or contract carrier by water, either directly or indirectly, through the medium of an agreement or conference, to attempt to prevent any such carrier from serving any port designated for the accommodation of ocean-going vessels.

This amendment should have the hearty sanction of every New England Member of the Congress.

MAPLE SUGAR

I have said the trade agreement with Canada works an injury to New England. Let me illustrate: Maple sugar is one of the chief agricultural products of Vermont. Its commercial value for 1935 is estimated to be $2,026,000.

In 1930 I secured a reasonable tariff rate of 8 cents a pound on sugar. This afforded ample protection against Canadian competition with low costs of production.

Before this rate went into effect a New York importer, acting, it was claimed, for a great industrial concern, a consumer of maple sugar, brought a petition to the Tariff Commission, and through efforts on the part of two secretaries of former Presidents as attorneys, got the rate reduced to 6 cents a pound.

Now comes the reciprocal agreement reducing it to 4 cents, one-half of the 1930 rate fixed by Congress. This is a rate that encourages competition that cannot be met, and it is a hard blow for the Vermont farmer. His only salvation lies in an adjustment of the tariff rate.

OUR MONEY

Prior to the depression the banks of Vermont had $50,000,000 of money, earned by hard labor of our people, invested in developing the farms of the South and West; and many other millions invested individually and through the medium of insurance companies. This money should have been put to and kept at work to develop our home section. Let the State legislatures of New England see to it that our people are protected against losses by a similar condition when prosperity returns and we have money to invest.

TEXTILES

Our great textile industries are at low ebb. We need ample tariff protection for these products. We have lost our markets. Let me point to an example. In the fall of 1934, when I made an investigation of economic conditions in the Philippines as a member of the President's Commission, the Philippines was our best customer for cotton cloth, bleached and unbleached, taking 70 percent of the import, while Japan furnished 30 percent. In 1935, when I was again in the Orient, these percentages were just reversed. Japan, through low labor costs, had captured our best market right under the American flag. Thousands of American textile workers at home were kept from earning their living while Japanese workers were employed full time. We cannot compete with the Japanese. Our only practical safeguard is sufficient tariff protection.

There has been introduced in Congress the so-called Ellenbogen bill, which proposes hindrances under which our textile manufacturers cannot live. Its provisions are intolerable and unworkable, and will tend to a loss of capital investment, unemployment, and widespread misfortune. It is no time to further hamstring the industry.

OUR RAILROADS

We are concerned with the maintenance of a home-controlled railroad system of transporation. It will be conceded, of course, that the railroads must continue to be our principal reliance for this essential of our business prosperity.

I recognize the justice of their demands for equality in the matter of taxation, regulation, and subsidies; since they are carefully regulated their competitors should also be regulated. In the matter of supervisory and restrictive laws other methods of transportation should be subjected to the same treatment as our railroads.

MILK

Rural New England is a great dairying section. It is essential that the farmers be prosperous. To be prosperous they must get a reasonable price for milk. The farmer is at the mercy of the middleman and the distributor unless he is protected. He should be assured of a minimum price that will pay for his labor, his overhead, and return a reasonable profit. It is his business. He puts in the capital necessary and the labor. The farmer is the one to be looked out for, not the groups that are manipulating the farmers' products for selfish ends. Any other solution means ruin eventually for the farmer, and his ruin means disaster for New England.

A new milk-marketing agreement for the Greater Boston sales area containing a complicated schedule of minimum prices for producers became effective February 9. The guaranteed class A price to producers ranges on a downward scale from $3.42 per hundredweight for milk delivered from a plant of an association of producers to a handler's plant within 40 miles from Boston to $3.09 for milk sent from a producers farm to a handling plant outside the 40-mile radius with a deduction of freight costs from the delivery point to the dealer's plant in the market area.

This represents an increase of approximately 44 cents per hundredweight in price to producers above those prices contained in the license which the order supplants.

This order was tentatively approved by the Secretary of Agriculture on January 18 last and is now before the President for his approval.

AIR MAIL

We need air-mail extensions for northern New England. The Boston-Burlington route should include St. Johnsbury and other towns and a new service established from Springfield, Mass., north through to Burlington. I have reason to believe that the Post Office Department will look with favor upon such a route.

NEW ENGLAND

The people of New England should wake up and fight for their interests. If we have any Member of Congress who cannot do so wholeheartedly, he should step aside for someone who will.

A New England bloc in Congress—who is afraid of it? Other sections get results through unity of action, and we help pay the bills. Let us rally to the defense and protection of our homeland.

I agree with Governor Brann, as he recently stated, that "New England should cement itself into a live unit for its own advancement."

We must keep alive the good old spirit that makes us great. By the application of the old virtues of thrift, frugality, economy, and individual initiative we can once more become the leader and save this Nation of ours.

GEORGE WASHINGTON, AMERICAN

Mr. COLDEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address by my colleague, the gentleman from California [Mr. BUCK], on Washington's anniversary.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COLDEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by my colleague, Hon. FRANK H. BUCK, of California, at Alexandria, Va., on February 22, 1936, to the

members and guests of Alexandria-Washington Lodge, No. 22, A. F. and A. M., on the occasion of their exercises commemorating the two hundred and fourth birthday of George Washington:

May I first express the deep appreciation which I feel of the honor that you have conferred upon me in asking me to be present and participate in your celebration of the birthday of the Father of his Country? No words of mine can add to his greatness; no portrait that I could paint can extol his reputation or make more secure the place that he holds in the hearts of his countrymen, least of all here in Alexandria—

"Where Washington hath left
His memory
A light for after times."

But it is well to recall that memory; it is well to consider briefly the career and the acts and the impulses that made him the first American and which have continued to enshrine him in the hearts of his countrymen. Let us then inquire into the sources of his power and his influence, his own attributes that made men acknowledge his leadership cheerfully, and into the results that came from that influence and power.

His great versatility is the outstanding characteristic of George Washington—surveyor, engineer, explorer, farmer, businessman, military leader, statesman, and President of the United States. In all these vocations and avocations he succeeded. He applied to each one of these occupations that common sense and ability and that tireless energy which marked his whole career. He took literally that splendid injunction which centuries ago David gave to Solomon: "Whatsoever thy hand findeth to do, do it with all thy might." How many of us today would profit by following half as well as our first leader did that injunction?

Without doubt the noble qualities which the world came to admire were developed as the result of the early training and hardships which he underwent in his surveying trips and in his military experiences in the French and Indian War. Blessed with hardheaded common sense, he learned there the necessity of discipline; he learned the difficulty of arousing the plainer types of citizens—yes; even those on the frontier—to be patriots, or even to be defenders of their own property. With State, and even county, loyalty more or less imaginary, with the militia irregular, with the commissary inadequate and depending on disunited action, he learned the vital importance of that united effort which he took the lead in later translating into the Union of the States.

His early exploration taught him the value of what was then the West, and taught him above all to oppose sectionalism at any cost. He was the first to advocate the linking of the Mississippi Valley with the Atlantic coast. He advocated extension of the Virginia rivers from tidewater to inland navigation and a canal connecting Lake Erie with the Hudson River. His was a firm belief in the development of the resources and commerce of the Colonies, but not as several and separate units. His was a truly national view.

The value of this viewpoint was demonstrated by his conduct of the Revolutionary War. Of course, there were conflicts and jealousies between the several Colonies; of course, there were efforts to unseat him from the central power of command; but always, because of the purity of his character, because of the fact that he was not an agitator, because of the self-sacrifice that he was willing to make for public service, and because of his firm and assured persistency, his words and actions inspired the confidence that was necessary to hold together the ofttimes discouraged and never well-prepared colonial forces.

I have said that he was no agitator, and, while he took an active part in political life, he was not an orator. His work was not done on the rostrum or through pamphlet or press; nevertheless, he was the man of whom Patrick Henry said:

"If you speak of solid information and sound judgment, Colonel Washington is by far the greatest man on the floor."

It is not my purpose to review in detail the life history of George Washington, nor to carry you with him through the struggles of the Revolutionary War. Your own memories will supply a recollection of the trials and tribulations over which the spirit of George Washington rose triumphantly. Nor was it only foreign foe that he had to fight; indifferences, jealousy, and intrigue at home were also to be overcome. The way of a man who fixes his eyes on the stars is a hard way. Aye—

"Be thou as chaste as ice, as pure as snow, thou shalt not escape calumny."

And under calumny he suffered. But his spirit of public service and devotion to the common weal was so great and so strong that eventually and permanently it has shaken off and overcome all attacks that have been directed against him.

Probably the greatest work he accomplished for the benefit of posterity was securing the adoption of our Federal Constitution. No one can deny that Washington's efforts were by far the most influential in securing public approval of that document which, however much we have changed it in the past and however many times we may change it in the future, will still remain the guardian of our liberties. By this work he made the rights of man so eloquently described and preached by another great Virginian—Thomas Jefferson—a reality. The necessity of a central government for the States was clearly seen by him and came naturally as the result of that lesson of unity which he had learned during his early and middle life. It is not too much to say that he first practically conceived of the United States as a nation.

One may note in his farewell address the use of the word "American" throughout. One may note there the effort to securely link the scarcely settled West to the Atlantic seaboard. Note, too, the care with which he called the people's attention to the fact that the Constitution must necessarily be an instrument of growth. The people of his day were not constitutionally minded—their problems were still local. They felt that somehow or other the Constitution would execute itself. Even today some of our people feel the same way. But Washington knew that it would not. He knew the care with which the duties it imposed must be executed. Probably his ideal of dispensing with parties in the American Government was too high to be reached; perhaps he did not see the inevitability of differences of honest minds which must exist on all questions of domestic concern. Time and history, however, have vindicated his conception of union and have shown that we may be divided at home in our counsels, but that our strength lies in the fact that we stand united against all attacks from the world at large, seeking no power over others, but intent on defending our own rights.

The truly national view is one that is most difficult to reach. Neither of the leading members of President Washington's first Cabinet attained it; it is neither the commercial view of Hamilton with his solicitude for manufacturers, nor that of Jefferson, with its tender concern and aid for agriculture, but that of Washington who tried to bring both of these together.

In truth, we may well give thanks that there lived in those troublous times one who had learned the lesson of united effort, and who applied that lesson in his actions throughout his life, most especially when called to preside over the Nation's destiny.

It has been said that:

"An institution is the lengthened shadow of a man."

If so, we may well regard our free institutions as the projection of George Washington's shadow into immortality.

Tonight we meet to honor the memory of one whom the world has proclaimed among the greatest. We meet to acknowledge and revere the towering judgment, wisdom, and leadership of George Washington, American.

"Unbounded courage and compassion join'd,
Tempering each other in the victor's mind,
Alternately proclaim him good and great,
And make the hero and the man complete."

CALENDAR WEDNESDAY

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. WHITE. Mr. Speaker, I object.

PERMISSION TO ADDRESS THE HOUSE

Mr. KNUTE HILL. Mr. Speaker, I ask unanimous consent that on tomorrow, after the reading of the Journal and disposition of business on the Speaker's desk, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

COST OF ELECTRIC POWER

The SPEAKER. Under the special order for today the Chair recognizes the gentleman from Mississippi [Mr. RANKIN] for 20 minutes.

Mr. RANKIN. Mr. Speaker, a few days ago Mr. Wendall Wilkie, president of the Commonwealth & Southern, gave out a statement in which he is quoted as saying that if his companies were given the subsidies now received by the T. V. A. they could undercut the publicized T. V. A. light and power rate 25 percent. I am taking the floor at this time to answer that statement and to discuss for a short time the subject of the cost of electric power.

Permit me to say at this time that if President Roosevelt had never done anything else, his effort to bring down the price of electric light and power to the ultimate consumer would perpetuate his name in history as one of the greatest benefactors of mankind. [Applause.]

Every single reduction that has been made in light and power rates within the last 3 years, from Maine to California, has been made as a result of the Roosevelt power policies and the T. V. A. yardstick. I predict that within 5 years the present T. V. A. rates will be the maximum power rates in every congressional district in the United States. The consumers of electric energy are going to demand more decent treatment in the fixing of these rates, and they are going to expect us, their Representatives, to see that they get it.

Let me say to the gentlemen who oppose this policy that you are tampering with the most dangerous and powerful issue now before the country. You are tampering with an issue that reaches into 20,000,000 homes and into every room of those 20,000,000 homes. It reaches into 5,000,000 business houses. Every one of those 25,000,000 consumers have come to realize that they have been grossly overcharged for electric lights and power. Mark my prediction: They may not draw the party line, but, in my opinion, they are going to drive from office those men who oppose these efforts to bring down electric light and power rates and give the people the benefit of this great natural resource at what it is worth.

Mr. Wilkie states, as I said before, that he could sell power for 25 percent less than it is being sold under the T. V. A. rates if he only had the same subsidy. You know, Congress, the Roosevelt administration, and the Supreme Court of the United States have just about "debunked" Mr. Wilkie. In fact they have just about "debunked" all these other propagandists for the power interests. However, he has been so thoroughly "debunked" by his own record that all I need to do is to expose it to the public gaze. Mr. Wilkie is president of the Commonwealth & Southern, a holding company, a bleeding company, that owns the Mississippi Power Co., the Alabama Power Co., the Georgia Power Co., and other power companies that operate in certain Northern States, especially in the State of Michigan, where a few scattered Republicans are promoting the candidacy of a favorite son for the Republican nomination for President.

The record shows that the people of the State of Michigan, the consumers of electric lights and power, are overcharged $34,000,000 a year. If their light and power rates were reduced to the T. V. A. levels, the consumers of electric lights and power in Michigan would save $34,000,000 a year. I suggest that their favorite son let all those millions of electric consumers know where he stands on this vital issue now.

I note that the State of Kansas also has a "favorite son" who is a candidate for the Republican nomination for President, and who seems to studiously avoid the power issue. The people of Kansas are overcharged $9,174,000 a year for electric lights and power. Let this "favorite son" tell the people of Kansas how he stands on the power question. Of course, if he is on the side of the people, the consumers in Kansas who are being robbed through these exorbitant rates, if he takes sides with them, he will lose the support of the Power Trust newspapers that are now boosting him. The Liberty League will quit him cold; Wall Street will forget him. On the other hand, if he is on the side of the Power Trust in this fight, he could not hope to secure the support of the people of Kansas who are thus being robbed of more than $9,000,000 a year.

I understand, too, that Illinois has a "favorite son" who is mentioning himself quite frequently as a candidate for the Republican nomination for President. The people of the State of Illinois are overcharged $58,474,000 a year for electric lights and power. I wonder what this "favorite son" is going to say to them on this vital issue. He cannot hope to carry Illinois without the support of the millions of consumers of electric energy. Yet, if he comes out on the people's side of this issue, he will lose the support of every Power Trust newspaper in the country, and every newspaper that sympathizes with the Power Trust in this fight—except his own.

The State of Iowa has a "favorite son" who seems to desire to be the next ex-candidate for President on the Republican ticket. The people of Iowa are overcharged $12,480,000 a year for electric lights and power. I wonder what he is going to say to them on this subject. If he is with the people of Iowa, it is getting about time he let them know it. If he comes out on the right side of this question, of course, he will lose the support of the Liberty League and all the Power Trust newspapers in the United States. If he comes out on the side of the Power Trust, he could not carry Iowa, even if he got the nomination—even if he should promise to put "two cars in every garage and two chickens in every pot."

The State of Idaho has a favorite son who is seeking the Republican nomination for the Presidency. The people of Idaho are overcharged $2,761,000 a year. Let him speak up and tell the American people exactly where he stands on this all-important issue.

And I see from the Republican press that there is an independent (?) candidate "'way down in Georgia." I wonder where he stands on the power question, or where he is going to say he stands. The people of Georgia are overcharged $9,666,000 a year for lights and power, and the majority of them get no electricity at all, although the T. V. A. is at their door and T. V. A. power is available to them.

In order that other favorite sons may have no alibis, I am giving here the overcharges by States, showing the amount that the people of each State would save if they were getting their electric energy at the T. V. A. rates.

MAINE

Under the T. V. A. rates the people of the State of Maine would save $5,087,000 a year.

NEW HAMPSHIRE

Under the T. V. A. rates the people of the State of New Hampshire would save $3,443,000 a year.

VERMONT AND RHODE ISLAND

Under the T. V. A. rates the people of the States of Vermont and Rhode Island together would save $8,222,000 a year.

MASSACHUSETTS

Under the T. V. A. rates the people of the State of Massachusetts would save $37,184,000 a year.

CONNECTICUT

Under the T. V. A. rates the people of the State of Connecticut would save $14,451,000 a year.

NEW YORK

Under the T. V. A. rates the people of the State of New York would save $125,699,000 a year.

NEW JERSEY

Under the T. V. A. rates the people of the State of New Jersey would save $39,123,000 a year.

PENNSYLVANIA

Under the T. V. A. rates the people of the State of Pennsylvania would save $71,169,000 a year.

OHIO

Under the T. V. A. rates the people of the State of Ohio would save $46,843,000 a year.

INDIANA

Under the T. V. A. rates the people of the State of Indiana would save $19,184,000 a year.

ILLINOIS

Under the T. V. A. rates the people of the State of Illinois would save $58,474,000 a year.

MICHIGAN

Under the T. V. A. rates the people of the State of Michigan would save $34,025,000 a year.

WISCONSIN

Under the T. V. A. rates the people of the State of Wisconsin would save $17,893,000 a year.

MINNESOTA

Under the T. V. A. rates the people of the State of Minnesota would save $14,460,000 a year.

IOWA

Under the T. V. A. rates the people of the State of Iowa would save $12,480,000 a year.

MISSOURI

Under the T. V. A. rates the people of the State of Missouri would save $21,068,000 a year.

NORTH DAKOTA

Under the T. V. A. rates the people of the State of North Dakota would save $2,184,000 a year.

SOUTH DAKOTA

Under the T. V. A. rates the people of the State of South Dakota would save $2,480,000 a year.

NEBRASKA

Under the T. V. A. rates the people of the State of Nebraska would save $7,156,000 a year.

KANSAS

Under the T. V. A. rates the people of the State of Kansas would save $9,174,000 a year.

DELAWARE, DISTRICT OF COLUMBIA, MARYLAND, AND WEST VIRGINIA

Under the T. V. A. rates the people of the States of Delaware, Maryland, and West Virginia, and the District of Columbia together would save $24,870,000 a year.

VIRGINIA

Under the T. V. A. rates the people of the State of Virginia would save $9,600,000 a year.

NORTH CAROLINA

Under the T. V. A. rates the people of the State of North Carolina would save $10,642,000 a year.

SOUTH CAROLINA

Under the T. V. A. rates the people of the State of South Carolina would save $5,567,000 a year.

GEORGIA

Under the T. V. A. rates the people of the State of Georgia would save $9,666,000 a year.

FLORIDA

Under the T. V. A. rates the people of the State of Florida would save $9,141,000 a year.

KENTUCKY

Under the T. V. A. rates the people of the State of Kentucky would save $8,227,000 a year.

TENNESSEE

Under the T. V. A. rates the people of the State of Tennessee would save $9,852,000 a year.

ALABAMA

Under the T. V. A. rates the people of the State of Alabama would same $6,163,000 a year.

MISSISSIPPI

Under the T. V. A. rates the people of the State of Mississippi would save $3,981,000 a year.

ARKANSAS

Under the T. V. A. rates the people of the State of Arkansas would save $4,157,000 a year.

LOUISIANA

Under the T. V. A. rates the people of the State of Louisiana would save $7,401,000 a year.

TEXAS

Under the T. V. A. rates the people of the State of Texas would save $24,912,000 a year.

OKLAHOMA

Under the T. V. A. rates the people of the State of Oklahoma would save $8,639,000 a year.

MONTANA AND UTAH

Under the T. V. A. rates the people of the States of Montana and Utah together would save $6,546,000 a year.

IDAHO

Under the T. V. A. rates the people of the State of Idaho would save $2,761,000 a year.

WYOMING

Under the T. V. A. rates the people of the State of Wyoming would save $1,318,000 a year.

COLORADO

Under the T. V. A. rates the people of the State of Colorado would save $6,405,000 a year.

ARIZONA AND NEW MEXICO

Under the T. V. A. rates the people of the States of Arizona and New Mexico together would save $4,287,000 a year.

NEVADA

Under the T. V. A. rates the people of the State of Nevada would save $1,034,000 a year.

WASHINGTON

Under the T. V. A. rates the people of the State of Washington would save $12,188,000 a year.

OREGON

Under the T. V. A. rates the people of the State of Oregon would save $6,929,000 a year.

CALIFORNIA

Under the T. V. A. rates the people of the State of California would save $53,503,000 a year.

Of course, the people of the various States would save a great deal more than this record indicates if they were getting their power at T. V. A. rates, for the simple reason that they would use more of it. They would also enjoy the use of more electrical appliances, such as refrigerators, water pumps, electric ranges, washing machines, and other labor-saving devices.

Let me suggest to these various "favorite sons" who, as Private John Allen's old Negro once said, are "running for candidate", as well as to the candidates for the House and Senate, that they had better familiarize themselves with this issue and be prepared to answer the American people. The voters, the consumers of electric lights and power, who are paying these exorbitant bills and the millions of farmers who are being denied the use of any electricity at all are going to be like the old Negro who got lost one night in a thunderstorm and was trying to follow a beaten path by the flash of the lightning: He got on his knees in the midst of the excitement and prayed to the Lord to "Gimme less racket and more light." The people are going to demand of these favorite sons that they be given less racket and more light.

Now, let us get back to Mr. Wilkie's statement and see what the "benevolent" Commonwealth & Southern could, or did, do if furnished cheap power by the T. V. A.

When this administration came into power the Commonwealth & Southern was buying power at Muscle Shoals at 2 mills a kilowatt-hour. They were relaying it to the ultimate consumers less than half a mile away at 10 cents a kilowatt-hour, or a difference of 4,800 percent. They were selling it to some farmers in my district at from 30 to 40 cents a kilowatt-hour.

The only farmers who were getting any of this power in my section of the country were paying a line charge of $3.25 a month and then 5 cents a kilowatt-hour for what electricity they used; in other words, they were paying anywhere from 30 to 40 cents a kilowatt-hour for electricity that was costing the Commonwealth & Southern 2 mills a kilowatt-hour at the dam. For 25 kilowatt-hours a month one of these farmers paid the sum of $4 for electricity that cost the power company 5 cents at the dam.

As you know, at that time we were in the midst of the depression. This was in 1932 and 1933, when the banks were closed, when the most-distressed conditions we have ever witnessed prevailed in this country, but at that time the president of the Commonwealth & Southern was drawing down a salary of $130,000 a year.

Now, it is charged that this power is being sold below the cost of production, and it is on that question of the cost of power that I wish to address you at this time.

I have before me the report of the Army engineers, made in 1930, and signed by Patrick J. Hurley, the Republican Secretary of War, in which is given the cost of power produced at Muscle Shoals.

The Commonwealth & Southern proved to us then that while they were buying it for around 2 mills a kilowatt-hour, they were paying all it was worth. Now, when we buy it for 6 mills per kilowatt-hour, Mr. Wilkie intimates that if he could get it at the same rate he could sell it for 25 percent less than it is being sold in that area today.

Let us see whether or not they were selling it below the cost of production then.

On page 530 of this report of the Army engineers it is stated that—

> The sale prices for Wilson Dam power necessary to obtain in order to pay 4 percent on the investment in plant and transmission lines, and to cover the cost of operation and maintenance (indefinitely) of these are based upon the known cost of the hydro plant to date, a careful estimate of additional installation at costs of the present installation, and upon estimates of the cost of transmission lines, and of operation, depreciation, etc. It is seen—

Here is what the Army engineers said under a Republican administration back when Mr. Hoover was putting "two cars in every garage and two chickens in every pot" [laughter]—

It is seen, therefore, that these prices are based largely upon known costs, and that an error in the items estimated would affect the sales prices but little. The hydro prices reduced to mills per kilowatt-hour would be as follows:

Listen to this, you gentlemen who have been accusing us of selling power below the cost of production, because we are going to take this fight into every community in the United States, and we are going to give the American people the benefit of cheap electricity before it is finished. So either take up the gauntlet or get aboard and join the ranks of righteousness in this battle for a worthy cause.

At the switchboard it could be sold—

The report says—

at 1.352 mills per kilowatt-hour.

The Commonwealth & Southern showed that they were paying a profit when they bought this power at 2 mills per kilowatt-hour, and they were telling the truth, for once.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I will, in just a minute. I know what the gentleman is going to ask, and I have the answer ready. [Laughter.]

Now, listen:

To transmit it 100 miles—

That is, down to Tupelo, we are just about 100 miles away—and that includes all costs of generation and transmission—

1.993 mills per kilowatt-hour.

Yet when we pay 6 mills at Tupelo, he intimates that if he could buy it at that price, he could sell it for 25 percent less than we consumers are now paying for it.

"Transmitted 200 miles", which would reach Memphis, "2.310 mills per kilowatt-hour."

"Transmitted 250 miles", which would, today, reach Columbus, Ohio, from the Norris Dam, "2.467 mills per kilowatt-hour."

"Transmitted 300 miles, 2.625 mills per kilowatt-hour."

"Transmitted 350 miles, 2.775 mills per kilowatt-hour."

This is what it costs to produce and transmit power estimated by the cold, logical, disinterested Army engineers under a former administration.

I now yield to the gentleman for a question.

Mr. RICH. Will the gentleman put in the RECORD a breakdown of that cost of 1.35 mills per kilowatt-hour, so we may see the elements of overhead that are figured under the Muscle Shoals or T. V. A. power cost? I am anxious to know if all elements of cost are figured, such as a business concern must reckon with.

Mr. RANKIN. I will put in this statement, which covers the whole thing.

Here is a statement of the Army engineers, as shown on page 530 of that report (H. Doc. No. 328, 71st Cong., 2d sess.):

The sales prices for Wilson Dam power necessary to obtain in order to pay 4 percent on the investment in plant and transmission lines, and to cover the cost of operation and maintenance (indefinitely) of these are based upon the known cost of the hydro plant to date, a careful estimate of additional installation at costs of the present installation, and upon estimates of the costs of transmission lines and of operation, depreciation, etc. It is seen, therefore, that these prices are based largely upon known costs, and that an error in the items estimated would affect the sales prices but little. The hydro prices reduced to mills per kilowatt-hour would be as follows:

	Mills per kilowatt-hour
At the switchboard	1.352
Transmitted 100 miles	1.993
Transmitted 200 miles	2.310
Transmitted 250 miles	2.467
Transmitted 300 miles	2.625
Transmitted 350 miles	2.775

On page 531 of this same report we find this statement:

To supply the prospective market under consideration, it is estimated that the average transmission distance would be 250 miles, and based upon transmission-cost data worked up in the Nashville office, a copy of which constitutes a part of appendix G, section C, of this report, this would be 1.118 mills per kilowatt-hour including line losses. Having the average cost of hydropower at the switchboard, and the average cost of transmission over the average distance, 1.358 plus 1.118 equals 2.470 mills per kilowatt-hour, equals the average cost of the hydropower delivered at an average distance of 250 miles.

Thus it will be seen that, taking all factors into consideration, this power can be generated and transmitted 250 miles at a cost of 2.47 mills per kilowatt-hour.

Mr. WILCOX. Mr. Speaker, will the gentleman yield to me at that point?

Mr. RANKIN. Yes.

Mr. WILCOX. Just to call attention to the fact that when the bill was before the House I inserted from the hearings that entire break-down, so that it has been put into the RECORD, and it has never been disputed.

Mr. RANKIN. I thank the gentleman from Florida. I am afraid the gentleman from Pennsylvania is not so much interested in the facts. What he needs is an alibi—a storm cellar in which to escape the righteous wrath of an outraged public opinion in Pennsylvania.

The outstanding example of the actual cost of generating and distributing hydroelectric power is that of the municipal light and power plant at Tacoma, Wash. They have a plant valued at about $23,000,000, which has an outstanding indebtedness of about $7,000,000. The balance has been paid out of the revenues derived from the sale of electric energy. Tacoma has a hydroelectric plant and also a steam plant for standby or emergency purposes. This light and power system is entirely separate from the city and pays taxes to the municipality just as if it were a private concern. In 1934 Tacoma generated and sold 199,872,994 kilowatt-hours of electric energy, which it generated and distributed to the ultimate consumers at an average price of 8 mills per kilowatt-hour, after paying its operating expenses of $496,662.40, interest on the indebtedness of $402,171.68, depreciation amounting to $594,375.29, and taxes in the sum of $154,139.51.

Mr. EAGLE. Does Tacoma own its plant?

Mr. RANKIN. Yes; it is a publicly owned plant and distribution system, and I might say to the gentleman from Texas that it has a complete monopoly of the power business in the city of Tacoma.

The city of Springfield, Ill., has a publicly owned power system, and generates its energy by steam. Although it serves a population of only about 72,000 people, Springfield generated and distributed power to the ultimate consumers in 1934 at an average cost of 1⅕ cents a kilowatt-hour. Richmond, Ind., with a population of only 33,000 people, generated and distributed power at an average cost of 1½ cents a kilowatt-hour. Hannibal, Mo., a city of 22,000 people, with a municipally owned steam plant and distribution system, generated and distributed electricity in 1934 at a cost of 1.27 cents per kilowatt-hour. I could cite an indefinite number of similar cases, all of which go to show that power can be generated and distributed anywhere in the United States at the T. V. A. rates, without in any way impairing the values of legitimate investments.

The gentleman from Pennsylvania [Mr. RICH] has challenged a statement that I made, to the effect that ordinarily power can be produced as cheaply by steam as by water power.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Yes.

Mr. RICH. I did not challenge the statement the gentleman made yesterday, but now I do not believe it is so and I would like to have the gentleman produce the figures.

Mr. RANKIN. If that is not a challenge, I do not know what a challenge is.

Mr. RICH. Then I challenge the gentleman.

Mr. RANKIN. Then I will answer the gentleman from Pennsylvania. He has more coal in his State, perhaps, than any other State in the Union, and an abundance of oil and of water power, but he has never hesitated to oppose every movement by the Roosevelt administration to bring down the power rates to the people of the country.

Mr. RICH. I want it done by individuals. I am opposed to the Government in business in everything.

Mr. RANKIN. He is for whatever will help them continue to take from the masses of the people of Pennsylvania the $70,000,000 to $75,000,000 a year that is now being wrung from the consumers of electric light and power in that State.

Mr. RICH. Oh, I am not defending the Power Trust.

Mr. RANKIN. The gentleman says that, but if you will refer to his votes, to his record, you will find that he has opposed every single measure that we have brought in here, every effort of the administration to bring down electric light and power rates.

Mr. RICH. I am trying to save the country and God knows we need to, and if you do not help pretty soon, you will wreck it.

Mr. RANKIN. Yes? Now, that sounds familiar. The gentleman's party has been in power in Pennsylvania almost since the Civil War. They have not only refused to listen to the appeals of the ultimate consumers of electric light and power in that State—the home owners, the housekeepers, the people who rear the children and pay the taxes of Pennsylvania—but they have sat idly by and let the Power Trust rob the people of that State without a protest, or aided them in so doing, until the present Democratic Governor took office. As I pointed out, the Republicans have been so lenient with the utilities that they have permitted them to acquire and own $100,000,000 worth of the best real estate in Pennsylvania which was absolutely escaping taxation, and that burden was being piled back onto the shoulders of the people of the State when your present Democratic administration came into power.

Mr. RICH. Permit me to make this statement: The Public Service Commission of Pennsylvania is after the Power Trust to cut down their rates so that the people will get the benefit of it. I favor it, and our electric rates have been reduced.

Mr. RANKIN. That is the same old story, Mr. Speaker. It reminds me of the old woman who punished the mole by burying it alive, because it rooted out her vegetables. [Laughter.]

The utilities have controlled your Public Service Commission with the consent of the Republican leaders in Pennsylvania ever since the Republican Party got control of that State more than 50 years ago.

The reductions in light and power rates that have been made in Pennsylvania up to date all came about after the present administration came into power, and they never would have been made if it had not been for the power policies of the Roosevelt administration and the publication of the T. V. A. yardstick rates. The people of Pennsylvania are still overcharged $71,000,000 a year, according to the T. V. A. rates, and their only hope for relief from this terrific burden lies in the reelection of a Democratic administration.

Now, with reference to my statement that under ordinary conditions electric energy can be generated as cheaply by steam as it can by water power, I refer you to page 419 of the report of the Science Advisory Board, published in September 1935. This Board is not political, and it is not partisan. It is composed of leading scientists of the country who are interested in collecting and disseminating scientific information. They answer the gentleman from Pennsylvania [Mr. RICH] in this language:

> As a result of the recent great improvements in furnaces and engines, the low present prices for fuels and the possibility of building the fuel electric plants near the markets for current and yet where fuels can be delivered cheaply, it is commonly less costly to provide electricity by combustion methods than by harnessing water power and building transmission lines.

Every human being in Pennsylvania, if they were treated justly, could be getting light and power at the T. V. A. rates, and you could be producing it with Pennsylvania coal, with Pennsylvania oil, with Pennsylvania gas, or with Pennsylvania waterpower.

Now let us look at the State of Ohio, whose people are overcharged $46,843,000 a year for lights and power. Columbus, the capital city of that State, owns its electric plant and distribution system and is today producing and distributing power for an average of 1 cent per kilowatt-hour, while the rest of the people of the State, buying from private power companies, are paying 3 or 10 cents a kilowatt-hour, and the farmers of Ohio are being denied any electricity at all.

Nearly all the people of Ohio live within the distribution radius of the T. V. A. at Norris Dam and should be getting lights and power at T. V. A. rates. Every farm in Ohio should be electrified at T. V. A. rates.

I have not been deceived as to what this new power policy means. I have seen the ultimate results. In the words of Shakespeare, I have had the "ocular proof." I know that carrying out the power policies of this administration will be one of the greatest blessings that can possibly come to the American people for the next 25, 50, or 100 years. It will brighten the homes and lighten the burdens of millions of our people. It will turn back the tides that have been congesting our cities. It will make farm life pleasant and profitable and attractive. It will keep our young people on the farm where they can live and enjoy life as they should. It will take back to the farms many thousands, yes, hundreds of thousands, of people who have been forced to move to the city because conditions have been such that they have been unable to earn a livelihood on the farm and pay the tariffs and other indirect taxes which Republican administrations have imposed upon them for the last 50 years.

Mr. MAIN. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Michigan.

Mr. MAIN. I know the gentleman is unusually well-informed on this subject, and I would like to know his opinion as to when we can expect a ruling by the Supreme Court on the fundamentals involved in the T. V. A. legislation?

Mr. RANKIN. That has already been done. That was all covered by the recent decision of the Supreme Court in the T. V. A. case. That decision settled, for all time, the right of the Federal Government to build dams on navigable streams to improve navigation, to generate and sell electricity at those dams, or to build transmission lines to carry that power to the point of delivery.

It was a complete and sweeping victory for the T. V. A., for the administration, for the Government, and for the American people, in this great struggle for justice to the consumers of electric light and power. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Mississippi has again expired.

CORRECTION OF THE RECORD

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to correct the RECORD. On Wednesday I read into the RECORD a letter. I read now from the rules for publication of the RECORD:

> Rule 3: The Public Printer shall print verbatim a report of the proceedings of debates of the Senate and House of Representatives as furnished by the Official Reporters in the CONGRESSIONAL RECORD in 7½-point type. All matters included in the remarks or speeches of Members of Congress, other than their own words, and all reports, documents, and other matter authorized to be inserted in the RECORD, shall be printed in 6½-point type. All roll calls and lists of pairs shall be printed in 6-point type.

Since the letter which I read was in my "own words", to use the words of the rule "other than their own words", I maintain it should have been in 7½-point.

The SPEAKER. The Chair will state to the gentleman that letters, no matter by whom they are written, are printed in small type. The gentleman from Montana made no request that his letter be printed in any other form of type. That is a matter which rests entirely with the Joint Committee on Printing, and that committee has formulated certain rules, and the Chair assumes that the Public Printer is following the rules as laid down by the Joint Committee on Printing. What is the request of the gentleman?

Mr. MONAGHAN. I ask unanimous consent that the RECORD be corrected and that this letter be reprinted in 7½-point type, inasmuch as aged people are the ones who will read it.

The SPEAKER. The Chair does not think he has a right to even recognize the gentleman to make a unanimous-consent request on that matter, because that is fixed by law.

Mr. O'CONNOR. Mr. Speaker, may I be heard on the matter?

The SPEAKER. The Chair will hear the gentleman.

Mr. O'CONNOR. This question has come up several times covering the Printing Act, and the Speaker should not even recognize a Member, even under unanimous consent, for the purpose of permitting any matter except the gentleman's own remarks to be printed in large type. That situation can only be changed by law.

Mr. MONAGHAN. But it was my own remarks.

The SPEAKER. But it was in the form of a letter and not his own remarks.

Mr. O'CONNOR. Such a unanimous-consent request has been made several times, but the Government Printing Office would pay no attention to it if it were granted by the House under unanimous consent.

Herewith is the law and the rule on the subject:

MOTION TO PRINT IN SPECIAL TYPE IN THE CONGRESSIONAL RECORD NOT IN ORDER

By section 13 of the Printing Act, approved January 12, 1895, Congress specifically delegates to the Joint Committee on Printing absolute power to determine the "arrangement and style" of the CONGRESSIONAL RECORD.

A motion submitted in either branch of Congress to print certain matter in a particular style of type is not in order and should not be entertained by the Presiding Officer for the reason that "it is contrary to the elementary principles of parliamentary law for one branch of Congress to amend, rescind, or vacate a standing order of a committee to whom absolute power to take specific action, exercise complete jurisdiction and full control has been delegated by the joint or concurrent action of the two Houses of Congress. To nullify or amend the action of such a committee requires the same parliamentary procedure as granted the authority."

It would be futile to forward a unanimous-consent request for special type to the Public Printer, because, in view of this law, he is without authority to comply therewith and has been so informed by the Joint Committee on Printing.

Mr. ZIONCHECK. Reserving the right to object, Mr. Speaker, I made a most eloquent plea to have some of my remarks printed in large type, but I could not get it done; so how does the gentleman from Montana expect to get it done?

The SPEAKER. The Chair has already stated that the Chair has no authority to recognize a request of this kind.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 32. Concurrent resolution requesting the President to return to the Senate the enrolled bill (S. 3227) to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 8458) entitled "An act to provide for vacations to Government employees, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BULOW, Mr. MCKELLAR, and Mr. WHITE to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 8459) entitled "An act to standardize sick leave and extend it to all civilian employees", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BULOW, Mr. MCKELLAR, and Mr. WHITE to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 399. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia; and

S. 3035. An act to provide for enforcing the lien of the District of Columbia upon real estate bid off in its name when offered for sale for arrears of taxes and assessments, and for other purposes.

EXEMPTION FROM TAXATION OF CERTAIN ASSETS OF RECONSTRUCTION FINANCE CORPORATION

Mr. GREENWOOD. Mr. Speaker, I call up House Resolution 427.

The Clerk read as follows:

House Resolution 427

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 11047, a bill relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by Reconstruction Finance Corporation and reaffirming their immunity. That after general debate, which shall be confined to the bill and continue not to exceed 2½ hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. GREENWOOD. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

The SPEAKER. The Chair recognizes the gentleman from Indiana.

Mr. GREENWOOD. Mr. Speaker, this resolution for a rule is for the purpose of considering the bill H. R. 11047, pertaining to the taxation of preferred stock of the Reconstruction Finance Corporation by the States.

The act of Congress creating the Reconstruction Finance Corporation exempted the surplus, capital, and reserves from taxation by the States. The reason for this, I take it, was that the Reconstruction Finance Corporation was not a corporation for profit but one that was set up for relief of the various financial institutions and corporations of America during the emergency of the depression. The phrase "preferred stock" was not inserted in the statute. One or two States have attempted to tax the preferred stocks of national banks held by the Reconstruction Finance Corporation. The amount involved, as I understand, is something over $5,000,000.

The Reconstruction Finance Corporation obtained this money from the United States Treasury at 2¾ percent and lent it to the banks to help them in the hour of emergency, to help them liquefy some of their frozen assets, to take care of the situation, at 3½ percent. The three-fourths of 1 percent was necessary to take care of the overhead of management. If the States were permitted to tax this preferred stock, it would mean that the rate of interest must necessarily be made higher, else it would have to be paid out of the Treasury of the United States. National banks were not taxed in the beginning, the Supreme Court holding that they were an agency of the United States Government and that the States should have no power to tax them, because the power to tax is the power to destroy.

In 1868, however, Congress enacted a law which permitted the States to tax the stock of national banks in the hands of individual stockholders; and it was on this general law that the Supreme Court in the Maryland case recently held that the general law prevailed, since the exemption stated in the act creating the Reconstruction Finance Corporation did not mention preferred stock as such but simply mentioned capital, surplus, and reserves. In order to bring this exemption to the Reconstruction Finance Corporation so it can operate at the rate of interest intended, and to relieve the situation, this measure is brought from the Banking and Currency Committee as an emergency measure. It passed the Senate on yesterday. We believe that it is right that this bill should be considered as an emergency measure. The rule is an open rule allowing 2½ hours of debate and all freedom of amendment. So the Rules Committee believe it should have this special consideration as an emergency measure.

All these loans made by the Reconstruction Finance Corporation are for the purpose of relieving the banks in the

local communities, depositors, and everything that is based upon the banking situation. In many instances it has helped banks to continue to operate, to pay deposits, and in the long run to carry on business activity. We cannot believe that a relief measure like this, set up by the United States Government, providing this special relief to banks to furnish them funds, to thaw out their frozen assets, and to continue them as going concerns, a nonprofit agency of the United States Government, should be taxed by the States.

I am not so familiar with the bill, of course, as are the gentlemen from the Banking and Currency Committee, but I have given a sort of general synopsis of the bill.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. RICH. While the Reconstruction Finance Corporation is doing a good thing so far as banks are concerned, does not the gentleman from Indiana believe it is time we should stop issuing tax-exempt bonds and that we should tax free stock? We must take the first step, we have got to make a beginning.

Mr. GREENWOOD. I think there is a great deal of merit in what the gentleman from Pennsylvania says. In time there may be an amendment to the Constitution or some enactment that will clear the way of these nontaxable securities; but certainly a corporation in which all the stock is owned by the Federal Government, set up as a relief measure, an institution that has helped banks and business through the emergency, is not the right place to begin.

If it is desired to remedy the whole situation, that would be different, but certainly it ought not to be used as a means to line up against this particular measure.

Mr. RICH. That is what I should like to see take place. We should start now and stop tax-free securities, whether it be tax-free stock or tax-free bonds.

Mr. CELLER. Will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from New York.

Mr. CELLER. I take it that the gist of the gentleman's argument is—and I agree with the argument—that we should not tax money that has been given to these banks in various sections of the country in order to rescue the depositors in those communities where the banks are located. The gentleman believes it would be wrong to tax that rescue money which is in the form of preferred stock held by the R. F. C.

Mr. GREENWOOD. I thank the gentleman for his contribution. The Federal Government has gone into every community to take care of the poor and the needy, a charge that has always been upon the township, the county, or the municipality, because the local community in many instances had broken down. Many millions of dollars has been spent by the Government for relief. This particular agency has helped the banks to keep open for the benefit of the depositors. Now shall we say that the State is to have the power to place this handicap on a relief agency that was created by the Government for the benefit of the community?

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from Tennessee.

Mr. TAYLOR of Tennessee. Has it come to the gentleman's attention that in a good many instances the R. F. C. has forced banks against their will to sell them preferred stock?

Mr. GREENWOOD. Why, certainly. There are many banks that will not admit they needed this relief; but the banking department of the United States Government laid down the regulations, and the banks cannot and should not be permitted to say that they may not need assistance if the banking department feels they do need it. Banks must maintain a capital structure of one-tenth or more of their deposit liability.

Mr. TAYLOR of Tennessee. I have in mind one little bank in my district that was forced to sell $20,000 worth of preferred stock when it had on deposit over $100,000.

Mr. GREENWOOD. Yes; I know of a similar situation in my district in connection with a bank that owned a lot of real estate that was questionable, and the banking department of the United States Government stated that until they cleared up those assets they should take this loan, and as a matter of safety the banking department held the banks should not be permitted to say whether they wanted to take the loan or not. They must keep their capital structure to satisfy the banking regulations of security and stability.

Mr. TAYLOR of Tennessee. That condition did not exist in connection with the bank to which I referred.

Mr. GREENWOOD. I do not know about the particular situation the gentleman refers to.

Mr. CELLER. In many cases the Federal Reserve banks forced these banks to whittle down their capital structure and then the R. F. C. came in and rescued them by adding to their capital structure by purchase of preferred stock. If it had not been for the R. F. C. and the Federal Reserve Board and banks, the national-bank examiners would have closed the banks up. Thank God for the R. F. C.

Mr. GREENWOOD. We do know that the policies which have been in force recently have placed the banking situation in America on the soundest basis in history. This has been brought about through the assistance of the Federal Government, which proposes strict regulations in order to secure that security, safety, and stability.

Mr. HAINES. Will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from Pennsylvania.

Mr. HAINES. I am seeking information. The gentleman says that the R. F. C. was a nonprofit corporation. As I understand it, they have made profits in excess of $100,000,000 to date.

Mr. GREENWOOD. Of course, they have handled business which amounts to billions of dollars. It may be that some slight profits have accrued in connection with these transactions, but the primary purpose of this organization is not for profit. If the profits have accrued, it is because of the leadership of Mr. Jesse Jones with good management, and if profits have accrued I am glad of it.

Mr. COCHRAN. Will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from Missouri.

Mr. COCHRAN. I have read this bill, and I feel that my question perhaps is unnecessary; but at the same time I think the RECORD should show that during the last week there has been considerable in the newspapers with reference to the high salaries received as a result of appointments secured through the R. F. C. I feel confident there is nothing in this bill that will exempt such salaries from taxation, but I should like to have the gentleman say whether or not I am correct.

Mr. GREENWOOD. I cannot give the gentleman the information he desires; however, there is nothing in this bill affecting taxation of salaries.

Mr. COCHRAN. There is nothing in this bill that would exempt the salaries I refer to from taxation?

Mr. GREENWOOD. No. This bill has nothing to do with that matter.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from New York.

Mr. FITZPATRICK. A good many of the people who borrowed money from these closed banks are now compelled to pay 6-percent interest. What would the gentleman think of reducing the interest rate to those people in order to help them out financially?

Mr. GREENWOOD. It is only 3½ percent at the present time from R. F. C. to the banks.

Mr. FITZPATRICK. No. I referred to the people who borrowed from the closed banks. On this borrowed money they are paying 6-percent interest.

Mr. GREENWOOD. I shall be glad to see the gentleman's constituents or mine borrow money at the lowest possible rate of interest which they may secure. I agree with

the gentleman that interest rates might go down, but it has nothing to do with this bill.

Mr. FITZPATRICK. I am for the bill; but does not the gentleman think it would help out the financial condition of the country if we would lower the interest rate?

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. I assume when the gentleman says that the Reconstruction Finance Corporation is a nonprofit corporation he means that whatever profit may be earned is turned into the United States Treasury or will be turned into the United States Treasury ultimately; therefore there will be no profit to a private individual?

Mr. GREENWOOD. That is right. All the stock of the R. F. C. is owned by the United States Government; so that any profits which may accrue by good management will, of course, accrue to all the people of the United States. The R. F. C. is an agency of the Federal Government.

Mr. CELLER. I understand that when the Treasury lends money to the R. F. C. it charges a rate of 2¾ percent?

Mr. GREENWOOD. The gentleman is correct.

Mr. CELLER. The average rate charged to the banks by the R. F. C. is 3½ percent?

Mr. GREENWOOD. Yes.

Mr. CELLER. That leaves only three-quarters of a percent margin or possible profit, out of which must be paid administration expenses and all possible losses that may result later on. So that if we superimpose upon this situation a tax by the States there will be a deficit?

Mr. GREENWOOD. Yes. There are municipal corporations which charge a tax rate of 4 percent. In some instances there is a State tax and a county tax. Now, if we are going to burden the R. F. C. with these various taxes, they will not be able to lend the money at 3½ percent.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from Michigan?

Mr. BROWN of Michigan. May I say to the gentleman from New York that a member of the committee proposes to offer an amendment which meets with the approval of the R. F. C., which will clear up the situation regarding loans held by these banks, the reduction of those loans being the object in mind.

Mr. FITZPATRICK. I thank the gentleman.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. WHITE. The R. F. C. operates entirely on money that is secured through the proceeds of the sale of tax-exempt securities.

Mr. GREENWOOD. It obtains its money from the United States Treasury.

Mr. WHITE. Does the R. F. C. receive any money that does not come in that way?

Mr. GREENWOOD. It all comes from the United States Treasury, whatever the source may be.

Mr. WHITE. It is money received from the sale of tax-exempt securities.

Mr. GREENWOOD. And from other sources as well. It is not alone money from bonds that are issued but from general funds in the Treasury.

Mr. GRAY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. GRAY of Pennsylvania. I should like for the gentleman to explain whether there is any difference in principle in these two situations. This is Federal money loaned to business institutions. They sell their stock to the R. F. C., and now you want to exempt this stock from taxation by the States.

Mr. GREENWOOD. That is right.

Mr. GRAY of Pennsylvania. Now, the Home Owners' Loan lends money on a home and takes a mortgage, but you do not ask to exempt such property covered by mortgage from local taxes.

Mr. GREENWOOD. I do not think the cases are at all analogous. One is real estate located in a community which is subject to all the privileges of the community, and is not property of the Government, but belongs to an individual. This bill does not prevent the State from levying a tax against the stock of the individual stockholders, and some of this stock is held by individuals and even at a higher rate of interest than the Government rate.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. Yes.

Mr. PATMAN. Is not the gentleman mistaken in saying that this will not prevent the State from levying a tax on the stockholders? That is just what the bill is intended to do in preventing the States from levying a tax on one of the stockholders.

Mr. GREENWOOD. Only the stock held by the Reconstruction Finance Corporation as a stockholder.

Mr. PATMAN. That is what I say. Therefore, this bill denies them the privilege of levying a tax on a stockholder, if that stockholder is the R. F. C.

Mr. GREENWOOD. Because that stockholder has come to the relief of that bank as a relief agency of the United States Government.

Mr. GOLDSBOROUGH. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. GOLDSBOROUGH. As a matter of fact, this is all stock owned by the Reconstruction Finance Corporation, which is really the Government, and is a loan to the bank.

Mr. GREENWOOD. At three and a half percent interest.

Mr. GOLDSBOROUGH. And for that reason it is not properly taxable anyhow in equity, and there is another thing involved. It is not taking anything from the community that is taxable, because the community never had this preferred stock prior to the purchase of it by the Reconstruction Finance Corporation, and therefore we are not taking anything away from the community.

Mr. GREENWOOD. That is true, and let me say further that while the preferred stock goes out to the Reconstruction Finance Corporation the same amount of money comes into that bank subject to local taxation.

Mr. CELLER. Mr. Speaker, will the gentleman yield for a brief question?

Mr. GREENWOOD. I yield.

Mr. CELLER. As I understand it, at the present time there is a discrimination in the sense that 17 States actually do not tax the preferred stock held by the R. F. C. The others do in some form. This bill would remove that discrimination and put all States upon a parity in the sense that no State would have the right to do that.

Mr. GREENWOOD. Yes.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from Kentucky.

Mr. MAY. As I understand it, this bill is the result of the recent decision of the Supreme Court, which held that preferred stock owned by the Reconstruction Finance Corporation in banks, particularly one in Maryland, was subject to State taxation.

Mr. GREENWOOD. That is right.

Mr. MAY. Let me ask the gentleman if we are not getting on rather thin ice and treading upon dangerous ground to this extent. If we exempt the preferred stock held by the R. F. C. from State taxation, will not that immediately lead to a construction of this act or a ruling by the courts or the enactment of a supplemental act or an amendment of this act that will take out of taxation in the States all of the loans that the Reconstruction Finance Corporation has made to industrial concerns?

Mr. GREENWOOD. That does not follow at all, because Congress is in a position to handle that proposition. This is simply supplementing what was supposed to have been done in the original act. When the Reconstruction Finance Corporation was created by act of Congress, it made exempt from taxation all surplus reserves and capital, because it was

a non-profit-making corporation or agency of the Federal Government intended to extend relief. Now, the Supreme Court says we did not mention in that act preferred stock. We thought we made the language broad enough to exempt the R. F. C. from all State taxation, but we did not do that. The Supreme Court went back to a former statute, and under general law held that this preferred stock was taxable. Now we are correcting the act and doing what we supposed we had done in the enactment of the original act.

Mr. MAY. Then the original act does exempt all other assets of the R. F. C. from State taxation except preferred stocks in banks?

Mr. GREENWOOD. No; debentures and other securities of that sort not specifically mentioned are not exempt, but were intended to be exempt. This bill will cure the defect and make all holdings of R. F. C. exempt from taxation by the States.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. WHITE. Is it not a fact that when the R. F. C. was created it was authorized to issue bonds and sell them to raise money to operate on?

Mr. GREENWOOD. I cannot tell the gentleman about that. I know it gets its money from the United States Treasury.

Mr. WHITE. Does it not get its money from the United States Treasury from the sale of its own bonds?

Mr. GREENWOOD. It may be through the sale of its own bonds, but the United States Treasury owns the R. F. C., because all the stock is held by the United States.

Mr. WHITE. But it is a separate entity and sells its bonds to raise the money to operate on, and those bonds are tax-exempt.

Mr. GREENWOOD. That may be.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. Is this stock held by the R. F. C. as collateral or does it actually own the stock?

Mr. GREENWOOD. They own the stock and have paid the money into the bank for it.

Mr. O'MALLEY. They have bought the stock and paid the money to the banks?

Mr. GREENWOOD. Yes; but the banks are paying off these loans. They are given the privilege of paying this loan off as the situation clears up, and many of the banks have paid off all their loans as the stability of the bank is restored and liquid conditions are established. They are encouraged to pay them off.

Mr. O'MALLEY. In other words, as they pay off their loans they are in actuality buying back the stock?

Mr. GREENWOOD. That is right.

If it is not covered by collateral, I can see that it ought not to be taxed, but if it is you deprive the State of revenue. Mr. Chairman, I reserve the remainder of my time.

Mr. MARTIN of Massachusetts. Mr. Speaker, it is not my purpose to oppose the rule. In many ways I am glad the subject is before us. I think it is time Members of Congress begin to think of the wealth removed from taxation by tax-exempt securities. It is true this is a small matter as far as tax money is concerned—I believe it only represents taxes aggregating five and a half million dollars.

But we must keep in mind, as the Reconstruction Finance Corporation increases its holdings in banks, railroads, and insurance companies, the home-loan banks take title to hundreds of thousands of houses, the Farm Board acquires farms, the Resettlement Corporation forsakes property, a vast amount of property will become tax exempt if we continue this theory. These developments of recent days make the action we are to take today very important.

The gentleman from Illinois [Mr. KELLER] said yesterday we would soon tax the people with $600 incomes. Because of the threat of burdensome taxes, we must stop and think about these tax-exempt securities.

Someone said this was money paid out to relieve distress. I agree to that; of course it was money to relieve distress. All the money being expended to put the Government in business would qualify the same way. The home-owners' loans were distressed loans, and yet no one has come forward to have the interest reduced to 3½ percent.

Mr. ZIONCHECK. I have been advocating that right along.

Mr. MARTIN of Massachusetts. I meant to say no bill to give this relief has been reported to the House.

We must not forget, either, a good deal of this preferred stock is privately owned. Why should the Reconstruction Finance Corporation be relieved of the tax and the man who put his money in to help his community be assessed? This is not quite fair. If the Government needs more than 3½-percent interest to cover expenses, it is up to the Reconstruction Finance Corporation to secure a larger loan rate from the banks.

After all, the banks will, for the most part, eventually become liquid and could pay a reasonable rate of interest to the Government.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. ZIONCHECK. Does not the gentleman think as long as the Government, through the Reconstruction Finance Corporation, is interfering in private business it should be treated as a private institution dealing with private matters?

Mr. MARTIN of Massachusetts. I go further than the gentleman. I believe if the Government of the United States is to go into the field of business activities, then the Government must expect to be subject to all of the laws of the different States, including the law of taxation.

Mr. CELLER. Will the gentleman say that even when the banks are rescued, and therefore the depositors and the entire community where the bank is located is saved from the closing of that bank, that under those circumstances that rescue money should be taxed?

Mr. MARTIN of Massachusetts. We are not taxing the rescue money. The Government loaned the money to put the bank into a solvent condition, and when the bank gets into a solvent condition it should expect to pay adequate taxes or interest just as well as a home owner.

Mr. CELLER. This bill seeks to relieve an instrumentality of the Federal Government of the payment of taxes.

Mr. MARTIN of Massachusetts. It is trying to make the Reconstruction Finance Corporation able to make a better showing. If the Reconstruction Finance Corporation were fair to the taxpayers of the country, it would have secured an adequate interest when it loaned this money. Of course, if a bank could not pay at the time, they should have been tolerant, but when the bank is solvent, when there are surpluses in the bank, the Government should be adequately compensated.

Mr. PETTENGILL. And if this bill passes, will it not be the objective of the banks in the future to never retire their preferred stock and pay off the R. F. C., and thus keep the Government in the banking business in perpetuity?

Mr. MARTIN of Massachusetts. It might have that purpose. Private banks, like everyone else, want to get cheap money, and if they can get it from the Government, I do not blame them. I do not blame the bankers. Our responsibility is here to protect the Treasury of the United States and also to give protection to private industry in this country.

Mr. CELLER. The gentleman from Indiana [Mr. PETTENGILL] says that if we pass this bill the banks will have a tendency to have the Government hold these preferred stocks. That is not so. The Government can sell them. The R. F. C. does not have to hold them. It can put the stocks on the market and sell them at any time it wishes.

Mr. PETTENGILL. But who would buy them?

Mr. CHRISTIANSON. And does not the gentleman believe it would be a good thing if it did dispose of the preferred stock as soon as it could find private individuals to buy that stock?

Mr. CELLER. I think the Government will do that suitably. In the case of the Chase National Bank, that bank borrowed a large sum of money, and I believe if the Chase

National Bank refuses to pay back that money to the R. F. C. the R. F. C. should sell that preferred stock, if it can, and refuse to hold the preferred stock of the Chase National Bank.

Mr. ZIONCHECK. And does not the gentleman take the position that the Government should either get out of the banking business, or get into it wholly and nationalize the banks?

Mr. MARTIN of Massachusetts. I do not believe in the Government nationalizing the banks.

Mr. ZIONCHECK. I do; but I do not believe in going in there and bailing them out, taking all the responsibility, and letting the private bankers take the profits.

Mr. GRAY of Pennsylvania. Does the gentleman have any figures on how much stock is in the hands of the Reconstruction Finance Corporation and how many mortgages have been taken on home-loan property which the Government has at the present time?

Mr. MARTIN of Massachusetts. I am sorry to say I have no figures of that character. Within 5 years, if I do not miss my guess, every Member of Congress will find his local community aroused over Government tax exemption and will be emphasizing the need of doing something to prevent what we are asked to extend at the present time. The real question before us is this: We have been talking about tax-exempt securities; we have been lamenting the organization of the House will not permit legislation to come forward to remove some of these exemptions. Now we are asked to increase the money which escapes taxation. Any Member who believes in bringing back some of this wealth into taxation might very well vote against this measure.

Mr. HEALEY. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. HEALEY. Does the gentleman believe that the object of this bill is to exempt the R. F. C. from State taxation, so that it can make the interest charge less to the banks?

Mr. MARTIN of Massachusetts. I would not want to say that. I want to be fair with the Corporation. I believe, however, they made these loans and that some of them are unwise, insofar as the rate of interest is concerned.

Mr. ZIONCHECK. What was the rate of interest?

Mr. MARTIN of Massachusetts. Three and a half percent.

Mr. FIESINGER. And as I understand the gentleman's position, he is against the bill, and believes that the preferred stock ought to be taxed in the hands of the Reconstruction Finance Corporation.

Mr. MARTIN of Massachusetts. Yes.

Mr. FIESINGER. And then they would charge a higher rate of interest to the bank, to absorb the tax, and the banks, in fact, would be the ones that would pay, and not the Reconstruction Finance Corporation.

Mr. MARTIN of Massachusetts. That is the way it should be done.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. MAY. As a matter of fact, when this preferred stock is made nontaxable it becomes more marketable. Then the R. F. C. may find it convenient to dispose of the entire holdings to the larger banks in the country, say to Wall Street banks, if you wish, and then they will own a club over the heads of the little banks in the country, and it might result ultimately in a large chain of large banks controlling all of the little banks.

Mr. MARTIN of Massachusetts. I do not know about that, but Senator COUZENS put a statement in the RECORD yesterday whereby one bank had the value of its shares raised from $24 to over $100 because the Government bought the preferred stock. That being the case, there is no reason in the world why a bank should not pay a higher rate of interest for the money that was borrowed.

Mr. SPENCE. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. SPENCE. The gentleman says this might be a refuge for those seeking tax-exempt investments.

Mr. MARTIN of Massachusetts. No. I did not make that statement.

Mr. SPENCE. I so understood the gentleman. I just want to call the attention of the House to the fact that if these securities are in the hands of private individuals they are not tax-exempt. They are only tax-exempt when held by the Government in an agency that is exercising a governmental function and is attempting to save the banks of the country.

Mr. MARTIN of Massachusetts. Well, does the gentleman think that is fair?

Mr. SPENCE. I think it is.

Mr. PETTENGILL. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. PETTENGILL. Is it possible that anybody would buy these preferred stocks at 3½ percent if they were to immediately become subject to taxation?

Mr. MARTIN of Massachusetts. The 3½ percent does not apply to the interest rate on the shares. That is the rate which the Government charges the banks for the money.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. FITZPATRICK. Would the gentleman favor an amendment that would lower the interest rates to the people who borrowed from the closed banks?

Mr. MARTIN of Massachusetts. I do not know that we could do anything of that character on a bill like this.

Mr. FITZPATRICK. I think it is proper to offer an amendment that they could only be charged a certain amount.

Mr. MARTIN of Massachusetts. Does the gentleman think it would be germane? We want to do everything in a parliamentary way.

Mr. FITZPATRICK. Well, that is something for the Speaker to decide.

Mr. MARTIN of Massachusetts. The gentleman brought up the question, and he must have given some thought to it, and he ought to be able to answer it.

Mr. FITZPATRICK. I am asking the gentleman if he would favor such a thing, to reduce the interest rate to the borrower from the banks.

Mr. MARTIN of Massachusetts. I do not know what the situation is, but I would be glad to give it consideration.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. ZIONCHECK. The position of the gentleman from New York [Mr. FITZPATRICK] is absurd, to say that we could limit the amount that these banks could charge by way of interest to the borrowers, unless it referred to future loans. It could not refer to past loans.

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the balance of my time.

Mr. GREENWOOD. Mr. Speaker, I yield 9 minutes to the gentleman from Missouri [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker and Members of the House, I think we all understand that this bill proposes to remove from taxation the stock held by the Reconstruction Finance Corporation in the national banks. That is what this bill provides. There is not any question but what we all agree to this proposition, that if it were not for the fact that the Congress, by section 5219, permitted State legislatures to impose a tax upon all national-bank stock, this stock would not be subject to taxation. There is not any question about that. The decision which was recently rendered by the Supreme Court assumed that the Reconstruction Finance Corporation is an instrumentality and agency of the Government, and therefore, not subject to taxation. It is because of the waiver of immunity which we granted in the section of the National Bank Act that this preferred stock owned by R. F. C is subject to taxation at all. This bill simply seeks to remove that privilege or that license which has been granted to the States. The attorneys general of practically all of the States of the country and some of the district courts have assumed that the original act, which created the Reconstruction Finance Corporation, intended to have its property exempt from taxation. On that theory the Reconstruction Finance Corporation has carried on, and has re-

duced the interest on the preferred stock to the banks of this country to 3½ percent. If we permit the States to tax these preferred stocks, what will it mean? I would like to introduce a statement showing as nearly as can be ascertained the various tax rates throughout this country on bank stocks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WILLIAMS. This statement shows that the tax rate on national-bank stock varies from two-tenths of 1 percent to over 10 percent in the various States.

Mr. ZIONCHECK. Will the gentleman yield for a question right there?

Mr. WILLIAMS. I yield.

Mr. ZIONCHECK. Why is it that you loan to the banks at 3½ percent, and when you come to the farmers and others it is 5½ percent or better?

Mr. WILLIAMS. You are loaning now at 3½ percent to the farmers, as far as that is concerned; but I do not propose to be diverted from a discussion of this bill. The Reconstruction Finance Corporation came in as an emergency measure. All of the banks of this country that were in distress appealed to that institution. The corporation did not go into the various localities and communities of this country and say, "Here we are ready to loan you money." It was upon the appeal that was made by stockholders and officers and depositors of banks in every congressional district throughout this country. It was necessary for the Reconstruction Finance Corporation to come to the aid of the banks and in order to permit them to carry on, reduced this rate to 3½-percent interest. Now, if we are going to permit the taxation of these securities, as will be shown by the list which I have asked permission to introduce, that rate will range as high as 10 percent in some of the States in this country. In my own State over 3 percent, which would absolutely tax out of existence the Reconstruction Finance Corporation.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. ZIONCHECK. What agency gives the farmers money at 3½-percent interest?

Mr. WILLIAMS. I am not going to discuss that question now. There is no question but what the farmer, on Federal land-bank loans, is getting money at 3½-percent interest. If the gentleman does not know that, he is sadly behind with the legislation that has been enacted here.

Mr. ZIONCHECK. Well, I do not represent a farmer district.

Mr. WILLIAMS. There is not any question about that.

But there is another proposition. There are $860,000,000, in round numbers, involved in this legislation so far as taxation is concerned. Half of that is invested in capital notes and debentures of State banks.

I want you to think about this: Half of that money is invested in capital notes and debentures of State banks. I want to know now if there is a man on this floor who believes that this investment is subject to taxation by the States? This is property owned by the Reconstruction Finance Corporation as an agency and instrumentality of government, and beyond any quesion it is not subject to taxation. This represents the investment of the Reconstruction Finance Corporation in the State banks of this country. You cannot reach that, yet opponents of this legislation propose to tax the preferred stock in national banks held by the Reconstruction Finance Corporation. There is not any more unjust discrimination imaginable than that. You cannot exempt—this legislation does not propose to exempt—it is not necessary to exempt those capital notes and debentures from taxation, because the State cannot tax them; yet you would have the preferred stock in the national banks subject to taxation.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. PIERCE. Cannot the gentleman see the danger of piling up this vast quantity of tax-exempt securities and property? Many a government has fallen on this rock.

Mr. WILLIAMS. No; I cannot at all, I may say to the gentleman from Oregon. I am not one of those who believes in submitting the national securities and the national property to taxation by the various State agencies and municipalities, the school districts, the road districts, the drainage districts, and every other subdivision of a State. If you do that you are going to tax out of existence national securities and absolutely cripple and destroy the national credit of this country. If you are going to open and throw down the bars to local taxation of national securities and property, then, in my judgment, you absolutely cripple and destroy national credit and national security.

Mr. PIERCE. Mr. Speaker, will the gentleman yield further?

Mr. WILLIAMS. I yield.

Mr. PIERCE. Can the gentleman see any justice in the Federal Government going into counties and other subdivisions of State governments and buying half the land for forests and duck nests as they have done in my State?

Mr. WILLIAMS. Yes.

Mr. PIERCE. Taking large percentages of counties, exempting them, and ruining school districts?

Mr. WILLIAMS. I can justify it. They are doing it in my State. I can justify it, because the ultimate income to the counties will be infinitely more than they are receiving now.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

BANKERS' BONUS BILL

Mr. PATMAN. Mr. Speaker, this bill will take off the tax rolls of the cities, the counties, and the States at least $229,000,000 of property that would otherwise be taxable and would otherwise be on the tax roll. I hope the Members have read my full statement appearing in the RECORD, on page 2339, my remarks of February 18, 1936.

Mr. GOLDSBOROUGH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. GOLDSBOROUGH. I may say that it will not take one single, solitary copper cent, and I will show that in my statement.

Mr. PATMAN. I may state to the gentleman that the Reconstruction Finance Corporation says it will. If the gentleman will examine my remarks of February 18 appearing at page 2339 of the CONGRESSIONAL RECORD he will find information furnished me by an official of the Reconstruction Finance Corporation. This statement also discloses the many benefits now received by the banks of the Nation.

Mr. GOLDSBOROUGH. I shall endeavor to show the facts when I make my statement.

Mr. PATMAN. There is no question about it in my mind. If this statement is not correct, the chairman of this committee can get a correct statement from the Reconstruction Finance Corporation. Why does he not? The truth of it is it will take property from the tax rolls or this bill would not be necessary. Why are you coming here asking for this exemption if it does not take any property from the tax rolls?

I cannot see any occasion for this if the chairman is right. The truth about the business is, Mr. Speaker, that this is a bad precedent. It is the first time Congress has ever been called upon to vote singly and alone for or against this bad precedent. It is a bad precedent.

Mr. FORD of California. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I cannot yield to the gentleman; I have only 5 minutes.

Mr. Speaker, let us see what this will do. In the first place, the national banks sell their stock to the Reconstruction Finance Corporation. Let us say the bank is capitalized for $500,000. It sells half the stock to the Reconstruction Finance Corporation and pays 3½ percent where formerly it was paying a 10-percent dividend on it. Thus on this stock, on this one transaction, it is saving $16,250 a year. The other holders

of preferred stock must pay taxes, but not the Reconstruction Finance Corporation.

Who is helped by this legislation? I will tell you who is helped, the banks are helped. Are they in the class with the needy and the helpless? Are they on direct relief? Are they in the position where we must take Government funds and dole them out to the banks to help them? If so, I am one Member of this House who would like to know the names of such banks, and I would like to know how much these banks are going to get, and I would like to know how worthy and deserving these banks are. This information is available and I wish the chairman of the Committee on Banking and Currency would put it in the CONGRESSIONAL RECORD tonight. I wish he would show the names of the banks, and show even the salaries received by some of the officials of these banks that are getting this direct relief, Government dole, benefit, subsidy, or whatever you want to call it. Put this information in the RECORD, let us see who is going to get it, let us see how deserving they are, let us see whether or not we should take this local property from the local tax rolls.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Briefly.

Mr. SPENCE. Did I understand the gentleman to say that these banks had been compelled to reduce their common stock?

Mr. PATMAN. I did not mention common stock, I may say to the gentleman.

Mr. Speaker, here is the situation: If you had a hundred acres of land in a State and the R. F. C. owned half of that land, and a bill were to be introduced which would make the R. F. C. half of the land tax exempt but would cause you to pay taxes on yours, would that be right? It would not be right. Suppose a Federal land bank holds a lien equal to half the value of your farm land. The Federal land bank is charging you 3½-percent interest. In order to put you in the same position that you will place the bank if you pass this bill, you would exempt that farm from half its taxes. I think the bill ought to be defeated.

[Here the gavel fell.]

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. ZIONCHECK) there were—ayes 69, noes 52.

So the resolution was agreed to.

Mr. GOLDSBOROUGH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11047) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by Reconstruction Finance Corporation, and reaffirming their immunity.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11047, with Mr. THOMASON in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. HOLLISTER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, there are a number of misconceptions with respect to this bill. I shall try to touch on them briefly.

In the first place, it is stated that the exemption of the stock of national banks held by the R. F. C. is an entering wedge toward the exemption of additional property which would otherwise be taxable by the States or by the local communities. It should be pointed out that there is no analogy between the taxation of property of this kind, as held by the R. F. C., and taxation, we shall say, of the various properties which are held by the Home Owners' Loan Corporation, or properties which, perhaps, the Resettlement Administration may have bought to organize some of their so-called satellite cities. In every case of that kind where an instrumentality of the Government or a branch of the Government or some subsidiary corporation of the Government acquires real estate, if it should be exempted from taxation, there is, of course, taken from the tax list property which was taxed prior to that time.

In every case where the stock in national banks is acquired by the Reconstruction Finance Corporation through the money which the Corporation has put into these banks there is created new property which was not prior to that time subject to taxation. This is a very essential difference. In other words, there is no inroad here on the revenue of the community. This bill merely provides that when the Reconstruction Finance Corporation, which is doing a rescue mission with banks, railroads, insurance companies and other organizations, puts money into these banks it shall not be taxable. True, there has been property added which might otherwise be taxable in the community, but this law will not remove from the tax list any property which previous to that time was taxable.

Let me point this out, too: The Reconstruction Finance Corporation's ownings of stock in railroads, in insurance companies, or in other corporations in which it may have invested are nontaxable, because, of course, they are personal property held outside the various States where they may have been bought. They are held at the headquarters of the Reconstruction Finance Corporation. Therefore, the money that the Reconstruction Finance Corporation can put into organizations of that kind can be on a lower rate. Yet when it comes to the placing of money in bank stocks, because of the peculiarity of the laws taxing bank stocks throughout the country, unless this law is passed, such money would be subject to taxation.

So this bill really accomplishes an equality in the rescue mission which the Reconstruction Finance Corporation can put on.

Let me point this out, too: The purpose, of course, of a tax is to raise money to be spent in the State or the community where it is raised. The purpose of the Reconstruction Finance Corporation in acquiring stock in banks is for the benefit of the community where the bank is situated. So this very money which is going to benefit the particular community might very properly, as a matter of principle, be exempted from taxation in the community which is benefited.

Mr. PETTENGILL. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. PETTENGILL. Is it the gentleman's judgment, or is it not, that if this bill becomes a law it will encourage the banks not to retire the preferred stock in the Reconstruction Finance Corporation but lead to the Government in banking?

Mr. HOLLISTER. I doubt that very much.

Mr. CELLER. Will the gentleman yield?

Mr. HOLLISTER. Let me answer that question. From what I have been able to judge, the banks are anxious to retire the preferred stock in the Reconstruction Finance Corporation. It is true that if the bank has preferred stock on which it is paying 5- or 6-percent interest and preferred stock on which it is paying 3- or 4-percent interest, they would retire first the stock on which they are paying the higher interest.

Mr. CELLER. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. CELLER. I will say that every agreement that the Reconstruction Finance Corporation has made for the purchase of preferred stock carries a clause that the bank must retire the preferred stock at not less an amount than 5 percent. This would retire the preferred stock in 20 years. In addition, all dividends above 3½ percent is required to be put in a fund to be used to accelerate retirement of the preferred stock.

Mr. ANDRESEN. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. ANDRESEN. Can the gentleman give us the information as to how it will affect the small banks? For illustration, here is a bank with $200,000 capital. It pays no dividends. It has been prevailed upon to take half of its capital stock in preferred stock of the R. F. C. Therefore

they acquire $100,000 in money or stock. What will be the effect on that institution if this bill goes through?

Mr. HOLLISTER. I do not quite understand the gentleman's question. There is no case where there was any exchange. The only reason the R. F. C. put money in any bank is because the capital of the bank was insufficient, and the neighborhood was not able to raise money enough to increase it.

Mr. ANDRESEN. A good many banks were compelled to subscribe for stock in the R. F. C.

Mr. HOLLISTER. That is correct, but that was because the banking authorities thought the capital stock insufficient.

Mr. ANDRESEN. No; it was not, because they had sufficient money and sufficient capital.

Mr. HOLLISTER. I must beg to differ with the gentleman. The banking authorities have no right to compel a bank to go out and get additional capital.

Mr. ANDRESEN. They were good sports.

Mr. HOLLISTER. They could not compel them. In some communities, in order that certain banks may not appear to be weaker than so-called stronger banks, the request was made that the stronger banks take preferred stock, and in almost every case these so-called stronger banks have paid it back. In a great many cases where the general advertisement was given out by the stronger banks that they did not want that stock, as a matter of fact they really did.

Mr. ANDRESEN. They had no outlet for their money whatsoever except in Government securities, and when they took this amount of stock the R. F. C. took half the stock and they took the right to come in and control that bank and run the bank if the local officers did not cooperate.

Mr. HOLLISTER. The ownership of stock gives that right to some extent.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. CRAWFORD. If this law is not passed, will the R. F. C. be forced to pay these taxes out of their own funds?

Mr. HOLLISTER. Yes.

Mr. CRAWFORD. One other question.

Mr. HOLLISTER. That is my understanding. If the gentleman thinks the law is not accurate in that respect, he should clarify it, because my understanding is that this is to cover the situation where, if it is not passed, the R. F. C. would have to pay the taxes itself.

Mr. LAMBETH. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. LAMBETH. Confirming the answer the gentleman from Ohio [Mr. HOLLISTER] gave to the gentleman from Minnesota [Mr. ANDRESEN], it is a matter of my personal knowledge that in the State of North Carolina not only was there no compulsion by the R. F. C. to force banks to sell preferred stock but in some cases that I know of they were not even circularized or requested to sell their preferred stock to the R. F. C.

Mr. GRISWOLD. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. GRISWOLD. I understood the gentleman to say that this bill would equalize the banks with the railroads and the insurance companies, to which money was loaned by the Reconstruction Finance Corporation.

Mr. HOLLISTER. To some extent. I do not know the exact rates on which the different loans were made. Some were made at a little higher rate than others.

Mr. GRISWOLD. The gentleman said, for instance, that the railroads did not pay the taxes back in the States.

Mr. HOLLISTER. No; I did not. I said the stock in the railroads when held by the R. F. C. was not taxable.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HOLLISTER. Mr. Chairman, I yield myself 10 minutes additional.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. SNELL. As a practical proposition, just how are these taxes levied at the present time, and who is paying them?

Mr. HOLLISTER. I could not in several hours give the gentleman a complete description of all of the different tax laws. There are about 30 States that have tax laws which would be covered by this. In those cases the tax is levied by the State against the bank, and the bank has the right to pass it on to the stockholder, deducting it from the dividend that the bank pays. Therefore, when the Reconstruction Finance Corporation holds a 3½-percent preferred stock, and there is, we will say, a 1-percent tax on the par value of the stock levied by the State, the Reconstruction Finance Corporation nets only 2½ percent, and if, in turn, it has borrowed from the Treasury at 2½ percent, it has nothing on which it can operate ,and therefore runs behind to the extent of the operation cost.

Mr. SNELL. And where they get 5-percent preferred stock, why should it not pay the tax upon it?

Mr. HOLLISTER. As far as I know, they do not own any 5-percent stock.

Mr. SNELL. There is some in my own community.

Mr. HOLLISTER. I think if the gentleman will check up he will find that all of these rates have been dropped down. I think in all cases they are 3½ percent.

Mr. SNELL. Why should there be any difference between the preferred stock owned by the R. F. C. and the local people who were forced to take that stock?

Mr. HOLLISTER. It is just a question of what is meant by the word "forced." My understanding of the operation of the R. F. C. in helping out the banks is that it merely stepped in when the resources of the community were insufficient to carry on. It went to help out the community and keep its banks open. That is the general rule. There may have been exceptions.

Mr. SNELL. But they took 50 percent of the stock and the community took 50 percent of the stock. I do not see why they should not pay their tax the same as the individuals.

Mr. HOLLISTER. The gentleman realizes, of course, that the Congress could not exempt an individual bank-stock holder, except perhaps another national bank. It is true the Congress could exempt the stock of all national banks, if it cared to do so, from taxation.

Mr. SNELL. Of course it could; but I would not be in favor of that.

Mr. HOLLISTER. In this case we are exempting the Reconstruction Finance Corporation because of the fact that we want to put Federal money in there as cheaply as we can.

Mr. SNELL. I do not want to do anything that is going to encourage them to keep their control over the banks of the country.

Mr. HOLLISTER. I agree with the gentleman fully. I do not, either.

Mr. SNELL. I think if we pass this law it might encourage them to keep in there and keep control of the bank stock.

Mr. HOLLISTER. Except that the banks may always pay up this stock. There is no way by which the Reconstruction Finance Corporation can compel them to keep the stock if they want to pay for it.

Mr. SNELL. There seems to be some difference of opinion on that. A great many people tell me they want to retire this stock and they are not allowed to do so.

Mr. HOLLISTER. But it is not the Reconstruction Finance Corporation that does not allow them to do it. It is the bank examiner that does not allow it.

Mr. SNELL. But they are pretty close together and working in unity in most cases, I think.

Mr. DONDERO. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Michigan.

Mr. DONDERO. A reading of the bill indicates that no part of this preferred stock ever gets into the hands of the individual. It is always owned by the Government.

Mr. HOLLISTER. If it gets into the hands of an individual, it immediately becomes taxable. It is true the Reconstruction Finance Corporation may sell it to individuals, but it immediately becomes taxable if it does.

Mr. DONDERO. If that is so, the preferred stock which the Reconstruction Finance Corporation takes in a bank is virtually a loan to that community, is it not?

Mr. HOLLISTER. It is practically what it comes to.

Mr. CRAWFORD. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. CRAWFORD. In the light of what the gentleman said to our distinguished minority leader, is there anything in the machinery at the present time whereby the Reconstruction Finance Corporation can force the banks to pay these taxes and thus not pass them on to the Reconstruction Finance Corporation? In other words, if a State assesses a bank and the bank in turn withholds from the stockholder, will the banks have to pay this under that kind of a program?

Mr. HOLLISTER. If the banks pay the tax and then have the right to deduct it from the income, and just deduct it, what can the Reconstruction Finance Corporation do?

Mr. CRAWFORD. I am asking for information. I thought perhaps the gentleman could give us an answer.

Mr. HOLLISTER. I do not see how the Reconstruction Finance Corporation can do anything about it.

Mr. CELLER. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. CELLER. Even if the Reconstruction Finance Corporation could do that—that is, force a bank to pay that tax which it is supposed to pay on the preferred stock—what does the gentleman think the common-stock holders are going to say? They will preclude them from doing it, will they not? Their dividends and income would be thus reduced.

Mr. CRAWFORD. If I might add this, at the present time in a number of banks, some that I know intimately, the common-stock holder is not receiving any dividend at all, because the earnings are going to the payment of dividends on preferred stock and the creation of this fund with which to retire the preferred stock.

Mr. CELLER. The amount is very small. It is only 3½ percent.

Mr. CRAWFORD. That is true; but the preferred-stock holder gets first call, and if the earnings are only 4 percent on the total, the preferred-stock holder gets 3½ percent first.

Mr. CELLER. But if it were not for the money put in by the Reconstruction Finance Corporation, the common-stock holders would have had nothing in the first instance. This is rescue money.

Mr. CRAWFORD. But this is a new bank I am speaking of.

Mr. HOLLISTER. Mr. Chairman, before closing, I want to make one more observation. This discussion of tax-exempt securities and the likening of this kind of stock to tax-exempt securities is entirely beside the question. This is nothing like the sale of tax-exempt securities by the Government to private individuals. There is no analogy between the two. All the argument against the sale of additional tax-exempt securities falls with respect to these particular stocks.

I yield back the balance of my time.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

WHO WILL GET THE MONEY

Mr. PATMAN. Mr. Chairman, before my time commences I would like to ask unanimous consent that I may extend my own remarks and include therein the names of all banks that will be affected by this legislation, and the salaries of all officials, directors, and officers; the amount of dividends that have been paid since this stock was purchased by the Reconstruction Finance Corporation; and the value of the assets of the bank at the time of the purchase as compared with now.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

NO ATTACK ON R. F. C.

Mr. PATMAN. Mr. Chairman, I appreciate the fact that the officials of the Reconstruction Finance Corporation dislike very much to pay this money to the localities.

This is not an attack by me on the Reconstruction Finance Corporation. There is nothing personal in it. It is just a question of a precedent that I am not willing to establish with my vote. I realize that the Chairman of the Reconstruction Finance Corporation, Mr. Jesse Jones, has done a big job in a big way. I commend him for his efforts and what he has done. There is nothing personal in what I say in any way, but at the same time I do not care how much I think of Mr. Jones and the other directors of the Reconstruction Finance Corporation, I am not going to vote for the precedent that is contained in this bill. I think it is bad. I think it is a long step in the wrong direction. I think it is adding to instead of diminishing the amount of tax-exempt securities in this country, and for that reason I am not willing to go along. [Applause.]

WILL WASHINGTON DETERMINE LOCAL TAXABLE PROPERTY?

Furthermore, if you vote for this bill, you are in effect saying to your city tax assessor: "Now, you have on the tax rolls in this city $1,000,000 of national-bank stock that I am going to prevent you from assessing. I am going to prevent you from collecting taxes on. By my vote for a bill that becomes a national law, I am going to prevent you from taxing that local property." You will say by your vote the same thing to your county tax assessor, to your State tax assessor, and to your county and State collectors. In other words, you will say that you are determining from Washington the property in that locality that will be required to bear its share and burden of taxation and the property that will not be required to carry its fair share. You are saying by your vote in the case of a State bank on one side of the street and a national bank on the other side of the street this: "The R. F. C. has purchased notes and debentures from the State bank to the extent of $1,000,000 and the State bank will continue to pay taxes as it has always paid without any reduction whatsoever; but the national bank across the street which sells $1,000,000 of its stock to the R. F. C. will be exempt from taxation to that extent."

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. WILLIAMS. Does the gentleman contend that the State would have the authority under the law as it exists now to tax capital stock and debentures issued by State banks?

Mr. PATMAN. No. They have the right to tax the capital stock of banks, but not the debentures and notes.

Mr. WILLIAMS. They would not have that right.

Mr. PATMAN. The gentleman is correct.

Mr. WILLIAMS. We propose in this bill to place State banks on an exact equality with national banks so far as preferred stock is concerned—remove that from taxation.

Mr. PATMAN. Let us see if this is a correct statement—I will ask the chairman of the committee to verify this: When a State bank sells to the R. F. C. its note for $1,000,000 the R. F. C. does not pay any tax on this note, and the bank does not pay any tax on the note; but the bank continues to pay on its capital stock as before in 31 States of this Union. All right; the national bank just across the street from the State bank sells the R. F. C. $1,000,000 of stock. You are asking us to vote for a bill that will give them a special favor and special privilege, that will give them tax exemption to the amount of $1,000,000; and the bank across the street will not get it.

You are asking us to vote for a bill that puts holders of locally owned preferred stock in a different category. You want us to vote for a bill that will exempt the R. F. C. paying taxes on the preferred stock it owns. You are asking us to vote for a bill to make the local holders and owners of the preferred stock pay taxes as usual. Is not this right?

Mr. GOLDSBOROUGH. No.

Mr. PATMAN. If it is not right, I wish the gentleman would explain it.

Mr. GOLDSBOROUGH. If this bill is passed, then the national banks and the State banks all will have exactly the same relationship to the Reconstruction Finance Corporation.

Mr. PATMAN. Is not this a correct statement? I want to ask the gentleman if I did not make a correct statement

awhile ago when I said that if a State bank sells its $1,000,000 note to the R. F. C. and gets $1,000,000 on that note, the State bank does not pay any taxes on the note; the Reconstruction Finance Corporation does not pay any taxes on the note; but the bank pays taxes to the city, county, State, and all other political subdivisions as heretofore. That is right, is it not?

Mr. GOLDSBOROUGH. Not on that loan.

Mr. PATMAN. Oh, listen, now; do not try to confuse the issue. Let us drive down one peg at a time. Am I correct in that statement, or am I wrong; and if I am wrong will the gentleman point wherein I am wrong?

Mr. GOLDSBOROUGH. The gentleman's statement was incorrect in that he said they would have to pay taxes just as they always did.

Mr. PATMAN. On their capital stock.

Mr. GOLDSBOROUGH. I say the same thing.

Mr. PATMAN. All right; we agree, then, do we not?

Mr. GOLDSBOROUGH. No.

Mr. PATMAN. Yes; we do.

Mr. GOLDSBOROUGH. If the gentleman will not hear me through, I cannot answer him.

Mr. PATMAN. They pay taxes just the same on their capital stock, therefore——

Mr. GOLDSBOROUGH. No.

Mr. PATMAN. All right; go ahead.

Mr. GOLDSBOROUGH. The gentleman said, or intimated—he did not say it, he intimated it—that they would have to pay taxes on this $1,000,000 loan they received from the R. F. C.

Mr. PATMAN. Oh, no; I did not intimate that.

Mr. GOLDSBOROUGH. Oh, yes; the gentleman did.

Mr. PATMAN. I said just the reverse of that was true.

Mr. GOLDSBOROUGH. This bill will put the State banks and the national banks in exactly the same position insofar as their relationship to the Reconstruction Finance Corporation is concerned.

Mr. PATMAN. They say that the State banks would continue to have to make up their fair share and burden of taxation in city, county, State, road, and school districts, but the national banks would not.

The State bank would have to pay more in order to make up for the tax exemption of his competitor across the street.

Mr. GOLDSBOROUGH. That is absolutely incorrect, because just as the national bank would not pay a tax on the preferred stock so the State bank would not pay a tax on the money received from capital notes and debentures.

Mr. PATMAN. It will be a great day in his life, I will say to the gentleman, if this bill is defeated. It is going to be very embarrassing for the Members who vote for the legislation to see a list of the banks that get the benefit. We will then determine whether or not they should be on a Government dole or whether they are entitled to an additional bonus. We will find out how much they are paying in salaries and how much they are paying in dividends. I venture to say it is going to be embarrassing to Members who cast their votes in favor of exempting this property from local taxation.

Mr. WILLIAMS. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Missouri.

Mr. WILLIAMS. I notice the gentleman, in connection with a number of his statements, said that this bill will remove private property from local taxation. I would like him to point that out.

Mr. PATMAN. These banks belong to private individuals. They are private property, privately owned, and privately operated for private profit.

Mr. WILLIAMS. Let me finish the question. This bill is designed to remove taxation only from the preferred stock held by the Reconstruction Finance Corporation, which the gentleman must admit is public property.

Mr. PATMAN. The gentleman is just playing with words. He is trying to cover it up and make it look good, but it is going to look bad from here on out.

Mr. CELLER. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New York.

Mr. CELLER. Under the present situation, as I understand it, the preferred stock held by the Reconstruction Finance Corporation in State banks is not taxable, but the preferred stock held by the Reconstruction Finance Corporation in national banks is taxable?

Mr. PATMAN. It is taxable. The capital stock of banks is taxable in the State in which I live and in 30 other States of the American Union.

Mr. CELLER. But there are other States.

Mr. WOOD. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman for a short question.

Mr. WOOD. If a national bank has a capital stock of $500,000 and they sell $250,000 to the Reconstruction Finance Corporation, then they only pay taxes on $250,000 of capital stock?

Mr. PATMAN. Yes; and that is what happened in my home town. I wrote to Mr. Jones about that matter. I get the gentleman's point, and we are agreed on that. That is what happened in my home town. The bank there had a capitalization of $500,000, and last year when the assessor came around the bank said: "We are not going to pay taxes. The Reconstruction Finance Corporation owns half of our stock, $250,000, and our real estate amounts to $250,000. Under the Texas law you deduct the value of real estate from the capital stock in determining the amount of taxes. Therefore we will not pay one penny of taxes."

Mr. WOOD. A State bank could not do that?

Mr. PATMAN. A State bank could not do that. Mr. Chairman, this is a 50-percent tax reduction bill for many of the banks in this Nation.

Mr. REILLY. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Texas.

Mr. REILLY. Would your banks be paying a tax today if the Government had not gone in and saved them?

Mr. PATMAN. They certainly would, just like the rest of them. If any were to be saved ours were to be saved, too. We cannot pick out certain banks to save by use of Government credit.

"PORK BARREL" BILL

We are doing a lot for the banks. If any bank needs this money, let them come in here and ask for it. Are we going to pass a "pork barrel" bill, and that is what this is? This bill contains the claims of thousands of banks all over the Nation, all put into one appropriation bill. If we were handling this legislation in the same way we handle private claims, there would be 4,000 or more private bills here for consideration. The merits of each bill would be gone into. But we are not doing that here. We are putting them all together, with the admission that some of the banks are paying high salaries and not using the money as they should use it, maybe paying dividends in other cases, with assets increased 100 percent over what they were in 1933 in some cases. Yet you want to continue to help them. You want to continue to let them have the money for 3½ percent. You want to continue to exempt their property from local taxation. If they need help let us give it to them, but if they do not need it let us not give it to them. Let us not pass a "pork barrel" bill giving the banks or any other class or group in America this consideration.

In conclusion, Mr. Chairman, let me tell you about some of the benefits which the banks are receiving today. A charter is worth something. They can lend $10 to every $1 they have in their possession. If they need extra Government help, we have a Government printing office down here that will print money if they need it and deliver it to them. Take the case of the deposits. There were $339,000,000 put up to insure the deposits. The banks only put up $39,000,000 while the people contributed the other $300,000,000. That is doing something for the banks. Not only that, but they have been loaded down with Government securities, and as long as you treat them as nice as you are attempting to do here, as long as you permit them to buy tax-exempt Government bonds and pay no taxes, and at the same time receive interest from the Government, you are creating an incentive for them to continue in this kind of business and not extend legitimate commercial loans to industry and agriculture.

Mr. McFARLANE. Will the gentleman yield?

Mr. PATMAN. I yield to my colleague from Texas.

Mr. McFARLANE. The interest they receive on these tax-exempt securities is also tax exempt, and there is that further loophole in the revenue law.

Mr. PATMAN. There is a total amount of exempt bonds of $55,000,000,000. This includes Government bonds, State, National, and municipal bonds. They are either partly or wholly exempt from taxation.

What does that mean? It means, if it continues, Mr. Chairman, we will soon arrive at a time when a few people will own the wealth of this Nation. They will not pay taxes at any time, and the other people will have to pay taxes upon what they own and upon what they consume in order to meet the taxes of the different governments. [Applause.]

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, I rise in opposition to this measure, which proposes to exempt the R. F. C. from paying any tax on its preferred bank stock, not so much because of the amount of taxes involved but because of the principle involved and the precedent we may establish by this action. The sum, however, is considerable—about $5,000,000.

I agree with the gentleman from Massachusetts that perhaps in less than 5 years there will be debated seriously in this House, in my opinion, the question of requiring the Federal Government to pay taxes on property and business which have been projected into active industry in competition with the citizens of this country.

The big use for taxes in your States and in your counties and in your cities and towns and school districts is to raise revenue to support your schools, your city government, and your county and State governments. In most of them, bonds have been voted, running over a period of 10 to 30 years. Now, the thing that is happening throughout this land of ours is that the Federal Government has gone into many of the counties of this country and has acquired large tracts of land and has set up extensive and valuable business operations.

Why in some counties of my district recently the Government has taken over seven-tenths of the acreage in the counties. All of this property will be taken out of taxation, and the burden of the bonds voted for the schools and to build highways will fall upon the other three-tenths of the taxpayers in these counties, and these counties with only three-tenths of the property paying taxes, how can they maintain the schools, the highways, and the other units of government?

We seem to be deeply concerned here today about the R. F. C. paying some taxes. Do not forget that to the extent you take the taxes off of the R. F. C. you put additional taxes upon the widow, the little home owner, and the farmer with his tax burden already too heavy to bear.

This is the question that is confronting the House today. There is too much of a disposition on the part of the Government to get into every sort of business. Down in the great Tennessee Valley the Government is buying up almost entire counties, putting in a great business operation, and where are the people whose lands are still there going to get hold of the money to carry on their government?

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield to my friend from Kentucky.

Mr. MAY. I was interested in inquiring of my colleague about his statement that in one or more counties of his district the Government had taken over nine-tenths of the area of the county. Can the gentleman give me the name of the county in which that was done and tell me what they are going to do for taxes hereafter?

Mr. ROBSION of Kentucky. I do not know that all the details have been completed but, as I understand, the county of McCreary finds itself in that situation, and the officers of that county are very much in distress in trying to find a solution of the identical question that my friend from Kentucky has propounded. How are they going to maintain their schools and their highways and other units of government with your Uncle Sam stepping in and taking over nearly all the property?

However, what is true in that county is also true in some other counties. In the counties of Jackson and Clay and Laurel, perhaps nearly half or more of the area of these counties is being absorbed by the Federal Government, and what is true of my district in Kentucky you will find applies to one or more counties in practically every one of your districts. So there has already been formed in this country an organization to deal with this identical problem, and they are becoming active.

This measure discriminates. If any citizen owns any stock in a bank, that stock is subject to school, city, county, and State taxes, in most States. This measure proposes to exempt the R. F. C. from paying any school, city, county, or State taxes on preferred stock that it owns in any bank. Its dividends or interest is already guaranteed. It has preference on the earnings of the bank. The other stockholders of the bank do not have preference on the earnings, and they are required to pay taxes on their stock. To exempt the R. F. C. is to grant to it the worst sort of discrimination.

This administration must learn one of these days that money does not grow on bushes. It comes from the pockets of the taxpayers of this country. Now they propose to relieve this powerful, rich concern from the payment of taxes and by that act the citizens of each community, city, town, and State must have their taxes increased and carry this burden of the R. F. C. It is unjust, unfair, and I am glad to have an opportunity to speak against this bill and to vote against it.

I trust that we may have an opportunity one of these days to consider a measure that will take away the exemption of the thirty-odd billion dollars of tax-exempt securities.

I yield to my colleague.

Mr. MAY. Does the gentleman know whether or not these areas that he speaks of are taken for national parks or for the Resettlement Administration?

Mr. ROBSION of Kentucky. The large part of it is for some sort of forest reserve, but for whatever purpose it is taken it goes out of taxation and carrying its share of the burdens, and the people are moving away to some other section. Who is going to pay the bonds and meet the other obligations that were created to build the highways and bridges in those sections?

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield to the gentleman.

Mr. TAYLOR of Tennessee. The acquisition of land in the vicinity of the Norris Dam has taken 45 percent of the taxable lands. The other 55 percent will be placed upon land in the other parts of the county.

Mr. MAY. Will the gentleman allow me one further observation?

Mr. ROBSION of Kentucky. I yield.

Mr. MAY. I would like to make this statement, that the State of Tennessee, by section 13 of the T. V. A., will receive 5 percent of the gross receipts.

Mr. TAYLOR of Tennessee. The State of Tennessee has never received one penny on that account.

Mr. ROBSION of Kentucky. We have been hearing eloquent complaints, loud and long, against tax-exempt securities. Some day we must take hold of that problem in earnest, because it encourages men and women with money to take their money out of productive industry, take it away from the tax burden, and get under the National Government, get the benefit of the Government without contributing to its support.

This is another attempt to place other tax-exempt securities—as you might call them—out of the reach of taxation and cast the burden upon the people, the poor persons who are least able to bear the taxes.

If the Government is going into business, if it is going to be in the banking business, let the Government be put upon the same equality as the citizens of this country. [Applause.]

Mr. GIFFORD. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. GIFFORD. I want to supplement what the gentleman said about Members talking long and loud about tax-exempt securities. In 1922, when that particular subject was before

us, there were three votes from this side [pointing to Democratic side] of the House. Look at the record.

Mr. MAY. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. MAY. As to this bank proposition, I would like to get the gentleman's reaction on this. There is a difference between the R. F. C. selling its own bonds and the purchase of stock which is subject to taxation.

Mr. ROBSION of Kentucky. Exactly, and why should we take this burden off the powerful and the rich R. F. C. and cast it upon the shoulders of the widow and the orphan in the gentleman's community and mine—the poor people?

Mr. CHRISTIANSON. It has been said here that it is improper and dangerous to permit States and their municipal subdivisions to tax any property of the Federal Government. Does not the gentleman draw a line of distinction between property owned and used by the Federal Government in its sovereign capacity for the purpose of carrying out its sovereign functions, and property it may acquire and use for the purpose of engaging in business?

Mr. ROBSION of Kentucky. Absolutely. That is the distinction. [Applause.]

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. PETTENGILL].

Mr. PETTENGILL. Mr. Chairman, I am opposed to this bill for two reasons: First, I am opposed to this increasing trend toward more and more tax-exempt securities in this country. We have gone as far, if not much farther, in that direction than we ought to go, in my judgment. We have been talking about reducing that exemption for some time, but we have not done anything about it, and now we intend to extend the principle of it.

Secondly, it seems to me this is just another step toward state socialism. The gentleman from Ohio [Mr. HOLLISTER], the ranking minority member, admitted that if this bill passes it will be an inducement to the banks to delay retiring their securities held by the Reconstruction Finance Corporation. I want to get the Government out of this banking business as soon as it can reasonably be done.

The Reconstruction Finance Corporation Act was passed in 1932 with a 2-year limitation, but it is still going, and it will be here 5, 10, or 20 years from now if we continue this sort of legislation.

Mr. CELLER. Will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. CELLER. Cannot the Reconstruction Finance Corporation sell the stock? They have had offers to sell a great deal of this stock.

Mr. PETTENGILL. Well, why in Heaven's name do they not sell it then?

Mr. CELLER. They will sell it.

Mr. GIFFORD. Will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. GIFFORD. I would like to say to the gentleman that that question was asked in the committee, and the Chairman of the Reconstruction Finance Corporation said, "We cannot sell it. There is no market for it." It cannot be very profitable.

Mr. PETTENGILL. Certainly. Then the local banks back home should retire it as soon as they can, and be encouraged to do so.

Mr. WOLCOTT. Will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. WOLCOTT. The gentleman referred to the fact that the gentleman from Ohio said this legislation would be an inducement to the banks never to retire their indebtedness to the R. F. C.

Mr. PETTENGILL. That is correct.

Mr. WOLCOTT. If I understood the gentleman correctly, he said it was an incentive on the part of the banks to get rid of the stock as fast as they could, but the reason they could not get rid of it was because the examiners held them down and compelled them to keep their capital structure intact, and they allowed them to reduce their capital structure in proportion to their obligations, and that they were reducing their capital stock held by the Reconstruction Finance Corporation as quickly as they could, and this legislation would have no effect on that proposition at all, and that we are reducing their capital stock held by the R. F. C.

Mr. PETTENGILL. I understood him to admit that it would prompt the banks to not retire securities held by the R. F. C. Now, I think that if this bill is to pass, a limitation should be placed upon it, and I intend to offer an amendment adding a new section providing that the law shall cease to be in effect 2 years from the date of its enactment. This will give this emergency legislation another 2 years to run. There may a technical reason why that is desirable. Then we should wind it up.

It seems to me there is a great principle at stake in this discussion, and that is the question whether this Nation shall continue as a federated republic or become a bureaucratic empire.

If this bill passes, you have created another precedent for destroying State sovereignty.

When and if the Home Owners' Loan Corporation or the Farm Credit Administration or the R. F. C. Mortgage Co., or other Federal lending agencies foreclose on their loans and take title to the properties, you have here set a precedent today for exempting the properties from local and municipal taxation for the support of schools, fire, police, park, and other local services, and thus throw an additional burden upon other local taxpayers who have been lucky enough or thrifty enough to keep out of the hands of the Federal Government. If bank stock held by the R. F. C. is to be exempt from taxation, then houses taken over on foreclosure by the H. O. L. C. are entitled to be exempt from taxation. Otherwise you give a privilege to the common-stock holder of banks and deny it to the dispossessed home owner who wants to redeem his little home. The principle of the thing is indefensible.

If the Federal Government can create Government-owned corporations to invest in houses, farms, submarginal lands, banks, railroads, forests, factories, hotels, apartment houses, "satellite cities", and so forth; and then if Congress can constitutionally exempt the Government-owned corporation from State and local taxation, you can then destroy the dual form of government in this country without amending the Federal Constitution. You will then have an open door to the nationalization of all American enterprise.

Over in the State represented by Mr. GOLDSBOROUGH one of the greatest men of our generation now lies dead—Albert C. Ritchie. He became a national figure by standing firm for one of the great vitalizing principles of free government, which, more than anything else, made the party to which he belonged and gave his life, a force in our history for a century and more. I do not believe that the principles for which he and Thomas Jefferson lived and died, have died with them.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. GRISWOLD].

Mr. GRISWOLD. Mr. Chairman, listening to this debate, I am of the opinion that before many more days shall have elapsed we Members of the House will be placed in a rather inconsistent position. Today we have before us this bill, which in effect asks us to decrease the tax basis back in our home States by relieving the Reconstruction Finance Corporation from the payment of taxes on the capital stock of banks to which it holds title. That capital stock is now taxable by the States, and its exemption from taxation would make that much less taxable property in the States. If I am correctly informed, in the very near future a bill will be brought out by the Committee on Ways and Means having something to do with a green slip, requiring the filing of duplicate income-tax returns with the offices of the internal-revenue collector in the home State of the taxpayer, so that such duplicate of the income-tax returns may be available to the city and county assessor for checking the taxable property of the Federal taxpayer. The theory for these green duplicate slips is that the States are now having their tax basis reduced because of their inability to obtain correct taxing information and that the

filing of these duplicate green slips will broaden the tax basis in the States, giving the States a better opportunity to tax. With one bill we take away taxable property in the States and with another we try to add taxable property.

Aside from that the real proposition in this bill is that statement by my colleague from Indiana [Mr. GREENWOOD], for whom I have the highest respect, that this stock holding in national banks in the State of Indiana should be free from tax because the Government holds title to the stock and that no property to which the Government holds title should be taxed. The gentleman from Ohio [Mr. HOLLISTER] states that the purpose of the bill is to equalize the loans to the railroads and insurance companies with the loans to the banks. If we are to accept these two statements as to the objects of the bill then the bill is more far-reaching than it would appear on its face.

National banks are private corporations and their stock is personal property subject to State tax. The Reconstruction Finance Corporation is also a private corporation chartered by Congress in which the Federal Government owns all of the stock. And then the Reconstruction Finance Corporation, through its financial operations, becomes the owner of the stock in the other private corporation, which is a corporation for profit, the national bank. The Reconstruction Finance Corporation now desires to be exempted from the payment of taxes on the national bank stock which it holds, although it receives the dividends from that stock and under the law is exempted from payment of taxes on the dividends. The private individual who owns the stock of these national banks is required to pay State tax upon his holdings of the stock and on the dividends.

To date the Reconstruction Finance Corporation has loaned to the railroads of the country $393,711,968. The greater part of this money was loaned to the railroads to buy equipment and make repairs on buildings that are now subject to State tax. However, the Reconstruction Finance Corporation took title to the equipment purchased with the money loaned, and under the theory of this bill propounded by the Rules Committee, because the Government holds title to this property, it would be exempt from State tax. The Public Works Administration, which is also a Government lending agency, has loaned to the railroads $188,825,500 to date. Most of this money likewise was used to purchase rolling stock and equipment and the title to such rolling stock and equipment is held by the Federal Government. This rolling stock and equipment represents millions of dollars and is now taxable under the laws of the various States. But on the theory of the Government holding title the States would be prohibited from taxing this property and the tax basis in the States reduced by millions of dollars. If the capital stock of banks held by the Reconstruction Finance Corporation can be exempted from State tax because of the title provisions, then it is but a step to exempt all of these other holdings of the Federal Government from State tax and the tax rate will have to be proportionately raised on the citizens of the State, they being required to pay more and more taxes on their lands, homes, and personal property after Government holdings are taken out of taxation.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. GRISWOLD. I yield.

Mr. HARLAN. Does the gentleman know that without the provision of the original Reconstruction Finance Corporation Act, especially that giving by implication the States' power to tax certain tangible property held by the Reconstruction Finance Corporation, the States would not have authority to tax any of this, and this bill is merely a provision to exempt one block from taxation in order to make our bank loans safe, in order to protect the interests of the depositors? We are not taking away from the States anything here; we are simply exempting something that we have specifically granted to the States before.

Mr. GRISWOLD. I agree with the gentleman that we are simply exempting something; that something which we are exempting by this bill being in my State the sum of $16,387,000. That means that what we are exempting must be replaced by increasing the tax burden on the lands and homes in my State. How much more are we exempting because of what the Public Works Administration has put into railroads and what the R. F. C. has put into railroads? I would like to know how much we are going to exempt eventually if this R. F. C. exemption bill has made an entering wedge by exempting bank stock.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. GRISWOLD. I yield.

Mr. O'MALLEY. If we go back and say we are not allowing the States to tax this stock, we can also say that if we had not allowed the States to tax this stock they might not have passed the bill or set up the R. F. C.; so there is no argument to say because at one time we allowed the States to tax the stock we should take it away from them now.

Mr. GRISWOLD. I thank the gentleman. The gentleman is correct.

Another objection to this bill, especially if you believe in equal justice under the law, is this: In every State certain stockholders in national banks, knowing their banks were going to the wall, put up the money themselves and took over the frozen assets of the bank. By so doing they saved the depositors from losing a cent. Yet today those people, who did not wait for their banks to go to the wall, cannot get a penny from the R. F. C. on these frozen assets. If a bank is about to fail, it has been the policy of the R. F. C. to lend money to that bank to prevent loss to the depositors, even though the stockholders of such bank had personally plenty of assets to put up for the purpose of protecting the depositors. Those who did not wait for R. F. C. help are holding the bag. They are paying taxes on the property of the bank which they took over after having secured the depositors, and they are being penalized because they saved their depositors without waiting for the R. F. C. to be established so that they could run to it and ask for the money. A case in point is the Citizens National Bank in my home town. The stockholders of that bank prevented any loss to the depositors; prevented a failure that would have caused a run, with dangerous effects on other banks of the community; and those stockholders today are subject to taxes on the frozen assets held by them.

If the R. F. C. can be relieved of taxes on private property to which it holds title, then by virtue of the same theory the Federal Government can be exempted from taxes on the farm lands to which it holds title by reason of the taking over of farms mortgaged under the Farm Loan Act. The Federal Government now holds title to farms valued at $119,635,831. Under our present practice of lending by Federal agencies if all of these assets are to be exempted in just a little while the taxes on what is left to be taxed in the States will be higher than the value of the property taxed and the citizens of the State will bear the burden of those increases. I have heard it said that it is robbing Peter to pay Paul for the Federal Government to pay taxes upon these things and at the same time we are told that the R. F. C. is operating at a profit under its present efficient management. If it is operating at a profit, then certainly it can afford to pay taxes, for it was never intended to operate at a profit. It was even suggested at the beginning that it might operate at a loss, but that such loss was in the interest of recovery and could well be borne.

Under the provisions of this bill, the Federal Government holding bank stock, will not be taxed by the States on that stock. The private individual holding bank stock will be taxed by the States on that bank stock. I submit that this is the most severe kind of competition in private business under the law. I further submit such a bill as this, discriminating as it does between the Government in business and the individual in business, is not a bill that has as its principle "justice under the law."

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I do not think that at the present moment the people of this country are in any frame of mind to approve legislation of this type. I think it is poor judgment, generally speaking, and I will give some of the reasons why I make this statement. I have in my

hand a little leaflet, The Agricultural Situation, put out by the Bureau of Agricultural Economics, dated January 1, 1936, which shows that the farmers in the State of Michigan in 1930 were paying on an average in selected counties 6.3 percent interest per annum on all the indebtedness they carried.

On debts under $500 they are paying 8.2 percent; $500 to $1,400, 6.8 percent per annum.

Here is the preliminary statement of the public debt, January 31, 1936, which shows a total gross debt of $30,516,452,985.58. In running over this statement, I find the bonds and notes are divided into groups or blocks, and the second block or group shows a total of $14,317,745,100, and in that group of Treasury bonds there is only one series that carries an interest rate as high as 4¼ percent, and the other series in that group carry rates from 4-percent down to 2¾-percent interest per annum. The rate of interest on loans made to banks by the R. F. C., which we are talking about here today, as applied to dividends on preferred stock, is 3½ percent per annum for the use of money. The next block shows a total of $11,791,980,000 plus. In this group of bonds I do not find anything which carries 3½ percent. But instead, a very large percentage that carries as low as 1⅛ percent, 1½ percent, and 1⅝ percent. Those two blocks added together amount to a little over 26 billion dollars out of the total public debt of $30,516,452,985.58, as of January 31, 1936.

Mr. KELLER. Covering what territory?

Mr. CRAWFORD. This covers the United States. This is the national debt as of January 31, 1936.

Mr. Chairman, the argument has been made that the R. F. C. cannot afford to pay the tax if it lends the money to these banks at the rate of 3½ percent. The statement to which I have just referred does not support that argument in any way whatsoever. The Government borrows money at the rate set forth in the preliminary statement of the public debt. We should keep in mind the many claims that have been presented the past year with reference to the tremendously low rate of interest at which the Government is able to borrow money. Why? Because the people of this country prefer to lend money to the Government on Government bonds instead of putting it into private industry and industrial activity. But let the industrial activity of the country go up materially, then will the Government be able to borrow money at the rates of interest shown on this sheet?

Coming back to my first statement, "This is no time to pass legislation of this type." The little sheet to which I first referred in my remarks shows that the people in the State of Pennsylvania—selected counties—paid a rate of interest of 5.7 percent. In Iowa it is 5.6 percent; Kansas, 5.8 percent; Louisiana, 7.1 percent; Texas, 6.8 percent; Montana, 6.9 percent; Oregon, 6.4 percent.

This shows that the farm people of this country, in selected counties of 11 States, in spite of what has been said with reference to 3½ percent on farm mortgages at the present time, which expires within about a year, were paying an average of 6.3 percent on all debts running $20,000 and over.

Mr. Chairman, can we stand here and plead for legislation that transfers from the R. F. C. a tax burden which must be thrown back onto the taxpayers of the States, particularly when the people are lending their money to the Government at such low interest rates as are reflected in the January 31, 1936, statement of the public debt?

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. CRAWFORD. Mr. Chairman, can we do that, when they are paying interest rates of 1⅛ to 3 percent, which the Government pays on money which it borrows from the people of this country, as the banks take the deposits of the people and buy Government bonds? I do not think we can afford to do that. I would like to go along with a proposition that encourages the protection of our banks and the saving of deposits in the banks, but I keep in mind the fact that a lot of the R. F. C. money went into new banks. It was not recovery money. Some of this money went into new banks which were organized on a new, clean-slate basis, and the R. F. C. came in and took the preferred stock. I also keep in mind that as the R. F. C. holds this preferred stock it is drawing dividends on the preferred stock out of the activities of those communities wherein the banks are operating.

I should like to ask the gentleman from Texas [Mr. CROSS] if he knows of any other Government operation in which there is Government ownership and the property is exempt, where the profits are taken as a result of the operations being carried on by the Government? I do not know of any. If the gentleman does, I wish he would give me the information.

Mr. HEALEY. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Massachusetts.

Mr. HEALEY. Will the gentleman clear up this point? In the event that the States tax this stock, as a matter of fact is it the R. F. C. that pays the tax, or is it the banks themselves in the form of increased interest rates?

Mr. CRAWFORD. I understand the State law in Michigan with reference to taxation of bank stocks provides that about the first Monday in October in each year the cashier of the bank must make a return to the State treasurer of the paid-in capital stock of the bank, both preferred and common. In the event the cashier fails to do that, the penalty for failing to do so causes the State treasurer to assess a tax against the entire authorized capital stock under the articles of incorporation. Adding this to what the gentleman from Ohio [Mr. HOLLISTER] said, it is my strict understanding that the bank makes a return on the value of the stock and that the stockholder is assessed his pro-rata share of the tax paid by the bank, and he must pay that through a reduction in his dividend.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Maryland.

Mr. GOLDSBOROUGH. The banks which have a relation with the R. F. C. cannot raise the rate above 3½ percent in the period of 5 years.

Mr. CRAWFORD. Mr. Chairman, this bill reaches out into very distant fields. Government is now participating in the operating profits of banks through the purchase which it has made of the preferred stocks of banks, both State and National. It has loaned much money to railroads and insurance companies. All of these activities are carried on for profit. Railroads, banks, and insurance companies are not nonprofit corporations. To be sure, military forts, post offices, and other Federal-owned properties are exempt from taxation. No one complains about that. But a new order or a new element has entered into the picture—Government ownership of preferred stock. This type of stock takes right over common stock. Some of this preferred stock may be owned by the Federal Government and at the same time some of the same bank stock by an individual. The Government ownership asks for exemption; the individual owner must pay his tax. The money with which to pay these preferred dividends must necessarily come from the operating profits of the banks of which the stock in question is a part. Those operating profits are created very largely by the people residing in the communities where the banks are located. In this manner those earnings in the form of dividends are extracted from that community. Some claim that if the R. F. C. must pay the tax the interest rate or dividend rate on the stock held by the R. F. C. must be advanced. That statement can be properly questioned. Who knows but what the Government in the years to come may be able to borrow money from the people at much lower rates than those enjoyed by the Government today? Suppose on all refunding transactions the Government can borrow money on an average annual interest rate of 1½ percent. In that case, would it be argued the Government would have to raise the rates of dividends or interest at the end of the 5-year period referred to by Mr. GOLDSBOROUGH?

POSTAL-SAVINGS RATES

If on account of so many deposits in the banks the volume of transactions create an operating expense which banks

cannot carry, and at the same time pay 2½-percent interest per annum on demand Federal postal savings deposits or on time deposits of customers, that, of course, becomes an operating problem for the bankers. Perhaps the time has come when banks will have to make a charge against customers for the care the banks give to deposits owned by the customers of the bank. When the bank accepts a deposit and extends a guarantee to the depositor that he will be able to secure that money at any time he may make demand, that is banking service. In years gone by, it, of course, was the custom for the banker to pay the depositor for the use of the money, and then the bank would lend that money at a much higher rate than the rate paid by the bank to the depositor. That is not so today, because the people are not ready to borrow loans from the banks at high interest rates. Instead the Government lending agencies, such as the Reconstruction Finance Corporation and the Home Owners' Loan Corporation, are "short cutting" and lending money at much lower rates than the banks have loaned in the past or than the mass of the people can borrow from banks at the present time. Thus these new corporations—operating somewhat as branches of the Government—can finance their activities through the borrowings from people, through the bank gateway, and in securing this money from the people in this indirect manner through the banks the Government is now paying about the rate of interest direct to the holders of Government bonds which the banks formerly paid, on an average, to the people who placed their deposits in the bank. Now, as the Government participates in industrial activity, it comes along and requests that its preferred stock and debenture holdings be exempted from tax. Certainly, Mr. Chairman, we have indeed entered a new field, and great forces are placed in operation.

Mr. Chairman, it is my opinion this bill goes far afield. This question is one that needs much careful consideration, debate, and understanding before it becomes law. For these and other reasons I shall have to vote against the bill.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, as long as I am a Member of this House my voice is going to be raised against the further extension of exempting from taxation property acquired by the Government. My vote is going to be cast that way. [Applause.] These times are too serious to consider a bill of this character or nature further extending tax-exempt securities. At least, the law will be so construed by the people, and rightly so, as there can be no question about the fact that this proposed law will greatly help and assist national banks that want to secure money for their preferred stock from the R. F. C. It will help to create more tax-exempt bonds. I do not think we have the right in this House to think that this depression is over and that all is going well now. We certainly are better off than we were, but remember that the line of the unemployed is still here by the millions. One-sixth of our people, twenty millions or more, are still being fed at the hands of charity. There is tremendous and ominous unrest in our land.

I cannot see any justification for hurrying this bill through in just a few brief hours. The reaction throughout the country is going to be decidedly against the Congress for pushing it through in this manner. It just went through the Senate only yesterday. I was over there when it was being discussed, and now it comes up here under a special rule, and we sidetrack another bill that was being considered in order to shove this measure through. Why? To exempt the R. F. C. borrowers from paying some taxes. They already have Government favors showered upon them.

I have heard it charged on this floor, and the people generally believe, that the R. F. C. was organized to bail out the banks, the railroad companies, and the big lending institutions. It certainly had that effect. The small banks in my country have disappeared. They have passed into the chains and the chains have reached out and used the R. F. C. and have received millions from them at three and a half percent interest. Of course, the tendency is going to be to keep these loans and not pay them off. We have no right, Mr. Chairman, at this time to pass this bill in a hurried way and under the pressure that is being brought forward to put it over. Such pressure usually indicates something wrong, and the people would resent it if informed.

Less than 30 days ago I saw all the papers of Oregon lined up on one side of a question, with nearly all the men in public life with them, urging the people to vote for certain measures. I saw the people go to the ballot box on the 31st of January and 60,000 of them voted with the papers and 150,000 voted against them. Evidently the newspapers are not controlling public opinion as they once did and people are more alert on political matters. You cannot tell what kind of revolution is just around the corner. If this bill passes, we are going to be justly criticized.

We hear much talk about tax-exempt securities. I do not know how many such securities there are. I should like to know and I have tried in many places to find out. This is no time for us to be passing hastily on a question as important as this. I think the matter of tax-exempt securities ought to come before this Congress and we ought to submit a constitutional amendment in order to reach this alarming situation.

History shows that civilization after civilization has been wrecked by people getting special privileges and special rights. You say, "It can't happen here." It may happen to us.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. I yield.

Mr. McFARLANE. Tax-exemption legislation has been pending before the Committee on the Judiciary for the last several sessions. I wonder why they do not do something about it. The President in a message to Congress favoring the elimination of tax exemption, sent last year, favors this legislation.

Mr. PIERCE. I do not understand why the Judiciary Committee does not take up that question and submit a constitutional amendment to the people at this time. I can see no valid excuse that can be offered by any man who votes for this bill. [Applause.]

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, as one of the minority members I was glad to go along with the majority on this question. When the original act was passed it was fully understood this exemption was the intent, except in matters of real-estate holdings. Seemingly, but one State has seen fit to challenge it successfully. It is rather late now for Democrats on the floor of this House to rise and say that as a general principle they do not believe in any more tax exempts being issued. It is a poor time to take refuge in such argument. The R. F. C., if these were profitable holdings, would sell them, but they cannot sell this preferred stock, even under present conditions. Make it harder, if you want to, and force them to hold them for a long time to come; but this is what is desired. But my motive in rising at this time is—and I intend doing it often—to call attention to the fact that in 1922 when you had a reasonably good-sized minority, and we had to get a two-thirds vote for a constitutional amendment to do away with tax-exempt securities, the opposition came from the Democratic side of the aisle, and I think only three votes for the proposition were cast on that side. We had to get a two-thirds vote, and although a fair majority, the Republicans could not win without some help from the minority. Yet we hear day after day you Democrats saying that they are never going to vote for any more tax-exempt securities. What is our own Judiciary Committee, largely manned by Democrats, doing? Did not your own chairman, the gentleman from Texas [Mr. SUMNERS], get up here recently and tell you why that amendment is not presented to you? He practically stated it to be unthinkable that we should consider it now or for some time to come when our own Government faces these large borrowings.

We have to look after the credit and the ability of your own Government to refinance, and now learn that it has about $11,000,000,000 to finance or refinance within the next few months. Do not believe in any more tax-exempt securities. You will have now nearly $40,000,000,000 worth, while in 1922 you had only about $20,000,000,000 worth. If you read the speeches of your Democratic leaders then—and you had very able Democratic leaders in 1922—you will find that they made really good speeches in opposition; and I say to the gentleman from Oregon [Mr. PIERCE] that I believe if he will go back to the records of 1922 and read the debate, those speeches will convert him, so persuasive were they, and the same arguments would be advanced now as then.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. CELLER. Just tell the House that not only have tax-exempt securities been issued to a great degree during Democratic control of the Judiciary Committee, but to an even greater degree when the Republicans were in control.

Mr. GIFFORD. Oh, yes; we cut them down from twenty-six billion to sixteen billion from 1922 to 1929. The gentleman, perhaps, remembers that?

Mr. Chairman, I yield back the remainder of my time.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BROWN].

Mr. BROWN of Michigan. Mr. Chairman, I have been interested in the fight that the gentleman from Oregon [Mr. PIERCE] has made regarding the tax exemption of Government securities. I think his argument on the floor has possibly confused some of the members of this Committee. The measure that we propose is one which will actually make preferred stock of banks, when it gets into the hands of private investors, subject to taxation. The kind of tax exemption that you have been protesting against is the tax exemption of Government securities when in the hands of private investors. The kind of tax exemption that we propose here is an exemption when property is in the hands of the Reconstruction Finance Corporation, which is an arm of the Federal Government and ought not to be subject to taxation any more than a fort or any other property of the Government of the United States.

Mr. PIERCE. Will the gentleman yield for a question?

Mr. BROWN of Michigan. Yes; I yield.

Mr. PIERCE. Is it or is it not true that these buildings in Washington pay a certain amount to the District of Columbia in lieu of what would be paid if they were privately owned?

Mr. BROWN of Michigan. Only insofar as we make appropriation for that purpose.

Mr. PIERCE. But is it not true that five or six million dollars is taken out of the National Treasury, and that is the excuse for it?

Mr. BROWN of Michigan. Well, I do not think that is a matter of taxation. That is a contribution on the part of the Government to the maintenance of the District of Columbia.

Mr. PIERCE. But is that not true?

Mr. BROWN of Michigan. Yes; it is true in that sense; but the fight which the gentleman has been making is not against exemption of property of the Government of the United States. It is against the exemption of that property, bonds of the Government, when they are in the hands of private investors. I do not yield further.

This bill provides, in substance, that when this preferred stock gets into the hands of private investors it becomes subject to taxation just the same as any other property. So much for that subject.

Now, the gentleman from Texas [Mr. PATMAN] has made much of the fact that the Committee on Banking and Currency is attempting to draw a distinction between investments of the Reconstruction Finance Corporation in the preferred stock of national banks and in their investment in capital notes and debentures in State banks.

There is no such distinction in this bill. One only has to read a sentence from it to demonstrate that fact conclusively:

Notwithstanding any other provision of law or any privilege or consent of tax expressly or impliedly granted thereby, the shares of preferred stock, capital notes, and debentures of State banks and trust companies heretofore or hereafter acquired by the Reconstruction Finance Corporation shall not be subject to taxation when in the hands of Reconstruction Finance Corporation.

The plain language of the statute ought to silence for all time today in this debate the proposition that we are attempting to tax State banks and to exempt National banks with respect to that financial assistance which the Reconstruction Finance Corporation gives to banks of all kinds, whether they be State or National banks. There is absolutely no distinction, and the only purpose of the bill is to carry into effect the original purpose of the Congress when it exempted all of the property of the Reconstruction Finance Corporation from taxation.

Mr. CRAWFORD. Will the gentleman yield for a question?

Mr. BROWN of Michigan. I yield.

Mr. CRAWFORD. The gentleman referred to the properties which the Government holds, and if I understood him correctly he said "forts"?

Mr. BROWN of Michigan. Yes; any property of the Government.

Mr. CRAWFORD. Does the gentleman classify nonprofit holdings of the Government, such as forts, public buildings, and so forth, with the holdings of the Government under these new types of Government corporations which we have recently established where they draw profits out of a community?

Mr. BROWN of Michigan. I think the general purpose of both is the same. The purpose of the establishment of the Reconstruction Finance Corporation was for the general benefit and welfare of all the people of the United States, and its property should be exempt. What is the use of our going down into the city of Texarkana, Tex., and investing $250,000 to rehabilitate a bank, invited down there by the people and the banks, and then have that institution ask us to pay a tax upon the funds we gave to them for the purpose of opening or keeping open a bank? [Applause.]

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. CAVICCHIA].

Mr. CAVICCHIA. Mr. Chairman, from the question which the gentleman from Michigan asked a few moments ago of the previous speaker, he evidently expects that these different Government agencies which we have set up in the last 5 or 6 years are going to make a profit. If that is so, the gentleman is a prophet himself.

The gentleman who preceded me [Mr. BROWN of Michigan] has very well explained the purpose of this act. A great deal of confusion has arisen as to whether or not preferred shares of bank stock held by the Reconstruction Finance Corporation should be taxed. Most States, either by law or by interpretation of their attorneys general, have decided that the stock is not taxable. Someone made a test case of it, and it went to the Supreme Court of the United States, and that august body decided that the stock was taxable. In order to have uniformity and to do away with confusion, the Committee on Banking and Currency brings to you the suggestion that you accept this amendment and make the stock exempt from taxation.

Mr. McFARLANE. Will the gentleman yield for a question right there?

Mr. CAVICCHIA. Yes; I yield.

Mr. McFARLANE. But does this bill do that when you take into consideration that 31 of the States, according to the Senate hearings, are allowed to tax the stock of State banks for State, county, and municipal purposes, when this bill cannot stop that and does not interfere with it in any way?

Mr. CAVICCHIA. It does not, and we cannot enforce it.

Mr. McFARLANE. Then it does not equalize.

Mr. CAVICCHIA. I may say to the gentleman, however, that if we make this stock taxable, the Reconstruction Finance Corporation will be forced to charge a higher rate of interest on the money it lends; and will we be any better off than we are now?

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CAVICCHIA. Yes.

Mr. PATMAN. The gentleman asked a question. I think the community would be better off, because the bank would be paying for the benefits it is receiving and paying its fair share of taxes to the local community.

Mr. CAVICCHIA. The gentleman from Texas and I disagree on most questions that come before this House from the Committee on Banking and Currency.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CAVICCHIA. I yield.

Mr. McCORMACK. If we were a national government the gentleman's argument would be very convincing to me.

Mr. CAVICCHIA. Are we not a national government?

Mr. McCORMACK. If we did not have a dual system of government. We are a federated government. The Federal Government is a limited government, with delegated powers. The States have preserved to themselves certain taxing rights. We have no powers other than the powers the sovereign States have given to the Federal Government, and the sovereign States have reserved the right to tax private business. When the Reconstruction Finance Corporation buys the preferred stock of a bank it is putting its money into private activity, and the States certainly ought to have the right to impose taxes on any such activity.

Mr. CAVICCHIA. I would agree with the gentleman from Massachusetts were the R. F. C. a private corporation doing business for profit. It is nothing of the kind. It was born of an emergency. It is the taxpayers' money that is in the kitty, and it is being let out to banks and other institutions in order to help them.

Mr. GRISWOLD. Mr. Chairman, will the gentleman yield?

Mr. CAVICCHIA. I yield.

Mr. GRISWOLD. The gentleman said it was a nonprofit corporation. Can the gentleman tell me what will happen to the profits of the R. F. C. if it makes any?

Mr. CAVICCHIA. They are returned to the Treasury of the United States.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. CAVICCHIA. I yield.

Mr. CELLER. The R. F. C. did not of its own accord want to buy this preferred stock; it did so only to rescue these banks.

Mr. CAVICCHIA. I may say to my friend the gentleman from Brooklyn that that is the commonly accepted theory. As a matter of fact, however, the R. F. C. forced, indirectly, many of these banks to sell to it preferred shares. Many a bank has had to sell preferred shares of stock to the R. F. C. when it did not want to sell any, because it needed no money, but banks were afraid of reprisals in some few instances.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield 5 additional minutes to the gentleman from New Jersey.

Mr. CELLER. Mr. Chairman, will the gentleman yield further?

Mr. CAVICCHIA. I yield.

Mr. CELLER. I think that is true, but in those instances the capital structures of the banks were in disproportion to their deposits. Their deposits were so large and the capital structure so small that it was necessary in the interest of safety for the R. F. C. to buy some of the preferred stock of these banks to bring back the proper proportion between deposits and capital structure. In those instances the R. F. C. compelled the banks to give them the preferred stock.

Mr. CAVICCHIA. That is another theory that does not hold water.

A lot of these governmental agencies we have organized in recent years are becoming rackets; and may I cite the postal-savings bank? When we created the Federal insurance of bank deposits we felt we would no longer have need of postal-savings banks, because the average worker does not, as a rule, save more than $5,000, if that much, and he could just as well go to the State or National bank and deposit his money. We felt that because of the insurance feature we would no longer have need of the postal-savings banks. It was the conviction of the majority of the members of the Committee on Banking and Currency that, without legislation, in time the postal-savings banks would disappear of themselves.

What has happened? We guarantee the depositors in postal-savings banks 2-percent interest. The trustees of the postal-savings deposits in Washington exact 2½ percent from the banks where this money is deposited. I want to give you gentlemen something to think about. I have been unable to get information from the trustees of the postal-savings banks as to how much money was returned to the postal authorities on the 1st of February by the banks of New York and New Jersey. I got just a general bit of information saying that on December 31 there was on deposit in the postal-savings banks of the country $1,201,377,563; that some of the banks have returned the money voluntarily because they could not afford to pay the postal authorities 2½-percent interest. I asked the Third Assistant Postmaster General why they did not lower the rate of interest so that the banks could keep the money, and he said that one-half of 1 percent was not too much to charge the banks in order to cover overhead; yet we charge only one-eighth of 1 percent to guarantee our bank deposits. We began at one-half of a percent, went down to a quarter, and finally got down to one-eighth of a percent. We can afford to guarantee the deposits in the banks and only charge the banks one-eighth of 1 percent.

The postal authorities felt it necessary to have the banks in which they deposited the postal savings pay interest of 2½ percent, giving a leeway of one-half percent to cover overhead.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. CAVICCHIA. I yield to the gentleman from North Carolina.

Mr. HANCOCK of North Carolina. I just want to rise to correct the gentleman. The present assessment is one-twelfth of 1 percent.

Mr. CAVICCHIA. That is better yet.

Mr. Chairman, from a newspaper correspondent I got information that I could not get direct from the postal authorities. Subject to correction, I give you these figures: On February 1 the State and National banks of the State of New Jersey had to return $33,367,434, because the bank commissioner of the State said that the banks of my State could not afford to pay depositors more than 2 percent. Inasmuch as the ruling of the postal authorities provided that these banks had to pay 2½ percent, this money had to be returned. Is it not a wonder we did not have a banking holiday on the first of February when $33,000,000 was taken out? I am told $15,903,754 was returned by New York banks.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. CAVICCHIA. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. May I say to the gentleman that I have in my hand the Senate hearings on the bill, and I notice therein a statement by Mr. Jones that some of this preferred stock is in private ownership. Does the gentleman know how much that amounts to?

Mr. CAVICCHIA. I could not give the gentleman the figures.

Mr. MARTIN of Colorado. I want to know what is going to become of that when this law is passed?

Mr. CAVICCHIA. They get a greater rate of interest than the R. F. C. and they have to pay a tax on what a private individual holds? I want the Members of the House to be clear on this point: Private holders of this preferred pay a tax on this stock.

Mr. MARTIN of Colorado. How do they get this stock?

Mr. CAVICCHIA. Well, they are probably directors of the bank. The bank had to have additional capital and they

bought it there when the stock was issued. Some of it went to the R. F. C. and some went to individuals.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. CAVICCHIA. I yield to the gentleman from Washington.

Mr. ZIONCHECK. Is the gentleman for this measure that is now before the House for consideration?

Mr. CAVICCHIA. I am, because I believe the measure clarifies what we intended should be the law when we first drew up the act.

Mr. ZIONCHECK. If the gentleman is for the measure, I am against it, because the gentleman is always with the bankers.

Mr. CAVICCHIA. I thank the gentleman. May I say I do not own a share of bank stock and never did.

Mr. ZIONCHECK. But the gentleman is always here representing them before the House.

Mr. CAVICCHIA. I am a member of the Banking and Currency Committee, and I wish the gentleman from Washington would please take notice.

Mr. CRAWFORD. Will the gentleman yield?

Mr. CAVICCHIA. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Did I understand the gentleman to say that the Postal Savings requires State banks to pay 2½ percent on their deposits?

Mr. CAVICCHIA. Yes. The depositors go to the postal-savings banks and put their money in those institutions because they know it is a Government proposition. They have more faith in a Government institution than they have in private banks. That is especially true of the immigrant classes which we have in our large centers of population. However, the Government takes these deposits and puts them in a private bank which the depositor himself did not want to go to in the first instance. The Government pays the depositor 2 percent and exacts 2½ percent from the private banker.

Mr. CRAWFORD. It is my understanding that a great many of the banks are this very month reducing the interest rates which they pay on time deposits to as low as one-half of 1 percent.

Mr. CAVICCHIA. Yes; and that is the reason $33,000,000 was withdrawn from banks in the State of New Jersey and returned to the Federal Government, because by order of the commissioner of banking and insurance of New Jersey the rate of interest was cut down to 2 percent and the banks could not afford to pay 2½; hence the return of the money.

Mr. WHITE. Will the gentleman yield?

Mr. CAVICCHIA. I yield to the gentleman from Idaho.

Mr. WHITE. Is it not a fact that during the depression the fund in the postal-savings banks was one of the greatest influences the Government had to bail out the distressed banks and was there not a stampede to get money from these banks in distress?

Mr. CAVICCHIA. Yes; but since we have guaranty of bank deposits, why have postal-savings banks and why have the postal authorities carried on the racket of making the private banks give them one-half percent for what they say is overhead?

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. HANCOCK].

Mr. HANCOCK of North Carolina. Mr. Chairman and members of the Committee, though the measure before us has been ably presented by various members of the committee, I am convinced that there is much confusion surrounding its true purpose and effect. Much that is irrelevant has gotten into the discussion. I therefore trust that I may aid some in clarifying the real issue for decision.

The reasons for the bill are well and clearly stated in the report of the House Committee on Banking and Currency, and in the interest of fair play and equality between the States, applies to taxes heretofore imposed as well as to future taxes.

As pointed out by the gentleman from Wisconsin [Mr. REILLY], the effort on the part of some of the gentlemen who have spoken today to confuse the tax-exempt issue with the issue involved in this measure is entirely out of place and can be nothing more than an effort to draw a herring across the path. This bill merely restores to the R. F. C. an instrument of the Federal Government, its constitutional immunity from taxation. It is designed to clarify the exemption from all taxation of preferred stock, capital notes, and debentures of banks and trust companies acquired by this Corporation pursuant to section 304 of the Emergency Banking Act passed in March 1933. The necessity or occasion for this bill, as probably all of you understand, is the recent decision of the Supreme Court of the United States in the case of the Baltimore National Bank against the State Tax Commission of Maryland, in which the Court held that the tax commission had the right under section 5219 of the Revised Statutes to assess the shares of stock regardless of its ownership. Since the word "all" was used by Congress in 5219, the Court stated that the manifest intention of the law was to permit the State in which a national bank is located to tax, subject to the limitations prescribed, all the shares of its capital stock without regard to their ownership. In this case the R. F. C. owned the entire preferred stock issue, which it bought to assist the bank in reopening its doors. But for the express language of 5219, Revised Statutes, the invoking and asserting of the constitutional immunity would have been adequate and sufficient to have protected the Federal Government against taxation of the State authorities. It should be remembered that section X of the Reconstruction Finance Act was designed to give the broadest possible constitutional immunity to the Corporation, for this language is used:

> The Corporation, including its franchise, its capital, reserves, and surplus, and its income shall be exempt from taxation, both State and Federal.

Under color of law, the Corporation has consistently asserted this constitutional immunity from taxation. This interpretation of section X has received almost universal acceptance by State courts and attorneys general, and only recently has any taxing authority undertaken to question this immunity. In partial reliance upon it, the Corporation has reduced the dividend rate on preferred stock held by it to 3½ percent until February 1, 1940, and 4 percent thereafter, while it pays the Treasury 2¾ percent for the funds procured from it. As pointed out in the report, taxation of shares of preferred stock will not only encroach in all cases upon the Corporation's small margin of return but in many cases will wipe out entirely and even exceed this margin.

The present bill will not in anywise affect the rights of any taxing bodies to levy taxes against the preferred stock, notes, or debentures held by any individual or other corporation. This measure merely exempts the securities mentioned when held and owned by the Reconstruction Finance Corporation. It is perfectly consistent with the intention of Congress, and the bill does no more than to close an unintended legislative gap.

We should not forget that the R. F. C. was created as a relief corporation, whereby the credit of the Government, in the great crisis facing the people, could be thrown behind private credit to prevent a complete destruction of values of all kinds. It was not set up, as many have been given to believe, for the primary purpose of aiding the big corporations and large institutions. Its purpose was to save through them the deposits and investments of millions of people throughout the country. This it has done and at the same time protected the taxpayers. [Applause.]

Mr. McCORMACK. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I gladly yield to the gentleman from Massachusetts.

Mr. McCORMACK. Does the gentleman take the position that every instrumentality of government is exempt from taxation?

Mr. HANCOCK of North Carolina. I take the position that every instrumentality of the Federal Government can invoke immunity from taxation. It is an inherent, sovereign right.

Mr. McCORMACK. Does the same thing apply to the State governments?

Mr. HANCOCK of North Carolina. The State governments can, of course, protect their own properties against Federal taxation.

Mr. McCORMACK. Unless it is an essential governmental function, any activity of the State or local government is subject to Federal taxes.

Mr. HANCOCK of North Carolina. The gentleman is getting into a broad field, and I regret that I cannot follow him.

Please let me now briefly give you my reasons why I think this measure is desirable and necessary. Much has been said here about depriving the local communities of their right to taxation. A number of the gentlemen who have spoken have also indicated that the passage of this bill would withdraw certain property from taxation by the State and other governmental units which they at one time enjoyed. Such a conclusion is, of course, erroneous. Personally I cannot believe that this is the real motive behind the opposition to this measure. Unfortunately there are a few men in the House who see red when any measure involving a bank or banker is presented for the impartial consideration by the Congress. Such vision or attitude can do no good but possibly great harm. I am allied with no banking institution, but I recognize, as I am sure all of you do, that banking houses are indispensable in our economic set-up. When soundly and properly administered in the interest of the public, they are entitled to the good will and patronage of the public and fair treatment by the government which chartered them. All of us, I am sure, will appreciate the fact that no bank is safe to do business with unless it is operating upon a profitable basis. This does not mean, however, that in time of emergency the rights of the stockholders should be placed ahead of the community interest and welfare.

Just why should the R. F. C. be treated on any different basis from any other corporation? Well, in the first place, capital was not put into banks by the R. F. C. for the same reason that private money is invested in these institutions. In normal times the hope of profit is, of course, behind practically every purchase of bank stock. All of us know, however, that the R. F. C.'s purchase of preferred stock, notes, and debentures in National and State banks was purely for the purpose of protecting millions of depositors and of avoiding further destruction of property values. It has served as a great physician to thousands of sick banks which were helpless because of lack of local financial sustenance and confidence.

It is a known fact that thousands of banks could not have qualified for membership in the F. D. I. C. without R. F. C. capital, and could not now retain their membership in the F. D. I. C. without R. F. C. capital, which is necessary to meet the requirements of unimpaired capital structure. If these banks had not been able to qualify for deposit insurance, many of them would have long since been closed and their closing would have destroyed taxable values of other kinds and characters many times greater than the capital stock in the banks. Saving the depositors of these banks also gave the common stock of the banks a chance to come back and again provide taxable values. [Applause.]

There are many banks in practically every congressional district that were without capital in 1932 and 1933, and if the R. F. C. had not come to their rescue some of them would have been closed, to the great distress, inconvenience, and loss to their depositors. Taxable values would have vanished far in excess of the amount of preferred stock placed in the banks. By saving these banks we have remade value. Who, then, can truthfully say that this measure is a discrimination against the State taxing authorities?

It has been stated here that some of the banks were forced to issue preferred stock. I am certain that such a statement is without foundation. The Government provided the capital because local interests were not in a position to do so; and all of the bank-capital investments, whether in preferred stocks or capital notes and debentures, are in effect loans to the banks. Under the articles of association or agreement with the banks, they must retire the preferred stock from their earnings and recoveries. It is not, therefore, an investment as preferred stocks are generally considered, but a temporary aid to the local communities and depositors in the banks. As the preferred stock is retired, it must be replaced with common stock, all of which will be subject to taxation at the will of the States where located. We should remember that capital notes and debentures are not taxed, and, if preferred stock is taxed, it creates a discrimination.

In the light of these facts, it is hard to understand the arguments which have been advanced against this meritorious measure. Its passage will not benefit the banks which have issued preferred stock now held by the R. F. C.; but its defeat will seriously hinder, and perhaps prevent, the R. F. C. from going to the aid of other worthy institutions which are in imminent danger of collapse and failure because of impairment of capital. According to the testimony given to our committee by the distinguished chairman of the Federal Deposit Insurance Corporation, Mr. Crowley, who strongly urged the passage of this bill, there are a number of serious cases in the country which will be denied the relief they need and deserve unless this measure is passed. All of us know that the R. F. C. will not be able to continue to lend to these institutions at the present low rate if they are to be taxed anywhere from 2 to 5 percent on the stock which they own in these institutions. This, of course, means that they will have to charge institutions in distress 5, 6, and 7 percent for this money, which will impose an almost prohibitive burden upon a convalescing institution. That is exactly what will happen if this exemption is not voted into these securities.

Mr. PETTENGILL and Mr. SOUTH rose.

Mr. HANCOCK of North Carolina. I yield first to the gentleman from Indiana.

Mr. PETTENGILL. I understood the gentleman to say that he holds that Government instrumentalities or Government-owned corporations are exempt from local taxation.

Mr. HANCOCK of North Carolina. They can certainly invoke that right.

Mr. PETTENGILL. Then if the H. O. L. C. forecloses on a piece of home property, or if the Farm Mortgage Corporation forecloses on a piece of farm property, would the gentleman exempt such property from the payment of taxes to support schools, and so on?

Mr. HANCOCK of North Carolina. I have made no such statement.

Mr. PETTENGILL. What is the distinction?

Mr. HANCOCK of North Carolina. I shall be glad to define the distinction in just a few minutes. The gentleman, of course, knows that any real estate owned or acquired by the R. F. C. was expressly made the subject of ad valorem taxes in the community where located under the language of section X of the act referred to a few minutes ago.

Mr. HOLLISTER. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I gladly yield.

Mr. HOLLISTER. I should like to suggest to the gentleman, in answer to the question of the gentleman from Indiana, that the essential difference between this case and the case he submits is that in the case of the H. O. L. C. or in any other case where property owned by a Government instrumentality is already on the tax books, removing such property from the tax books would be taking away revenue which already existed. But in this case, in every instance, as the gentleman from North Carolina has so convincingly pointed out, there has been new capital put into the community, which has created a new kind of property not previously on the tax books.

Mr. HANCOCK of North Carolina. I thank my friend from Ohio, who has answered, I am sure, the gentleman's question more clearly than I could have done.

Of course, there are none of us here who would deprive any of the States or smaller subdivisions of their legitimate taxable values. Personally I do not believe that there is a taxing authority in the United States that would have thrown any obstacle or stumbling block in the way of the R. F. C. in its constructive effort to protect the community in keeping

open or reorganizing its financial institutions. The people in this country know that the R. F. C. has been a friend to practically every eligible worthy financial institution in trouble, and I should hate to think that any Member of this House would for some small, petty, prejudicial reason reflect upon its great record in placing the institutions of our Nation on a sound and solid foundation.

In trying to prevent this Corporation from being crippled in its relief operations, let us not forget the conditions which faced us in 1932 and 1933. In my judgment there is hardly a community in the entire Nation whose citizenship has not been directly benefited as a result of its operations. Who is there among us here who would have touched a share of new bank stock in 1933 with a 20-foot pole? Why are our banks in such healthy and strong condition today? Every man here knows that the answer lies in the able and effective assistance rendered these institutions through the R. F. C. and the F. D. I. C. Their work constitutes a marvelous and unprecedented accomplishment in which every citizen of the United States should take a just pride. Their work is, of course, not complete; and I therefore urge upon the membership of this House to seriously ponder the issue before us at this hour before they turn thumbs down on this measure. I have the utmost confidence in the composite judgment of our committee and in the recommendation of the distinguished Chairman of the Reconstruction Finance Corporation. For these reasons, together with my own as the result of a careful study of this measure, I shall cast my vote for it. [Applause.]

Mr. HOLLISTER. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman and Members of the Committee, after that very persuasive and convincing statement by my colleague on the Banking Committee [Mr. HANCOCK], it is scarcely necessary for anything more to be said in defense of the bill.

I want to say that the State of Illinois has a particular interest in the pending bill. The Reconstruction Finance Corporation has invested in the banking institutions in the State of Illinois at the present time something in excess of $72,000,000. If the State were permitted, at the ordinary rate that pertains there, to tax the R. F. C., it would amount to two and a half million dollars, which is far in excess of the interest that any other State in the Union might have in the pending legislation.

I assume that the gentleman from Texas, in the statement he made earlier in the day, was particularly interested in saving the entire assets of these banks in his own State so far as might be taxed for the benefit of the State, rather than for the benefit of the Government.

May I say that so far as the loss of revenue is concerned, take an outstanding example of a bank in Chicago. When the Reconstruction Finance Corporation bought into the largest bank in Chicago, the common stock of that bank was selling for $24 a share.

Mr. McFARLANE. Which bank?

Mr. DIRKSEN. I think the Continental.

Mr. McFARLANE. Will the gentleman yield for a question?

Mr. DIRKSEN. Let me finish, and then the gentleman can carry on from there. The statement that Jesse Jones made to Senator COUZENS with respect to that bank as printed in the RECORD shows that the common stock of that bank is now selling for $174 a share, an appreciation of $150, which means an appreciation in the common stock of $112,500,000 of taxable value, so far as the State of Illinois is concerned. If we can tax the common stock, and we have an additional enhanced value of $112,500,000 that can be seized upon by the tax assessor of Cook County, certainly we will not be so niggardly as to contend that here is something that ought to be preserved for the States that involves only two and a half million dollars as against $112,000,000.

Mr. MAY. Is that the bank known as the Dawes Bank?

Mr. DIRKSEN. Oh, let us not go into that.

Mr. MAY. I am asking for information.

Mr. DIRKSEN. I shall not answer the question, because it is quite beside the point. It may be drawing a red herring across the trail.

Mr. MAY. If the gentleman is correct, that the stock of the bank went from $24 a share up to $174 a share, can the gentleman tell any reason why they should not pay taxes on stock that increases so valuable for tax purposes to the local authorities in the city of Chicago?

Mr. DIRKSEN. I am speaking of the common-stock appreciation, not the preferred-stock appreciation. As for the preferred stock and the right of the R. F. C. to be exempt insofar as those subscriptions to preferred stock are concerned, I simply follow the contentions made by my colleagues on the Banking Committee, that it is essentially a Government instrumentality which was not created for the purpose of profit but rather to give solvency to the lending institutions in every community in the United States, and by doing so they have not only improved the value of common stock but they have done considerable for real-estate values and everything else. So far as the argument is concerned that we are taking out of valuation for State taxing purposes a large measure of property, it does not hold water.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. McFARLANE. Since this question of Chicago has come into it and the Dawes Continental Bank——

Mr. DIRKSEN. Remember, no red herring.

Mr. McFARLANE. Oh, yes; and since the stock has been increased in value, and since the salaries in all those banks have increased, and, for instance, Mr. Cummings was drawing $15,000 and now draws $75,000 from this bank——

Mr. DIRKSEN. Oh, let us leave him out of it.

Mr. McFARLANE. He was in it in a big way in the Senate debate yesterday.

Mr. DIRKSEN. It has no relation to the bill pending, and the gentleman has no right to bring that into this discussion, and he knows it.

Mr. McFARLANE. I have all the right that any Member of Congress has, and if these banks can pay these additional salaries why can they not pay taxes on the stock that you are trying to exempt under this bill?

Mr. DIRKSEN. Why insist on befogging the issue by bringing in Mr. Cummings? I might feel precisely the same as the gentleman does about Mr. Cummings and about the high salaries he is receiving, but that has nothing whatsoever to do with this bill.

Mr. McFARLANE. It has, because it is indicative of the whole question.

Mr. DIRKSEN. It may prejudice Members and is brought here for the purpose of obscuring the real purpose of this bill.

Mr. MAY. On the gentleman's own statement that the property values increased very largely in the community where these loans had been made by the R. F. C., will the gentleman agree with me that if the loans held by the banks on all this property under other loans have been secured, then they can afford to pay taxes against all the other loans?

Mr. DIRKSEN. I do not know that I understand the gentleman's involved question, but a lot of this preferred stock that we refer to in the provisions of the pending bill was created after the R. F. C. began to function and after it was given authority in the Emergency Banking Act in 1933 to subscribe for this stock, so that in dollars and cents the States are losing absolutely nothing and have the benefit of the appreciated values in common bank stock. That is the long and the short of it. The States are losing nothing, and I am going to vote for this bill. [Applause.]

Had the R. F. C. never been created and vested with authority to subscribe to preferred shares of national banks, millions of existing preferred shares at the time of the banking emergency would have remained worthless and without taxable value to the States, and other millions of new preferred shares to which the R. F. C. subscribed would never

have been issued. It was this function and authority of the R. F. C. which brought such preferred shares into being, and it knocks the arguments of the opponents of this measure into a cocked hat.

If it was contemplated that the R. F. C. should continue indefinitely as a normal arm of the Government, there might be some virtue in the contentions of those who now envision it as an intruder upon the province of the States. It is not so contemplated. It is essentially an emergency agency. It should go out of business when its work is done, but so long as its services are required, it remains for the Congress to protect it and facilitate its work.

What good would be accomplished by defeating this measure? If you permit States to tax a Government agency to the point where it must raise interest rates to all borrowers to overcome the item of taxes in its cost of operations, by so doing you defeat the very purpose of the R. F. C.

How strange that heretofore nobody has contested the authority and the right of the R. F. C. to subscribe to capital stock, capital notes, debentures, and so forth, without paying taxes thereon. To be logical, the opponents of this measure should tax every function of the R. F. C., and thus tax it out of business. That, indeed, would be a most singular attitude to take toward an agency which has sought to serve banks, insurance companies, railroads, and many other enterprises to preserve their securities against further depreciation and the evil consequences that would be visited upon the small holders of such securities.

The bill is proper, it is logical, it is in accord with court decisions, and should be passed.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, I am sure we all listened very attentively to the remarks of the gentleman from Texas [Mr. PATMAN], but I rather thought his remark that the bill was a sort of "pork barrell" bill, was indeed in bad taste. I say that advisedly. Let us see what there is of "pork barrell" in the Reconstruction Finance Corporation. Since the gentleman made his remarks, I have discovered that his own district has been greatly benefited by the Reconstruction Finance Corporation. Just pause a moment and let these figures sink in. In 11 Texas counties, comprising Mr. PATMAN's district, I am informed by the Reconstruction Finance Corporation that, to protect the interests of depositors, the Reconstruction Finance Corporation has made loans of $937,695 to banks, trust companies, and building-and-loan associations; and it has purchased $670,000 in preferred stock and debentures of banks in those counties, in an effort to increase their capitalization and so provide for an adequate margin of safety for deposits placed in the banks by the people of those counties.

Mr. PATMAN. Will the gentleman yield? How much did the gentleman say?

Mr. CELLER. I would say, in view of the gentleman's remarks—and I have a real affection for him and a high regard for his ability—that his remarks are in the nature of biting the hand that feeds him.

Mr. PATMAN. Does the gentleman mean to say we received in the First Congressional District of Texas from the R. F. C. in loans to banks of only $937,000?

Mr. CELLER. I should think that was rather adequate.

Mr. PATMAN. In other words, every time we got a dollar the Dawes bank got $100?

Mr. CELLER. That has nothing to do with it. I would say if the gentleman received in his district almost $1,000,000 from the Reconstruction Finance Corporation and Texas received in the way of preferred stock from the Reconstruction Finance Corporation almost $22,000,000, your State and your district have been treated mighty well by the Reconstruction Finance Corporation.

Let us dip into the record. Let us see the immeasurable benefits heaped upon States by the R. F. C. only in respect to the preferred stock it has bought from banks. The figure I insist on by States, first, where national-bank shares are taxed; second, where national-bank shares are not taxed; third, where tax is levied on income of national banks.

States in which national-bank shares are taxed

State	Investment of Reconstruction Finance Corporation in national banks and trust companies	Percent of actual value at which property is assessed for taxation	Approximate annual tax rate, based on information available (per $1,000)	Approximate amount of tax per year, based on information available
Arizona	$1,340,000.00	100	$51.20	$68,608.00
Arkansas	1,275,000.00	50	52.34	33,366.75
Colorado	4,101,000.00	100	49.15	201,564.15
Delaware	137,300.00	100	2.00	274.64
Florida	1,177,500.00	50	2.00	1,177.50
Georgia	1,507,500.00	100	31.00	46,732.50
Idaho	565,000.00	67	62.23	23,557.17
Illinois	72,797,614.17	50	68.55	2,495,138.23
Indiana	6,857,980.00	100	2.50	17,144.95
Iowa	6,323,400.00	60	5.00	18,970.20
Kansas	2,190,500.00	100	41.96	91,913.38
Kentucky	3,182,350.00	100	13.00	41,370.55
Maryland	2,607,540.00	100	12.20	31,811.98
Michigan	17,680,610.00	100	31.97	565,249.10
Minnesota	11,211,000.00	33⅓	108.00	403,596.00
Missouri	4,217,125.00	60	32.05	81,095.31
Montana	1,061,000.00	30	70.00	22,281.00
Nebraska	4,842,450.00	100	10.00	48,424.50
Nevada	175,000.00	100	41.14	7,199.50
New Mexico	401,000.00	100	43.40	17,283.40
North Carolina	1,317,500.00	100	18.49	24,360.57
North Dakota	1,897,000.00	50	65.23	61,870.65
Ohio	22,828,073.00	100	2.00	45,656.15
Pennsylvania	19,394,886.50	100	4.00	77,579.54
Rhode Island	648,500.00	100	4.00	2,594.00
South Carolina	1,505,000.00	100	90.08	135,570.40
South Dakota	2,748,000.00	100	4.00	10,992.00
Tennessee	7,790,000.00	100	22.98	179,014.20
Texas	21,969,625.00	75	43.01	714,685.18
Virginia	3,043,900.00	100	10.00	30,439.00
West Virginia	2,416,066.66	100	5.47	13,215.83
Total	229,209,420.33			5,512,736.38

States in which national-bank shares are not taxed

Louisiana	$4,340,000.00
Maine	2,455,600.00
Mississippi	2,629,000.00
New Hampshire	501,635.00
New Jersey	28,648,575.82
Utah	1,250,000.00
Vermont	497,500.00
Washington	2,062,500.00
Wisconsin	14,573,850.00
Wyoming	565,000.00
Total	57,523,660.82

Territories (no tax information available)

Alaska	$37,500.00
Virgin Islands	125,000.00
Total	162,500.00

Summary

	R. F. C. investment	Amount of tax
Taxable	$229,209,420.83	$5,512,736.38
Not taxable	57,523,660.82	
Tax paid by bank (income)	173,173,266.83	
No information available (Territories)	166,500.00	
Total	460,068,847.98	5,512,736.38

States in which tax is levied on income of national banks

Alabama	$6,612,400.00
California	16,716,925.00
Connecticut	3,698,426.00
District of Columbia	1,100,000.00
Massachusetts	9,190,800.00
New York	126,249,715.83
Oklahoma	8,902,500.00
Oregon	702,500.00
Total	173,173,266.83

Notice Illinois received $72,797,614 of new money; Michigan received $17,680,610 of new money; Ohio received $22,828,073 of new money; Pennsylvania received $19,394,886 of new money; Texas received $21,969,625 of new money, to give you only a few. Certainly Representatives from those States cannot vote against this bill and in any sense show gratitude.

We are not taking anything from any State. We gave them prosperity, money, proceeds of the preferred stock, which they did not have before. Why place a penalty of taxation upon the R. F. C. for thus rescuing these States? That would add insult to injury.

As I see this situation, when we passed the act on March 24, 1933, we specifically stated:

The Corporation—

Meaning the R. F. C.—

including its franchise, capital, reserves, and surplus, and its income, shall be exempt from all taxation.

I will wager anyone that it was the studied purpose and intention, not only of the Committees on Banking and Currency of both Houses, but of all Members on this floor, when they voted for that bill, to exempt from taxation the preferred stock that it might hold in the various national banks. All we do today is to correct that error pointed out by the Supreme Court, namely, when it stated that because we did not specifically mention preferred stock, this situation was created, and preferred stock is not immune from State tax. Now, if it is an attempt to correct that inadvertence, why all this hullabaloo about tax-exempt securities, salaries of various officials of the banks benefited, and so forth? What difference does it make as to the principle underlying this proposition, what salary is paid to Mr. Cummings, to Mr. Jones, or to Mr. Smith? If there are 6,000 banks benefited by the Reconstruction Finance Corporation by way of preferred stock because a few or many officials are receiving high salaries, what difference does that make? That is not the situation throughout the length and breadth of the land in connection with these 6,000 banks that have been benefited. I can see no connection between the salaries paid and the question whether States shall tax preferred stock but not the franchise and other property of the R. F. C. By the same token of reasoning, I can see nothing comparable in the matter of tax-exempt securities and this item in this bill.

In the case of tax-exempt securities, the securities are issued by the Government. In the case of the R. F. C., an agency of the Government does not issue stock, but simply holds by purchase the preferred stock of the national banks.

In the case of tax-exempt securities, the exemption is permanent during the life of the securities. In the other case the exemption is held only so long as the preferred stock is held by the R. F. C. The R. F. C. could sell the stock. The vendee would not be exempt from payment of taxes.

The amount of preferred stock held by the R. F. C. today in national banks is $229,000,000. The tax this bill seeks to save is $5,512,000, a tidy sum.

Seventeen States do not tax the preferred stock of national banks held by the R. F. C. The other States do. This bill would eliminate such discrimination.

In numerous States also you have an anomalous situation because of local statutes whereby there is no tax on preferred stock of State banks held by the R. F. C. but on the contrary, by virtue of those statutes, there is a tax on the preferred stock of the national banks held by the R. F. C. This bill again would remove such discrimination and place all States upon a parity.

Inherently States cannot tax instrumentalities and property of the Government or property of those instrumentalities. Inherently States cannot tax national-bank stock. We can waive the immunity and we have done so. Only by grace of Congress can the States tax. We now have by this bill withdrawn the immunity heretofore given.

The best argument I know for this bill is that Jesse Jones, the distinguished Chairman of the R. F. C., and his Board, request passage of the bill. I agree with the senior Senator of Virginia that the R. F. C. is the best managed governmental agency. The word of those in charge of such agency is entitled to most respectful consideration. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired; all time has expired.

The Clerk read as follows:

Be it enacted, etc., That section 304 of the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes", approved March 9, 1933, as amended, be further amended by adding at the end thereof the following:

"Notwithstanding any other provision of law or any privilege or consent of tax expressly or impliedly granted thereby, the shares of preferred stock of national banking associations, and the shares of preferred stock, capital notes, and debentures of State banks and trust companies, heretofore or hereafter acquired by Reconstruction Finance Corporation, and the dividends or interest derived therefrom by the Reconstruction Finance Corporation, shall not, so long as Reconstruction Finance Corporation shall continue to own the same, be subject to any taxation by the United States, by any Territory, dependency, or possession thereof, or the District of Columbia, or by any State, county, municipality, or local taxing authority, whether now, heretofore, or hereafter imposed, levied, or assessed, and whether for a past, present, or future taxing period."

Mr. GOLDSBOROUGH. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. GOLDSBOROUGH: Page 1, line 8, after the word "consent", strike out the word "of" and insert in lieu thereof the word "to."

The amendment was agreed to.

Mr. GOLDSBOROUGH. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. GOLDSBOROUGH: Page 2, line 9, after the word "authority", strike out the words "whether now, heretofore, or."

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have a very interesting spectacle of the gentleman from Maryland being caught in a wedge. On one side he is advocating that we pass a bill in order to meet a recent decision of the Supreme Court in a case brought by his own State, and then in the next breath he comes here as an individual member of the committee and offers an amendment to exempt his State from the retroactive provisions of the law.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. McCORMACK. The gentleman wants his State to collect the $27,000?

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. McCORMACK. Certainly.

Mr. GOLDSBOROUGH. I am not trying to do what the gentleman says at all.

Mr. McCORMACK. If not, I should like to be enlightened, and I am sure every other member of the committee would like to be enlightened.

Mr. GOLDSBOROUGH. I will do that if the gentleman will give me a chance. The situation is simply that in Maryland the tax has actually been levied.

Mr. McCORMACK. That is only a technicality. It has not been collected, has it?

Mr. GOLDSBOROUGH. Yes; in part.

Mr. McCORMACK. Has the Federal Government paid the money?

Mr. GOLDSBOROUGH. No; but many of the banks have paid the tax to the State.

Mr. McCORMACK. And the gentleman wants his State to retain this money and get the benefit of it, and every other State to be affected by the pending legislation?

Mr. PATMAN. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Texas.

Mr. PATMAN. If this act is passed, the banks that have already paid the tax will be reimbursed from the United States Treasury.

Mr. McCORMACK. I will make no more reference to the amendment. I shall come now to the fundamentals of the measure.

Mr. Chairman, I agree with everything the gentleman from North Carolina [Mr. HANCOCK] said about the R. F. C. I agree with everything that the gentleman from Texas [Mr. CROSS] said. I agree with everything the gentleman from Wisconsin and those on the Republican side said about the great work done by the R. F. C., but the fact remains that the R. F. C. was incorporated by an act of Congress. It is a private corporation. The Federal Government, it is true, is the sole stockholder. It had, and has, great objectives. It has done a great job. On the other hand, in relation to buying preferred stock, it enters into the private field. It enters into the private field just the same as an individual who is purchasing the same stock, and there is no reason why

the Federal Government, through an instrumentality, should be exempt under such circumstances and an individual who owns shares of the preferred stock subject to State taxation.

Mr. GIFFORD. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I wonder what the gentleman's attitude is going to be so far as the processing tax is concerned?

Mr. McCORMACK. The gentleman always brings in something that is about 10,000,000 light-years away from the subject we are discussing. Let me say to the gentleman that I voted against the processing tax. Now, I yielded for a pertinent contribution and not for a political contribution. I refuse to yield further to the gentleman.

Mr. DIRKSEN. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. DIRKSEN. May I say to the gentleman from Massachusetts that the R. F. C. did not enter into competition with individuals in connection with the purchase of this preferred stock. The Government went in and bought this preferred stock when individuals would not buy it, and the Government had to do so in order to save these banks.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. It is true, nevertheless, that the R. F. C. is going to collect whatever dividends may be declared on this preferred stock?

Mr. McCORMACK. That is the whole thing right there.

Mr. CHRISTIANSON. And, collecting the dividends, they should be obliged to pay the tax?

Mr. McCORMACK. That is absolutely true. Furthermore, there is a question of States' rights involved here. We talk about taxation and consider taxation today only from the angle of the Federal Government. What about the taxing power of the States? What rights have the States in the exercise of their taxing power? We have no greater right than those which have been given to the Federal Government by the sovereign States of this Union; and the sovereign States of the Union have reserved to themselves the power of taxation, except insofar as they have either expressly or by implication delegated that power to the Federal Government.

[Here the gavel fell.]

Mr. McCORMACK. I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MAY. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Kentucky.

Mr. MAY. If we invade the power of the States to levy local taxes to this extent, why can we not do it all along the line?

Mr. McCORMACK. That is it. There is a constitutional question raised in this bill as to whether or not we have the power to prohibit a sovereign State from exercising the power of sovereignty which it has expressly reserved to itself under the Constitution. I think the whole question could be made to rest on whether the Federal Government has the power to preclude and prohibit a State government from exercising its sovereignty with reference to the power of taxation, which it reserved to itself under the Constitution.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. That is precisely the question which the Supreme Court decided adversely to the gentleman's contention in the case decided by them just a few weeks ago.

Mr. McCORMACK. I respect the gentleman's opinion, but I do not agree with him. I am in disagreement with him in reference to that matter.

Mr. Chairman, this is a very important question. If we can give the Federal Government the power to prevent States from levying taxes in this instance, we are doing something which is likely to bring about conditions that will create indirectly, without a constitutional amendment, a National Government, as distinguished from a Federal Government. The dual system of government under which we are operating compels us to consider these questions differently than other countries. In the consideration of this bill we have to consider the rights of a State government, as contrasted with the rights of the Federal Government. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. GOLDSBOROUGH].

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 2, noes 67.

So the amendment was rejected.

Mr. BROWN of Michigan. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Michigan:

SEC. 2. That, effective upon the date of enactment of this act, interest charges on all loans by the Reconstruction Finance Corporation to receivers and liquidating agents of closed banks and trust companies now in force or made subsequent to the date of enactment of this act shall be reduced from 4 percent per annum to 3½ percent per annum: *Provided*, That the rate of interest charged all debtors of such banks and trust companies in liquidation shall in no case exceed by more than 1½ percent per annum the rate of interest paid by such bank or trust company to Reconstruction Finance Corporation: *Provided, also*, That no provision of this act shall be construed to authorize a reduction in the rate of interest on such loans by the Reconstruction Finance Corporation retroactive from the date of enactment of this act.

Mr. BROWN of Michigan. Mr. Chairman, this amendment does two things. In the first place, it provides for reduction of the rate of interest paid to the Reconstruction Finance Corporation by closed banks in liquidation to a rate equal to that being paid by open banks to the Reconstruction Finance Corporation. The rate of interest charged by the Reconstruction Finance Corporation to open banks at the present time is 3½ percent, and I can see no sound or logical reason why the same rate should not apply to closed banks or banks in liquidation.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. CELLER. Does the gentleman think we should have the right to dictate to the banks the amount of interest they may charge their depositors, which always depends upon local conditions?

Mr. BROWN of Michigan. I will say to the gentleman that this does not apply to open banks. It only applies to closed banks or banks in process of liquidation.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Michigan.

Mr. MICHENER. Is this the Vandenberg amendment that was offered in the Senate?

Mr. BROWN of Michigan. This is the Vandenberg amendment with an addition regarding the rate of interest to be charged by the receivers of closed banks to their debtors.

I think it is very clear that there is no reason why we should not extend the same privilege to closed banks that we do to open banks. Perhaps it might be argued that as a question of good, sound banking, an open bank is a better credit risk than a closed bank, but nevertheless the social argument impels me to the view that we ought to help these people, and I may say that the security held by the R. F. C. is so ample that there is very little likelihood of loss.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Texas.

Mr. PATMAN. Does the gentleman seriously contend that this amendment is germane to this bill?

Mr. BROWN of Michigan. I may say to the gentleman that it is too late to make any point of that kind.

Mr. PATMAN. The gentleman did not have any understanding with the other members of the committee that a point of order would not be made.

Mr. BROWN of Michigan. I have no understanding with anybody about this amendment, although I discussed it with several members of the committee. I do not yield further to the gentleman.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. MAY. I understand the gentleman's amendment simply to mean that where a receiver is in charge of a bank in liquidation the gentleman is requiring the R. F. C., if it lends money to that receiver, to charge the same rate it would to a bank that is open.

Mr. BROWN of Michigan. Yes.

On the other proposition involved there has been very little said here about a rather unfortunate class of people. These are the people who are indebted to closed banks. They are not in the same position as men who are indebted to open banks, because, as a general proposition, it is the purpose of the receivers to collect, and they are not able to renew notes as people are in open banks. It seems to me that if the Reconstruction Finance Corporation was lending money at the rate of 3½ percent, the receivers ought not to be permitted to charge more than a reasonable rate of interest, and I fixed this rate at 5 percent. Understand these banks are not going banks. They are not going to continue in existence for a very long period of time, and I think that the head of the Reconstruction Finance Corporation and the active chairman of the Committee on Banking and Currency are with me in this proposition.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. FITZPATRICK. Assuming the gentleman's amendment is carried, persons who have borrowed from closed banks, instead of paying 6 percent will pay 5 percent?

Mr. BROWN of Michigan. If they are paying 5 percent or more at the present time. It would not affect those paying below 5 percent.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Ohio.

Mr. FIESINGER. The gentleman's amendment would not be retroactive in any way?

Mr. BROWN of Michigan. No.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Michigan.

Mr. MAPES. And, of course, it would not apply to any new loans, because they are not making any new loans. The amendment, in other words, would simply apply to old indebtedness.

Mr. BROWN of Michigan. Yes; it would only apply to loans of that kind.

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not understand just exactly what is going on here. A while ago the chairman of the committee offered an amendment that would permit the State of Maryland to collect the tax but would not permit the other States, counties, and cities to collect the tax. Of course, that amendment was defeated, and now a member of the committee offers an amendment which is clearly out of order on account of not being germane, yet no member of the committee makes the point of order or raises the question. I presume the amendment must be favored by the members of the committee, but it is outside of the scope of the bill we have before the House at this time. It relates to an entirely different matter.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Michigan. Would not the gentleman conclude from the fact that no Member made the point of order of germaneness that the committee is in favor of the amendment as submitted?

Mr. PATMAN. This is a "pork barrel" bill, anyway. It is just a bankers' bonus bill and that is all it is, and I do not know whether you have made a canvass around and decided you needed a few extra votes and decided that if you bring in this amendment without objection, although it is clearly out of order, you would probably bring in a few more votes for the bill.

Mr. CAVICCHIA. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. CAVICCHIA. The gentleman speaks of the bankers' bonus. What are the bankers getting out of this?

Mr. PATMAN. If the gentleman from New Jersey does not know, I cannot tell him in 5 minutes. What do the bankers get out of the bills that the gentleman from New Jersey usually votes for? When you see him vote for a bill, the bankers have got something in it. [Laughter.] The Reconstruction Finance Corporation sells the stock, pays dividends on the stock, charges 3½ percent, and now you want to relieve them from paying taxes.

The chairman of the Committee on Banking and Currency states that the tax has already been paid in his State. If this bill becomes a law the bankers will go to the Federal Treasury and get reimbursement for what they have paid. If I am mistaken in that, I want somebody to say that I am wrong.

Mr. CAVICCHIA. I will say that the gentleman is wrong.

Mr. PATMAN. The gentleman says that because he and I always differ. [Laughter.] The fact is if this bill becomes a law, where the banks have already paid the tax they will be reimbursed. That is a fact.

Mr. WILLIAMS. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. WILLIAMS. Does the gentleman know of any State where the tax has been paid?

Mr. PATMAN. The chairman of the committee [Mr. GOLDSBOROUGH] said that the tax had been paid in his State.

Mr. WILLIAMS. Can the gentleman give us any State that has taxed this stock, outside of the State of Maryland?

Mr. PATMAN. Well, I am taking the printed record.

Mr. WILLIAMS. I want to say that there has not been a single State, outside of Maryland, that has taxed this stock.

Mr. PATMAN. The States and counties and municipalities have been waiting for the Maryland decision. They are waiting for the Congress of the United States to say whether constitutionally they will be deprived of taxing local property that is used for private profit.

Mr. BIERMANN. Mr. Chairman, I move to strike out the last word. I rise to ask the chairman of the committee a question. In his remarks a short time ago he made incidental reference to an old superstition regarding the French Republic's charging rent to the American soldiers occupying the combat trenches. The gentleman did not seriously mean that?

Mr. GOLDSBOROUGH. I seriously meant that if you charge the Reconstruction Finance Corporation a tax, when it was created for the sole purpose of helping these communities, it is equivalent to that.

Mr. BIERMANN. But the gentleman did not want the RECORD to indicate that he, as a Member of this body, believed in that superstition that the French Government charged the American Government for the rent of trenches on the front.

Mr. GOLDSBOROUGH. I did not say that at all. I said there would be as much sense in charging the Reconstruction Finance Corporation a tax on the shares of preferred stock they own in national banks as there would have been for the French Republic to have charged the Americans for the trenches they occupied at the front.

Mr. BIERMANN. I thoroughly agree with the gentleman, and I am going to vote for the bill, but I just wanted to ask the gentleman if he wanted to have the RECORD indicate——

Mr. GOLDSBOROUGH. I never heard of the superstition. That was my own idea.

Mr. BIERMANN. I want to say there is no truth in it at all.

Mr. PIERCE. Was there any rent asked or charged by the French Government for the use of any land?

Mr. BIERMANN. Land in the rear where training was going on, but the superstitution has persisted that the French Republic charged the American soldiers rent for the trenches while in combat, and there is not a word of truth in it.

Mr. PIERCE. How far did the charges go?

Mr. BIERMANN. For training areas.

Mr. McFARLANE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McFARLANE. Is it too late to raise the point of order of germaneness of this amendment?

The CHAIRMAN. It is.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last two words. I do not believe that the intimation of the gentleman from Texas [Mr. PATMAN] ought to pass without some challenge when he confesses that he is in some bewilderment and fog as to the procedure of the committee in not making a point of order against the amendment of my colleague the gentleman from Michigan [Mr. BROWN], because it is not germane, in his estimation, to the substance of the bill, and secondly, his confession that he does not know what is going on because of the Goldsborough amendment, which, in his judgment, was at variance with the substance of the bill. I would say to the gentleman, first of all, that Mr. GOLDSBOROUGH and Mr. BROWN are offering these amendments on their own responsibility, as I understand, and the very fact that no member of the Banking Committee has made or reserved a point of order is indicative, first of all, of a happy and felicitous esprit de corps that exists among the members of the Banking Committee. We are in no mood to stifle any legislation, and we feel this case ought to be fully and fairly and freely discussed. We are willing to allow these amendments to come on the floor because we have great regard for the wisdom and perception and judgment of the House. I think, in a measure—in large measure—that will explain the reason for these amendments and the fact that no point of order was reserved.

Mr. PATMAN. The gentleman is a good parliamentarian. Is it not his judgment that this amendment is clearly out of order?

Mr. DIRKSEN. I quite agree with the gentleman.

Mr. PATMAN. And yet no member of the Banking Committee raised the point of order.

Mr. DIRKSEN. Why did not the gentleman from Texas raise the point of order?

Mr. PATMAN. We were waiting for the committee who have the leadership of the bill.

Mr. KELLER. I rise in opposition to the pro-forma amendment.

Mr. LAMNECK. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. LAMNECK. Under the rules we are entitled to 5 minutes' debate in favor of an amendment and 5 minutes in opposition to it. That time has been consumed, and my point of order is that this amendment must be voted on before we have any further debate.

Mr. KELLER. Very well; if that is the rule, I am willing to abide by it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. BROWN of Michigan) there were—ayes 43, noes 56.

So the amendment was rejected.

Mr. PETTENGILL. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. PETTENGILL: Page 2, after line 11, add a new section, as follows:

"SEC. 2. This act shall cease to be in effect 2 years from the date of its enactment."

Mr. PETTENGILL. Mr. Chairman——

Mr. GOLDSBOROUGH. Mr. Chairman, I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. PETTENGILL].

The amendment was agreed to.

Mr. McLAUGHLIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McLAUGHLIN: Page 2, line 3, after the word "Corporation", insert "or the shares of preferred stock of any State bank held by the Reconstruction Finance Corporation as collateral to any loan to or for the benefit of such State bank and any dividends derived therefrom."

Mr. GOLDSBOROUGH. Mr. Chairman, the committee has no objection to the amendment.

Mr. HOLLISTER. Mr. Chairman, I would like to ask the gentleman from Maryland if he is going to say the committee has no objection to amendment after amendment, without consulting other members of the committee? I never even heard of this amendment before. I reserve a point of order against the amendment.

Mr. GOLDSBOROUGH. I beg the gentleman's pardon. I thought he understood the amendment.

Mr. BANKHEAD. Mr. Chairman, I ask unanimous consent that the amendment may again be reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment offered by the gentleman from Nebraska [Mr. McLAUGHLIN].

There was no objection.

The Clerk again reported the amendment offered by Mr. McLAUGHLIN.

Mr. HOLLISTER. Mr. Chairman, I make the point of order that the amendment is not germane.

Mr. McLAUGHLIN. Will the gentleman reserve his point of order?

Mr. HOLLISTER. If the gentleman wants to discuss the matter, I will reserve the point of order. I expect to insist upon it later, however. I do not withdraw it.

Mr. TABER. Will the gentleman yield?

Mr. McLAUGHLIN. I yield.

Mr. TABER. The amendment which the gentleman has offered, if it were germane, would create discrimination between stockholders in national banks who have pledged their stock to the Reconstruction Finance Corporation and stockholders of State banks who have pledged their stock to the Reconstruction Finance Corporation?

Mr. McLAUGHLIN. I think if the gentleman will permit me to explain the situation, that will be ironed out.

Mr. Chairman, this amendment, which affects particularly the State which I represent, the State of Nebraska, is intended to put the State banks of Nebraska in the same position as State banks in other States. I am not here to argue in favor of the passage of the bill. I am merely here to offer an amendment, which, if the bill is passed, will put the State banks of the State of Nebraska in the same favorable position regarding taxation as that now enjoyed by the State banks of other States.

Mr. WOLCOTT. Will the gentleman yield?

Mr. McLAUGHLIN. I yield.

Mr. WOLCOTT. Does the gentleman not think that is a matter for the State Legislature of Nebraska rather than for the Congress of the United States?

Mr. McLAUGHLIN. No; I do not believe so. It is a situation which is a practical one. Under the constitution of the State of Nebraska, double liability is imposed upon the holders of preferred stock in State banks.

In view of that situation, the Reconstruction Finance Corporation refused to purchase any of the preferred stock of the State banks in the State of Nebraska. That being the situation, it was necessary for the State banks, under an agreement with the Reconstruction Finance Corporation, to issue the preferred stock to an individual and to have that individual make application for a loan, based upon that stock as collateral, to the Reconstruction Finance Corporation. That plan was carried out, but the resulting situation is that the stock held by the individual is taxed, whereas if the stock were held by the Reconstruction Finance Corporation, it would not be taxed if this bill should be passed.

This amendment is merely intended to remove a discrimination and allow State banks of Nebraska to be freed from taxes on preferred stock which, in reality, is owned by the Reconstruction Finance Corporation in the same manner as State banks in all other States are freed from such taxes. The provision of the State constitution makes it necessary that the stock be held by an individual rather than by the Reconstruction Finance Corporation.

Mr. SNELL. Will the gentleman yield for a question?

Mr. McLAUGHLIN. I yield.

Mr. SNELL. What about the man who borrows money to buy preferred stock in a national bank?

Mr. McLAUGHLIN. I am not aware that the double liability exists in the case of preferred stock in national banks.

Mr. SNELL. But he would have to pay the full rate of interest in taxes on his bank stock as a whole. You are creating another special class, it seems to me, by your amendment.

Mr. McLAUGHLIN. I do not so construe it, with all due respect to the distinguished gentleman from New York, for the reason that this situation does not exist in the case of national banks. In fact, it does not exist in the case of State banks, except in States like Nebraska, which happen to have a constitutional provision making impossible, in practice, the purchase of preferred stock in State banks by the Reconstruction Finance Corporation.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I make the point of order that the amendment is not germane.

Mr. McLAUGHLIN. Mr. Chairman, I take the position that the amendment is perfectly in order. It is germane to the subject of the bill itself.

Mr. HOLLISTER. May I be heard on the point of order, Mr. Chairman?

The CHAIRMAN. The Chair will hear the gentleman from Ohio.

Mr. HOLLISTER. Mr. Chairman, this bill is a bill relating to the taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation. The amendment offered by the gentleman from Nebraska is to exempt certain securities when pledged with the Reconstruction Finance Corporation. The ownership of stock, notes, and debentures is an essentially different thing from the pledging of stocks, notes, and debentures. The bill is a bill providing for exemption from taxation of stocks, notes, and debentures when owned. The amendment is to exempt them when pledged with the Reconstruction Finance Corporation, an entirely different matter, and, therefore, not within the subject matter of the bill and not germane.

The CHAIRMAN. The Chair thinks the amendment opens an entirely new field that is not germane. The Chair, therefore, sustains the point of order.

Mr. PATMAN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

By Mr. PATMAN: I move that the Committee do now rise and report the bill back with the recommendation that the enacting clause be stricken out.

Mr. PATMAN. Mr. Chairman, if we could accomplish anything by discussing this bill longer, I would not make this motion; but we see now the type of legislation we are enacting and the different types of amendments that will be offered. The amendments that have been offered are just a sample of others that will be offered. It seems that everyone wants his own State exempted from the provisions of the law.

This bill contains a bad precedent. This bad precedent is the exemption of private property from taxation. A national bank is a privately owned institution. It is owned by private individuals. It is private property; it is used for private profit. All the earnings made by a national banking institution go to the owners of the institution.

The bill under consideration, if enacted into law, would cause Congress to say to a city, a county, or any other local taxing subdivision of a State, that it can make different people pay taxes, but not the national banks. Let us consider this illustration: A national bank with a capital of $500,000 has sold half of its stock to the Reconstruction Finance Corporation. It still remains, however, a privately owned institution, the owners of which will still get the profits made by the institution. It is receiving great benefits from the Government through the low interest rate of 3½ percent. We are being asked now to vote for a bill that will not only permit them to continue receiving the 3½ percent but which will cause to be nontaxable the private property on which the loan or grant has been extended. If we were to put the farmers in the same situation that this bill places the national banks, we would lend them money on their farms at 3½ percent and then exempt their farms from local taxation. It is not sound. It is a bad precedent. It is assuming authority and jurisdiction which the Congress of the United States should not assume; it amounts to going into local communities and telling the authorities that they cannot tax this property.

As I said a while ago, the State bank with a $1,000,000 capitalization which sells its note for $1,000,000 to the Reconstruction Finance Corporation, continues to pay taxes on its capital stock the same as it always has. In the same community across the street is a national bank with a $2,000,000 capitalization. It sells $1,000,000 of stock to the Reconstruction Finance Corporation. Under this bill you are giving the national bank a 50-percent tax reduction, but you are not giving the State bank any tax reduction; you are charging them just the same. Other people who hold preferred stock in the national bank, the same kind of stock held by the Reconstruction Finance Corporation, must continue to pay local taxes, but you are going to exempt the Reconstruction Finance Corporation.

Why is this bill proposed? There is only one reason, and that is that you do not want the Reconstruction Finance Corporation to use its earnings for the purpose of paying these taxes.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, I do not propose to take any part in the discussion with reference to the merits of this bill, but I do not believe that the motion of the gentleman from Texas—and I have the greatest respect for his opinion, for I know he is a great student of financial and currency questions—should prevail. Very often I have agreed with him in his views, but here is a bill that comes to us upon the earnest request of the Chairman of the Reconstruction Finance Corporation. The Committee on Banking and Currency considered the bill. I understand hearings were held.

Mr. PATMAN. They were not printed, however.

Mr. BANKHEAD. I understand the hearings were not printed, but I imagine that was for the reason that the bill was reported unanimously by both the Democratic and Republican members of the Committee on Banking and Currency and they probably assumed, therefore, that there was no controversy with reference to its merits. The hearings were not printed, but this is not unusual under such circumstances.

Mr. KLEBERG. Mr. Chairman, will the gentleman yield right there?

Mr. BANKHEAD. I yield.

Mr. KLEBERG. This bill was also passed by the Senate, was it not?

Mr. ZIONCHECK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. ZIONCHECK. The gentleman from Texas referred to the passage of the bill by the Senate. This is no proof of the merits of the bill, and should not be mentioned in the first place. It is a reflection upon the House.

The CHAIRMAN. The gentleman has not stated a point of order.

Mr. BANKHEAD. Mr. Chairman, where there is real, genuine controversy with reference to any bill pending on the floor of the House, although it is a short cut for the disposition of it, a motion to strike out the enacting clause is not

the method whereby the real sentiment and judgment of the Members of the House can be expressed. As I say, this is a bill of much importance, affecting the financial credit of the Reconstruction Finance Corporation and its successful operation.

This is one institution that is of bipartisan origin. There are no politics involved at all in the operation of the Reconstruction Finance Corporation. It was organized under the Hoover administration, it was continued and enlarged under the Democratic administration, and I think it has accomplished great results in the rehabilitation and reestablishment of the credit and confidence of the country.

Mr. Chairman, here is a bill presented with some reason. I respect the difference of opinion of my colleagues upon it, but I trust we will not undertake to dispose of the merits of this bill on a motion to strike out the enacting clause, but let its merits be submitted to the judgment of the House upon a record vote, if necessary, as a matter of record, and let us not decide it in Committee.

Mr. PATMAN. Will the gentleman yield?

Mr. BANKHEAD. I yield to the gentleman from Texas.

Mr. PATMAN. If we can secure unanimous consent to close the debate in a reasonable time, I would be inclined to withdraw the motion.

Mr. BANKHEAD. Debate on the motion will close when I conclude.

Mr. PATMAN. I mean on the bill as a whole.

Mr. BANKHEAD. I am not in position to make an agreement. I am not in charge of the bill. I am simply expressing my own opinion.

[Here the gavel fell.]

The CHAIRMAN. The question is on the motion of the gentleman from Texas.

The motion was rejected.

The Clerk read as follows:

SEC. 3. If any provision, word, or phrase of this act, or the application thereof to any condition or circumstance, is held invalid, the remainder of the act, and the application of this act to other conditions or circumstances, shall not be affected thereby.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 11047) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by Reconstruction Finance Corporation and reaffirming their immunity, pursuant to House Resolution 427, he reported the same back to the House with sundry amendments agreed to in Committee.

The SPEAKER. Under the rule, the previous question is ordered on the bill and amendments to final passage.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. PATMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. PATMAN. I am opposed to the bill.

The Clerk read as follows:

Mr. PATMAN moves to recommit the bill H. R. 11047 to the Committee on Banking and Currency.

Mr. GOLDSBOROUGH. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 78, noes 102.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 111, noes 89.

Mr. PATMAN. Mr. Speaker, I make the point of order that there is not a quorum present, and I object to the vote on that ground.

The SPEAKER. The Chair will count. [After counting.] Two hundred and nineteen Members are present, a quorum.

Mr. PATMAN. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 165, nays 175, not voting 90, as follows:

[Roll No. 24]

YEAS—165

Adair	Cullen	Hobbs	Plumley
Allen	Cummings	Hollister	Rabaut
Andrew, Mass.	Curley	Jacobsen	Ramsay
Arends	Daly	Johnson, W. Va.	Ramspeck
Bankhead	Deen	Keller	Randolph
Barden	Delaney	Kenney	Rayburn
Bell	Dempsey	Kleberg	Reilly
Biermann	Dickstein	Kloeb	Richardson
Bland	Dingell	Kocialkowski	Romjue
Bloom	Dirksen	Kopplemann	Rudd
Boland	Dobbins	Kramer	Russell
Boykin	Dondero	Larrabee	Sadowski
Brooks	Doughton	Lea, Calif.	Schaefer
Brown, Ga.	Drewry	Lehlbach	Schuetz
Brown, Mich.	Driscoll	Lewis, Colo.	Sears
Buck	Duffy, N. Y.	Lewis, Md.	Seger
Burnham	Duncan	McAndrews	Sirovich
Caldwell	Eckert	McGrath	Sisson
Carmichael	Edmiston	McLaughlin	Smith, Conn.
Cary	Eicher	McLean	Smith, Va.
Casey	Englebright	McLeod	Smith, W. Va.
Cavicchia	Evans	McMillan	Snyder, Pa.
Celler	Faddis	McReynolds	Somers, N. Y.
Chandler	Farley	Maloney	Spence
Church	Ferguson	Martin, Colo.	Sumners, Tex.
Citron	Fitzpatrick	Mason	Sutphin
Claiborne	Flannagan	Meeks	Thom
Clark, N. C.	Ford, Calif.	Merritt, N. Y.	Thomason
Cochran	Gifford	Millard	Vinson, Ga.
Coffee	Goldsborough	Norton	Vinson, Ky.
Colden	Green	O'Connell	Wadsworth
Cole, N. Y.	Greenwood	O'Day	Warren
Collins	Greever	O'Leary	Welch
Cooley	Gregory	O'Neal	West
Cooper, Tenn.	Haines	Owen	Whelchel
Costello	Hancock, N. Y.	Parks	Whittington
Creal	Hancock, N. C.	Parsons	Wilcox
Crosby	Harlan	Pearson	Williams
Cross, Tex.	Harter	Perkins	Wolcott
Crosser, Ohio	Hennings	Peterson, Fla.	
Crowe	Hess	Peterson, Ga.	
Crowther	Hill, Ala.	Peyser	

NAYS—175

Amlie	Gasque	Lundeen	Rogers, Mass.
Andresen	Gilchrist	McClellan	Rogers, Okla.
Andrews, N. Y.	Gildea	McCormack	Ryan
Ashbrook	Gillette	McFarlane	Sanders, Tex.
Ayers	Gingery	McKeough	Schneider, Wis.
Barry	Goodwin	McSwain	Schulte
Beam	Granfield	Maas	Scott
Binderup	Gray, Pa.	Mahon	Secrest
Blackney	Greenway	Main	Shanley
Blanton	Griswold	Mapes	Shannon
Boehne	Guyer	Marcantonio	Short
Boileau	Gwynne	Marshall	Smith, Wash.
Brewster	Halleck	Martin, Mass.	Snell
Buckler, Minn.	Hamlin	Massingale	South
Burdick	Hart	May	Stack
Cannon, Mo.	Healey	Michener	Stefan
Cannon, Wis.	Higgins, Conn.	Mitchell, Ill.	Stubbs
Carpenter	Higgins, Mass.	Mitchell, Tenn.	Taber
Carter	Hildebrandt	Monaghan	Tarver
Cartwright	Hill, Knute	Moran	Taylor, S. C.
Castellow	Hoffman	Moritz	Taylor, Tenn.
Christianson	Holmes	Mott	Terry
Colmer	Hook	Murdock	Thompson
Cooper, Ohio	Hope	Nelson	Thurston
Cravens	Houston	Nichols	Tinkham
Crawford	Huddleston	O'Brien	Tobey
Darden	Hull	O'Malley	Tolan
Darrow	Imhoff	Patman	Treadway
Dies	Johnson, Okla.	Patterson	Turner
Ditter	Johnson, Tex.	Patton	Umstead
Dorsey	Jones	Pettengill	Wallgren
Doxey	Kahn	Pierce	Wearin
Duffey, Ohio	Kelly	Pittenger	Weaver
Dunn, Miss.	Kennedy, Md.	Polk	Werner
Dunn, Pa.	Kinzer	Powers	White
Eagle	Kniffin	Rankin	Wigglesworth
Eaton	Knutson	Ransley	Wilson, La.
Ekwall	Lambeth	Reece	Wolfenden
Engel	Lamneck	Reed, Ill.	Wolverton
Fiesinger	Lanham	Reed, N. Y.	Wood
Fletcher	Lemke	Rich	Woodruff
Focht	Lord	Robertson	Young
Ford, Miss.	Luckey	Robinson, Utah	Zioncheck
Fulmer	Ludlow	Robsion, Ky.	

NOT VOTING—90

Bacharach	Disney	Kerr	Sabath
Bacon	Dockweiler	Kvale	Sanders, La.
Beiter	Doutrich	Lambertson	Sandlin
Berlin	Driver	Lee, Okla.	Sauthoff
Bolton	Ellenbogen	Lesinski	Scrugham
Boylan	Fenerty	Lucas	Starnes
Brennan	Fernandez	McGehee	Steagall
Buchanan	Fish	McGroarty	Stewart
Buckbee	Frey	Mansfield	Sullivan
Buckley, N. Y.	Fuller	Maverick	Sweeney
Bulwinkle	Gambrill	Mead	Taylor, Colo.
Burch	Gassaway	Merritt, Conn.	Thomas
Carlson	Gavagan	Miller	Tonry
Chapman	Gearhart	Montague	Turpin
Clark, Idaho	Gehrmann	Montet	Underwood
Cole, Md.	Gray, Ind.	O'Connor	Utterback
Connery	Hartley	Oliver	Walter
Corning	Hill, Samuel B.	Palmisano	Wilson, Pa.
Cox	Hoeppel	Pfeifer	Withrow
Culkin	Jenckes, Ind.	Quinn	Woodrum
Dear	Jenkins, Ohio	Richards	Zimmerman
DeRouen	Kee	Risk	
Dietrich	Kennedy, N. Y.	Rogers, N. H.	

So the bill was rejected.

The Clerk announced the following pairs:

On the vote:

Mr. Lucas (for) with Mr. Carlson (against).
Mr. Boylan (for) with Mr. Wilson of Pennsylvania (against).
Mr. Maverick (for) with Mr. Withrow (against).
Mr. Kennedy of New York (for) with Mr. Culkin (against).
Mr. Gavagan (for) with Mr. Lambertson (against).

General pairs:

Mr. Burch with Mr. Bacharach.
Mr. Corning with Mr. Jenkins of Ohio.
Mr. Oliver with Mr. Merritt of Connecticut.
Mr. Buchanan with Mr. Stewart.
Mr. Beiter with Mr. Fish.
Mr. Mansfield with Mr. Bolton.
Mr. Richards with Mr. Hartley.
Mr. Steagall with Mr. Bacon.
Mr. Woodrum with Mr. Hope.
Mr. Mead with Mr. Buckbee.
Mr. O'Connor with Mr. Doutrich.
Mr. Montague with Mr. Gearhart.
Mr. Miller with Mr. Fenerty.
Mr. Driver with Mr. Risk.
Mr. Cox with Mr. Gehrmann.
Mr. Dockweiler with Mr. Thomas.
Mr. Bulwinkle with Mr. Sauthoff.
Mr. Fernandez with Mr. Turpin.
Mr. Taylor of Colorado with Mr. Kvale.
Mr. Sullivan with Mr. Kee.
Mr. Rogers of New Hampshire with Mr. Gasque.
Mr. Brennan with Mrs. Jenckes of Indiana.
Mr. Sanders of Louisiana with Mr. McGehee.
Mr. Dear with Mr. Walter.
Mr. Berlin with Mr. Montet.
Mr. Fuller with Mr. Gray of Indiana.
Mr. Chapman with Mr. Pfeifer.
Mr. Sandlin with Mr. Cole of Maryland.
Mr. Starnes with Mr. DeRouen.
Mr. Zimmerman with Mr. Tonry.
Mr. Gambrill with Mr. Frey.
Mr. Quinn with Mr. Buckley of New York.
Mr. Samuel B. Hill with Mr. Gassaway.
Mr. Kerr with Mr. Clark of Idaho.
Mr. Connery with Mr. Scrugham.
Mr. Disney with Mr. Sweeney.
Mr. Lee of Oklahoma with Mr. Wilson of Louisiana.
Mr. Ellenbogen with Mr. Palmisano.
Mr. Sabath with Mr. Dietrich.
Mr. McGroarty with Mr. Utterback.
Mr. Dorsey with Mr. Lesinski.

Mr. HEALEY. Mr. Speaker, my colleague the gentleman from Massachusetts, Mr. CONNERY, is unavoidably absent. If present, he would vote "nay."

Mr. O'MALLEY. Mr. Speaker, my colleague the gentleman from Wisconsin, Mr. SAUTHOFF, is unavoidably absent. If present, he would vote "nay."

The result of the vote was announced as above recorded.

A motion to reconsider (by Mr. PATMAN) was laid on the table.

RESTRICTION OF LANDS OF FIVE CIVILIZED TRIBES

The SPEAKER laid before the House the following privileged resolution.

The Clerk read as follows:

Senate Concurrent Resolution 32

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be, and he is hereby, requested to return to the Senate the enrolled bill (S. 3227) to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931.

Mr. SNELL. Mr. Speaker, what is this resolution about?

The SPEAKER. The Chair understands that in the enrollment of this bill a mistake was made in the spelling of a word. This simply brings the bill back in order to make the correction.

The resolution was agreed to.

PERMISSION TO ADDRESS THE HOUSE

Mr. FADDIS. Mr. Speaker, I ask unanimous consent that on tomorrow, after the reading of the Journal and disposition of matters on the Speaker's desk, I may be allowed to address the House for 10 minutes following the pending special order.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MRS. FRED P. MOERSCH

Mr. MAAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two separate subjects.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MAAS. Mr. Speaker, an incident happened recently abroad which, while fortunately has ended happily for all concerned, nevertheless demonstrates the fine courage of an American woman in the face of a mob gone wild.

It was the presence of mind and the unflinching courage of this Minnesota woman that prevented a more serious outcome of the incident.

Last September Dr. Fred P. Moersch, of the Mayo Clinic, Rochester, Minn., went abroad with his wife and Dr. and Mrs. Bolman, also of Rochester, Minn. Dr. Moersch took his automobile along. The doctors wished to visit the University of Padua, Italy. At Munich, Germany, they were advised by the American consul that he could not see any reason why the party should not go to Padua, but he advised that they register at the American consulate at Milano.

On their way to Milano they stopped on the evening of their arrival upon Italian soil at Padua, intending to stay there overnight and proceed the following morning to Milano.

While the two doctors went to register at the hotel the two ladies were left seated in the car a short distance away from the hotel. A group of students passing the car and noticing the international license and an American flag unfurled on the automobile for some reason mistook the party and car as British and immediately started a demonstration which attracted more and more people. Some person slashed the automobile tires, and finally one student jumped upon the running board and tore down the American flag. Mrs. Moersch thereupon jumped out of the car and gave the student, who still had the flag, several slaps on the ears and commanded him with outstretched arm to put the flag back in its place. Only after the chief of police and the prefect of Padua arrived on the scene could the mob be dispersed. Dr. Moersch had the greatest difficulty in reaching the side of his wife. He vigorously waved his American passport.

None of the officials could talk English, and the prefect had the party asked through an interpreter: "You claim to be Americans; if so, why do you talk English?"

The police, after being satisfied that a serious mistake had been made, of course, apologized and brought the party to the hotel. They also had the automobile reconditioned during the night and sent the travelers on their way the next morning under police protection to Milano. Here the party entered a formal protest with the American consul.

The matter has all been adjusted satisfactorily in the meantime, but it is certainly worthy of note that this American lady had both the devotion and the courage in the face of an angry mob to jump out of her automobile and box the ears of one who insulted her country's flag.

EXTENSION OF REMARKS

Mr. BIERMANN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an address delivered on Lincoln's birthday by my fellow townsman, J. A. Nelson.

Mr. RICH. Mr. Speaker, reserving the right to object, who is the gentleman referred to?

Mr. BIERMANN. He is the principal Republican of my city.

Mr. RICH. Mr. Speaker, I shall have to object to that request.

PERMISSION TO ADDRESS THE HOUSE

Mr. TABER. Mr. Speaker, I ask unanimous consent that on tomorrow, following the special orders that have been granted for that day, I may address the House for 10 minutes.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, and I shall not object to this request, but I shall be compelled to object to any further requests, because the Subcommittee on Agriculture of the Committee on Appropriations must proceed with the consideration of its bill tomorrow as soon as possible.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMERICANISM

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a radio speech recently made by myself.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered February 22, 1936, over the radio:

At the outset of my remarks I want to express my pleasure upon being selected by the National Americanism Committee of the Junior Chamber of Commerce of the United States to speak on this occasion, concluding their program of the past 10 days on Americanism.

This fine organization of young Americans, appreciating the values of our institutions of government, have conducted a Nation-wide campaign "to publicize and popularize the fundamental principles of real Americanism." The constructive efforts of this organization come at a most appropriate time of the year, starting on February 12, the birthday anniversary of the Savior of our Country, Abraham Lincoln, and ending today, the birthday anniversary of the Father of our Country, the immortal Washington. Such a program, no matter by whom conducted, is a lesson to all Americans. I hope that this program will be conducted each year and that other organizations will also engage each year in similar efforts.

In the brief time allotted, it is impossible to discuss the subject assigned to me, My Conception of National Americanism Week, as fully as I would like to do so. What is this country that Washington and his contemporaries fought to establish; that Lincoln and his contemporaries fought to preserve; and that past generations of Americans have in their day preserved and passed on to us, unimpaired in form and in substance? It is a Government that struggling mankind for countless of generations prior to 1789 have sought to attain. It is a Government which recognizes that the individual possesses certain civil rights which cannot be impaired or destroyed, and which the sovereign power of America, the people collectively, speaking through the Constitution, have protected against even government itself. In our country, the people collectively, and not government, are supreme. Government is a delegated agency, to serve, and not to master, the people. It must act within the powers conferred upon it by the Constitution. The Constitution grants in some legislative fields, and limits in other fields, the powers and duties of government. It is a democracy, the only form of government, where one exists in substance, under which the civil rights, commonly called natural rights, can permanently exist.

As we view world conditions today we clearly see evidences of a disturbed state of mind, due to many conditions, mainly economic. Since the World War, and particularly within the past several years, we have seen throughout the world governments changed or overthrown. We have witnessed in place thereof the establishment of some kind of dictatorship. In these countries different factors may have influenced the change, but the result invariably has been the same. Individual rights have been destroyed. A dictator cannot exist where opposition exists, or even where any form of possible opposition might develop. Individual rights cannot exist under a dictatorship. Under such a form of government, the state, represented by the dictator, and the small group that keeps him in power, whether a nationalist party, nobility, group of any kind, or the army, is the sovereign power—the master. The people are the servants. In a democracy the opposite is true. Even in a beneficent dictatorship, few of which exist, the few individual rights that still prevail, exist, not as a matter of right, but by sufferance of the dictator.

In those countries where some form of a dictatorship exists we have seen persecution, oppression, and fear prevalent, either among all or a portion of the people. Public opinion is stifled. Rights recognized as inherent in the individual are destroyed. Protected civil rights of the individual and a dictatorship cannot exist at the same time. What privileges exist are permitted only by sufferance, and whenever their continuance commences to interfere with dictatorial government they can be and are destroyed. Democratic countries always have a government based upon extensive suffrage, with its lawmaking machinery consisting of a legislative body, chosen by the people in a free election. A true democracy is found in countries where popular education is widespread and where an active public opinion not only is permitted to exist but does exist.

The personal rights of the individual citizen are respected and carefully protected by constitutional enactments concerning freedom of a religious conscience, the free exercise thereof; freedom of speech, of the press; freedom from arbitrary arrest and imprisonment; the right of a trial by jury; of the right of proper individual initiative; and to protection of property legally obtained and possessed; of the sacredness of marriage and the sanctity of the home; and of the other great rights enumerated in the Constitution necessary for the existence of a free people. The police exist to watch criminal classes rather than to control the people. Their purpose is to maintain internal order, an essential function of any government. In a democracy, government flourishes for the purpose of serving the governed, by whose consent it exists. Under our form of government the state has certain duties to perform, but the individuals possess certain rights that can only be taken away by the people themselves, acting in accordance with the Constitution. As we view world conditions, and the happenings in governments where a dictatorship exists, we find conditions the opposite of what we enjoy by constitutional right. In all such countries freedom of speech and of the press are nonexistent. The only freedom that exists in this respect is what the dictator will permit. History and experience have shown that where discussion is used in place of force as a means of solving the problems of our times, social and political stability is enhanced. We also see the attempt to destroy the right of a free religious conscience. In some dictatorial countries it is evidenced by outright prohibition, in another by attempting to nationalize religion, making it simply a department of government, and to ultimately impose upon its people, without regard to their opinions, one religion, that of the state; in another the hypocrisy of allowing religious freedom but denying the free exercise thereof; and in others some degree of religious freedom exists only because it has not as yet come in conflict with the wishes or the will of the dictator.

Spiritual advisers have been arrested, jailed, persecuted, simply because their religious views interfered with the wish or will of the dictator. Wherever a dictatorship exists, whether of the proletariat, of military, or of any other kind, freedom of the individual in the possession of those rights essential to life, liberty, and pursuit of happiness either has been destroyed or permitted to exist only by sufferance. It is very significant to note that where dictatorships exist today the history and tradition of the people of such countries were definitely linked up in the past with a strong military control. In any event, their history has shown very little if any effort in the experiment of democratic government. It also must be borne in mind that under our form of government the machinery exists, as a matter of right of the people, to make necessary adjustments of our laws to the economic or social changes that are constantly taking place. The success of the exercise of this power, the right of suffrage in the selection of our representatives, depends in the main upon an honest and enlightened public opinion—in the average citizen performing his duty in a fearless and courageous manner.

In talking to you tonight I am able to do so because it is my constitutional right to express my opinions, which right cannot be taken away from me by government so long as I do so within the law. If I were a subject of a country wherein a dictator was supreme, for daring tonight to express the opinions that I have, I would be arrested and imprisoned. Throughout this great land are persons of all religious beliefs, safe in the possession and expression of their views. And yet in other lands are people persecuted, arrested, jailed, for daring to entertain and express a free religious conscience. The same situation applies to other great human rights that we possess, and which the peoples of all lands should and, I hope, some day will possess. Viewing impersonally the strength and weaknesses of the various forms of governments—democracy, dictator, oligarchy, autocracy—the democratic government is the form that brings to a people the greatest degree of satisfaction and of service.

Despite the civil rights that we possess, there are some within our borders who would like to destroy what Washington and his contemporaries builded, which Lincoln and his contemporaries preserved, and which we possess. In the defense of that which we possess, we should not and cannot distinguish between enemy from within or from without. As a matter of fact, the one who accepts the benefits of our institutions, and undertakes to use those benefits to destroy, is far more dangerous and sinister in his objectives than the enemy from without. I recognize the right of any person, organization, or movement to advocate any change in which he believes, or they believe, provided such advocacy of change is within the law. I do not recognize the right of any person, or movement, to advocate the immediate or ultimate overthrow of our Government by force and violence. That is not freedom of speech or of the press. It is uncontrolled license. There are elements in this

country whose views are antisocial to our theory of government, and who are attempting to carry their views into effect by force. Some are citizens and some are aliens. The alien in this country who is law abiding is respected, but the alien in this country who advocates the overthrow of our Government by force and violence, when apprehended, should be deported at once. The same applies also to the criminal alien. Why should we permit such persons, who are avowed enemies of our Government, to remain in this country? Legislation is pending which should be passed by this Congress strengthening our immigration laws in this respect.

The citizen who advocates the overthrow of Government by force and violence should be made subject to proper legislation, the purpose of which is to protect the rights of the American citizen who loves his country. In no other country of the world would conditions such as exist in this country be tolerated. The constitutional means exist to bring about orderly changes of government. When we compare the rights of the individual in the United States with those of dictatorial countries, we profoundly appreciate what it means to be an American citizen.

We have our problems to meet. So did past generations of Americans. In their day they had depressions and great questions arising therefrom, which had to be met and decided. History shows that they performed their duty well. We of this generation have great problems confronting us, which we must meet and decide, not only for our best interests but for the best interests of the generations to come. The past generations met their problems effectively and successfully, as a free people, as a result of honest differences of opinion being capable of expression, of the feeling of satisfaction with the possession of the great rights to which I have referred. Each generation passed on to the next generation the fundamental rights of a free people preserved and the structure, called government, improved upon.

We of today will meet our problems in the same way, passing on to Americans yet unborn preserved the glorious democracy that we inherited.

EXTENSION OF REMARKS

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert a very valuable statement of my colleague, the gentleman from Texas [Mr. DIES].

Mr. ZIONCHECK. Reserving the right to object, Mr. Speaker, what is this about?

Mr. BLANTON. It is about the granting of American jobs to people who are not American citizens.

Mr. MARCANTONIO. I object, Mr. Speaker.

Mr. BLANTON. All right; if the gentleman does not want to protect American citizens.

Mr. MARCANTONIO. I object, Mr. Speaker.

PERMISSION TO ADDRESS THE HOUSE

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, yesterday afternoon I was out of the Chamber attending important committee duties, and during that time the distinguished gentleman from Georgia [Mr. TARVER] made certain comments upon another gentleman who obviously, by clear inference from the RECORD itself, was intended to be the senior Senator from South Carolina, the Honorable ELLISON D. SMITH.

Waiving the matter of propriety in that respect, I question the propriety of the impeachment of the good faith of Senator SMITH with reference to his attitude on pending legislation. I submit that the statement that Senator SMITH is a large landowner and, therefore, that he represents the landowners rather than the farmers generally, and that he is personally interested by this fact to the extent that he would favor the landowner in legislation as against the tenant, is not justified by the record, nor by his long service in behalf of all farmers.

I must say that Senator SMITH has been the unselfish evangelist of the cause of the cotton farmer—of all cotton farmers from one end of the Cotton Belt to the other—for more than 30 years. He has been elected by the people of South Carolina to the United States Senate five times. He is not what would be called a large landowner as we understand that term.

Mr. ZIONCHECK. Point of order, Mr. Speaker.

Mr. McSWAIN. I do not yield, Mr. Speaker.

Mr. ZIONCHECK. I make the point of order, Mr. Speaker, that reference is being made to another body, and the gentleman is talking about a Senator.

The SPEAKER. The point of order is overruled. The gentleman from South Carolina will proceed.

Mr. ZIONCHECK. And talk about another body and another Senator?

The SPEAKER. The Chair has ruled. The gentleman from South Carolina has the floor.

Mr. McSWAIN. The distinguished gentleman and Senator to whom I have been referring is not a large landowner in the ordinary sense. He has not communicated with me today nor have I communicated with him directly or indirectly about this or any other matter. On the issue or merits of this controversy I am not debating. I believe Senator SMITH has been misunderstood, for I believe he is the true and loyal friend of the small farmer.

While I live about 200 miles from where Senator SMITH lives, I now state, from my own information, that he owns only 800 acres of land, and perhaps 25 to 30 percent of it is swampland and not cultivatable. I was informed many years ago that Senator SMITH inherited this farm from his father and mother and in fact that this land has been in his family for nearly 200 years. I own more land than Senator SMITH does, and yet I cannot get enough rent from it to pay the taxes.

AMERICAN JOBS TO PEOPLE WHO ARE NOT AMERICAN CITIZENS

Mr. BLANTON. Mr. Speaker, I renew the request I made a moment ago that I may insert in the RECORD a very valuable statement by my colleague, Mr. DIES, of Texas.

The SPEAKER. Is there objection?

There was no objection.

The statement of the gentleman from Texas [Mr. DIES] is as follows:

[From the Washington Herald of Sunday, Feb. 23, 1936]

OVER MILLION ALIENS SEEK ENTRY TO UNITED STATES DESPITE OUR UNEMPLOYMENT, SAYS DIES—BESIDES, THOUSANDS FLOCK IN FROM NONQUOTA COUNTRIES OF WESTERN HEMISPHERE

By MARTIN DIES, Congressman from Texas

While 8,000,000 employable Americans are jobless, aliens continue to pour into this country, and more than a million await a chance to enter.

The number desiring to come and take jobs from Americans probably very greatly exceeds a million. American consuls in 47 out of the 68 quota countries state that 992,000 aliens in those lands are anxious to enter the United States; and there are no quota restrictions for nations of the Western Hemisphere. Immigrants from Canada, Mexico, and Latin America are free to come in anytime they desire.

During the worst years of the depression, 1931–34—while all other countries did all they could to save jobs for their own citizens—594,766 aliens tried to enter this country legally. With business improvement, the number of alien arrivals has increased proportionately.

The instruction for "strictness" issued by the State Department to its consuls can be relaxed at any time, allowing 150,000 new immigrants a year from Europe.

Since we began to put up immigration barriers—though weak ones—it is estimated that more aliens have entered the country illegally than have come through regular channels. They flooded the southern border so rapidly that in 1929 the Secretary of Labor said, "We estimate that more than a million Mexicans are here illegally."

If prosperity returns, then lack of information or indifference by our citizens, and laxity and unwarranted sentimentality in administration, will permit an inflow of millions of aliens within a few years. Thus, instead of correcting, we would permit the continuation—and fix as permanent—an injustice to our own workers, which will lower their standards of living.

Most certainly after our recent lesson we should not want to "import more unemployment."

Those citizens are falsely reassured who think the immigration problem is being solved by present laws. They are evaded. Consider some of the loopholes:

There are only 800 men on patrol on our 10,000 miles of Mexican, Pacific, Canadian, and Atlantic borders.

According to the Commissioner of Immigration's report for 1934, there were 20,560,826 aliens' entrance examinations at our borders that year. Some, of course, came and went daily. But according to the report most of those entering were not "manifested." They merely waved a card and passed the barrier; no check was made as to whether they returned.

MANY ALIEN SEAMEN DESERT IN UNITED STATES PORTS

Also from that report: 127,666 aliens were admitted to the country for "temporary stay."

Again: 882,813 alien seamen examinations were held in our ports. An undetermined number deserted into the United States.

This is considered the easiest way for a male alien to enter the country illegally. Although the steamship companies are taxed for every desertion—for which reason they report fewer than

half of their desertions—records of the Commissioner of Immigration show 307,320 recorded desertions between 1907 and 1931. In his annual report for 1933 the Commissioner, Colonel MacCormack, said:

"In the past, oftentimes as many as half the crew of vessels of certain flags, passed as bona fide seamen, would desert in port.

"And when the vessel came to sail it would sign on none, or very few, to replace them, a plain indication that the crew was excessive on arrival, and a moral certainty that aliens had been signed on for a consideration, and with foreknowledge that illegal entry into the United States was planned.

"This is one of the many 'rackets' to circumvent the immigration laws, but it is not actionable unless convincing and corroborative evidence of conspiracy is obtained. This is almost impossible, as deserters speedily lose themselves in our population."

With such avenues open, little wonder that it is estimated that in New York City alone there are a quarter of a million aliens who entered this country without the right to do so.

There are organized gangs which specialize in expediting illegal entry. There is even evidence of a recognized technique for courtship by mail, after an exchange of photographs with an American girl, or courtship during a girl's visit abroad. After marriage and entry into the country—and frequently after relatives have contributed funds to set the alien up in business—the bridegroom disappears.

Information to this effect was presented to me by a radio speaker whose "question and answer" period brought him so many stories of this kind that a "league of deserted women" was formed to combat the evil. Several thousand of such victimized women are alleged to reside in the metropolitan area alone.

UNDERGROUND ROUTES EASILY AVAILABLE

For aliens whose appearance, due to race or color, makes illegal entry easier, there are many smugglers' methods.

In a single year, 1933, seizure of vehicles used in smuggling was to a total value of $283,744. This included 13 airplanes valued at $89,500. Obviously only a small fraction of the total vehicles used in this trade were captured.

At least five well-beaten paths are open to aliens wishing to be smuggled into the United States, providing they have money to pay the gangs.

Readers were shocked in November 1934 to learn about a score of smuggled Chinese found in a cellar at Atlantic Highlands, N. J., a State politician having aided in easing their entry.

It merely meant that accident had revealed one station on the underground route. The station was moved. Traffic was resumed—all inbound.

Now, each illegal alien means—

1. Another job has been taken from an American by a foreigner willing to work more cheaply; or—

2. Another mouth has been added to our breadline.

Yet some elements oppose rigorous immigration policies and enforcement. Among them are:

Some industrialists who want the cheapest labor available; steamship companies anxious to increase revenues; foreigners, alien or naturalized, who want relatives to come and enjoy American standards, legally or illegally; gangs who make a living in alien rackets; and radicals, who want aliens for revolutionary enlistment, and to extend our breadlines.

We must check the growing flood of aliens. We must cease importing unemployment.

PERMISSION TO ADDRESS THE HOUSE

Mr. TARVER. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. Mr. Speaker, my long acquaintance with the gentleman from South Carolina [Mr. McSWAIN] and my high regard for him as a legislator would cause me to examine again and perhaps doubt my own position if I found there was any difference of opinion between us.

I wish to say in view of what he has said that nothing in my remarks was intended to criticize the personal motives of any Member of the other body. I believe the conditions which may have influenced the Member of the other body in the attitude he assumed are legitimate matters for discussion.

During the 10 years I have been a Member of this body I have not heretofore found it necessary to say anything on the floor that might possibly be offensive to any Member of this body or the other body.

I regret very much that in order to clearly present and try to protect the rights of the millions of tenants and sharecroppers of this country it was necessary that I should go into certain matters, which I did.

After a careful reexamination of the remarks I made I do not find anything that justifies regret. I believe they may have been to some extent influential, because I am advised that the conference committee on the farm bill has retained the tenant and sharecropper amendment in its report.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the people all over the country have become more fearful every day that this country is becoming like Russia in refusing free speech and free thought. I have received a telegram from Mrs. Paul Fitzsimmons, of Rhode Island, which is as follows:

NEWPORT, R. I., *February 25, 1936.*

Hon. EDITH NOURSE ROGERS,
House of Representatives Office Building:

Heartily concur in your published statement regarding the malevolent and vindictive action taken against Major General Hagood. It is common knowledge that this administration intends to strangle all criticism, however constructive or merited; but this evidence of malignant bad temper and attempted terrorism against a man of distinguished and outstanding record should rouse the Nation to a realization of the despotic gag rule now inflicted upon all patriotic citizens in and out of the military and naval services. I was war godmother to General Hagood's regiment and have known the general 20 years. He is an honor to the service and to his country, and I trust Congress will not allow its righteous indignation to be suppressed. Congress has the opportunity to prove it consists of men and patriots who are not puppets in the hands of demagogues nor such partisans that it permits citizens to be made footballs of for the indulgence of malicious exhibitions of childish bad temper. The citizens, regardless of party, will be behind all Congressmen who show determination to right this grievous wrong to an honored and distinguished officer and gentleman.

EXTENSION OF REMARKS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent at this point to insert in the RECORD a letter I have written to a colleague.

The SPEAKER. Is there objection?

There was no objection.

The matter referred to follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON RULES,
Washington, D. C., February 25, 1936.

Hon. WILLIAM LEMKE,
House of Representatives, Washington, D. C.

DEAR BILL: Now that the tumult and the radio shouting has died down, at least temporarily, "let's look at the record", as a famous American, also a victim of malicious and slanderous attacks from a certain radio source, would say.

On four Sundays in succession a portion of the American public has been misled as to what has occurred in reference to your so-called Frazier-Lemke bill, and especially in the House of Representatives.

The President has been charged with "blocking" the bill.

The Speaker has been listed as one of the arch conspirators against permitting the bill to come on the floor of the House.

It has been reiterated time and again that the bill never had a chance on the floor.

The Democratic Whip has been castigated for his activities "against" the bill.

The Rules Committee and its chairman have been threatened with the "last" for "smothering" the measure in committee.

In your speech in the House on Tuesday, February 18, 1936, you said (p. 2310):

"It has been conceded that if this bill were permitted to come up on the floor it would pass both House and Senate, and we are confident that it would be signed by the President."

Incidentally, why has not the bill (S. 212) been taken up on the floor of the Senate to date? It was reported out of the Senate Agriculture Committee on May 7, 1935. Who is "blocking" it over there? Is it the Speaker of the House or the majority Whip of the House or the House Rules Committee? What has Senator FRAZIER ever done to bring it up in the Senate?

Again, you said (p. 2311):

"Yet some invisible force has been able to prevent us from bringing it up on the floor for discussion and disposition on its merits."

You cannot mean me, because I am very "visible", and you say (p. 2311):

"I find no fault with the Chairman", meaning me.

Is there some "invisible force" at work in the Senate?

Now, dear Bill, let's be fair about it. You will, anyway, I know. In fairness to the Rules Committee, at least—never mind me. What is the truth about the matter?

Why it is all a matter of record in the House of Representatives which can be readily ascertained by anyone if he does not yet know. Of course, you know the record, because there is no more diligent or attentive Member of Congress.

All this will come as a surprise to many sincere supporters of the bill. The Frazier-Lemke bill did have its chance on the floor of the House of Representatives.

Read the CONGRESSIONAL RECORD of May 15, 1935.

The bill was "reported" out of the Agricultural Committee of the House on May 3, 1935, and referred to the Union Calendar.

On May 15, 1935, 12 days later, the Agricultural Committee had the call on Calendar Wednesday. The Committee could on that day, the whole of which it had at its disposal, have called up the Frazier-Lemke bill for consideration and passage. A majority of the members of that committee could have compelled it to be called up.

What happened? Instead of using the day which belonged to it and calling up the Frazier-Lemke bill, the Committee on Agriculture yielded and deliberately waived the day to the Committee on Foreign Affairs, and after passing one small bill by unanimous consent to which you, dear Bill, or any other Member of the House could have objected. (See CONGRESSIONAL RECORD, 74th Cong., 1st sess., pp. 7602 to 7605.)

Thereupon the Committee on Foreign Affairs took up bills pertaining to the United States Court for China, the International Congress of Military Medicine and Pharmacy, Diplomatic and Consular Establishments at Helsingfors, Finland, etc. Every member of the Agriculture Committee and every Member of the House knew that such an opportunity would not again be afforded for at least 2 years. This includes the 14 members of that committee who are reported to have signed the petition.

Where were you, dear Bill, and where was Mr. MORITZ, of Pennsylvania, and other ardent supporters of the Frazier-Lemke bill? Why did not they then and there insist on the calling up of their bill? The RECORD shows you and they were present in the House on that day. There were enough Members allegedly interested in the bill to prevent the adjournment of the House on that day until the Frazier-Lemke bill was called up and disposed of.

That is the true story which should have been told from the beginning.

Now, between you and me, dear Bill, is there really a majority of the Agriculture Committee in favor of this bill?

You well know, dear Bill, that the Rules Committee does not bring out rules for the consideration of bills which can be brought up on the floor on Calendar Wednesday or in any other way. If anyone, not a Member of Congress, does not know this, he could have easily found it out.

With warm personal regards, I am

Sincerely your friend,

JOHN J. O'CONNOR.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday, tomorrow, be dispensed with.

The SPEAKER. Is there objection?

Mr. WHITE. Mr. Speaker, I reserve the right to object. I am chairman of a committee that has several bills that we wish to take up. Last session we could not be heard. I object.

Mr. BANKHEAD. Then I give notice that when we meet tomorrow I shall move to dispense with business in order on Calendar Wednesday.

Mr. O'MALLEY. Mr. Speaker, we have been in session about 8 weeks, and have not had a Calendar Wednesday. A great many committees have reported out small bills. Is there any hope of getting a Calendar Wednesday in this session?

Mr. BANKHEAD. I think there is, but I regard it now as very important that we get through with the consideration of these appropriation bills.

Mr. O'MALLEY. How soon does the gentleman think that we can get a Calendar Wednesday?

Mr. BANKHEAD. I cannot give the gentleman any reply to that.

Mr. O'MALLEY. We have been 8 weeks here, and have drawn our breath and our salaries and have passed five bills.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. RICH. We have had five appropriation bills so far, and each one has been greater in amount appropriated than the similar one last year. We have increased our appropriations. What arrangement is the majority leader and this Congress going to take to raise the funds to meet these obligations?

Mr. BANKHEAD. Mr. Speaker, in reply to the inquiry of the gentleman from Pennsylvania I might say that if he will cooperate with us in trying to get placed back into the Federal Treasury the more than $6,000,000,000 deficit left by Mr. Hoover at the end of his term, we will not have to dig up any money. [Applause.]

Mr. RICH. Mr. Hoover's deficits are not comparable with the deficits that this administration has put on the Treasury.

Mr. CANNON of Missouri. Mr. Speaker, I renew my request that business in order tomorrow, Calendar Wednesday, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Missouri that business in order on Calendar Wednesday, tomorrow, be dispensed with?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HARTLEY on account of illness.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3978. An act relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation, and reaffirming their immunity; to the Committee on Banking and Currency.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 9130. An act to authorize the incorporated city of Skagway, Alaska, to undertake certain municipal public works, and for such purpose to issue bonds in any sum not exceeding $12,000, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 9130. An act to authorize the incorporated city of Skagway, Alaska, to undertake certain municipal public works, and for such purpose to issue bonds in any sum not exceeding $12,000, and for other purposes.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 47 minutes p. m.) the House adjourned until tomorrow, Wednesday, February 26, 1936, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON THE PUBLIC LANDS

The Committee on the Public Lands will meet Wednesday, February 26, 1936, at 10:30 o'clock a. m., in room 328, House Office Building, to consider H. R. 10303, Natural Resources Board.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McSWAIN: Committee on Military Affairs. House Report 2063. A report relating to the War Department pursuant to House Resolution 59. Referred to the Committee of the Whole House on the state of the Union.

Mr. FERGUSON: Committee on Flood Control. H. R. 9213. A bill to provide a preliminary examination of the Hillsborough and Withlacoochee Rivers and their tributaries, in the State of Florida, with a view to the control of their flood waters; without amendment (Rept. No. 2069). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITTINGTON: Committee on Flood Control. H. R. 9235. A bill to provide for a preliminary examination and survey of the Cosatot River in Sevier County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods; with amendment (Rept. No. 2070). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITTINGTON: Committee on Flood Control. H. R. 9236. A bill to authorize a preliminary examination and

survey of the Red and Little Rivers, Ark., insofar as Red River affects Little River County, Ark., and insofar as Little River affects Little River and Sevier Counties, Ark., to determine the feasibility of leveeing Little River and the cost of such improvement, and also the estimated cost of repafring and strengthening the levee on Red River in Little River County, with a view to the controlling of floods; with amendment (Rept. No. 2071). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITTINGTON: Committee on Flood Control. H. R. 9249. A bill to provide for a preliminary examination and survey of the Little Missouri River in Pike County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods; with amendment (Rept. No. 2072). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITTINGTON: Committee on Flood Control. H. R. 9250. A bill to provide for a preliminary examination and survey of the Petit Jean River in Scott and Logan Counties, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods; without amendment (Rept. No. 2073). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITTINGTON: Committee on Flood Control. H. R. 9267. A bill to provide for a preliminary examination and survey of Big Mulberry Creek, in Crawford, County, Ark., from the point where it empties into the Arkansas River up a distance of 8 miles, to determine the feasibility of cleaning out the channel and repairing the banks, and the cost of such improvement, with a view to the controlling of floods; without amendment (Rept. No. 2074). Referred to the Committee of the Whole House on the state of the Union.

Mr. ZIMMERMAN: Committee on Flood Control. H. R. 10487. A bill to authorize a survey of Lowell Creek, Alaska, to determine what, if any, modification should be made in the existing project for the control of its floods; without amendment (Rept. No. 2075). Referred to the Committee of the Whole House on the state of the Union.

Mr. FERGUSON: Committee on Flood Control. H. R. 10583. A bill to authorize a preliminary examination of the San Diego River and its tributaries in the State of California, with a view to the control of its floods; without amendment (Rept. No. 2076). Referred to the Committee of the Whole House on the state of the Union.

Mr. ZIMMERMAN: Committee on Flood Control. H. R. 11042. A bill authorizing a preliminary examination of the Matanuska River in the vicinity of Matanuska, Alaska; without amendment (Rept. No. 2077). Referred to the Committee of the Whole House on the state of the Union.

Mr. FERGUSON: Committee on Flood Control. H. R. 9874. A bill authorizing a preliminary examination of Cadron Creek, Ark., a tributary of the Arkansas River; without amendment (Rept. No. 2078). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MILLARD: Committee on Immigration and Naturalization. House Joint Resolution 388. Joint resolution to authorize the issuance to Tonio Mori Moto of a permit to reenter the United States; with amendment (Rept. No. 2062). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 11053. A bill authorizing the President to present the Distinguished Service Medal to Commander Percy Tod, British Navy, and the Navy Cross to Lt. Comdr. Charles A. deW. Kitcat, British Navy; without amendment (Rept. No. 2064). Referred to the Committee of the Whole House.

Mr BLOOM: Committee on Foreign Affairs. H. R. 11425. A bill for the relief of Gustava Hanna; without amendment (Rept. No. 2065). Referred to the Committee of the Whole House.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 1743. A bill for the relief of Joseph E. Myers; without amendment (Rept. No. 2066). Referred to the Committee of the Whole House.

Mr. MAY: Committee on Military Affairs. S. 1683. An act for the relief of Robert L. Monk; without amendment (Rept. No. 2067). Referred to the Committee of the Whole House.

Mr. HILL of Alabama: Committee on Military Affairs. S. 3872. An act for the relief of the present leader of the Army Band; without amendment (Rept. No. 2068). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOUGHTON: A bill (H. R. 11452) to provide for the more adequate protection of the revenue, a more effective enforcement of the revenue and other laws administered by the Treasury Department, and for other purposes; to the Committee on Ways and Means.

By Mr. IGLESIAS: A bill (H. R. 11453) to amend the act of February 11, 1936, entitled "An act to provide that funds allocated to Puerto Rico under the Emergency Relief Appropriation Act of 1935 may be expended for permanent rehabilitation, and for other purposes"; to the Committee on Insular Affairs.

By Mr. WALTER: A bill (H. R. 11454) to incorporate the Veterans of Foreign Wars of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H. R. 11455) granting an increase of pension to Martha J. Constant; to the Committee on Invalid Pensions.

By Mr. BYRNS: A bill (H. R. 11456) granting a pension to Jennie Washington; to the Committee on Invalid Pensions.

By Mr. CHRISTIANSON: A bill (H. R. 11457) for the relief of Arne Pederson; to the Committee on Naval Affairs.

By Mr. CHURCH: A bill (H. R. 11458) for the relief of Joseph Connor McGurn; to the Committee on Claims.

By Mr. GRAY of Indiana: A bill (H. R. 11459) granting an increase of pension to Fannie M. McQuade; to the Committee on Invalid Pensions.

By Mr. LUNDEEN: A bill (H. R. 11460) granting a pension to Angie Inez Nelson; to the Committee on Pensions.

By Mr. McCLELLAN: A bill (H. R. 11461) for the relief of the estates of N. G. Harper and Amos Phillips; to the Committee on Claims.

Also, a bill (H. R. 11462) for the relief of R. N. Teague and Minnie Teague; to the Committee on Claims.

By Mr. PETERSON of Georgia: A bill (H. R. 11463) for the relief of V. Jackson Hodges; to the Committee on Claims.

By Mr. RABAUT: A bill (H. R. 11464) for the relief of William Bockheim; to the Committee on Claims.

Also, a bill (H. R. 11465) for the relief of Earl Dow Greer; to the Committee on Naval Affairs.

Also, a bill (H. R. 11466) granting an increase of pension to Ebbin A. Irvin; to the Committee on Pensions.

By Mr. REED of New York: A bill (H. R. 11467) granting a pension to Martha Koerner; to the Committee on Invalid Pensions.

By Mr. SCHNEIDER of Wisconsin: A bill (H. R. 11468) for the relief of Charles R. Hooper; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 11469) for the relief of James W. Webster; to the Committee on Military Affairs.

Also, a bill (H. R. 11470) for the relief of John Albert Farne; to the Committee on Naval Affairs.

By Mr. THOMAS: A bill (H. R. 11471) granting a pension to Viola M. Dobbin; to the Committee on Invalid Pensions.

By Mr. THURSTON: A bill (H. R. 11472) for the relief of John P. Masters; to the Committee on Naval Affairs.

Also, a bill (H. R. 11473) granting an increase of pension to Mary L. Yoakem; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10263. By Mr. BLOOM: Petition of residents of Loiza, P. R., urging the extension of the Social Security Act to Puerto Rico; to the Committee on Ways and Means.

10264. By Mr. KNIFFIN: Petition of H. B. Monroe, representing Sunday school of the Church of Christ, Hicksville, Ohio, urging the enactment of the Guyer bill; to the Committee on the District of Columbia.

10265. By Mr. LAMNECK: Petition of Johnnie J. Martin, financial secretary, National Federation of Federal Employees, Local No. 553, Columbus, Ohio, and others, favoring the passage of the annual leave and sick leave bills which passed the Senate; to the Committee on the Civil Service.

10266. By Mr. LUNDEEN: Petition of the Washington County Farm Bureau, Stillwater, Minn., urging enactment of new agricultural bill in line with recommendations by American Farm Bureau Federation; to the Committee on Agriculture.

10267. Also, petition of the Central Western Wholesalers' Association, Minneapolis, Minn., urging the extension of title I of the Federal Housing Act for at least 2 years; to the Committee on Appropriations.

10268. Also, petition of a State-wide meeting of Minnesota farmers held on January 11, 1936, urging enactment of legislation for recovery of impounded processing taxes and that Congress provide for commodity loans similar to the present corn-loan program; to the Committee on Agriculture.

10269. Also, petition of the Minnesota League of Women Voters, Minneapolis, Minn., urging support of the neutrality measure, House Joint Resolution 422, asking that a clause be inserted to make the measure temporary, and urging that Congress reserve the right to lift the embargo against one or more belligerents; to the Committee on Foreign Affairs.

10270. By Mr. MEAD: Petition of the Veterans of Foreign Wars of the United States, Cold Spring Post, No. 3254, Buffalo, N. Y., requesting that when payment of the adjusted-service certificates is paid veterans will not be obliged to surrender their positions if employed on public-works projects; to the Committee on Appropriations.

10271. By Mr. O'CONNELL: Joint resolution, requesting the Senators and Representatives in Congress from Rhode Island to oppose the enactment of any legislation by Congress whose purport shall be to prevent veterans of the World War from remaining on any relief rolls of the Federal Government or the respective State, if and when they shall receive a bonus under House bill 9870; to the Committee on Appropriations.

10272. By Mr. PETERSON of Georgia: Petition of James E. Lanier, H. T. Reddick, R. E. Howard, G. T. Sharpe, and of numerous other citizens of the First Congressional District of Georgia, requesting support of legislation proposed by the National Star Route Carriers Association; to the Committee on the Post Office and Post Roads.

10273. Also, petition of R. B. Mallory, Jr., Mrs. A. C. Smith, Mrs. Miller A. Elizey, and of numerous other citizens of the First Congressional District of Georgia, requesting support of legislation proposed by the National Star Route Carriers Association; to the Committee on the Post Office and Post Roads.

10274. By Mr. REED of Illinois: Petition signed by E. E. Brubaker, of Virden, Ill., and 60 others, requesting passage of House bill 8739; to the Committee on the District of Columbia.

10275. By Mr. THOMAS: Petition of 128 citizens, urging enactment of legislation at this session to extend all existing star-route contracts, and to increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10276. By Mr. WALTER: Petition of the Fraternal Patriotic Americans; to the Committee on Immigration and Naturalization.

10277. By the SPEAKER: Petition of the American League Against War and Fascism, Boston, Mass.; to the Committee on the Judiciary.

10278. Also, petition of the State bar of South Dakota; to the Committee on the Library.

10279. Also, petition of the Bar Association of St. Louis, Mo.; to the Committee on the Library.

10280. Also, petition of the Year Book Publishers, Inc., Chicago, Ill.; to the Committee on Military Affairs.

10281. Also, petition of the Olympia Townsend Club, No. 2, Olympia, Wash.; to the Committee on Ways and Means.

10282. Also, petition of the Okmulgee Detective Agency, Okmulgee, Okla.; to the Committee on the Judiciary.

10283. By Mr. PATMAN: Resolution of the Minnesota Retail Hardware Association, Minneapolis, Minn., favoring the principles and policies outlined in the Patman bill and other legislation now in Congress designed to strengthen and amend the Clayton Act; to the Committee on the Judiciary.

10284. Also, resolution of the Northwestern Shoe Retailers Regional Association, Minneapolis, Minn., endorsing all provisions of the Patman-Robinson bill, known as House bill 8442 and Senate bill 3154, which provides for the correction of certain evils in the field of merchandise distribution; to the Committee on the Judiciary.

10285. By Mr. HENNINGS: Resolution of the Missouri State Highway Commission, urging Congress to appropriate and make available 1937 Federal-aid money now authorized for the construction of highways and to maintain the program for the fiscal years of 1938 and 1939; to the Committee on Roads.

10286. By Mr. SCOTT: Petition of the City Council of the City of South Gate, petitioning Congress to support legislation at this session which will have for its purpose the extension of provisions, which will expire May 1936, in the Federal bankruptcy laws for the liquidation of the indebtedness of overburdened, delinquent, and insolvent special assessment districts; to the Committee on the Judiciary.

10287. Also, petition of the Fontana Utopian Group, No. 72 A–12, opposing the exporting of any war materials or any such commodities which can be used to sustain a military organization of any foreign power which is waging a military campaign against another country or countries, and demanding the enforcement of the present embargo act recently proclaimed by the President of the United States; to the Committee on Military Affairs.

10288. By Mr. MAHON: Petition of citizens and patrons of star route no. 50307, from Stanton to Lenorah, Tarzan, and surrounding and contributing territory of Texas, urging your honorable body to enact legislation at this session that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10289. Also, petition of citizens and patrons of star route no. 5020, from Muleshoe to Olton, Tex., urging your honorable body to enact legislation at this session that will indefinitely extend all existing star-route contracts and increase the compensation theeron to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10290. By Mr. WHITE: Memorial of the Nampa Trades and Labor Council, Nampa, Idaho, recommending to the consideration of the Congress the plan embodied in the McGroarty bill, and urging that this bill be brought to the floor at an early date for careful study and passage; to the Committee on Ways and Means.

SENATE

WEDNESDAY, FEBRUARY 26, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, February 25, 1936, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had concurred in the concurrent resolution (S. Con. Res. 32) requesting the President of the United States to return to the Senate the enrolled bill (S. 3227) to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 399. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia; and

S. 3035. An act to provide for enforcing the lien of the District of Columbia upon real estate bid off in its name when offered for sale for arrears of taxes and assessments, and for other purposes.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Radcliffe
Ashurst	Coolidge	King	Reynolds
Austin	Costigan	La Follette	Robinson
Bachman	Couzens	Lewis	Russell
Bailey	Davis	Logan	Schwellenbach
Barbour	Dickinson	Lonergan	Sheppard
Benson	Donahey	Long	Smith
Bilbo	Duffy	McAdoo	Steiwer
Black	Frazier	McGill	Thomas, Okla.
Bone	George	McKellar	Thomas, Utah
Borah	Gerry	McNary	Townsend
Brown	Gibson	Maloney	Trammell
Bulkley	Glass	Metcalf	Truman
Bulow	Gore	Minton	Tydings
Burke	Guffey	Murray	Vandenberg
Byrd	Hale	Neely	Van Nuys
Byrnes	Harrison	Norbeck	Wagner
Capper	Hastings	Norris	Wheeler
Caraway	Hatch	Nye	White
Carey	Hayden	O'Mahoney	
Chavez	Holt	Overton	
Clark	Johnson	Pittman	

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD] and the Senator from Florida [Mr. FLETCHER] are absent because of illness, and that the Senator from Nevada [Mr. MCCARRAN], the Senator from New York [Mr. COPELAND], the Senator from New Jersey [Mr. MOORE], the Senator from Massachusetts [Mr. WALSH], the Senator from Kentucky [Mr. BARKLEY], the Senator from Illinois [Mr. DIETERICH], the Senator from Iowa [Mr. MURPHY], and the Senator from Idaho [Mr. POPE] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Minnesota [Mr. SHIPSTEAD] is necessarily absent.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

INVESTIGATION AND COORDINATION OF EXECUTIVE AGENCIES—APPOINTMENT OF SPECIAL COMMITTEE

The VICE PRESIDENT, under the terms of Senate Resolution 217, appointed the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. ROBINSON], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Oregon [Mr. MCNARY], and the Senator from Delaware [Mr. TOWNSEND] as the members of the Special Committee to Investigate Executive Agencies of the Government with a view to coordination.

LOANS FOR CROP PRODUCTION—VETO MESSAGE (S. DOC. NO. 179)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Agriculture and Forestry and ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, S. 3612, a bill entitled "To provide loans to farmers for crop production and harvesting during the year 1936, and for other purposes."

This bill authorizes an appropriation of $50,000,000 from the general fund of the Treasury for loans to farmers during the year 1936 for production of crops—principally seed loans.

In approving the bill providing for $40,000,000 for crop production loans for 1934, I stated that I did so on the theory that it was proper to taper off the crop-loan system, which had been initiated on a large scale as early as 1931, rather than to cut it off abruptly, particularly since such loans would serve a useful purpose in aiding certain farmers unable to qualify for crop-production loans through the newly established farmers' production credit associations, and that the 1934 loan by the Government should thus be considered as a tapering-off loan.

It is true that I gave my approval to a $60,000,000 crop-production loan for 1935, but this loan was primarily for relief purposes, principally in the drought-stricken areas; and I recommended to the Congress that the cost of such loans should properly be defrayed from the appropriation for relief purposes. Accordingly, $60,000,000 was reappropriated from unobligated balances under allocations from the appropriation of $525,000,000 for relief in stricken agricultural areas contained in the Emergency Appropriation Act passed the previous year.

In my budget message, transmitting the 1937 Budget, I stated:

> If the Congress enacts legislation at the coming session which will impose additional charges upon the Treasury for which provision is not already made in this Budget, I strongly urge that additional taxes be provided to cover such charges.

No provision was made in the financial program for the fiscal year 1936, or the fiscal year 1937, for additional crop loans, and, notwithstanding my Budget statement, quoted above, the Congress by this bill authorizes an additional draft upon the Treasury for $50,000,000 for new crop loans, without making provision for any revenue to cover such loans.

However, while I am returning this bill without my approval, I recognize that there still exists a need for crop-production loans to farmers whose cash requirements are so small that the operating and supervisory costs, as well as the credit risk, make credit unavailable to them at this time through the usual commercial channels, and who, unless extended assistance of this character, would no doubt find it necessary to seek some other form of relief from the Government. This is particularly true with respect to those areas in which unusual conditions prevail because of drought, dust storms, floods, rust, and other unforeseen disasters.

I fully agree with the Congress that provision should be made for such borrowers during the year 1936, but I feel that other borrowers should seek credit elsewhere.

I am convinced that the immediate and actual needs to which I have referred can be met during the year 1936 by an expenditure of funds materially less than that proposed in the bill under discussion.

Furthermore, these needs can be met, without the necessity of enacting authorizing legislation, through an allocation of funds by me from the appropriation provided in the Emergency Relief Appropriation Act for 1935, which appropriation, I am informally advised by the Comptroller General of the United States, can be utilized for such loans as I might indicate by Executive order to be desirable and necessary as relief measures.

I believe, therefore, that a special appropriation by the Congress at this time is both inadvisable and unnecessary. That being so, and in the absence of such legislation, I propose, in order to meet this need, to issue an Executive order within the next few days.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 26, 1936.*

PETITIONS

The VICE PRESIDENT laid before the Senate a petition of Methodist ministers of Philadelphia, Pa., praying for the enactment of the bill (H. R. 8404) to prohibit the transportation in interstate commerce of advertisements of intoxicating liquors, and for other purposes, and also House bill 8739, to prohibit the liquor traffic in the District of Columbia, which was referred to the Committee on Interstate Commerce.

Mr. TYDINGS presented a resolution adopted by the board of directors of the Chamber of Commerce of Cumberland, Md., favoring the making of appropriations to equip the Army and Navy with adequate planes and personnel, so as to place the air forces of the Nation on a parity with the air forces of other major countries, which was referred to the Committee on Military Affairs.

ELIGIBILITY FOR EMPLOYMENT UNDER THE W. P. A.—PETITION

Mr. SCHWELLENBACH. Mr. President, I present a petition for appropriate reference, and request that the body of the petition be printed in the RECORD. Attached to the petition are the signatures of 1,186 citizens of the city of Tacoma, Wash., and vicinity. I do not believe the names of the signatories should be printed in the RECORD, but I should like to have a notation made that the petition is signed by the above-mentioned numbered of citizens of the State of Washington.

There being no objection, the petition, signed by 1,186 citizens of the State of Washington, was referred to the Committee on Appropriations, and the body thereof was ordered to be printed in the RECORD, as follows:

To the Congress of the United States of America:

We, the undersigned, respectfully petition your honorable body, and represent:

That there are at present in this country millions of unemployed who are desirous of securing employment and in need of work, but are not eligible to secure employment on the W. P. A. and other governmental agencies for the reason that they are not on relief rolls, either by reason of pride or reliance upon their relatives and friends, or through the expenditures of savings in the past years which have dwindled to nothing, or through great sacrifice of property heretofore acquired.

This body of citizens numbering three to one of those now employed on Government relief rolls should be recognized and funds provided for their employment. These citizens are the backbone of the country, and have in the past, and will in the future, if employed, contribute largely toward the revenue which is necessary to carry on the Government. A failure to make suitable provision for this large number of citizens will necessitate their being placed on relief rolls.

ICE GORGES AND NEW TYPE DAM

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Pittsburgh Post-Gazette of February 22, 1936, entitled "Ice Gorges and New Type Dam."

I learn from an authoritative source that a serious ice gorge has been formed in the Ohio River at the Montgomery Dam, located near Beaver, Pa. This is a new type dam, and river people in that area say it is entirely responsible for this serious gorge; in fact, that the War Department engineers were advised before they started to build it that a serious gorge would result.

This is the worst gorge that has ever formed in the rivers in the Pittsburgh district; in fact, there has never been a really serious gorge in the Ohio River. The river, as a result of this condition, has been closed for some weeks, and as a further result many men are out of employment both at the mines and at the mills. Also, when the gorge moves out there will undoubtedly be a tremendous loss of property and great endangerment to life.

In addition to the Montgomery Dam, which has already been constructed, the War Department engineers are now constructing another one of the same type at Emsworth, about 10 miles below Pittsburgh.

I ask also that this matter may be referred to the Committee on Military Affairs.

There being no objection, the editorial was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

[From the Pittsburgh Post-Gazette of Feb. 22, 1936]

ICE GORGES AND NEW TYPE DAM

It would be regretable indeed if it should be found, after the considerable amount of money put into it, that the new lift-type dam construction started by the Government is not adapted to a number of the American rivers, notably those in the Pittsburgh region. Common prudence, however, should force any reconsideration of policy shown to be necessary as soon as possible to keep the loss resulting from mistakes to the minimum.

The Montgomery Dam, recently completed, on the Ohio River, near Beaver, is of the new type. The theory of this construction is to lift the gates of the dam and let the surplus water flow under. It is significant, however, that there is no recollection of an ice gorge on the Ohio in that district, or above Vanport, until this year. Now, there is a serious ice gorge, extending from Vanport practically to Sewickley.

Rivermen, as noted in an article in the Post-Gazette yesterday, express the view that the new type Montgomery Dam is to blame; that such a dam drains the water out from under the ice until there is not enough to float the heavy cakes, new ice piling on top of them and forming the gorge.

Meanwhile, construction of a similar type of dam at Emsworth has been started, recalling that protests were made by a number of river interests when the plan was adopted. At that time it was complained that, since such dams are higher—designed to eliminate a number of smaller structures and reduce operating costs—they would raise the level of the water to a point that would compel another series of costly bridge replacements.

The renewed complaints by the rivermen, in the light of the experience with ice gorges, call for a satisfactory answer from the Government engineers.

REPORTS OF COMMITTEES

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 3372) to provide funds for cooperation with the public-school district at Hays, Mont., for construction and improvement of public-school buildings to be available for Indian children, reported it without amendment and submitted a report (No. 1611) thereon.

He also, from the same committee, to which was referred the bill (S. 3371) for the relief of John Walker, reported it with an amendment and submitted a report (No. 1612) thereon.

He also, from the same committee, to which was referred the bill (S. 3053) conferring jurisdiction on the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes, reported it with amendments and submitted a report (No. 1613) thereon.

Mr. BULKLEY, from the Committee on Foreign Relations, to which was referred the bill (S. 4091) for the relief of Gustava Hanna, reported it without amendment and submitted a report (No. 1614) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NEELY:

A bill (S. 4100) to incorporate the Veterans of Foreign Wars of the United States; to the Committee on the Judiciary.

By Mr. SHEPPARD:

A bill (S. 4101) to amend the act known as the Federal Credit Union Act, approved June 26, 1934;

A bill (S. 4102) to amend section 9 of the Federal Credit Union Act, approved June 26, 1934 (Public, No. 467, 73d Cong.); and

A bill (S. 4103) to amend subsection 7, section 7, of the Federal Credit Union Act, approved June 26, 1934 (Public, No. 467, 73d Cong.); to the Committee on Banking and Currency.

By Mr. JOHNSON:

A bill (S. 4104) granting a pension to Lottie A. Torrance; to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 4105) authorizing the Secretary of Agriculture to convey certain lands to the Maryland-National Capital Park and Planning Commission of Maryland for park purposes; to the Committee on Agriculture and Forestry.

By Mr. SCHWELLENBACH:

A bill (S. 4106) for the relief of Rasmus Bech; to the Committee on Claims.

By Mr. ROBINSON:

A joint resolution (S. J. Res. 219) authorizing the President of the United States to award a posthumous Congressional Medal of Honor to William Mitchell; to the Committee on Military Affairs.

MAJ. GEN. JOHNSON HAGOOD

Mr. METCALF. I send to the desk a resolution, which I ask to have read and referred to the Military Affairs Committee.

The VICE PRESIDENT. Without objection, the resolution will be read.

The legislative clerk read the resolution (S. Res. 239), as follows:

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation of the circumstances attending the removal of Maj. Gen. Johnson Hagood from command of the Eighth Army Corps Area, with a view to determining particularly (1) whether such removal constituted suppression of free speech; (2) whether such removal was justified under the generally accepted ethics of military discipline; (3) the person or persons responsible for his removal; and (4) the reasons for his removal. The committee is further authorized to investigate any allegations of the improper use of the powers of government for the suppression of free speech as may be brought to its attention. The committee shall report to the Senate, as soon as practicable, the results of its investigations, together with its recommendations, if any, for necessary legislation.

For the purpose of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-fourth Congress, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words, and shall be paid in the same manner and under the same authorization as accorded a regular standing committee of the Senate.

Mr. ROBINSON. Mr. President, I move that the resolution be referred to the Committee on Military Affairs.

Mr. McNARY. The simple request of the Senator from Rhode Island [Mr. METCALF] was that the resolution be read and then referred to the Committee on Military Affairs.

Mr. ROBINSON. Very well.

The VICE PRESIDENT. Without objection, the resolution will be referred to the Committee on Military Affairs.

AGRICULTURAL RELIEF—CONFERENCE REPORT

Mr. SMITH submitted a report, which was ordered to lie on the table, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the House insert the following:

"That the Act entitled "An Act to provide for the protection of land resources against soil erosion, and for other purposes", approved April 27, 1935, is amended by inserting at the end thereof the following:

"'SEC. 7. (a) It is hereby declared to be the policy of this Act also to secure, and the purposes of this Act shall also include, (1) preservation and improvement of soil fertility; (2) promotion of the economic use and conservation of land; (3) diminution of exploitation and wasteful and unscientific use of national soil resources; (4) the protection of rivers and harbors against the results of soil erosion in aid of maintaining the navigability of waters and water courses and in aid of flood control; and (5) reestablishment, at as rapid a rate as the Secretary of Agriculture determines to be practicable and in the general public interest, of the ratio between the purchasing power of the net income per person on farms and that of the income per person not on farms that prevailed during the five-year period August 1909–July 1914, inclusive, as determined from statistics available in the United States Department of Agriculture, and the maintenance of such ratio. The powers conferred under sections 7 to 14, inclusive, of this Act shall be used to assist voluntary action calculated to effectuate the purposes specified in this section. Such powers shall not be used to discourage the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption as determined by the Secretary from the records of domestic human consumption in the years 1920 to 1929, inclusive, taking into consideration increased population, quantities of any commodity that were forced into domestic consumption by decline in exports during such period, current trends in domestic consumption and exports of particular commodities, and the quantities of substitutes available for domestic consumption within any general class of food commodities. In carrying out the purposes of this section due regard shall be given to the maintenance of a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair to both producers and consumers.

"'(b) The Secretary of Agriculture shall cooperate with States, in the execution of State plans to effectuate the purposes of this section, by making grants under this section to enable them to carry out such plans.

"'(c) Any State which submits to the Secretary, prior to such time and in such manner and form as the Secretary prescribes, a State plan to effectuate the purposes of this section shall be entitled to payments, as provided in this section, for the year to which such plan is applicable, if such plan is approved by the Secretary as provided in this section.

"'(d) No such plan shall be approved unless by its terms:

"'(1) It provides that the agency to administer the plan shall be such State agency as may be designated by the Secretary if such agency is authorized by the State, or such other State agency as is authorized by the State and approved by the Secretary;

"'(2) It provides for such methods of administration, and such participation in the administration of the plan by county and community committees or associations of agricultural producers organized for such purpose, as the Secretary finds necessary for the effective administration of the plan; and

"'(3) It provides for the submission to the Secretary of such reports as he finds necessary to ascertain whether the plan is being carried out according to its terms, and for compliance with such requirements as the Secretary may prescribe to assure the correctness of and make possible the verification of such reports.

"'(e) Such plan shall be approved if the Secretary finds that there is a reasonable prospect that—

"'(1) Substantial accomplishment in effectuating the purposes of this section will be brought about through the operation of such plan and the plans submitted by other States, and

"'(2) The operation of such plan will result in as substantial a furtherance of such accomplishment as may reasonably be achieved through the action of such State.

"'(f) Upon approval of any State plan for any year the Secretary shall allocate to such State such sum (not in excess of the maximum amount fixed in pursuance of subsection (g) for such State for such year) as he finds necessary to carry out such plan for such year, and thereupon shall certify to the Secretary of the Treasury for payment to such agency of the State as the Secretary of Agriculture certifies is designated in the plan, and the Secretary of the Treasury shall pay to such agency, one-fourth of the amount so allocated. The remainder of the amount so allocated shall be similarly certified and paid in such installments (payable prior to the end of the calendar year) as may be provided in the plan. No such installment shall be certified for payment if the Secretary of Agriculture finds that, prior to the due date of such installment, there has been a substantial failure by the State to carry out the plan according to its terms, or that the further operation of the plan according to its terms will not tend to effectuate the purposes of this section. No amount shall be certified for payment under any such installment in excess of the amount the Secretary finds necessary for the effective carrying out of the plan during the period to which the installment relates.

"'(g) On or before November 1 of each year, the Secretary shall apportion among the several States the funds which will be available for carrying out State plans during the next calendar year, and in determining the amount to be apportioned to each State, the Secretary shall take into consideration the acreage and value of the major soil depleting and major export crops produced in the respective States during a representative period and the acreage and productivity of land devoted to agricultural production (including dairy products) in the respective States during a representative period: *Provided, however*, That apportionments of funds available for carrying out the purposes specified in this section for the year 1936 may be made at any time during 1936, and apportionments for 1937 may be made at any time during 1937. Not-

withstanding the making of an apportionment to any State for any calendar year, the funds apportioned to any State for which no plan has been approved for such year, and any amount apportioned to any State which is not required to carry out an approved plan for such State for such year, shall be available for carrying out the provisions of sections 7 to 14, inclusive, of this Act.

"'SEC. 8. (a) In order to carry out the purposes specified in section 7 (a) during the period necessary to afford a reasonable opportunity for legislative action by a sufficient number of States to assure the effectuation of such purposes by State action and in order to promote the more effective accomplishment of such purposes by State action thereafter, the Secretary shall exercise the powers conferred in this section during the period prior to January 1, 1938, except with respect to farming operations commenced in any State after the effective date of a State plan for such State approved pursuant to section 7. No such powers shall be exercised after December 31, 1937, except with respect to payments or grants in connection with farming operations carried out prior to January 1, 1938.

"'(b) Subject to the limitations provided in subsection (a) of this section, the Secretary shall have power to carry out the purposes specified in clauses (1), (2), (3), and (4) of section 7 (a) by making payments or grants of other aid to agricultural producers, including tenants and sharecroppers, in amounts, determined by the Secretary to be fair and reasonable in connection with the effectuation of such purposes during the year with respect to which such payments or grants are made, and measured by, (1) their treatment or use of their land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion, (2) changes in the use of their land, (3) a percentage of their normal production of any one or more agricultural commodities designated by the Secretary which equals that percentage of the normal national production of such commodity or commodities required for domestic consumption, or (4) any combination of the above. In determining the amount of any payment or grant measured by (1) or (2) the Secretary shall take into consideration the productivity of the land affected by the farming practices adopted during the year with respect to which such payment is made. In carrying out the provisions of this section, the Secretary shall, as far as practicable, protect the interests of tenants and sharecroppers. In carrying out the provisions of this section, the Secretary is authorized to utilize county and community committees of agricultural producers and the agricultural extension service, or other approved agencies. In carrying out the provisions of this section, the Secretary shall not have power to enter into any contract binding upon any producer or to acquire any land or any right or interest therein. In carrying out the provisions of this section, the Secretary shall, in every practicable manner, protect the interests of small producers. The Secretary in administering this section shall in every practical way encourage and provide for soil-conserving and soil-rebuilding practices rather than the growing of soil-depleting commercial crops.

"'(c) Any payment or grant of aid made under subsection (b) shall be conditioned upon the utilization of the land, with respect to which such payment is made, in conformity with farming practices which the Secretary finds tend to effectuate the purposes specified in clause (1), (2), (3), or (4) of section 7 (a).

"'SEC. 9. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting, and methods of accomplishing most effectively, the policy and purposes of section 7 (a). Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this Act.

"'SEC. 10. The term "agricultural commodity" as used in this Act means any such commodity and any regional or market classification, type, or grade thereof.

"'SEC. 11. All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments as the Secretary may request to cooperate or assist in carrying out this Act.

"'SEC. 12. Whenever the Secretary finds that the exercise of the powers conferred in this section will tend to carry out the purpose specified in clause (5) of section 7 (a), or will tend to provide for and maintain a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair to both producers and consumers, or both, he shall use such part as he deems necessary of the sums appropriated to carry out this Act for the expansion of domestic and foreign markets or for seeking new or additional markets for agricultural commodities or the products thereof or for the removal or disposition of surpluses of such commodities or the products thereof.

"'SEC. 13. Notwithstanding the foregoing provisions of this Act, the Secretary is authorized and directed to provide for the execution by the Agricultural Adjustment Administration of such powers conferred upon him under sections 7 to 14, inclusive, of this Act as he deems may be appropriately exercised by such Administration, and for such purposes the provisions of law applicable to the appointment and compensation of persons employed by the Agricultural Adjustment Administration shall apply.

"'SEC. 14. The facts constituting the bases for any payment or grant or the amount thereof authorized to be made under section 7 or 8 hereof, when officially determined in conformity with rules or regulations prescribed by the Secretary of Agriculture, shall be reviewable only by the Secretary of Agriculture.

"'SEC. 15. To enable the Secretary of Agriculture to carry out the purposes of sections 7 and 8 there is hereby authorized to be appropriated for any fiscal year not exceeding $500,000,000.

"'SEC. 16. The obligations incurred for the purpose of carrying out, for any calendar year, the provisions of sections 7 to 14, inclusive, of this Act shall not exceed $500,000,000.

"'SEC. 17. (a) This Act shall apply to the United States, the Territories of Alaska and Hawaii, and the possession of Puerto Rico, and as used in this Act, the term "State" includes Alaska, Hawaii, and Puerto Rico.

"'(b) This Act may be cited as the "Soil Conservation and Domestic Allotment Act".'

"SEC. 2. Section 32 of the Act to amend the Agricultural Adjustment Act, and for other purposes, approved August 24, 1935, is amended by striking out clause (3) and inserting in lieu thereof, '(3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption. Determinations by the Secretary as to what constitutes diversion and what constitutes normal channels of trade and commerce and what constitutes normal production for domestic consumption shall be final.' and by striking out that part of the last sentence thereof which precedes the second proviso and inserting in lieu thereof: 'The sums appropriated under this section shall be expended for such one or more of the above-specified purposes, and at such times, in such manner, and in such amounts as the Secretary of Agriculture finds will effectuate substantial accomplishment of any one or more of the purposes of this section:'.

"SEC. 3. The unexpended balance of the funds appropriated by the second paragraph of Public Resolution Numbered 27, Seventy-third Congress, approved May 25, 1934, to carry out section 2 and section 6 of the Act entitled 'An Act to amend the Agricultural Adjustment Act so as to include cattle and other products as basic agricultural commodities, and for other purposes', approved April 7, 1934, and the unexpended balance of the funds appropriated or reappropriated by section 37 of Public Act Numbered 320, Seventy-fourth Congress, entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', is authorized to be made available for the purposes enumerated in said Acts until June 30, 1937. The authorization, which is limited to June 30, 1936, contained in section 37 of Public Act Numbered 320, Seventy-fourth Congress, is likewise extended so that the funds therein authorized are authorized to be made available until June 30, 1937.

"SEC. 4. The sum of $2,000,000 of the unobligated balance of the appropriation for relief purposes contained in the Emergency Relief Appropriation Act of 1935, approved April 8, 1935, is hereby made available to the Secretary of Agriculture for allocation and payment to the States in the Southern Great Plains area, or to farmers therein, for wind-erosion control, under plans to be approved by the Secretary of Agriculture.

"SEC. 5. Section 22 of the Agricultural Adjustment Act, as amended, is amended by inserting after the words 'this title' wherever they appear the following 'or the Soil Conservation and Domestic Allotment Act, as amended'; and by striking out the words 'an adjustment' wherever they appear and inserting in lieu thereof the word 'any'."

And the House agree to the same.

E. D. SMITH,
LOUIS MURPHY,
ARTHUR CAPPER,
LYNN J. FRAZIER,
Managers on the part of the Senate.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

THE AGRICULTURAL PROGRAM—ADDRESS BY SENATOR M'GILL

Mr. LOGAN. Mr. President, I ask permission to have printed in the RECORD a most excellent and informative address delivered by the junior Senator from Kansas [Mr. MCGILL] before the Kansas State Democratic Club, Topeka, Kans., February 22, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

* * * * * * *

Ladies and gentlemen, permit me to express my appreciation for the opportunity afforded me to speak for a few moments on this occasion to the membership of this club and to the people of Kansas.

During the brief period of time which I shall consume it will be impossible to discuss with any degree of detail any of the legislative programs now under consideration by the Congress and the president. I feel, however, that those who are assembled here and the people throughout the State of Kansas are more than vitally interested in the agricultural program now in process of enactment.

While the decision of the Supreme Court with reference to the Agricultural Adjustment Act is felt as one of the most severe blows that could have been delivered to American agriculture, nevertheless long prior to that decision, with keen foresight President Roosevelt had declared in favor of a program for the pre-

vention of soil erosion and for the conservation of our soil. He regarded such a program as being vital to the rehabilitation of American agriculture. Accordingly, on his recommendation, Congress did, about a year prior to the A. A. A. decision, enact a law to deal with the prevention of soil erosion and likewise to deal with the conservation of the soil. The President not only had advocated such a program during the campaign of 1932, but also at a more recent date and prior to the decision of the Supreme Court had said—I quote—"Present and future production of supplies of food and fiber ample for this country's needs and for available export markets is a sound objective. However, there was nothing sound in the situation in the past when, spurred by ruinously low prices, farmers have been compelled to mine their soil of its fertility by overintensive cultivation in a race to make up in volume of units what they had lost in unit price. This has resulted in a waste on a colossal scale. Dust storms and mud-laden streams have been symbols of this exploitation." And later in his remarks the President said: "Thus plans are being worked out that should encourage widespread cooperation of farmers in a permanent soil-maintenance program."

Just recently during this session the Congress adopted strengthening amendments to the law enacted on this subject during the previous session. These amendments doubtless will soon be approved by the President. The amendments have been frequently referred to as a substitute for the Agricultural Adjustment Act. They are not substitutes therefor and should not be thus construed. The main objectives of the present measure are the prevention of soil erosion and the conservation of our soil, the promotion of flood control, and the protection of our rivers and harbors. These amendments, however, in my judgment, will accomplish many, if not all, of the principal objectives which were sought to be accomplished by the original Agricultural Adjustment Act. Their placement on the statute books will be of great and permanent aid to the American farmer not only in the preservation of his soil but in the promotion generally of the best interests of the agricultural industry.

Soil erosion is rapidly becoming one of the most serious problems confronting our people. Experts in the Soil Conservation Service advise that 50,000,000 acres of farm lands in the United States have been ruined because the productive portion of the soil has been washed away. Of the 360,000,000 acres of land under cultivation in the United States, these experts advise that in addition to the 50,000,000 acres now destroyed by erosion an additional 50,000,000 acres are in almost as bad condition, an additional 100,000,000 acres are partially impaired by erosion; that on another 100,000,000 acres erosion has begun. This is costing the American farmer approximately $400,000,000 annually through the loss of soil fertility. It would seem that even to those who would give but casual notice to the subject the problem is not only serious but is national in scope and that the preservation of our civilization is dependent ultimately upon the preservation of the productivity of our soil.

Notwithstanding the decision of a majority of the Supreme Court with reference to the Agricultural Adjustment Act, agriculture will continue to be the basic industry of the Nation, upon the prosperity of which the permanent prosperity of each and every legitimate industry necessary to the welfare of our people depends, and upon which the prosperity of labor likewise depends.

President Roosevelt is the greatest friend to the farmers and laborers of this country who has occupied the high office of President of the United States for many years, and the greatest friend to the masses of the people regardless of what may be one's pursuit in life.

Natural economic laws cannot be suspended, set aside, or abandoned, and nature has decreed that in this country in particular agriculture is basic in our industrial system, a fact recognized by virtually all historians, statesmen, and economists throughout our national existence. There has been a distinct degree of recovery in the agricultural industry, not accomplished so much by benefit payments as by increased commodity prices, the recovery being achieved by virtue of the several helpful and varied programs carried on by this administration. Recovery in every form of industry has been in proportion to the recovery of agriculture. This is borne out by available statistics and is evidenced in the corresponding increase of the annual manufacturers' pay roll as compared with the annual national increase in agricultural income.

To show the wages paid in manufacturing industries annually I quote figures taken from the Bureau of the Census, Department of Commerce, and the United States Bureau of Labor Statistics, Department of Labor, and to show the annual increase in agricultural income I quote statistics from the Department of Agriculture. In 1932, the last year of the Hoover administration, the gross income from agricultural production in the United States was $5,337,000,000, the lowest it had been in many years, and the wages paid by manufacturing industries amounted to $6,940,000,000. In 1933, the first year of the Roosevelt administration, the gross income from agricultural production in the United States amounted to $6,406,000,000, and the total wages paid in manufacturing industries amounted to $5,262,000,000. In 1934 the gross income from agricultural production in the United States amounted to $7,266,000,000, and the total wages paid in manufacturing industries amounted to $6,700,000,000. In 1935 the gross income from agricultural production in the United States was $8,110,000,000, and the total wages paid in manufacturing industries amounted to $7,600,000,000, an increase over the last year of the Hoover administration of approximately $3,000,000,000 in agricultural income and almost a like increase in the amount of wages paid in manufacturing industries.

I quote these figures in order to demonstrate that the wage pay roll in manufacturing industries is dependent almost in its entirety upon the income received by the farmers of the country, and that the amount of the wage pay roll of manufacturing industries each year is practically the same as the income received in each such year by farmers. If time would permit similar statistics could be quoted with reference to practically every form of industry, all of which discloses that the welfare and prosperity of the American people in every legitimate line and undertaking are dependent upon the degree of prosperity enjoyed by the basic industry—agriculture. Statistics in the Department of Commerce further disclose corresponding gains in practically every other form of industry, demonstrating clearly that we are rapidly on our way to ultimate recovery.

This administration is putting forth, and will continue to exert every possible effort in behalf of the American farmer, the American laborer, and American business. At the very beginning of the administration of President Roosevelt, business, industry, and agriculture were at their lowest ebb, and this condition existed not on account of any fear of the fact that Mr. Roosevelt was to become President, as Mr. Hoover would have you believe, but by reason of the economic policies which had been practiced during the preceding years. Mr. Hoover's analysis of the past is no more accurate than his prophecies as to the future. It was Mr. Hoover during 4 years of a calamitous depression who continually prophesied to the American people that "prosperity is just around the corner."

Throughout the 4 years prior to the inauguration of President Roosevelt on March 4 of 1933 we had witnessed inaction in the affairs of our Government looking toward any measure which would be beneficial to the masses of our people. We had witnessed the building of a great surplusage, the continual falling of commodity prices, the strangulation of industry, the paralyzation of agriculture, of business, and the weakening of our financial institutions. Not only had labor and industry lost their purchasing power for the products of the soil but the products of the farm had so depreciated in value in comparison to their exchange value for other commodities as to cause a breaking down of the orderly exchange of commodities, and to render those engaged in agricultural pursuits to be without a purchasing power for the products of industry.

When we take into consideration the masses of our people it is evident to a thinking man or woman that we must prosper together. We must rise or fall together, or return to the policy which leads only to prosperity for and in behalf of a privileged few. Instead of President Roosevelt at the beginning of his administration instilling a sense of fear, as Mr. Hoover contends, the facts are he immediately restored confidence among our commercial institutions, and under his leadership legislation was promptly enacted which saved those institutions from what would have been certain ruin. The whole course of legislation and administration during President Roosevelt's incumbency in office has been to promote recovery, and recovery from the depression is well on its way.

Notwithstanding bitter attacks at Belshazzar feasts, where none but multimillionaires assemble, and notwithstanding attacks from partisan critics, the American people will reward a faithful servant and reelect Franklin D. Roosevelt President of the United States.

We are more than pleased to have with us this evening a member of the Cabinet of the President of the United States, the Postmaster General, Mr. Farley, who is honoring us with his presence as the principal speaker of the evening, and in deference to him and to those who are listening I shall be brief.

However, I would be derelict if I did not on this occasion pay tribute to one of the greatest—if not the greatest—humanitarians who ever occupied the high office of President of the United States—our President, Franklin D. Roosevelt. From the inception of his occupancy of that high office his administration has been beset with difficulties, but he has gone forward in his efforts in behalf of the humblest citizen of the land unfalteringly. The campaign for the reelection of our great President, Franklin D. Roosevelt, is now in progress. He has done more for the benefit of the laborer, the underprivileged, and the needy during his 3 years in the White House than any other man of contemporary time. Criticisms have been heaped upon him by those of extreme wealth and their followers when his efforts have been exerted in behalf of the humblest of our citizens, but no one has yet successfully contended that what he has done in behalf of the unfortunate and downtrodden, whose condition of circumstances arose through no fault of their own, was not right. No man ultimately is condemned for having done right.

It is highly signficant and a clear indication of the mass support—regardless of political affiliation—President Roosevelt may be expected to receive when I invite your attention to the remarks of a Republican Governor, delivered in a recent public address in his home State when he referred to President Roosevelt as "a man raised up by Almighty God to meet the country's present crisis." This Governor further asserted: "History will show that Providence raised the proper man to meet present emergencies and will demonstrate, I think, that the man who now holds the Presidency was just the one to meet the situation." I repeat the remarks I have just quoted emanated from the lips of a Republican Governor of one of the great States of our Union.

Service to those who need help most has been President Roosevelt's guiding star. This manifestation of his great humanitarian impulse has served to draw the fire of bitter and reactionary partisans, selfish money barons, and cliques who would, if they could,

destroy his usefulness. It behooves all who believe the welfare of the masses of our people is paramount to be militant in offsetting the tide of opposition which will inevitably press upon us as the campaign progresses.

Let us from this time forward militantly fight for the cause of our beloved leader, whose creed is "justice for every American."

SOMETHING FOR NOTHING—SPEECH BY ROBERT A. TAFT

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by the Honorable Robert A. Taft, of Cincinnati, Ohio, before the Women's National Republican Club on January 18, 1936.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

Never since the Constitution was adopted have the people of the United States faced a more fundamental issue than they must meet in the Presidential election of 1936. In 160 years this Nation has been built up from a small community of 4,000,000 people along the Atlantic seaboard to the greatest and most prosperous Nation in the world today, with 30 times that population. This success has been achieved under an economic and constitutional system which was unique when established and has remained peculiarly American. To continue the New Deal in power for 4 years more would mean the abandonment of that system and a launching out into unknown and stormy seas.

The basis of the American business and constitutional system is political and economic liberty, with equal opportunity to improve one's condition by one's own effort, which must be a corollary of that liberty. It is a system based on individual initiative, individual freedom to conduct manufacture, commerce, agriculture, and other business—on rugged individualism, if you please. It attempts to reward, by increase in material welfare, those qualities of intelligence, ability, industry, genius, and daring, which played such a great part in building up the Nation as we see it today. Government is conceived of as a keeper of the peace, a referee of controversies, and an adjuster of abuses, not a regulator of the people or their business and personal activities. Freedom to negotiate wages and prices, in accordance with conditions and the laws of supply and demand, has been considered a necessary ingredient of political liberty, and from an economic standpoint as the best and fairest means in the long run of allotting to each group, farmer, laborer, manufacturer, merchant, a reasonable return for the service it is rendering the country. The very key to the system is the incentive for effort provided in material reward, that is, a better individual standard of living, a better education for one's children, a better provision for one's family after death.

This system is the antithesis of socialism. In socialism the government operates every industry, directs the activity of every individual, and, through a uniform and bureaucratic care, removes all incentive to concern about the future. If directed by an all-seeing intelligence, socialism could probably produce greater wealth, greater capital, and greater happiness than any other system. But there is no all-seeing intelligence, and our experience with the Government officials who actually do the directing shows that they are more unable to cope with the tremendous complexity of the American business system than is the economic law which has governed it to this date. Whatever might happen in Utopia, socialism in this country means an end of all that individual effort and initiative which has been the life of our progress, with a certain failure of the government machinery attempting to replace it. The dead hand of bureaucracy can make the depression of 1932 look like the boom days of 1929.

The effort of the New Deal is to substitute for the American business system a government-controlled economy. Such an economy would lead inexorably to complete socialism. It has been demonstrated in actual operation in the past 3 years that if the Government once begins to regulate any industry, it cannot do so effectively until it has regulated every detail of every business in that industry, and every detail of the life of the individuals concerned in it. Once the price structure of the great primary commodities is subjected to Government direction, there is no stopping point short of complete socialism.

But the issue is even broader than this. If we are going to abandon a free, competitive business system, we will also abandon democratic government. Democratic government has necessarily one fault, that of being weak because it depends on the fluctuating favor of a majority of the people. Through a two-party system, we have bolstered up that weakness in English-speaking countries. But no democratic government is strong enough to assume the role of arbitrator between different groups of the population on the subject of commodity prices. Once the rule of economic law is wholly abandoned, and any administration undertakes to fix the price itself, it meets the angry dissatisfaction of both the producer and the consumer, and gives way to another weak government, whose tenure is equally short. Wherever a socialistic system has been adopted, it has been necessary to establish a dictatorship either of the proletariat, or of the Army, or of the individual. Only a despotism can even attempt to direct in detail the multifarious activities of a modern industrial nation.

I do not think most of the New Deal lawmakers intended to substitute a government of men for a government of law. But the very nature of the experiment they wish to make, the control of economic activity, forced them to rely almost entirely on delegation of legislative authority, and the individual discretion of administrators. No law can be made long enough to deal with American business activity in its millions of details. So the New Deal has been forced to establish an autocracy. President Roosevelt admitted it in his recent message to Congress, when he said: "In 34 months we have built up new instruments of public power. In the hands of a people's government, this power is wholesome and proper, but in the hands of political puppets of an economic autocracy", by which I suppose he is referring gracefully to the Republican Party, "such power would provide shackles for the liberties of the people. Give them their way, and they will take the course of every autocracy of the past—power for themselves, enslavement for the public." No one ever made a more naive argument. He says in effect that he has not created a despotism because he is a benevolent despot, but no one else in the country can be trusted to keep that despotism benevolent.

Professor Tugwell, Under Secretary of Agriculture, outlined his idea of the election issue, speaking at Los Angeles in October, apparently with the approval of his chief. He said: "We have been pitiable grubbing creatures up to now, laboring in sweat and sorrow to make money, to multiply it at others' expense and to hide it away like misers for our children. * * * The philosophy of calculated injury to our neighbors (by which he is referring to the American system of free competitive enterprise) is not only repugnant to the hearts of men, but it will not work in a world like ours. * * * There will be no end to man's advance so long as the urges within him remain unimpaired, but it will be accelerated a thousand-fold once he gives up the sterile morality of individualism. * * * The autocrats must get out of the way along with the moral system which supports them. * * * We have no reason to expect that the disestablishing of our plutocracy will be pleasant. These historical changes never are." But Professor Tugwell is a moderate. He therefore adds: "We have, however, the duty of avoiding violence as the process goes on."

The purpose of the New Deal is to abandon the American business and political system for a system tending inevitably to socialism, to abandon democracy and to substitute an autocracy of men for a government of law. This is the issue which the country faces in the election of 1936. This purpose is so foreign to the whole genius of the American people, outside of a few centers of radicalism, that the result of the election is not in doubt if the real issue can be brought home to the voters. That is the task of the Republican Party and of every thinking man and woman. If the task is not done in 1936, we may be so far lost in the swamp of socialism that there is no turning back.

Fortunately, the New Deal policies are so contrary to the Constitution itself that the Supreme Court has sounded a determined warning. That Court has found that detailed control of the activities of intrastate business by the N. R. A., and detailed control of the activities of intrastate agricultural production by the A. A. A. are at fundamental variance with the Constitution. The Court has further declared that Congress cannot today write a blank check for executive officers to fill out. Yet there remains in effect a vast field of legislation, going as far toward Government regulation as it can constitutionally go. There remains the determination on the part of the President to extend Government spending and operation of business and relief into every field of American life, a power which may be probably constitutional.

There remains, apparently, the inclination on the part of the President and his advisers to push government regulation of business to its limits, even if constitutional amendment is required, or an increase of the number of judges. Methods are being sought, and may be sought successfully, to circumvent the decisions of the Supreme Court. And more than that, there remains the constant effort of the President and his favorites to convince the people that everything prior to 1933 was on a wickedly unsound basis, to stir up resentment against everyone who has achieved even moderate success under the American system unless they happen to be Roosevelt Democrats, and to break down the present inherent American objection to revolutionary changes.

I do not mean to condemn all the measures or proposals of the New Deal. However we may approve the fundamental basis of our American system, many abuses constantly developed under it. Republican administrations adopted and enforced the Sherman Act and similar laws to prevent private monopoly from fixing prices to enrich itself at the expense of others. These laws should be strengthened and made more definite. But this type of government regulation is directed towards keeping the essential principles of open competition an essential feature of the American system, and not towards substituting a government price fixing. Laws which encourage collective bargaining on the part of laborers and farmers are necessary because of the disadvantage which widely scattered groups have in dealing with a single individual.

The inability to prevent booms and depressions was a serious fault of our system and developed into a dangerous abuse in the expansion of credit of 1929. I believe that Government control of currency and credit, both in the banking field and in the stock exchange, is an essential effort, which must be attempted with full power, and which can be effective without extending into any detailed control of credit to particular individuals or interference with their business. The most serious abuse of all is that of unemployment, and whatever we may think of the Government's methods, the principle of unemployment relief is accepted by all. Loans to home owners, farmers, and business, to protect them against the temporary effect of extraordinary depression, were necessary and effective as emergency measures, and have been

steadily reduced as the emergency passes. Child labor was an abuse developed under the American system, which the States themselves have in most cases abolished. I believe it should be abolished universally by the adoption of the proposed constitutional amendment. I have no sympathy with those who oppose any amendment of the Constitution in cases where a serious abuse continues to exist, and the States are unable to deal with it. But any constitutional amendment should be strictly limited to a particular abuse, which other methods have been unable to correct, and should not be authority for the Federal Government to undertake a regulation of all private business or conduct.

But apparently the President and his friends are not satisfied in the mere correction of abuses. They are determined to change the whole character of the system either by circumventing the Constitution or by amending it. This endeavor is made clear by specific measures, but even more by the constant demagogic appeals to prejudice against the existing system, and against every man who has made even a moderate success under that system. The human race is only too willing to get something for nothing, to have other people's property bestowed on them, to accept magic formulas designed to produce the millennium without labor on their part. Under weak leadership, I have seen the people vote bond issues they could not afford under the apparent impression they were voting themselves a present. I have seen them vote for reducing the tax limit at the same election they voted millions for old-age pensions. It is the first duty of any public official who has the slightest claim to statesmanship to tell the people the unpleasant truths, particularly about public finance, to make them see that the Government cannot give them anything that they do not pay for themselves in the end. The typical demagogue is the man who promises the people something for nothing; and he is the most dangerous because it is a promise we are all too anxious to believe. It strikes at the very heart of a system like ours, which rests on a sound incentive to individual effort. We have seen in this country plenty of local demagogues, but fortunately most of our Presidents have been statesmen, and sound Government finance has been an axiom. Never before have we seen demagoguery on such a gigantic and dangerous scale as that presented by the New Dealers.

This is the greatest danger we have to face, because it is deliberately aimed at breaking down the faith which the American people have in the system under which they have grown to manhood. As long as that faith lasts, and it still exists today in every city and in every village and on every farm throughout this country, the New Deal will be repudiated wherever it is understood. But the propaganda is aimed at our most vulnerable point—our incurable optimism that we can get something for nothing.

First, the President and his friends have encouraged the idea that life may be made easy for many by sharing the wealth of the well-to-do, and by making it impossible for anyone to accumulate more than average wealth. For the first time in the history of this country a President has proposed to use the power of taxation not to meet the Government's needs but in order to redistribute wealth. Salaries of all corporation officers are being published in order to excite the envy of those who are less well paid. The President, in Atlanta, sneered at "gentlemen in well-warmed and well-stocked clubs." In his recent message to Congress he represented the sole opposition to his policies as emanating from wealthy officers of large corporations. He states that prior to 1933 a group of wealthy autocrats directed the whole economy of the country for the benefit of their own pockets.

Mr. Tugwell, at Los Angeles, says that the financial and industrial autocrats in this country prior to 1933 have been doing as they pleased with the people. The whole idea that a dozen or a hundred men, bankers and industrialists, can direct the economy of this country is a complete fallacy, used only to support the suggestion of a redistribution of supposedly ill-gotten wealth. The Government itself, with all its power and unlimited funds, showed under the N. R. A. a complete inability to direct the huge economic life of the United States. The press and the President like to dramatize supposed economic power, but the truth is that business men have a hard enough time directing their own businesses without branching out into the general economic field, where they are even more helpless than the Government. This talk is merely for the purpose of stirring up resentment against those who have achieved success under the existing system, for the most part from the humblest of beginnings.

The President knows that a redistribution of wealth of all those having incomes of $10,000 or more would only increase the income of each individual in this country by $1 a week, or $1.50 a week in prosperous times. He knows that that wealth is in the form of factories and buildings and mines, many of which would be of little value except for the personality and force of the owners. He knows that out of a total of $82,000,000,000 national income in 1929 less than fifteen billion came as a return on capital. The total national income fell off in 4 years $40,000,000,000, or almost 50 percent. The restoration of that income would be twice as beneficial to the low-income groups as the distribution of all the capital wealth in the United States. What we need is renewed prosperity and the operation of our economic machine at the full speed which operated under the old deal. The sharing of all the wealth, the very threat of such a policy, destroys the incentive which is the principal fuel to run that economic machine. But the theme which runs through the whole symphony of the administration, from the President to Ickes to Hopkins to Tugwell, is that anyone who has improved his condition by his own ability or intelligence is holding back from the rest of the people the property or income to which they are entitled.

The attitude of the President has directly encouraged the Coughlin movement for a nationalization of the banks, which under private ownership are alleged to create wealth and keep it away from the people. Such a scheme would subject the affairs of every individual and every business to complete governmental control. The continuation for 4 more years of this deliberate incitement of the people to believe that their problems will be solved by governmental action taking away other people's property is calculated to destroy the entire American system.

The same demagoguery appears next in the deliberate policy of inflation and government extravagance. People are only too eager to find a magic formula which will draw wealth out of the air. The unnecessary devalution of the dollar was advanced as a measure to confer wealth on the less well-to-do, and the ridiculous silver policy has the same incentive. The inflationists try to convince the people that by manipulating the currency they can get something for nothing. Such manipulation does shift wealth and income, but it shifts it on an even less logical basis than programs of sharing the wealth. Industrial autocrats may benefit, while poor depositors and policyholders are deprived of their savings. Speculators and money-changers profit while fixed incomes suffer.

The Government has been more restrained by its utter inability to set up the organizations necessary to spend the money than by any restrictions imposed by Congress. We have a continued deficit at least until July 1, 1937, and a debt 9 billion larger than the height of the World War debt. Mr. Eccles teaches the people that deficits are blessings in disguise. The impression conveyed by the President is that the money spent is practically a present to the people from funds created by magic or taken away from the wealthy. Nothing is said of the taxes needed to pay off this debt, or the effect of such taxes on the people's standard of living.

Continued deficits may lead on the one hand to repudiation and complete inflation. Of course, that would destroy all of the savings of every individual, would remove all incentive to future effort, and lead inevitably to the hopeless experiment of a socialistic state. The alternative is burdensome taxation. The soak-the-rich tax bill last summer showed very clearly that there is little more to be obtained from the wealthy, unless we propose a complete share-the-wealth program.

Any other form of taxation directly increases the price of commodities to all the people or decreases wages. Either means a lowering of our standard of living in the future. Not only that, but there is a point at which excessive taxation may destroy our system of free enterprise. If so large a proportion of every man's earnings is taken that incentive to earn is removed, the present system will break down. If taxation is so heavy that no private charity can obtain funds, the Government must take over all social-welfare work. As excessive taxation renders one industry after another unprofitable to operate, the Government will have to step in and take over that industry until we have accomplished indirectly what we condemn in principle. And it doesn't make any difference how attractive the Government enterprise which is to be paid for by the taxes. We hear from inspired press agents of the wonderful charm of the T. V. A. improvements, of attractive model cities, of slum clearance, of dams and parks and playgrounds, but never a suggestion that possibly the people cannot afford them. They are apparently gifts from God to a people who have acquired merit by supporting the New Deal. Such a policy of public spending is the very essence of demagoguery.

There is a third field in which the New Deal teaching is equally destructive of America as we know it. The necessary relief measures have been administered in such a way as to make the people believe that the Government owes every man a living if he does not choose to work elsewhere. It is a difficult job to dispel this growing belief, but it has certainly not been dispelled by the administration. A social-security program has been adopted, with no consideration of cost, which proposes to support every person over 65 and every man who is unemployed, with the constant implication from high sources that the people were always entitled to such a payment, and that the wicked autocracy of the pre-1933 era held it back from them. No member of the administration says a word of warning about the incalculable cost of this program, which may well run to four or five billion dollars a year. The ideal of social security as a government gift is presented as the new philosophy of life to take the place of thrift and individual effort. It is true that the inability of many worthy men and women to obtain employment and to provide adequately for old age is an abuse developed in our present system. Until it can be cured we must provide adequate assistance through old-age pensions and unemployment benefits, and I believe this can be best done through the power of Federal taxation. But let it be a much simpler and more temporary process than the present elaborate structure of reserves and insurance. Let us realize what tremendous burdens we are undertaking.

The character of the tax imposed, one directly on pay roll, shows who is going to pay the bill. The authors of the law recognized that there is no wealth in existence which can produce such a gigantic annual sum. The tax will inevitably increase prices to everyone and reduce wages. In other words, those who are working at any particular time will support those who are not working at that time, and will have to reduce their standard of living to do it. All of the talk about reserves and insurance is of machinery only. The depression has shown us that the Nation as a whole lives from hand to mouth, and that the storing up of reserves cannot keep us alive for a year. The act proposes to accumulate from the tax on pay roll a large reserve of $35,000,000,000 to be invested

in Government bonds and used for old-age pensions. Of course, this is not a true reserve but merely a retirement of the Government debt. There is no way that such a huge sum could be invested in productive capital even if it were wise for the Government to be making any such investment. The supposed reserve will be a constant temptation to every politician who wants to spend money or manipulate the market for Government bonds. It is not only unnecessary but dangerous.

While we should have old-age pensions and unemployment relief, I object to substituting social security as an American ideal. The slaves of good masters in the South before the Civil War enjoyed social security. So did the lotus eaters. If American progress is to continue, the greater rewards must still be for industry, for intelligence, for ability. Opportunity and not security is still the goal of young America and even of middle-aged and old America. The burden of security for those who cannot work must not be so heavy as to destroy or seriously reduce opportunity. Old-age pensions and unemployment insurance should be regarded as relief, a necessary evil, until we can cure the failures of our economic system, not as a great humanitarian movement. The emphasis should be on removing the necessity for relief, on spreading employment evenly over the year, on eliminating unemployment instead of insuring against it. The Social Security Act, in spite of its tremendous cost, will not raise the American standard of living; it will only provide relief for cases of undue hardship. In fact, in its present form I believe it offers a taxation heavier than the workers can bear without a reduction in their standard of living, a killing of incentive to be a worker, and an easy transition to lethargy and socialism. The cost can be easily reduced. Certainly there is no need to tax the people to build up a tremendous reserve of $35,000,000,000.

The President's attitude is typical. Not a word is said of the cost of this program—not a warning of its dangers. The people are to get something for nothing from a bountiful Santa Claus. If it is a humanitarian movement to pay the aged $30 a month, why is it not even more humanitarian to pay them $200 a month? The Townsend plan is the logical outgrowth of a political opportunism, which ignores the fundamental truth that as a nation we cannot secure any good thing without working for it and paying for it.

For the first time in my lifetime we have a President who is willing to mislead the people on fundamental questions of finance—who is willing openly to attack the very basis of the system of American democracy—who is willing to let the people believe their problems can be solved and their lives made easier by taking money away from other people or manipulating the currency—who is willing to encourage them to believe that the Government owes them a living whether they work or not.

May the Nation find, by the end of this year, a President who will not hesitate to tell the people the truth—that a nation, like an individual, has only what it produces by its labor; that if it stops working, expecting to receive other people's property through magic formulas of inflation or direct government grant, the wheels of industry will stop, and the people who suffer will not be the wealthy or the indigent, but the ordinary workingman, making up with his families four-fifths of the population, the "forgotten man" as far as this administration is concerned. May we find a President who will face unpleasant truths, and tell the people that they cannot enjoy social security, or Government improvements, or Tennessee Valley Authorities without paying for them in increased taxation and a reduced standard of living. May we find a man who will teach the people that the same principles of thrift, industry, and intelligence will produce happiness today as produced it in the old horse-and-buggy days. May we find a man who will clear away the miasma of half truths, of half-baked theories, of resplendent delusions which the New Deal has breathed over the face of the country.

SAFEGUARDS FOR AUTOMOBILE TRANSPORTATION—ADDRESS BY SENATOR LONERGAN

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the RECORD a timely and interesting address delivered by my colleague the senior Senator from Connecticut [Mr. LONERGAN], from radio station WJSV, Washington, D. C., on February 25, 1936, with a hook-up over the Yankee network. The subject of the address is Proposed Remedy for Prevention of Automobile Accidents at Railroad Crossings and Drawbridges.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Recently the Nation has become acutely conscious of the need for vigorous action to reduce the number of automobile accidents on the highways and at railroad grade crossings and drawbridges. Knowledge that approximately 36,000 people were killed in such accidents during 1935, and 864,000 injured, has helped to stimulate this consciousness. When we consider that the total casualties in our Army, Navy, and Marine Corps during the World War, including deaths from disease and loss at sea, was 323,659 officers and men—less than one-half the casualties from automobile accidents in the Nation during 1935 alone—we can reach some conclusion regarding the tremendous price the public pays for convenience of motor transportation.

The problem is so important and so widespread that I shall not attempt a thorough discussion of it on this radio time. As a member of the Senate Interstate Commerce Committee, I have been concentrating chiefly upon only one phase of the problem—that of preventing accidents at railroad grade crossings and drawbridges by appropriate legislation and regulations. The tragedy of last Christmas at Hopewell, Va., in which a large bus plunged through an open drawbridge and carried 14 people to their death, served to awaken national consciousness to this particular danger. Grade-crossing casualties have, of course, been of public notice for many years, but there has been such a constant increase in the number killed and injured that this problem alone requires special attention.

Remedies for this problem at grade crossings and drawbridges can be more promptly and effectively applied than when dealing with other types of accidents in which many different situations and thousands of different persons are involved. In the usual highway accidents there are four principal causes—speed, passing another car without clear view ahead on a hill or at curves, attempts to pass on straight roads where there is insufficient distance, and failure to heed stop signals. Very few automobile accidents result from mechanical failures, because of the highly developed industrial art of manufacturing them.

So far as the average highway accident is concerned, the cause rests with the driver or with the pedestrian who negligently walks in dangerous proximity to moving traffic. It is necessary in such cases to educate drivers and to enact rigid traffic laws and see that they are strictly enforced.

But when we deal with common carriers like interstate busses or with contract carriers of property in interstate commerce, or with any motorist who uses railroad crossings or drawbridges, we have certain special control measures at our disposal which can overcome even his own carelessness or any mechanical failures. In the interest of the public, it is important that these remedies be sought and applied as speedily as possible.

The remedies which I personally propose are these:

First, the United States Bureau of Public Roads has authority under present laws to require adequate signals and barrier type protective devices at highway approaches to railroad grade crossings and drawbridges as a condition precedent to the approval of the expenditure of Federal funds for such construction. Thus the Bureau can require, without question, a showing by the States that certain safety standards, when established, are complied with before such States are granted their share of Federal aid highway funds from future congressional appropriations. The Bureau feels that there is no present authority to require compliance with such standards at grade crossings or drawbridges already in operation which may or may not have been constructed in whole or in part with Federal funds, and recommends that this problem will require legislation. Therefore I propose to sponsor measures which will give the Bureau such authority, and I believe that they can constitutionally be made broad enough to require the States to adopt standard safety devices at all crossings and drawbridges before they are given Federal aid.

The Bureau of Public Roads already is allocating $200,000,000 for elimination of danger at grade crossings, made available from the emergency relief appropriation of April 8, 1935, and extensive programs are now under way in many States for both the protection and elimination of grade crossings.

This is, of course, the most complete and effective remedy, but it is estimated that something near $16,000,000,000 would be required to eliminate all of the 234,178 grade crossings in the United States. The tremendous cost makes less expensive remedies necessary.

Second, the War Department has authority to grant permits for construction of drawbridges over navigable streams. At present this authority is not regarded as broad enough to confer jurisdiction upon the Department for the provision of highway traffic protective measures, but I expect to sponsor legislation which will give them such authority. There is no question that under the Department's authority to protect and preserve the interests of navigation they can require compliance with certain safety standards connected with the operation of the bridge itself, although road hazards at the approaches to such bridges are properly within the jurisdiction of the State highway departments.

Third, the newly created Bureau of Motor Carriers of the Interstate Commerce Commission has broad authority to establish reasonable requirements with respect to qualifications and maximum hours of service of employees, and safety of operation and equipment for both common and contract carriers by motor vehicles engaged in interstate or foreign commerce, and similar powers are given it with respect to private carriers of property engaged in such commerce.

A division of safety has been organized within the Bureau, which is beginning its consideration of the many angles involved in these problems of safety. The Bureau reports that it has already held important hearings with State utilities commissions, motor-vehicle departments, and various agencies of the Federal Government, as well as with operators, manufacturers, insurance companies, and engineers to form a basis for its safety standards and regulations. The problems are very numerous and it may be necessary to have a formal hearing before specific orders can be issued by the Bureau. However, you can expect to hear of these orders very soon, and with them in operation there should be immediate reduction in the number of accidents which may be caused by fatigue and human failures in control of vehicles.

Fourth, the Interstate Commerce Commission already has authority over safety devices on the railroads themselves, and in the exercise of that authority can require the roads to operate under certain highly developed safety standards, which, as a matter of fact, are already being observed. Legislation is now pending in

Congress to broaden this authority to require grade-crossing protective devices where they are deemed to be necessary on railroad rights-of-way adjacent to the tracks.

These steps, of course, will require close cooperation between the various agencies involved, and the Bureau of Public Roads has expressed the view that much greater progress can be made in the future by bringing together the different agencies vitally concerned in this problem, so that there may be a meeting of minds and a real effort to devise the best solution. I agree with this view, and have gone a step further by suggesting that some permanent central authority should be established by these agencies to establish uniform standards of safety and to fully consider the merits of safety systems and devices now available. Such central authority should establish requirements offering a wide range of selection by the States of many devices available, but fixing rigid requirements with regard to hours of labor and other safety factors where little discretion should be permitted. The central authority should fix the general standards with which all applicants for Federal highway funds, bridge permits, and other Government privileges and benefits must comply before receiving such Federal assistance. Certificates of compliance from such central authority could be required even from States or individuals obtaining Public Works funds or other Government benefits for construction by contract of bridges and roads, regardless of whether such bridges were upon navigable streams or whether such roads were on the Federal-aid highway system.

The first specific step in applying the remedies I have proposed must be the creation of this coordinating agency or central authority. It will require some legislation, which I propose to introduce.

I personally have recommended that a minimum standard for safety at drawbridges and grade-crossing approaches should be installation of signal devices approximately 300 yards from the bridge or crossing, with satisfactory barriers to prevent a vehicle from entering the bridge or crossing even if the operator by human or mechanical failure should fail to stop. There is no doubt that some such barrier is needed. The old-time gates now being used were all very good for the horses, because the horse had some horse sense; but all the automobile has is horsepower. The whole trouble is with us as a nation. We have let ourselves get behind. We have become conscious of this fact in recent months not only because of the increasing number of accidents but because of their distressing nature. For example, the Hopewell, Va., accident at Christmas time, which I have already mentioned, was a single accident, but was fatal to 14 persons. Another at Rockville, Md., on April 11, 1935, involved a school bus in which 14 school students were killed and 13 students and their teacher injured. Cases are not infrequently reported where practically the entire family is wiped out in a single grade-crossing accident. The danger to trains and to persons on trains is strikingly shown by the accident at Upper Sandusky, Ohio, on July 17, 1935, in which the Liberty Limited of the Pennsylvania Railroad struck a motor truck, the entire train was derailed, the engineman was killed, and 36 other persons on the train were injured. The disastrous consequences of trains striking trucks loaded with explosives, gasoline, or other highly inflammable substances are also not usually considered when we think only in terms of the number of accidents.

The time has come for action. We should not wait for further disasters of this kind to arouse us. We have had enough of them. They must be stopped.

TAKING OUR BEARINGS—ADDRESS BY WILLIAM S. CULBERTSON

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject Taking Our Bearings, delivered by Hon. William S. Culbertson, former vice chairman of the United States Tariff Commission, and subsequently Ambassador to Chile, before the annual convention of the Pennsylvania Newspaper Publishers Association at Harrisburg, Pa., on January 24, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I

When Daniel Webster rose in the United States Senate on January 26, 1830, to reply to Hayne, he began with these words:

"When the mariner has been tossed for many days, in thick weather, and on an unknown sea, he naturally avails himself of the first pause in the storm, the earliest glance of the sun, to take his latitude, and ascertain how far the elements have driven him from his true course."

Since the World War the American people have reviewed with unusual seriousness their internal social and economic affairs and their relations with the rest of the world. Both in prosperity and in depression they have reexamined old precedents and toyed with new social concepts. Without any pretension of playing the role of a Webster in the present critical period of our history, I, nevertheless, welcome this opportunity to consider with you the tendencies in our national life and to endeavor with your cooperation to take our bearings.

National policies and national measures have in recent years, more than ever before, impinged on local and individual affairs, and as a result, the individual citizen, our county, township, and precinct organizations, local economic and social groups, and the press which molds opinion in our thousands of communities have become conscious of a great impending change in our common life, suggested by tendencies which are at times seen only vaguely through the glamor of personalities and the clash of interests in the daily arena of public life. It is these tendencies which command the attention of the individual citizen, particularly the attention of the citizen-editor who reports, interprets, and creates public opinion.

Many an American is today asking in a perplexed spirit: "Where do we go from here? Whither are we bound economically, socially, and politically? Are the tendencies of the moment carrying us in the direction indicated by American ideals and traditions and by American hopes and aspirations? Will our leaders of opinion and of politics build during the next decade a society in which we and our children will enjoy security, opportunity, and personal freedom?"

II. THE SCENE IMMEDIATELY BEFORE US

Although I shall refer during the course of this address to historical origins of national policies, I am speaking to you, not about the past, but about the present and the future. For several years we have witnessed unprecedented legislative activity and far-reaching executive action, affecting industry, trade, finance, governmental organization, and world affairs. I am skeptical of the judgment of any man who is either cocksure that these measures and acts are all sound, or cocksure that they are all unsound. No one except the extreme partisan would give them wholesale approval or wholesale disapproval. Moreover, at the very outset let us dismiss any proposal to return to the old order. American life does not move backward; life lies before us. Our task today is to take up the great conceptions of national policy produced from our common experience as a people and formulated by our proved leaders and apply them to the needs and conditions of our time; and in doing this we may find it desirable to approve some and necessary to condemn other measures and actions of the present administration in Washington.

III. WORLD AFFAIRS

The world today is filled with wars and rumors of wars. It goes almost without saying that the American people desire peace—peace for themselves and for other peoples. But bitter experiences of the last decade have made real to us the disastrous indirect effects of war; the effects of the destruction of property and the demoralization of social life which the cruelties and ravages of modern war produce. We now realize that wars cannot be isolated and that our Nation cannot, in the midst of a world of war, remain indifferent or escape its evils. We now realize that our foreign policy must be something more than a negation which would attempt to isolate our Nation from the reality of world affairs. We seek to avoid entangling political alliances, but we should be concerned affirmatively with the problem of world peace; and we should have this point of view because it is demanded by our own security and economic prosperity.

The American people have been solidly behind the Kellogg anti-war pact and other similar peace moves. Although chary of entrance into particular organizations abroad which might lead to remote political commitments, we have been willing to throw our force upon the side of the peaceful settlement of disputes whenever opportunity offered, and we should in addition be unwilling that any policy of this Nation should lessen the effectiveness of collective action taken by other nations against an aggressor.

Deep seated in the psychology of the American people is our policy of cooperation with the other nations of the Americas. Some years ago it was my pleasure and privilege to serve as an American diplomat in South America, and in that capacity I had an opportunity to experience the sentiment of confidence and sympathy which unites the peoples of this hemisphere and which, although at times beclouded by temporary flurries of suspicion and dislike, comes out clearly in every crisis which involves the general and fundamental interests of the Americas.

We favor in this country the reduction of armaments to the point necessary for self-defense, but in the absence of satisfactory arms agreements we should be prepared, as Theodore Roosevelt said, to "take our own part." Unfortunately, in international affairs today the existence of armies, navies, and air forces influences and determines the decisions of diplomacy. In order to command respect and prestige in the world as it is now constituted we must be prepared to fight; we must be strong on land, on sea, and in the air. We began to learn this lesson during the first days of the Republic, and the importance of the policy was emphasized in the historical declarations of George Washington and Alexander Hamilton. Until nations of the world establish a peace organization which gives security, we must have armaments which, when necessary, are wholly adequate for our self-defense and security. Our present unpreparedness is a great and serious menace.

IV. SOCIAL JUSTICE AND SECURITY

Turning from world affairs which should not, but may still, seem remote to many Americans, I will mention all too briefly the subject vital to every citizen: Social justice and social security. It may not be too much to say that these are the end and purpose of all government. They interest the individual citizen of every class. They interest the farmer who tills the soil, the woodsman who labors in the remote sections of our mountain forests, the miner who spends so many hours of his life in the bowels of the earth, the man and the woman in our factories, the business man, both in our cities and in our smaller towns, and, in general, every citizen, rich and poor, who has worked and saved and hopes to have for himself and for his children a fair share of the comforts and pleasures of life.

The great movement for justice and righteousness in public affairs is a product of our churches, schools, and colleges, our civic organizations, our temperance societies, our women's clubs, and other similar agencies which represent the creative and conserving forces in American life. This movement is a product of the ideals and aspirations of the American people.

Under our dual system of Government the responsibility for achieving this end and purpose rests both on the State government and on the Federal Government. The recent Social Security Act enacted by the Congress of the United States is a far-reaching effort in this field. Its success calls for wise and statesmanlike administration. In the administration of this act and in the carrying out of similar programs the temptation to hurry on toward a utopia must be sternly put aside. Social justice and social security can be permanently achieved only if they rest upon a sound financial basis.

Theodore Roosevelt, gathering up, as it were, the tendencies in our national life leading toward social justice and social security—tendencies contributed to by Thomas Jefferson, Abraham Lincoln, and others—embodied them in his great crusade for a fuller American life. His words are as meaningful for us today as they were when they were uttered. He said:

"We fear God when we do justice to and demand justice for the men within our own borders. We are false to the teachings of righteousness if we do not do such justice and demand such justice. We must do it to the weak, and we must do it to the strong. We do not fear God if we show mean envy and hatred of those who are better off than we are; and still less do we fear God if we show a base arrogance toward and selfish lack of consideration for those who are less well off. We must apply the same standard of conduct alike to man and to woman, to rich man and to poor man, to employer and employee. We must organize our social and industrial life so as to secure a reasonable equality of opportunity for all men to show the stuff that is in them, and a reasonable division among those engaged in industrial work of the reward for that industrial work, a division which shall take into account all the qualities that contribute to the necessary success. We must demand honesty, justice, mercy, truthfulness, in our dealings with one another within our own borders."

V. OUR CONSTITUTIONAL LIBERTIES

The guaranties of our Federal and State Constitutions are not, as some hurrying reformers would have us believe, a barrier to the achievement of a full measure of social justice and security. Let us pause to recall their background. Our constitutions were compiled from a long line of experiences and ideas dating from beyond the Magna Carta and extending down through English history and then through the documents of the Colonies, including the *Mayflower* compact, to various State constitutions and numerous other covenants, agreements, and declarations in which the growth of political thought and political organization of the Anglo-Saxon peoples expressed itself. Our State and Federal Constitutions are something more than words and phrases. They embody conceptions which live in the lives and souls of the American people, and when they cease to live there we will cease to have constitutional liberty. They are not merely concepts expounded by political philosophers; they are the principles which determine the conduct of the American citizen as he contemplates his duty to the State and his rights as an individual.

I am not a Cassandra mourning over the twilight of the American Constitution. Anglo-American constitutional principles have weathered crises in the past, and I have faith in the ability of the American people in the future to preserve the fundamental ideas which regulate and determine our common life. I have no patience with the practice of crying "unconstitutional" every time this or that group disapproves a given piece of legislation.

The American Constitution is not a static document. It is a part of the great process of self-government which has for its background the century-old traditions of Anglo-American common and constitutional law. The value of the document is that it is a living document; that its principles are constantly being reinterpreted and reapplied to our changing social and economic life.

I have confidence in the ability of the Supreme Court of the United States to interpret and apply our fundamental law. Moreover, I venture the opinion that the average American prefers to leave his social and political fate in the hands of the Supreme Court rather than in the hands of organizations, self-appointed, to preserve the Constitution. I am, of course, not opposed to public discussion of the Constitution. I believe that each group in a democracy should voice its views and that each group is entitled to argue for the interpretation of the Constitution which best serves its purpose. That is the reason why we have courts and is one of the justifications of a free press. I object, however, to the practice of draping the flag over the point of view of this or that group and then the classification of groups holding opposing views as enemies of our institutions. The real danger to the Constitution is not to be defined in terms of disturbed privileged interests which find the progress of political and social life running counter to their private fortunes. The surest way to destroy the Constitution is to try to use its guaranties to preserve the status quo. The Constitution was made for man, not man for the Constitution.

However, it is imperative that American citizens today should recognize not only that the future course of American Government is uncertain but that momentous decisions must be made during the next decade which will determine the character of American institutions for many years to come. To this point I will return later. Here it will be sufficient to emphasize the importance of laws in government as distinguished from men

In 1780 Massachusetts adopted a constitution which, in separating the legislative, executive, and judicial powers of government, declared that these powers were separated "to the end that" the government of Massachusetts "may be a government of laws and not of men."

The men who framed the constitution of Massachusetts and the men who at Philadelphia in 1787 signed the Federal Constitution, knew from experience, as well as from accumulated wisdom of history, the meaning of the contrast between a government of men and a government of laws. They lived in a society which had experienced the evils of personal and arbitrary rule. They lived among men suspicious of too much government and fearful of the dangers to liberty which follow upon uncontrolled power in the hands of a central authority.

This attitude is an inheritance of the American people. Every man and every woman within the hearing of my voice understands instinctively the contrast between a government by men and a government by laws. The deep-seated conviction that we must have a government of laws is the reason why we are a free people and when we lose it we will cease to be free.

Traditionally, our Government is a government of laws—a government in which we the people know in advance the rules with which we must comply. The American system condemns arbitrary departure from established rules; under it the laws are more permanent and more important than men. So jealous have we been in the United States of our rights and of the idea that principles shall control the action of officials and shall guide the acts of legislators and administrators that we have embodied in our constitutions, bills, or declarations of rights which withhold from government "certain inherent and indefeasible rights." The constitution of the commonwealth of Pennsylvania, for example, enumerates these rights and then to emphasize the control of law adds to the declaration of rights these words:

"To guard against transgressions of the high powers which we have delegated, we declare that everything in this article is excepted out of the general powers of Government and shall forever remain inviolate."

VI. FROM LAWS AND MEASURES RISE POLITICAL ISSUES

Probably little difference of opinion exists between American political parties, between American economic groups, or between American citizens over the general principles which I have thus far defined — peace, social justice and security, and constitutional liberty. Issues arise when laws and administrative action are proposed which translate these principles into practice in our workaday world. Here we face the great problem of individual responsibility in a democracy. Here is the field of opportunity for the American press and for political leadership. Here are the issues which justify political parties and which are finally answered under our form of government by the vote of the individual citizen at the polls.

A mere listing of the laws, Executive proclamations and orders which we summarize under the caption New Deal impresses us with their significance. I could not, within the scope of this address, review them. It could be shown that they are in many places inconsistent with each other. Impartially viewed, some of them are sound and some are unsound. I am concerned today to indicate certain of the tendencies which certain of them reveal so that you may determine whether or not they are modifying adversely the broad currents of American life. These tendencies, to which we should give serious thought, are those which affect (1) private enterprise, (2) sound public finance, and (3) responsible representative government.

VII. INDUSTRY AND TRADE

I believe in a protective tariff. For 7 years I served as a member and as vice chairman of the United States Tariff Commission. In that capacity I came to appreciate the problems of manufacturing, of agriculture, and of American labor. Believing in protection as a matter of principle and as necessary in a world of competing nations, I devoted much of my time to the reduction of the political element in tariff making and to the adoption of scientific methods for the application to particular cases of the principle that tariff rates should equalize competition for the American manufacturer and laborer as against their foreign competitors. Although there may be some difference of emphasis, we may confidently say that protection of American labor, manufacturing, and agriculture is now a recognized national policy.

The objective of sound statesmanship is to increase national wealth in order that greater prosperity may come to the American people as a whole. We are now in a period of national development when foreign trade must become a larger factor as a wealth creator than ever before. During the decades before the World War when we were concentrating our energy upon internal development, and when foreign commerce was of relatively small importance, a policy of commercial exclusion did little harm. Conditions now, however, have changed and there is an inevitable tendency in our economic life toward a greater and greater participation in international economic affairs.

We should therefore support as a measure of sound national policy the Trade Agreement Act of 1934, which gives to the executive branch of the American Government power to negotiate and put into effect trade agreements without the obligation of seeking in the case of each particular agreement the consent of the United States Senate to ratification. We should support it, provided the power vested in the President is properly used and provided the administration of the law is clearly in line with our national

interests. If I had the time, I could demonstrate that all the principles of this measure were first employed in the Republican tariff acts of 1890 and 1897 and applied by various Republican Secretaries of State. The power which it grants is therefore in line with accepted precedents. It is not, like some experiments being tried in Washington, a restraining force upon economic recovery nor a violation of constitutional principles; it is rather an effort to release human enterprise and initiative and to give to them the larger stage of world commerce from which to bring home to the United States "the wealth of the Indies."

We have become a world state, economically speaking, whether we like it or not. Our overseas expansion will go on whether we like it or not. For the time being we are in a period of pause. That is one reason why we do not have the prosperity which we long for. Our agriculture must have foreign outlets. As industries return to their normal production they will seek markets in other countries. As investors return to the investment market they will seek opportunities to invest their funds abroad. Wise statesmanship will adjust our policy to this natural tendency.

VIII. THE THREAT OF STATE SOCIALISM IN FOREIGN TRADE

Those individuals and classes who cherish with special concern the political and economic traditions of our Nation can save the spirit and essence of these traditions by giving to American resources and American enterprise a world stage on which to perform, by liberalizing our commercial policy at home and by advocating multilateral treaties and international machinery adequate to restrain unfair imperialistic policies and authoritative enough to regulate those international economic relations which are dealt with, at best ineffectively, by nations acting singly or bargaining two by two. By these means they can do more than in any other way to render unnecessary socialistic schemes and measures and to preserve sound nationalism.

The encroachment of direct State control is threatened in foreign trade and finance, although its real significance there is not fully understood. Governments in Europe, finding the more or less accepted policies of trade regulation ineffective for the achievement of their narrow programs of self-containment and isolation, have entered the field of direct control by means of State monopolies, quotas, exchange restrictions, and embargoes. Volumes have been written about this development as an interference with the normal movements of international trade. But its social significance has not been emphasized. These policies are everywhere in derogation of private enterprise; they discourage and tend to destroy the creative activities of mankind. They lead logically to a State monopoly of foreign trade. It is true that in the case of certain great basic commodities some control—preferably international—is at times necessary. But the State control of trade in European countries today is destructive of the wealth-creating forces which have given us our modern material civilization. They do not increase the standard of living; rather they tend to increase poverty. They do not increase economic security; rather they emphasize hostility and hatred.

Fortunately the United States has not adopted these commercial policies of despair. Fortunately these policies do not have the support of either of our great political parties. There are, however, minorities in both political parties which wish us to adopt policies of virtually complete exclusion and State control of foreign trade. The latest manifestation of this desire is the so-called Lewis bill, a bill which, if we are to take it seriously, would mean an administrative and economic revolution in our international relations. This bill, embodying the narrow nationalistic policies of George N. Peek, would if enacted into law, not promote but destroy American foreign trade. Of course, this bill is not to be taken seriously. Our concern, however, should be to see that the advocacy of it and of other similar measures is not permitted to interfere with the forward movement of sound commercial policy. Such measures are a reflex of the European situation, a product of the defeatist psychology of the depression years Their adoption would be to initiate a commissariat of foreign trade.

IX. ENCROACHMENT OF STATE ENTERPRISE ON BUSINESS

Although Federal policy today supports and encourages private enterprise in foreign trade, it is in many ways discouraging private enterprise in domestic trade, industry, and finance. We are now realizing the encroachments made in this country by State enterprise and State control of economic activities. We have heard much of "planned economy." Planned economy today affects agriculture through the agricultural program, banking through the new banking legislation, construction, and industry through P. W. A. and W. P. A., and finance, industry, and commerce through numerous other agencies, especially the R. F. C.

Private enterprise is burdened and restricted by excessive taxation; indeed, the tax measure of the last session of Congress brought into practical politics the idea of using taxation, not merely for fiscal ends but for the redistribution of wealth among social classes. State encroachment on private enterprise advances imperceptibly but with a deadly certainty; citizens get vested interests in State operated and controlled enterprises. Gradually the State will take over the domain of private endeavor.

The experiments with State-controlled and State-owned businesses abroad have not only destroyed personal freedom, but they have not increased the standards of living nor even increased economic security. On the contrary, they have done just the reverse. Economic systems which destroy or repress the creative powers of mankind simply mean that there is less to go around and, if applied in America, mean that you and I and our children will have less. All State industries which start with chiseling on private industry and live off it by taxation end up by living on the average citizen.

X. PRIVATE ENTERPRISE WITH GOVERNMENT REGULATION

In this country it has for many years been an established policy to regulate private business. The antitrust laws and the Federal Trade Commission are believed by American citizens to be in line with sound public policy. The objective has been to make competition fair and to give every citizen under fair rules a chance to achieve as much as his ability and industry make possible. We have been suspicious of and doubted the value of Government ownership and of business undertakings administered by political appointees. We have believed that, with a few exceptions, the economic life of the Nation is primarily the responsibility of the private citizen.

State enterprise and private enterprise cannot both endure in the same nation. Like all rules, there are exceptions, as, for example, in certain fields of natural monopoly. But American business has developed under private initiative and enterprise with Government protection, and regulation and legislative and executive action should be confined to that field. This is the tradition preserved by the Interstate Commerce Commission, the Federal Trade Commission, the Communications Commission, and the Securities and Exchange Commission, the tradition which gives to American business genius and ability a fair field but which protects the consumer, the laborer, and the smaller man of business. Without doubt the needs for improvement are many. In fact, there are few subjects in public affairs which require more study than administrative law. But in all plans for change we should sternly resolve that limitations should be placed on bureaucracy which will preserve the inexhaustible force of private enterprise and initiative. In agriculture, as well as in trade and manufacturing, there is need for regulation, but here, too, the salvation of the individual citizen is the preservation of a system of opportunity which makes human endeavor worth while and rewards adventure and work.

In this vast complex field of private economic endeavor we should realize that there are many things which government cannot do, and others which government can assist with only over a long period of time. We have not achieved a perfect economic system for the creation of wealth and the distribution of the national income. But we cannot find that system in the musty volumes of the philosophers; we must find it in our experiences; we must formulate it in the thought and toil and planning of the work a day world. Social responsibility must increase in farmer, laborer, and manufacturer. I have sometimes thought that we inherited our vast achievements in science and industry before we—the people of the modern world—were morally and politically competent to use them. At least such a thought should sober us and make us more responsible citizens.

XI. DRIFT TOWARD INSOLVENCY

The birth of the American Nation was accompanied by firm and unequivocal decisions in favor of sound public finance. Upon this issue George Washington and Alexander Hamilton would brook no compromise. Well may we recall and apply to our public finance today the principles and practices which they made effective during the first administration under the Constitution.

Much of the social planning and scheming which we now have in this country begins with talk about soaking the rich and ends by soaking the poor. In the long run the man of ordinary means, even the man who pays no income tax, will in such cases be forced to carry more than his share of the burden in the form of indirect taxes, increased prices, or in the economic losses which follow upon maladjustments in our economic life.

I am not objecting to just and fair measures of relief and social security. They are proper and often necessary under the complex organization of modern society. I am condemning our vast schemes for "making work"; I am condemning the development of State enterprises in competition with private enterprises; I am condemning the granting of bounties for not producing at a time when thousands in our society are hungry and living in poverty; I am condemning the use of your money and mine to create a social and economic order after the theories of some bureaucrats who are now temporarily in Washington.

The application of these policies, now going on apace, is leading inevitably toward one of three things: Either enormously increased taxation for every citizen, or the wholesale repudiation of our public debt, or further inflation of our currency.

The Democratic administration is, in the name of reform and planned economy, imposing an enormous mortgage on the American people. It is easy to do these things when money flows like water. It is easy to use up the Government's credit. It is easy to run a government if you do not balance your budget. But every citizen knows from personal experiences that mortgages either have to be paid or be wiped out by bankruptcy.

XII. SOUND FINANCE AS A BASIS FOR RECOVERY AND PROGRESS

But in discussing finance, as in discussing industry and trade, I desire to do more than merely criticize and object.

Relief for the unemployed is, at least for the time being, a national problem. Moreover, it has ceased to be merely an emergency problem. Some observers of our social development doubt whether it will disappear even with the return of prosperity. In any case it must be dealt with from the standpoint of broad statesmanship. In the first place, its cost should be paid for from current direct taxation. In the second place, the relief granted to any individual should be low enough to leave unabated

his desire to get a job. If the amount of the relief to an individual is too high the security which it gives tends to destroy the spirit of enterprise and ambition in the citizen. Finally, and most important, the administration of relief should be placed on a nonpartisan basis; it should be administered by local boards composed of responsible citizens somewhat along the line of the draft boards during the war. If these principles were applied today (as they are not), the outlay for relief would be reduced by half; the beneficiaries would regard relief as temporary and as a status from which they should escape as soon as possible; and political parties would not use relief to get votes.

Playing politics with relief funds is, in my opinion, the lowest form of political corruption. Local nonpartisan administration, coupled with realization by the individual citizen that he is paying the bill, would subject the entire system to scrutiny and criticism and maintain its efficiency.

XIII. TAXATION

The realization by the individual citizen that he is paying the bill for government is in fact the key to the solution of many of our problems of Federal and State finance. We should not only pay as we go, but we should understand that we are paying. Upon no sound theory can we ask future generations to pay for the present-day attempts to recover from a depression. No one likes to pay taxes. I believe that taxes should be as low as is consistent with the sound development of government. But if the citizens of this country wish a vast bureaucracy which regulates in many ways their economic and social affairs, they must be made to realize that they have to pay for it. I doubt very much whether American citizens generally realize the significance of the unprecedented increase in the number of persons on the Federal pay roll during the last 2 or 3 years.

A French statesman once said that the object in levying taxes should be to get the largest number of feathers from the goose with the least amount of squealing; that is, he favored indirect taxation. I thoroughly disagree. What we need today is more squealing from the taxpayer. New taxes should be direct and widely distributed over the different groups and classes of our population. If, for example, the consumer had paid directly, instead of indirectly, the late unlamented processing taxes, it would never have been necessary for the Supreme Court to pass on their constitutionality.

Ability to pay is an entirely sound principle on which to frame a system of taxation. In general, those who have the most profit the most from government. But it does not follow that those who have small incomes should be exempted from paying their proportionate share of the expenses of government. In fact, in recent years the benefits of government have become diversified and applied in a relatively larger degree to the poorer classes than to the well-to-do, and this is an added social reason for the extension of the basis of taxation.

Probably the most important reason for general and direct taxation is that it gives the individual citizen in a democracy an interest in curtailing Government expenditures, in balancing the Budget, and in paying off the public debt. As I indicated earlier in this address, the individual citizen has a real personal interest in sound public finance. At present, however, the operations of the Federal Treasury are remote and mystifying, especially in these days of astronomical figures. It never has been easy to make clear to the general public the significance of a mounting public debt and an unbalanced Budget. Most of the evils of unsound financing do not become evident to most of us until it is too late to correct them.

However, the citizen does understand an individual tax bill. When he realizes that he is paying for too much Government, he will then see to it that he has less Government.

XIV. CURRENCY

I am a bit old-fashioned on currency. Perhaps this is because I have personally seen in foreign countries the tragic suffering which results from unstable and depreciating monetary standards.

A managed currency is favored by many able thinkers. Possibly a theoretical case can be made for it. But once the concept of fixing the purchasing power of money is thrown into the political arena of a democracy, organized groups seek to fix it for their profit. We have already seen this happen in our silver legislation. We will probably see it in further attempts at inflation. The gold standard has its faults, but for a democracy it is the safest anchor for money thus far proposed.

No more important contribution could be made to our national recovery than the stabilization of world currencies and international exchanges. We lost a golden chance to contribute to this end, probably to achieve it, at the World Economic Conference in 1933. When history is written it will, in my opinion, record the breaking up of this conference by President Roosevelt as the loss of a major opportunity to help recovery. His prestige at that time, coupled with the willingness of European nations to discuss financial stabilization, made success probable and, if we had had stabilization then, we would not only have avoided the burdensome and restrictive measures which have characterized international economic affairs during recent years, but we would have had, through revived trade, a stimulus to domestic prosperity far greater than that which has been given to it by doubtful domestic measures.

XV. DANGER OF TOO MUCH POWER IN THE CENTRAL GOVERNMENT

No concern of our forefathers was more deep-seated than their concern to establish truly representative government under law and to avoid the excesses of personal government.

At all times, particularly in crises, the temptation is present to enlarge and centralize the powers of government. The very plausibility of the arguments for greater power tends to create autocratic governments before peoples fully realize what is taking place. Strong governments are likely to be efficient in the sense of getting results and peoples in times of distress too freely acquiesce in the argument that the ends desired justify the means. Depressions are hard on democracies. In the present depression our institutions have suffered wounds which should give us concern. Usually the price paid at such times for efficiency and immediate results is the sacrifice of personal liberty and the guarantees of rights which rest, and can only rest, on the local control of government either directly or through representation.

George Washington fully appreciated the danger of too much centralization of power. In his Farewell Address he said:

"The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism.

"A just estimate of that love of power, and proneness to abuse it, which predominates in the human heart, is sufficient to satisfy us of the truth of this position.

"The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions by the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.

"To preserve them must be as necessary as to institute them.

"If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates.

"But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed."

Representatives of the New Deal have revealed irritation over the limitations imposed by the Federal Constitution. We can understand the disappointment of individuals when they find their plans which they sincerely believe to be for the welfare of mankind obstructed by a constitutional provision or by a well-established principle of government. I have heard very persuasive arguments in favor of wiping out the distinction between commerce within the States and interstate commerce. I am willing to concede that for some purposes a complete control of commerce by the Central Government would, if properly used, tend toward efficient administration. Unfortunately, however, the "if properly used" is a deadly qualification. Unfortunately, too much power in the Central Government tends to make its administrators forget responsibility. Power thrives on more power. Moreover, a constitutional change made for one purpose, which we may assume is good, may open a Pandora box of evils which bring new and hurtful changes never contemplated. Today more than ever before the system of checks and balances and the distinction between State and Federal jurisdiction, written into our Constitution by the founders of the Republic, are guaranties of security and freedom which we will be well advised if we emphasize rather than minimize. In a vast nation like ours with its varied complex life, it is wise to sacrifice some so-called efficiency which might come from a highly centralized government and cling to the security of a system which reserves real powers to the separate States.

Dictatorial and autocratic governments are seldom deliberately planned or even desired. They grow. They are the creation of circumstances. They feed upon the necessities of those in power, who must get things done and upon the indifference and acquiescence of the governed. Dictatorial and highly centralized governments, because of their very nature, resent representative and local institutions. They grow impatient with deliberative bodies and use their influence and power to force measures through congresses and legislatures. They tend to send their orders down to the smaller governmental units of the country and to use their influence and power to have them obeyed. The end of such a process is the abolition of representative bodies and the destruction of local self-government, and finally of liberty itself.

XVI. THREAT LOBBIES

"Benefit payments", subsidies, Government grants and loans, and excessive and unnecessary allowances for relief have in recent years given dangerous impetus to a tendency destructive of responsible democratic institutions. The granting of economic favors directly to groups and classes spreads the conception among our population that individuals can rely upon the Federal Government for financial assistance or even for a living. Certain lobbies are already organized in such a way as to advance the economic interests of their backers in Washington, not by arguments but by the threat of the ballot against legislators who oppose their programs.

Direct loans and financial aid to any class or group will in time create of that class or group a political movement which through force of the ballot will demand relief from past obligations and more financial help through the taxing power of the United States. Measures are unsound which educate great groups of citizens to believe that they can use political power to get a living which should be won by industry; which substitute the loans, bounties, and relief of the Central Government for personal enterprise and responsibility.

XVII. TYRANNY BY THE MANY

Representative government is being weakened by another tendency in which, I am sure, you, the leaders of the press, will be particularly interested; namely, the tendency of leaders seeking public

favor to appeal to the emotions and the passions, to play on fear, prejudice, and ignorance, and to invite support through the offer of some material unearned benefit, such as subsidies, benefits, or pensions. From the earliest time we have had the demagogue appealing to the mob. And I would be the last to ask for any restriction on the freedom of speech. I believe that freedom of speech and of the press are among our most cherished liberties. A great thinker once said to a man with whom he disagreed: "I disagree with all that you say but will fight for your right to say it."

However, irresponsible appeals, especially over Nation-wide hook-ups of the radio, are a real menace. Our democracy is endangered by words which set class against class, which create imaginary economic monsters in order to demolish them, and which seek power through attacks on those members of the community who have achieved a degree of material prosperity.

Theodore Roosevelt saw both sides of this great problem of democracy (Mar. 20, 1912). He said:

"* * * We, here in America, hold in our hands the hope of the world, the fate of the coming years; and shame and disgrace will be ours if in our eyes the light of high resolve is dimmed, if we trail in the dust the golden hopes of men. If on this new continent we merely build another country of great but unjustly divided material prosperity, we shall have done nothing; and we shall do as little if we merely set the greed of envy against the greed of arrogance, and thereby destroy the material well-being of all of us. To turn this Government either into government by a plutocracy or government by a mob would be to repeat on a larger scale the lamentable failures of the world that is dead. We stand against all tyranny, by the few or by the many. We stand for the rule of the many in the interest of all of us, for the rule of the many in a spirit of courage, of common sense, of high purpose, above all, in a spirit of kindly justice toward every man and every woman. We not merely admit, but insist, that there must be self-control on the part of the people, that they must keenly perceive their own duties as well as the rights of others; but we also insist that the people can do nothing unless they not merely have, but exercise to the full, their own rights. The worth of our great experiment depends upon its being in good faith an experiment—the first that has ever been tried—in true democracy on the scale of a continent, on a scale as vast as that of the mightiest empires of the old world. Surely this is a noble ideal, an ideal for which it is worth while to strive, an ideal for which at need it is worth while to sacrifice much; for our ideal is the rule of all the people in the spirit of friendliness and brotherhood toward each and every one of the people."

A republic can endure with responsible voters and irresponsible leaders, for the former will throw the latter out. It may endure (at least weather a crisis) with irresponsible voters and responsible leaders, for the latter will resist the emotionalism of the moment and support sound measures. But a republic cannot survive both irresponsible voters and irresponsible leaders.

XVIII. THE PRESS AND RESPONSIBLE DEMOCRACY

The great permanent currents of American life then are at the present time being poisoned by three tendencies which are foreign to them:

(a) Flirting with socialistic measures which tend to destroy the spirit of private enterprise and initiative.

(b) Toying with managed currencies, unbalanced budgets, excessive debts, and other unsound financial measures; and

(c) Inviting and encouraging irresponsible democracy which leads, if permitted to continue, to some form of autocracy or dictatorship.

In discussing these tendencies I have endeavored to supplement my disapproval with constructive suggestions. The question before us is no longer whether such recovery as we have enjoyed has come because of the New Deal or in spite of it. The real question is whether or not the fundamental problems of our economic organization, of our public finance, and of our Government are being dealt with soundly and with statesmanship, and, if not, how should they be dealt with? Individuals, classes, and political parties should conclude all debate with the clear understanding that our Nation faces problems which can be solved only by affirmative legislation and affirmative executive action.

We will have no better Government than we deserve. The standards of our poltical life will not rise above their source—the people. I have mentioned the dangers of irresponsible selfish minorities, and of blatant appeals through the press and over the radio to emotions, prejudices, pseudo-patriotism, and class and race hatred. No law in a democracy can reach these evils. Opinion cannot be suppressed. To check the right of the press or of free speech is to begin to replace our institutions by others. Such restraint is simply foreign to a system which rests on the theory that the individual is capable of self-government.

But we cannot ignore the fact that both intentionally and unintentionally false, misleading, and antisocial views are circulated daily and unwittingly accepted as true. Responsible political leaders are guilty of this offense, and when they are what can we expect of others?

Here is a situation the remedy for which lies largely in the hands of the press. It may not be popular to declare the Townsend plan financially unsound; to attack the political use of relief in your town; to denounce an effort of a labor or agricultural group to use the threat of numbers to gain a selfish class end; to denounce a political leader who uses his office as a platform from which to aline class against class; to reveal the truth about a foreign situation when an unpopular country is being attacked. But if the Republic is to endure, these things, unpopular though they be, must be done.

The ultimate responsibility for sound government rests with the people, informed and guided by a free press. Our concern must be to keep well informed the source of American political life—the people. Laws, Executive orders, and court decisions will not preserve a responsible democracy if the desire and will to have a responsible democracy ceases to dominate the individual American citizen. Not one of the three branches of our Government, not even the courts, can be depended upon, in the long run, to save our institutions and our liberties. Under our system of government the courts, it is true, have power under certain conditions to declare laws unconstitutional. But at present, many citizens are placing undue reliance upon this protection. In the long run the courts cannot stay a political movement. Candidates for the position of justice in our courts hold different opinions, and Presidents appoint and Senates confirm them. The Supreme Court of the United States is shaped and determined by the Presidents and Senators which the people elect. Which means that in the judicial as well as the legislative and executive branches of our Government both the structure and nature of our institutions and our personal liberties depend ultimately on the opinion and the action of the individually responsible American citizen.

Government therefore gets down finally to the ultimate question whether the individual citizen cares. The great business of the American people is government—self-government and government of self. We have boasted to the world that we can make popular institutions succeed. If our great experiment fails, if wisdom in government languishes, and if freedom and social responsibility decline, we need not seek to place the blame on our leaders; the blame will be on us, the citizenry of America. As I view the state of the Nation today, I believe there is a way back—or let me say forward—to sound government within the Constitution. Mine is not a philosophy of despair.

Facing with courage the baffling issues of both domestic and international affairs, let us be willing to work and sacrifice to maintain America—America, free, harmonious, prosperous, and responsible—in a cooperating peaceful world. Here is a task which rises above partisan rivalry, which commands our united loyalty, our devotion, and untiring services as citizens of the Republic.

TAXATION OF OIL AND GAS

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD two brief statements on the subject of the taxation of oil in general and gas in particular.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

[Extract from National City Bank Bulletin for October 1935]

Last year the Bell Telephone System paid an average tax of $6.76 for every telephone in service.

* * * * * * *

It is probable, however, that the general public has not fully realized the increasing tax burdens that are being imposed upon the various lines of manufacturing and trade.

* * * * * * *

Among other industries that are laboring under the handicap of heavy taxes might be mentioned automobiles, tires, and petroleum, cotton goods, tobacco products. * * * The petroleum industry now pays practically 200 different kinds of taxes, and the sum total of taxes paid by the industry during the 13 years 1921–33 was two and one-half times the profits in those years. In 1934 the taxes paid by oil companies averaged $5.32 for each share of their capital stock, or more than five times earnings, which averaged $1.02 per share.

[Extracts from speech entitled "The Place of Oil in the Tax Structure", by Frank Phillips, delivered at National Tax Association meeting, Oklahoma City, Oct. 15, 1935]

Viewing the oil and gas industry as a whole, it is surprising to note, according to figures compiled by the American Petroleum Industries Committee, that although during the 14-year period from 1921 to 1934, inclusive, its estimated total earnings aggregated only $2,462,039,974. Taxes levied upon its operations and products total $6,903,265,432. For the year 1934 the committee estimated the total tax bill at $1,036,149,575, as compared with net earnings of only $264,000,000, * * * with those net earnings representing only 2.20 percent on the $12,000,000,000 investment. Stating it in another way, the average earnings of oil companies amounted to $1.02 per share, while the taxes extracted amounted to $5.32 per share. In only 4 of the 14 years were the industry's earnings as large as the total tax bill, while since 1929 earnings have never been as large as either gasoline taxes or income taxes.

Your attention is invited to the extraordinary burdensome impositions collected by the Federal Government from the oil industry alone, including the producers' tax on crude oil, the refiners' or processing tax, the excise tax on pipe-line transportation, and to the indirect excise sales taxes on gasoline and lubricating oil * * * all of these being supplementary to the regular Federal exactions for capital stock, corporate income, excess profits, and the miscellaneous stock and bond issue and transfer taxes collected from industrial corporations generally. With respect to gasoline, principal product of the oil industry, it is somewhat startling to note that the excise taxes imposed upon its sale aggregate in numerous States an amount far in excess of its sales price at the refinery.

Under appropriate circumstances, the corporation, joint adventurer, individual or partnership producing, refining, or marketing oil and gas in seveal States may be subjected by those Commonwealths and their political subdivisions to some 100 separate and distinct forms of tax burdens. There are in the United States about 175,000 individual taxing units, which are authorized, under the respective State constitutions and legislative enactments, to exact from those owning property or doing business within their respective jurisdictions some kind of involuntary contribution to activities regarded as more or less essential to governmental administration. And even within the State of Oklahoma alone I find that there are 6,510 counties, townships, municipalities, and school districts authorized to levy tax burdens of some character. I submit that with this delirium of factors and circumstances confronting me, I may be pardoned for not atempting to submit detailed figures of taxing burdens, but instead should be permitted to discuss in more or less general terms the problems of taxation which confront not only the oil industry but every other industrial and business enterprise.

BETTERMENT OF ECONOMIC CONDITIONS

Mr. ROBINSON. Mr. President, legislation passed by this Congress and the previous one, represented as New Deal legislation, and the administration of these enactments have unquestionably, as evidenced by excerpts from the press of the country, brought about a substantial betterment of economic conditions. These improved conditions are not sectional, but are very general. I offer for the RECORD and ask to have printed as part of my remarks certain excerpts that will substantiate the statement of better business conditions.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

ECONOMIC CONDITIONS

(Feb. 15, 1936–Feb. 22, 1936)

I. AGRICULTURE

[From the Butte (Mont.) Standard of Feb. 17, 1936]

Headline: "Price Recovery of Farm Commodities Average 125 Percent for 3 Years."

[From the Cleveland (Ohio) Plain Dealer of Feb. 20, 1936]

SEARS TO BOOST BUYING

"An increase of $60,000,000 in purchases of merchandise and an increase of $7,000,000 in pay-roll expenditures are envisaged by the golden-jubilee program of Sears, Roebuck & Co. this year, according to announcement made yesterday through Mr. C. H. Kellstadt, manager of the company's Cleveland store. * * *"

[From the Chicago (Ill.) Daily Tribune of Feb. 15, 1936]

FARM VALUES OF LIVESTOCK RISE SHARPLY

"The value of livestock held on farms of the United States rose sharply during 1935, the Department of Agriculture reported yesterday. The total January 1 was estimated at $4,885,302,000, compared with $3,250,085,000 a year earlier and $2,976,677,000 two years ago. * * *"

[From the Stockton (Calif.) Evening Record of Feb. 15, 1936]

SIXTEEN OUT OF 24 LEADING FARM PRODUCTS OF STATE SCORE INCOME INCREASES

Sixteen out of a total of 24 leading agricultural commodities brought income increases to the producer in January 1935, according to figures made public by the Giannini Foundation of the University of California. The commodities generally reached 92 percent of the average producer income in the January figures covering 1911 to 1915 * * *.

[From the Minneapolis (Minn.) Tribune of Feb. 18, 1936]

LIVESTOCK UP 75 PERCENT IN VALUE

WASHINGTON, February 17.—The value of livestock on Minnesota farms rose 73 percent, or $102,187,000 during the year ending January 1, a last examination of figures made public by the Department of Agriculture today disclosed * * *.

[From the Lansing (Mich.) State Journal of Feb. 20, 1936]

Headline: "Value of State Livestock Soars—Now Worth $136,569,000—48 Percent Higher Than Last Year."

[From the Fargo (N. Dak.) Forum of Feb. 20, 1936]

NORTH DAKOTA LIVESTOCK VALUES UP 49 PERCENT

All classes of livestock on North Dakota farms, except horses, increased in number compared to a year ago as of January 1, it was reported by Ben Klenholz, Federal agriculture statistician.

Value of all livestock is 49 percent greater than on January 1, 1935 * * *.

[From the Los Angeles (Calif.) Times of Feb. 15, 1936]

Headline: "Farm Income Up—Final 1935 Data Released—Figures for Western States Group Show 15-Percent Increase Over 1934."

[From the Woonsocket (R. I.) Call of Feb. 15, 1936]

Headline: "Livestock's Value in New England Shows Increase."

[From the Muskegon (Mich.) Chronicle of Feb. 20, 1936]

Headline: "Butter, Eggs at 6 Years' Peak."

[From the Chicago (Ill.) Daily Tribune of Feb. 15, 1936]

Headline: "Egg and Butter Prices Soar to Season's Peaks."

[From the Des Moines (Iowa) Register of Feb. 19, 1936]

Headlines: "Hog Quotation Moves Up Again—Hits 6-Year Top for February."

[From the Omaha (Nebr.) World-Herald of Feb. 15, 1936]

Hog prices rose almost to the year's top on Friday when light receipts and broad inquiry brought about an active market at 25 to 35 cents higher prices. * * *

II. MINING

[From the Tucson (Ariz.) Daily Citizen of Feb. 15, 1936]

Headlines: "Copper Increase Brings New Hope to Arizona Camps—Boost Raises State Income to $1,000,000."

[From the New York (N. Y.) Times of Feb. 15, 1936]

Headlines: "Copper Rises One-fourth Cent to 9½ Cents a Pound—Increase Is First in Domestic Field Since October 7."

III. INDUSTRIES

[From the New York (N. Y.) Times of Feb. 21, 1936]

Headline: "Last Months of 1935 Saw Trade Increase."

[From the Toledo (Ohio) Blade of Feb. 18, 1936]

Headline: "Bull Market 1 Year Old—80-Percent Rise Scored in Average of Stocks."

Headline: "Loading Index Hits New Peak—1.5 Percent Rise Over Week Ago Is More Than Seasonal."

[From the Biloxi (Miss.) Daily Herald of Feb. 21, 1936]

* * * Although industrial activity during January experienced its first setback since September it was nevertheless at the highest level for that period since 1930, according to monthly statistical surveys of the Associated Press. Averaging 84.4 during January, the index compared with 76.2 a year ago and 64.6 in 1934 * * *.

[From the Boston (Mass.) Christian Science Monitor of Feb. 19, 1936]

* * * Seventy percent of over 400 corporate earnings reports issued since the first of the year show increased profits, according to the United Business Service, Boston * * *.

[From the Los Angeles (Calif.) Times of Feb. 17, 1936]

WHOLESALE INDEX MOUNTS TO NEW HIGH

WASHINGTON, February 17.—The wholesale index compiled by the National Fertilizer Association rose to 87.3 in the week ended February 15. This was the highest point reached since the week of January 4, and compared with 77.5 a week ago * * *.

[From the New York (N. Y.) Times of Feb. 18, 1936]

BUSINESS FAILURES LOWER

Business failures in the United States in the last 5 business days included in the week ended February 13, totaled 194. The figure compares with 209, the week before, and 226 in the corresponding week last year * * *

[From the Chicago (Ill.) Daily Tribune of Feb. 15, 1936]

FREIGHT TRAFFIC SETS UP NEW 1936 RECORD; LED BY COAL

Coal traffic in the United States last week was sufficient to offset losses in other classes of carloadings because of the unfavorable weather, and the total freight movement established a new high for 1936, and for the eleventh consecutive week set a seasonal peak for the last 5 years.

The naticnal freight movement, as reported yesterday by the Association of American Railroads, totaled 622,097 cars, an increase of 258 cars, or 0.04 percent, over the preceding week, which was in line with seasonal expectations.

There was also a gain of 30,770 cars, or 5.2 percent, over the corresponding week of last year * * *

[From the Toledo (Ohio) Blade of Feb. 18, 1936]

BUSINESS UP

Toledo business was 6.9 percent higher in January than during the same month last year, it was revealed by the Toledo Business Review published by the College of Business Administration of the University of Toledo * * *

[From the New York (N. Y.) Times of Feb. 18, 1936]

BURLAP CONSUMPTION GAINS

Consumption of burlap in the United States in January totaled 60,000,000 yards compared with 51,000,000 yards in December, it was reported by C. E. Rockstroth & Co.

[From the Chicago (Ill.) Daily Tribune of Feb. 17, 18, 19, 20, 1936]

Headlines:

CONSTRUCTION IN STATE SHOWS SHARP UPTURN—JANUARY TOTAL 100 PERCENT ABOVE LAST YEAR

GOODYEAR TIRE PROFIT LAST YEAR BEST SINCE 1931

AETNA FIRE GROUP GAINS $5,511,432 IN ASSETS

1935 PROFIT OF PENNSYLVANIA RAILROAD BEST IN 5 YEARS

WAHL CO. EARNINGS SHOW GAIN DURING 1935

UNITED STATES GYPSUM PROFIT BEST SINCE 1931

[From the New York (N. Y.) Times of Feb. 16, 1936]

GAINS REVEALED

Reports of earnings of 18 principal gas and electric holding company systems for 1935 reveal gains in gross revenues, net earnings, and net income over 1934, and an improvement of moderate proportions in operating efficiency. * * *

Gross operating revenues of the 18 systems in the last year amounted to $1,071,201,132, compared with $1,020,455,772 for the preceding year, an increase of $50,746,000, or 4.97 percent. * * *

[From the St. Louis (Mo.) Post Dispatch of Feb. 20, 1936]

CORPORATIONS' PROFITS UP

NEW YORK, February 19.—A tabulation by the Associated Press of reports of 230 corporations for 1935 shows a 37.9-percent gain in net income over the previous year. * * *

[From Business Week of Feb. 22, 1936]

NEW MACHINE TOOL HIGH

The 22-percent increase in the domestic demand for machine tools last month lifted the index of machine-tool orders to a new high in the recovery cycle. With foreign business added, the January index reached 110.8 percent of the 1926 level, against 98.3 percent in December. The first quarter of 1936 thus gets a flying start, and should exceed by a wide margin the 60.3 percent of last year. * * *

DEPARTMENT STORES GAIN

When all complaints have been aired about the prolonged cold weather, the January records aren't bad. Department-store sales ran 7 percent ahead of last year for the country as a whole, and several regions surpassed the national average * * *.

[From the Madison (Wis.) State Journal of Feb. 17, 1936]

Headlines: "Largest Sale of New Cars for State of Wisconsin Reported for January 1936—Greater for Any Year Except 1926 and 1927."

[From the Pittsburgh (Pa.) Post-Gazette of Feb. 21, 1936]

Headlines: "Vigorous Climb of Rails Spurs Security Market—Recovery of Utilities Add Momentum to Upswing—National-bank Deposits Peak at End of 1935—Upturn Laid to Government Spending."

[From the Journal of Commerce of Feb. 20, 1936]

HOME POWER USERS YIELD RECORD GROSS

Revenues of the electric light and power industry from residential customers in the year 1935 reached a new high, according to figures by the Edison Electric Institute. * * *

[From the Bellingham (Wash.) Herald of Feb. 18, 1936]

CONSUMPTION INCREASES

Consumption of electricity for industrial purposes in the State of Washington increased 10.3 percent over 1934 during 1935, it was revealed today. * * *

[From the Casper (Wyo.) Tribune-Herald of Feb. 19, 1936]

Headline: "National Bank Deposits Gain—2.06 Percent Higher Than the Previous Top—1928."

[From the Chattanooga (Tenn.) News of Feb. 15, 1936]

Headline: "Bank Deposits in Chattanooga Set Record Figure."

[From the Chicago (Ill.) Daily Tribune of Feb. 21, 1936]

Headline: "Bank Clearings Rise 7.5 Over '35—Chicago Reports Large Gain."

[From the Chicago (Ill.) Daily Tribune of Feb. 19, 1936]

Headlines: "National Bank Deposits Close to Twenty-five Billions—Governmental Funds Help to Set New Record."

[From the Los Angeles (Calif.) Times of Feb. 18, 1936]

FUR PRICES AT 2-YEAR HIGH

SEATTLE, WASH., February 17.—Fur prices, regarded by many merchants as an index of economic conditions, have reached the highest mark in 2 years and are now close to figures for the normal year of 1934, Henry Wagner, president of the Seattle Fur Exchange, said today.

[From the Charlotte (N. C.) Observer of Feb. 22, 1936]

Headline: "United States Export Trade Continues to Gain."

[From the Toledo (Ohio) Blade of Feb. 21, 1936]

Headlines: "Babson Foresees Business Upturn—Average 10-Percent Gain in Coming Months Predicted."

[From the St. Paul (Minn.) Pioneer Press of Feb. 17, 1936]

Headline: "Business Cheered By Week's Records."

IV. DECREASED UNEMPLOYMENT

[From the Manchester (N. H.) Union of Feb. 22, 1936]

Dr. H. J. Lockwood, head of the New Hampshire P. W. A., reports a shortage of skilled labor, indicating a return to private employment.

[From the Knoxville (Tenn.) News Sentinel of Feb. 21, 1936]

Headline: "Unemployment in January 3.1 Percent Lower Than at Same Time in 1935."

[From the Pueblo (Colo.) Chieftain of Feb. 18, 1936]

PRIVATE INDUSTRY TAKES 400 ON W. P. A. ROLLS SINCE FEBRUARY 1

Nearly 400 P. W. A. workers have found employment in private industry since February, it was learned Monday.

S. W. Sullivan, manager of the Pueblo employment service office, said he had certified 398 here since the first of the month to replace workers who quit their jobs for other employment * * *.

[From the Galveston (Tex.) Tribune of Feb. 20, 1936]

PAY INCREASES NOTED IN WEST

SAN FRANCISCO, February 20.—Salary levels in this city, although below the 1929 level, are steadily swinging upward, a survey of officials of San Francisco employment agencies show * * *.

[From the Elizabeth (N. J.) Daily Journal of Feb. 18, 1936]

Headlines: "Work Increased at C. R. R. Shops—More Repair Work on Freight, Coal Cars."

[From the Springfield (Ill.) Daily Republican of Feb. 21, 1936]

HIGH EMPLOYMENT TREND CONTINUES THROUGH WINTER—AUTO INDUSTRY ADDS 150,000 WORKERS TO ITS OWN AND ALLIED PRODUCTS' PAY ROLL—WEEKLY EARNINGS SOAR TO NEAR $14,000,000 RECORD ATTAINED IN 1928

Complete figures on employment and earnings in the automobile industry and the plants supplying automobile parts during first quarter of 1935 disclose that the industry's new stabilization succeeded to a remarkable extent in its first stage. * * *

V. EXPANSION

[From the Fargo (N. Dak.) Forum of Feb. 19, 1936]

Headline: "9½ Millions for 'Ads' Budgeted."

[From the Minneapolis (Minn.) Tribune of Feb. 18, 1936]

NORTHERN PACIFIC TO BUY 12 LOCOMOTIVES

A $4,000,000 order to be placed this spring by the Northern Pacific Railroad for twelve 127-foot giant locomotives and 1,000 freight cars was announced Monday by Charles Donnelly, president.

[From the New York (N. Y.) Times of Feb. 18, 1936]

Headline: "$20,300,000 Loan for Utility Today."

[From the Cheyenne (Wyo.) State Tribune of Feb. 18, 1936]

UNION PACIFIC TO BUY LOCOMOTIVES

Purchase of 15 simple articulating type locomotives of the 4664 class for high-speed freight service, especially for mountain grades, by the Union Pacific was announced last night at Omaha by W. M. Jeffers, executive president of the road.

[From the Tampa (Fla.) Tribune of Feb. 19, 1936]

BUSINESS STATISTICS

At a glance, comparative big business statistics for 1934 and 1935:

United States Steel Corporation: 1934, lost $21,667,000; 1935, made $1,084,000.

Bethlehem Steel Corporation: 1934, made $550,000; 1935, made $4,201,000.

Republic Steel: 1934, lost $3,459,000; 1935, made $4,455,000.
National Steel: 1934, made $6,030,000; 1935, made $11,136,000.
Inland Steel: 1934, made $3,729,000; 1935, made $9,417,000.
E. I. du Pont de Nemours & Co.: 1934, made $46,701,000; 1935, made $62,085,000.
Chrysler Corporation: 1934, made $9,534,000; 1935, made $34,976,000.
American Woolen Co.: 1934, lost $5,448,000; 1935, made $2,740,000.
Deere & Co.: 1934, made $379,000; 1935, made $6,105,000.
Commercial Investment Trust: 1934, made $11,643,000; 1935, made $16,279,000.
General Motors: 1934, made $94,769,000; 1935, made $167,000,000.
R. J. Reynolds: 1934, made $21,536,000; 1935, made $23,896,000.
Combined statements of 1,300 corporations show a gain in profits of 48 percent, 1935 over 1934.
What are the "big boys" kicking about?
Is it because business isn't corroborating their howls that the New Deal is destroying it?

[From the Chicago Daily News of Feb. 22, 1936]

FREIGHT TRAFFIC TOTAL RUNS FAR ABOVE 1935

Freight moved in the United States last week totaled 631,347 cars, a more than seasonal increase of 9,250 cars, or 1.5 percent, to the highest level since early December. Volume was the heaviest for the particular week since 1931, the Association of American Railroads reported yesterday.

The total was 49,678 cars, or 8.5 percent above the corresponding week of 1935, and 31,079 cars, 5.2 percent higher than 2 years ago. Last week marked the twelfth consecutive 5-year high for the season and was the fourth successive week in which improvement was shown over the preceding week.

[From the Reno (Nev.) Gazette of Feb. 17, 1936]

BANK DEBIT GAIN IN RENO SHOWN BY REPORT

More money circulated in Reno in January of this year than in any January since 1931, according to figures released by the Federal Reserve Board in Washington, says a special dispatch to the Gazette from its Washington bureau.

Money in circulation is shown by bank debits more clearly than by any other index, financial experts explain. Debits to all individual bank accounts in Reno reached a high of $9,104 in January 1936, as reported by the Federal Reserve Board.

[From the Wall Street Journal of Feb. 21, 1936]

DETROIT PAPER PRODUCTS SHIPMENTS ABOVE YEAR AGO

DETROIT.—Operations of Detroit Paper Products Corporation thus far in the current quarter have been at a considerably higher level than in the corresponding period last year. The company has orders on hand sufficient to run all divisions well into the summer. January shipments were 40 percent over January last year, and February business is running well ahead of the like month in 1935, although gain will not be quite so large as in January.

The company earned $71,116 before Federal taxes in first quarter of 1935 and had net profit for the year of $119,615 after depreciation and Federal taxes equal to 58 cents a share on 206,000 shares of $1 par common stock. Earnings in last quarter of 1935 were curtailed by heavy expenses incident to getting the new molded plastic division into operation. This division is operating now at a high rate on facings for refrigerator doors and cabinets. Other products include corrugated paper boxes and corrugated paper insulation material for refrigerators.

[From the Pueblo (Colo.) Chieftain, Feb. 18, 1936]

LARGE RAIL ORDER PLACED HERE BY WESTERN PACIFIC

The Western Pacific Railroad Monday announced the placing of an order for 21,000 tons of steel rails with the Colorado Fuel & Iron Co., to be rolled at the Minnequa Steel Works in Pueblo.

Although detailed price was not announced it was assumed the road will pay the standard quotation of $37 a ton, which would make the order worth $777,000.

The railroad plans to use the steel in a replacement program involving 183 miles of track in various sections of the road's line.

The order called for delivery to start some time in the spring and continue as needed.

Announcement of the Western Pacific order followed revelation yesterday that the Rock Island Railroad is preparing to close orders for 38,000 tons of rails, of which the C. F. & I. is expected to get a sizable portion.

Authoritative steel-industry reviews show that railroad buying for the year is not yet entirely completed and that some further orders are possible.

The C. F. & I. rail mill, which began operations January 7, has switched to a 6-day week to increase its production and is expected to continue its current run well into the summer.

[From the Reading (Pa.) Times of Feb. 18, 1936]

BUSINESS IMPROVING HERE, SAYS CHAMBER OF COMMERCE SECRETARY

"Business in Reading is better than at this time last year and is improving rapidly," was the statement by Edward R. Hintz, secretary, the chamber of commerce, last night. "Prospects point to even better things. The lull in hosiery manufacturing is nearly over; new industries have come to Reading, and others have expanded their operations remarkably. These facts, coupled with prospect of early dividends from closed banks and the bonus funds which will be distributed, should make 1936 an impressive year for the merchants of Reading and Berks County."

[From the Cleveland (Ohio) Plain Dealer of Feb. 20, 1936]

RAILROADS LOOKING UP

A couple of years ago it was hard to make a railroad man smile when he looked at anything connected with his business. It is doubtful if any major industry was harder hit by the depression than were the railroads. Their sad state led professional pessimists to predict that the roads were doomed to suffer the fate of stagecoaches and canals and pass into history as an out-moded form of transportation. This was one of the many dire prophecies which didn't pan out.

Now the Association of American Railroads, reporting on 1935 operations, tells a striking story of recovery. Net operating revenue was $500,071,924 against the 1932 low of $326,000,000. This brings the roads back to approximately the 1931 level. There was a 7.4-percent gain compared with 1934, and for December 1935 the comparison with the previous year was even better.

This consistent recovery by an industry which faces keen competition from newer forms of transportation, such as trucks, busses, private autos, and airplanes, testifies to the skill with which railroad management has met adverse conditions.

It also shows that railroad executives, though they may have been pretty blue 2 years ago, did not lose faith. Their confidence was justified. Now they are demonstrating the same sort of faith by ordering much new equipment. It is railroad business which is now pushing up steel production. New locomotives, freight and passenger cars, and rails for many miles of track, where maintenance work had been sharply cut in depression years, are all tangible proof that the men behind the railroads are not afraid of America's future.

[From the New York Evening Post of Feb. 20, 1936]

BUSINESS GAINS IN MANY LINES

The equipment-buying move of the railroads received additional impetus today as more carriers applied to the Interstate Commerce Commission for permission to spend millions of dollars for new rolling stock.

The Western Pacific asked for authority to spend $3,900,000 for new cars and deferred maintenance, and the Lehigh Valley was authorized to spend $2,082,000 for coal cars.

January production of polished plate glass by members of the Plate Glass Manufacturers of America totaled 17,275,632 square feet, the largest output of any month on record. The previous high was 16,998,914 square feet in April 1935.

The American Bridge Co. subsidiary of United States Steel has received orders for 12,000 tons of structural steel this week. Bethlehem Steel is receiving substantial orders, and Consolidated Steel has been awarded the tonnage for a Los Angeles water district project.

January sales of 28 chain stores gained 8.08 percent over the corresponding period a year ago, the aggregate being $165,806,000, against $153,414,248, according to a compilation of Merrill, Lynch & Co. A shoe chain showed a gain of 18.82 percent, and six grocery chains gained 10.97 percent.

Domestic business of the Addressograph-Multigraph Corporation in January exceeded the average monthly sales of the last 6 years and window-shade and shade-roller manufacturers throughout the country are planning expansion and promotion of their business through the Window Shade Institute, in anticipation of a definite upswing in construction lines.

[From the New York Herald Tribune of Feb. 21, 1936]

BANK CLEARINGS INCREASE 7.5 PERCENT OVER YEAR AGO

Bank clearings in the United States in the week ended February 19 totaled $5,647,394,000, compared with $5,255,517,000 in the similar 1935 week, an increase of 7.5 percent, according to Dun & Bradstreet, Inc. Clearings have shown an increase over a year ago for the last 3 weeks.

Bank clearings in New York City totaled $3,654,583,000, compared with $3,455,459,000 in the similar 1935 week, an increase of 5.8 percent. The total for outside centers was $1,992,811,000, compared with $1,800,058,000, an increase of 10.7 percent.

[From the New York Herald Tribune of Feb. 21, 1936]

SALES INCREASE IN WORSTED AND WOOLEN FABRICS—PRICES LIKELY TO REMAIN UP AS MILLS REPORT LARGE FORWARD ORDERS AT HAND

Woolen and worsted fabrics and articles of clothing made from them moved in large volume in both the wholesale and retail markets during the last week, the New York Wool Top Exchange Service stated yesterday. The organization also reported that with prices of the raw material firm to higher in domestic and foreign markets, and with mills operating at a high rate with large forward orders on their books, prices of wool goods are still tending upward.

Business on men's wear fall suitings and overcoatings registered further gains during the week, as clothing manufacturers placed contracts and specifications covering their needs for 3 to 4 months, the Exchange Service said.

"Prices tended higher, paralleling the recent advances on raw wool and reflecting the scanty stocks of the fiber available for spot delivery to mills," the service said. "Some mills have sold up production for 8 to 10 weeks despite the fact that their lines will not be ready for formal showing until next week.

"Buying of women's-wear fabrics was quite active, but sales were not so large as those recorded in recent weeks, because of inclement weather over a large section of the country. Mills are well provided for business and look for a sharp upturn in sales in the next few weeks.

"Although considerable business has already been done in spring wear, it is estimated that at least 60 percent of the volume has yet to be written. Flannels last week continued to sell in large volume, and it was indicated that the present price of 92½ cents for standard grades may be withdrawn shortly because of the rise in raw materials.

"Sales of wool products at retail in the last few weeks were the heaviest in some time. Stores last week continued to move stocks of wool underwear, socks, sweaters, and other cold-weather attire. In many sections of the country retailers ran out of merchandise and were unable to secure replacements.

"Meanwhile overcoatings and ski suitings sold in large volume at wholesale at steadily advancing prices. Prices on overcoatings are about 50 cents a yard higher on the average than they were a year ago. Mills' unfilled orders for wool goods at present are estimated at about 50,000,000 yards, or the equivalent of 12 weeks' production. Mills continue to operate at an active rate and pay rolls continue large."

[From the Peoria (Ill.) Journal of Feb. 18, 1936]

RECORD CATTLE RECEIPTS HERE—IMPROVED CONDITIONS GIVEN AS CAUSE

All records for cattle receipts at the stockyards here were shattered yesterday when more than 800 head arrived on the market.

SETS 80-YEAR MARK

"The receipts of cattle here Monday were the largest in the 80-year history of the local stockyards," Mr. Booth said. "More than 800 head of cattle arrived, practically all by truck.

"The Peoria market is second to none in the Midwest. Prices paid are equal to those at any market in the Midwest, quality considered.

"More farmers in Illinois and Iowa are finding that prices paid here are on parity with those of any market; that the covered sheds with good running water and feeding troughs give the most modern handling facilities, insuring less loss by shrinkage and less expense otherwise in handling."

[From the New York World-Telegram of Feb. 20, 1936]

Headline: "Structural Orders for Steel Increase—Steel Corporation Units and Bethlehem Book Business."

[From the New York Herald Tribune of Feb. 21, 1936]

RADIO CORPORATION NET RISES IN 1935 TO $5,126,873—INCREASE OF $877,609 IN PROFIT OVER 1934 SHOWN; ALL DEBENTURES REDEEMED

The annual report of the Radio Corporation of America, being mailed to stockholders today, shows net profit for 1935 of $5,126,873. This compares with net profit of $4,249,264 for 1934, an increase of $877,609. Each quarter of 1935 showed a gain over the corresponding quarter of the previous year.

[From the New York Herald Tribune of Feb. 21, 1936]

THE RAILROADS AND BUSINESS

The class I railroads of the United States last year earned their largest net operating income since 1931. The figure, $500,071,934, compares with $465,688,586 in 1934, $474,247,451 in 1933, and $326,298,000 in 1932. The 1931 net operating income was $525,628,000.

[From the New York Herald Tribune of Feb. 21, 1936]

SALES INCREASE OF 117 PERCENT REPORTED FOR HUDSON CARS—RISING DEMAND SHOWN IN NATION, SALES FORCE IS TOLD

Announcement of sales increase of 117 percent in the national territory and 86 percent in the local, for the new model period over a similar period last year, was made by C. C. Beeching, assistant sales manager, Hudson Motor Car Co., at a meeting of Hudson and Terraplane distributors in the New York zone at the Pennsylvania yesterday. F. D. Turrill, zone manager, presided.

Mr. Beeching represented the factory with M. M. Roberts, sales promotion manager, and G. F. Norfolk, of the engineering staff.

Forecasts of business gains were made by Mr. Beeching, who recently completed a Nation-wide survey. He predicted further sales increase for Hudson and Terraplane cars.

[From the New York Evening Post of Feb. 20, 1936]

CLEARINGS RISE 7½ PERCENT OVER 1935—ALSO SHOW $1,300,000,000 GAIN OVER FIGURES OF WEEK BEFORE

Bank clearings in the third week in February showed a gain of 7½ percent over the corresponding period in 1935.

The total for the week ended yesterday was $5,647,394,000, as compared with $5,255,517,000 a year ago.

Clearings at New York City were $3,654,583,000, or 5.8 percent above last year's, while the aggregate for centers outside of New York, of $1,992,811,000, rose 10.7 percent above the $1,800,058,000 reported in 1935.

[From the Peoria (Ill.) Star of Feb. 19, 1936]

PEORIA'S GREATEST INDUSTRY

Everyone hereabouts knows something in general about the Caterpillar Tractor Co., where the gigantic plant is located, etc., but very few probably have any real conception of the magnitude of this great industry and just what it means to the progressive city of Peoria.

B. C. Heacock, the president, has just issued the 1935 annual report recording some highly interesting statistical information. The corporation set a new peak in employment with more than 9,000 men on its pay roll today, and representing a 50-percent increase over the preceding year.

It paid out $11,224,635 in wages during the year, and practically all of this gigantic sum was spent with Peoria merchants. In addition, the company spent $1,750,000 locally, to say nothing of freight and taxes paid.

It has assumed world leadership in the manufacture of Diesel engines, total production of which is nearing the 12,000 mark. Figures show that during the year it made more Diesels than its two leading competitors combined.

The immense number of employees shows that a large percentage of the population is directly or indirectly supported by Peoria's giant industry. More than this, good wages, and comforts of workingmen have been instrumental in maintaining a happy family. The company visions still further expansions. It distributed $2 per share to stockholders, retaining a third of income for greater business requirements looked for this year.

Every Peorian should be highly gratified at what Caterpillar has done and still is doing for Peoria, and it is indeed fortunate that the outlook is for an even greater business during 1936.

[From the Bismarck (N. Dak.) Tribune of Feb. 15, 1936]

AIDING RECOVERY

Answering the question, "How's business?", Merle Thorpe, editor of the Nation's Business, recently pointed out that the various charts and statistics merely represent the sum total of all the business transactions in the country during a given time or in a given field. Thus bank debits, for example, are important only as a means of measuring money paid and received, and they, in turn, mean merely the exercise of judgment by countless individuals in their daily transactions.

Everyone looks forward to 1936 as a good business year, yet that will be so only if the sum total of American activity is directed toward that end. There is no such thing as a general advance except as it may be the result of many individual advances.

In view of this fact it is interesting to note the estimate by the American Iron and Steel Institute that the steel industry will spend $200,000,000 in modernization and plant improvements this year, and the further fact that when the money has been spent there will be no increase in the Nation's total capacity for steel manufacture. The difference will be that the product from the modernized mills will be better and the cost of operation will be less.

Thus, the steel makers are taking the lead in the development of heavy industry, the resuscitation of which has long been regarded as a prerequisite to normal business.

[From the Reno (Nev.) Journal of Feb. 16, 1936]

PROGRESSIVE ADVANCE IN FEBRUARY BUSINESS

Progressive retail-trade movements are marking business conditions in February following a slight recession in January. The most recent weekly review shows retail business up 6 to 11 percent over the comparative period a year ago.

This record has been made in the face of the severe cold wave and adverse weather conditions that have enveloped most of the country during the past 2 or 3 weeks, with only intermittent let-ups.

There is only encouragement to be seen in the situation, however, in spite of the G. O. P. political bogeymen.

RURAL ELECTRIFICATION

The Senate resumed the consideration of the bill (S. 3483) to provide for rural electrification, and for other purposes.

Mr. NORRIS. Mr. President, I think I shall not go into many matters I had intended to discuss unless there are some questions which shall lead me into such discussion. As a general proposition rural electrification in the United States is behind that of almost all other civilized countries in the world. For instance, New Zealand is a comparatively new country, and yet there the average use of electricity is high considering the almost complete lack of industrial load. That is an important thing for us to take into consideration. New Zealand is a country which has but a small

industrial load for electricity. The national average for each customer is about 2,000 kilowatt-hours per year.

In 1935 in New Zealand over 30,000 sheep-shearing machines were in use and 29,000 motors for various other agricultural purposes. Practically all the water power in that country and nearly all the power plants are publicly owned. Most of the generating plants are owned by the Dominion itself. The distribution systems are in the hands of power boards and municipalities.

There is no doubt that the widespread use of electricity in New Zealand has contributed considerably to the economic soundness of the country and to its quick recovery from the depression. New Zealand's agricultural population enjoys a high standard of living and is relieved to a great extent from the hard manual labor of former years. New Zealand has a density of population a great deal less than that of the State of New York, for instance, and yet the electrification of rural homes in New Zealand is far ahead of the electrification of farm homes in the State of New York.

The mainland of Australia, covering an area almost as large as the United States, but with a population only one-twentieth as large, is in a peculiarly unfavorable position to promote the electrification of farms. The average density of the population is two people per square mile. While there are considerable areas of sandy deserts, yet there are also great stretches of inhabited country where the people are too widely scattered to be reached by the distribution lines. There is, however, a keen interest in rural electrification. The commissions of Victoria and New South Wales are working actively in extending rural electrical service. Plans are being considered by the Government of New South Wales for the establishment of a system of interconnected transmission lines similar to that of England. The examples of Ontario, New Zealand, Tasmania, and the Australian states are of particular value because of their general resemblance to other English-speaking countries, including our own.

Japan, for instance, where the standard of living is very low, is almost universally supplied with electricity. In the case of Japan it is most always in the form of a grant from the government itself. I think in Japan two-thirds of the amount used is through a national grant.

As I said, I am not going to discuss the electrification of farm homes in the other countries of the world because I believe it is unnecessary. It is a fact, however, that all over the civilized world rural electrification is being taken up by practically every government. They vary very widely in the way they approach the subject. In some places the work is carried on entirely by grants, in some places partially so, and in some places there is no grant. In certain countries it is carried on mostly through privately owned companies and in others almost universally by the government. Switzerland, for instance, is practically 100 percent electrified from the railroads down. In that case it is all done by the government. In Ontario, Canada, where the density of population is not nearly equal to ours, the government grants a subsidy to farm lines.

It grants no subsidy to any municipality or to any other line, but, as I understand their law, the subsidy provides for the payment of one-half of the construction of the rural transmission lines.

It is fair on the subject generally of rural electrification to say that the United States is far behind other countries similarly situated. As I said yesterday, there is a general feeling among the rural population of the United States that some steps must be taken in order to electrify the farm homes.

Several questions were asked me yesterday about the organization of the Rural Electrification Administration. I have some figures on the subject which I think may be of interest and may answer some of the questions asked yesterday.

The Rural Electrification Administration is composed of many engineers and many attorneys. Most of the employees, aside from the ordinary bookkeepers, and so forth, are experts in their lines. There is only one official who receives a salary equal to $10,000 a year, and that is the Administrator himself. There is one attorney who gets a salary of $8,000 a year, one engineer who gets a salary of $6,800 a year, another attorney who gets a salary of $6,500 a year, and four other engineers each drawing a salary of $6,000 a year. There are three other attorneys who are drawing salaries of $6,000 a year.

Mr. HASTINGS. Mr. President——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Nebraska yield to the Senator from Delaware?

Mr. NORRIS. I do.

Mr. HASTINGS. Will the Senator tell me from what he is reading? I was not here when he began his remarks.

Mr. NORRIS. I am reading from a report made to me by the Administrator.

Mr. HASTINGS. Of this organization?

Mr. NORRIS. Of the Rural Electrification Administration.

This organization has a system which, so far as I can see, comes very near being perfect in the way of selecting its employees. While they have not been under civil service, no employees have been selected until they have demonstrated their capacity to perform the duties they are going to be called upon to perform.

I have here, if Senators would care to read it, a complete story of the steps which are necessary to be taken in order to secure employment with this organization. There is a manual of instructions on the subject, and there is not anything in it anywhere that I can find but that is of the most efficient kind that can possibly be devised. From my experience with governmental agencies, I have never come in contact with any that has surpassed, so far as I have been able to investigate, the methods this organization uses to get employees.

I should like to call the attention of the Senate to the fact that these engineers, for instance—and they are required to be engineers—must first be men who have a sympathy for the work they are called upon to do. In other words, they are sent out over the country to look over proposed rural organizations. Unless something happens in the investigation to lead to suspicion, or something of the kind, their investigation and their report will be relied upon at headquarters in deciding whether or not a particular loan should be made; and anyone occupying that kind of a position, and who had examined a project, could, if he wished to do so, do great damage through approving loans that should not be approved, and disapproving and disallowing those that ought to be approved.

Some questions have been asked me about the rates and the system that has been used in putting in these projects. I thought I had here a schedule of the rates. I do not put my hand on it right now; but I can state from my own recollection, from reading them, that the rates for the first 100 kilowatt-hours run all the way from $3.50 to a maximum of $6.50, I think. The $3.50 rate is for the first 100 kilowatt-hours. After that, of course, the rate goes down. That is the maximum rate at that place.

Mr. HASTINGS. The Senator is now talking about the present organization?

Mr. NORRIS. The present organization. Those rates are in force in the Tennessee Valley, where cheap electricity can be bought from the T. V. A. Those rates include amortization, interest, maintenance, upkeep, and all the expenses that any well-regulated corporation or institution would take into consideration. This organization does more than the things ordinarily done by private companies when they are fixing rates. The rates include an amortization fee that will pay off the entire principal in time. When that happens, of course, the rates will only be sufficient to amortize the transmission lines, for instance, and to pay for keeping up the entire system in first-class order.

Mr. HASTINGS. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Nebraska further yield to the Senator from Delaware?

Mr. NORRIS. I do.

Mr. HASTINGS. Has the Senator any report as to the rates outside of the Tennessee Valley where this organization has operated?

Mr. NORRIS. Yes.

Mr. HASTINGS. Are those rates greater or less?

Mr. NORRIS. They are greater. As I understand, the maximum rate that any organization has ever been charged, or has charged itself, as they do, has been $6.50 for the first 100 kilowatt-hours. That is the top rate.

Mr. HASTINGS. What power interest furnishes that electricity? Is it a private interest?

Mr. NORRIS. It is both private and public. The plan of the Rural Electrification Administration is to form an organization of farmers sufficient in number so that it will be a self-liquidating proposition, and, if possible, to buy their electricity at wholesale, either from a publicly owned plant in the vicinity or from a privately owned plant in the vicinity.

Mr. HASTINGS. Has the Senator any illustrations showing the practicability of that sort of thing under the present act and under the present administration?

Mr. NORRIS. No; I have not in mind any concrete case. I happen to know, in my own State, some such projects that are now in process of organization; but most of them are getting their power from privately owned generating plants.

Mr. HASTINGS. Does this bill prevent them from doing that?

Mr. NORRIS. Oh, no! As a matter of fact, the private power companies are standing in their own light when the fight legislation of this kind.

Mr. HASTINGS. My question was not asked from that standpoint.

Mr. NORRIS. Oh, no; but the private power companies are opposed to this kind of legislation. They are the only ones I know of that are opposed to it.

Mr. HASTINGS. I am really seeking information.

Mr. NORRIS. I understand that. The Senator's question is perfectly proper. I am not finding fault with it in any way; but, as a matter of fact, when most persons think of a rural rate, they think first of the density of population. The density of population is not a controlling feature. There may be an organization of farmers where the population is dense, and yet it would not be possible to organize a self-liquidating corporation there, because none of them would take enough electricity to make the consumption sufficient to provide for a self-liquidating corporation; and the Rural Electrification Administration never loan any money until they are satisfied that a proposition is self-liquidating. Whether or not money shall be loaned to an organization of this kind depends upon what kind of customers there are, and how much electricity they are going to take. One farm that has all kinds of equipment in the house and all kinds of equipment in the barn, such as motors to fill the silo, to cut the feed, to pump the water, to separate the cream, and a refrigerator and an electric range in the house, is a great deal better customer than one that takes only light. If none of them took anything but light, it is very doubtful whether we could ever make this plan work. So a few customers taking a great deal of electricity are worth much more than many customers taking only a little electricity each.

Mr. HASTINGS. Mr. President, I do not wish to interrupt the Senator, but I should like to ask him another question.

Mr. NORRIS. The Senator does not interrupt me. I am glad to give information if I have it.

Mr. HASTINGS. In the latter part of section 4, the bill provides:

> That all such loans shall be self-liquidating within a period of not to exceed 40 years, and shall bear interest at a rate not to exceed 3 percent per annum.

Does the bill permit the Administrator to loan for a period of 40 years if he is satisfied, for instance, that the material will not last 40 years?

Mr. NORRIS. The material will not last 40 years. The life of the ordinary poles that are used in the transmission lines will be from 20 to 25 years.

Mr. HASTINGS. That is what I have in mind.

Mr. NORRIS. And they will be paid for. The amortization will provide for the upkeep and the payment and the rebuilding of the line entirely within the life of the poles, for instance, notwithstanding the loan may be for a longer or a shorter period.

Mr. HASTINGS. That is, if a loan were made for 40 years, the Senator's idea is that during the 40 years the owners would continue to replace the material that had deteriorated?

Mr. NORRIS. Oh, yes.

Mr. HASTINGS. And at the end of 40 years the line would still be as good as ever?

Mr. NORRIS. It would be as good as it was when it started. That is the idea.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield.

Mr. KING. My experience in the use of electrical appliances, light appliances, and so forth, is that in about 15 to 20 years they become obsolete or obsolescent and have to be replaced. I was wondering how the Government could protect itself with reference to loans made for wiring and for fixtures such as are provided here—plumbing fixtures—if it should give 40 years' time in which to repay the loans, when many of the appliances would cease to be valuable long before that time would elapse.

Mr. NORRIS. The 40-year provision does not apply to a loan on an electric appliance. It applies on the construction of the line. Two kinds of loans may be made. One is for constructing transmission lines, and the other is for purchasing electric appliances and for wiring houses.

Mr. KING. How long may the loan be extended in the latter case?

Mr. NORRIS. I do not know that the bill states, but the theory is that a loan for an appliance will not extend for more than 5 or 6 years.

Mr. KING. I read the bill, though perhaps not as carefully as I should have done, and I saw no distinction between loans for construction and loans for appliances.

Mr. NORRIS. Oh, yes; they are provided for in different sections of the bill.

Mr. KING. I noted that 40 years was the only limitation on loans.

Mr. NORRIS. There is no fixed limitation in the bill for loans on appliances.

This reminds me to say to the Senator that the lending of money for the wiring of houses and the purchase of electrical appliances is nearly as necessary as the lending of money for the construction of lines. The construction of the lines, enabling electricity to reach a community, will be of no value whatever unless those who are to use electric lines have electrical appliances suitable for the consumption of electricity. It will be years, probably it will be 10 years, before all of the homes which start to take electricity will reach the point where they will have all of the electrical appliances which can ordinarily be used in the consumption of electricity, and that means that the load will grow greater all the time.

In Great Britain, where there has not been much of rural electrification, where in 1926, I think it was, they passed a new law and tried to unite the public generating plants and the private generating plants, and succeeded, I think, to a remarkable degree, they are now experimenting with lending money for house wires and for electrical appliances. For instance, where a man does not have sufficient money to pay for an electric range, they will lend a range to him. They are trying various experiments. Some of them are lending ranges for nothing in order to increase the consumption of current by customers through the use of ranges. They are lending money to wire houses for as long as 15 years. We do not expect to go that far here, and over there, when they get through with the experiment, they may not go that far. But they are working on it, experimenting with it.

Mr. STEIWER. Mr. President, will the Senator yield for a question?

Mr. NORRIS. I yield.

Mr. STEIWER. I notice in the committee amendment, among other things referred to, is "acquisition and installation of * * * plumbing appliances."

Mr. NORRIS. Yes.

Mr. STEIWER. Will the Senator explain the reason the committee had for including plumbing appliances in the bill?

Mr. NORRIS. We considered plumbing appliances, for instance, bathtubs—and I think it is the general practice everywhere—practically the same as electrical appliances. For putting in water pipes, and all that sort of thing, the R. E. A. can lend money.

Apparently some Senators did not hear what I said yesterday, and I should like to repeat that, in my judgment, considering these loans generally, they are the best loans in the world. The householder, the dweller in the city and the dweller on the farm, when he once enjoys the blessings and the comforts and sometimes the profits which come from the use of electricity, will give up anything else before he will give up his electricity. We all realize that electricity in the modern home is a necessity, as much as water is a necessity, and whether a man is in the city or in the country, if he has lived without the use of electricity and once has electricity installed, no one is happier or better satisfied than is that individual.

Mr. STEIWER. Mr. President, will the Senator yield further?

Mr. NORRIS. I yield.

Mr. STEIWER. I was merely about to suggest that in the consideration of the National Housing Administration Act the Committee on Banking and Currency and the subcommittee gave considerable attention to the acquisition of certain property in the improvement of homes, including the acquisition of the plumbing facilities. Rather extended hearings were held on the subject, and I think the testimony then taken rather supports the view of the Senator from Nebraska that a loan to a home owner for the acquisition of plumbing facilities and other improvements, even though not otherwise secured, is a loan which may reasonably be expected to be paid. Still, I do not see why plumbing appliances are included in a bill for the electrification of rural homes.

Mr. NORRIS. Of course, we could omit them, but I think it would be a serious omission, because they go with the electrical appliances. For instance, a bathtub in a house is a plumbing fixture. Very likely a farmer would not install one unless he had electricity, and if he installed electricity, that would be one of the things it would lead to. It may not be one of the first things, but eventually, as time went on, bathtubs would follow the installation of electricity in a home. It would be almost inevitable.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. HASTINGS. I think another great advantage to the farmer is that the fire hazard is lessened when he has electricity, particularly when he can use electricity in his barn instead of lanterns, and similar devices.

Mr. NORRIS. Yes; that is true.

Mr. HASTINGS. I do not know whether this is the proper time to inquire, but assuming that the purpose of the bill is a good one, I should like to know whether the results of the effort we have heretofore made, from reports of which the Senator has been reading, indicate that we can use any such huge sum of money as is provided for in the bill. My recollection is that the bill provides a hundred million dollars a year for 10 years.

Mr. NORRIS. Yes.

Mr. HASTINGS. Has the Senator any evidence to show that if such an amount of money is provided for by the Congress that sum, or anything approaching that sum, could be used in this country? I suggest that if he knows he state the amount which has been expended by the present Administrator, and how long that authority has been in effect.

Mr. NORRIS. Mr. President, the Authority has really been putting in these projects for less than a year, and, of course, they had to start with nothing. I have here somewhere a statement of the total amount expended and the total number of projects.

Mr. HASTINGS. Before the Senator begins his reply, may I inquire whether there was before the committee which considered this bill any evidence by the Administrator, showing that there was a possibility of using any such sum?

Mr. NORRIS. No. I said yesterday, and I do not think the Senator was here when I made the statement——

Mr. HASTINGS. No; I was not.

Mr. NORRIS. I stated yesterday that there are some things about the bill which are tentative, and about which I have no direct evidence. The figures to some extent are arbitrary. Last night, after questions had been asked here in the Senate, I had a conference with the general attorney for the administration, and I propounded to him this question: "What about the amount? What is your opinion, from your experience?" He said frankly that he did not think they would or could practically use a hundred million dollars in the coming year. In the years that would follow he thought they would, although that is only an opinion. My idea is—and it, too, is only an opinion—that when electricity is once installed in farmers' homes there will be a greater demand than anyone can possibly estimate now, and perhaps more money can properly be used than we are really thinking about, although a hundred million dollars, the amount I put in the bill, is, of course, an arbitrary sum. There seems to be so many questions about it from Senators who are deeply interested, and who are friendly, but who do not want to make a mistake, and who want to think more about it, that I had thought of suggesting to the Senate today that I have no disposition to crowd the legislation.

I have given the Senate my opinion about the amount. I may be entirely wrong, and it is not unreasonable that Senators should desire to give further thought to the question and make some investigation of it. If Senators feel that way, I shall not object, for instance, if the bill does not lose its place, to have the consideration of it go over and not try to get a vote on it today, in order that Senators may give more thought to the question which the Senator from Delaware has asked me. Many Senators have asked me the same question, and I have told them, and told the Senator from Delaware, all I know about it; that the figure is an arbitrary one, and it may be too large.

Mr. HASTINGS. Mr. President, it seems to me, if I may be permitted to interrupt the Senator again, that we ought to be guided somewhat by what has been done during the past year by the present Administrator. That ought to be some guide to us. We might increase the amount over what he has expended this year upon the assumption that he will spend more next year.

Mr. NORRIS. Oh, he will spend more next year.

Mr. HASTINGS. I suggest, however, that there probably would be a very great difference between what he has expended and what the Senator has written in his bill.

Mr. NORRIS. Yes; there would be.

Mr. HASTINGS. And it seems to me that the Congress, being in session once a year, could meet the extra demands as they might arise.

Mr. NORRIS. I think so. I am not complaining about that, and I was about to read the figures showing how much they had used, when the Senator interrupted me.

Mr. HASTINGS. I am sorry I interrupted.

Mr. NORRIS. I wish to explain, to begin with, that the figures I give hardly present a fair test, because when the work was begun there was no organization. After the organization was perfected, which took 2 or 3 months, it had to deal with an entirely new subject, and there were a great many people in the country who had not thought about it, and some farm leaders had not given it any thought. Most of them had, however. Most of them have been considering it in their associations for several years. Out of that consideration has come a wonderful demand from those associations. I could fill the RECORD with favorable resolutions and letters coming from various kinds of organizations, not all of them farmer organizations. I have a letter

before me from the president of the Federal Farm Bureau, in which he says he is very enthusiastic about the plan. I have not found any unfavorable comment from farm organizations. The feeling is unanimous, so far as I know.

The organization which is now operating, of course, started from nothing. It would hardly be fair to say that the amount of money it spent in the first 6 months should be a good criterion of what they should spend 3 years from now. But I have those figures and they will give us some basis to go on. I desire the Senate to consider them.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. I was interested in the statement just made by the Senator that he believed there would be a great impetus given to this movement for rural electrification by the passage of the pending bill. Is the Senator aware of the fact, and I assume it to be a fact because I saw it stated in one of the daily newspapers of a few days ago which was sent to me this morning by Mr. Cook, that there are today in the United States lines carrying electricity to rural areas, and that only one out of every four of the farmers contiguous to those lines was using electricity and had electrified his home?

Mr. NORRIS. I do not know anything about those figures, but I do know something about that subject, and I can tell the Senator, I think, without any difficulty just why that is. During the last 4 or 5 years I have had my attention called to a large number of farm organizations which tried to get electricity into the homes of their members, and I will tell the Senate what they had to do before we began to help them. The private companies are not now so severe in their requirements as they were formerly. The farm organization had to pay the company enough to build a line. Members of a farm organization perhaps would have to pay $100 apiece or $200 apiece—donate it in fact—to build the line. They paid enough money to build the line, and after they had paid for it the company owned it. That was the reason why there was not so much use for electricity. The rates charged were outrageous, so that a farmer could afford to buy but a very small amount. That is the reason why the electrification of farm homes by private utilities in the past 10 years has been practically a failure. Only the rich farmers could buy electricity. Only in densely populated localities could electricity be used or by rich farmers, to whom the expenditure of ten or fifteen dollars a month meant nothing.

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield.

Mr. LOGAN. I fully agree with the statement which the Senator has just made as to the reasons why there has not been electrification in many of the rural communities. But, referring to the amount which is authorized to be appropriated by the bill, I should like to ask the Senator what difference would it make if the bill should authorize the appropriation of more than can be used? It would make a great difference if we should authorize a sum less than could be used for the benefit of the people. But if it should be more than could be used, would anyone be hurt? So what difference does it make so long as we authorize a sufficient amount of money?

Mr. NORRIS. The Senator, with his usual acuteness, I think, has struck the nail on the head. I said in substance something like that yesterday, only I did not say it so well as the Senator from Kentucky has.

The fact that in this bill we authorize $100,000,000 a year does not mean that we are going to appropriate $100,000,000 a year. Personally, with the knowledge I now have, if we had an appropriation bill before us, and assuming the pending bill had become a law, I would not object, so far as my knowledge goes, if the appropriation were fixed at $50,000,000 for the next year. However, that is an entirely different thing from the authorization. As the Senator says, it would be a sad thing if we did not authorize enough. One objection on a point of order would knock out any amendment to increase it beyond the authorization.

Mr. HASTINGS. Mr. President, will the Senator further yield?

Mr. NORRIS. I yield.

Mr. HASTINGS. I do not agree with the Senator from Kentucky that it does not make any difference. Of course, from the standpoint of the Treasury Department, it does not actually make a difference, but from the standpoint of what the people think about the extravagance of Congress it does make a great deal of difference. It seems to me it will make a very bad impression upon the country if we shall pass this bill which carries with it a billion dollars which the Congress says it is going to expend. I think it would be very much more effective and would have a considerable weight with the country if we should limit that amount to what may actually be needed. I think, while it may be true that we do not need to spend it after we provide for it, authorizing so great an amount of money would have a very serious effect upon the people of the country who are now very much disturbed about the vast sums we are spending.

Mr. NORRIS. Mr. President, I agree entirely with the Senator from Kentucky [Mr. LOGAN]. I do not agree with the Senator from Delaware [Mr. HASTINGS], although I do admit that there are many Senators who do agree with the Senator from Delaware in his statement, and they are afraid of this authorization because of what the possible appropriation might be. And those who are crazy about the Budget and the balancing of the Budget object to the authorization, of course.

Mr. President, I am not afraid of this venture. I cannot say that of every venture which might come along, but I think this is one of the safest ventures we were ever asked to embark upon. It is something which is going to bring peace and happiness and comfort to a class of people now discouraged, now down and out. We ought to do something if we can to make them better satisfied, and I think this measure will have that effect. I think Senators will find, if we pass this bill, that it is going to be one of acts of Congress which will receive the approval of the people of the United States more nearly unanimously than any act we have passed during the last 10 years.

Mr. HASTINGS. Mr. President, will the Senator further yield?

Mr. NORRIS. I yield.

Mr. HASTINGS. I suggest to the Senator that that is not quite in reply to my suggestion.

Mr. NORRIS. No. I did not intend it that way. I did not intend it as a reply.

I started to read certain figures when I was interrupted sometime ago. I have the rates here. On a project in the Tennessee Valley the charge for the first 100 kilowatt-hours is $3.50. I explained why that was the lowest. It is because the farmers in that community get rates from the T. V. A. At another project the rates run from $4.80 to $5.25, with a maximum of $6.60. I stated from memory awhile ago it was $6.50, but it is $6.60. That project is a small one, only 40 miles in length, where the wholesale costs are high and the construction costs are expensive. That accounts for the $6.60. That is the maximum that they have permitted anybody to charge so far.

Mr. HASTINGS. That $6.60, as I understand it, is to provide for amortization and everything else?

Mr. NORRIS. That is my understanding. To provide for everything.

Mr. HASTINGS. When the farmer pays his $6.60 he is paying for the property and the service too?

Mr. NORRIS. He is paying for the property; he is paying for the interest on the debt, amortizing the debt, putting aside a fund that will keep the transmission lines in perfect order, and rebuild it when the time comes when it will be completely deteriorated. The rate I just gave is the rate for the first 100 kilowatt-hours. The rates vary. Such a rate for the first 100 kilowatt-hours, in view of our experience in the use of electricity during the last 10 years, is cheap. It is more than cheap in this instance, because the debt is

being paid off and a foundation is being laid that will ultimately make it much cheaper.

I desire to refer to the money the R. E. A. have used, but first let me refer to a memorandum of Mr. Cooke about what they do in passing on these projects.

R. E. A. can make loans for generating plants.

I asked him specifically about that, because I knew, from the way they were operating, it was very seldom that there was a generating plant involved, and I anticipated that some Senator would ask questions about generating plants. As I stated yesterday, it would not be practicable to construct a farm line somewhere and build a generating plant for it; that would cost too much. A generating plant, to be efficient, would have to be sufficiently large to supply a number of farm lines. That is the point he is answering here.

R. E. A. can make loans for generating plants, but we must be shown conclusively:

(1) That energy is not available from any existing source.
(2) That the proposed generating plant can produce energy at a lower cost than it could be obtained from any other source.
(3) That the output of such plant will be used mainly for supplying energy for use in rural areas.

I have no case in mind, but I anticipate it will sometimes happen that a small town in a rather densely, well-developed agricultural community will have a generating plant which can produce energy in excess of that used by the municipality. In such a case the electricity could be obtained at wholesale rates very cheaply. The R. E. A. will not make a loan unless the generating plant privately owned or municipally owned—it does not make any difference—will agree to supply the electricity at what the R. E. A. knows it can be supplied for, and leave a little profit, though no large profit. On the other hand, in the case of a community having a municipally owned plant, if they have an excess of energy very seldom would they charge an exorbitant rate. They would be getting paid for something they would otherwise lose, and they could afford to sell it at even less than cost and make money because it would all be clear gain.

There might be a case where a small city or village had a generating plant which lacked capacity for its own use and the municipality contemplated putting in an additional unit. If the farmers in the community could be associated in four or five organizations around that town, the municipality would put in additional units mainly for supplying such farm lines, but in addition so to give the town a stand-by position in their own generating plant. In that kind of a case the R. E. A. could loan money to the municipality. It would be a perfectly proper case; one hand would wash the other; it would give the municipality an opportunity to sell its excess electricity. In almost every instance questions come up that do not apply to any other case; the circumstances are entirely different, and the engineers of the R. E. A. have to meet such propositions. They are there to see that the R. E. A. will loan no money unless, as they say, the electricity can be obtained at a price which they know they can afford; otherwise the R. E. A. does not go in, and no money is loaned.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. HASTINGS. Suppose a cooperative association in some county or in two counties or in three counties is formed—I should suppose it would have to be incorporated, though perhaps not——

Mr. NORRIS. It would depend on the laws of the State, I should think, whether it was necessary to incorporate or not.

Mr. HASTINGS. Is it the theory that the cooperative association shall elect its own officers, send the bills to the farmer for electricity, charging him so much, and, after having collected this money from its customers, will pay the generating plant the price agreed upon?

Mr. NORRIS. In general, that states the ordinary situation that would prevail, but I can easily see that this might happen: A small municipality of a few thousand people selling the electricity they have developed which is in excess of their own needs to a farmer line, have their clerks and bookkeepers to keep accounts between the generating system and their customers. The farmers could better afford, and probably would thereby save money, to make use of the clerks who are already employed, but not fully employed, to take care of the customers and the billing and the receipting for money that comes in from the farmer lines. There will, however, always be some means by which the farmers who own the line will collect the money due from their own organization and pay it to the municipality and pay it to the Government and cancel their debt.

I beg pardon of the Senator from Arkansas [Mr. ROBINSON]. I asked him to remain in the Chamber when he was about to leave, and I forgot to complete what I was about to say to him. I had been saying, I will say to the Senator from Arkansas, that many Senators have been asking me mostly about the amount of the authorization in this bill, and I have stated that, of course, the amount put in is more or less arbitrary. I have no disposition to hurry this proposed legislation, but I would not under any consideration enter into any understanding or agreement, if I could keep out of it, by which the bill should lose its place or anything of that kind. I want the bill voted on, but I have no disposition to hurry it unduly. Many Senators have said they would like more time to consider it. I have no disposition to crowd it to a vote today. I understand the Senator from Utah [Mr. KING] wants to make some remarks today.

Mr. KING. Not necessarily today.

Mr. NORRIS. I should like to go on so far as we can, but not to try to complete the bill today. I am not quite sure about it myself.

Mr. ROBINSON. Mr. President, will the Senator yield to me at that point?

Mr. NORRIS. I yield to the Senator from Arkansas.

Mr. ROBINSON. Mr. President, I am convinced that the bill cannot be hastily disposed of and that more consideration should be given to some of its provisions, particularly those which have relation to the authorization.

Yesterday I asked the Senator some questions about the amount of the authorization, the sum being $100,000,000 a year for 10 years. The limited study I have made convinces me that that amount may be very materially reduced, and I should like to have an opportunity of considering the preparation of some amendments. I have already, I think, personally explained to the Senator from Nebraska that I have arranged to be out of the city over the week end, leaving here tonight.

I should like, after the debate today has been concluded—and I am making the statement now in order that the Senator from Nebraska may consider it—to enter into an arrangement by which the further consideration of the bill may be postponed until a day next week and to defer the date sufficiently to enable me, upon my return, to confer with the Senator from Nebraska and other Senators regarding some of the amendments that may be suggested and also to confer with others who are interested in the proposed legislation.

Mr. NORRIS. I will not object to that kind of an arrangement, I will say to the Senator.

Mr. ROBINSON. I thank the Senator.

Mr. NORRIS. I want it understood, however, that there will be no attempt—of course, I do not suppose there will be any such attempt by anyone—to take any action that would displace the bill.

Mr. ROBINSON. My thought would be just to postpone further consideration of the bill until a certain day, with the understanding that on that day we would proceed with its consideration.

Mr. NORRIS. Would it suit the Senator if we postponed it until next Tuesday?

Mr. ROBINSON. I would rather have a little more time. I should say Wednesday or Thursday, preferably Thursday, if that would not inconvenience the Senator from Nebraska.

Mr. NORRIS. Let us have this understanding: At the close of the debate today let us postpone the consideration of the bill until next Wednesday.

Mr. ROBINSON. Very well.

Mr. NORRIS. I assure the Senator that I have no disposition to hurry the measure. I am perfectly willing Senators should have all the time they wish, because I do not want to take snap judgment, even though I could, and I am satisfied further consideration of the bill may result in perhaps some amendments that may improve it.

Mr. ROBINSON. I think I ought to state in this connection that I know the President, who has an interest in the subject matter of this proposed legislation, is anxious to limit the authorization, insofar as that can be done, to such amount as will be necessary, in the opinion of those who are familiar with the matter, to accomplish the purposes in mind. I think there is a probability that some amendments may be agreed upon by reason of the conferences that are to be anticipated when the bill goes over. My understanding is that the Senator desires to proceed with the debate today?

Mr. NORRIS. Yes.

Mr. ROBINSON. And at its conclusion he will either ask for a postponement of the consideration of the bill or agree that I shall do so.

Mr. NORRIS. Very well. With that understanding, let us proceed.

Mr. ROBINSON. Very well.

Mr. NORRIS. Let me finish the reference which was made a while ago to what the present organization has been doing. Up to date line-agreement contracts have been signed on 24 projects located in 16 different States. In addition, allotments have been made on 11 different projects. The total funds disbursed or earmarked for these specific projects in 20 States amount to $7,514,012. More than 22,500 rural customers will be served with electricity for the first time over the 6,000 miles of new lines which will be built with this money.

In addition to the amounts disbursed or earmarked, there are now in the Budget Bureau requests for additional amounts totaling $1,634,500. Mr. Cooke says that he has on his desk, to send to the Budget Bureau, projects totaling $387,200, which makes a grand total of $9,562,712. That is as far as I have information as to what has been done by the present organization, which, I think, has accomplished that much in about 7 months' time, omitting the time it took them to organize.

Mr. President, if the Senator from Utah [Mr. KING] or any other Senator desires to discuss the matter now, I believe I shall have nothing further to say at this time. If there is no further debate, I should like to take up some more or less formal amendments and dispose of them. I do not think there is any disagreement about any amendment thus far.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Oregon?

Mr. NORRIS. I yield.

Mr. McNARY. Does the Senator desire to perfect the bill or wait until next week to do that?

Mr. NORRIS. I desire the formal amendments adopted, some of which have been submitted to the Senator from Oregon. I should like to have them disposed of, unless there are some Senators who wish to debate them.

Mr. ROBINSON. Mr. President, my understanding of the statement made by the Senator from Nebraska is that he desires to dispose of sundry more or less formal amendments now?

Mr. NORRIS. That is correct.

Mr. ROBINSON. And not to deal just now with the material amendments?

Mr. NORRIS. That is correct. I do not know of any such amendments pending. If, however, any amendment should be agreed to today and later any Senator should want to reconsider it, I should not object to reconsidering it.

Mr. McNARY. I called to the attention of the Senator from Nebraska yesterday the removal from the bill of the provision relating to the civil-service laws. The Senator from Nebraska in answer to my criticism stated frankly that he would ask that that language be eliminated. I do not know whether or not he calls that a major amendment.

Mr. NORRIS. Oh, no; I do not think so. I think the other amendment we have agreed on will satisfy everybody that the action to be taken regarding that subject will be perfectly proper. I cannot conceive of anyone objecting.

Mr. McNARY. I think if we are going to take up that amendment, we should have a quorum call, because two or three Members of the Senate have talked to me about it, principally the Senator from Michigan [Mr. COUZENS] and the Senator from Wisconsin [Mr. LA FOLLETTE]. I do not know whether they will want the qualified amendment the Senator is going to propose or whether the language should be left in its present form as suggested yesterday. If the Senator seeks at this moment to take up that amendment for consideration, I should like to have a quorum call.

Mr. NORRIS. The Senator has no objection to taking up the other committee amendments now?

Mr. McNARY. No.

Mr. NORRIS. Would the Senator from Utah [Mr. KING] prefer to address the Senate before we take up these amendments?

Mr. KING. Mr. President, I would prefer to postpone until next week any remarks I have to make upon the bill.

Mr. NORRIS. Then I ask that the bill be read for amendment and that committee amendments be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The clerk will state the first committee amendment.

The first amendment of the Committee on Agriculture and Forestry was, in section 1, on page 1, line 8, before the word "years", to strike out the word "nine" and insert the word "ten", so as to make the section read:

That there is hereby created and established an agency of the United States to be known as the Rural Electrification Administration, all of the powers of which shall be exercised by an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of 10 years, and who shall receive a salary of $10,000 per year. This act may be cited as the "Rural Electrification Act of 1936."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment was, in section 2, on page 2, line 3, before the words "to make", to insert the words "in cooperation with the Federal Power Commission", so as to make the clause read:

In cooperation with the Federal Power Commission to make, or cause to be made, studies, investigations, and reports concerning the condition and progress of the electrification of rural areas in the several States and Territories.

Mr. KING. Mr. President, I should like an explanation of the amendment. With the understanding of the functions of the Federal Power Commission that I have, it seems to me this is an attempt to yoke together two unequal factors, if I may use that expression.

Mr. NORRIS. I think I can make an explanation that will satisfy the Senator. That language was not in the bill originally. The bill was submitted to the Federal Power Commission and, while their reply was favorable, they felt it their duty to call attention to the fact that they are required under the law to do some of the things which this bill proposes to have the R. E. A. do also; for instance:

To make or cause to be made studies, investigations, and reports concerning the condition and progress of the electrification of rural areas in the several States and Territories and to publish information with respect thereto.

That is one of the duties which is also by law put upon the Federal Power Commission. The committee adopted that amendment so as not to have any conflict and to economize and save money by not having the two organizations working against each other when they might be working together.

Mr. KING. Did the Senator read from the Federal Power Act?

Mr. NORRIS. No; I was reading from the bill now before the Senate.

Mr. KING. My recollection of the Federal Power Act—and it is rather imperfect because I have not read it for 2 years—is that it restricts the functions of the Federal Power

Commission to the ascertainment of power to be developed in the United States in areas over which the United States has jurisdiction under the interstate-commerce clause of the Constitution. I do not understand it is their function to inquire into rural electrification or the benefits to be derived therefrom or how rural electrification may be effectuated in any of the States. It seems to me this provision would attribute to the Federal Power Commission authority it does not now possess.

Mr. NORRIS. That is not the intention at all. The Federal Power Commission called attention of the committee to the fact that they have jurisdiction to do some of the things we had proposed to ask the R. E. A. to do. They were not objecting to the bill on that account, but they thought it their duty to call attention to the fact that there are two governmental organizations which, to some extent, would be required to do the same thing. We thought it would relieve the situation entirely if we amended the section by including the words "in cooperation with the Federal Power Commission."

Mr. KING. I should prefer to have the words "in cooperation with the Federal Power Commission" stricken out, or to have inserted a proviso that "nothing in this section shall be so construed as to impinge upon or interfere with any of the authority conferred upon the Federal Power Commission."

Mr. NORRIS. I would not like that language, because that might preclude this organization from doing what they would have to do in order to make a success of the undertaking. The Federal Power Commission do not feel that they are being impinged upon or counted out or interfered with. They did not even object to the bill on that ground, but felt it their duty to call attention to the facts, as I have stated.

Mr. KING. I am afraid I have not made myself clear. The point is that this would imply that there should be cooperation between the two organizations in connection with the making of studies, investigations, and reports concerning the progress of the electrification of rural areas in the several States and Territories. That is not, as I understand, a function of the Federal Power Commission. I have no objection to the Federal Power Commission proceeding under the authority which they now possess, but I should object to any measure which would seem to imply that the Federal Power Commission shall have such power as is inferred in the amendment now under discussion.

Mr. NORRIS. The Senator is afraid this language might give to the Federal Power Commission some authority which it does not now possess?

Mr. KING. Exactly.

Mr. NORRIS. I am satisfied that is not correct; but suppose we let that amendment go over and the Senator may look up the law and read the letter of the Federal Power Commission, which I shall be glad to supply to him.

Mr. KING. I have no objection.

The PRESIDING OFFICER. Without objection, the amendment will be passed over. The clerk will state the next amendment of the committee.

The next amendment was, in section 3, page 2, line 7, after the word "publish", to insert "and disseminate", so as to read:

and to publish and disseminate information with respect thereto.

The amendment was agreed to.

The next amendment was, in section 3, page 2, line 16, after the word "which", to strike out "their rural population" and insert "the number of their farms"; and in line 19, after the word "total", to strike out "rural population" and insert "number of farms", so as to read:

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1937, and for each of the 9 years thereafter, the sum of $100,000,000 for the purpose of making the loans as hereinafter provided. Out of each of such annual appropriations there shall be allotted yearly by the Administrator the sum of $70,000,000 for loans in the several States in the proportion which the number of their farms not then receiving central station electric light and power service bears to the total number of farms of the United States not then receiving such service, etc.

The amendment was agreed to.

The next amendment was, on page 2, line 20, after the word "shall", to strike out "as soon as possible in" and insert "within 90 days after the beginning of", and in line 23, after the word "the", to strike out "rural population" and insert "number of farms", so as to read:

The Administrator shall, within 90 days after the beginning of each fiscal year, determine for each State and for the United States the number of farms not then receiving such service. Out of each of such annual appropriations there shall be available the sum of $30,000,000 for loans in the several States and in the Territories, without apportionment as hereinabove provided, in such amounts for each State and Territory as, in the opinion of the Administrator, may be effectively employed for the purposes of this act: *Provided, however,* That not more than 10 percent of said sum of $30,000,000 may be employed in any one State or in all of the Territories.

The amendment was agreed to.

The next amendment was, on page 3, line 8, after the word "Territories", to insert:

The appropriation for any fiscal year shall be available after the end of such fiscal year for the disbursement of funds on loans, commitments, or agreements to make loans consummated within each fiscal year.

Mr. KING. Mr. President, I should like to inquire of the Senator from Nebraska whether he regards this amendment as necessary, in view of the fact that when the appropriation is made in the annual appropriation bill, such limitations or provisions may be included as may be deemed necessary to carry into effect the purposes of the bill. I was wondering if this language might not somewhat conflict with the provisions that may be found in appropriation bills carrying the annual appropriations.

I suggest that matter to the Senator for his thought. I have no particular objection to the amendment, except that it might be regarded as somewhat of a restraint or restriction upon the Appropriations Committee.

Mr. NORRIS. I think the amendment shows on its face what it is intended to apply to. If a contract should be made and not paid for until another year, it was intended to protect that kind of a contract.

Mr. KING. That should be done. I have no objection to the approval of the amendment with the understanding that if, upon further investigation by the Senator and myself, we feel that there should be some modification, we may recur to the amendment.

Mr. NORRIS. All right; let it be approved with that understanding.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, in section 4, page 3, line 15, after the words "municipalities, and", to strike out "organizations of citizens or farmers, not organized or doing business for profit, but primarily for the purpose of supplying electricity to their own citizens or members" and to insert "private cooperative, nonprofit, or limited-dividend corporations and associations organized under the laws of any State or Territory of the United States", so as to read:

SEC. 4. The Administrator is authorized and empowered, from the sums hereinbefore authorized to be appropriated, to make loans to States, Territories, and subdivisions and agencies thereof, municipalities, and private cooperative, nonprofit, or limited-dividend corporations and associations organized under the laws of any State or Territory of the United States, etc.

Mr. NORRIS. Mr. President, in the language proposed to be inserted by this amendment, I move to strike out the word "private."

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. OVERTON. I understand section 4 of the bill as it is proposed to be amended to restrict the authority of the Administrator to make loans to private or to cooperative nonprofit corporations. As I understand, the Senator from Nebraska has just moved to strike out the word "private."

Mr. NORRIS. Yes.

Mr. OVERTON. Then that would restrict the authority of the Administrator to make loans to—

Cooperative, nonprofit, or limited-dividend corporations and associations organized under the laws of any State or Territory of the United States for the purpose of financing the construction and operation of generating plants, electric transmission and

distribution lines, or systems for the furnishing of electric energy to persons in rural areas who are not receiving central-station service.

The Senator from Nebraska may have explained that section when I was not present in the Chamber; but it has occurred to me, offhand, that the customers of these corporations that are to furnish electric energy in rural areas would be very limited. The Administrator may make loans only to corporations that are going to furnish electric current to persons who are not receiving current in rural areas. It has occurred to me that there would not be sufficient patronage for such a corporation to justify its existence and the conduct of business by it; and it might be best to authorize the Administrator to make loans to any corporation engaged in generating and transmitting electric energy for the purpose of supplying electric current to persons in rural areas who are not being furnished with the current, with such limitations and restrictions as to the prices to be charged, and with such conditions in respect to the service to be given, as will best subserve the interests of the people in the rural areas and carry out the purpose of the bill.

Mr. NORRIS. The loans will be made to farm organizations, cooperative, nonprofit, or limited-dividend corporations. The loans will not be made to a private generating plant that might supply such corporations with electricity, because there is no use of a loan under such conditions. For instance, if a private corporation owning a generating plant were going to supply electricity to this kind of an organization, the loan would be made to the organization to build and construct the line. The corporation supplying the electricity would not have to build any line, and they would not build any line. They would not invest any money. It would be useless to make them a loan.

Mr. OVERTON. The loans, as I understand, are to be made to the corporations for the purpose of generating electric power and transmitting electric power into rural areas.

Mr. NORRIS. They might be.

Mr. OVERTON. But, under the provisions of the bill, their powers to furnish current in these rural areas are restricted not only to the rural areas but to persons who are not receiving current in the rural areas. That is quite a limitation on the patronage of such a company, to such an extent that it occurs to me that it is very doubtful that a company would be organized for the purpose of generating and furnishing current to such a restricted class of patrons and customers.

Mr. NORRIS. It probably would not be done, as experience has shown there is little likelihood of one of the corporations mentioned in this amendment building a generating plant. It would not happen except in very exceptional cases. The corporations would buy their electricity from an existing generating plant. They would borrow the money to build the transmission lines. That might not take one-tenth of the generating capacity of the generating system.

Mr. OVERTON. If I may interrupt the Senator, the advantage of that arrangement would depend largely on the price which the private corporation would pay this quasi-public corporation for the electric current it would furnish.

Mr. NORRIS. Of course, if a contract were not made by which that current could be bought at a figure which would permit the corporation to be self-liquidating, the Administrator would not loan any money to it.

Mr. OVERTON. Of course, I am in sympathy with the bill, and I was propounding these questions to the Senator in order to clear up the matters referred to in the questions.

Mr. NORRIS. This provision went in because the Rural Electrification Administration have to operate in practically all the States of the Union, and in doing so they do not find any two States which are exactly alike. This provision was intended to meet that situation better, they thought, than the language already in the bill.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. I am not clear that I correctly understood the question of the Senator from Louisiana. As I interpreted his statement, it was that under the bill as he would have it, if not under the bill as it is before us, he would favor authority for corporations to be formed to furnish electric energy and lighting facilities to rural districts that do not now have them, and give to such corporations so formed such authority and such power as would enable them to go into regions contiguous thereto, where there now are ample lighting facilities, and compete with the existing organizations which furnish light to those sections. Does the Senator favor that view?

Mr. OVERTON. Mr. President, if the Senator from Nebraska will yield, in answer to the Senator from Utah I cannot say that that is my view. What I was trying to ascertain from the Senator in charge of the bill, however, was whether he had given consideration to the very limited number of patrons who could utilize the provisions of this bill as section 4 is presently drafted.

I cannot say that I am in favor of the Government's creating corporations to go into the general utility business all over the United States, but it did occur to me offhand that it might be more practical and feasible to authorize the administrator to lend, to any company that is generating and transmitting electric current, funds that might be used in supplying rural areas which are not now being supplied with electric current.

Mr. NORRIS. The bill does not authorize, as I understand—I should not want it to authorize—the loaning of public money to a private corporation generating electricity, even though they were going to send it out into the country. It is useless for the Government to do that. The world is now open to all these companies, and has been for 25 years. They can get all the money they desire to increase either their generating capacity or their transmission systems.

Mr. OVERTON. But, if the Senator will pardon me, they cannot get it at such a low rate of interest as the bill contemplates.

Mr. NORRIS. No.

Mr. OVERTON. If they could get it at the low rate of interest and under the advantages contemplated by this bill, they could extend their transmission lines into areas that are not now being furnished with electric energy.

Mr. NORRIS. Mr. President, judging from my experience and, I think, from the experience of the country, the big power systems which have been holding up rural electrification ever since they had a grip on the country are in no position now to come to the Government of the United States and ask it to loan them money at 3 percent to go into investments for the purpose of making some more money.

It is not the idea that any of these organizations will make a dollar. I would not be here advocating this bill if that were the purpose. It is not to enable anyone to make money out of these public funds, but to get the benefit of electricity and its comforts to people who do not now have those benefits. There is not going to be any profit making out of this.

Mr. KING. Mr. President, I may say to the Senator from Louisiana that the figures indicate a remarkable development in the production of electrical energy in the United States, as well as in other countries, and the figures also show that from 1882 the average cost in cents per kilowatt hour has been reduced from 25 cents to 5.39 cents in the United States.

As I stated to the Senator from Nebraska a few moments ago, an examination of the facts shows that in many sections of the United States, in the rural districts, where there are many inhabitants who do not have electric lights within their homes, three out of every four have an opportunity to have electricity when they do not have it. In other words, there are many lines carrying electricity through rural districts, and the power is adequate to meet all demands, but only one out of every four in the districts I have in mind—and they are districts which would be provided for under the bill—avail themselves of the opportunity to obtain electric power. So that many of the rural districts where there are thousands of homes which are not electrically lighted might be electrically lighted if the people would avail themselves of the facilities at their doors.

Mr. OVERTON. Mr. President, will the Senator from Nebraska yield to me again?

Mr. NORRIS. I yield.

Mr. OVERTON. The Senator from Utah has developed the thought I had in mind in a much better way than I could have developed it. He brings out very graphically that power lines owned by private corporations, which have transmission lines going through rural districts, are not furnishing the people in the rural districts with electric power and energy and light, for the reason that the people are not contracting for it.

Mr. NORRIS. Because the companies are asking too much money for it.

Mr. OVERTON. The reason is that the price they have to pay is too great.

Mr. NORRIS. Exactly.

Mr. OVERTON. What I had in mind was this: If the bill should authorize the Administrator to lend to such a company funds not to be used generally in the conduct of its business but to be used solely in supplying persons in rural areas who are not being supplied with electric current, and supplying them with the advantages of electric energy, it would be perhaps much more helpful than to restrict the power of the Administrator to lend money to corporations which would have to be formed to generate and supply current to rural communities, because the cost of organizing such a company, and the cost of building the plant would be prohibitive, and they would not be in as good a position as a company already organized, having its transmission lines running through the sections to supply the people with current. Does the Senator from Nebraska catch my thought?

Mr. NORRIS. I do; but I do not agree with the Senator. The Senator from Louisiana and the Senator from Utah would advocate, as I understand, the lending of money to private generating corporations which are now operating if the companies would agree to build lines into the country and supply the people.

Mr. KING. Mr. President, will the Senatcr yield?

Mr. NORRIS. I yield.

Mr. KING. I hope the Senator does not include me in that category, because I should be very much opposed to that.

Mr. NORRIS. I am opposed to it; and I am very glad to hear the Senator make that statement.

Mr. KING. I am opposed to the Federal Government's going into the power business or lending money for the purpose of generating electricity.

Mr. NORRIS. Private corporations which have their lines running along farms and which are not supplying farmers in the communities are nothing new. That condition has existed for years, and the farmers on bended knees have been before the great corporations asking them to put in these rural lines. The companies have sometimes installed them, but under conditions which were so exacting that the ordinary farmer who did not have an income outside of the income from his farm could not afford to pay the prices charged. I have said today once before, probably when the Senator was not in the Chamber, that in many instances they have required the farmers to pay enough money to build the entire line, and after they built it, and the farmers did not own it, they then had to pay rates which would return to the owners of the property, the power company, an amount of money sufficient to give them a return on the investment which the farmer himself had made.

The bill before us does not provide that we shall lend money to a private corporation in order to build lines for the purpose of making more money for themselves; and, frankly, I would not favor such a provision.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McNARY. Mr. President, at this point I might recall the attention of the Senator from Nebraska to the statement I made yesterday, and my suggestion in connection with people's utility districts in my State. My suggestion was that on line 15, page 3, after the word "municipalities", we insert the words "people's utility districts." Such an amendment would meet a situation peculiar to the State of Oregon, where, under statute, the farmers are permitted to organize in groups under this designation. I am sure the power is included in the word "municipalities", but in order to assure the farmers of that western section of the country, I am simply asking that this designation be put into the bill, because it is carried in a recent statute of my State.

The PRESIDING OFFICER. Is there objection to the amendment being considered at this time?

Mr. NORRIS. Mr. President, let me ask the Senator a question, so that his reply will be in the RECORD. I agree with the Senator that the amendment is unnecessary, but I see no objection to it, if I understand it. The particular language is contained in a statute passed by the legislature of the Senator's State?

Mr. McNARY. Yes.

Mr. NORRIS. It applies only to public utilities, not to privately owned corporations?

Mr. McNARY. Oh, no.

Mr. NORRIS. It does not apply to utilities out of which a profit can be made.

Mr. McNARY. Not at all.

Mr. NORRIS. I have no objection to the amendment.

Mr. KING. Mr. President, I should like to inquire of the Senator whether it is his understanding or expectation that States and cities will borrow money from the Federal Government for the purpose of erecting public generating plants?

Mr. NORRIS. I doubt very much if that will be done. I do not think even municipalities will do so very often. It will be the subdivisions. If there is any such thing, there will be very little of it.

Mr. KING. I may say to the Senator that it has been my intention, when individual amendments to the bill may be offered, rather than amendments submitted by the committee, to move to strike out the words "States, Territories, and subdivisions and agencies thereof, municipalities", so that it would read "make loans to private cooperative, nonprofit or limited-dividend corporations", and so forth, including the organizations referred to by the Senator.

Mr. NORRIS. I am sorry the Senator intends to offer the amendment. I shall, of course, oppose it.

The PRESIDING OFFICER. Is there objection to the proposed amendment of the Senator from Oregon [Mr. McNARY]?

Mr. KING. With the understanding, Mr. President, that it will not interfere with the amendment which I shall offer, I have no objection.

Mr. NORRIS. No; the amendment of which the Senator has spoken will not interfere with the amendment offered by the Senator from Oregon.

Mr. KING. I have no objection.

Mr. McNARY. Will the clerk state the amendment I have offered?

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, line 15, after the word "municipalities" and the comma, it is proposed to insert "people's utility districts."

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, in section 4, page 3, line 22, after the word "construction", to strike out "of generating plants and", and to insert in lieu thereof "and operation of generating plants"; in line 24, after the words "energy to", to insert "persons in"; and in line 24, after the word "areas", to insert "who are", so as to read:

for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems for the furnishing of electric energy to persons in rural areas who are not receiving central station service.

The amendment was agreed to.

The next amendment was, in the same section, on page 3, line 25, after the word "service" and the period, to strike out "Such loans shall be self-liquidating within a period of not to exceed 40 years, shall bear interest at a rate not to exceed 3 percent per annum, and shall be payable out of income" and to insert in lieu thereof the following:

Such loans shall be on such terms and conditions relating to the expenditure of the moneys loaned and the security therefor as the Administrator shall determine: *Provided, however,* That all such loans shall be self-liquidating within a period of not to exceed 40 years, and shall bear interest at a rate not to exceed 3 percent per annum.

Mr. NORRIS. Mr. President, I desire to offer an amendment to the committee amendment.

On page 4, line 6, after the word "determine", I move to insert "and may be made payable in whole or in part out of income."

Mr. KING. May I inquire of the Senator the purpose of that amendment? Does he assume that without those words the loans must be paid from capital or from assessments?

Mr. NORRIS. I will say to the Senator that I offer the amendment only as a precaution. Personally, I hardly believe it is necessary; but the language stricken out provides for the payment out of income, and it was feared that striking out that language might make it mean that payment could not be made in any other way, and there might be a case where the borrower would have some other means of paying. A doubt was raised that payment could be made out of income under the committee amendment. So, as a matter of extra precaution, I wish to put in that language.

Mr. KING. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. NORRIS] to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

Mr. KING. Mr. President, I was willing to have the amendment just tendered by the Senator from Nebraska agreed to; but I have an amendment to offer to the committee amendment. In line 8, page 4, I move to strike out "forty" and insert in lieu thereof "twenty."

Mr. President, it seems to me that in view of, I may say, the fragility of the appliances which are placed in the homes, the fact that they deteriorate so quickly, perhaps in some 15 or 20 years, the lighting fixtures——

Mr. NORRIS. This amendment does not apply to them. It has no application to home fixtures and appliances.

Mr. KING. It applies only to the transmission lines?

Mr. NORRIS Yes.

Mr. KING. May I ask the Senator if he does not think 40 years is too long a time?

Mr. NORRIS. It may be. That is another proposition which is more or less arbitrary. I have talked it over with a great many people and have talked it over with officials of the R. E. A., and have suggested to them that I thought there would be an attempt made to make the time 20 years instead of 40 years. Of course they agreed that any time fixed would be more or less arbitrary, but they said they would very much dislike to see the time made 20 years. They concede, of course, that the Senate can make the time anything it pleases; and if it were cut down from 40 to 20 years, it would not be a handicap. I call the Senate's attention, however, to the fact that if the loan expires at the end of the life of the material, when it will have to be renewed, it will deprive the organization at some times of some working capital. If the loan should be left at 40 years and the depreciation account should provide for the replacement of the system in 20 years, collections would be made on the loan which would be in the hands of the organization for a longer period than if the loan itself expired at that time.

I do not think I should have any objection if the Senator should move to strike out "forty" and insert "thirty."

Mr. KING. I move to strike out "forty" and insert "twenty-five." I will ask my friend from Washington [Mr. BONE] to give us his view on that question, as I regard him as an expert on the subject.

The PRESIDING OFFICER. Is there objection to the amendment to the committee amendment?

Mr. NORRIS. Yes, Mr. President; there is an objection pending.

Mr. KING. I should like the Senator from Washington [Mr. BONE] to give his views as to depreciation and obsolescence.

Mr. BONE. Mr. President, I should not want to qualify as an expert in such matters, although I have represented a great many mutual companies and groups which are interested in the power business. I think much would depend upon the climate as to the length of life of poles. It may run anywhere from 18 years to possibly, at the outside, 30 years where poles are heavily creosoted.

I was much interested in the comment indulged in by Senators as to amortizing the capital. I do not care to take issue with anyone on the subject, but I really feel that 40 years is a pretty long time; and I was about to ask the Senator from Nebraska, at the time the Senator from Utah asked me to say something about this matter, whether he does not think it would be wise to have in the bill a provision requiring the setting up of an obsolescence or depreciation fund on the system, and require that by statute, so that along with the necessity of amortizing the capital these systems might be required by statute to set up an obsolescence fund, because they will have to do that in any event.

Mr. NORRIS. I was interrupted and I did not hear all that the Senator said.

Mr. BONE. I will propound one question to the Senator. I was wondering whether it would not be desirable—I think the Senator will agree with me—if it were a requirement of the bill that any of the little companies or municipal groups that take up one of these loans should be required to set up a proper depreciation or obsolescence fund.

Mr. NORRIS. I should not have any objection to an amendment which required that. The bill does not, because I have gone on the assumption that the organization is going to do that. In fact, I do not see how they can carry out the provisions of the bill unless they do; but I have no objection to an amendment which will make that requirement a positive one.

Mr. BONE. I was thinking, perhaps, of some general language that would require, as a condition precedent to the loan, that the outfit securing the loan should set up a proper element of depreciation and obsolescence, and make collection for it.

Mr. NORRIS. I have no objection to that.

Mr. BONE. As to the length of life of a pole line, I think a great deal would depend on the climate in which the line was built. In some more rigorous climates and in some warm climates poles would not last as long as in other places. It is pretty hard to say what the average life of a pole line might be, but I think 30 years would be the extreme life.

Mr. NORRIS. The Senator, as I see the matter, has an erroneous idea of what we are trying to do here. This provision does not mean that the loan must expire at the time the poles lose their efficiency. Those are entirely different things. In fact, it would be an impossibility. We could not make a loan and say, "This loan will be amortized so that it will be paid at the time the pole rots off." As the Senator says, a pole will rot off in one community at a certain time and the same kind of pole will rot off in another community at another time. The poles will not all be alike.

I hope Senators will not get in their minds the idea that the loan agreements must expire at the same time that the poles in the line lose their usefulness. Depreciation will be set up, and new lines will be built; and the loan may extend over any length of time, regardless of the life of the poles carrying the transmission line.

Mr. BONE. Under the bill, at the end of 20 years 60 percent of the loan would have been amortized?

Mr. NORRIS. Yes.

Mr. BONE. I suggested the obsolescence and depreciation factor only because the companies naturally would wish fully

to fortify and protect themselves against the necessity of replacements when their systems wore out.

Mr. NORRIS. Oh, yes. The amount set up to rebuild the line so as to keep it in good order would take into consideration the life of the poles. That is true; but there is no reason why the loan should terminate at the same time. The two matters are entirely independent of each other.

I should not be willing to accept the Senator's amendment for a 25-year loan, but I shall interpose no objection if the Senator will make the time 30 years, instead of 25. Otherwise, I hope the amendment will be voted down.

Mr. KING. Mr. President, let us pass this amendment for the moment. I do not care to call for a vote now, and I should have to ask for a quorum call to do that. We may agree upon the matter.

Mr. NORRIS. Very well. The amendment to the committee amendment has been agreed to. Let the other proposed amendment go over.

Mr. KING. Yes; that is agreeable.

Mr. McNARY. Does the Senator desire to have the Senate act upon the language he suggested just a moment ago, that the loan may be paid out of income?

Mr. NORRIS. That has already been agreed to.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, in section 5, on page 4, line 13, after the words "premises of", to strike out "consumers of electric energy along the lines or systems financed under the provisions of section 4, and for the acquisition and installation of electrical and plumbing appliances and equipment by such consumers" and insert "persons in rural areas and the acquisition and installation of electrical and plumbing appliances and equipment by such persons", so as to make the section read:

SEC. 5. The Administrator is authorized and empowered, from the sums hereinbefore authorized to be appropriated, to make loans for the purpose of financing the wiring of the premises of persons in rural areas and the acquisition and installation of electrical and plumbing appliances and equipment by such persons. Such loans may be made to any of the borrowers of funds loaned under the provisions of section 4 to individual consumers or to any person, firm, or corporation supplying or installing the said wiring, appliances, or equipment. Such loans shall be for such terms, subject to such conditions, and so secured as reasonably to assure repayment thereof, and shall be at a rate of interest not exceeding 3 percent per annum.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. KING. Mr. President, I will ask the Senator from Nebraska to let that amendment go over. I wish to make a little investigation regarding the word "plumbing", though I may have no amendment to offer.

Mr. NORRIS. Very well.

The PRESIDING OFFICER. On request, the amendment will be passed over temporarily. The next amendment will be stated.

The next amendment was, in section 7, page 5, line 18, after the word "property", to insert "for such period as may be deemed necessary or advisable to protect the investment therein, but not to exceed 5 years after the acquisition thereof", so as to make the section read:

SEC. 7. The Administrator is authorized and empowered to bid for and purchase at any foreclosure or other sale, or otherwise to acquire, property pledged or mortgaged to secure any loan made pursuant to this act; to pay the purchase price and any costs and expenses incurred in connection therewith from the sums authorized to be appropriated in section 4 of this act; to accept title to any property so purchased or acquired in the name of the United States of America; to operate or lease such property for such period as may be deemed necessary or advisable to protect the investment therein, but not to exceed 5 years after the acquisition thereof; and to sell such property so purchased or acquired, upon such terms and for such consideration as the Administrator shall determine to be reasonable.

Mr. KING. Mr. President, I have no objection to agreeing to that amendment, with the understanding that I may offer as an amendment to it a further provision as to the steps necessary to be taken in order to "make assurance double sure" of protecting the Government. Let the amendment be agreed to with that understanding.

Mr. NORRIS. Very well.

The PRESIDING OFFICER. Without objection, the amendment is agreed to. The next amendment of the committee will be stated.

The next amendment was, on page 6, section 9, line 21, after the word "efficiency", to insert "without regard to the provisions of civil-service laws applicable to officers and employees of the United States", so as to make the section read:

SEC. 9. This act shall be administered entirely on a nonpartisan basis, and in the appointment of officials, the selection of employees, and in the promotion of any such officials or employees no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency without regard to the provisions of civil-service laws applicable to officers and employees of the United States. If the Administrator herein provided for is found by the President of the United States to be guilty of a violation of this act, he shall be removed from office by the President, and any appointee or selection of officials or employees made by the Administrator who is found guilty of a violation of this act shall be removed by the Administrator.

Mr. McNARY. Mr. President——

Mr. NORRIS. I understand the Senator from Oregon desires that amendment to go over.

Mr. KING. It had better be rejected.

Mr. McNARY. Mr. President, I think yesterday in a colloquy with the Senator from Nebraska the Senator himself said that he thought that amendment should be eliminated. I think at this time we are in a position to qualify the amendment by inserting certain language which would restore the application of the Classification Act except as to experts and engineers and others engaged in professional work. Whether that would meet general approval I do not know. I said earlier in the morning in the absence of the Senator from Michigan [Mr. COUZENS] and the Senator from Wisconsin [Mr. LA FOLLETTE] that I did not want action taken on this amendment unless there was a call of the roll. I am not in position to accept it as it has been presented. Personally I should like to have the personnel remain at all times within the civil-service law, if it can be worked out. I say that without regard to what party is in power. It is a fair attitude and one I have heretofore assumed.

We have on a few occasions modified that by excepting from the civil-service law some of those engaged in professional lines or technical lines. I think that is the substance of the proposal which has been offered by the Senator from Nebraska. I suggest to the Senator that his proposal might be read by the Clerk, and if there is any argument, then I think the amendment ought either to go over or we should have called to the Chamber those Senators who are absent.

Mr. COUZENS. Mr. President, will the Senator from Nebraska yield to me at that point?

Mr. NORRIS. Yes.

Mr. COUZENS. I understood the Senator to say in an oral conversation that he thought this amendment ought to be disagreed to.

Mr. NORRIS. Yes; and I have no objection to its being disagreed to now. I have another amendment which I wish to offer when we get through with the committee amendments which I think will satisfy the Senator from Oregon and which is entirely satisfactory to me.

Mr. COUZENS. Let us have the pending amendment disagreed to, and we can take that up thereafter.

Mr. NORRIS. That is what I want to do, if there is no objection to it. Let the amendment be disagreed to.

Mr. McNARY. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee, which has just been stated by the clerk.

The amendment was rejected.

Mr. KING. I understood the Senator from Nebraska had an amendment to offer. Would he like to offer it now?

Mr. NORRIS. I have four or five amendments to offer. As soon as we get through with the committee amendments, I am going to offer them.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, on page 7, section 11, line 14, after the word "duties", to insert "The Administrator may make such expenditures (including expenditures for personal services; supplies and equipment; lawbooks and books of reference; directories and periodicals; travel expenses; rental at the seat of government and elsewhere; the purchase, operation, or maintenance of passenger-carrying vehicles; and printing and binding) as are appropriate and necessary to carry out the provisions of this act", so as to make the section read:

SEC. 11. In order to carry out the provisions of this act the Administrator may accept and utilize such voluntary and uncompensated services of Federal, State, and local officers and employees as are available, and he may appoint such officers and employees as he may find necessary, and prescribe their duties. The Administrator may make such expenditures (including expenditures for personal services; supplies and equipment; lawbooks and books of reference; directories and periodicals; travel expenses; rental at the seat of government and elsewhere; the purchase, operation, or maintenance of passenger-carrying vehicles; and printing and binding) as are appropriate and necessary to carry out the provisions of this act.

Mr. KING. Mr. President, I am not going to object to the amendment, but I wish at this time to make an observation which is applicable to many departments and bureaus of the Government. An investigation will demonstrate, in my opinion, an excessively large amount used by various Federal organizations for books, papers, periodicals, traveling expenses, and for the purchase of automobiles. I have asked for information, and I expect to have it within the next few days, showing the hundreds if not thousands of automobiles used by the various Federal departments and organizations.

I wished to make that statement so that the organization to be created by this bill may not come within the category of those organizations which, in my opinion, are too prolific in the expenditure of money for automobiles and other expenses.

The PRESIDING OFFICER. Without objection, the amendment——

Mr. COUZENS. Mr. President, I am not willing to have the amendment agreed to in its present form.

Mr. NORRIS. I want to have a word on the amendment. I understand there is some objection to it. The same objection was made yesterday; and last night and this morning, in the few minutes I had at my disposal, I have given some study to this matter. I said yesterday that it was an amendment similar to provisions embodied in most of the bills providing for various governmental activities which the Congress has passed. I have not made a complete investigation; I did not have time to do so; but I have here about a dozen laws passed by Congress, every one of which contains in substance the provision embodied in the amendment, and in some cases in identical language. I have here copies of some of the acts Congress has passed in which either that language, or language similar to it, has been used. Among those laws is the National Industrial Recovery Act, the Emergency Relief Appropriation Act of 1935, the National Housing Act, approved June 27, 1934, the Home Owners' Loan Act of 1933, and the Federal Power Commission Act, amendment of June 23, 1930, section 2.

I cannot see, Mr. President, why we should single this particular activity out and strike this language from the enabling act for that organization and at the same time put it into practically all other laws. Here is the language that Congress used in the Industrial Recovery Act:

And may make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for law books and books of reference, and for paper, printing and binding) as are necessary to carry out the provisions of this act.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. O'MAHONEY. Does the Senator understand that the old established branches of the executive departments have the same authority?

Mr. NORRIS. Yes; I so understand.

Mr. O'MAHONEY. It is my understanding that they do not have, and that the provisions to which the Senator is referring in a number of laws were inserted in those particular measures because they were emergency measures and it was deemed necessary to set the organizations up in a very short space of time.

Now, may I ask the Senator, does he not understand that in establishing a permanent agency of the Government Congress might well be guided by a different principle and require the Administrator to come to Congress and show the necessity for the personal services, for the books, for the supplies, and so forth, before the debt is incurred?

Mr. KING. That is a good suggestion.

Mr. NORRIS. No; that is not good. I said in answer to the Senator's question, as I understood it, that I understood the permanent departments all have that kind of a provision.

Mr. O'MAHONEY. I can speak with accuracy only as to the Post Office Department.

Mr. NORRIS. But the provision that we are now seeking to enact is not for a permanent department of the Government; the proposed new agency is going to expire in 10 years if we enact the pending bill. It is not permanent. The other laws to which I have referred have not been for permanent organizations. The National Industrial Recovery Act, perhaps, might be said to have been temporary.

Mr. O'MAHONEY. Mr. President, will the Senator yield again?

Mr. NORRIS. Let me give the Senator some more examples from the list I have. I am going through with what I have here.

Let us see what was said in the Agricultural Adjustment Act.

The administrative expenses provided for under this section shall include, among others, expenses for personal services and rent in the District of Columbia and elsewhere, for lawbooks and books of reference, for contract stenographic-reporting services, and for printing and paper in addition to allotments under the existing law.

Then the Housing, Renovation, and Modernization Act contains this language:

May make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for lawbooks and books of reference, and for paper, printing, and binding) as are necessary to carry out the provisions of this title and titles II and III.

Again, in the act to reorganize the Federal Power Commission—and that comes a great deal nearer being permanent than the agency proposed to be created by the pending bill; that is a permanent organization:

The Commission may make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for lawbooks, periodicals, and books of reference, and for printing and binding) as are necessary to execute its functions.

Mr. COUZENS. Mr. President, will the Senator yield at that point?

Mr. NORRIS. Yes.

Mr. COUZENS. May I point out to the Senator that in the case of the Federal Power Commission their estimates have to pass through the Budget and appropriations have to be made for them each year. That is not true of the agency to be created under the pending bill.

Mr. NORRIS. Oh, yes; as I understand they will have to have annual appropriations every year, or they will not be able to do anything. They will be dependent upon annual appropriations.

Mr. COUZENS. That has not been so with respect to the N. R. A. and some other acts.

Mr. NORRIS. I do not know as to that. Probably that is true. However, this organization will have to get appropriations every year.

Here is another one, the public-works construction project, which may make such expenditures for personal services, for law books, paper, printing, binding, and so forth, as are necessary to carry out the provisions of the title. I could go on further with four more cases that I have of the same kind.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Wyoming?

Mr. NORRIS. I yield.

Mr. O'MAHONEY. I can speak from knowledge only with respect to the Post Office Department, but I think the same condition exists in the Department of the Interior, the Department of State, the Department of Justice, and all the regular departments, and that it is impossible for the heads of those departments to do the things the Administrator of this bill will be given authority to do if this amendment shall be adopted. The Postmaster General has no authority to buy as many automobiles as he deems necessary. The Secretary of the Interior cannot do that. In every instance the heads of the regular departments must go before the Appropriations Committees of the Congress and show a reason for the expenditures.

I submit to the Senator that if this principle, which was written into the emergency measure, is now to be written into every bill which comes before Congress, it will be practically impossible for Congress to impose any limitation whatsoever upon the executive departments. My feeling is that the precedent the Senator is asking us to follow is a very bad one.

Mr. NORRIS. I am asking the Senate to follow a precedent which, so far as I can find, has no exception. If it is not followed, this organization will be crippled. They will have to come here for appropriations for everything. They cannot get anything without it. Not a cent will they get without appropriations, and Congress will have complete control.

Mr. O'MAHONEY. I find the amendment in line 15 authorizes "expenditures including expenditures for personal services." In line 12 and 13, page 7 of the bill it is provided that the Administrator "may appoint such officers and employees as he may find necessary, and prescribe their duties." What is the difference between the two provisions?

Mr. NORRIS. I do not know that they have any relation to each other whatever. The appointment of an official and the buying of a law book have no relation to each other whatsover.

Mr. O'MAHONEY. I did not refer to the purchase of a law book. I referred to the language in line 15 which authorizes expenditures for personal services.

Mr. NORRIS. Now, what is the Senator's question?

Mr. O'MAHONEY. I refer to line 15, page 7.

Mr. NORRIS. Yes; "including expenditures for personal services."

Mr. O'MAHONEY. I invite the Senator's attention now to lines 12 and 13 on the same page:

> He may appoint such officers and employees as he may find necessary, and prescribe their duties.

What additional power does the Senator propose to give by the amendment authorizing "expenditures for personal services"?

Mr. NORRIS. I do not see the point of the Senator's question. I see no relationship whatever between the language he has referred to in the two places. In the beginning of section 11 the idea is, as is stated, that—

> to carry out the provisions of this act the Administrator may accept and utilize such voluntary and uncompensated services of Federal, State, and local officers and employees as are available, and he may appoint such officers and employees as he may find necessary, and prescribe their duties.

That applies to the particular officers there referred to. The truth is that this work, in laying out farm organizations in the country to be electrified, will be done in large part by the farmers themselves and by local officials. In some States are organizations with paid officials provided for by law who are interested as a part of their duty in that kind of work. They do most of the work in a great many cases. In order to give it legal effect the Administrator is given power to appoint them, to appoint "such officers and employees as he may find necessary" to carry on that work.

Mr. O'MAHONEY. It refers to the appointment of Federal officers and Federal employees. That constitutes personal service, does it not?

Mr. NORRIS. No; it does not.

Mr. President, the only desire I have is to put this organization on its feet in such manner that it will not be crippled. I am afraid if we strike out the amendment we will cripple it. It has been argued today that the language is not necessary. I said yesterday I thought it was not necessary, but when I commenced to look through the different laws we have on the statute books. I could not find in the case of any organization where this language was not included in the act creating it. I confess I began to feel then that this language is necessary.

In some respects the engineers who go out to set up these organizations are going to make maps and charts. It will cost some money to do such work. They will meet all kinds of questions in addition to the questions the officials in the other organizations have to deal with and to whom we have already given this power. I feel, no matter what we may think or what we may have in mind, that if we should strike out this language we would really injure the organization, and, I am afraid, seriously cripple it so that it could not carry on and perform its functions.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield.

Mr. KING. I suggest to my friend from Nebraska that this question is controversial, that we have not now a quorum present, and that probably a yea-and-nay vote will be asked on the amendment. I suggest that it be passed over.

Mr. NORRIS. Very well.

The PRESIDING OFFICER. The amendment will be passed over.

Mr. COUZENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Keyes	Pittman
Ashurst	Connally	King	Reynolds
Austin	Coolidge	La Follette	Robinson
Bachman	Costigan	Lewis	Russell
Bailey	Couzens	Logan	Schwellenbach
Barbour	Davis	Lonergan	Sheppard
Benson	Dickinson	Long	Smith
Bilbo	Donahey	McAdoo	Steiwer
Black	Duffy	McGill	Thomas, Okla.
Bone	Frazier	McKellar	Thomas, Utah
Borah	George	McNary	Townsend
Brown	Gibson	Maloney	Trammell
Bulkley	Glass	Metcalf	Truman
Bulow	Gore	Minton	Vandenberg
Burke	Hale	Murray	Van Nuys
Byrd	Harrison	Neely	Wagner
Byrnes	Hastings	Norbeck	Wheeler
Capper	Hatch	Norris	White
Caraway	Hayden	Nye	
Carey	Holt	O'Mahoney	
Chavez	Johnson	Overton	

Mr. LEWIS. I reannounce the absence of Senators as heretofore announced by me today.

I also desire to announce that the senior Senator from Maryland [Mr. TYDINGS], the junior Senator from Maryland [Mr. RADCLIFFE], the junior Senator from Pennsylvania [Mr. GUFFEY], and the junior Senator from Rhode Island [Mr. GERRY] are detained in attendance upon the funeral of the late Governor Ritchie, of Maryland.

The PRESIDING OFFICER (Mr. DUFFY in the chair). Eighty-one Senators having answered to their names, a quorum is present.

Mr. COUZENS. Mr. President, I should like to point out to the Senator from Nebraska that I think there is a conflict between the amendment on page 7, line 15, and the language on page 6, line 21, where it is proposed to put these employees under civil service and the Classification Act, other than the members of the professional and engineering service. Under that provision of the bill, the Administrator is restricted with respect to wages and service and classification; but there is a conflict with that provision in the amendment now under consideration, on page 7, line 15.

I understand, from the Senator from Nebraska, however, that that amendment has gone over.

The PRESIDING OFFICER. The amendment was passed over.

Mr. COUZENS. I should like to conclude my statement as a matter of record. My contention is, that on line 15, page 7, the use of the language "including expenditures for personal services" leaves the matter wide open for the Administrator to employ anyone he chooses, and to avoid the Classification Act and the civil-service laws. In other words, there are two places in the bill under which he could employ personal services.

The PRESIDING OFFICER. As the Chair has stated, the amendment now referred to by the Senator from Michigan has been passed over. The clerk will state the next amendment of the committee.

The next amendment was, on page 7, after line 21, to insert a new section, as follows:

SEC. 12. The Administrator is authorized and empowered to extend the time of payment of interest or principal of any obligation created pursuant to this act: *Provided, however,* That with respect to any loan made under section 4, the payment of interest or principal shall not be extended more than 5 years after such payment shall have become due, and with respect to any loan made under section 5, the payment of principal or interest shall not be extended more than 2 years after such payment shall have become due.

Mr. COUZENS. Mr. President, I should like to have the Senator from Nebraska tell us the purpose of that amendment. There is no provision in it as to whether the interest shall continue over the 5-year period and the 2-year period, or what occasion may arise to bring about the desirability of those extensions.

Mr. NORRIS. Of course, I cannot tell whether a case will ever arise where an extension will be desirable; but it was thought best to give the Administrator the power that is authorized to be given him in section 12 simply as a matter of safety, so that, on the other hand, when a loan came due he would not be compelled under the law immediately to proceed to collect it. He might be lenient; he might extend it; he might wait a while. If we did not put this language in the bill, the Administrator would feel that when a loan became due it was his duty to proceed at once to make collection. This amendment gives him a little leeway. That is the only reason for it that I know. It seemed only fair that the Administrator should have that much leeway.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment, was on page 8, after line 5, following the amendment just agreed to, to insert a new section, as follows:

SEC. 13. As used in this act the term "rural area" shall be deemed to mean any area of the United States not included within the boundaries of any city, village, or borough having a population in excess of 1,500 inhabitants, and such term shall be deemed to include both the farm and nonfarm population thereof; the term "farm" shall be deemed to mean a farm as defined in the publications of the Bureau of the Census; the term "person" shall be deemed to mean any natural person, firm, corporation, or association.

The amendment was agreed to.

The next amendment was, on page 8, line 15, to change the number of the section from 12 to 14.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. NORRIS. Mr. President, I have a few amendments which I desire to offer.

The first amendment is on page 2, line 1. I send the amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 1, after the words "United States", it is proposed to strike out down to and including the word "service" in line 2, and in lieu thereof to insert "rural electrification and the furnishing of electric energy to persons in rural areas who are not receiving central-station service."

Mr. NORRIS. That makes the language there correspond to the language further on in section 12. I think it makes the two perfectly harmonious.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska.

The amendment was agreed to.

Mr. NORRIS. On page 5, line 16, after the word "section", I move to strike out "4" and insert "3." The numeral "4" is a mistake.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska.

The amendment was agreed to.

Mr. NORRIS. On page 6, line 25, I move to strike out the word "act" and insert the word "section."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska.

The amendment was agreed to.

Mr. NORRIS. Mr. President, I have another amendment on page 7, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 7, line 12, after the word "may", it is proposed to strike out down to and including the word "duties", in line 14, and in lieu thereof to insert "without regard to the provisions of civil-service laws applicable to officers and employees of the United States, appoint and fix the compensation of attorneys, engineers, and other experts, and he may, subject to the civil-service laws, appoint such officers and employees as he may find necessary and prescribe their duties."

Mr. NORRIS. All that amendment does is to carry out the understanding we had, I think, when we rejected, earlier in the day, the amendment to section 9. The effect of this amendment is to take out from the civil-service lawyers, engineers, and experts, and to leave everybody else under the civil service.

Mr. COUZENS. Mr. President, I suggest to the Senator that he omit from his amendment the provision that the compensation of these employees shall not be in accordance with the Classification Act. He will find that in almost all the bills to which he has heretofore been referring there is a provision that in addition to taking the civil-service examination, the compensation shall be in accordance with the Classification Act.

I ask that this amendment go over so that we may look up the exact language, because I think the compensation in accordance with the Classification Acts should be adhered to in this case, as in the past. I do not think the Senator objects to that.

Mr. NORRIS. No; I should not object to that, but I do not think this amendment affects that.

Mr. COUZENS. I think it does.

Mr. NORRIS. I may be wrong, though. If the Senator wishes to have the amendment go over, let it go over.

The PRESIDING OFFICER. The amendment will be passed over.

Mr. NORRIS. Mr. President, those are all the amendments I have.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. NORRIS. Unless some other Senator wishes to speak at this time, under the agreement with the Senator from Arkansas [Mr. ROBINSON], I ask unanimous consent that next Wednesday at 12 o'clock the Senate proceed to the consideration of this bill, and that it shall not be laid aside, except by unanimous consent, until it shall be finally disposed of.

The PRESIDING OFFICER. The Chair is advised by the parliamentary clerk that the unanimous-consent agreement requested by the Senator from Nebraska would require a roll call.

Mr. NORRIS. Then I think I will modify the request so as to avoid that. I have no objection to a roll call, except that we have recently had one, and it might inconvenience some of the Senators to have another; and we have this understanding. Every Senator knew of it, I think. However, let the roll be called, so that no complaint may be made.

Mr. McNARY. Mr. President, I have just entered the Chamber. What is the proposal?

Mr. NORRIS. I have asked unanimous consent that on next Wednesday at 12 o'clock the Senate shall proceed to the consideration of the pending bill, and that it shall not be laid aside, except by unanimous consent, until finally disposed of.

Mr. McNARY. The request fixes no specific time at which a vote shall be taken?

Mr. NORRIS. Oh, no. The Chair has said that he thought it would require a roll call. Whether it does or not, I have no objection.

Mr. McNARY. I am quite familiar with the rule, and it does not require a roll call on a request of this kind. A roll call is required only when a definite time for a vote is fixed. I have no objection to a roll call, and perhaps one should be had.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Keyes	Pittman
Ashurst	Connally	King	Reynolds
Austin	Coolidge	La Follette	Robinson
Bachman	Costigan	Lewis	Russell
Bailey	Couzens	Logan	Schwellenbach
Barbour	Davis	Lonergan	Sheppard
Benson	Dickinson	Long	Smith
Bilbo	Donahey	McAdoo	Steiwer
Black	Duffy	McGill	Thomas, Okla.
Bone	Frazier	McKellar	Thomas, Utah
Borah	George	McNary	Townsend
Brown	Gibson	Maloney	Trammell
Bulkley	Glass	Metcalf	Truman
Bulow	Gore	Minton	Vandenberg
Burke	Hale	Murray	Van Nuys
Byrd	Harrison	Neely	Wagner
Byrnes	Hastings	Norbeck	Wheeler
Capper	Hatch	Norris	White
Caraway	Hayden	Nye	
Carey	Holt	O'Mahoney	
Chavez	Johnson	Overton	

Mr. LEWIS. I desire to announce that the Senator from Rhode Island [Mr. GERRY], the Senator from Pennsylvania [Mr. GUFFEY], the junior Senator from Maryland [Mr. RADCLIFFE], and the senior Senator from Maryland [Mr. TYDINGS] are absent attending the funeral of Hon. Albert C. Ritchie.

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

Is there objection to the request for unanimous consent proposed by the Senator from Nebraska?

Mr. ROBINSON. Mr. President, I ask that the proposed agreement be reported.

The PRESIDING OFFICER. The clerk will state the request.

The LEGISLATIVE CLERK. It is proposed that on next Wednesday at 12 o'clock the Senate proceed to the consideration of the bill (S. 3483) to provide for rural electrification, and for other purposes, and that it be not laid aside, except by unanimous consent, until finally disposed of.

Mr. ROBINSON. Mr. President, the only suggestion I have to make about the proposal of the Senator from Nebraska is as to the clause that the bill be not laid aside without unanimous consent. Our custom is to lay aside bills to take up appropriation bills, and under this proposal, if a single objection were made, that could not be done. I think the Senator would accomplish his purpose if he would merely ask that we proceed to the consideration of the bill on next Wednesday.

I will state that, so far as I am concerned, I shall be glad to cooperate in an effort to reach a conclusion. This morning we discussed the question whether it would be practicable to dispose of the bill commencing Wednesday, and I thought the Senator conceded that it might be necessary for it to go over. I should not like to have an arrangement made by which we could not consider other business. I will state to the Senator from Nebraska again that my purpose is to cooperate in an effort to have the bill disposed of.

Mr. NORRIS. The bill is now the unfinished business.

Mr. ROBINSON. That is true.

Mr. NORRIS. It can be laid aside at any time by a motion that will command a majority vote, I realize.

Mr. ROBINSON. I will make a request. I ask unanimous consent that the unfinished business be laid aside until next Wednesday at 12 o'clock.

Mr. NORRIS. Very well; that will accomplish the purpose.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request proposed by the Senator from Arkansas? The Chair hears none, and it is so ordered.

Mr. GORE. Mr. President, I rise to remind the Senator from Arkansas that we discussed between us the advisability of bringing up the Panama Canal toll bill at an early date.

Mr. ROBINSON. Yes; I indicated to the Senator from Oklahoma some time ago that, so far as I was concerned, an opportunity would be given him to move to take up the bill. He was not ready at that time.

I am constantly confronted, in the business of the Senate, with a situation where there is no measure ready for consideration by the Senate. Senators announce that they desire to have a given bill taken up, I contribute to having that done, then am informed that they are not ready. That has happened with reference to three bills within the past week. So I will state to the Senator from Oklahoma that I know of no reason why he should not make his motion in the early future, if he is ready to make the motion.

Mr. GORE. I assumed the Senator had that in mind when he was interposing the objection a moment ago to the unanimous-consent arrangement. As soon as the Senator from New York [Mr. COPELAND] shall return, I will make the motion.

Mr. ROBINSON. I have no information as to when the Senator from New York will return, or when he will go away again.

Mr. GORE. The Senator from New York said he would return the middle of the week, and desired to have the matter go over until his return.

Mr. ROBINSON. I understand the unanimous-consent request has been agreed to.

The PRESIDING OFFICER. The unanimous-consent agreement has been made.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 217) postponing the effective date of certain permit and labeling provisions of the Federal Alcohol Administration Act.

SENATOR NEELY, OF WEST VIRGINIA

Mr. McADOO. Mr. President, the West Virginia Federation of Labor, in convention in the city of Beckley, W. Va., on August 27, 1935, passed a resolution concerning the services of our distinguished colleague the senior Senator from West Virginia [Mr. NEELY]. I ask unanimous consent to have the resolution read from the desk.

The PRESIDING OFFICER. Without objection, the resolution will be read.

The Chief Clerk read as follows:

Resolution of endorsement of the services of the Honorable M. M. NEELY, United States Senator from West Virginia, and pledge of labor for his nomination and reelection

Whereas over a long period of years, serving as Congressman representing the First Congressional District and for two full terms serving as United States Senator from West Virginia, the Honorable M. M. NEELY has continuously, throughout his entire length of service as Congressman and Senator, proven beyond all question of doubt his ability to serve the interest of the people of the State of West Virginia and has never faltered in his loyalty to the best interest of the State and its people; and

Whereas during his entire service he has remained true and steadfast to his teachings from the school of hard knocks received in his early life, and by so doing has never failed to cast his lot, either by vote, voice, or influence, in the interest of the common people, and especially is this true as to his activity in the interest of organized labor; and

Whereas very, very few Congressmen or Senators have ever compiled such a marvelous record of service as has the Honorable M. M. NEELY to recommend him to the voters for favorable consideration as the time approaches for primary election; and

Whereas the West Virginia Federation of Labor, in convention assembled in the city of Beckley, August 27, 1935, did by unanimous vote by the 608 accredited delegates in attendance, pass a resolution of endorsement for Senator NEELY: Now, therefore, be it

Resolved, That the executive board of the West Virginia Federation of Labor, in special called meeting this 15th day of February 1936, do here and now reaffirm the action of the convention, and in order to put the endorsement of the convention into effect take the following action:

1. Declare that out of gratitude for the service rendered by our distinguished Senator that we now make public our endorsement for his nomination in the coming primary and his election in November.

2. That we recommend to all other groups of citizens, either organized or unorganized, that they support Senator NEELY.

3. That the federation take the lead in an effort to call together in a conference representatives of all groups of organized labor for the purpose of planning labor's campaign in Senator NEELY's behalf.

4. That copy of this resolution be sent to Senator NEELY, copy given to the press and used in every way possible to further his candidacy.

Motion to adopt the resolution unanimously carried.

CROP-PRODUCTION LOANS TO FARMERS—VETO MESSAGE

Mr. ROBINSON. Mr. President, the Senate today received a message from the President vetoing Senate bill 3612, "To provide loans to farmers for crop production and harvesting during the year 1936, and for other purposes."

The bill carried an authorization of $50,000,000. The President, in his veto message, calls attention to the fact that in the Budget message, transmitting the 1937 Budget, he stated:

> If the Congress enacts legislation at the coming session which will impose additional charges upon the Treasury for which provision is not already made in this Budget, I strongly urge that additional taxes be provided to cover such charges.

The veto message indicates that the President regards the appropriation of $50,000,000 as excessive in the sense that the entire amount would not be required to make provision for the loans which are in contemplation.

The President also shows that in 1935 a fund of $60,000,000 was made available for the class of loans to farmers now under mention, and points out the further fact that the sum, or so much thereof as was used, was made available from a relief appropriation of $525,000,000.

The President makes it clear that in his opinion it will be necessary to continue loans, for production purposes, of the class to which I am now referring during the present year. He regards the amount of $50,000,000 as more than is necessary.

The bill which was vetoed today authorized maximum loans to individual borrowers not to exceed $500. The class of borrowers to whom these loans are made have no collateral and no security other than the crop to be grown. They are, therefore, unable to obtain credit from any private source or from any other agency of the Government than the so-called seed-loan agency.

In some parts of the United States loans of this class have been made since the year 1921. It is gratifying to state that in most of the States the loans have been repaid in almost their entire amounts. In one State—the State of Arkansas—the total amount now outstanding for all years during which the loans have been made, as appears from a memorandum which I intend to insert in the RECORD, is a little more than 13 percent. In other States, for instance, the State of Mississippi, it is a little more than 8 percent. In the State of Alabama I believe it is approximately 9 percent.

These figures have reference to the aggregate amount that has been loaned during the period that has elapsed from 1921 until last year. There are some States whose payments reduce the average very materially. Those States which I particularly have in mind have been afflicted with drought and other disasters which have prevented, in many instances, the borrowers from having the opportunity to repay their loans. In all the States the process of repayment continues. During the present year considerable sums have been collected that matured in other years and remained unpaid.

The bill that was passed, and that has been vetoed, authorized, as I have said, maximum loans not to exceed $500. It is a significant fact that in a number of the districts where these loans have been made from 95 to 99 percent of the loans have been for $200 or less. I intend to insert in the RECORD an itemized statement showing the number of loans under $100 that have been made in the Baltimore, the Columbia, the Dallas, the Memphis, the Omaha, the Salt Lake, the Spokane, the Springfield, the St. Paul, the St. Louis, and the Wichita districts; as also the number of loans that have been made under $200 and for more than $100; the percentage of loans under $200 and more than $100; the number of loans under $300 and more than $200; the percentage of loans under $300 and more than $200; the number of loans under $400 and more than $300, and the percentage of those loans; the number of loans under $500 but more than $400, and the percentage of those loans that have been so made, that percentage being very small, in some of the districts less than one-half percent.

An analysis of the figures that are being presented shows that in the Memphis district 99 percent of the loans that have been made have been for $200 or less; in the Baltimore district approximately 96 percent have been for $200 or less; in the Columbia, S. C., district approximately 95 percent of the loans have been for $200 or less, and in the Dallas district substantially the same percentage applies.

In some of the Northwestern States there has been a larger number of maximum, or approximately maximum, loans made than in the districts to which reference has last been made.

The President in his veto message recognizes the necessity for continuing for another year loans to the class of farmers which is described in the veto message, namely, those who are without collateral, and who, therefore, have no other source of credit.

I had hoped that the bill would be signed, but since the President declares that funds are already available that can be transferred from a relief appropriation heretofore made in such amount as may be necessary to make these loans, I do not suggest any further action. The necessary Executive order will be made for the transfer of the funds and the loans will be proceeded with. But I do deem it proper to state to the Senate that, from the information which has come to me, it is quite probable that the maximum amount of loans to any individual will be in the neighborhood of $200. This maximum would not meet the requirements in all cases, but in many of the districts it will meet the necessities of the situation. In some of the districts referred to the average loan has been from $50 to $60.

I wish to add to what has already been said the statement that the record shows that the administration of the crop-production loans has been highly efficient; it has been prompt and economical. But for these loans thousands of farmers in the United States, both landowners and tenants, who are without credit or means of obtaining it from any other source than from the crop-production or seed-loan agency, would be unable to continue their operations, and would be forced to seek, as the President says in his message, some other form of Federal relief. It has been and still is my theory that everything reasonable that can be done should be done to encourage our citizens to be self-sustaining, to prevent them from becoming reliant on the Federal Government. I do not believe that any agency the United States has employed during the depression period has performed a more helpful or advantageous service than has resulted from the crop-production or seed-loan agency.

It may be astonishing to some who have not studied the subject to realize that nearly all the small loans have been paid in full; the man who has been able to get along with $50, $60, $75, or $100, who has no collateral from which collection can be enforced, who has nothing but his crop to hypothecate as security for the loan he obtains with which to make the crop, has paid up almost dollar for dollar. There are areas where it has been impossible for the borrowers to meet their obligations because the blight of drought has laid its withering touch on their fields and crops. Some persons and some organizations have been able to borrow large sums from some of the other agencies of the United States, and they are somewhat slow in reimbursing the Government; but within the limits, and with the exceptions I

have tried to describe, the farmers who have been compelled to rely on the crop-production loans or the seed loans, as we usually call them, have been prompt and diligent in meeting their obligations.

At this time I need only to add to what has been said that I am looking forward to the time when various forms of Federal expenditures for what we term "relief" may be diminished and finally discontinued. We have recognized, the Government has recognized, the extraordinary conditions that have existed during the last few years, and we have expended hundreds of millions, yes, billions of dollars in rendering assistance to citizens who, without such assistance, would be unable to carry on, would be compelled to rely upon charity. In my opinion, the system has been wholesome. In the main the funds have been well administered. Without doubt, there are exceptions. Indeed it would be remarkable if it were otherwise.

I hope that the arrangement which the President has in mind in lieu of that provided for in the bill will prove reasonably adequate. His object, of course, is to carry out the declaration read a few moments ago and embraced in his veto message pertaining to the Budget. The obligations of the Government are numerous and in the aggregate very great. I know that we are all interested in maintaining the highest standard of national credit that is possible. It seems to me that the circumstances show that the credit of the Government is well sustained. I know it is better to lend a small amount of money to a man who wishes to be independent and who desires to maintain his family without recourse to other forms of Government assistance; I know it is better to provide him with a limited and necessary credit. In doing that we safeguard the welfare of many citizens who need and who deserve assistance.

Mr. President, I ask leave in connection with my remarks to print in the RECORD sundry statements, tables, and information referred to during my address.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

FARM CREDIT ADMINISTRATION,
Washington, D. C., February 21, 1936.

Hon. JOSEPH T. ROBINSON,
United States Senate.

DEAR SENATOR: In accordance with your request of Mr. Garwood this morning, there are forwarded herewith two enclosures:

(1) A copy of the statement of the emergency crop and feed-loan office as of January 31, 1936, which gives in considerable detail the number of crop loans made by States in 1934 and 1935; the total of all crop loans made during the years from 1921 to 1935, inclusive; and a statement of drought loans.

These various tables show the number and amount of loans made, by States and by regions; the amount collected and the percentage of collections; the number of loans uncollected, in whole or in part; and the total amount of money outstanding from each loan to be collected in each State and in each region.

(2) A table showing the number of loans under $100; number of loans of more than $100 but less than $200, number of loans more than $200 but less than $300, number of loans more than $300 but less than $400, number of loans over $400 but not more than $500 made under authority of the act of February 20, 1935. Each item is shown for each regional office. In addition to the numbers, percentages are also shown.

Very truly yours,

PHILIP G. MURPHY,
Assistant Director, Emergency Crop and Feed Loan Section.

Number of loans in multiples of $100 made by emergency crop and feed-loan office under act of Feb. 20, 1935

Office	Number of loans under $100	Percent of loans under $100	Number of loans under $200 but more than $100	Percent of loans under $200 but more than $100	Number of loans under $300 but more than $200	Percent of loans under $300 but more than $200	Number of loans under $400 but more than $300	Percent of loans under $400 but more than $300	Number of loans under $500 but more than $400	Percent of loans under $500 but more than $400	Total loans made
Baltimore	9,059	68	3,648	28	425	3	72	½	66	½	13,269
Columbia	63,221	77	15,108	18	2,952	3½	656	¾	472	½	82,409
Dallas	24,815	53	11,607	25	5,756	12	2,566	5	2,341	5	47,085
Memphis	75,902	92	5,756	7	662	1½	242	½	272	½	83,034
Omaha	8,266	18	15,859	34	12,049	26	5,499	12	3,905	8	45,578
Salt Lake	977	42	716	30	406	17	113	5	142	6	2,354
Spokane	5,272	35	5,096	33	3,361	21	1,239	8	403	3	15,371
Springfield	882	28	930	30	904	29	149	5	240	7	3,105
St. Paul	19,818	28	15,826	22	13,013	18	9,338	13	14,273	19	72,268
St. Louis	10,536	76	2,498	18	526	4	165	1½	80	½	13,805
Wichita	12,898	33	14,372	36	7,802	19	2,556	6½	2,097	5½	40,223
Total	231,646	56	91,416	23	47,556	11	22,595	5½	24,290	5½	418,501

NOTE.—(1) Of total loans made in 1935 under Feb. 20 act, 370,618 loans were in amounts less than $300. The percentage of such loans was 89 percent. (2) Of total loans made in 1935, 231,646 loans were in amounts less than $100. The percentage of such loans was 56 percent.

SUMMARY—EMERGENCY LOANS JANUARY 1936

Advances: No new emergency loans were made during January 1936. Moreover, cancelations during the month, particularly in Puerto Rico, more than offset additional advances on loans approved prior to December 31, 1935. The net result was a reduction in the total number and amount of loans made from the 1935 appropriation from 424,216 loans totaling $57,347,352 through December 31, 1935, to 424,188 loans aggregating $57,342,462 through January 31, 1936.

Total emergency loans made in all loan years through January 31, 1936, numbered 2,872,306 and aggregated $361,387,999. Included in these figures are 300,614 drought relief loans of 1934–35, amounting to $72,008,540.

Collections: During January, collections on all emergency loans aggregated $2,412,591, a reduction of $1,605,292, or 39.9 percent from the comparable figure for the previous month. The following table shows the amount of collections during January, by loan years, with comparable data for December (see table in opposite column):

It will be noted from the above table that there was a decrease in collections during January on crop and feed loans for each loan year and also on drought-relief loans as compared with December 1935. While this decline reflects net collections for the country as a whole, slightly increased collections were reported in 13 States on 1933 and prior-year loans, in 12 States on 1934 emergency crop loans, and in 7 States and Hawaii on 1935 emergency crop loans. This is the first month in which collections have been reported in Hawaii. Florida, Wisconsin, and Minnesota were the only States in which January collections for each loan year were greater than for the previous month. Increased collections during January 1936 on 1934–35 drought-relief loans were reported for eight States, two of which, namely, Florida and Minnesota, are among the three States mentioned above.

Emergency loans by year	Collections					
	January 1936			December 1935		
	Amount	Percent of total January collections	Percent of total loans made	Amount	Percent of total December collections	Percent of total loans made
Crop and feed loans:						
1933 and prior	$197,615	8.2	0.10	$279,128	6.9	0.14
1934	123,613	5.1	.33	170,018	4.2	.45
1935	1,275,572	52.9	2.46	2,268,708	56.5	3.96
Total	1,596,800	66.2	.55	2,717,854	67.6	.93
Drought-relief loans:						
1934–35	815,791	33.8	1.13	1,300,029	32.4	1.80
Grand total	2,412,591	100.0	.67	4,017,883	100.0	1.11

Total collections on loans made from the 1935 appropriation through January 31, 1936, represented 40.1 percent of the total amount of advances, while total collections on loans made from the 1934 appropriation through January 31, 1935, represented 48.6 percent of the total amount advanced.

Unmatured loans outstanding on January 31, 1936, amounted to $5,711,138 or 16.6 percent of 1935 loans outstanding. These unmatured loans represent vegetable and winter-wheat loans in the continental United States, coffee and tobacco loans in Puerto Rico, and vegetable and coffee loans in Hawaii.

EMERGENCY LOANS

TABLE 1.—*Number and amount of loans made and collected through January 1936 and balances outstanding Jan. 31, 1936, by loan years*

Loan year	Loans made		Amount collected during period						Balance outstanding at end of period		
			Through Dec. 31, 1935		January 1936		Total through Jan. 31, 1936				
	Number	Amount	Amount	Percent of loans made	Amount	Percent of loans made	Amount	Percent of loans made	Number	Amount	Percent of loans made
1921–33	1,702,316	$194,145,411	$138,588,869	71.4	$197,615	0.1	$138,786,484	71.5	641,230	$55,358,927	28.5
1934	445,188	37,891,586	22,076,387	58.3	123,613	.3	22,199,000	58.6	182,581	15,692,586	41.4
1935:											
April	165,391	19,225,604	275				275		165,391	19,225,329	
May	208,545	28,554,801	10,367				10,642		373,896	47,769,763	
June	19,480	3,505,725	49,661				60,303		393,127	51,225,827	
July	6,110	1,284,448	136,462				196,765		398,683	52,373,813	
August	8,783	1,992,858	1,818,367				2,015,132		396,537	52,548,304	
September	8,759	1,628,095	4,294,314				6,309,446		377,594	49,880,085	
October	5,475	734,282	8,315,920				14,625,366		309,439	42,298,447	
November	872	155,295	4,850,370				19,475,736		271,146	37,603,372	
December	801	268,244	2,268,709				21,744,445		251,260	35,602,907	
1936: January	−28	−4,890			1,275,572		23,020,017		239,371	34,322,445	
Total	424,188	57,342,462	21,744,445	37.9	1,275,572	2.2	23,020,017	40.1	239,371	34,322,445	59.9
Total	2,571,692	289,379,459	182,408,701	63.0	1,596,800	.6	184,005,501	63.6	1,063,182	105,373,958	36.4
1934–35 drought-relief loans	300,614	72,008,540	6,494,957	9.0	815,791	1.2	7,310,748	10.2	262,597	64,697,792	89.8
Grand total	2,872,306	361,387,999	188,903,658	52.3	2,412,591	.6	191,316,249	52.9	1,325,779	170,071,750	47.1

Farm Credit Administration, division of finance and research.

1935 EMERGENCY CROP AND FEED LOANS

TABLE 2.—*Number and amount of loans made, by types, through Jan. 31, 1936*

District and State	Crop		Feed		Wheat		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
District 1:								
Maine	1,504	$384,465					1,504	$384,465
New Hampshire	134	12,725					134	12,725
Vermont	180	16,165					180	16,165
Massachusetts	163	30,765					163	30,765
Rhode Island								
Connecticut	93	18,620					93	18,620
New York	799	110,880					799	110,880
New Jersey	232	41,570					232	41,570
Total	3,105	615,190					3,105	615,190
District 2:								
Pennsylvania	1,555	161,330			20	$1,705	1,575	163,035
Delaware	221	28,335			2	95	223	28,430
Maryland	1,011	107,825			22	3,145	1,033	110,970
Virginia	9,683	725,740			212	15,925	9,895	741,665
West Virginia	527	28,370			16	725	543	29,095
Puerto Rico	2,030	373,970					2,030	373,970
Total	15,027	1,425,570			272	21,595	15,299	1,447,165
District 3:								
North Carolina	25,389	2,111,167	9	$460			25,398	2,111,627
South Carolina	27,319	2,672,431	3	190			27,322	2,672,621
Georgia	28,866	2,664,140					28,866	2,664,140
Florida	[1] 2,671	318,815					2,671	318,815
Total	84,245	7,766,553	12	650			84,257	7,767,203
District 4:								
Ohio	1,368	119,287	7	525	244	10,735	1,619	130,547
Indiana	715	61,780	114	7,935	52	2,830	881	72,545
Kentucky	3,700	190,480	39	1,610			3,739	192,090
Tennessee	11,081	633,586	1	15			11,082	633,601
Total	16,864	1,005,133	161	10,085	296	13,565	17,321	1,028,783
District 5:								
Alabama	7,178	365,361					7,178	365,361
Mississippi	19,632	1,062,236	9	375			19,641	1,062,611
Louisiana	20,510	1,328,363	52	1,915			20,562	1,330,278
Total	47,320	2,755,960	61	2,290			47,381	2,758,250
District 6:								
Illinois	2,380	259,630	1,047	73,505	91	7,670	3,518	340,805
Missouri	2,305	204,535	1,381	71,085	362	22,425	4,048	298,045
Arkansas	24,113	1,917,215	458	17,898			24,571	1,935,113
Total	28,798	2,381,380	2,886	163,088	453	30,095	32,137	2,574,563
District 7:								
Michigan	4,497	346,010	101	4,620	41	2,085	4,639	352,715
Wisconsin	6,418	442,400	7	225			6,425	442,625
Minnesota	17,318	2,584,156	16	715	12	430	17,346	2,585,301
North Dakota	41,000	11,446,963	143	10,666	1,352	76,443	42,495	11,534,072
Total	69,233	14,819,529	267	16,226	1,405	78,958	70,905	14,914,713

[1] Includes 1,840 vegetable loans for $267,958.

1935 EMERGENCY CROP AND FEED LOANS—continued

TABLE 2.—*Number and amount of loans made, by types, through Jan. 31, 1936*—Continued

District and State	Crop		Feed		Wheat		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
District 8:								
Iowa	1,157	$128,835	111	$8,885	3	$225	1,271	$137,945
South Dakota	31,470	7,789,421	382	27,990	200	21,330	32,052	7,838,741
Nebraska	11,458	1,867,870	396	40,110	736	82,560	12,590	1,990,540
Wyoming	1,619	278,230	17	1,195	145	28,055	1,781	307,480
Total	45,704	10,064,356	906	78,180	1,084	132,170	47,694	10,274,706
District 9:								
Kansas	7,905	1,190,300	304	22,315	11,382	2,275,645	19,591	3,488,260
Oklahoma	5,207	453,830	117	8,070	2,666	462,330	7,990	924,230
Colorado	6,706	1,170,860	201	23,270	1,035	149,350	7,942	1,343,480
New Mexico	3,451	535,960	528	50,000	722	170,415	4,701	756,375
Total	23,269	3,350,950	1,150	103,655	15,805	3,057,740	40,224	6,512,345
District 10: Texas	[1] 42,188	4,618,443	189	15,020	5,804	1,535,695	48,181	6,169,158
District 11:								
Arizona	326	64,490	1	195	38	8,260	365	72,945
Utah	919	74,995	57	2,580	96	13,880	1,072	91,455
Nevada	53	6,296					53	6,296
California	761	153,210	2	425	65	12,495	828	166,130
Hawaii	70	15,360					70	15,360
Total	2,129	314,351	60	3,200	199	34,635	2,388	352,186
District 12:								
Montana	9,809	2,068,350	328	25,500	714	71,430	10,851	2,165,280
Idaho	1,748	254,665	146	10,335	132	23,095	2,026	288,095
Washington	1,269	304,430	20	1,325	9	2,605	1,298	308,360
Oregon	951	136,245	19	2,295	151	27,925	1,121	166,465
Total	13,777	2,763,690	513	39,455	1,006	125,055	15,296	2,928,200
Grand total	391,659	51,881,105	6,205	431,849	26,324	5,029,508	424,188	57,342,462

[1] Includes 1,119 vegetable loans for $172,005.

Farm Credit Administration, division of finance and research.

1935 EMERGENCY CROP AND FEED LOANS

TABLE 3.—*Number and amount of loans made and collected through January 1936 and balance outstanding Jan. 31, 1936*

District and State	Loans made		Amount collected	Balance outstanding		
	Number	Amount		Number	Amount	
					Total	Percent of loans made
District 1:						
Maine	1,504	$384,465	$233,478	1,001	$150,987	39.3
New Hampshire	134	12,725	6,574	80	6,151	48.3
Vermont	180	16,165	9,645	105	6,520	40.3
Massachusetts	163	30,765	16,629	98	14,136	46.0
Connecticut	93	18,620	10,012	53	8,608	46.2
New York	799	110,880	74,583	396	36,297	32.7
New Jersey	232	41,570	29,585	112	11,985	28.8
Total	3,105	615,190	380,506	1,845	234,684	38.1
District 2:						
Pennsylvania	1,575	163,035	56,646	1,247	106,389	65.3
Delaware	223	28,430	10,480	176	17,950	63.1
Maryland	1,033	110,970	39,731	823	71,239	64.2
Virginia	9,895	741,665	542,330	3,698	199,335	26.9
West Virginia	543	29,095	15,414	295	13,681	47.0
Puerto Rico	2,030	373,970	1,000	2,028	372,970	99.7
Total	15,299	1,447,165	665,601	8,267	781,564	54.0
District 3:						
North Carolina	25,398	2,111,627	1,912,615	5,961	199,012	9.4
South Carolina	27,322	2,672,621	2,447,480	7,026	225,141	8.4
Georgia	28,866	2,664,140	2,500,241	5,299	163,899	6.1
Florida	2,671	318,815	65,028	2,043	253,787	79.6
Total	84,257	7,767,203	6,925,364	20,329	841,839	10.8
District 4:						
Ohio	1,619	130,547	71,782	949	58,765	45.0
Indiana	881	72,545	45,652	408	26,893	37.1
Kentucky	3,739	192,090	128,572	1,704	63,518	33.1
Tennessee	11,082	633,601	521,692	3,466	111,909	17.7
Total	17,321	1,028,783	767,698	6,527	261,085	25.4
District 5:						
Alabama	7,178	365,361	352,649	677	12,712	3.5
Mississippi	19,641	1,062,611	971,669	3,649	90,942	8.6
Louisiana	20,562	1,330,278	1,119,618	6,448	210,660	15.8
Total	47,381	2,758,250	2,443,936	10,774	314,314	11.4

1935 EMERGENCY CROP AND FEED LOANS—continued

TABLE 3.—*Number and amount of loans made and collected through January 1936 and balance outstanding Jan. 31, 1936*—Continued

District and State	Loans made		Amount collected	Balance outstanding		
	Number	Amount		Number	Amount	
					Total	Percent of loans made
District 6:						
Illinois	3,518	$340,805	$204,234	1,802	$136,571	40.1
Missouri	4,048	298,645	159,323	2,504	139,322	46.6
Arkansas	24,571	1,935,113	1,508,504	11,383	426,609	22.0
Total	32,137	2,574,563	1,872,061	15,689	702,502	27.3
District 7:						
Michigan	4,639	352,715	157,799	3,078	194,916	55.3
Wisconsin	6,425	442,625	147,262	5,088	295,363	66.7
Minnesota	17,346	2,585,301	909,612	13,865	1,675,689	64.8
North Dakota	42,495	11,534,072	1,166,518	40,504	10,367,554	89.9
Total	70,905	14,914,713	2,381,191	62,535	12,533,522	84.0
District 8:						
Iowa	1,271	137,945	75,684	695	62,261	45.1
South Dakota	32,052	7,838,741	1,307,192	29,296	6,531,549	83.3
Nebraska	12,590	1,990,540	550,461	9,913	1,440,079	72.3
Wyoming	1,781	307,480	94,446	1,457	213,034	69.3
Total	47,694	10,274,706	2,027,783	41,361	8,246,923	80.3
District 9:						
Kansas	19,591	3,488,260	144,032	18,979	3,344,228	95.9
Oklahoma	7,990	924,230	241,648	6,158	682,582	73.9
Colorado	7,942	1,343,480	369,116	6,690	974,364	72.5
New Mexico	4,701	756,375	182,593	4,017	573,782	75.9
Total	40,224	6,512,345	937,389	35,814	5,574,956	85.6
District 10: Texas	48,181	6,169,158	3,253,271	23,836	2,915,887	47.3
District 11:						
Arizona	365	72,945	30,144	258	42,801	58.7
Utah	1,072	91,455	38,852	694	52,603	57.5
Nevada	53	6,296	4,007	25	2,289	36.3
California	828	166,130	101,586	406	64,544	38.9
Hawaii	70	15,360	244	70	15,116	98.4
Total	2,388	352,186	174,833	1,453	177,353	50.4

1935 EMERGENCY CROP AND FEED LOANS—continued

TABLE 3.—*Number and amount of loans made and collected through January 1936 and balance outstanding Jan. 31, 1936*—Continued

District and State	Loans made		Amount collected	Balance outstanding		
	Number	Amount		Number	Amount	
					Total	Percent of loans made
District 12:						
Montana	10,851	$2,165,280	$742,766	8,582	$1,422,514	65.7
Idaho	2,026	288,095	183,167	1,011	104,928	36.4
Washington	1,298	308,309	190,519	646	117,841	38.2
Oregon	1,121	166,465	73,932	702	92,533	55.6
Total	15,296	2,928,200	1,190,384	10,941	1,737,816	59.3
Grand total	424,188	57,342,462	23,020,017	239,371	34,322,445	59.9

Farm Credit Administration, division of finance and research.

1934 EMERGENCY CROP AND FEED LOANS

TABLE 4.—*Number and amount of loans made and collected through January 1936 and balance outstanding Jan. 31, 1936*

District and State	Loans made		Amount collected	Balance outstanding		
	Number	Amount		Number	Amount	
					Total	Percent of loans made
District 1:						
Maine	1,263	$301,973	$106,637	1,048	$195,336	64.7
New Hampshire	118	11,045	5,645	71	5,400	48.9
Vermont	228	18,360	9,071	142	9,289	50.6
Massachusetts	167	23,930	15,227	81	8,703	36.4
Connecticut	152	23,300	16,839	62	6,461	27.7
New York	801	90,595	71,050	262	19,545	21.6
New Jersey	249	31,700	25,303	91	6,397	20.2
Total	2,978	500,903	249,772	1,757	251,131	50.1
District 2:						
Pennsylvania	2,149	209,215	108,568	1,339	100,647	48.1
Delaware	237	26,150	14,395	145	11,755	45.0
Maryland	1,256	128,400	77,069	757	51,331	40.0
Virginia	10,909	760,070	664,300	2,488	95,770	12.6
West Virginia	795	40,825	22,607	420	18,218	44.6
Total	15,346	1,164,660	886,939	5,149	277,721	23.8
District 3:						
North Carolina	35,096	2,701,670	2,588,589	4,202	113,081	4.2
South Carolina	31,805	2,757,185	2,640,919	4,506	116,266	4.2
Georgia	39,206	3,034,120	2,913,755	4,994	120,365	4.0
Florida	3,791	335,560	173,569	2,022	161,991	48.3
Total	109,898	8,828,535	8,316,832	15,724	511,703	5.8
District 4:						
Ohio	3,255	251,190	195,011	1,057	56,179	22.4
Indiana	1,480	101,395	84,275	393	17,120	16.9
Kentucky	6,766	309,480	263,484	2,063	45,996	14.9
Tennessee	13,862	746,885	709,911	1,789	36,974	5.0
Total	25,363	1,408,950	1,252,681	5,302	156,269	11.1
District 5:						
Alabama	15,253	799,445	778,296	1,206	21,149	2.6
Mississippi	27,942	1,474,215	1,373,514	4,650	100,701	6.8
Louisiana	22,678	1,221,362	1,130,922	3,983	90,440	7.4
Total	65,873	3,495,022	3,282,732	9,839	212,290	6.1
District 6:						
Illinois	1,636	150,470	116,464	557	34,006	22.6
Missouri	6,261	442,210	272,794	3,161	169,416	38.3
Arkansas	42,151	1,935,113	1,477,668	20,412	457,445	23.6
Total	50,048	2,527,793	1,866,926	24,130	660,867	26.1
District 7:						
Michigan	7,174	510,809	306,184	3,909	204,625	40.1
Wisconsin	11,071	622,919	192,415	8,218	430,504	69.1
Minnesota	11,927	976,489	284,504	8,894	691,985	70.9
North Dakota	29,767	3,793,239	256,888	28,430	3,536,351	93.2
Total	59,939	5,903,456	1,039,991	49,451	4,863,465	82.4
District 8:						
Iowa	971	107,212	56,922	554	50,290	46.9
South Dakota	12,407	1,769,290	183,101	11,679	1,586,189	89.6
Nebraska	4,240	506,263	141,488	3,201	364,775	72.0
Wyoming	1,225	178,577	76,981	828	101,596	56.9
Total	18,843	2,561,342	458,492	16,262	2,102,850	82.1

1934 EMERGENCY CROP AND FEED LOANS—continued

TABLE 4.—*Number and amount of loans made and collected through January 1936 and balance outstanding Jan. 31, 1936*—Continued

District and State	Loans made		Amount collected	Balance outstanding		
	Number	Amount		Number	Amount	
					Total	Percent of loans made
District 9:						
Kansas	14,299	$2,450,100	$137,797	12,078	$2,012,303	82.1
Oklahoma	9,174	836,070	329,184	6,064	506,886	60.6
Colorado	5,509	711,174	222,156	4,255	489,018	68.8
New Mexico	5,052	774,910	205,331	4,153	569,579	73.5
Total	34,034	4,772,254	1,194,468	26,550	3,577,786	75.0
District 10: Texas	49,202	4,873,889	2,654,879	20,248	2,219,010	45.5
District 11:						
Arizona	441	66,100	51,064	152	15,036	22.7
Utah	1,307	132,709	82,623	651	50,086	37.7
Nevada	38	4,105	3,480	9	625	15.2
California	666	99,005	83,714	149	15,291	15.4
Total	2,452	301,919	220,881	961	81,038	26.8
District 12:						
Montana	6,597	789,853	135,895	5,767	653,958	82.8
Idaho	1,829	236,750	198,530	525	38,220	16.1
Washington	1,855	413,995	365,155	449	48,840	11.8
Oregon	931	112,265	74,827	467	37,438	33.3
Total	11,212	1,552,863	774,407	7,208	778,456	50.1
Grand total	445,188	37,891,586	22,199,000	182,581	15,692,585	41.4

1921–35 EMERGENCY CROP AND FEED LOANS

TABLE 5.—*Number and amount of loans made and collected through January 1936 and balance outstanding Jan. 31, 1936*

District and State	Loans made		Amount collected	Balance outstanding		
	Number	Amount		Number	Amount	
					Total	Percent of loans made
District 1:						
Maine	5,855	$1,526,925	$1,073,052	2,794	$453,873	29.7
New Hampshire	498	55,100	37,978	230	17,122	31.1
Vermont	718	61,953	38,217	368	23,736	38.3
Massachusetts	499	86,334	57,370	231	28,964	33.5
Rhode Island	1	160		1	160	100.0
Connecticut	331	65,660	49,891	117	15,769	24.0
New York	3,513	520,385	398,315	1,212	122,070	23.5
New Jersey	1,051	188,168	155,044	366	33,124	17.6
Total	12,466	2,504,685	1,809,867	5,319	694,818	27.7
District 2:						
Pennsylvania	7,687	907,609	478,641	4,894	428,968	47.3
Delaware	727	101,357	48,612	100	52,745	52.0
Maryland	4,099	520,677	270,633	2,651	250,044	48.0
Virginia	73,632	6,603,261	4,735,304	31,259	1,867,957	28.3
West Virginia	10,531	827,676	410,046	6,389	417,630	50.5
Puerto Rico	2,030	373,970	1,000	2,028	372,970	99.7
Total	98,706	9,334,550	5,944,236	47,721	3,390,314	36.3
District 3:						
North Carolina	180,703	17,403,967	16,072,369	31,631	1,331,598	7.7
South Carolina	185,423	19,573,598	17,853,586	40,628	1,720,012	8.8
Georgia	221,835	22,209,589	20,271,049	49,664	1,938,540	8.7
Florida	23,593	2,625,059	1,368,532	10,818	1,256,527	47.9
Total	611,554	61,812,213	55,565,536	132,741	6,246,677	10.1
District 4:						
Ohio	14,165	1,506,203	1,047,154	5,821	459,049	30.5
Indiana	14,809	1,644,678	1,167,874	5,719	476,804	29.0
Kentucky	71,328	4,595,037	3,262,904	32,169	1,332,133	29.0
Tennessee	92,054	6,827,992	5,823,229	28,451	1,004,763	14.7
Total	192,356	14,573,910	11,301,161	72,160	3,272,749	22.5
District 5:						
Alabama	116,264	10,330,052	8,729,983	27,948	1,600,069	15.5
Mississippi	174,784	15,113,632	13,650,147	51,821	1,463,485	9.7
Louisiana	130,174	10,790,361	9,873,437	32,416	916,924	8.5
Total	421,222	36,234,045	32,253,567	112,185	3,980,478	11.0

1921–35 EMERGENCY CROP AND FEED LOANS—continued

TABLE 5.—*Number and amount of loans made and collected through January 1936 and balance outstanding Jan. 31, 1936*—Continued

District and State	Loans made		Amount collected	Balance outstanding		
	Number	Amount		Number	Amount	
					Total	Percent of loans made
District 6:						
Illinois	9,211	$1,004,922	$694,914	3,982	$310,008	30.8
Missouri	48,794	5,014,956	3,508,831	23,428	1,506,125	30.0
Arkansas	243,391	20,759,766	18,039,544	88,145	2,720,222	13.1
Total	301,396	26,779,644	22,243,289	115,555	4,536,355	17.0
District 7:						
Michigan	24,383	2,104,799	1,347,132	12,442	757,667	36.0
Wisconsin	34,080	2,348,553	1,033,050	22,541	1,315,503	56.0
Minnesota	46,033	5,286,771	2,176,559	32,071	3,110,212	58.8
North Dakota	168,542	32,474,805	6,411,459	141,930	26,063,346	80.3
Total	273,038	42,214,928	10,968,200	208,984	31,246,728	74.0
District 8:						
Iowa	5,173	705,176	495,065	2,219	210,111	29.8
South Dakota	101,669	20,865,310	5,689,270	82,589	15,176,040	72.7
Nebraska	30,349	4,855,375	2,047,825	20,341	2,807,550	57.8
Wyoming	9,262	1,544,056	776,510	5,762	767,546	49.7
Total	146,453	27,969,917	9,008,670	110,911	18,961,247	67.8
District 9:						
Kansas	49,694	8,851,612	1,886,209	41,506	6,965,403	78.7
Oklahoma	60,118	5,289,732	3,272,412	29,097	2,017,320	38.1
Colorado	28,445	4,359,810	1,803,976	19,835	2,555,834	58.6
New Mexico	26,209	3,632,205	1,670,649	17,498	1,961,556	54.0
Total	164,466	22,133,359	8,633,246	107,936	13,500,113	61.0
District 10: Texas	224,978	22,611,323	15,516,343	75,804	7,094,980	31.4
District 11:						
Arizona	2,264	408,871	276,036	1,023	132,835	32.5
Utah	10,614	1,110,843	788,293	4,460	322,550	29.0
Nevada	423	64,262	54,315	100	9,947	15.5
California	2,523	444,955	352,404	667	92,551	20.8
Hawaii	70	15,360	244	70	15,116	98.4
Total	15,894	2,044,291	1,471,292	6,320	572,999	28.0
District 12:						
Montana	76,565	14,064,157	4,338,660	56,240	9,725,497	69.1
Idaho	14,943	2,291,280	1,904,704	4,112	386,576	16.5
Washington	9,959	2,328,579	1,613,643	3,559	714,936	30.7
Oregon	6,729	906,204	588,792	3,090	317,412	35.0
Total	108,196	19,590,220	8,445,799	67,001	11,144,421	56.9
Total, by States	2,570,725	287,803,085	183,161,206	1,062,637	104,641,879	36.4
Agricultural credits	967	1,513,024	843,447	545	669,577	44.3
Seed loan adjustment		63,350	848		62,502	
Grand total	2,571,692	289,379,459	184,005,501	1,063,182	105,373,958	36.4

Farm Credit Administration, division of finance and research.

1934–35 DROUGHT RELIEF LOANS

TABLE 6.—*Number and amount of loans made and collected through January 1936 and balance outstanding Jan. 31, 1936*

District and State	Loans made		Amount collected	Balance outstanding		
	Number	Amount		Number	Amount	
					Total	Percent of loans made
District 1: New York	399	$48,823	$16,982	330	$31,841	65.2
District 2: West Virginia [1]	1	295	50	1	245	83.1
District 3: Florida	964	397,701	47,805	888	349,896	88.0
District 4:						
Ohio [1]	1	120		1	120	100.0
Indiana [1]	1	52		1	52	100.0
Total	2	172		2	172	100.0
District 5: Louisiana	7,363	452,553	52,067	7,013	400,486	88.5
District 6:						
Illinois	1,446	124,849	70,511	715	54,338	43.5
Missouri	20,602	2,029,663	686,655	14,556	1,343,008	66.2
Arkansas	13,419	683,866	185,401	10,926	498,465	72.9
Total	35,467	2,838,378	942,567	26,197	1,895,811	66.8

Due to transfers from drought areas.

1934–35 DROUGHT RELIEF LOANS—continued

TABLE 6.—*Number and amount of loans made and collected through January 1936 and balance outstanding Jan. 31, 1936*—Continued

District and State	Loans made		Amount collected	Balance outstanding		
	Number	Amount		Number	Amount	
					Total	Percent of loans made
District 7:						
Michigan [1]	4	$1,675	$310	4	$1,365	81.5
Wisconsin	5,775	1,024,170	44,887	5,445	979,283	95.6
Minnesota	27,124	6,680,841	205,225	25,839	6,478,616	96.9
North Dakota	44,408	12,120,470	237,505	43,314	11,882,965	98.0
Total	77,311	19,827,156	487,927	74,602	19,339,229	97.5
District 8:						
Iowa	7,135	1,006,995	244,359	5,485	762,636	75.7
South Dakota	44,027	16,272,930	660,358	42,230	15,612,572	95.9
Nebraska	24,920	7,258,870	732,663	44,402	6,526,207	89.9
Wyoming	3,302	2,829,060	303,943	2,925	2,525,117	89.3
Total	79,384	27,367,855	1,941,323	73,092	25,426,532	92.9
District 9:						
Kansas	16,413	3,382,420	557,325	13,572	2,825,095	83.5
Oklahoma	12,513	1,149,458	390,947	9,598	758,511	66.0
Colorado	7,413	2,335,457	321,830	6,336	2,013,627	86.2
New Mexico	5,482	1,812,887	419,620	4,610	1,393,267	76.8
Total	41,821	8,680,222	1,689,722	34,116	6,990,500	80.5
District 10: Texas	42,834	6,969,904	1,294,465	34,100	5,675,529	81.4
District 11:						
Arizona	279	60,762	20,612	156	40,150	66.1
Utah	4,007	1,752,497	156,543	3,521	1,595,954	91.1
Nevada	103	119,849	23,811	85	96,038	80.1
California	1,237	238,746	110,081	647	128,665	53.9
Total	5,626	2,171,854	311,047	4,409	1,860,807	85.7
District 12:						
Montana	6,394	1,668,580	230,362	5,559	1,438,218	86.2
Idaho	1,668	1,045,174	116,895	1,383	928,279	88.8
Washington	1,157	383,780	163,413	721	220,367	57.4
Oregon	196	147,278	16,123	157	131,155	89.1
Total	9,415	3,244,812	526,793	7,820	2,718,019	83.8
Grand total, by States	300,587	71,999,815	7,310,748	262,570	64,689,067	89.8
Net adjustment due to transfer of loans between offices	27	8,725		27	8,725	
Grand total	300,614	72,008,540	7,310,748	262,597	64,697,792	89.8

[1] Due to transfers from drought areas.

Farm Credit Administration, division of finance and research.

Mr. FRAZIER. Mr. President, will the Senator from Arkansas yield?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from North Dakota?

Mr. ROBINSON. I yield.

Mr. FRAZIER. I unfortunately did not hear all of the Senator's remarks. As I understand, the money provided by the Executive order will be handled under the same method as it has been in the past?

Mr. ROBINSON. Yes. I think I did not state that and I thank the Senator for calling it to my attention. There should be added the statement that the necessary orders will be issued in the immediate future.

Mr. FRAZIER. I agree with the Senator that the crop loans have been handled very satisfactorily in the past. As to the $200 limit, I think perhaps an average of that amount would satisfy our farmers in North Dakota; but in some instances, on account of the continued cold and severe winter and unusual amount of snow, shortages in feed are being reported. In such cases it might be necessary to have more than the $200, and I presume the emergency will be taken care of.

Mr. ROBINSON. Mr. President, there is a further statement that should be made in connection with the figures which have been submitted. In some of the Northwestern States, where the records show that a comparatively small percentage of repayments during the present year have been made, that condition is due, in part at least, to the fact that the grains produced by the farmers who are the beneficiaries

of the law are still held. The policy of the Credit Administration is not to force quick sales of the crops produced. For that reason there are assets which in time will be applied to the loans, thus reducing the amount which appears unpaid from the figures presented.

Mr. FRAZIER. Mr. President, will the Senator yield further?

Mr. ROBINSON. Certainly.

Mr. FRAZIER. That is true in many cases in North Dakota at the present time, but there are also other communities where there was practically no grain produced.

Mr. ROBINSON. Yes; there was a complete crop failure due to drought.

Mr. FRAZIER. Yes; and in those cases the farmers will have to have aid to put in any crop at all.

Mr. SMITH. Mr. President, as the author of the measure which has been vetoed, may I say that the plan involved has been in operation for about 8 years. I was amazed, in view of the conditions which now exist and which have not very materially changed from other years, that there should be any question at all about the comparatively small sum involved for the benefit of those who have proved that they appreciate the fact that they have been enabled to be independent and not required to go on the charity rolls.

We have had a system of crop-production loans which everyone who has studied the method by which the farmer may get advances will admit is not an improvement over, if equal to, the advantage he might get from borrowing direct from a banker or private financier. In the first place, he has to have sufficient chattels upon which a mortgage can be taken to justify the loan. In addition to that he pays 6-percent discount. In addition to that he takes 5 percent of the amount of the loan in non-par-value stock. In addition to that he must pay from 2 to 3 percent for examination and recording of the papers. So when we speak of the work of the crop-production corporation in connection with these loans to those who can put up collateral, it scarcely can be called any favor to the individuals.

Therefore, I address myself to those who have had these advances from the Government on no security save the succeeding crop upon which a lien is taken. When one considers that these farmers have struggled along and made a crop, that their loans, which on the average have not exceeded $200, are being paid back, in 4 or 5 of the districts, to the extent of 95, 96, or 97 percent, and that the balances still due are being reduced, I cannot understand why such a wholesome, efficient, and beneficial program should be questioned at all.

Mr. President, when we consider the proposal to loan $50,000,000 to hold nearly a million farmers with self-respect on their farms, and compare it to the billions that are being spent otherwise, to me it is a most amazing situation.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. CLARK. Is it not true that in the matter of recovery the seed-loan agencies have made at least as good a showing and probably a better showing than any other governmental agency and, in remedial effects, a far better showing than any other governmental lending agency has made?

Mr. SMITH. I do not think anyone can question that statement.

Mr. President, in order that it may be in the RECORD, I desire to state that when this question arose before the Committee on Agriculture and Forestry, there was not a dissenting vote. The fact of the matter is that every member of the committee was eager to register himself in favor of the continuation of this loan. It was not a question of charity, but a loan which these poverty-stricken individuals, these American citizens, out of their little product have paid back. The Negroes in my State come eagerly to pay up their loans. They seem to be proud of the fact that they are trusted by their Government. It is not a question of charity.

I say here and now that the amount of $30,000,000 is wholly and intolerably too small for this purpose. I have had a letter from Mr. Larsen, the head of the Columbia district, comprising the States of Georgia, North and South Carolina, and Florida, stating that the requisitions made upon him this year are already greater than those of last year. Why should we not extend this assistance to these poor individuals, who have to make affidavits that they cannot get loans from any other source? Why should we here and now, knowing the conditions as we do know them, and as every Senator knows them in his State, refuse to loan the amount that this body, ratifying what the Senate committee did, and the House, ratifying what its committee did, have agreed to loan?

Why should we now do such a thing? For the sake of economy? God help us! There is no loss here. If we were giving somebody $60,000,000 it would be a bagatelle compared to what we have already given; but we are not giving away a penny. This year, in my district and in the Memphis district and in the Dallas district, some of the delinquent loans of 1931 have been collected. The borrowers are still paying, and as the conditions improve as to market value they will pay 100 cents on the dollar.

I, for one, should like to see the Senate go on record as to whether it will sustain the veto on the grounds given by the President, or whether it prefers to express its opinion as to the necessities of the case.

I recognize and appreciate the fact that the President has said that he might issue an Executive order; but if it is necessary for us to find the wherewithal to provide $50,000,000 of loans, why can we not do it? That would be only $20,000,000 in excess of the amount the President could find.

I maintain that after the consideration and the enthusiastic support of the Agricultural Committee, and the practically unanimous support of this body, it is due to these American citizens, who have made the splendid showing they have, that we as a body should see that their faith in us shall not be shaken.

I have never received so many letters and telegrams on the passage of any other bill as I have on the passage of this bill this year; and I see no reason whatever why we should not express ourselves regarding it. Possibly we may not be able to pass the bill over the President's veto; but I do desire to have the people of my State know where I stand, and I think I voice the sentiment of every Senator who has the interests of these people at heart.

We have expressed ourselves almost unanimously on this subject, both in the House and in the Senate. The need for this money today is just as great as it was when similar bills were first passed. Without taking the time of the Senate further, I, for one, desire to state here and now that I shall endeavor, if possible, to have a vote on this question, and let each and every Member signify where he stands in relation to a suffering and deserving element of our people. I desire to go on record in that respect.

WORKS PROGRESS ADMINISTRATION IN WEST VIRGINIA

Mr. HOLT. Mr. President, it is with sincere regret—and I mean that—that I take the floor of the United States Senate today to discuss again the Works Progress Administration in the State of West Virginia.

I should not have talked about the Works Progress Administration had it not been that my colleague [Mr. NEELY] yesterday accused me of making some untrue statements, and said that my charges were preposterous. The CONGRESSIONAL RECORD does not show that statement. For some reason it has been changed. I brought the original copy of the remarks here to show that I have been charged with making untrue statements, and it has been asserted that my charges were preposterous.

I also take the floor with regret for this reason: I am one who has been with the administration, as I have told the Senate before, ever since and even before the nomination of President Roosevelt. I have consistently voted with the President of the United States except on the one issue of the bonus. I am not making these remarks to embarrass the administration in any way, because I am for the renomination of the President of the United States, and I am for his reelection; but I feel it my duty, as one who has stood with the administration, to tell the people of my State definitely, although they know it only too well, just exactly what the situation is.

I made on the floor of the United States Senate the following charges. None of them has been denied, and none of them can be truthfully denied.

I made personal charges against Mr. McCullough, and I will not repeat them. They are known to you from the RECORD.

I said that the Works Progress Administration in the State of West Virginia was a political machine and was a factional political machine, and that cannot be denied.

I said that they had county bosses, and that a person to get on relief got the O. K. of the county boss. I will submit a list of the persons who are the county bosses in the different counties of the State and tell you just how the appointees get on the relief rolls.

I said that in certain places where there was not a particular county boss there was a county committee, and the county committee passes upon the persons who are put upon the relief rolls.

I also made the charge that people in the State of West Virginia are out of work today because too much money is going for the administration of the W. P. A. and not enough is going to the workers in the State of West Virginia.

I showed that the increases of salary that have been given to 27 men would put 828 men to work and feed the families of those 828 men—just the increases in salary alone! I showed the salaries and increases in salaries. In order that there may not be any question about who they are, I am going to put in the RECORD the names of other persons sent me and show the salaries they formerly received and the salaries they are receiving today as shown by the list.

I find that Mr. Ed Hart, of the board of control, formerly received $2,400. Today he is on the W. P. A. at $2,700.

I find that Mr. Ben Puckett was on the pay roll of the F. E. R. A. at $3,600. Today he is on the pay roll of the W. P. A. at $4,500.

Mr. Elmer St. George was drawing $3,060. He drew $3,600.

I find that Mr. Cornwell, of the F. E. R. A., drew $2,600 and today he is drawing $2,700.

Mr. Walter King was employed by the F. E. R. A. at $3,300. Today he is drawing $3,500.

Mr. J. D. Alexander was drawing $2,340. Today he is drawing $4,500.

Mr. E. S. Puckett was drawing $2,340. I find that today he is drawing $2,900.

Mr. Amos Morton was drawing $1,800. Today he is drawing $3,000.

Mr. Morris McConihay was drawing $1,440. Today I find that he draws $2,100.

I find that June Moore was drawing $1,320. Today on the pay roll at $2,000.

I find Mr. Nebarith at $1,620 and now on the pay roll in the Huntington district at $3,300.

I find that Mr. Homer Frame was on the F. E. R. A. pay roll at $1,800 and today is getting $2,400.

I find that Mr. Jim Myer was getting $2,100 and today is getting $2,400.

I find that Mr. E. D. Johnson was on the pay roll at $1,560 and now at $2,400.

I find that Mr. Melton Maloney was getting $1,800 in the bus company and on the W. P. A. $3,000.

I find that Mr. Joe Blackburn was drawing $2,400 and today, on the W. P. A. pay roll, is getting $3,200.

I find that Mr. Dewey Phares was getting $5 a day from the railroad and is on the W. P. A. pay roll at $3,400.

I find that Mosby, a newspaper writer, was getting $40 a week and today is on the pay roll at $3,300.

I find McPherran was on the pay roll at $3,000 and was getting $2,400.

I find Frank Carte was on the pay roll at $2,400 and was getting $1,800.

I find that Kelly was on the pay roll at $2,400; before drew $1,716.

Mr. President, I give these names sent me. I promised the United States Senate that I would verify every charge I have made against W. P. A. I say that there is not a man in the State of West Virginia, or a man in the United States Senate, who can successfully deny a single charge I have made against the W. P. A., and whenever anyone accuses me of telling an untruth, he will have to prove who is telling the untruth. I defy them. This great appropriation of money should be spent for the common people.

I do not make this charge against the national administration. I charge it against the State W. P. A. administration, in the State of West Virginia, which is under the dictatorship of a man who wanted to be governor. Thank goodness, we drove him out of the race. Now, since he has been driven out of the race, he wants to take the machine and try to make someone else governor, but he is not going to succeed in that.

Mr. President, I wish to state that I have been informed the communications bill, the bill for telephone and telegraph messages, from the time the administration started until the 1st day of January, amounted to $25,118. Oh, they love to talk. Twenty-five thousand dollars was drawn, which should have been spent in feeding the people of the State of West Virginia.

I repeat those charges and say that the office of the State administration cost the people of the United States $225,000 per year in recent months, just to run the State office, not including the seven district offices.

I charge that 813 men were on the pay roll of the supervisory force in the Huntington division of the State of West Virginia, and that cannot be denied. I will, if necessary, name every one of them and name the projects on which they worked.

Let me state another thing that is shown to me. I find that today there are five engineers assigned to one project less than 2 miles long, in the county of Kanawha. One of them draws $200 a month, another $100 a month, the other three $150 a month. Yet they had an engineer on that project, and when they went out those men were sent back to report to room 406 of the Odd Fellows Building. I do not know whether they wanted to make an original survey of that particular building or not, but here they are charging this against the building of this particular road, known as the Wilson-Hollow road project. I bring along the actual record.

In other words, all these men were put on the pay roll. For what? For politics? I submit we should repudiate those things and should drive them out.

My colleague took me to task and sought to make it appear that I was against the national administration because I had gone along in the exposé of the W. P. A. Let me refer to the year 1934, when the Civil Works Administration, which was a part of the same organization that is now the W. P. A., was administered by that group. What did my colleague say about the Civil Works Administration of the State of West Virginia? I may be pardoned for reading into the RECORD what he said of the C. W. A. He spoke very highly of Harry Hopkins yesterday, but I shall read what he said of Harry Hopkins, according to the Associated Press.

I find that my colleague stated on January 26, 1934:

> He is using the West Virginia works program to build up a Republican machine in many counties.

He spoke about taking a sackfull of complaints to the C. W. A.

On January 27 Mr. Beehler replied as follows:

> The only crime has been a flat refusal to turn the C. W. A. program over to Senator NEELY and other politicians.

On January 30 this is what the Associated Press of Washington carried:

> JANUARY 29.—Senator M. M. NEELY, Democrat, West Virginia, said tonight that he would carry his demands for Beehler's ouster to President Roosevelt. "I am not going to take any dictation from Beehler or from Hopkins, either", Senator NEELY said, "I am going to carry this matter directly to President Roosevelt, and I know he will see that justice is done."

Let me quote further. Hopkins, asked at a press conference late today if he intended to remove Beehler, replied:

> No; of course not. Beehler is going to remain.

Reminded that Senator NEELY and the entire West Virginia House delegations had asked for Beehler's removal, Hopkins said:

Well, what of it?

That is an exact quotation of what occurred at that particular time. In other words, I turned the record over and said within an hour that if the C. W. A. was set up for political purposes the W. P. A. in West Virginia was set up 10 times more for political purposes. I said that if it was wrong to turn it over to the Republicans, it was wrong to turn it over to Democrats. It was meant to feed the people, not for any political machine or any political party.

I again bring the records and the telegrams along to show that my colleague did protest to them about the C. W. A. investigation, and said this:

Will you please specify where I ever authorized anyone to speak for me, ever made a charge of any kind against the administration of relief in Barbour County as indicated in your letter of December 26 to Director Hopkins, a copy of which is before me? The fact of the matter is that I eliminated Barbour County from my request for investigation.

It was perfectly all right to investigate the C. W. A. in the State of West Virginia; but it is terrible, I have become a heretic, because I want the W. P. A. investigated and want to drive out of office those political leeches, bloodsuckers, and those people who are using, for private gain, a fund that was set up for the common people.

Let me quote a little further. Here is a letter from the supervisor of personnel of the Fairmont district, which I will read. This is an exact copy of the letter, the original I have here:

The time to correct mistakes is before they are made, if possible; consequently we don't want anyone on these jobs who is not right.

Get that—

Consequently we don't want anyone on these jobs who is not right. These hundreds of applications going in should be taken around to the "designated"—

Listen to this—

These hundreds of applications going in should be taken around to the "designated" leaders in each county and sorted; then the local leaders can't blame the personnel office if the right boys are not on. This, to my mind, is paramount if this organization is to accomplish what it has to do in the next year.

What did that mean, on the face of it? I should like to know. That is an exact quotation from the personnel director of the Fairmont district.

Here is another letter from that man, whom I know very well, and he is a very fine fellow:

Mr. Oldham has understood from the beginning that Senator NEELY has designated a man or men in each of the Panhandle counties who were to act as advisers with him in that district and who supposedly were to be taken into conference on State matters pertaining to their counties. Mr. ——— and Mr. ——— were the ones supposed to be consulted with in Brooke County.

I will not read the names of these men, because they are not in the controversy.

Listen to this:

Since the requisitions for labor so far have been made up in this office, we have, since this happening in Brooke County, religiously placed as foremen and timekeepers on the projects the names of men suggested by our advisers. We have had no further complaints or trouble on the new projects which are starting in those counties. We are continuing to place the foremen and timekeepers as stated before and will continue to do so until further orders. May I ask your comment and suggestions on this procedure?

Listen to this:

We have earnestly tried to be very broadminded in permitting the advisor to consult with the party leaders in their respective counties in order that we may be assured of complete harmony and support at next primary and general election, rather than have some one person set himself up as a little king or dictator in his own right, raring back saying that the weight is all upon his shoulders and thereby taking the privilege of naming everyone in any county regardless of boundary lines or personal considerations and feelings.

I quote that from the record. In other words, here is actual proof of what they are doing, and the names of the people in the county.

Here is a letter to me from the county chairman of Wood County:

DEAR RUSH: I have had considerable contact with your brother and other members of the W. P. A. staff in their temporary office. I don't know whether you know it or not, because I didn't come to you with a lot of ballyhoo as to what I had done for you, but I built my whole structure around your candidacy in the primary and election. In the primary I used the key men in the labor organizations here, especially Morris Bull in the textile workers. I underwrote the expense of your campaign here and whatever the labor boys could not raise I made up the balance. I never wanted a political job.

This is where he starts in with what I wish to call to the attention of the Senate particularly:

I am only aiming to solidify and keep together the Democratic organizations. On all appointments made here by Senator NEELY he always checks my office first and we try to back the ones who are deserving and who we know will be dependable NEELY workers. Now, to keep the organization strong, I must still be at the head of it till after the primary. If there are any local boys you want to take care of here, let them contact this office, and I will back the play. But if they find they can go over my head it weakens the Democratic organization. In other words I must, in the words of the Chinese, "not lose face."

He goes ahead and tells whom they could contact. That letter was addressed on the 29th day of July from Parkersburg.

I wish I could tell the Senate what I wrote back to him, but it is not permissible to place it in the RECORD.

Let me go a little further in what was said at that particular time. Here is what the State personnel agent, Mr. Melton Maloney, in charge of all the personnel in the State, said:

From the very beginning my hands were tied. I was not allowed to do the job I had been drafted to do. Mr. McCullough told me on December 24 that he was powerless to do anything about it because he was being dictated to by—

Quoting Mr. McCullough:

Senator NEELY's personal organization in the State.

He names them. He names the six men who were in his personal organization, who need not be involved in this controversy. He goes ahead further in that letter and says:

No one could get a job from my bailiwick (Union district, in Kanawha County) unless approved by ———.

Another man. He says they cannot understand that particular way of dealing with people.

In other words, the record will speak for itself. I bring in these things, and if anyone wants the original, I have it here, and I challenge anyone to say that it is not true, from the original letters I have at hand.

Let me show the Senate another little piece of politics. We have in the State of West Virginia a man by the name of Dan Fleming, who had a wonderful liberal record in the State senate. He was put in charge of finance in the Parkersburg district. What happened?

When the legislature met, Dan Fleming would not vote for Louis Henderson, the utility candidate for president of the senate. He would not do it because he said, "I have always waged my campaign against the utilities." What happened? When they got to Senator Fleming's salary he was given $2,400, and every other finance director in the State of West Virginia was given $2,900. He was punished to the extent of $500 a year because he would not go along in putting in a utility candidate for president of the senate of West Virginia. I will get an affidavit from Senator Fleming to prove that, if anyone desires it.

Let me go a little further. There was George Oldham, who was a great member of the house of delegates, a man who had never been defeated at any time except in the Republican landslide, a man who had led the Democratic ticket. On Thursday I was told that Mr. Oldham was against my colleague and was talking about it. On the next Tuesday I found Mr. Oldham was fired. For the good of the service. On Thursday I found it out and on Tuesday he was fired.

What happened in the Gordon Enoch case in Parkersburg? He was superintendent of the Parkersburg district. Everyone knew that he was not doing anything. He was sitting there drawing $3,100, and this was protested and his removal

asked for. Mr. McCullough had wired back to me: "I cannot let him go because he is endorsed by Senator NEELY."

Let us go a little bit further and show who is in charge of this set-up in the State of West Virginia. My colleague tried to make it appear that I was trying to build up a political machine in the State of West Virginia. I have made a check, and I have here, submitted to me by the personnel director, the list of all these employees, and who put them on the pay roll, and I find in the State office 127 employees, 11 of them directly charged to my colleague, 32 of them charged to appointees of my colleague, such as those who were appointed by the district attorney and those that are appointed by people who were appointed by my colleague, and I find that 14 of them are O. K.'d by Senator NEELY's committee, and I find that the Congressmen do not amount to much in the State of West Virginia, because out of 127 they only got 3 people on, so I find that 14 are charged to Senator NEELY's committee and 32 are charged to appointees of my colleague.

How many distress cases can you find on that list? Out of the 127 there were 4. Four, that is, out of 127. We find that 57 are directly charged to my colleague out of the 127.

But let me go a little bit further into the actual evidence of what was going on. I want to quote from the Wheeling Intelligencer of February 21, 1936:

> The report shows conclusively that this control is vested in and tightly held by United States Senator M. M. NEELY and his ally and Warwick—

I will not mention the name.

> Sixty-seven of the 127 appointments can be directly traced to these two men, and at least one-half of the remainder indirectly traced to them.

My colleague said I was trying to build up a political machine. How many do you suppose I got on the State office list? It will be said, perhaps, that it is a case of "sour grapes." I got 2 on out of 127. I continue to read:

> One thing graphically portrayed by the report is confirmation of the widespread reports that Senator RUSH D. HOLT was left entirely out in the cold in the matter of patronage at the local offices of the W. P. A. It is disclosed that HOLT is personally responsible for only two members of the staff—one of them a minor employee drawing $105 a month.

In other words I admit that I was left out in the cold, and I am indeed glad that I was left out in the cold, because I do not have to take the responsibility for it.

Let us go a little bit farther ahead and see what happened. We find in that whole group of nonpolitical appointments about 11 out of the 127 that are not charged to some politician or some Senator or some Congressman or some boss or some committeeman. Of course, in the Fairmont district my colleague has had complete control of it and has named the appointees. I will go down the list. He appointed Robert Riley as assistant United States attorney. Before anyone was to get any job in that county Mr. Riley was to pass on it.

Mr. Robinson was appointed as United States attorney. Before anyone was to get any job in Harrison County Mr. Robinson passes on that particular job.

Oh, no; no politics in it! None at all! I challenge the questioning of that record.

Let us go to the other end of the State, the Lewisburg district. Out of 56 appointments, 10 of them are definitely charged to my colleague, and indirectly 9 of them are charged besides to political committees and the political bosses. In other words let us look at the record, as Al Smith says, and see who is in charge of the W. P. A. in West Virginia. If I were in charge of it I certainly would repudiate it mighty quick, because I think it is a rotten, disgraceful administration of a wonderful bill.

Let us go down to the Elkins district. We find 63 are employed and my colleague has about 10 of them directly and 8 of them indirectly charged to him.

How many do Senators suppose I have put on? Three on that list.

Now look at my home district. I took responsibility for the Parkersburg district, my home district. But, Senators, I will not have to take it long, because I made a speech on the floor of the Senate against the W. P. A. on Monday, and on Friday my brother was fired out of it. Let me say that I had nothing in the world to do with the appointment of my brother. Not at all. Mr. McCullough said to a man, whose name I could bring in if I wanted to, "Do you not think it is a smart political move to put HOLT's brother on, and then he has to keep his mouth shut?"

I was not then in the State of West Virginia. But, Senators, if it is a question of keeping my mouth shut or having my brother lose his office, I say that my brother's office does not mean half as much as the principle of a fight against all this rotten corruption. My brother said when he was fired he had to be fired because he would not build up a political organization for Mr. McCullough for Governor.

I was asked the other day to say where Mr. McCullough told me he wanted to be Governor. I will tell Senators where he told me. He told me that in the Mayflower Hotel in the city of Washington, and he told me that in the Daniel Boone Hotel at Charleston, W. Va. He said, "Fifty-five thousand men can make anybody Governor, and they know where they get their jobs." I challenge him to deny that, and I will tell him the exact date.

Let us look at the actual situation. The blame for it is due to what? It is due to the utter irresponsibility of the administrator—a 42-percent loan shark—a loan shark who has made money by charging the poor workingmen of my State 42 percent upon the loans. But did I not tell the Senate the other day that his name had been erased from the window, and that you will not see Mr. F. W. McCullough as president of that finance company. He is ashamed of it.

I again charge this and ask for a denial. I charge that the personal allegations that I have made against Mr. McCullough are true.

I charge that the W. P. A. in the State of West Virginia was built for a factional political machine.

I charge that there are bosses in most every county, and where there is not a county boss there is a county committee.

I charge that the people of the State of West Virginia cannot be put upon employment. Why? Because much money is given to a few "show horses" that are always down to get the blue ribbons.

What happened in Mason County, about which so much has been spoken? When we wanted a project passed at Leon, what did Mr. McCullough tell me? He said, "I will not approve that project, because those people do not vote right." He told me that personally.

Another thing: I charge that those salaries have been increased to huge amounts. Who suffers? The common people have to suffer. We have so much money to spend, and it may either go to the officeholders or to the workingmen, I think it should go to the workingmen, the people who have to go out and earn $38.50 a month, as they do in parts of the State of West Virginia, not those who are earning $3,000 and up to $6,000.

Mr. McCullough, the administrator, has never been confirmed by the United States Senate. They do not dare put his record before the United States Senate and allow the question of confirmation to come before the Senate.

I charge that his office is throwing away money that should go to the common people. If my colleague wants to take the responsibility, I welcome it, and willingly give that to my colleague because I do not want it. I want to say that if NEELY accepts the responsibility the responsibility will be repudiated when the people decide upon it.

Mr. NEELY. Mr. President, it is not my intention to enter upon a discussion of the various charges which the junior Senator from West Virginia has just made. But the attention of the Senate is very respectfully invited to page 2746 of yesterday's RECORD, where the following appears:

> Mr. HOLT. It is true that Mr. Roth is a Republican, but in every single county in that district he had to consult a certain political boss or bosses. I have the list in my office and will be glad to bring it here, showing the names of those appointed, and the name of the boss whose endorsement he had to have before he could get anybody appointed.
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> * * * * * * *
>
> Mr. NEELY. I challenge the junior Senator from West Virginia to obtain from Mr. Roth a statement that will, in the slightest degree, confirm, or tend to confirm, the charge that he has just

made to the effect that Mr. Roth was obliged to consult some political boss or bosses before he could make W. P. A. appointments.

Yesterday evening I sent Mr. Roth the following telegram:

FEBRUARY 25, 1936.

Hon. ROBERT P. ROTH,
Fairmont, W. Va.:

Senator HOLT today publicly charged that before you could make W. P. A. appointments you had to consult a political boss or bosses in every county in your district. Will you please kindly wire me collect whether this charge is true or false?

M. M. NEELY.

The following is Mr. Roth's response to my message:

FAIRMONT, W. VA., *February 26, 1936.*

Hon. M. M. NEELY,
United States Senator:

Re tel. Charge is false. I selected keymen. Personnel department furnished others. My own appointment was made upon recommendation of A. C. Spurr and Fred Krafft, of Upper Monongahela Valley Association. I asked McCullough to approve Harold F. Kramer for assistant director, M. E. Ashcraft director of finance, George J. Gow supervisor of projects and planning, Fred M. Jamison office manager and personnel supervisor. I also recommended Harry C. Louden to head the labor division. Kramer suggested Bill Gates as a very competent assistant to Gow. I made that assignment. I requested McCullough's approval of Sam Burke and Dan Cronin for keymen on statistics and pay rolls in finance division. I asked Kramer to select six or eight competent engineers throughout the district and, if possible, get men experienced in E. R. A. work. That was done and McCullough approved. McCullough demanded speed and advised that E. R. A. projects should be checked, revised, and taken over as the nucleus of W. P. A. program. Took oath of office on or about July 6. Fairmont office opened for business July 11, first in the State.

Kramer and Gow were with E. R. A. this district, the former division engineer and the latter as county administrator. Kramer's engineers went to work immediately in the field preparing projects for transfer. Kramer and his men remained in E. R. A. pay roll for the time being. Gow served in dual capacity with both administrations to effect speedy and harmonious transfer of overlapping business. Gow's salary with E. R. A. was discontinued. District 2 was first to put men to work in West Virginia, and by September 12 had worked up full 3-year program of some 900 projects totaling $26,000,000. Fred Jamison was a furloughed F. H. A. employee, and had been ordered back to Parkersburg. I wanted him as office manager and reserve man to Ashcraft on account of wide experience in financial matters. McCullough hesitatingly granted my request. Burke and Cronin, both unemployed, were former employees in local code authority. I had intimate knowledge of their qualifications while myself employed in adjoining offices of Northern West Virginia Coal Association. I came to know Louden as a young man of outstanding ability in labor circles while serving as local county relief administrator.

If you are included as one of the political bosses referred to in telegram I can absolve you from that so far as I am concerned. Our personal acquaintance is limited to an introduction in the Fairmont Hotel the night of testimonial dinner to John L. Lewis.

ROBERT P. ROTH.

Mr. President, yesterday the junior Senator from West Virginia challenged me to refute any charge that he had made against the Works Progress Administration for his native State. It is very deferentially submitted that the message from Mr. Roth which has just been read to the Senate supplies all the refutation of one of the Senator's serious charges which any open-minded person could desire.

At a later date additional relevant and conclusive evidence will be presented to the Senate regarding other charges which the junior Senator has made. Further than this I trust that I shall not be compelled to go.

My conception of the important purposes of the Senate impels me to regret that personal complaints or quarrels are ever brought to the Senate floor. My self-respect as well as my respect and my affection for my friends in this body will always restrain me from initiating or participating in personal controversies here, excepting in case of intolerable provocation.

In response to the charges of the junior Senator from West Virginia regarding attempts to control the appointments of the Works Progress Administration, I venture to read to the Senate the following self-explanatory messages:

December 31, 1935:

GLEN S. CALLAHAN,
National Youth Administration, Charleston:

Democratic opposition to appointment Boyles, Barbour County. Recommend Raymond Murphy, Philippi, who has outstanding qualifications.

RUSH D. HOLT.

December 4, 1935:

MOSE DARST,
Fairmont:

Am personally interested in taking care of Gordon Sandridge, Belington, W. Va. Hope you can do so.

RUSH D. HOLT.

Mr. Darst is one of the officials of the Fairmont Works Progress office.

January 6, 1936:

GLENN S. CALLAGHAN:

If for any reason Berkeley County recommendation not advisable, have someone else in mind.

RUSH D. HOLT.

December 4, 1935:

GLENN S. CALLAGHAN:

Recommend Burdette Cutlip, of Braxton, W. Va., for organizer Emergency Relief education for Braxton County.

RUSH D. HOLT.

January 14, 1936:

GLENN S. CALLAGHAN:

Recommend Grant County N. Y. A. Administrator Harry C. Yokum, Pansy, W. Va.

RUSH D. HOLT.

January 13, 1936:

GLENN S. CALLAGHAN:

Recommend Ralph W. Haines for N. Y. A. Administrator position, Hampshire County.

RUSH D. HOLT.

January 12, 1936:

GLENN S. CALLAGHAN:

Recommend N. Y. A. Administrator, Hardy County, O. Lee Heltzel, Wardersville.

RUSH D. HOLT.

December 2, 1935:

GLENN S. CALLAGHAN:

Byron Randolph wires that Virgil Shack be named recreation director Harrison County.

RUSH D. HOLT.

November 6, 1935:

MOSE DARST:

Have requested that Byron Randolph be consulted about naming some foremen and timekeepers in Harrison County. Hope you will not overlook this, as I consider it very important.

RUSH D. HOLT.

January 6, 1936:

GLENN S. CALLAGHAN:

Recommend Fred Hedrick N. Y. A., Summers County. Very good training.

RUSH D. HOLT.

December 14, 1935:

GLENN S. CALLAGHAN:

Since Herman Jemison, Tyler County, did not get on Emergency, would like to have him placed on National Youth Administration.

RUSH D. HOLT.

December 4, 1935:

GLENN S. CALLAGHAN:

Recommend Herman B. Jemison as organizer of Wick, Tyler County.

RUSH D. HOLT.

December 16, 1935:

GLENN S. CALLAGHAN:

Hope in new set-up that you will be able to offer position to Hon. F. N. Zickafoose, former member board of governors, West Virginia University.

RUSH D. HOLT.

December 31, 1935:

GLENN S. CALLAGHAN:

Recommend Mineral County, Mrs. Lillian Keys; Tucker County, Laurence T. Hanby, Davis.

RUSH D. HOLT.

January 2, 1936:

GLENN S. CALLAGHAN:

Recommend for Mineral County, John Long Keyster; Tucker County, Lawrence T. Hanby, National Youth Administration.

RUSH D. HOLT.

December 2, 1935:

GLENN S. CALLAGHAN:

Wired recommendations for Randolph and Mercer. Am contacting other counties by wire. Expect all to reply by Wednesday. Contact me Tuesday, Astor Hotel, New York.

RUSH D. HOLT.

These telegrams sufficiently tell their own story. Therefore I refrain from commenting upon them.

Mr. President, my sole request to my friends in the Senate is that they withhold their judgment in this case until they shall have heard all of the evidence. The complete record will, in my opinion, convince them that the Works Progress Administration has properly discharged its duties in the State of West Virginia and should be acquitted of every serious charge that has been made against it.

Mr. HOLT. Mr. President, I am indeed glad that the senior Senator from West Virginia has spoken. I will present the list of appointees of the Works Progress Administration in his own district, and ask that it be printed, showing the names and salaries of the appointees, and who recommended each and every one of them as to counties.

I will also show that Mr. Callaghan wired me in Chicago, and wired me at the Hotel Astor in New York, and requested the certain particular recommendations that I later did file to him.

I did try to get Mr. Murphy appointed in Barbour County; but, due to the influence of the brother-in-law of the Senator who has just spoken, Mr. Murphy did not get the job. Mr. K. C. Epling got the job at $1,800 a year.

I will say that in Hardy County and Berkeley County a particular application was requested from me.

As to Harrison County, my colleague did try to establish a definite dictatorship of Howard L. Robinson, who is United States attorney. I did protest because the people in that particular section of the State protested most vigorously to me that they had to go to him to get a job.

As to the other county, I want to ask who got the jobs. He said that he did not do that. All right. Now let us look and see who got the jobs. This is the record in his own district.

We find that in Brooke and Hancock Counties the appointee was recommended by the associates, who were named by the senior Senator from West Virginia to look after his activities in Hancock County.

Let us see who got the appointment in Wetzel County. He said I made a recommendation in Wetzel County. Who made that recommendation? A. C. Chapman, prosecuting attorney, and my colleague's particular friend in that particular county.

Now let us go ahead.

He said that I asked for Virgil Shack to be appointed in Harrison County. Well, I did ask for his appointment; but did I get it? No; I did not get it. Who got it? Harold Stewart, appointed by Howard L. Robinson, and put on the pay roll at $1,800 a year.

He said I tried to get the appointment in Taylor County. Did I do it? Charles T. Wolfe, recommended by W. J. Gates and associates, was put on the pay roll.

I ask to have this list go into the CONGRESSIONAL RECORD as evidence of that particular thing.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Works Progress Administration in West Virginia

SECOND DISTRICT, FAIRMONT

(Total, 155 employees on this list, Jan. 27, 1936)

Title	Name	County	Annual salary	Recommendations
ADMINISTRATIVE CONTROL				
Acting director and chief engineer	Harold F. Kramer	Taylor	$3,200	W. J. Gates and associates, Robert F. Roth.
Office engineer	C. Crow Batson	Monongalia	2,400	F. Guy Ash, Colonel Robinson.
District supervisor, women's work	Irene Gillooly	Harrison	2,100	Howard L. Robinson and associates.
Area engineer	W. L. Burton	Marshall	2,100	W. C. Ferguson and associates.
Do	Earl E. Brane	Harrison	2,100	Howard L. Robinson and associates.
Requisition engineer	O. R. Wilson	Preston	2,100	Harold F. Kramer, Robert F. Roth, J. V. Gibson.
Liaison officer	H. Sutton Sharp	Marion	2,100	C. E. Smith.
Administrative assistant	Mose McKay Darst	Monongalia	2,000	Terrence Stewart, Walter S. Hart.
Area engineer	James C. Reich	do	1,800	Jake Wharton, Walter S. Hart.
Do	Ray Shaw	Hancock	1,800	Sheriff J. A. Tope and associates.
Do	Homer E. Poling	Barbour	1,800	W. J. Gates and associates.
Office engineer	James W. Hewitt	Harrison	1,620	Harold F. Kramer.
Area engineer	L. F. Oneacre	Wetzel	1,500	A. C. Chapman and associates.
Do	C. W. Monroe	Marion	1,500	Homer C. Toothman and associates.
Junior engineer	Harry W. Weaver	Wetzel	1,500	A. C. Chapman and associates.
Supervising clerk	J. Paul Finley	Hancock	1,500	Sheriff J. A. Tope and associates.
Home economist	Aileen Berdine	Wetzel	1,500	A. C. Chapman and associates.
Senior stenographer	Besse J. Vernon	Hancock	1,200	Sheriff J. A. Tope and associates.
Do	Anne Rady	Harrison	1,200	Howard L. Robinson and associates.
Do	Mildred Stalnaker	Marion	1,200	Robert F. Roth.
Senior clerk	Bess A. Orr	Preston	1,200	J. V. Gibson and associates.
Junior stenographer	Leah Lipson	Marion	960	A. M. Rowe.
Requisition typist	Helen Weimer	do	720	C. E. Smith.
Do	Jane C. Staggers	do	720	Do.
PROJECTS AND PLANNING				
Supervisor	George J. Gow	Marion	1,800	Homer C. Toothman, C. E. Smith.
Assistant supervisor	W. J. Gates	Taylor	2,400	M. M. Neely, Rush D. Holt.
Junior engineer	Emory A. Hoke	Preston	1,500	Harold F. Kramer.
Senior stenographer	Fern Gywn	Marion	1,200	C. E. Smith.
Junior stenographer	Clara Teti	do	960	C. E. Smith, Frank Miley, Van A. Bittner.
LABOR DEPARTMENT				
Supervisor	Harry C. Louden	do	3,100	Van A. Bittner, Frank Miley.
Assistant supervisor	P. F. Buckley	do	1,800	Do.
Supervising clerk	Joseph Holtz	Monongalia	1,500	F. Guy Ash, Frank Miley, Harry C. Louden
Senior clerk	W. G. Smallridge	Harrison	1,260	Howard L. Robinson and associates.
Senior stenographer	Maxine Hughes	Taylor	1,200	W. J. Gates and associates.
Do	Marie C. Silber	Marshall	1,080	W. C. Ferguson and associates.
Junior stenographer	Filomena Micozzi	Preston	960	J. V. Gibson and associates.
Junior clerk	Olive T. Mason	Marion	840	C. E. Smith.
Underclerk	Steve J. Antalis	Hancock	780	Sheriff J. A. Tope and associates.
Do	Wade H. Robinson	Harrison	780	Howard L. Robinson and associates.
Do	Mildred Kress	Brooke	780	Robert L. Ramsey and associates.
Do	Lelah M. Mauller	Taylor	780	W. J. Gates and associates.
Typist	Margaret J. Yager	Barbour	780	Do.
Do	Dorothy Evans	Preston	780	J. V. Gibson and associates.
Do	Ruth Stewart	Wetzel	780	A. C. Chapman and associates.
Underclerk	Lena Coffman	Marion	720	Earl Smith.
Do	Mary Ellen Knight	do	720	Frank Miley.
INTAKE AND CERTIFICATION				
Supervisor	Anne Tryon	Marshall	1,200	Selene Gifford.
Do	Katherine Dearien	Monongalia	1,200	Do.
Senior stenographer	Edythe M. Satterfield	Marion	960	Homer C. Toothman and associates.
Underclerk	Ruth Posten	do	720	C. E. Smith.

Works Progress Administration in West Virginia—Continued

SECOND DISTRICT, FAIRMONT—continued

Title	Name	County	Annual salary	Recommendations
FINANCE AND REPORTS				
Assistant supervisor	Samuel T. Burke	Marion	$2,100	Marshall E. Ashcraft.
Certifying officer	Grover C. Starkey	Harrison	1,500	Howard L. Robinson and associates.
Assignment supervisor	J. Harry Meredith	do	1,500	Do.
Pay-roll clerk	Stanley C. Lantz	Monongalia	1,500	Terrence Stewart, Walter S. Hart.
Assistant supervisor, tools and equipment.	C. Glenn Emerson	Preston	1,500	J. B. Gibson and associates.
Verification clerk	James Madison Lyon	Harrison	1,320	Howard Robinson and associates.
Material and supply clerk	Vincent Tropea	Marion	1,200	Homer C. Toothman and associates.
Posting clerk	Alex V. St. Clair	Monongalia	1,200	Walter S. Hart, Jake Wharton.
Senior stenographer	Jessie D. Cox	Marion	1,200	J. Clyde Morris.
Master card-file operator	Lee Bowman	Taylor	1,020	W. J. Gates and associates.
Supervising typist	Rosanna Wilson	do	1,020	Do.
Comptometer operator	Helen Louise Spring	Marion	960	Homer C. Toothman and associates.
Verification clerk	John Martin Creighton	do	960	Do.
Do	Roy Hunter	do	960	Fred M. Jamison.
Posting clerk	Paul L. Falkenstine	do	960	Homer C. Toothman and associates.
Verification clerk	William Ray Donlin	do	780	Do.
Do	George W. Ullom, Jr.	do	780	Do.
Do	George L. Kerr	do	780	Do.
Do	Walter C. Upperman	do	780	Fred M. Jamison.
Typist	Gladys Barton	do	780	Homer C. Toothman and associates.
Do	Josephine Thomas	Wetzel	780	A. C. Chapman and associates.
Do	Nannie Belle Herron	Hancock	780	Sheriff J. A. Tope and associates.
Do	Mary Dott Hefner	Barbour	780	A. D. Marks.
Do	Eleanor McCarthy	Marion	780	Homer C. Toothman and associates.
Do	Eunice T. Bennett	do	780	Do.
Do	Kathryn McKeever	do	780	Frank Miley, Tony Teti.
Do	Virginia C. Rodgers	do	780	Fred M. Jamison.
Do	Jennie M. Boyce	do	780	Do.
OFFICE MANAGEMENT				
Office manager	Fred M. Jamison	do	2,900	Homer C. Toothman, C. E. Smith, Alfred Neely.
Supervising clerk	Irene Fowler	do	1,200	C. E. Smith.
Junior clerk	W. D. Straight	do	1,020	M. M. Neely.
Junior stenographer	Gertrude S. Morgan	do	960	Fred M. Jamison.
Junior clerk-receptionist	Martha H. Mitchell	do	840	C. E. Smith.
Junior clerk-messenger	Louis Frezillo	do	840	Homer C. Toothman and associates.
Supply clerk	W. J. LaFollette	do	720	Harry C. Louden.
Underclerk-telephone operator	Josephine Scott	do	720	C. E. Smith.
SAFETY DEPARTMENT				
Supervisor	William Short	do	[1] 2,400	Transferred by F. Witcher McCullough.
District safety representative	Ray Dillon	Taylor	1,500	W. J. Gates and associates.
Do	Albert Angelilli	Marion	1,500	Frank Miley.
Do	C. E. Chaddock	Ohio	1,500	George W. Oldham.
Junior clerk	T. B. Henderson	Marion	1,020	M. M. Neely.
Typist	Martha E. Sheets	Monongalia	780	Jake Wharton.
COMPENSATION DEPARTMENT				
District compensation officer	James P. Burns, Jr.	Marion	2,000	Appointment made in Charleston.
Claim adjuster	C. O. McVicker	Harrison	1,440	Frank Miley.
Do	Thurlow W. Harmon	Ohio	1,440	George W. Oldham.
Field investigator	H. E. Peters	Marion	1,200	Frank Miley, Harry C. Louden.
Stenographer	Fern Yost	do	960	James P. Burns, Jr.
PROCUREMENT DIVISION				
District procurement officer	W. O. Flesher	Monongalia	[1] 2,100	Jake Wharton.
Stenographer	Mabel V. Grimes	do	960	Do.
NATIONAL YOUTH ADMINISTRATION				
District director	George Jackson	Harrison	[1] 1,800	Herbert Fitzpatrick, national committee.
Stenographer	Betty Jane Cross	Marion	[1] 780	Glenn S. Callaghan.
County representatives:				
Barbour	K. C. Epling	Barbour	[1] 1,800	Do.
Brooke, Hancock	Kenneth H. Hill	Hancock	[1] 1,800	Sheriff J. A. Tope and associates.
Marshall, Wetzel	Glenn Jolliffe	Wetzel	[1] 1,800	A. C. Chapman and associates.
Harrison	Harold Stewart	Harrison	[1] 1,800	Howard L. Robinson and associates.
Marion	Eugene Watkins	Marion	[1] 1,800	Homer C. Toothman and associates.
Monongalia	Richard B. Tibbs	Monongalia	[1] 1,800	Terrence Stewart, Evelyn Yorke.
Ohio	Charles Nickison	Ohio	[1] 1,800	Robert J. Riley and associates.
	William T. Brice	do	[1] 1,800	F. Witcher McCullough.
Preston	Frank Fretwell	Preston	[1] 1,440	J. V. Gibson and associates.
Taylor	Charles T. Wolfe	Taylor	[1] 1,800	W. J. Gates and associates.
EDUCATION AND RECREATION				
District director	Florence H. Wilkinson	do	[1] 2,100	Prof. Joseph Rosier and others.
County representatives:				
Barbour, education	Edna Brown Boyles	Barbour	[1] 1,440	Glenn S. Callaghan, State office.
Brooke, education	Herbert T. Minnis	Brooke	[1] 1,440	Do.
Hancock, education	Donald M. Hartford	Hancock	[1] 1,440	Do.
Harrison, recreation	Wade Garrett	Harrison	[1] 1,320	Do.
Harrison, education	Winifred Mayer	do	[1] 1,440	Do.
Marion, education	Leslie E. Haught	Marion	[1] 1,440	Do.
Marion, recreation	Wilford R. Wilson	do	[1] 1,320	Do.
Marshall, education	R. G. Stewart	Marshall	[1] 1,440	Do.
Monongalia, education	P. E. Hampstead	Monongalia	[1] 1,440	Do.
Monongalia, recreation	Virginia Berry	do	[1] 1,200	Do.
Ohio, recreation	Jack C. Maloney	Ohio	[1] 1,320	Do.
Ohio, education	Teresa Kossuth	do	[1] 1,440	Do.
Preston, education	John Hunt	Preston	[1] 1,440	Do.
Taylor, education	Clyde Hickman	Taylor	[1] 1,440	Do.
Wetzel, education	Mildred B. Monger	Wetzel	[1] 1,440	Do.

[See footnote at end of table]

Works Progress Administration in West Virginia—Continued

SECOND DISTRICT, FAIRMONT—continued

Title	Name	County	Annual salary	Recommendations
SANITATION DIVISION				
			Monthly rate	
County supervisors:				
Barbour	Walker Dadisman	Barbour	[1] [2] $125	W. J. Gates and associates.
Brooke	George S. Hoover	Brooke	[1] [2] 125	Robert J. Riley and Robert L. Ramsey want him off.
Hancock	Thomas T. Timothy	Hancock	[1] [2] 125	Sheriff wants him off.
Harrison	Leon W. Collins	Harrison	[1] [2] 125	Howard L. Robinson and associates.
Marion	W. A. Lawler	Marion	[1] [2] 125	O. K., M. M. Neely.
Marshall	Harry Knox	Marshall	[1] [2] 125	W. C. Ferguson and associates.
Monongalia	R. W. Hancock	Monongalia	[1] [2] 125	O. K., Jake Wharton.
Ohio	George I. Johnson	Ohio	[1] [2] 125	Robert J. Riley wants him off.
Preston	R. Milford Hardesty	Preston	[1] [2] 125	O. K., J. V. Gibson and committee.
Taylor	Ralph S. Kunst	Taylor	[1] [2] 125	W. J. Gates and associates wants him off.
Wetzel	Andy W. Finley	Wetzel	[1] [2] 125	O. K., A. C. Chapman.
			Annual salary	
Nutrition supervisors:				
Barbour	Mouna Phillips	Barbour	[1] 1,140	Forrest B. Poling and associates.
Brooke	Margaret Sanders	Brooke	[1] 1,020	Robert L. Ramsey and associates.
Hancock	Nina M. Young	Hancock	[1] 1,300	J. A. Tope and associates.
Harrison	Beatrice Scott Smith	Harrison	[1] 1,272	Howard L. Robinson and associates.
Marion	Pauline N. Henderson	Marion	[1] 1,296	Mrs. Blanche Shack.
Marshall	Margaret H. Peel	Marshall	[1] 1,356	A. C. Chapman and associates.
Monongalia	Ida L. Wilson	Monongalia	[1] 1,356	Terrence Stewart, Evelyn Yorke, Bill Hart.
Ohio	Mary E. Gaynor	Ohio	[1] 1,140	Robert J. Riley and associates.
Preston	Georgia Wilson	Preston	[1] 1,392	J. V. Gibson and associates.
Taylor	Anne E. Cruise	Taylor	[1] 1,200	W. J. Gates and associates.
Wetzel	Blanche L. Heinzman	Wetzel	[1] 1,356	A. C. Chapman and associates.
WHEELING—SUB-DISTRICT OFFICE, OHIO COUNTY				
Manager	George W. Oldham	Ohio	$2,700	Rush D. Holt.
Area engineer	H. B. Wilson	do	2,100	Rush D. Holt, John B. Easton.
Supervising stenographer	Matilda Leichti	do	1,320	George W. Oldham.
Senior stenographer	Matilda Sauter	do	1,140	Do.
Senior clerk	Alma Gravius	do	1,020	Do.
Underclerk	Pauline A. Stollar	do	780	Do.

[1] These salaries are not included in the administrative pay roll paid on projects.

Total, on Fairmont administrative pay roll	97
Total, on Wheeling administrative pay roll	6
Total, this list paid on projects	52
Grand total	155

[2] $25 expenses.

Mr. HOLT. Mr. President, every single request I did make I made publicly, and I was not and am not ashamed of admitting any one of them. I did not go around in telephone booths and call up and make recommendations which I could withdraw. I did not send a recommendation and then send another letter along saying not to pay any attention to the recommendation.

Mr. President, as to President Roosevelt in the State of West Virginia, I challenge my colleague to show that he voted with the President of the United States on the floor of the United States Senate. In other words, who stood by the administration? I have stood by it, except on one issue—the bonus—and my colleague has not. My colleague has stood with the President not only when it was right in his own mind to do so, but particularly when a particular group told him to stand with him. In other words, check the record and see who is Roosevelt's friend in the State of West Virginia. I ask now for that checking.

LOS ANGELES AND SAN GABRIEL RIVERS

Mr. McNARY. Mr. President, the senior Senator from California [Mr. JOHNSON] has been called away from the Chamber on account of public business. There is on the calendar House bill 7147, which the Senator from California desires to have considered. It is a bill providing for a preliminary examination of the Los Angeles and San Gabriel Rivers, which has passed the House and has been reported favorably from the Committee on Commerce of the Senate. I ask that the Senate proceed to the consideration of the bill at this time.

The PRESIDING OFFICER. Is there objection?

Mr. ROBINSON. What is the bill?

Mr. McNARY. It is a bill providing for a preliminary examination of the San Gabriel and Los Angeles Rivers and their tributaries, merely for an examination by the Board of Engineers.

Mr. ROBINSON. I have no objection.

There being no objection, the Senate proceeded to consider the bill (H. R. 7147) authorizing a preliminary examination of the San Gabriel and Los Angeles Rivers and their tributaries; to include both drainage basins and their outlets, in Los Angeles County, Los Angeles, Calif., with a view to the controlling of floods, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a preliminary examination to be made of the Los Angeles and San Gabriel Rivers and their tributaries; to include both drainage basins and their outlets, in Los Angeles County, Los Angeles, Calif., with a view to the control of floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Appropriations, reported favorably the nomination of Leo J. Voell, of Wisconsin, to be State director of the Public Works Administration in Wisconsin.

He also, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. DUFFY in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. Mr. President, I ask that the Army nominations go over for the present.

The PRESIDING OFFICER. Without objection, the Army nominations will go over.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Thursday, February 27, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 26 (legislative day of Feb. 24), 1936

POSTMASTERS

INDIANA

Dorothy B. Schirr, Westville.

MASSACHUSETTS

George G. Henry, Ashfield.
John J. Downey, Blackstone.
Richard F. Pender, Dalton.
Arthur I. Maguire, East Walpole.
James B. Kennedy, Greenfield.
J. Francis Megley, Holbrook.
James E. Harte, Lee.
Charles H. McCarty, Lenox.
Wilfred J. Tancrell, North Uxbridge.
Francis G. Fanning, South Lee.
Edward J. Sammons, Westfield.

MISSISSIPPI

Romie Green, Amory.
Andrew J. Roper, Saltillo.

NEW MEXICO

Verda J. Speight, Hot Springs.

OHIO

Earl C. Stiwald, Amherst.
Charles J. Sartor, Elyria.
John F. McGonagle, Junction City.
William L. Zeis, Port Clinton.
Minerva D. Case, Powell.

WISCONSIN

Gilbert W. Kaepernick, Iron Ridge.
Emma C. Andrews, Manitowish.
Wilfred J. Woulf, Niagara.
Esther B. Clausen, Woodworth.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 26, 1936

The House met at 12 o'clock noon.

Rev. John Compton Ball, pastor, Metropolitan Baptist Church, Washington, D. C., offered the following prayer:

O God, as we approach the springtime in nature, so may there dawn upon our souls new visions of Thy grace and glory. As we have walked in the delight of physical sunshine, so may we ever live spiritually in the sunshine of Thy smile. In the words of Thy blessed Book, grant to us today, according to the riches of Thy glory, the strengthening might of Thy spirit in our inner man; that Christ may dwell in our hearts by faith; that we may be rooted and grounded in love and filled with the fullness of God. Let Thy rich blessing rest upon our beloved Speaker. Keep him in health and strength of body and soul. Bless every Member of this House of Representatives, and reach beyond them to their constituents, that no matter what our political affiliation or religious creed, we may be united in one great objective, and that to do the will of Him who hath breathed into us the breath of life and made us living souls. In the name of Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, without amendment, a bill of the House of the following title:

H. R. 9062. An act authorizing a preliminary examination of the Esopus Creek and its tributaries of Birch, Bushnelville, Woodland, Warner Bushkill, and Beaverkill Creeks; Sawkill, Rondout, and Neversink Creeks, Ulster County; Schoharie and Catskill Creeks, Greene County; Neversink, Beaverkill, East Branch of Delaware, Willowemoc, and Lackawack Rivers, Sullivan County; Schoharie Creek and its tributaries, Schoharie County, all located in the State of New York, with a view to the controlling of floods.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3998. An act to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season to season.

COMMODITY CREDIT CORPORATION

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from further consideration of the bill (H. R. 11104) to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season to season, and that the bill be referred to the Committee on Banking and Currency. I have consulted with the chairman of the Committee on Agriculture this morning, and that is satisfactory to him.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

THE PENNSYLVANIA STATE SENATE HAS DEPRIVED EVERY WAGE AND SALARY EARNER OF PENNSYLVANIA OF THE SECURITY TO WHICH HE IS ENTITLED UNDER THE FEDERAL SOCIAL SECURITY ACT

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, the Pennsylvania State Senate has failed the people of Pennsylvania again. Let me explain how.

The Social Security Act passed by the Congress of the United States is based upon a system of cooperation between the Federal Government and the governments of the 48 States. The Federal Social Security Act is not operative or effective in any particular State until the legislature of that State makes it effective.

The Federal Social Security Act imposes a pay-roll tax for the purpose of accumulating a fund out of which come the payments for unemployment insurance. This tax is paid into the Federal Treasury, but if a State passes a satisfactory unemployment-insurance law 90 percent of the tax is immediately paid into the State treasury, earmarked for unemployment insurance, and no longer goes to the Federal Treasury.

The whole purpose of the Federal plan is to provide an incentive for each and every State in the Union to pass an unemployment-insurance law. Thus, employers in all the States are placed upon the same competitive basis, so that the employers in a progressive State may not be punished as against employers in backward States.

STATE LACKS SECURITY LEGISLATION

A short time ago I discussed the tragic inadequacy of the Pennsylvania old-age-pension law. I showed that it utterly fails to meet even the minimum standards required by the Federal Social Security Act. It is clear to everyone who heard my speech or read it, that the State Legislature of Pennsylvania, in Harrisburg, has failed miserably to solve the old-age-pension problem. The State of Pennsylvania has an utterly inadequate old-age-pension law, a law which in large part is a fraud and a sham, because only one-third of the necessary money was appropriated.

NO LAW WHATEVER IN PENNSYLVANIA FOR UNEMPLOYMENT INSURANCE

But when we come to unemployment insurance we find that Pennsylvania has absolutely no law at all. With regard to unemployment insurance, the State legislature at Harrisburg refused to take even the first step toward meeting the Federal requirements for unemployment insurance and setting up an unemployment insurance system.

It is vitally important that the old people of this State be assured a measure of security in old age, so that they may avoid the poorhouse in the evening of their lives. It is equally important that the employees of this State be assured a measure of security, so that they may avoid the soup kitchen and the bread line in times of economic depression and industrial disorder.

THE FOUNDATION FOR UNEMPLOYMENT FUNDS

The provisions for unemployment insurance—or unemployment compensation, as it is called—are among the most important of the Social Security Act. I do not believe that these provisions of the Federal act are perfect. Indeed, I have criticized them many times, because they do not go far enough. But the Federal Social Security Act is a beginning. It does establish a foundation upon which we can build an adequate system of unemployment insurance that will assure security to the employees of industry and commerce. From the modest beginning made in the Federal act, we must and we shall go forward.

No longer must fear overcome the employees of this Nation. Loss of one's job must no longer mean the relief rolls, the bread line, or the charitable institution. Security must replace anxiety and despair. Unemployment insurance must replace the dole. Industrial and white-collar workers must have an unemployment-insurance law which will permit them to face the future with confidence.

THE AMOUNT OF PAY-ROLL TAXES

Under the Social Security Act the Federal Government levies a tax on pay rolls, beginning with 1 percent in 1936, 2 percent in 1937, and 3 percent in 1938 and in each year thereafter. All employers of eight or more persons pay this tax, based on the aggregate pay roll for the preceding year. The employers are not permitted to deduct the tax from the wages or salaries of their employees.

This tax is paid into the Federal Treasury. But in those States where unemployment-compensation laws are enacted, the employers are permitted to deduct their contributions to State unemployment funds up to 90 percent of the Federal tax.

Thus, in the State of Pennsylvania, the employers will pay the following tax to the Federal Treasury: About $22,000,000 in 1936, forty-four million in 1937, and sixty-six million in 1938; a total of $132,000,000 during the next 3 years. That estimate is on the basis of present unemployment and pay-roll figures. If business improves further, and pay rolls increase even only by 20 percent, the employers of Pennsylvania would pay about $160,000,000 to the Federal Government in pay-roll taxes in the next 3 years.

STATE TO LOSE MILLIONS ANNUALLY

The purpose of this Federal tax is not to collect revenue, but to induce the States to pass unemployment-insurance laws and to place the employers of a particular State which passes such a law on a competitive basis with the employers of a State which does not have an unemployment-insurance law. If Pennsylvania had an unemployment-insurance law, $144,000,000 out of these one hundred and sixty millions would be retained in Pennsylvania. But the reactionary elements in control of the State senate have refused to enact the necessary legislation which would enable the employers of this State to retain this huge fund of $144,000,000 for the benefit of their jobless former employees.

They are so blind and so stupid that they would rather lose this vast sum than permit the enactment of any social legislation, even if such social legislation will benefit the Pennsylvania jobless and thus benefit trade and industry in Pennsylvania.

GOVERNOR EARLE FAVORED LEGISLATION

The failure of the State legislature in Harrisburg to enact the necessary unemployment-insurance law must not be blamed on the administration of Gov. George H. Earle. The Governor and his associates sought to pass such an unemployment-insurance law. They sponsored it and fought for it. An unemployment-compensation bill which complied with the requirements of the Federal law was passed by the lower house of the State assembly at Harrisburg last summer. It was introduced at the request of Governor Earle and was passed by the Democratic majority of the lower house. However, when the bill reached the Republican-controlled State Senate of Pennsylvania—that last stronghold of dark reaction; the last remaining fortress of greed—it was promptly and effectively slaughtered. This measure of economic security for the millions of employees in Pennsylvania was blocked by these puppets of the predatory interests.

Why did the Grundy-controlled senators kill this unemployment-compensation bill? Certainly not on the ground of added expense. It would have cost the employers less than one-tenth of 1 percent of their pay rolls this year.

WOULD BENEFIT INDUSTRY

While the employers would have paid only an additional $2,000,000, a total of $22,000,000 would have been available this year for unemployment-insurance payments. Not only would this not have been a burden on industry and commerce in Pennsylvania, but a distinct benefit by making available an additional amount of purchasing power. Regardless of its merits, regardless of its provisions, the unemployment-insurance bill was promptly killed by the Republican-controlled State senate in Harrisburg, because it was social legislation. These reactionary senators would rather lose millions of dollars than take a single step in the direction of social legislation. For this reason they pickled the unemployment-insurance bill in a committee of the State senate without reading it, without studying it, and certainly without understanding it.

THE PALLBEARERS

Who were the senate stalwarts who blocked the road to security and killed this important bill? They were an aggregation of puppets, controlled and discredited henchmen. These were the pallbearers. When you know the associations and contacts of these gentlemen, you have no further need to understand why this, and every other piece of social legislation, was killed in the State senate.

REPUBLICANS BETRAYED PEOPLE

The action of the Republican-controlled State senate in scuttling this bill is a betrayal of every man, woman, and child in Pennsylvania. It is a betrayal of the people of Pennsylvania by the puppets of the short-sighted reactionary industrial barons. It was a cowardly betrayal of the people, because these reactionary senators did not have the courage to vote against this bill openly but killed it in committee, the usual and consistently effective slaughterhouse of all decent legislation.

In killing this bill these Republican senators have killed every chance they ever had of coming back into power. They have committed political suicide. They should, and most certainly will be retired to political oblivion.

PENNSYLVANIA WILL PAY MILLIONS OF DOLLARS BUT THE EMPLOYEES WILL NOT GET ONE CENT IN BENEFITS

Pennsylvania businessmen will pay about $160,000,000 in pay-roll taxes during the next 3 years, but the Pennsylvania employees will not get one cent in benefits from this huge sum—a sum that was intended to be paid back or retained in Pennsylvania for unemployment-compensation benefits.

The Federal Government is willing to allow about $144,000,000 to Pennsylvania in the next 3 years for its unemployment-insurance fund, but it cannot do so because the State senate refused to set up the machinery by passing an unemployment-insurance law.

SPECIAL SESSION TO ENACT LAW

When a special session of the State legislature in Harrisburg is called it must take up unemployment-insurance legislation or Pennsylvania will lose forever its just share of these benefits. Businessmen of this State are paying these millions of dollars into the Federal Treasury, and no one must be permitted to stand in the way of granting these benefits to the employees of this great industrial State, the keystone of the Nation.

I will endeavor to correct the injustice inflicted on the Pennsylvania employees and on the decent and level-headed employers of this State by the reactionary State senate. I will not stand idly by and see the employees of this Commonwealth lose these great benefits. Because the Grundy-controlled misrepresentatives in the State senate took orders from their short-sighted masters is no reason why the people should suffer.

TO HOLD PENNSYLVANIA FUND IN ESCROW

I have conferred with the Social Security Board in Washington and we are endeavoring to work out a plan to hold in escrow Pennsylvania's share of the unemployment-insurance benefits, for payment to Pennsylvania when the State legislature passes an unemployment-insurance act. I hope it will be possible to work out such an arrangement without injury to the system of unemployment insurance as it is contemplated throughout the Nation. In doing this, I am certain that I will have the support of the liberal Earle administration at Harrisburg.

TO SALVAGE LARGE SUMS

I hope that we can find a way to salvage these vast sums for the benefit of the jobless of Pennsylvania, and I hope that the people of Pennsylvania will elect senators at the forthcoming election next November to replace these reactionary messengers of blind and of greedy interests so as to assure the passage of an unemployment-insurance bill in the State of Pennsylvania.

REAL ESTATE TO BEAR BURDEN UNLESS LAW IS PASSED

Labor and industry in Pennsylvania and the people of Pennsylvania must face this issue squarely.

If no unemployment-insurance law is passed in Harrisburg, that means that no funds or reserves will be built up for the payment of unemployment-compensation benefits. It means that the entire burden of unemployment relief must be borne by the taxpayers of this State and, to a large extent, particularly by the home owner and farm owner of Pennsylvania. If the jobless in Pennsylvania will not receive unemployment-insurance benefits they must depend upon relief or public works. A substantial part of the expenditures for relief and public works is paid by the local counties and municipalities. These counties and municipalities obtain practically all their money from real-estate taxes. Therefore, it is clear that the failure to pass an unemployment-insurance bill in Pennsylvania will mean the assessment of large additional taxes on the home owners and farm owners of Pennsylvania who are already overburdened with taxes beyond reason and justice.

Remember, there is absolutely no saving for the taxpayers in killing or preventing the passage of an unemployment insurance bill which will comply with the provisions of the Social Security Act. Indeed, it would mean a loss for the Pennsylvania unemployed of about $160,000,000 during the next 3 years.

Every thoughtful citizen will agree that the unemployed must not be permitted to starve. The funds for the maintenance of the unemployed must be obtained. Is it not far better to do this through a system of unemployment insurance, instead of the degrading and haphazard system of doles? The choice must be made. If industry and commerce in Pennsylvania will insist that its leaders and its spokesmen support measures for its best interests, not for its worst, the road to economic security will be cleared and unemployment insurance will become a fact in Pennsylvania.

PENNSYLVANIA MUST JOIN PROGRESSIVE STATES

Pennsylvania must not be the backward State in the Nation. It should fall in line with other States in the passage of unemployment insurance. In fact, Pennsylvania should intelligently and courageously lead the parade. The people of Pennsylvania will understand this issue. The people of Pennsylvania want unemployment insurance. Pennsylvania wants to cooperate with the Federal Government in establishing a Federal-State coordinated system of unemployment insurance. Pennsylvania can, and I know that it will, establish unemployment-insurance laws in the Keystone State.

THE REPUBLICAN REACTIONARIES IN THE STATE SENATE MUST BE DEFEATED

Whoever stands in the way must be swept aside by the ballot. When the people understand that the Republican majority in the senate is responsible for depriving the wage and salary earners of Pennsylvania of unemployment-compensation benefits to which they are entitled under the Federal law, they will defeat every opponent of social security for the people of Pennsylvania.

To the great contributions which Pennsylvania has made in industry and commerce I am confident will be added this achievement in social legislation. Unemployment insurance must and will become a reality in Pennsylvania.

PERMISSION TO ADDRESS THE HOUSE

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent that on tomorrow after the reading of the Journal and disposition of matters on the Speaker's table I be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RICH. Mr. Speaker, I ask unanimous consent that immediately following the address by the gentleman from New York [Mr. BOYLAN] on tomorrow I may be allowed to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BANKHEAD. Reserving the right to object, Mr. Speaker, I shall not object to the request of the gentleman from Pennsylvania, because the gentleman from New York [Mr. BOYLAN] has already been given 10 minutes, but I want to reiterate that our policy is, if possible, to undertake to finish the necessary appropriation bills at the earliest possible moment. It is going to somewhat strain us to conclude the bill for the Department of Agriculture in order to adjourn over Saturday. I know that most Members do not want to come back to the House on Saturday because of the many duties in their offices, but we must finish the Department of Agriculture appropriation bill this week if possible. I trust that no further requests will be made for time to address the House before we finish this bill. I shall not object to the request of the gentleman from Pennsylvania.

The SPEAKER. Is there objection?

There was no objection.

JUSTICE FOR THE STAR-ROUTE CARRIERS

Mr. WITHROW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address delivered by our colleague, Mr. HILDEBRANDT, of South Dakota.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WITHROW. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address by Hon. FRED H. HILDEBRANDT, First District of South Dakota, February 21, 1936, under the auspices of N. B. C., in a Nation-wide hook-up in a series of addresses:

Friends of the radio audience, the star-route branch of the United States Postal Service is one of the most important divisions, one to which the entire country is deeply indebted, and one which, I regret to say, has been neglected at times while we were busily trying to assure fair play to other branches.

The position of the star-route carrier is distinctly different from that of other carriers and postal employees, for star-route contracts are awarded to the lowest bidder. Theoretically, this is an equitable arrangement for the carrier as well as an economical one for the Government. In practice it is economical enough for the Government but it is far from equitable for the carrier—in fact, it is almost ruinous to many carriers.

You wonder why I make such a statement, but the reason is simple if you are familiar with the prevailing arrangement. Competition among men seeking star-route contracts has increased steadily in late years and, in countless cases, carriers desiring to retain the routes they have been serving, have made bids that were too low. The consequence has been that various carriers are making their daily trips over star routes at an actual loss. I could quote from a vast number of letters from carriers, not only in my own State of South Dakota, but from States in every portion of the country describing the desperate circumstances in which they find themselves. The question will be raised, "Why do these carriers offer estimates that leave them no margin and even force them to work at a loss?"

The answer is that many of them are unable to get other work; have little homes that they do not want to lose; and are hoping against hope that even if they are "in the hole" financially now they may be able to file higher bids after the present contracts expire, thus making up for present losses. The pathetic part of it is that there is little in reality to encourage such optimism, for at the pace we are going the carrier will probably have to hold this next estimate down to a level as low as the one under which he is now operating.

I have given this subject much study. One reason is that I am a member of the House of Representatives Committee on the Post Office and Post Roads, and legislation dealing with any phase of the Postal Service is naturally referred to this committee. Another reason is that I am a former railroad man; and for years, came in close contact with employees of the Postal Service in its numerous branches, and, therefore, know their problems. Aside from this, I have an extensive acquaintance with postal workers, with officials of the National Star Route Carriers Association, and with heads of other organizations of post-office employees.

To relieve the situation, I have introduced House bill 10756 entitled, "A bill to provide for the issuance of permanent contracts to all contractors and subcontractors on star routes, compensation thereon, establishing a preferred list covering former contractors, and for other purposes." Under this bill the Postmaster General is directed to grant permanent contracts to all star-route contractors and subcontractors who have rendered satisfactory service for at least 6 months prior to the date when the act takes effect. These permanent contracts would continue so long as the contractors comply with regulations. Provision is also made that the Interstate Commerce Commission shall fix fair and reasonable rates to be paid these star-route contractors instead of allowing them to continue to bid below actual cost in order to hold their contracts.

I further specify in the bill that present contractors with satisfactory records for 6 months or longer but whose routes have been discontinued, shall be placed on a preferred list. Former contractors with 4 years or more of service, who lost contracts through no fault of their own, would also be placed on a preferred list.

This measure, in my judgment, would go far toward righting conditions for star-route carriers. It would eliminate future competition in which the rivals would force each other down to lower and lower compensation. It would likewise assure the carrier of a steady job at the expiration of his present contract and remove the sword of economic uncertainty that is now hanging over his head. While it might not mean increased pay at once for present contractors, it would prevent further reductions. Moreover, as time went on, the Interstate Commerce Commission would adjust existing pay and raise it where the carrier is found to be serving the route at an unreasonably small figure. It should not be long, with such a law in force, before all star-route carriers receive adequate sums.

As an illustration of the injury done these contractors, in one city in my district there are four rural routes, the pay of the carriers being fixed by law at a fair level. In the same city, mail is carried on three star routes by men who had to nearly split pennies in their bids to land the contracts and who are operating at a virtual loss. The postmaster there has pointed out that if it is just for one class of carriers delivering mail by motor vehicles to have a flat compensation stated in the law, it is equally just to treat the other class in the same way.

One star route in the mentioned section is served by a contractor for $1,200 a year. The distance is 144 miles. A standard garage gave the cost of operating an auto on the route for the year as $1,850. Adding $50 a month for a young man who drives the route, the whole cost rises to $2,450 a year—more than twice the annual sum paid to the contractor.

I am sure that all fair-minded citizens will see the need for legislation to correct this evil. Certainly all who know much regarding the tasks of star-route carriers will agree to this. Several Congressmen have expressed similar opinions. I hope that before the present session adjourns my bill will have become a part of the law of the land.

EXPLANATION OF VOTE

Mr. SAUTHOFF. Mr. Speaker, I regret to report that my colleague from Wisconsin, Mr. GEHRMANN, fell and broke several ribs and therefore was unable to be present at the roll call on yesterday. Had he been present, he would have voted "no."

FRAZIER-LEMKE BILL

The SPEAKER. Under the first special order for today the Chair recognizes the gentleman from Washington [Mr. KNUTE HILL] for 10 minutes.

Mr. KNUTE HILL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KNUTE HILL. Mr. Speaker, I also request that, as I have only 10 minutes, I may be permitted to proceed without interruption.

A week ago yesterday, on Tuesday, February 18, two leaders of this House rose to address us. I say "leaders." I have always thought that leaders were to lead, rather than to drive by promises, threats, or intimidation. I submit that neither of those gentlemen touched on the question at issue. What was the question and what is the question at issue? Was it the tilt between Father Coughlin, of Detroit, and the gentleman from New York [Mr. O'CONNOR], and the gentleman from Pennsylvania [Mr. BOLAND]? No; it was not. Let the Irish settle their own disputes. It is no concern of ours. Whatever he intends to do, whether it be in Pennsylvania, New York, or elsewhere, is his affair. It is not the affair of the House. Was the question and is the question the Frazier-Lemke bill? No. Although the gentlemen discussed that at some length. Because they did, I want to read from a sound-money man, Lewis Douglas, who represented Arizona in this House and was later Director of the Budget. I read from the Kansas City Star:

BELIEVE IT OR NOT—GREENBACKS VERSUS BONDS

There is no fundamental difference, says Lewis W. Douglas, former Director of the Budget, between the issuance of new currency, virtually greenback money, and the issuance of Government bonds which represent more public debt. The lack of essential distinction, he shows, arises from the fact that the Nation's currency, Government bonds, and Government checks are alike "pieces of paper." In short, the country is not legally on a specie basis, its currency being no more redeemable in gold or silver than are its bonds. Therefore the former Director of the Budget sees no more reason to become alarmed about paying the bonus with "new money" than about paying it with baby bonds. Yet the difference, if not fundamentally different, is different in its "psychology." The issuance of greenback or printing-press money would immediately be seen as outright inflation and fears would be aroused accordingly. The other process, the issuance of bonds, is more subtle, less obvious.

And, I may add, more profitable to the bankers of the country.

No; that was not the issue. The issue, Mr. Speaker, was and is: Shall the Rules Committee of this House composed of 14 members, 8 being a majority, prevent consideration, open discussion, and a record vote on important legislation? This is the issue, and I submit again that neither of these gentlemen touched on this issue in their speeches. I challenge you, my good friends, to bring this issue out on the floor of the House instead of fighting a priest in Detroit with words, and I think you will find more than a score of Members here foemen worthy of your steel.

The President of the United States has been charged by some with being responsible for preventing action on this bill. I deny it. I want to read what he said when he was Governor of New York. It shows his attitude then, and I do not think he has changed it. I quote:

There are three ways of defeating proposed legislation. One is the method followed in the early days of our Republic, and which most truly conforms to the correct practice of a democracy. This is consideration of each proposal in open session and serious debate, in an open-minded and nonpartisan spirit and with a sincere desire to weigh its merits. If it is found inadvisable or unwise, it is then slain after a fair and open battle, and the reasons for such action are open for all the voters to examine and judge for themselves. This is the way in which all bills of real importance which have been shown any considerable approval and support by the voters of the State should be treated.

The second method is by the lash of the party whip, the demand on the legislators by their party leaders that they divide according to their political affiliations and leave to the master minds of their organizations the responsibility as to whether such action is justified or not. In this procedure the bill, when brought up for dis-

cussion, is foredoomed to failure, and all debates thereon are of a purely perfunctory nature; nor can any argument of reasoning change the final vote. There is no possible justification for the adoption of this course on bills which are avowedly nonpartisan in character.

Then, there is the third method of killing legislation by secret strangulation, known more politely as "killing a bill in committee." If it is a measure that commands considerable support, or if it is a measure the principle of which no party would dare openly oppose, it is given a mock hearing or no hearing at all. The committee which holds the power of life or death over the measure solemnly meets and behind closed doors and for reasons best known to themselves proceeds, by a vote of its majority * * * to refuse to report the measure for open discussion and debate. * * * This is the most objectionable and least defensible method of defeating legislation of any importance that could well be conceived.

Mr. BOLAND. Mr. Speaker, will the gentleman yield for a question?

Mr. KNUTE HILL. I am sorry, I have but 10 minutes. If I may have 5 minutes extra, I will yield.

Mr. BOLAND. Will not the gentleman yield for a short question?

Mr. KNUTE HILL. If the gentleman will get me 5 minutes extra.

The SPEAKER. Does the gentleman from Washington yield to the gentleman from Pennsylvania?

Mr. KNUTE HILL. If I may have 5 minutes extra I will.

Mr. BOLAND. Because of the fact the gentleman has made some accusation against me, I believe he should yield for a short question.

Mr. KNUTE HILL. If I be given 5 minutes extra, I will yield.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 5 minutes, so he may answer some questions.

Mr. CHRISTIANSON. Mr. Speaker, reserving the right to object, will the gentleman yield?

Mr. KNUTE HILL. I must yield first to the gentleman from Pennsylvania.

Mr. CHRISTIANSON. Will the gentleman yield to me?

Mr. KNUTE HILL. Mr. Speaker, I hope this is not taken out of my time.

The regular order was called for.

The SPEAKER. The regular order is called for. Is there objection to the request of the gentleman from Minnesota?

Mr. CANNON of Missouri. Mr. Speaker, much as I regret to, in view of the fact we have already been delayed 1 day on the agricultural appropriation bill, and in view of the further fact that we have other special orders pending this morning wherein doubtless increased time will be asked, I must object.

Mr. KNUTE HILL. Mr. Speaker, that was the sentiment of the President of the United States when he was Governor of New York. Last year six of us went down to see him, and I state on my word of honor—and you can ask anyone of the six to verify it—that he made the statement that he had nothing to do with it and believed it ought to come up on the floor of the House. The author of the bill, Mr. LEMKE, of North Dakota, went to see the President last Monday and received the same statement. So until something definite comes up to prove the contrary, I believe the President had nothing to do with it.

Now, what do we want? This bill has passed the Agricultural Committee in the Senate unanimously. It has passed the Agricultural Committee in the House, some say by 18 to 5, some say by 15 to 5; we do not know; but we do know that it passed by an overwhelming majority. Then it went to the Rules Committee, and I have seen a letter to one of the members of the committee which was appointed in regular order by the Committee on Agriculture, and the records so show, to represent this committee before the Rules Committee—a letter in which the gentleman from New York said something to this effect:

Replying to your letter of June 5—

Or whatever date it was—

I will bring this matter up before the committee.

In this way he recognized that these two gentlemen—the gentleman from Iowa [Mr. GILCHRIST] and the gentleman from Wisconsin [Mr. BOILEAU]—were the actual representatives of the Committee on Agriculture to go before the Rules Committee and ask for a rule.

Thirty-two legislatures have memorialized Congress to pass this bill. This shows the importance of it; and we could go on in the discussion and show why this bill should come up on the floor of the House.

I wish to say just one or two things more, for the time is short.

Let us refer to the debate in the House, had on December 8, 1931, when the so-called 145 discharge rule was adopted, when the Democratic Party came into power. The gentleman from North Carolina, Mr. Pou, chairman of the Rules Committee, said:

This discharge rule provides for the discharge of committees under certain circumstances. It even provides for the discharge of the Committee on Rules. I have no objection to that. As long as I am at the head of the Rules Committee there is not going to be any "sitting on the lid." [Applause.] I am willing at any time, if any gentleman thinks the Rules Committee is attempting to stifle legislation, to have you put your discharge rule into operation.

The gentleman from Georgia, Mr. Crisp, author of the discharge rule, said:

Mr. Speaker and my colleagues, this is the day I long have looked forward to—a Democratic Speaker, this House under Democratic rule, carrying out the great principle of democracy that a majority shall rule, and the adoption of rules with sufficient authority and so adjusted that they shall be rules for the entire House, not to meet any political exigency of any party but to insure the fundamental right of democracy that a majority of the House may work its will under the terms of those rules. [Applause.]

The gentleman from New York, Mr. LaGuardia, accurately stated the situation thus:

In all fairness, I want to say that when it looked as if the Republicans would organize the House, I contacted the Rules Committee, when it was sure that if they did organize they would require every vote, and opened negotiations, and we were then given absolute assurance that these amendments would be acceptable. When conditions changed, the distinguished gentleman from Georgia [Mr. Crisp] gave us assurance that the changes would come from his side. I want to say to the new Members that this indicates the usefulness of our small group that for 10 years has been protesting; and I say also that this pill is as bitter to swallow to some Members on the Democratic side as it is to some of the older Members on the other side.

Our great parliamentarian the gentleman from Missouri [Mr. CANNON] summarized the rule as follows:

In the pending resolution we have the solution of the problem. Here at last is a workable rule. Here is a provision under which recalcitrant committees, whether standing committees or committees of conference, may be discharged and the House afforded an opportunity for the discussion of measures it desires to consider. It is a provision which conforms to every requirement of the ideal rule. It permits the majority to legislate when it desires to legislate. And it safeguards the rights of the minority. These two qualifications constitute the highest test to which a rule may be subjected. The resolution merits the support of Members on both sides of the aisle. It removes the last obstacle to the complete democratization of the rules of the House.

The gentleman from New York [Mr. O'CONNOR] shows that he favored the 145 discharge rule then, when he said:

I was a Member of the Sixty-eighth Congress when the Republicans had a very slender majority. By sheer force we on the Democratic side, aided by some of the real patriotic Republicans, actually pried out of the Republicans the 150-Member discharge rule. That was a galling pill for the old G. O. P. to swallow. As soon as the party "fit to rule" came back in power in the Sixty-ninth Congress, with a real working majority, the party of Hoover put back the 218-majority rule. [Applause.] Now they attempt to go out to the country and claim credit for this liberalization of the rule. Such insincerity!

That is not all he has said. Last year when they changed the rule from 145 to 218 the genial chairman of the Rules Committee said, and I repeat his words (p. 13, CONGRESSIONAL RECORD, Jan. 3, 1935):

Mr. O'CONNOR. Let me tell my good Democratic friend, who has a great deal of interest in many so-called "progressive" measures, for which I admire him, that whenever 145 Democrats honestly want consideration of a measure in this House I am sure they are going to get it.

I am here to tell you that out of a total of more than 240 who have signed more than 145 Democrats have signed their names to this petition, yet we are refused a chance to

bring it up on the floor of the House. Why does he not keep his promise?

You will remember that the bonus question came up time and time again, until at last we were compelled to meet the issue, and we passed it. I am here to tell you today that you cannot down this question; it is coming up like Banquo's ghost to plague you not only this year but next year and succeeding years until it is settled by the membership on the floor of this House in an open discussion and by a record vote.

Now, this is the issue, and if these gentlemen are willing to meet us on this issue, they will permit the bill to come up for discussion on the floor of the House. [Applause.]

They cannot escape their responsibility by subterfuge any longer. If these leaders when in the minority demanded that the rights of minorities should be protected they cannot now deny that the requests of a majority should be respected. If these gentlemen, the Member from New York [Mr. O'CONNOR] and the Member from Pennsylvania [Mr. BOLAND] want to leave a real legacy to their sons (whom they so feelingly mentioned) let it be the record that they stood for open discussion and a record vote on all important legislation not only when the Democratic Party is the minority party but also when it has an overwhelming majority in the House.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. KNUTE HILL. Yes.

[Here the gavel fell.]

COMMITTEE ON THE JUDICIARY

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to proceed for 1 minute in order to make an announcement which I believe will be of interest to the Members of the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, on Monday next the Committee on the Judiciary will call up the Ritter impeachment matter for the consideration of this House.

MAJ. GEN. JOHNSON HAGOOD

The SPEAKER. Under a special order, the Chair recognizes the gentleman from Pennsylvania [Mr. FADDIS] for 10 minutes.

Mr. FADDIS. Mr. Speaker, since I have only 10 minutes to address the House I will ask that I not be interrupted during that time.

Mr. Speaker, from the storm of criticism that recent alleged disciplinary action against Gen. Johnson Hagood has aroused, the public might be led to believe that disciplinary action has never been resorted to before in the history of this Nation. May I call the attention of the Members of the House and of the American public, as well as the newspapers of this Nation, to the fact that many, many times during the history of this Nation the President of the United States has, under the authority vested in him by the Constitution as Commander in Chief of the Army and Navy, felt it necessary to inflict disciplinary action upon various high-ranking officers of both the Army and Navy because by their statements they have produced impressions which were inimical to the discipline of our armed forces.

We recognize, of course, that it is highly necessary that the higher-ranking officers of the Army and Navy shall be allowed to testify before committees of either the House or the Senate. When they are summoned to appear in this capacity we desire them as witnesses because in their field we believe them to be competent. I have examined very carefully the testimony which Gen. Johnson Hagood gave before the Subcommittee on Appropriations, and I find that for the most part his testimony is in line with that which the committee wished to secure from him. But most certainly in some places he used as a license the permission which was granted to him when he appeared before that committee, and in order to show you that he himself understood why he was appearing may I read some excerpts from his own statement. On page 600 of the committee hearings of Tuesday, December 17, General Hagood himself, in his opening statement, said:

> I am not here to urge appropriations. I am only here as a witness to answer questions as to the needs of my command.

Further, General Hagood stated:

> As a member of the executive branch of the Government, I do not feel justified in carrying this matter beyond the point of indicating to you our needs.

By his own statement he has clearly indicated that he understood his purpose in being there, and also that he realized that he should confine himself to his own professional field. Why, then, did he not do so? In his own field, which, because of his 43 years of service, has been, so to speak, a cloistered one, he is a material, competent, and valuable witness. When he departs from this field he, to a certain extent, lessens the value of his testimony. When he presumes to encroach upon the functions of other branches of our Government and to criticize the actions approved by his Commander in Chief he is not only badly out of place but he violates the cardinal principle of the service, namely, loyalty to his superiors. He has departed from the fine traditions of his profession. In the Army his service has been most distinguished, and we honor him for it. As a civil administrator he lacks the proper understanding of the W. P. A. and its purposes. By the plan, which his remarks would lead us to believe he proposes, the spending of the money would not be carried out with the idea of allocating it to those localities according to the needs of the unemployed. By his plan only those States which are fortunate enough to contain military establishments would receive more than their fair share. By his plan only certain classes would be benefited by the money expended. Furthermore, it so happens that some of the largest taxpaying States have within them a very small percent of the Army posts. The W. P. A. may be far from being perfect, since it is susceptible to the errors of all human endeavors. It was planned and is being administered with the idea in mind of being spread as nearly in accord with the needs of the unemployed as possible. It is under the direction of those of our officials elected by the people for that purpose. I believe I can truthfully say that as far as the armed forces of this Nation are concerned, that the majority of the Members on both sides of the aisle make every attempt to keep them out of politics, regardless of the politics of the administration in power. Discipline is discipline, regardless of politics, and it is the difference between an army and a mob.

To those gentlemen on the Republican side who would like to use this as a political issue, may I call attention to the fact that only a few days ago the Committee on Military Affairs refused to reach back into the past and set aside the action of a court martial in the case of another officer connected with the United States Army, which court martial was called on the order of a Republican President and its proceedings approved by the same authority. In this case—that of General Mitchell, to be exact—the objectionable features did not reach beyond the field of the officer concerned, while General Hagood has gone entirely outside of the field of his own activities. The committee felt that if they did interfere their action would not be conducive to the discipline of our armed forces.

Any attempt to make this a political issue is only an effort to raise a smoke screen, because, after all, the President of the United States is commander in chief of the armed forces and he is responsible for their discipline. Any references to the Secretary of War, The Assistant Secretary of War, or the chief of staff are only efforts along the same line, because the discipline of the armed forces of this Nation is also their responsibility and is dependent upon the actions taken by them in such instances as this. If the action was disciplinary on their part, it is clearly in accord with their duties under the oaths which they took upon assuming their respective offices. Their actions and motives are above reproach. Instances are too plentiful during the past for me to even attempt to name them; but, nevertheless, the

feeling should not be allowed to go throughout this Nation that this is the first and only incident of its kind in history.

Mr. Speaker, the action of the President of the United States in this matter, if taken for disciplinary purposes, has been taken in order that he may insure, as far as he can do so, that the traditions of this Nation insofar as the military power being subordinate to the civil power is concerned, shall be maintained. I do not believe that anyone well acquainted with the discipline of our armed forces can dispute for one moment but what such action is absolutely in accord with the traditional spirit of our armed forces. If further defense of this matter should become necessary, no doubt facts can be produced which will dispel very effectively any lingering doubts of the justice of the action.

Mr. McSWAIN. Will the gentleman yield?

Mr. FADDIS. I yield to the gentleman from South Carolina.

Mr. McSWAIN. The purpose in asking this question is to seek information and is not propounded in a critical or controversial spirit. The distinguished gentleman from Pennsylvania is proceeding upon the theory that the removal of General Hagood from command of the Eighth Corps Area and of the Third Army is as the result of some disciplinary action. I am waiting to find out whether that is true or not. May I ask the gentleman if he has any information with reference to whether or not the President of the United States as commander in chief did take this action in order to discipline General Hagood? I am asking this question for information.

Mr. FADDIS. No; I do not know that as a fact, and if I made such statement I have made it inadvertently. I have merely risen to undertake to correct a certain impression throughout this Nation; that this action, if taken as a disciplinary measure, is not by any means the first occurrence of its kind. The press of this Nation has frequently reverberated with alarming complaints of high-ranking officers of our Army and Navy indiscreetly injecting themselves into foreign and domestic affairs. [Applause.]

EXTENSION OF REMARKS

Mr. PARKS. Mr. Speaker, may I submit a unanimous-consent request?

In view of some things that were said over the radio last night with reference to this matter of General Hagood, who is a warm, personal friend of mine, I ask unanimous consent that I may print here some correspondence that occurred between the committee and General Hagood.

Mr. RICH. Mr. Speaker, reserving the right to object, while I am interested in this discussion and think General Hagood ought to be defended, I question whether we ought to clutter up the RECORD with a lot of things that are in the record of the hearings.

Mr. PARKS. This is not in the record of the hearings at all, but is in response to statements made over the radio. It is a fair and impartial statement composed of documentary matter that I think no one should object to.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas.

There was no objection.

Mr. PARKS. Mr. Speaker, last night over the radio a statement was made that General Hagood had not been given an opportunity to revise his remarks before the War Department subcommittee. That statement is erroneous, and I ask unanimous consent that I may insert in the RECORD a statement of my own concerning the matter, together with correspondence with General Hagood on the entire subject.

Mr. Speaker, I was prompted to ask for this time by reason of a statement made over the radio last night to the effect that General Hagood had not been permitted to revise his testimony. That statement is entirely erroneous. It is the invariable rule of the Committee on Appropriations to give witnesses an opportunity to revise their testimony.

On December 21, 1935, John Pugh, the secretary to my subcommittee, addressed the following letter to General Hagood:

DEAR GENERAL: I am forwarding herewith transcript of your testimony of December 17.

If you get it back here by the 10th of January it will be all right.

Of course, you know you are at liberty to delete any portion which you feel it would not be proper to publish.

If deletion should take out any question or if modification of a statement or answer should make desirable or necessary the modification of a question, please call attention thereto when you return the testimony.

Please note the inserted question on page 127 (a).

With all good wishes to you and yours,

Very sincerely,

Pursuant to that letter, General Hagood wrote to Pugh under date of December 30, 1935, as follows:

MY DEAR MR. PUGH: (1) I am returning, under separate cover, by registered mail, my recent hearing before your subcommittee. I hope you will find it satisfactory. I have had no occasion to change any of the questions.

2. I would like very much to have about a dozen copies of my own hearing when it is printed. Perhaps when the Printer sets it up he would be willing to set out that number of copies to be roughly fastened together separately and not included in the general binder with the rest of the hearings.

With best regards to yourself and my other friends on the committee,

Yours very sincerely,

Now, it is only fair to say that after the hearings had been printed and bound, but before their release, General Hagood did communicate with me by letter, telegram, and a personal call about withholding a portion or all of his testimony. Had the request been made before the hearings had been printed, I should have been only too glad to have complied. Having been printed, it was finally agreed between the general and myself to let it go out as printed.

I believe, Mr. Speaker, while I have the floor, that I should give the background and official correspondence in connection with this matter, in order that there may not be any more guessing.

Four members of the War Department Subcommittee—Messrs. McMILLAN, SNYDER, DOCKWEILER, and myself—conducted an inspection of military activities at and in the vicinity of San Antonio during the period September 20–23, 1935.

General Hagood was absent at the time attending Army field exercises in the Seattle area. His absence was almost at my insistence. On August 23, 1935, I wired General Hagood, while at sea en route from Honolulu to San Francisco, as follows:

Appears now party will not be prepared to leave San Diego for Texas before evening of September 16 at earliest. Imperative my judgment that you attend maneuvers from very beginning, and I should greatly regret your delaying our account. Please designate someone who can be spared from maneuvers without personal detriment, irrespective of rank, to act in your stead and we shall manage all right. Of course, shall miss seeing you, but maneuvers too important for men of your station and caliber to miss. I am sincere about this.

The general's son, Lt. Johnson Hagood, Jr.—and I have never met a finer or more intelligent young officer—met our party at San Diego and remained with us throughout our stay in the Eighth Corps Area, the headquarters of which are at San Antonio.

On October 5, 1935, following my return to my home in Arkansas, I wrote a letter to General Hagood and another one to General Conley, the then Acting Adjutant General of the Army, as follows:

To GENERAL HAGOOD:

I regret, of course, that circumstances were such as to cause us to be deprived of your companionship and guidance during our stay in your corps area, but congratulations are due you in at least two ways. Firstly, in the selection of one so admirably and generally accomplished to serve in your stead; and, secondly, in having such an all-around splendid son. He won the respect, admiration, and affection of everyone in the party, men and women, and I predict for him a very distinguished career.

Our schedule did not permit us to visit Fort Huachuca and inclement weather at the last moment precluded a flight to Fort Clark. Otherwise, I should say our inspection was quite thorough, and we gained a very splendid picture of conditions and of the essentials for which provision sooner or later will need to be made.

It is the plan now to begin the hearings on the 1937 Army budget around the 2d of December. If I can so order things, and I believe I can, I should like to have you appear before us. * * *

Please express my very cordial greetings to both Mrs. Hagoods. They were most gracious, kind, and hospitable, and it was a genuine pleasure and privilege to meet them and partake of their generous hospitality.

I am enclosing a copy of a letter I have today forwarded to The Adjutant General.

With warm personal regards.

To GENERAL CONLEY:

First Lt. Johnson Hagood, Jr., United States Army, was detailed to and did accompany my subcommittee on its recent inspection of military establishments and activities in Texas. His knowledge, poise, and tact were positively amazing. He discharged his responsibilities with the ease one would look for in an officer much superior in rank.

I wish the Department to know that Lieutenant Hagood made a most favorable impression upon every member of my party. The Army may well be proud of him, and I know I voice the sentiments of all of my colleagues.

On October 17, 1935, I wrote again to General Hagood, as follows:

I have your letter of the 11th instant, and since writing you, to accommodate a member of the committee, I have deferred the time of beginning our hearings to about December 16.

Now, this is my idea: At the outset of our hearings and before hearing the Chief of Staff or other officials of the War Department, we would have you and certain other general officers from the field make statements to the subcommittee, first, as to the needs under the jurisdiction of each, and then, if they so elect, as to the Army as a whole or any phase or branch of it which they may feel would be informative and would be helpful to the committee in building up the Military Establishment in the most orderly and effective way, not necessarily immediately but as rapidly as the administration's fiscal policy would permit. In the printed hearings these statements would appear after the hearings of Department officials.

* * * * * * *

With warm personal regards.

On November 25, 1935, I addressed a letter to the Secretary of War, as follows:

In consequence of the official inspection trip of the committee last summer, I deem it of considerable importance to have a number of the higher ranking officers whom we contacted come to Washington for conference purposes and formally to appear before the committee.

We observed conditions at a number of points which need to be corrected, and if I can conceive of or devise any method to correct them, wholly, or by degrees, it is my firm intention so to do. I have in mind nothing which has not the approval of the War Department. There may be some question as to priority, but, if so, that is a matter that can be worked out with you and General Craig.

It seems to me imperative that we have directly available the counsel of the men under whose field jurisdiction the matters I have reference to lie. I feel, furthermore, that the testimony of such men upon matters over which they respectively have jurisdiction, to the extent that it may be proper to publish it, would be of inestimable value and of very great assistance in furthering the interests of the Military Establishment as a whole.

Consequently, I respectfully request that the following officers be ordered to report to Washington not later than December 15. In the case of General Malone, I should like to have him available for call 10 days earlier:

Maj. Gen. Johnson Hagood, U. S. A.
Maj. Gen. Paul B. Malone, U. S. A.
Maj. Gen. Hugh A. Drum, U. S. A.
Maj. Gen. Lytle Brown, U. S. A.

The foregoing letter was acknowledged by Acting Secretary of War Woodring, on November 29, 1935, as follows:

Receipt is acknowledged of your letter of November 25, 1935, requesting that Major Generals Hagood, Malone, Drum, and Brown be directed to appear before your subcommittee at the coming hearings on the War Department appropriation bill, commencing December 16.

Orders have been issued to insure the presence of these officers as you request and to provide that General Malone will be available 10 days earlier. It is possible that, due to delay of a transport, General Drum may not arrive until December 17.

The War Department is thoroughly in accord with your desire to have the first-hand view of these officers, and it believes with you that their presence will further the interests of the Military Establishment as a whole. It is also thoroughly appreciative of the active interest the committee has shown and is showing in improving conditions known to exist in the Army.

As you state, there may be some question of priority. Questions of War Department policy, and of what is or is not contained in the present estimates, are bound to arise. I, therefore, feel that it would serve the committee's interest best and facilitate its business were the Chief of Staff or his personal representative present at the same time. Will you advise me if this meets with your approval?

To which I replied under date of December 3, 1935, as follows:

I thank you for your letter of the 29th ultimo (no. OGS 20863–28), with respect to the appearance of certain general officers before the War Department subcommittee.

* * * * * * *

I appreciate what you say about our not being wholly apprised of the contents of the estimates at such an early date. Outside of the details of the seacoast-defense estimates and of any estimates that may be submitted for construction at military posts, as to both of which I shall endeavor to inform myself in a general way before the hearings commence, I am not particularly concerned about other details for the purpose of hearing these general officers. Frankly, I should say that each be accorded an executive hearing. You may be sure, however, that it is my purpose to confer and advise with General Craig as our hearings progress and at their conclusion and to work out a bill with his counsel.

Mr. Speaker, that constitutes the history of this matter up to the conduct of the hearings. I have nothing further

CONSERVATION OF AGRICULTURAL LAND RESOURCES

Mr. JONES presented a conference report on the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers by providing for a permanent policy of Federal aid to States for such purposes.

FEDERAL ALCOHOL CONTROL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate joint resolution (S. J. Res. 217) postponing the effective date of certain permit and labeling provisions of the Federal Alcohol Administration Act.

The Clerk read the Senate joint resolution, as follows:

Resolved, etc., That section 3 (c) of the Federal Alcohol Administration Act, approved August 29, 1935, is amended by striking out "March 1, 1936" and inserting in lieu thereof "July 1, 1936."

SEC. 2. Section 5 (e) of such act is amended by striking out "March 1, 1936" and inserting in lieu thereof "August 15, 1936, in the case of distilled spirits, and December 15, 1936, in the case of wine and malt beverages."

Mr. SNELL. Mr. Speaker, reserving the right to object, I think the gentleman should make a short statement. As I understand, there is no objection to the resolution; but I think the gentleman should make a statement telling the House just exactly what it does.

Mr. DOUGHTON. Under the present Federal Alcohol Administration Act the time for issuing permits to distillers and those of whom permits are required, expires on March 1, and the Federal Alcohol Administration informs the committee it will be impossible to get these permits issued by that time, and unless the time is extended there will be more or less demoralization in the administration of the law.

Mr. TREADWAY. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. Is it not a fact that it was expected there would be permanent legislation prepared before the expiration of these permits, namely, March 1; and that being impossible, this is simply a continuation of the present permit law until such time as permanent legislation can be prepared?

Mr. DOUGHTON. That is correct. There is such a bill pending in the Senate, but it is realized that it cannot be enacted before March 1.

Mr. SNELL. How long is the present law extended under this resolution?

Mr. DOUGHTON. Until August 15, December 15, and July 1, respectively. I understand there is no objection to the resolution.

Mr. FIESINGER. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Ohio.

Mr. FIESINGER. I thought the Senate bill extended the time to December 1 of this year.

Mr. DOUGHTON. No; it does not.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Pennsylvania.

Mr. RICH. As chairman of the Ways and Means Committee the gentleman is responsible for seeing that funds are raised to take care of the expenditures of our Government. The gentleman is extending the time for issuing these permits and I should like to know what arrangement the Ways and Means Committee is making now to meet the expenses which the Government is incurring.

Mr. DOUGHTON. That is a rather broad question.

Mr. RICH. I should like to have the chairman of the Ways and Means Committee speak for the committee about that.

Mr. DOUGHTON. I could not speak for the committee on a matter of that sort.

Mr. RICH. Then speak for the administration. Somebody has got to speak here soon or we are going to find that we are wrecking the Nation.

Mr. DOUGHTON. I hope the gentleman will wait 3 or 4 days and then I think the question will answer itself.

Mr. RICH. Is it possible that the chairman of the Ways and Means Committee cannot answer that question?

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE BUDGET

The SPEAKER. Under the special order of the House, the Chair recognizes the gentleman from New York [Mr. TABER] for 10 minutes.

Mr. TABER. Mr. Speaker, under the provisions of title 31, section 13a of the United States Code, otherwise known as the Budget law, the President of the United States was required, if the estimated receipts of the Government were below the estimated expenditures for the ensuing fiscal year, to make recommendations for taxes, loans, or other appropriate action to meet the estimated deficiency.

I quote the language of that section:

(13a) Recommendations of President accompanying Budget. If the estimated receipts for the ensuing fiscal year contained in the Budget, on the basis of laws existing at the time the Budget is transmitted, plus the estimated amounts in the Treasury at the close of the fiscal year in progress, available for expenditure in the ensuing fiscal year are less than the estimated expenditures for the ensuing fiscal year contained in the Budget, the President, in the Budget, shall make recommendations to Congress for new taxes, loans, or other appropriate action to meet the estimated deficiency.

When the Budget estimate was submitted in January 1935 for the fiscal year 1936 showing an estimated deficit of $3,900,000,000, the President made no recommendations for taxes. While he could under the law have gotten by with a recommendation as to loans, no appreciation has been shown on the President's part that it is absolutely necessary that we have a balanced Budget in this country and get our expenditures down within our means.

The President, when he made his submission of the Budget on the 6th of January 1936, for the fiscal year 1937, attempted by a peculiar arrangement of figures to indicate that the Budget for the regular departments of the Government was balanced. Since that time estimates have come along for nearly $3,000,000,000. There are in prospect supplemental estimates on the part of the President approximating between two and three billion dollars, and perhaps more, to waste the people's money on foolish projects which have absolutely no merit, and which prevent economic recovery and destroy the morale of our people.

I quote the provisions of section 14, paragraph b, of title 31 of the code, as follows:

(14b) Whenever such supplemental or deficiency estimates reach an aggregate which, if they had been contained in the Budget, would have required the President to make a recommendation under subdivision (a) of section 13 of this title, he shall thereupon make such recommendation.

Whenever a supplemental or deficiency estimate is sent up, the President is directed to make such recommendations as to taxes or borrowings as may be necessary to balance the Budget. There have, to date, been no such estimates! It would be necessary, in order to balance the Budget, to raise at least $3,000,000,000 and probably $4,000,000,000 in a single year.

An additional deficit has been created in the farm situation for the fiscal year 1936. An additional deficit for the year 1937 will be created by the farm situation and also by the bonus. For 1936 this additional deficit will be approximately $600,000,000.

Including the bonus, the deficit for so-called ordinary operations of the Government will run $3,000,000,000 for 1937, and yet the President has presented no adequate program for complying with the Budget law, nor to meet the responsibilities that are his to balance the Budget.

From what information I can get, he intends to make no such recommendations. I wish to impress upon the Congress the absolute necessity of raising taxes enough to balance the Budget if this country is to begin to take steps toward recovery.

I have in my hand the daily balance sheet of the United States Treasury. It shows expenditures over receipts of $2,346,000,000 so far this year, an excess of $151,000,000 above last year's excess. If you come to consider the excess of repayments that have been made by farmers and the railroads over last year, you will find that we are $158,000,000 worse off than we were last year on our spending program, or a total of $309,000,000 worse off than we were a year ago at this time.

The increase in expenditures in the ordinary expenditures of the Government is $356,000,000 over last year. The number of employees of the Government is shown in the following table:

Date	Employees	Monthly pay roll	Annual pay-roll basis
December 1935	815,789	$125,631,309	$1,507,575,708
December 1933	591,675	80,414,085	964,969,020
Increase	224,114	45,217,224	542,606,688

Never in all history has there been a situation where the President had so failed to meet his responsibilities, where he had so failed to show any sense of responsibility whatever for the situation into which he has gotten the country.

And during all this time the number on relief has continually mounted. The number of unemployed, as shown by the figures of the American Federation of Labor of practically 11,500,000, has remained the same.

Business cannot start until the Government shows some business in its own enterprise.

The President has continually belabored business for its failure to put people to work. His own operations are preventing business from doing this very thing. [Applause.]

Mr. BOYLAN. Will the gentleman yield for a question?

Mr. TABER. Not at this time.

[Here the gavel fell.]

AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. MCREYNOLDS in the chair.

The Clerk read the title of the bill.

Mr. WOODRUM. Mr. Chairman, I do not want to become involved in this controversy over the alleged disciplinary action taken toward General Hagood, but it seems to me one or two points in the transaction have been overlooked and that they ought to be emphasized, not only for the consideration of the committee but for the consideration of the public that seems to be interested in the matter, certainly from the

newspaper standpoint. First, let me say this: I have not talked to any member of the War Department, nor to anybody at the White House, nor to anybody anywhere, except one or two Members of Congress on the floor today, to verify some information that I thought I understood.

The Army has a very rigid rule that prohibits its officers from giving information, and it is the usual custom when a high-ranking Army officer is called before congressional committees that a routine exemption goes through permitting that officer to talk. The exemption permits the officer to give legitimate, dignified information relative to matters under inquiry by the committee. It does not give him a license to go down and call anybody names; it does not give him a license to be disloyal to his Commander in Chief; it does not give him a license to speak forth and decide matters of executive and legislative policies, regarding which he has nothing to do; nor does it send him forth to make a stump speech. In this particular case, let us trace the matter chronologically for a moment. A request was made of the War Department to permit General Hagood to testify without restriction. That request was granted. The permission was to answer questions and give information regarding appropriations. He appeared before the committee, and gentlemen will find by reading the hearings that he was asked to give information on the needs of the Army posts. What did he do? He made a stump speech. He squared off in an arrogant, dictatorial, critical way, evidently smarting under his idea that the Army posts had not been treated fairly in the way of appropriations, and proceeded to ridicule and criticize the policies of the administration and his Commander in Chief. I say to you that he should have been disciplined whether his Commander in Chief be a Republican or a Democrat. What did he say? He refers in one place in the following manner, speaking of the relief program:

> The wastefulness and inadequacy of such a system will be discussed later.

Further:

> Since that time I have poured a lot of money down rat holes. It is harder for me to get 5 cents to buy a lead pencil than to get a thousand dollars to teach hobbies to C. C. C. boys. I do not like the Government standard lead pencil and I cannot get by the Comptroller with the kind of pencils that I like. But C. C. C. hobbies are exempted from the Comptroller's decisions.
>
> Under the W. P. A. I can get $200 to build a gravel walk to the garden house, but I cannot get $10 to repair a "busted" steam pipe.

Read his testimony, gentlemen. There is plenty more like that. There will not be any difference of opinion on the proposition. No gentleman on the floor will contend that General Hagood did not go away beyond his right in that regard.

Let us see the temper of the gentleman. The remarks were sent to him, and his attention was directed to the statements that he had made. He was asked whether or not he desired to change them, and he said he did not desire to change them. If you are going to have discipline, if Army discipline is going to mean anything, then I say to you I do not know what the War Department will say, and I do not know whether his recall was for disciplinary purposes, but it ought to have been. I do not wish for one minute to undertake to dim the splendid military record of General Hagood, but he ought to stay in his uniform and stay on his reservation, and not undertake to step out and pass caustic criticism on the policies of his Commander in Chief. I do not believe there is a man on the floor of this House who believes if one of General Hagood's subordinates down the line had squared himself away and passed caustic criticism on the method in which he was handling his command that he would not have been on the carpet, plenty good and fast.

I yield back the remainder of my time. [Applause.]

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, in every hearing on an appropriation bill there is always much free and frank discussion off the record that is not even taken down by the committee stenographer and is never printed in the hearings. Much confidential evidence is always given. Officers talk freely and frankly. Members talk freely and frankly. It is always understood that no record is to be made of it. Otherwise it would be impossible to get free and frank discussion and expression.

Much of the evidence given us by Gen. Malin Craig, Chief of Staff, was off the record and not even taken down by the stenographer. Much evidence that was given us by Gen. Paul Malone and Gen. Hugh Drum and General Brown, and the various generals who are chiefs of various branches of the service, was off the record and not even taken down by the committee stenographer, and is not printed in the hearings. Much evidence given us by Assistant Secretary of War Harry Woodring was off the record, and is not in the hearings. Discussions that were not even taken down, and that were off the record and are not in the hearings, would fill at least 50 printed pages.

That part of Gen. Johnson Hagood's discussion to which exception has been taken was his part of what he thought was a free, frank, honest, conscientious discussion of wise and unwise ways of spending money for the Army, and it should not have been taken down by the committee stenographer in the first place, and it should not have been written up by him in the second place, and it should never have gone into the hearings in the third place.

TO DELETE BENEATH HIM

I am surprised that the distinguished gentleman who preceded me would condemn General Hagood because he did not delete when the typewritten hearings were tendered him for revision. When these hearings were tendered General Hagood with the information that he had statements in same critical of public spending, with the intimation that if he allowed same to be printed he might be held accountable, I have a great deal more respect for General Hagood for saying," I did make those statements in a free, frank, honest, conscientious discussion of money spending in my corps area embracing a number of States, and since the stenographer wrote up what I said in this round-table executive session, I will be brave enough to stand behind it and not dodge by deleting," than I would have had if he had tried to hide or dodge. It was the duty of our committee to have deleted those objectionable parts. Our committee caused General Hagood to come before it. He was under our committee orders. From time to time some levity and facetious discussions took place. Otherwise the monotony would be unbearable. General Hagood had the right to believe that our committee would keep off-record discussions out of the stenographers' notes and out of the printed hearings. Our committee was most unkind to him in not ourselves keeping those objectionable parts out of the hearings.

TOLD THE GOSPEL TRUTH

Down deep in our hearts, all of us here know that General Hagood told the gospel truth. He misrepresented nothing. He was giving us his free, frank, honest, conscientious opinion and judgment on money spending for the Army. All of us know that officials in every one of our States have wasted public money. We all know that they have spent, when after the spending they will have nothing to show for it. Talk about stage money! All of us know that it has been passed around by many officials in all of our States as if it were stage money.

SHAKING ROCKS IN TIN CANS

Think of all of the money that has been thrown away right here in the Nation's Capital, shaking rocks in tin cans to scare starlings out of one tree into another, and having an army of men letting balloons on long strings up by the ceilings of one building to scare the starlings away to the ceiling of another building across the street. Does anybody here say that was not stage money? Then what kind of money was it? It did not destroy a single starling. All of them are still with us. Not one is missing.

IN AND AROUND SAN ANTONIO

Gen. Johnson Hagood had an excellent opportunity to know how public money has been thrown away in Texas, as Fort Sam Houston is only 2 miles from the office of Harry

P. Drought, State Administrator. Any little tin-can proposition that will reflect no worth-while accomplishment will promptly get Drought's approval, but it is almost impossible for all the powers under heaven to get him to approve a worthy project that would reflect credit upon our President and his administration. I am glad that something has occurred to bring all of this wasteful money spending to the attention of our President, for I know that he will stop it. I confidently believe, too, that when the facts about Johnson Hagood finally get before the President, he will restore this efficient, worthy, incomparable officer of our United States Army to his command.

ARMY'S BAD FAITH

With the permission of the House, I want to read you two letters that will demonstrate the bad faith of the Army, and of Gen. Malin Craig, Chief of Staff:

ABILENE, TEX., *December 7, 1935.*

Hon. GEORGE HENRY DERN,
Secretary of War, Washington, D. C.

MY DEAR MR. SECRETARY: Our committee, which frames the Army supply bill, during our hearings, to begin on December 16, will have before us as witnesses General Brown, General Drum, General Malone, General Hagood, and other prominent officers of the Army.

From long experience, I understand what restrictions are usually placed by the Department on Army officers when they testify before a congressional committee, which once in a while greatly handicaps the committee in getting first-hand information about matters with which they are vitally concerned.

With regard to the above-mentioned four distinguished major generals, our committee will want to feel free to ask them questions that will elicit full, free, and frank answers, unrestrained and uncontrolled by any restrictions that anyone in your Department could place upon them, and I desire to request of you that no such restrictions are placed upon them. If a member of a congressional committee can't ask a distinguished major general in our Army a question and have the benefit of that officer's frank answer, based upon his judgment and experience, then there is something vitally wrong with our set-up.

Please write me at my Washington office whether my request will be granted.

Very sincerely yours,

THOMAS L. BLANTON.

WASHINGTON, D. C., *December 11, 1935.*

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR MR. BLANTON: Your letter of December 7 addressed to the Secretary of War, Mr. Dern, has been referred to me for reply, as Mr. Dern has not yet returned from the Philippines.

The officers mentioned by you, who are to appear before you as witnesses, will be instructed by me in person that they are to answer you freely, fully, and frankly, and that there are no restrictions whatever placed upon their appearance before your committee by the War Department.

Very sincerely,

MALIN CRAIG,
Chief of Staff.

Who has been hurt, Mr. Chairman, by the true statement of General Hagood? Do not we Democrats welcome just criticism? I have too much confidence in our great President to believe that he would take offense because one of his friends brought to his attention something that was going on wrong. I like to think of my President as one of the biggest men in the world, inviting honest criticism, and profiting by it, too big to allow his Chief of Staff to behead a most valuable public servant for expressing his mind freely and truthfully. I confidently believe that the President, my President, in whom I have had implicit confidence, will do two things: First, he will do justice to Gen. Johnson Hagood by restoring him to his command, and, second, he will stop all of this wasteful money spending and teach all of the Harry P. Droughts in the United States that W. P. A. money is nothing else in the world but U. S. A. money that represents the taxes wrung from American citizens and must be spent wisely.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield 8 minutes to the gentleman from Nebraska [Mr. LUCKEY].

Mr. LUCKEY. Mr. Chairman, I am not going to yield to anyone. I have something to say, and I want to say it.

Within the past few weeks we have witnessed one of the most disgraceful persecutions ever visited upon an official and gentleman of the United States Army. Major General Hagood has been ordered to relinquish his command and to return home, pending further orders. That one statement brings to light a situation within the War Department that is repugnant to every patriot and freedom-loving citizen within our land. An officer has been relieved of his command—his life work suddenly terminated. For what reason? Because he had the courage to express his personal opinion before a subcommittee of our own House of Representatives. He told that committee what he believed to be true, and as a result the petty underlings and those over them "ganged up" to visit their wrath upon Major General Hagood.

Maj. Gen. John Hagood is just another of our public servants who, because of his patriotism and love of country, has ctiticized those whom he felt deserved criticism. He is the second of our national-defense officers who have dared to tell the truth and who have paid for their courage. The other great man, the much-loved and admired "Billy" Mitchell, has gone on to his reward, and a great people are now learning of the real measure of his devotion. The present case demands an investigation, and you, my friends on both sides of the aisle, should demand that it be investigated. Are we to sit idly by and permit those who appear before our committees and subcommittees to be gagged by petty tyrants who today ride high in departmental office? We have been hearing of gags until we are nearly gagged with the very sound of the word. The gag now imposed by the War Department is the most vicious of which we have learned, as it is a direct attempt upon the part of War Department officials to prevent those appearing before our committee from speaking what they believe to be true. The War Department has placed itself in a position as prosecutor, judge, and jury, and they had the decision ready before they began the prosecution of the case.

Few, if any, believe that the testimony Major General Hagood gave was entirely responsible for the summary action of the officialdom of the War Department. He has been the center of criticism by the war dogs long before this present time. Only a few days prior to his testimony before the subcommittee I quoted a part of a speech given by General Hagood in April 1933 at Kansas City, Mo., in which he frankly criticized the way in which the national defense of our country was being handled. I want to read again an excerpt from that speech so that all of you can see why many in the War Department feared and hated our great patriot. I quote:

So far as the Army is concerned we have too many bureaus already, and we could spare six or eight of them with advantage to the national defense and to the joy of the taxpayer. There is no duplication between the Army and the Navy. But there is a duplication within the Army, and it is to be hoped that the President, with his extraordinary power, will be able to accomplish a consolidation and a simplification within the Army itself that could not have been accomplished with the complicated machinery set up by Congress.

The Army has too many overlapping agencies. We are overstaffed. I have twice as many staff officers, clerks, and orderlies as I need, but I cannot get rid of them under the existing set-up.

Our system of administration and supply is so complicated and involved that it would collapse at the outbreak of the next war just as it has collapsed at the outbreak of every war in the past.

We are tied hand and foot with red tape, borne down with unnecessary paper work, and laboring under a training system that could not be comprehended by emergency officers in time of war. I doubt very much if there be a general in the Army or an officer of the General Staff who has read the American training regulations—certainly not one who could pass an examination upon them.

Because of his real and true love for his country and because of his sincere desire to bring about the creation of an adequate and economical national defense, Major General Hagood has spoken freely when he believed it the patriotic thing for him to do. He has criticized the bureaucratic handling of our national defenses and has aroused against him the hatred of those petty patriots, secure within the dark recesses of the War Department, who would have been displaced long ago had we heeded the advice of General Hagood. Those petty patriots have finally undermined this great soldier and have seized upon the recent testimony to secure their ends. Who could believe that the War Department has been motivated by the general statement in regard

to work-relief funds? Such a statement would be a fraud, snare, and delusion. It is one more evidence that we are watching the insidious worm of maladministration eat deep within the national-defense structure. We have had scandals and will have plenty more if the truth comes to light. We pay our money more freely than does any nation on earth for national defense, and we get so little for our money that it has become a national disgrace. Are we going to sit idly by and watch honest American citizens and officers of our Army suffer to be gagged when they are appearing before our committees to give information that those committees demand? Are we going to allow such testimony to be used as the weapon for a personal attack upon an officer and gentleman whose dismissal has long been sought on entirely different grounds?

I want to pay my respects to the courageous and beloved gentleman from Texas [Mr. BLANTON], who had the courage yesterday to defend General Hagood. This is a Democratic administration, and it is primarily the responsibility of the party in power to see that justice is not abused. Undoubtedly the Department will prepare a careful press release stating that the removal of Major General Hagood was a routine affair, or something like that, but what American citizen would believe such a statement? The Secretary of War has infringed upon the rights of this House. If this practice is to be continued, why not allow the War Department to prepare an official statement for our committees and then keep their officials at home? If the officers are to be gagged to prevent giving their own views and must only present those which have been placed in their mouths by the Department, the holding of hearings would be an empty formality. In no case could the fundamental truth be reached.

It is high time that we scrutinized the activities of the War Department more carefully. Since 1919 we have spent $22,000,000,000 for preparedness—$2,000,000,000 more than any other country has spent—yet we are faced with the inescapable fact presented by the War Department itself that we are woefully unprepared and have been sinking steadily in the rating of military powers. We should vote a gold medal to the officers who have the courage and honesty to expose the graft and racketeering in our War Department, which every succeeding year brings to light, graft and corruption that calls for increasing expenditures to give us what the grafters have kept us from having.

To every one of you who loves freedom and the preservation of the rights of the individual citizen, I urge that you join with me in demanding—not asking—that Major General Hagood be returned to his post of duty and that the shackles be freed from those who are doing their duty as honest and patriotic citizens of the land they love. [Applause.]

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. THURSTON. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. AMLIE].

Mr. AMLIE. Mr. Chairman, during the last few days, from time to time various Members have sought to call the attention of the membership to the plight of a large part of our population; that part which no longer has any place within the framework of our economic system. Whenever any attempt has been made along this line the reply has been that the credit of the Government is about to be exhausted or at least "Where is the money going to come from?"

I am going to devote my remarks to these two questions. In the first place, I do not believe that the credit of the United States stands in any imminent danger of exhaustion or destruction. The per-capita national debt at the present time amounts to $225. The per-capita indebtedness of the citizens of the United Kingdom amounts to $735. The per-capita indebtedness of the people of France amounts to $530. If we take in not only the national debt but the local governmental debt and the guaranteed debts of these various governments, then the per-capita indebtedness of the United States is $409; the per-capita indebtedness of the citizens of Great Britain is $958. In other words, if we had as great an indebtedness in this country as they have in England, we would have a national indebtedness of over $100,000,000,000.

Mr. THURSTON. Will the gentleman yield?

Mr. AMLIE. I yield.

Mr. THURSTON. Just to explain the figures concerning the debts of the foreign nations, does it include the debt that those nations owe the United States Government, and which in the main they have repudiated?

Mr. AMLIE. No. These debts are not included; all foreign debts are excluded. Only the domestic debts of these countries are included. Not only would the indebtedness of this country amount to more than $100,000,000,000, but the per capita wealth of this country is much greater than the per capita wealth of any other country. The per capita income of this country is much greater than the per capita income of any other country. We could, therefore, stand a much greater national debt in this country than could any other country in the world. Even a national indebtedness in this country of $100,000,000,000 would be comparatively smaller than an actual national indebtedness of the United Kingdom at this time, in excess of $50,000,000,000.

If the time ever comes when we do run into the danger of inflation and the evils that follow in the train of disastrous inflation, we still can follow a precedent that has been established by the present administration. In my opinion, it is the most significant legislative contribution of the New Deal. That is the establishment of the right of the Government of the United States to go out and require all citizens to turn over to the Government any gold they may have, and accept payment for that gold on the basis of $20.67 an ounce instead of the market price of $35 an ounce. As a result of this devaluation of the gold dollar and compelling owners of gold to accept 59 cents on the dollar, spokesmen of the administration have called attention several times on the floor of this House to the fact that a profit of $2,800,000,000 was realized by the National Government by so doing.

I am going to mention the incident of a certain woman in Wisconsin who is very close to me because of family ties. I advised her in 1932 to take her money out of the banks in the town in which she lived and invest this money in the common stock of strong companies, but she did not want to invest in any securities of any kind, because practically all the money she had invested in securities she had lost. I then advised her to do that which she had a right to do, to simply put this money into gold and put it away in a safety-deposit box. She took it up with her banker, who assured her that my advice was nonsense, but she did put $1,000 away and left the balance in three different banks. The banks closed and most of that money was lost. Then she had $1,000 in gold. The Federal Government brought suit against her and threatened her with a fine of $10,000 and 5 years' imprisonment if she did not turn this gold over and accept payment on the basis of 59 cents on the dollar. I could have taken the matter to the Supreme Court, but of course no one wants to appeal a small case of that kind. Besides, I was in favor of having this principle established, and I am glad that the New Deal has established this precedent.

Mr. WHITE. Will the gentleman yield?

Mr. AMLIE. I yield.

Mr. WHITE. Is not the action you described in demonetizing the gold the same as the action on silver where it has been demonetized?

Mr. AMLIE. I will grant that, but what I am saying is that if the Government can go out and take away from thousands of small citizens 41 percent of what they own, then, why cannot the Government go out and take away from the Mellons and the Fords and the Rockefellers 41 percent of what they own? [Applause.] The $700 in profit that this woman was compelled to relinquish to the Federal Government meant a great deal more to her than would 41 percent of the fortunes of the Mellons, Fords, or Rockefellers to them.

In 1926 the Federal Trade Commission made a study of the distribution of wealth in this country, based upon the showings made by the probate records in this country, and

while this may not be the best method of ascertaining the distribution of wealth in the country, nevertheless, this study by the Federal Trade Commission is about the only study on this subject. What they found was that, on the basis of those probate records, if we permit $100 to represent the total wealth of the country and 100 people the total population, then 1 man would own $59, 1 man would own $9, 22 men would own $1.22, 76 men would own less than 7 cents each. If the Government would go out and not take over 41 percent but merely 20 percent of the holdings of this 1 percent, that would mean, under present values, about $35,000,000,000.

If we were to tax the 1 percent as heavily as we have taxed the numerous small people who had their savings in gold we should merely by applying this principle raise a sum in excess of $70,000,000,000. Now, this is a safe and sound procedure from an economic standpoint. In England, following the Napoleonic wars, David Ricardo and other economists advocated resort to the capital levy. Following the World War numerous economists in England advocated resort to the capital levy as a means of paying for the cost of war. Even a man like Stanley Baldwin, I am told, declared a private levy on his own capital and turned over the proceeds to the British Government as a patriotic citizen in much the same way that Mr. Justice Holmes, of our own Supreme Court, did in his will when he turned over to the United States Treasury the major portion of his estate.

The issue of a capital levy has been the principal plank in the platform of the British Labor Party during many campaigns. It is the plank that has engendered the greatest opposition to the Labor Party. Moreover, because the possibility of enacting a capital levy is a real threat to the people of wealth in England; they have been willing to bear patriotically a much greater load, than they are willing to bear in this country. And when the people of this country understand the meaning of a capital levy we shall hear with less frequency the phrase: "Where is the money coming from?"

I am not advocating a capital levy as a means of paying the operating costs of the national Government year by year. I doubt very much whether this would be practicable from an economic standpoint. If we were to pay our present operating costs by such a levy, it would require the sale of various securities from time to time which in turn might have a depressing effect on the market.

But even though this point might be considered for purpose of argument, I cannot see where this objection would hold to the Federal Government's resorting to the capital levy as a means of reducing the national debt whenever this debt shall have reached dangerous proportions.

What would happen under such a situation would be the forced sale of securities taken over by the Federal Government. But the proceeds of these sales would be immediately used for the retirement of existing Government obligations. When we are talking about a capital levy for the purpose of reducing the national debt, we have a situation where in operation $1 will be released for investment for every dollar's worth of security that is put upon the market. To all intents and purposes it would work out in the aggregate as it would in the hypothetical case of a man who might be worth $5,000,000, $1,000,000 of which was in Government bonds. The bonds would simply be transferred by the owner to the Government for cancelation in order to reduce the Nation's indebtedness. As a matter of fact an average man with $5,000,000 in securities probably has on an average $1,000,000 invested in Government obligations. It, of course, makes no difference insofar as the operation of a capital levy on his holdings, whether he holds any Government obligations or not.

In effect a capital levy might, for instance, provide for a 2-percent levy on all individual fortunes between one hundred thousand and five hundred thousand, 3 percent on individual fortunes between five hundred thousand and one million, and an increase of 1 percent for each five hundred thousand until a maximum levy of 20 percent should be reached.

If such a levy were put into force, the people affected would be required to make an estimate of their own net worth and be required to pay in the amount levied by such an act, pending actual determination. In case a man's holdings were in property that is not readily salable, then, of course, he would be given a period of time in which to work out this problem, the Government in the meantime being given a lien on a portion of his property.

As I have indicated, the use of a capital levy is not something altogether new in the field of economics. In the event that any Member is interested in this subject, I am including at this point the following bibliography on the subject of a direct levy on capital:

CAPITAL LEVY

Archibald Hutcheson: Collection of Treatises Relating to National Debts and Funds. London, 1721.
David Hume: Political Discourses. Edinburgh, 1752. Chapter on Of Public Credit.
David Ricardo: The Works. 1888. Chapter XVII and appendix, Essays on the Funding System.
J. S. Mill: Principles of Political Economy. Book V, chapter VII.
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DIRECT LEVY ON CAPITAL ESSENTIAL

As I have indicated, the American people have cause to be grateful, not only to the New Deal for being willing to go on record in favor of the confiscation of 41 percent of the property legally held by a certain portion of the citizenry of the country, but they are also indebted to the Supreme Court for having given its sanction to this type of appropriation of property without full compensation.

It has always been conceded by constitutional authorities that the Federal Government in time of emergency would have the right to require all of its citizens to surrender to the Government any article or commodity which the safety of the sovereign state might require.

No doubt the Federal Government would have the right in time of emergency to require that its citizens turn over all the brass, silver, copper, persimmons, wheat, hogs, platinum, or, in fact, anything else that the properly constituted authorities might require. As I stated last year, if the Members of this House felt that in order to appease the gods of depression all the empty beer barrels should be called in and stored under the dome of the Nation's Capitol, then this would be a proper exercise of discretion for this great deliberative body.

But even though all of these things might be conceded, it would not have been conceded up to a year ago by any constitutional authority that the Federal Government would have the right to do these things without compensating the owners to the extent of the full market value for the articles or the commodities so taken.

It was generally recognized before the so-called gold-clause decision was rendered that the Supreme Court was facing a difficult dilemma. If the Supreme Court were to hold the so-called gold clause valid and enforceable, then this would have increased the internal indebtedness of the Nation, public and private, by $69,000,000,000. The effect of such a decision would have been far-reaching and, perhaps, disastrous. This was generally recognized by all economists. Mr. O. W. Sprague, formerly economic adviser in the Treasury Department, in commenting on this situation, declared that if there were only one or two hundred million dollars involved, the Supreme Court would find invalid legislative acts negativing the provisions of the so-called gold clause, but since $100,000,000,000 was involved the Supreme Court would not dare do so.

"DAST" OR "DASSENT"

Before the Supreme Court rendered its decision on the so-called gold-clause case I had the satisfaction of writing a news letter on February 9, 1935, which was generally published in my district before the decision was rendered. In this letter I quoted Mr. O. W. Sprague and pointed out that the Supreme Court, even though this legislation were unconstitutional, in the opinion of all authorities, nevertheless would not dare to find it unconstitutional. I did this because I wanted to be in a position to emphasize that any discussion of the right of the Supreme Court to declare acts unconstitutional in the future must be classified on the basis of whether the Supreme Court "dast" or "dassent" declare the particular act unconstitutional. That is to say, constitutional law from now on must be divided into the field of "dast"; that is to say, the field in which the Supreme Court dares to apply precedent, and the field of "dassent", which is the field in which the Supreme Court does not dare to apply precedent.

It would perhaps be safe to assume in the light of the past record of the Supreme Court that it would not apply precedent from the "dassent" field to the "dast" field. Nevertheless, the representatives of the people who are concerned about the welfare of their constituents have a right to assume that the Supreme Court would apply the same principle to the 1 percent who own 59 percent of the Nation's wealth as they would apply to the small individual who might have a few gold coins put away in a safety deposit box. We may, however, safely assume that if we have a President and Congress willing to pass legislation making a direct levy on capital, then such a President and Congress would also be willing to limit the power of the Supreme Court to interfere with such legislation, or even to increase the number of judges on the Supreme Court to any required number, a practice for which there are many precedents in the history of the United States Supreme Court.

As legislators we are confronted with the fact that we have had an average number of unemployed during the past 5 years of 12,000,000. This statement is based on the extremely conservative estimates of the American Federation of Labor. These people are in a deplorable condition. Last year an internationally famous physician made the statement at the annual convention of the American Medical Association that 25,000,000 people on relief in the United States and Canada were in danger of becoming permanently unemployable because of the fact that they were being compelled to live on an inadequate diet. The sickness rate of these people ranges from 25 to 60 percent above normal. A New York City assistant health officer made the statement recently that 100,000 school children in that city had become so warped in body and mind because of undernourishment that they could no longer keep up with their classes.

Recently the American Society of Social Workers sent out a statement to the membership of this House setting forth the fact that in 23 States relief standards had largely broken down. In Pensacola, Fla., for instance, families of two members are expected to get along on the sum of $1 for a period of 2 weeks. Families of three and four members on $1.50 for a period of 2 weeks; families of five or six members on $2.25 for a period of 2 weeks; families of seven, eight, or nine members on $3 for 2 weeks; and families of more than nine members on $3.50 for 2 weeks.

This report goes on to state that in Nebraska local funds have been exhausted and that a straight allowance of $7.50 per month is being made available for all types of relief. In the States of Alabama, Louisiana, Minnesota, Nebraska, and Texas the people charged with the administration of relief admit they are only able to meet about 25 to 50 percent of the needs of the people.

These illustrations, however, can be expanded indefinitely. Recently the Director of the National Youth Administration made the statement that there were between five and eight million young people between the ages of 16 and 25 who were unemployed, out of school, and wholly unoccupied. Three million of this number were on relief.

One need not go any further to call attention to the terrible plight that is facing the people of the country, both young and old.

But whenever anyone gets up with any proposal, whether it be that of adequate pensions for the aged, employment at a living wage for the unemployed who are employable, or some provision to give the youth of the Nation a small opportunity—and in no way comparable to the opportunity that the membership of this House had when they were young—then some reactionary is sure to get up and shout, "Where is the money coming from?"

I have tried to indicate in this speech that we can go on and borrow to the extent of more than $50,000,000,000 more without becoming as deeply in debt as are the people of Great Britain. In addition to that, if after borrowing $50,000,000,000 we should then be faced with the possibility of inflation and disaster, we could then resort to an outright levy on the wealth of the 1 percent of our American people who own 59 percent of the wealth of the country, according to the best and about the only study available on this subject. That is to say, the Federal Trade Commission's study of 1926.

I want to state here and now as a Member of this House that I am more concerned about each one of the 100,000 children in New York City who last August had become so warped in body and mind because of malnutrition that they could no longer keep up with work in school than I am concerned about the Mellons, the Morgans, the Mills, or the other 27,000 income recipients who in 1929 received a total income of more than $10,000,000,000. I want to say that in my opinion any Member who gets up and shouts, "Where is the money coming from?" when it is proposed to take care of the young and the old who are outside of our economic system, that man is not representing the people of the United States, but he is representing the 1 percent of our people who own 59 percent of the Nation's wealth.

As I look around me this afternoon I notice that more than half of the Members who were here in the Seventy-second Congress have already taken their departure into political oblivion. I want to venture the further guess that before two more elections have been held a majority of the present Members of this House will have joined the ranks of those who were here only a few short years ago.

[Here the gavel fell.]

Mr. THURSTON. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, after making a few prefatory remarks, I shall direct attention to certain events just previous to the Tugwellian era which commenced March 4, 1933. Some people seem to think that our civilization began in this country about that time. [Laughter.] We have very recently been reminded by Mr. Farley that people are to forget that this is the year 1936 but rather should confine ourselves entirely to conditions which existed in March 1933. The title of this particular address is "The Watering of Our Currency."

We recall the upward swing of recovery in midsummer of the year 1932. I have spoken of this before. At that time the business index was high. As the election drew near the index went down and when the election was finally consummated and a new President came into power that business index went down swiftly. Later on it reached the panic level. Our friends should be reminded to look up certain dates to which I shall refer very briefly, since the time at my disposal is limited.

After November 1933, because of fear engendered in this country over tariff policies, millions of dollars' worth of business orders were canceled. Because of this, unemployment immediately increased. The Reconstruction Finance Corporation had to help many municipalities, which would otherwise not have needed assistance. Things were further complicated by the publication of the R. F. C. loans. This caused many bank failures. The Democrats were in control of this House at that time and had been for a year and a half. The previous summer Congress had passed the act permitting publication of loans made by the Reconstruction Finance Corporation. I call attention in this connec-

tion to the RECORD of January 25, 1933, when Mr. Ragon said: "I think it is one of the most injurious things that has ever happened in this country in the present situation." Mr. OLIVER followed by saying, "I share the views of the gentleman." The party in power could have controlled the situation, but it caused an immense amount of trouble under the theory that the public should know all about what its instrumentalities were doing with this fund. A panic situation seemed to be in the offing. After that came rumors of inflation and devaluation in spite of what the President had said prior to his election. He refused cooperation with other countries in the matter of stabilization. There was fear that the President-elect would tamper with the currency, and this was confirmed by the press on January 30, 1933. Then ensued the resulting flight of our dollar into gold and foreign currencies and securities to the extent of billions of dollars. The condition in Michigan might have been overcome except for fear which existed over the entire Nation.

On February 14 President Hoover conferred with the Democratic leaders. About that time Senator GLASS was at least supposed to have refused to act as Secretary of the Treasury, because he could get no statement from the President-elect that he would not go off gold. President Hoover's letter to Mr. Roosevelt requesting from him a statement relating to the currency, that would instill confidence in the country, went without answer. He wrote again on February 28, but again received no answer. On February 28 Hoover wrote the Federal Reserve Board to consider some form of Federal guarantee of bank deposits; yet you seem to think that suggestion had its origin during the Tugwellian era later on. On February 21 the Federal Reserve Board voted to request the President-elect to state his views. No answer. On February 24 Mr. Woodin reported that no statement of policy would be made by Mr. Roosevelt.

On February 25 numerous banks closed. At that time Mr. Woodin, Chairman of the R. F. C., was requested by President Hoover again to communicate with the Democratic leaders. Mr. Woodin once more reported that no statement would be made, that they had no part in the Government and no responsibility for it until March 4. On March 2 a proclamation was considered to close all the banks. This was proposed to Mr. Hoover by the Federal Reserve. Mr. Hoover thought at that time we might declare a moratorium of a nature that nothing should be paid out in gold except what was absolutely necessary. Mr. Woodin continued to the last as spokesman for the President-elect, declaring "We will not agree to anything." This was a sorry chapter, written in continuous refusal to cooperate in one of the greatest crises in our history.

Mr. Chairman, when they talk about 1933 let us remind the country that the Republicans were not in power in this House at that time. This lack of cooperation by the President-elect and his advisers did more than anything else to bring about the situation which they now portray in such dark colors. They evidently desired to assume the full credit for all allegedly remedial measures which might be taken and in the meanwhile permit conditions to become as bad as possible.

Mr. Chairman, in 1933 we had $4,000,000,000 in gold. That was all that was necessary for our economic use. The embargo which was placed on gold was not necessary. This is not my own opinion merely. I have combed opinions from many to whom I have lately written regarding the effect of devaluation, its advantages and disadvantages. There appears to be a quite general agreement among many of the presumably greatest experts that we have on money matters and who have replied to my letters. Even the Secretary of Agriculture himself gave devaluation very little credit indeed for the rise in prices of agricultural products.

The temporary suspension of the gold standard was harmless and probably necessary; but the joke of it is that, after condemnation of the previous administration on the same line, $750,000,000 of gold bonds were sold to the people by the present administration immediately after we went off the gold standard. This would seem to be an attempt to tell the people that the action was only temporary, that it was really purposed to go back on the gold standard. If that was not the object, it was a very peculiar piece of business to sell bonds with the gold clause still included. But the final, real secret of all this tinkering with money came out. It was done to raise prices. The R. F. C. money was used to buy gold, foreign and domestic, to hoard in the Treasury. Speculators sold our dollars short. This resulted in great loss to the foreign holders of our securities. We seemed to argue "What of it? Suppose you did buy our domestic securities and you did lose? You should take your chances as we did." This, even though they had to accept our devalued dollars when the funds were transferred into their own currency. They are still seeking the opportunity, I may say, to sue us in connection with these operations. Our importers of foreign goods were penalized. The expectation of large exports, as is well known, proved a dismal disappointment.

There are many more features that I should like to explain to the gentlemen who are interested, but I shall have to include these in the extension of my remarks.

As I have stated, this devaluation penalized our importers of foreign goods, as it now took nearly twice as many of our new dollars to purchase them.

It penalized our innocent personnel in the Foreign Service, and we were obliged to make compensatory adjustments in their salaries. Some five million additional dollars have had to be appropriated even for the year 1937.

To be sure, domestic prices did, to some extent, increase; but this was not due so much to the devaluation of the dollar as to the natural processes of recovery and the alphabetical soup being stirred in Washington. Devaluation came soon after Congress convened in 1934, its primary purpose being to help raise prices. On January 31 of that year $1 bought 23.22 grains of gold. One day later, on February 1, $1 bought 13.7 grains.

The crazy gold-purchase plan and this devaluation are, alike, without precedent in history or recognition in monetary theory. As a result, recovery is wandering about in an impenetrable fog of currency legislation, the real meaning of which no man knows.

The principle of the gold standard had worked satisfactorily for so long previous to the World War that most nations hurriedly returned thereto. However, owing to scarcity of gold, devaluation became necessary in order to maintain prices. France devalued 5 to 1. The United States, Great Britain, and other nations preferred devaluation of commodity prices. At a price of $20.67 per ounce, little new gold was mined. Between 1923 and 1928 billions of American money was loaned abroad. When this flow was stopped, the prosperity of European nations declined rapidly. At the Genoa Conference in 1922 nearly all European nations readopted the gold standard.

In 1930 France and the United States began withdrawal of their funds from the Central Powers. When Austria and Germany announced their customs union in March 1931, France withdrew her balances in Vienna, and this was largely responsible for the collapse following immediately thereafter. On May 11, 1931, Austria was forced to beg for assistance and various countries loaned her thirty-five and one-half millions. The reconstruction of Germany had been largely financed by six and eight-tenths billions of foreign loans. The withdrawals from that country in July 1931 amounted to one and one-half billions, and her citizens withdrew their own funds and invested them in other currencies.

This tide swept all before it until President Hoover arranged the moratorium on reparations and war debts. France, however, hesitated until it was too late to accomplish the desired results. On July 13, 1931, there was a run on all London banks. Thus we see that the situation in Austria created panic all over the world. London stood firm, but France withdrew her balances from Britain and her deposits dwindled at a terrific pace. J. P. Morgan formed a syndicate and attempted to save the situation, but again too late. In 2 months London had lost one and seven-

tenths billions, two hundred and seventy millions of which was in gold. She gave up, dragging most of the world after her. There was a scramble to withdraw funds, no matter where they were. Many European countries and nearly all South American countries suspended payment. Thirty nations abandoned the gold standard. The United States exported in September and October three-fourths of a billion in gold. We had a plentiful supply, amounting to about five billions, and the flow of gold did us but little harm, and it soon, in a measure, returned.

Many incidents, such as the collapse of Kreuger and Toll, the threat of the Goldsborough bill, our unbalanced Budget, and short-term borrowings by our Government, again brought about gold withdrawals, not only from other countries but from our own citizens. Mr. Hoover, at that time, stated that it appeared that we were only 2 weeks away from going off gold. This statement brought the scorching denunciation from Senator GLASS, fully concurred in by Mr. Roosevelt. We had, however, but little worry over European balances deposited with us. They were not large.

Our own people, sensing insecurity, withdrew one billion in cash in the year ending October 31, 1932. Nevada declared a bank holiday. The Michigan moratorium followed in February 1933 and over nearly the entire country came a run on our own banks and more than one and one-half billions in gold and gold certificates were withdrawn, largely for hoarding. Then followed the bank holiday over the whole land. Frightened by threats of the Government, the citizens returned their gold to the banks. Greatly to our discredit we placed an embargo on gold.

Finally the Thomas inflation amendment, giving the President power to reduce the gold content of the dollar 50 percent, was passed. The gold-payment clause on all public and private debts was outlawed. Later the London Conference was called for the summer of 1933. Our President refused to cooperate with a view to stabilization. On June 30, 1934, the Gold Reserve Act was passed and the President devalued the dollar to 59.06. The act not only abandoned a fixed price for gold and refused redemption in gold, but provided that the President could vary the value of the dollar as he might deem it advisable, down to 50 percent. He has this power until January 1937, and constant teetering of the dollar will continue.

At the price of $35 per ounce gold mining has not been greatly stimulated. Of the $42,000,000,000 gold supply in the world but twenty-two billions are available for monetary purposes. The United States has ten billions; France, four and one-half billions; Great Britain, one and six-tenths billions; Russia, eight hundred and forty millions; Spain, seven hundred and thirty millions; Belgium, six hundred millions; leaving only three and seven-tenths billions for the other 44 nations, including Great Britain's dominions. Germany, a really great country, has but thirty-five millions. Today we can transfer gold only to those countries still on the gold standard, meaning only France and the Netherlands. If, and when, these two countries go off gold, useless, indeed, would that commodity seem to be. All currencies must eventually be reduced to a common denominator for exchange with all countries; but under present conditions, why pay out currency at $35 an ounce for such an apparently useless product?

Most nations have, on the whole, held to the gold standard for decades. It has proved its worth, and is far superior to any other standard yet devised. Necessity of temporarily abandoning gold or placing embargoes is acknowledged. Friendly nations could, seemingly, readjust such lack of proper distribution when other countries are adversely affected. Managed currencies in the hands of changing governments and politics destroy confidence of their citizens. They refuse to invest at such risks of constantly changing values. A body such as the Federal Reserve Board, nonpolitical, with certainty of long tenure of office, subject only to impeachment, may be the only agency to be entrusted with our monetary policies.

The onslaught on our Supreme Court bodes ill because of the dangerous criticisms leveled at it not only from the disappointed bureaucrat but from those seated in high places, whose opinions carry great weight among the masses of our people.

The advantages may be summarized as follows: It enabled banks to operate without fear that deposits would be drawn down. We are now flooded with gold, and great reserves have been created, providing easy borrowing by the Government at low interest, with the same advantage, supposedly, to private borrowers. The Treasury profited by a $2,000,000,000 stabilization fund and by about another billion added to its cash balance. It resulted in a slight rise in farm prices, and may possibly have helped industry, but this is debatable. The moral advantage can be summed up in that people now take more interest in monetary manipulation.

The disadvantages: The amount of the devaluation was altogether too much. Although protecting our dollar, it put foreign currencies under terrific strain, forcing further devaluation on their part and a further and disastrous maldistribution of gold in the world. It makes Government spending too easy and, even now under the present new Banking Act, hard for Federal Reserve control. It created too large a fund for Governmental manipulation. It will be a constant temptation for another dose of watering. Great hopes and promises of increased exports have dismally failed. Loans for industry and investments are frightened and refuse to perform their functions. There has been a loss of international prestige and good will. It has lost us our opportunity to supplant Great Britain in the financial world. Above all, as a result of it, we have lost domestic confidence in our own Federal Government. The disadvantages far outweigh the advantages. The United States was not forced off the gold standard, as was Britain in 1931. Our devaluation was deliberate and overexcessive. It has brought about competitive devaluation throughout the world. Only by economic conferences and agreements among all the larger countries can stability and confidence again be brought about. No living man can answer as to what results can be expected and what may be in store for us.

The great question in the financial world is, "Has the gold standard gone for good?" However, we are, in a sense, still on that standard, and gold can still be exported to France and the Netherlands, which still hold to that standard, and for direct purchases of silver by the Government. The present monetary plan is only a makeshift. Few know much about money, and there is but little agreement among financial experts. Who will be the future advisers to the President? Events affecting this vital matter may come rapidly.

Certainly there now seems to be a plentiful supply of money, but credit is still lagging. Those who have money to invest watch the future with apprehension. For another year they will be at the mercy of the President and his advisers. Fear of inflation, as is now evidenced in the stock market, is in the hearts of the people. Demand is constantly made by inflationists for additional devaluation in the hope of further raising prices, in the face of the almost complete failure of such devaluation heretofore, both as to having any effect in producing any considerable raise in prices or in the export of our commodities. Our employees and representatives abroad are still forced to ask for more dollars to live in those countries, which is a matter of no little humiliation to us.

Having traveled safely an accustomed road for many years, it comes as somewhat of a shock to find that a connecting and important bridge has suddenly collapsed. Let us be satisfied to temporarily suffer inconvenience and follow temporary detours which get us back on the well-tried path as soon as possible. Let us not suddenly decide that an absolutely new route must be mapped out, of such nature that engineers cannot agree as to its dangers, its costs, and its ultimate destination.

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, I rise at this time to pay a brief tribute to Brig. Gen. Charles R. Krauthoff, United

States Army, retired, who passed away Monday evening at the Walter Reed Hospital. General Krauthoff was born in St. Louis, the city which I have the honor in part to represent. He was 72 years of age at the time of his death.

On August 13, 1884, General Krauthoff enlisted in the Army as a private and was assigned to duty with the Second Artillery. He served during the Spanish-American War and in the Philippine Insurrection. He likewise served on the Mexican border and at the outbreak of the World War was sent to France. For "exceptionally meritorious and distinguished services" he was awarded the Distinguished Service Medal. He was also decorated by many foreign governments.

Being a personal friend of General Krauthoff, I have been his guest on numerous occasions. He was not of the type who liked to talk of his achievements, but he showed me at one time no less than 12 decorations he had received in his lifetime, as well as many letters of commendation for his work.

A list of the decorations and medals received by General Krauthoff follows:

United States decorations and campaign medals: Distinguished Service Medal, France; Victory Medal, France, 1917–1920; Campaign Medal, Spanish-American War; Campaign Medal, Philippine Insurrection.

Foreign orders and decorations: Commander, Order of the Crown, Belgium; officer of the Legion of Honor, France; grand officer of the Order of the Crown, Rumania; officer of the Order of the White Eagle, Servia; Order of St. Sava, Yugoslavia (Kingdom of the Serbs, Croats, and Slovenes); Societe de la Croix, Rouge, Balkans, 1389; silver medal for bravery, Montenegro; Cavalier of the Order Restitutia, Poland.

General Krauthoff happened to be on duty on the west coast at the time of the San Francisco earthquake, and he was designated by the Secretary of War to have charge of extending relief to those who suffered as a result of that disaster. For this work he was commended not only by the people and officials of San Francisco but likewise by his superiors.

He always referred to his experience in the Army as an example as to the opportunity an enlisted man had who would devote his life to the service. I have heard him say that never in his career was he deprived of recognition to which he was entitled because he came from the ranks. The advantage that one has by reason of the education he receives at the Military Academy cannot be underestimated, but in my opinion, one with practical experience who starts at the bottom makes just as good a soldier and an officer as the one who has been fortunate enough to receive an appointment to the Military Academy. I should like to see a law by which a certain number of enlisted men would be advanced to the commissioned grade annually.

General Krauthoff had an outstanding personality, and up to a few weeks before his death he could be found at his hotel in Washington, entertaining his friends with interesting stories.

Funeral services will be held tomorrow morning, with burial in Arlington Cemetery, with full military honors. He was a credit to the city of his birth, his State, as well as to the Nation. [Applause.]

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, several days ago I called the attention of the Members of the House to the fatal effects of the Canadian treaty upon American agriculture. This treaty went into effect on January 1, and we now have a complete report of the first 30 days' operation.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CULKIN. This table tells the story of the increased imports from Canada brought in under the Canadian trade agreement.

Product	Imports	
	January 1935	January 1936
Fresh pork	$4,386	$76,010
Cattle	54,483	457,962
Cheese	7,863	96,727
Horses	15,315	98,500
Turnips	45,124	118,757
Potatoes	2,414	27,853
Milk powder	9,387	28,348
Fresh beef	4,097	23,713
Bacon and hams	8,223	21,623
Wool	7,110	159,598
Poultry	698	7,359

Mr. Chairman, may I say that these figures covering the first month of the operation of this treaty show that agriculture was laid on the altar of foreign trade. It was sold "down the river" or rather "across the Lakes." This treaty will result in disaster, not only to dairymen, but to practically every phase of American agriculture. Pork, cattle, cheese, horses, turnips, potatoes, fresh beef, bacon, wool, and poultry are involved; and, of course, the Canadians have not got in their stride as yet. They did not know in connection with the last crop season that this treaty was to be the tariff between our country and theirs. It is a fair estimate that Canadian agricultural exports into this country will increase more than fifty millions this year. This volume of exports will break down the farm price structure, and the eastern and northern farmer and midwestern farmer will be destroyed. His situation has been neglected by the administration. Under this Canadian trade agreement the administration is engaged in wrecking him.

I now call upon the President, Mr. Chairman, in view of the already fatal and disastrous effects of this treaty, to make good the promise he made to the people at the time the treaty was promulgated, to recall and annul this iniquitous enactment. [Applause.]

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Chairman, I want to make a few observations today on the present attitude toward the Supreme Court.

When the A. A. A. decision came down on January 6, a terrific storm of abuse was loosed against the Court from a great number of sources. This lasted until February 17, when the decision came down in the T. V. A. case, but since that time I have not heard the Supreme Court mentioned except in tones of great commendation. What is the reason for this? Can it be that, perhaps, the objections to the Supreme Court are not made as a matter of principle, but because particular individuals did not want their pet measures put out of their misery?

Now that we have a calm period, a period in which no one is condemning the Supreme Court, is it not perhaps wise to give some little thought to the history behind the attacks which have been made on the Court from time to time?

This is not the first time that storms of abuse have been leveled against the Supreme Court. This has been its history almost from the time it was organized. Since the case of Marbury against Madison, decided in 1803, when Marshall first announced that the Supreme Court had the right to declare an enactment of Congress unconstitutional, there have been storms of protest against actions of the Court, which have swept over the country. There have been lulls for a few years, and then the storm would arise again.

Before we finish this session of Congress there may be other decisions of the Supreme Court on basic constitutional questions and some of the laws which we have been passing in the last few years may be held unconstitutional. I hope and pray that when that time comes, irrespective of which way these decisions may go, those who criticized the Court so viciously from January 6 to February 17, and who have been so quiet since that time, will remain equally quiet and realize, finally, that the Supreme Court is holding the bal-

ance between the various branches of Government, and deciding the cases according to the basic law of the land.

At the time of the Civil War there was a storm of protest over the Dred Scott decision. Right after the Civil War, when the Court stood fast against the encroachments of the rabid reconstructionists against personal liberties in the South, there was criticism of the Supreme Court. There was criticism of the Supreme Court over the *Legal Tender cases*. There has been criticism of the Court with respect to labor cases, with respect to antitrust cases, and recently because some of the New Deal laws have felt the stern, forbidding hand of this Court.

Let me bring out another aspect of the situation, and that is that in the history of the Court, it has been bitterly condemned by the supporters of diametrically opposed theories of Government. There have been times when it was accused, first of leaning too much toward federalism, as in the entire early history of the Court when it was establishing the strength of the Federal Government, while today, on the contrary, the criticism is that they are standing in the way of the assertion of power by the Federal Government and protecting too greatly the rights of States and the rights of individuals.

During the 30's and 40's there were several cases in which the rights of corporations were involved and a protest went out that because of certain decisions, particularly the Charles River Bridge case and the West River Bridge case, the Supreme Court had forgotten property rights and was taking away property without due process of law. A few years later, on the contrary, in the Bank Tax Exemption case, the Supreme Court was attacked because it was said that it was corporation ridden.

The same thing has been true with respect to the antitrust cases. The first decisions of the Court apparently were against the antitrust laws. Later, however, as decisions the other way followed, the protests which arose on one side subsided, while those who felt the other way immediately began to complain bitterly.

I am trying to bring out that when first a group with one viewpoint protests and shortly thereafter another group with opposite viewpoint protests against the decisions of the Court, perhaps, after all, the Court is really deciding these cases as they should be decided—that is, according to the basic law of the land.

Always there has been the cry which we have heard lately most vociferously, that the Court has no right to declare laws unconstitutional. I have listened, I suppose, 10 or 15 times in the last few weeks—prior, of course, to February 17—to Members who have arisen and stated that the suggestion that the Court should have the right to declare laws unconstitutional was brought up in the Constitutional Convention and was there specifically disapproved. I have therefore looked into this to see if there is any truth in the contention. In every case it will be found that the suggestions which were placed before the Convention were not that the Supreme Court should have the right to declare laws unconstitutional but that the Supreme Court should have the right of veto on legislation of Congress. This was suggested by various delegates and was debated, and it was very properly decided that the Court should not have the right to veto all legislation—that is, should not have the right to pass on policy as well as on constitutionality, but in no case was the question directly presented that the Supreme Court should have the right to declare laws unconstitutional. It was presumed.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. CHRISTIANSON. Is it not the fact that at that time the precedents had been established in all of the States, or at least in most of the States, and the State supreme courts had exercised the power and the right to declare legislative acts unconstitutional?

Mr. HOLLISTER. I am pleased that the gentleman has raised that question, because that is the very next point I was going to cover.

Mr. CHRISTIANSON. And the framers of the Federal Constitution, of course, assumed that the Supreme Court of the United States would have the same right and the same power with relation to Federal legislation.

Mr. HOLLISTER. During the colonial period, in almost every one of the Colonies, the supreme courts of the Colonies, or whatever they may have been called at that time, had before them legislation passed by the legislatures of the Colonies which, in very many cases, were violations of the basic charters under which the Colonies were organized.

In all cases where such laws encroached upon these basic charters the courts declared them—perhaps they did not use the word "unconstitutional"—but they held such laws were void because not in accordance with the basic law. So the framers of our Constitution adopted this theory as a matter of course.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. CHRISTIANSON. So if the framers of the Constitution had not wanted the Supreme Court to have that power they would have prohibited it.

Mr. HOLLISTER. Undoubtedly. What is the Constitution after all? The Constitution is not simply a piece of paper with writing on it. The Constitution is the law—it is the basic law. It is the law that the people themselves have written, and it is the law under which the Federal system was constituted. It is the law under which the Colonies conditioned their entrance into the new federation of States.

A court is for the purpose of adjudicating disputes between litigants, and in connection with this, expounding the law applicable to the facts. The courts must of necessity expound the Constitution, which is the basic law. Another duty of the court is, of course, to make decisions where there is a conflict in the laws.

Mr. HARLAN. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. HARLAN. I agree with what the gentleman has said about the Constitution, but may I ask the gentleman this: All these questions that have come to the Supreme Court recently have been as to what is meant by certain terms as "commerce between the States", the "general welfare", and so forth.

Mr. HOLLISTER. Will the gentleman please ask his question, as I have but little time.

Mr. HARLAN. Where there is a difference of opinion as to indefinite terms, not in basic terms, does the gentleman think that the Supreme Court is superior or is greater than the Legislature, that its opinion as to definitions and terms is superior where there is conflicting language?

Mr. HOLLISTER. The members of the Supreme Court are selected for their wisdom, judgment, and experience.

If there is a conflict, in the opinion of the Supreme Court, between the basic law of the country and the law as laid down by the Legislature, it must in the nature of things be resolved in favor of the basic law. As a matter of logic, it seems to me that unless this is the case the Constitution becomes nothing but the scrap of paper which we all know it is not. It means that there is no use in having a Constitution, and that it might just as well be disregarded, because it means that the Legislature may any day completely rewrite the Constitution and therefore that it ceases to exist.

Mr. DOBBINS. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. DOBBINS. Does the gentleman feel that the term or expression "general welfare" is a term of such definite legal meaning that the opinion of the Supreme Court is more to be respected than the opinion of the Legislature?

Mr. HOLLISTER. Mr. Chairman, the gentleman is embarking me upon a discussion to which I should have to give more time than I have at present.

Mr. DOBBINS. Yet that is the point upon which we have heard most of the discussion here, is it not?

Mr. HOLLISTER. Not at all. I would like to discuss that with the gentleman at some other time. It is too

large a subject to enter into in the few minutes that I have at my disposal.

Mr. HANCOCK of New York. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. HANCOCK of New York. Is it not proper to say that the Constitution merely is a statement of conditions under which the people themselves have agreed to be governed?

Mr. HOLLISTER. And therefore they made it the basic law of the land.

Mr. SHANLEY. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I would rather not yield further, as my time is so limited. Let me quote what Hamilton said with respect to the principle which I am trying to elucidate, in one of his articles in the Federalist:

> There is no position which depends upon clearer principles than that every act of a delegated authority, contrary to the tenor of the commission under which it is exercised, is void. No legislative act, therefore, contrary to the Constitution can be valid. To deny this would be to affirm that the deputy is greater than his principal, that the servant is above his master, that the Representatives are superior to the people themselves, that men acting by virtue of powers may do not only what their powers do not authorize but what they forbid.

Mr. Chairman, when there are objections to the decisions of the Supreme Court there are three ways of proceeding. We may proceed by usurpation, we may proceed by nullification, and we may proceed by amendment of the basic law of the land. There are now before the two Houses of Congress some 100 bills and resolutions, some taking away the jurisdiction of the Court, some making it a crime for a judge to decide a constitutional question, some increasing the number of Justices of the Supreme Court, some saying that there shall be more than a majority necessary to make a constitutional decision, and a great many offering to amend the Constitution. Let me touch on each of these methods in order.

Usurpation is a plain disregard of the laws of the land. We have gone rather far down the road of usurpation in the last few years. We have passed laws which most of us have known were unconstitutional at the time we passed them. We have back-tracked to some extent in the last few weeks when we repealed the Kerr Tobacco Act, the Bankhead Act, and the Potato Act. We should back-track even further, of course, and repeal the Guffey law, which I do not believe many people think today can possibly be upheld. Our recent action in passing the so-called soil-conservation bill last week was as flagrant an example of a disregard of the Constitution as it is possible to conceive, for we know it is not only subject to the same constitutional objections as was the Agricultural Adjustment Act, disapproved by the Supreme Court on January 6, but it also violated the rulings of that Court with respect to delegated authority laid down last year in the hot-oil case and the N. R. A. case.

The second method of circumventing the power of the courts to declare acts of Congress unconstitutional is by nullification, and the most flagrant nullification suggestion is that of removing from the Federal courts the right to pass on constitutional questions, or at least to declare an act of Congress unconstitutional. To me this is a peculiarly un-American doctrine. It concedes a right, but takes away the remedy. True, Congress has already established a precedent for this in the legislation adopted last summer taking away the right to sue on gold obligations of the Government, after the Supreme Court had declared by a vote of 8 to 1 that Congress had no constitutional power to declare the gold obligation void.

There have been threats of other similar legislation removing the right to recovery when the individual has been aggrieved by unconstitutional acts. There has been much objection to the granting by courts of injunctions against the collection of taxes which are alleged to be illegal. Did it ever occur to you that the chief reason why there has been such wide resourse to these injunctions is because the litigant realized that if he once paid the illegal tax his right to recover it might be taken away by removing the remedy, even though the right itself should be recognized? In such cases injunctions are manifestly the only protection against irreparable injury.

The suggestion that has been made in certain proposed legislation that judges who declare acts of Congress unconstitutional shall be fined or lose their positions is an even worse evidence of the nullification doctrine. These suggestions recognize that the judge has a duty to perform, but state that if he performs it he shall be penalized. This is judicial intimidation against which free men have fought for years.

What would be the result of the removing from the courts the right to declare acts of Congress constitutional? It would mean that bills of attainder could be passed; citizens could be subjected to unwarranted search and seizure; property could be taken away arbitrarily without due process; taxes could be levied on the exports of States; citizens could be tried before military courts without the protection of habeas corpus; and many other dictatorial measures could be adopted which infringe rights which free men have held for centuries; and nothing could be done about it.

And what happens to the system of dual jurisdiction? Under the Constitution the State courts must regard the Constitution itself as the basic law. If we remove from Federal courts the right to pass on constitutional matters, this affects in no way the rights of the State courts; and we would have an anomalous situation where the same right might be adjudicated differently by the courts of last resort of different States, with no final tribunal to decide ultimately which is correct.

The suggestion that more than a bare majority of the Court should agree before a statute can be held unconstitutional is another form of nullification—a partial one. Instead of removing the jurisdiction of the Court, it makes it more difficult to be made effective. The argument is frequently made that it is wrong to have one judge in a five-to-four decision settle the outcome. This is, of course, not the case, for the five render the decision; but if there is anything to this argument, if you require a six-to-three decision, or a seven-to-two decision, or an eight-to-one decision, is it any the less ultimately the decision of the one judge who makes the necessary majority? Even if a unanimous decision of the Supreme Court may be required, still one judge settles the case, for, if that one should decide the other way, the result would be changed.

A law passed by a legislature by a majority of one is considered as solemn and binding as when passed by unanimous consent, and yet in July 1932 we saw an important decision made by the House of Representatives by a majority of one, and that one the Speaker, who cast the deciding vote. I am referring to the notorious amendment requiring publicity for Reconstruction Finance Corporation loans to banks, to which a great many people attribute the beginning of the bank panic.

As a matter of fact it is highly doubtful whether all these nullification suggestions are constitutional of themselves. Those who wish to adopt this method regularly cite a number of Supreme Court cases as authority for the constitutionality of this procedure, but in none of them was it settled that the right of the Federal courts to pass on all constitutional matters should be removed. It is probable that the Supreme Court would say that the litigant must have at least 1 day in some Federal court to assert rights guaranteed to him by the basic law of the land, and it is also probable that the Court would say that the Court itself, and not the Legislature, must decide whether the concurrence of a bare majority constitutes a decision of the Court.

It might be appropriate here to refer to the suggestion that the Court be "packed" in order that certain legislation might be passed. It is a tribute to our sanity that no one has really taken this suggestion seriously. When the time comes that the Chief Executive, in his anxiety to secure legislation which is in violation of the basic law of the land, fills the Court of last resort with men selected because he knows beforehand they will decide the way he wants them to, then indeed has America lost much of her ancient liberty.

On critical analysis of the decisions of the Supreme Court since its organization almost a century and a half ago, does it not appear that the criticisms of the Court arise in general, not from those who believe as a matter of principle that the Supreme Court should not have the right to declare laws unconstitutional, but chiefly from those who have seen their pet legislative schemes declared in violation of the fundamental law? It is apparently a question of whose ox is gored.

Let us return to the old American idea of fair play. The Constitution is the law. Judges must expound the law as they see it. Let us get the best judges we can, and then play the game according to the rules. If we can improve the game by modifying the rules from time to time in the duly appointed way, let us do so; but let us not shout to kill the umpire when he decides that we have infringed one of the rules. It may be that tomorrow we shall want the protection of that very same rule and that very same umpire. Do not forget that the umpire is a specialist and, perhaps, after all he is right and we are wrong.

Instead of condemning the Supreme Court when it may decide that a particular measure in which we are interested is unconstitutional, let us thank God that we have it there to hold the balances even and to administer equal justice to all.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield now to the gentleman from Mississippi [Mr. FORD].

Mr. FORD of Mississippi. Mr. Chairman, the favorable decision of the Supreme Court of the United States in the case recently before the Court involving the Tennessee Valley Authority, and decided on February 17 with only one of the nine justices dissenting, now clears the way for future expansion of operations that have already brought cheap electricity into many homes in our section.

The Court declares that electrical energy generated at dams which are the sole property of the United States can be sold by the Government under its constitutionally given authority to dispose of property which is constitutionally acquired, and that in order to insure a wider market for the surplus electrical energy so produced the Government can acquire or construct transmission lines for the purpose of reaching consumers.

Transmission lines carrying cheap electric power generated by the Tennessee Valley Authority are already in 12 counties of northeast Mississippi, with an extension into northern Calhoun County now authorized. Immediate extension into other counties in this area is prevented only by a stipulation in a contract entered into between the Authority and the Commonwealth & Southern Corporation, holding company for the Mississippi Power Co., in which it is provided, among other things, that the Tennessee Valley Authority will not invade any additional territory served by the Mississippi Power Co. before the completion of Norris Dam in eastern Tennessee, with 3 months' notice being required after the completion of that dam. It is estimated that all the machinery will be installed at this dam by July 1 of this year, thus removing all contract restrictions by October 1 and permitting the Tennessee Valley Authority to acquire or construct lines to any point in the State of Mississippi.

The city of Pontotoc and all other municipalities located in Pontotoc County, in my district, are now enjoying cheap power from Wilson Dam, and are saving $41,000 a year over the rates formerly paid the power company that served them.

When I came to Congress the construction work on the rural transmission lines in Pontotoc County was at a standstill, and had been in that condition since September 1934. I lost no time in beginning a fight to bring about the resumption of this work, and we now have approximately 27 miles of rural electric lines in the county, carrying electricity to many farm homes where it was once impossible to obtain it at any price. It is no wonder that the people of Pontotoc County are happy over the situation. They pay $1 per month for 25 kilowatt-hours of electricity, while Calhoun City, a few miles to the south, hampered by the provisions of the Commonwealth & Southern contract just mentioned, pays $2.13 for the same amount of electricity.

The city of Okolona in Chickasaw County pays 75 cents for 25 kilowatt-hours of electricity, while Houston, in the same county and shackled in the same way as Calhoun City, pays $2.13 for the same amount of electricity. I frankly consider my efforts in bringing this power and this saving to the people of Okolona one of the most valuable achievements of my first year in Congress.

I am glad that the extension of the lines of the Pontotoc Association from Randolph in Pontotoc County to Sarepta, Bruce, and Pittsboro in Calhoun County has just recently been authorized, and I am proud of the assistance I gave in securing the authorization.

Two power companies operate in my district—the Mississippi Power Co. and the Mississippi Power & Light Co. The Mississippi Power Co. is a subsidiary of the Commonwealth & Southern Corporation, a holding company. The Mississippi Power & Light Co. is a subsidiary of Electric Bond & Share Corporation, also a holding company.

I have the figures on the rates charged by these companies in 20 towns in the Fourth Congressional District and find that the average price for all is $2.335 per month for 25 kilowatt-hours. The lowest rate in any instance is $2.13 for 25 kilowatt-hours, while in eight towns the rate is actually $2.60. With T. V. A. rates, Okolona pays 75 cents for 25 kilowatt-hours at the same time Pontotoc and other municipalities in Pontotoc County are paying $1, in comparison to the $2.335 average rate paid the companies in the other localities of the Fourth District.

Consumers of electricity in 9 of the 10 counties in the Fourth District now receiving service from the power companies would realize a total saving of approximately $275,000 a year if Tennessee Valley Authority power were made available to them. The approximate savings in the various counties would be: Attala, $48,000; Calhoun, $25,000; Carroll, $37,000; Chickasaw, $21,000; Choctaw, $23,000; Grenada, $31,000; Montgomery, $28,000; Webster, $22,500; and Winston, $37,500. The amounts stated for Attala and Chickasaw Counties take into consideration the municipal plant at Kosciusko and the Tennessee Valley Authority power already available at Okolona.

The savings just mentioned apply to each year for present consumers alone; the sum of $275,000 would be the burden taken from their shoulders. In the meantime, those who do not find it possible because of its extremely high price to purchase the benefit of electricity could do so if the cost were reduced as it would be by the Tennessee Valley Authority. Those who now use only small amounts could use a much larger number of kilowatts and enjoy many benefits that they now deny themselves, still realizing a saving.

These considerations make me very eager to do all within my power to bring the benefits of cheap electrical energy to every county and every home in the Fourth Congressional District.

I have not overlooked the fact, Mr. Chairman, that my district is primarily an agricultural section, and I take pride in the sturdiness, the honesty, and the integrity of its citizens. I am sure that every one of them would be delighted to see more industries located within our borders, affording an opportunity for more employees, increasing pay rolls, and providing a nearer, more profitable outlet for the raw materials produced from the farm. Labor is plentiful, and with cheap power there can be no doubt of the great industrial opportunities that would be created right in our midst.

Through Federal aid recently secured and added to State funds, Mississippi is to make great strides in its recently inaugurated $40,000,000 road-building program. Important highways through the Fourth Congressional District are to be paved. This, in my opinion, will be a valuable factor in joining with cheap electrical power to secure greater industrialization.

Our section is especially adapted to dairying enterprises, and the coming of cheap electrical power would revolutionize

the occupation as we now know it. Rural electrification would carry the power right to the farm for use in properly caring for and handling milk and other dairy products. Refrigeration costs would be next to nothing. Feed grinding could be done on the farm at negligible expense. Creameries and condensaries could operate inexpensively on cheap electricity.

Rural electrification is one of the chief benefits to come from Tennessee Valley Authority extension into our territory. I want to see electric lines built down every public road, carrying electricity to every farm home at a price the farmer can afford to pay. This will bring him the same lights for his home and all the other benefits at low cost which are now had only by those who live in town after paying an unreasonably high price.

In the territory in northeast Mississippi not restricted by the previously mentioned Commonwealth & Southern contract, the Tennessee Valley Authority has completed 109 miles of rural lines and has about 62 miles in the process of construction.

We have a Rural Electrification Administration already established and functioning, but its efforts to get rural electrification to my district have thus far been defeated because of the high rates that the power companies or municipal plants now on the ground want to charge. This picture will be changed, I assure you, when Tennessee Valley Authority power reaches us.

So I am happy that the Supreme Court rendered a favorable decision, and I pledge the people whom I try to faithfully represent that, with their assistance, I shall exert every effort to secure cheap electric power for all of them. It is now within our reach and we can get it. We must not let this valuable opportunity escape us.

Mr. CANNON of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, availing myself of my privileges under the rules of the House, I have filed this day at the Clerk's desk a petition to discharge the Committee on the Judiciary from further control of the war-referendum and anti-war-profits resolution I have introduced to keep America from being drawn into foreign wars (H. J. Res. 167), and I intend, henceforth, to give my earnest and unceasing attention to an effort to secure 218 signatures for the discharge petition in order that this resolution, which has been reposing for more than a year in a pigeonhole of the Judiciary Committee, may be brought forward to the floor to have judgment passed upon it by the representatives of the people.

This petition is no. 28 among the discharge petitions now on the Clerk's desk. I wish every Member of this House would go to the Clerk's desk and call for discharge petition no. 28 and sign it. By so doing we can prove to our constituents that we are alive to our responsibility to do something of a constructive nature to keep America from becoming involved in another horrible war. House Joint Resolution 167, which this discharge petition seeks to bring before the House for action, has the endorsement of innumerable distinguished leaders in the cause of peace, including Frank B. Kellogg, ex-Secretary of State and co-author of the pact of Paris; three archbishops and many bishops of the Catholic Church; Rabbi Stephen Wise and many other great rabbis and leaders of the Jewish people; leaders of all Protestant denominations; the Church of Disciples of America as a whole; over 50 eminent university and college presidents; the American War Mothers, whose precious sons shed their blood on European battlefields in the last war; the 21 brotherhoods of railroad men; a great number of religious and social organizations and thousands upon thousands of key men and women in all walks of life.

And beyond these whom I have described are many other people, among the least conspicuous of God's creatures, people with hearts and feelings but devoid of education, who say in their letters, "This is the first time I have ever written to a Congressman, but I just had to let you know that I endorse all you are trying to do." There are times when the tongue cannot speak, and the pen cannot write, the language of the heart and many of these correspondents write falteringly, violating all rules of punctuation and spelling, but saying enough to make themselves articulate in their earnest, almost pathetic desire that there shall be no more wars and that the common people, who have to do the fighting and the suffering and the dying shall at least have something to say as to whether America shall enter future conflicts. The resolution that petition no. 28 seeks to bring before you already has penetrated deep into the consciousness of America. It has established itself in the hearts of many of our countrymen as a great and righteous principle that should be recognized and vitalized in the form of an amendment to the Constitution of the United States.

WORLD BOILING WITH WAR SENTIMENT

In a world that is boiling with war sentiment, with nations arming to the teeth against the day when they expect to plunge into conflict, the most immediate, the most pressing, the most important duty now before the American Congress is to do everything possible consistent with national safety and honor, to keep our boys from being dragged into slaughterpens in foreign countries. The urgency for action can hardly be overestimated. War clouds are lowering. Dictators are rattling their swords. Ethiopia is overrun by armed hosts. War broods over Europe and the Orient. Political nerves extending from foreign capital to foreign capital are jerky and supersensitized.

Armaments are being piled on armaments. Under the compulsion of dictators citizens are swarming to recruiting offices in foreign lands. In some countries boys hardly out of the kindergarten stage are being feverishly marshaled and trained in the art of killing. Every writer on international subjects whose judgment is verified by his prognostications of the past is predicting a general war in which many foreign nations will engage. For verification let me quote some headlines I have read within the last 48 hours. An example is the following, which appeared a day or so ago over an article by a writer of well-known authenticity:

Europe, feverishly arming, is convinced war is near. Frenzy seizes all nations.

And the following, summing the conclusions of another well-known writer on international affairs:

War expected in Europe in from 6 to 18 months. Exact moment of outbreak held dependent on whether France or Germany takes initiative.

APPALLING DANGERS CONFRONT AMERICA

With this appalling danger confronting us, is Congress actually going to adjourn without taking any adequate steps whatever to keep America from being drawn into the bloodletting orgy that is threatened? Will our consciences permit us to do that? We know that the American people are deeply and vitally concerned. We know that more than anything else they want the assurance of peace. We know that they are looking to us, with hopes and prayers, to do something effective to keep America out of other peoples' wars. We know that we will cruelly disappoint them unless we do something really worth-while to protect America from involvement, and yet, knowing all of this, we are planning early adjournment with the task not even seriously attempted.

Speaking for myself I would gladly remain here during the blistering heat of summer, through the "dog days" until frost comes again, rather than leave the task undone. I know the immensity of the undertaking, but long ago when I was a boy I made up my mind, when I had a difficult job ahead of me, that if I could not come into port in the right sort of way I would sail with God the seas, and I am willing to sail with God the seas on this proposition of protecting our boys from being massacred in foreign lands until the job of framing protective legislation can be done, and done right. Our comfort or convenience should have nothing to do with it.

The American people have given us a great humanitarian job to perform and if we do not perform it we will sin grievously against those who sent us here.

Let no Member take unction to his soul from the fact that we recently passed a so-called neutrality measure. It affords no adequate protection. It is so weak a four-horse

team could be driven through it. It does not fill the bill. If unhappily war comes and we are sucked into it, we will be unmercifully burned by the righteous wrath of the American people for giving them a stone when they pleaded for bread.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. Yes.

Mr. KNUTSON. Merely to say that I am heartily in favor of the gentleman's resolution, and I hope Congress will not adjourn until affirmative action is taken upon it; and to observe that, had we had such a provision in the Constitution in 1917, we would not have gotten into the war and that all of the ills of the body politic we now suffer from are the direct result of our participation in that war.

Mr. LUDLOW. I thank the gentleman for his contribution. I have found from observation that the gentleman is a friend of the masses. He believes, as I do, that those who must suffer and die in war have a right to vote on a declaration of war. He is an able champion of the rights of the common people of this country, and I am glad to have him on my side in this fight.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. Yes.

Mr. ZIONCHECK. To ask the gentleman from Indiana, if this resolution be adopted, will it be very effective if we keep increasing the Army appropriations from $23,000,000 to $50,000,000 every year?

Mr. LUDLOW. I believe the gentleman and I think along exactly the same lines. I hope this resolution will be adopted; and I think, if it is adopted, we may safely, beyond any peradventure, reduce and minimize our appropriations for armaments.

Mr. ZIONCHECK. Merely have it for defense purposes and not for offensive purposes?

Mr. LUDLOW. I think the gentleman is right.

A TIME WHEN GENIUS FAILS

Oh, I wish I were gifted with the genius of a Dickens or a Hugo that I might bring to the consciousness of Members of this House the feelings that surge in the breasts of the mothers of this country when they think of the prospect that their flesh and blood will be torn from them and hurled into foreign hells to fight men whom they never have seen and whose language perhaps they do not speak. Is it any wonder that mothers and fathers grow prematurely gray and die in insane asylums when they think of what may, and probably will, happen to their own boys in case of another general war?

TEXT OF RESOLUTION PROPOSED AS WAR PREVENTIVE

Now, what do I suggest to meet this dangerous international situation; what do I offer as a preventive to keep America from becoming involved in the general foreign war which seems already in the offing? Of course I am not short-sighted enough to assume that there is any preventive that would absolutely insure us against foreign entanglement, but I believe the very best answer to this question—the best proposal so far advanced—is House Joint Resolution No. 167.

Mr. MORITZ. Will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. MORITZ. The gentleman's resolution requires a general referendum, does it not?

Mr. LUDLOW. It does.

Mr. MORITZ. Does not the gentleman think that most wars are caused by international bankers?

Mr. LUDLOW. I think that international financiers, the interlocking of relationships of a commercial and trade character, have a great deal to do with it. Indeed, I do.

Mr. MORITZ. Do you not think that England has too much influence on us?

Mr. LUDLOW. I do, indeed.

Mr. THURSTON. Will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. THURSTON. As I interpret the gentleman's remarks, he feels there should be some legislative restriction placed upon the power of the President to involve us in war?

Mr. LUDLOW. I do not believe the gentleman has sensed my proposition with complete accuracy. This proposes a plebiscite on war. It proposes a definite limitation on the profits of war. The gentleman is partially correct. With the President of the United States wielding the power over Congress that every President wields, there is too much centralization of the war-making power at present. This resolution proposes to decentralize that power down to the people themselves. That is where it ought to be. That is where sovereignty abides. May I read the text of the proposal? It proposes to add a new article to the Constitution, in two sections, as follows:

SECTION 1. Except in the event of an invasion of the United States or its territorial possessions and attack upon its citizens residing therein, the authority of Congress to declare war shall not become effective until confirmed by a majority of all votes cast thereon in a Nation-wide referendum. Congress may by law provide for the enforcement of this section.

SEC. 2. Whenever war is declared, the President shall immediately conscript and take over for use by the Government all the public and private war properties, yards, factories, and supplies, fixing the compensation for private properties temporarily employed for the war period at a rate not in excess of 4 percent, based on tax values assessed in the year preceding the war.

Mr. MORITZ. Will the gentleman yield further?

Mr. LUDLOW. I yield.

Mr. MORITZ. Does the gentleman have any idea when we can vote on this resolution?

Mr. LUDLOW. I wish the gentleman would tell me.

Mr. MORITZ. Does the gentleman think we will be able to get the resolution out?

Mr. LUDLOW. I hope so. I sincerely and earnestly hope that gentlemen will sign that petition. The gentleman from Pennsylvania breathes the spirit of the people. There is no more earnest and devoted champion of peace than he is. I will greatly appreciate his sympathetic interest and support.

Mr. MORITZ. I shall be glad to sign it.

Mr. LUDLOW. So that we may bring it up for discussion, at least, and test out the sentiment of the House.

Mr. MORITZ. I believe the mothers and fathers ought to have a right to vote whether their sons should go to war.

Mr. LUDLOW. I thank the gentleman. With all my heart, I believe that, too.

It is not the promptings of personal conceit but a supreme faith in the efficacy of the solution I have proposed that causes me to believe that this resolution points the way to keep America out of nine-tenths of the wars in which it might become entrapped.

TWO WAYS TO KEEP OUT OF WAR

There are two ways, as I conceive it, to keep America from being dragged into foreign wars, or at least to minimize the possibility of our involvement. One way is to allow all of our people a right to vote on a declaration of war. The other way is to take the profit out of war. The resolution I have offered incorporates both of these plans in one proposed amendment to the Constitution. The resolution is drawn tersely and concisely, so as to cover these two points with no surplusage of language.

House Joint Resolution No. 167 is based on the philosophy that those who have to suffer and, if need be, to die and to bear the awful burdens and costs of war shall have something to say as to whether war shall be declared. What could be more elementally righteous and just than that?

Discussing the first part of my resolution, I repeat that it proposes to give all of our people a right to vote on a declaration of war, and by "all of our people" I mean women as well as men. And why should not women have that right? Women go down into the valley of the shadow of death to bring our boys into the world. Why should they not have something to say as to whether their flesh and blood shall be thrown into the hell of a foreign conflict? Nobody but women can realize the poignant pain that war puts in the hearts of mothers.

AMERICAN WAR MOTHERS FOR HOUSE JOINT RESOLUTION 167

Women know the meaning of war. They know the anguish it brings to the mothers, wives, and sisters of those who have to go forth and die and they never again will be willing to endure such indescribable suffering unless in defense of the

very life of the Nation. A few months ago the National Convention of American War Mothers was held in Washington, attended by the mothers of sons who were sent overseas 17 and 18 years ago to kill and to be killed in combat with aliens against whom they had no personal grievance and whose language they did not speak. No other assemblage of women in America could voice an opinion on the hatefulness of war with the authority of this group and the expression which they adopted was as follows:

Whereas, the American War Mothers have a full realization of the horrors and anguish of war and pray that no future generation of mothers will know such anguish as has been theirs; therefore, be it

Resolved, That we go on record in the tenth biennial convention assembled as favoring House Joint Resolution No. 167, introduced in Congress by the Honorable LOUIS LUDLOW, of Indiana, as the best means of preventing future wars by taking the profits out of war.

Six hundred war mothers from 37 States voted enthusiastically for this resolution. There was not a single dissenting voice. The mothers who sent their precious sons to die in France or to return haunted by war's horrors and perchance with broken and twisted bodies, see in the resolution I have introduced a gleam of hope that the tortures which war's cruelties imposed on them will never be inflicted on the mothers of America again. In the name of all we hold dear, let us not disappoint them.

I have stated that another way to keep America out of war is to take the profit out of war, and that brings me to a discussion of the second part of my resolution. If we are to have any assurance whatever that the profit is to be taken out of war it must be by constitutional amendment. A mere statute limiting war profits will not suffice for the reason that the influences that maneuver a country into war can repeal in a jiffy all statutes that interfere with their selfish purpose. Only a constitutional amendment has any permanency or stability in this connection.

FEW WARS IF PROFIT IS EXTRACTED

Take the profit out of war and there will be few wars. The records of the Nye Committee that investigated munitions racketeers show that the profits of the gentry professionally engaged in fomenting wars for financial gain, rose in the case of one company to the dizzy heights of 1,143,725 percent on the original investment. If we adopt my amendment we will extract the fangs from these conscienceless enemies of society by making war an unprofitable undertaking. Ex-Secretary of State Frank B. Kellogg, co-author of the pact of Paris and perhaps the leading peace advocate of the Western Hemisphere, endorses this view and in a letter to me he says that the constitutional amendment I have proposed would be "a handicap on the war mongers."

He also writes:

> I wish you luck. I think your resolution is a very good one and I should be glad to do what I could to further its approval. I certainly believe that if a national referendum were required before the United States could engage in a war except in the case of rebellion or invasion, it would go a long way toward preventing any war.

A JEFFERSONIAN PRINCIPLE

The adoption of this resolution (H. J. Res. No. 167) would write into the Constitution, where it would be enshrined for all time, a corollary of the concept which must have come to Thomas Jefferson from the very throne of Divinity when he wrote into the immortal Declaration the precious doctrine that "all men are created equal", and it would be in entire harmony with the wise admonition of the Father of his Country against foreign entanglements.

In Jefferson's time means of communication were largely nonexistent and for that reason a referendum on war was impractical. A letter mailed on the Atlantic seaboard would be 6 months reaching the uttermost frontiers of the country, if indeed it ever got there at all.

Now a fast train roars across the country in 100 hours and an airplane in 24 hours. Communication by radio is instantaneous. Sitting in the Ways and Means Committee room at the United States Capitol I was able, through the courtesy of the National Broadcasting Co., to address all of continental America on this war-referendum proposition.

Modern means of communication have completely negatived and nullified the only tenable argument ever made against allowing the people to vote on war, and I believe that if Thomas Jefferson, the great protagonist of equal rights, were living today he would be for this proposal, which makes all men equal when it comes to the greatest of all decisions—the decision that signs the death warrant of our fine young manhood.

At present the war-making power is too much centralized. The war-making mechanism is manifestly deficient when the power to plunge 125,000,000 people into a horrible war rests with a little group of 531 persons comprising the Congress of the United States, who are peculiarly influenced and, it may be, overlorded by one other person, the President of the United States. The delegation of this awful, terrifying power to declare war to such a little group is not a safe delegation of power. It is likely to be exercised abortively and against the best interests of the Nation.

MEMBERS OF CONGRESS NOT TO BLAME

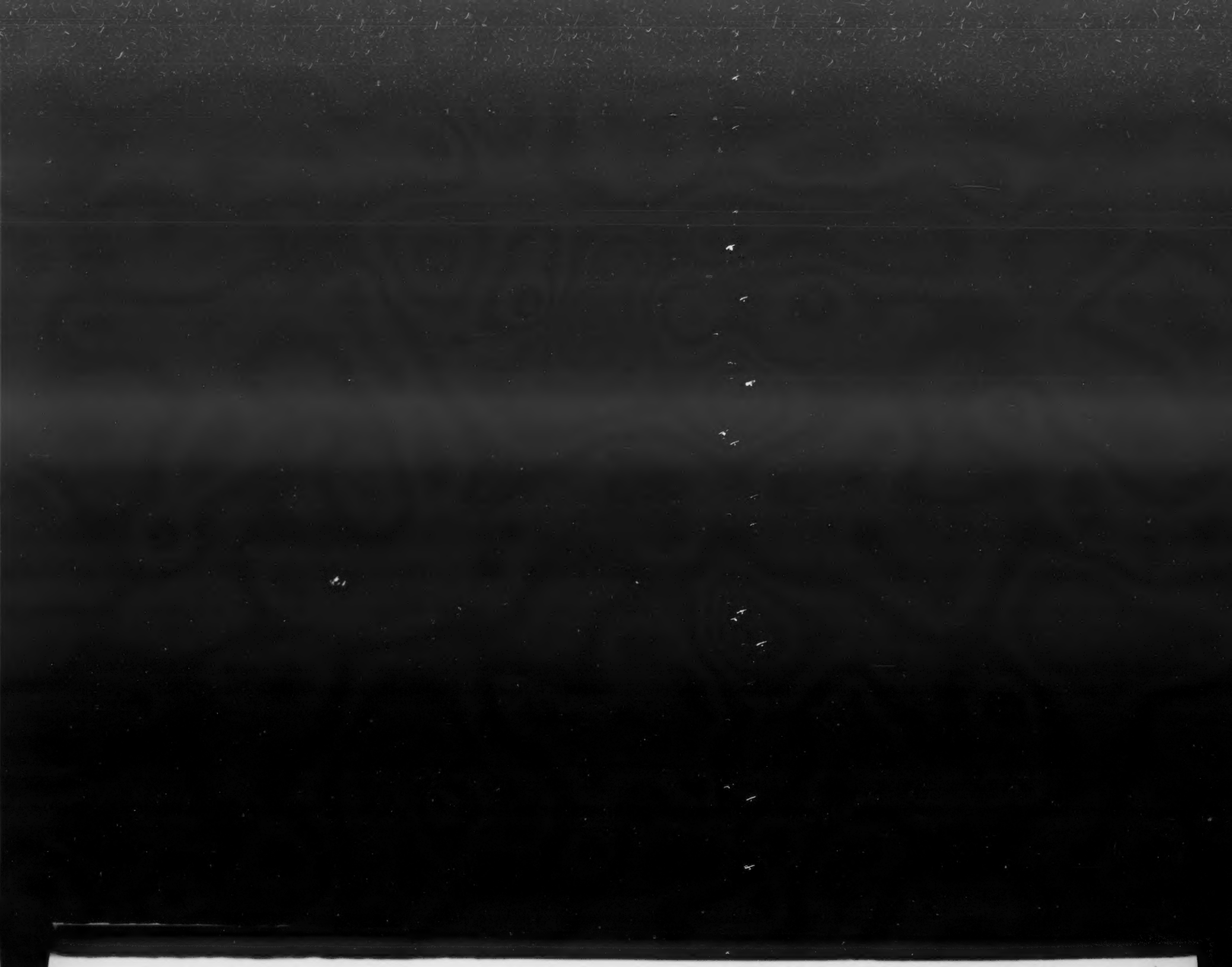
Please understand that I do not have one word of criticism of Members of Congress and certainly not of the present Chief Executive of our Nation, who is a sincere, peace-loving man. I think I know Members of Congress very well. For 28 years I sat in the press gallery and watched their deliberations before I joined this body years ago.

As a rule Senators and Representatives are high-minded, patriotic men and women, who want to do the right thing. But they are not the ones who should decide whether or not this country should go to war, and it is unfair to them that this responsibility should be forced upon them. The truth is that when a war movement is once powerfully organized, Members of Congress, except a few rare and courageous souls who are fashioned in the mold of heroism, are afraid to go counter to it, knowing that if they do in all probability they will be ruined forever. Members of Congress are human. No Member likes to be called "yellow"; no Member likes to be seared and burned by the opprobrious epithet of "traitor." The result is that they crack under the strain and vote for war, while fervently wishing that they might escape such an awful ordeal. It must be remembered that when the question of war is up for consideration the limelight pours on Members of Congress with terrifying intensity. Only a few intrepid souls dare to stand up and be counted against war.

Now if the war-making power is decentralized from Washington to the people themselves, as proposed by my resolution, there is every reason to believe that we will have an honest-to-God verdict on that question. In that case the limelight will not beat on the persons who cast the votes, as it does now. The limelight cannot beat with intensity on each one of 30,000,000 or more qualified voters. The ordinary citizen—one among millions—would not be under the same duress that bears upon Members of Congress when a vote on war is taken. If John Citizen, the ordinary man, keeps his mouth closed no one need ever know whether he votes for war or peace. In these circumstances John Citizen will enter the ballot booth untrammeled and unafraid, and will vote as God gives him to see the right.

QUESTION SHOULD BE DECIDED IN PRIVACY OF BALLOT BOOTH

The way the question of our entrance into a war should be decided is exactly the way that is provided in the resolution I have introduced, with every citizen of the Republic having a right to enter the privacy of the ballot booth and there, with only God as his witness, register the verdict of his judgment and his conscience. In that way the verdict, when rendered, will represent the true thought of the American people. A declaration of war is no idle and inconsequential thing. It sounds the death warrant of our fine young manhood and if, and when, that fateful step is taken it should be the verdict of the composite judgment and conscience of America and not the edict of scheming



selfish interests that wrap their slimy coils around Congress to force a declaration of war in order that they may coin filthy dollars out of human blood.

PRAYER FOR EARNESTNESS IN SPEECH

If ever it is vouchsafed to me to put earnestness into my speech, I pray that I may do so now. If ever it is vouchsafed to me to speak words that carry conviction, I pray that I may do so on this occasion.

I say this because America at the present time is in a most perilous position, owing to recent epochal developments in world affairs, and if ever a sacred duty rested on you and me and on every other citizen of the Republic, it is the duty that is now immediately and urgently before us of trying to do something to keep our beloved country from being dragged into another horrible war. It is time to become war conscious. It is a time for stout hearts and clear heads. With all sorts of undermining influences already at work, it is a time to be thinking and planning in order that throughout the kaleidoscopic changes and shocks and repercussions of approaching foreign wars, the peace of America may be steadily and rigidly maintained.

Whether we realize it or not, America is at this moment on top of a powder can. No finite mind can predict the Sarajevo of the new world war or when and how the fuse will be ignited, but unless something more is done to protect America from involvement than has already been done I fear it will not be long until there will be a repetition of what occurred 18 years ago when the flower of American manhood was conscripted and hurled into the hell of a foreign conflict.

FOR SAKE OF HUMANITY

In the name of all that humanity holds dear let us not, through indifference or lack of foresight, permit America to slip into another world war like it slipped into the last one. Let the faces of the fine young men about us, our sons, and our neighbors' sons, around whom are entwined all of the tendrils of our love, be an inspiration to us to think and act before it is too late. Let us remember the thousands upon thousands of Americans now sleeping the eternal sleep in foreign soil who would be happy today with their families around them, respected and honored in their communities, if a terrible fate had not conscripted them and sent them abroad to fight and kill human beings they had never seen. Let us have no more of this. Let us have no more of the unspeakably burdensome costs of war. Up to the time of the Treasury Department's last calculation the World War had cost the United States $41,765,000,000, or the equivalent of $60,000 for every day since Christ was born. That brought the cost up only until June 30, 1934. Since that time billions have been added in veterans' payments, interest on war debt, and so forth. This cost is not only staggering—it is inconceivable. It has placed a terrific burden on the bent backs of the American people, a burden that our children and our children's children will still be carrying on their backs for 100 years. The depression through which we are passing, with all of its economic dislocations, with its woes and miseries unspeakable, is a backwash of the World War.

ADVANTAGES OF A REFERENDUM ON WAR

With the people having a referendum vote no President of the future could maneuver the country into war and no group of 531 men and women, comprising the Congress of the United States, could take away from the people the right to make this most important of all decisions. As the Constitution now stands, the munitions manufacturers and international financiers have only to sway a small number of officials who wear the togas of Senators and Representatives in order to plunge the country into the most horrible war imaginable, whereas if they were obliged in order to obtain that result to sway a majority of the people of the United States they will find, in my opinion, that they have taken on too large an order and that their efforts are abortive and futile. A majority of the people of the United States will never vote for war unless the cause is just and righteous beyond a doubt. Besides, I repeat, what could be more fundamentally right than that those who have to suffer and die, and to bear the costs of war should have something to say as to whether war should be declared?

The second part of my proposed constitutional amendment, by providing that the Government in the event of war shall conscript all munition plants on a guaranteed basis of 4 percent return to the investors, will take away from the munition manufacturers the lure of getting America in war for the sake of profits and that will lessen the prospect of America's becoming involved in a military way. If Congress and the States will adopt the constitutional amendment I have proposed, I believe that America will be as securely protected as is humanly possible against the awful curse of war. I believe we could then look forward to a long era of peace when we of America could devote ourselves to a thorough job of attending to our own business, cultivating friendly relations with all the nations of the world and interfering with none; showing once more some regard for the spiritual values; ordering our future course along lines of usefulness rather than destruction and rehabilitating our happiness and prosperity while we strive to forget the sorrows and bind up the wounds of the last war. [Applause.]

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. THURSTON. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. TAYLOR].

Mr. TAYLOR of Tennessee. Mr. Chairman, I have requested this time in order to explain a statement in the RECORD of yesterday, at page 2778, attributed to me. In an interrogatory to my colleague from Kentucky, who was speaking at the time relative to the lands acquired by the T. V. A. in connection with the building of the Norris Dam, the RECORD shows that I said 45 percent of the taxable land had been acquired in certain counties adjacent thereto. This is an error. The reporter overlooked my statement that "in Union County 45 percent of the taxable values had been acquired by the T. V. A." In this particular county the cream of the agricultural lands will be submerged by the backwaters from the dam. In the other counties from 10 to 20 percent of the taxable values have been acquired. I would like to add that I have introduced a bill requiring the T. V. A. to reimburse the six counties from which tax values have been acquired in proportion to the outstanding indebtedness of each county. Since lands purchased by the Federal Government are withdrawn from taxation, it seems to me to be only fair that the Federal Government assume its fair share of such outstanding indebtedness, which otherwise would have to be assumed by the taxpayers of the rest of the county involved.

I simply asked for this time in order to make that explanation, and I thank the gentleman from Iowa for his courtesy in yielding me this time.

Mr. THURSTON. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, this agricultural appropriation bill carries about $12,000,000 for Farm Extension Service. This is approximately $1,000,000 more than the bill carried for the current fiscal year. This appropriation covers the activities of county farm agents, boys' and girls' 4–H clubs, and home economics. I know of no money spent in the promotion of agriculture that pays larger dividends than the money expended for these particular services. I have always thought that a trained, experienced, active, and sympathetic county farm agent is worth his weight in gold. The value to our country and agriculture of the activities of the boys' and girls' 4–H clubs and home economics cannot be overestimated.

Mr. GREEN. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield to my friend from Florida.

Mr. GREEN. In that connection, I share the gentleman's opinion exactly, because the county agents and 4–H clubs in my district are the greatest contributions we have to farm life in my State.

Mr. ROBSION of Kentucky. I thank the gentleman for his contribution. The county agents, 4–H clubs, and home economics have for their purpose the extension of activities and the increase of production on the farms in our country. We recently passed the Interior Department appropriation bill carrying millions of dollars for reclamation and irriga-

tion projects. Hundreds of millions of dollars have been spent and programs have been laid down to expend other hundreds of millions of dollars to reclaim swamplands and to irrigate arid lands, converting unproductive lands into fertile productive lands. This program has and will increase our productive lands by hundreds of millions of acres. On the other hand, under the policies of the "brain trusters", or New Dealers, the American people in less than 3 years have been taxed in one way or another and required to pay approximately $1,500,000,000 to destroy livestock, crops, and take more than 40,000,000 acres of productive lands out of production. Why spend these tremendous sums of money on reclamation, irrigation, county agents, 4-H clubs, home economics, and increase our productive lands by millions and millions of acres and at the same time expend even larger sums in destroying 7,000,000 head of hogs, millions of head of cattle and sheep, plow up and destroy millions of acres of cotton, wheat, corn, and so forth, and take more than 40,000,000 of acres of good land out of production? Undoubtedly, the purpose of one is diametrically opposed to the purpose of the other.

Then the administration comes along, under the leadership of Secretary of State Hull, and enters into the so-called reciprocal trade agreements with many of the nations of the world. He said it would increase our import and export trade. It has had the opposite effect. Our imports of wheat in 1935 were 2,500 percent greater than our imports of wheat in 1934. The imports of pork products (meat, lard, and so forth) have increased 3,200 percent in 1935 over 1934. Our imports of farm products from Canada increased $964,000 in the month of January 1935 over the preceding month. Our beef products in 1935 increased 6,000 percent over 1934, and our imports of butter, cheese, eggs, poultry, hides, wool, mutton, and other farm products increased along the same proportion in 1935 over 1934. In fact, our imports as a whole in 1935 increased 24 percent over 1934, but we have been told that these reciprocal trade agreements would increase our exports. This is not true. We exported 95,000,000 bushels less of wheat in 1935 than we did in the depression year of 1932. We exported 4,500,000 bales of cotton less in 1935 than we did in 1932. In fact, our export of cotton in 1935 was less than one-half of what it was in 1932, and the letdown in our exports in other products is in about the same proportion, so that the balance of trade in favor of the United States in 1935 was much less than it was in 1932, and the least it has been for any year for the past 25 years. The farm policy and the reciprocal trade agreements of this country have increased the importation of all kinds of products from the various countries of the world into our country, and has decreased our exports to other countries. This is a severe indictment, but it is the truth. Why should we pay out these tremendous sums of money to cut down farm production in this country when we open the floodgates to every country of the world, and have shipped into our country millions of bushels of corn from central Europe, millions and millions of bushels of wheat from South America, beef, hides, and tallow from South America, pork products from Europe, butter and cheese from Europe, eggs, rice, and other products from China and Japan?

These policies have been very helpful to the farmers of every other country of the world, but have been positively injurious to the American farmers and our people. When Mr. Roosevelt and his party urged the repeal of the eighteenth amendment—and I am not interested in the liquor business—they said that the eighteenth amendment should be repealed and we should use American fruits and grains to make our beer and liquors, provide employment for American labor, and use American capital. What has been the result? Under the reciprocal trade agreement with Canada the tariff on liquor has been cut in half, so Canadians use Canadian fruits and grains, employ Canadian labor and Canadian capital to make beers and liquors for Americans to drink and, at the same time, we tax the American people to provide the money to pay American farmers to destroy their wheat, corn, barley, and rye, and pay American farmers not to produce these farm products. This policy is inconsistent. We cannot have recovery under such a policy. If we are going to have beers and liquors in this country, let them be manufactured or produced from American fruits and grains by American labor, and employ American capital.

What I have said about the liquor business applies likewise to the production of wheat, corn, beef, pork, butter, poultry, and eggs. I want the American farmer to get a real price for his products. I am unwilling to create by scarcity in this country a rich market for the products of the farmers of every foreign country of the earth. Let us repeal the reciprocal-trade agreements, let us strengthen our tariff protection, and preserve this wonderful American market for American farmers. [Applause.]

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. WHITE. The gentleman spoke of the reciprocal trade agreements and coupled with it the importation of hides. How does he account for the fact that during the previous administration hides were not worth a cent a pound, whereas new leather is worth $1 per pound?

Mr. ROBSION of Kentucky. In the first place, my good Democratic friend from Idaho is not correct in his statement of the facts. If under the Republican administration we had slaughtered and destroyed millions of head of cattle, destroyed the sheep and the hogs by the millions, we would have received a higher price for those articles at that time, but the trouble now is, after the "brain trusters" have destroyed the cattle and hides, the American farmers do not have the hides to sell. The farmers who are benefited by the destruction of the cattle in this country and the increase in the price of hides are the great cattle raisers of South America. Last year we had sent into this country 278,000,000 pounds of hides. The American people paid for these hides, and the money was taken out of this country to enrich the people of South America, and we imported from South America hundreds of millions of pounds of beef products.

As I have heretofore stated, our imports of beef products increased 6,000 percent in 1935 over 1934. In other words, there were brought into this country 60 times as much hides and other beef products in 1935 as were brought in 1934. Now, if my good Democratic friend from Idaho is legislating for the cattle people of South America and other countries, he would have cause to congratulate himself and the "brain trusters" on the increase in the price of hides. Do not forget that this increase in the price of these hides and other farm products that we receive from foreign countries was paid in taxes by American consumers. There is no man on the floor of this House who is more anxious to see American farmers receive good prices than I am, and I wish to promote not only the prosperity but the home surroundings of the farmers and their children in the way of just prices for their products, better homes, better roads, and better schools.

The thing that I am objecting to is to tax our people and destroy the products of our own farms and thereby provide a market for the farmers of foreign countries—and, by the way, the small cotton, wheat, and corn farmer is getting very little out of these processing taxes. It is being paid to the big fellow. Including the 150,000 officeholders, we paid out about $1,100,000,000 of processing taxes collected. The wheat growers got nearly $700,000,000 of this. It is stated as a fact that one so-called hog raiser, who developed himself into a garbage-lot hog raiser and had 4½ acres of land, received one check for more than $113,000 for not raising hogs. It is also reported, and it is said to be true, that one cotton grower received over $200,000 last year for not raising cotton. The amounts that each fellow has received under these benefit contracts have not been made public. A resolution has been introduced by Mr. TABER, Republican, of New York, to require the Secretary of Agriculture and the Treasury Department to furnish Congress a list of the names and the amounts received. I predict that when that list appears the American people will be astonished.

The little farmers in your district and mine will find that they were only getting a few crumbs while this tremendous sum of money was being gobbled up by the so-called big farmers.

It was proposed, when the so-called farm-aid bill passed the other day providing for about $500,000,000 of benefits, to limit to $2,000 the amount of benefits that any one farmer could receive out of this fund in any one year. An amendment was offered to that effect, and to my amazement the administration leaders fought that amendment and on a roll call defeated it.

There are nearly 7,000,000 farmers. There certainly will not be over $400,000,000 of that money reach the farmers, big and little. That would be about $60 apiece if every farmer in this country was treated alike. Yet when the amendment was offered providing that no single farmer could receive more than $2,000 in a single year as a part of the benefits, our Democratic friends defeated it and voted it down on a roll call. It will go, nearly all of it, to the big cotton, wheat, and corn growers. The people of my district will have to help carry the burden of that $500,000,000 in taxes, but they will get very little benefits as we produce no cotton, and practically no wheat, and not one-fourth of the corn that we consume. Of course, the big cotton, wheat, and corn raisers will continue to draw as high as $200,000 each in a year. If anybody needs help, it is the small farmers of the country, not the fellows who own thousands of acres. The southern cotton planters forced from their farms over 500,000 tenants, who became the objects of relief, and this was true of a lot of the big wheat and corn growers. Under this administration they could make more money by not cultivating their lands than to cultivate them. The big planters did very well, but my God, what about the farm tenant and little farmer? It was wrong in principle and so held by the Supreme Court. How can we tax the miner, railroad worker, and the workers of the mills and shops to pay somebody not to raise wheat, cotton, corn, and the necessities of life? That policy cannot be right until we pay the railroad workers not to run the trains, the coal miners not to dig coal, the factory and mill workers not to produce furniture, machinery, implements, and so forth. I am ready and willing to support those measures that will give real, substantial, and permanent relief to all of our farmers alike, but if any farmer is to be given preference, it should be the small farmer, and if we are going to provide good markets and good prices for farm products in this country, it should not be for the farmers of the other countries of the world. These benefits should go to American farmers.

Mr. CANNON of Missouri. Mr. Chairman, I yield to the gentleman from Indiana [Mr. SCHULTE] 5 minutes.

Mr. SCHULTE. Mr. Chairman, that the development of labor-displacing machinery during the past 30 years has given this Nation an industrial plant with a capacity far above the demands no one will dispute and that this has put a great many workers out of work is equally clear.

The duplication, multiplication, and perfecting of the machine or mechanical devices has increased faster during the past 20 years than at any time in the history of our country. This is a serious question and a very serious one indeed if the saturation point has not been reached at which machinery is displacing the hand worker faster than industry can absorb the slack of unemployment, or can supply new occupation for the men who are displaced, especially under the old system of distributing the profits of the machine.

The great need of this Nation today is not for an economy of abundance but for an economy of balance—of balance as between production and consumption—as between the standards of living that have been established in the cities and the standards of living in our agricultural districts in the present restricted conditions of the markets of the world. Markets that no doubt have been lost to us by the high tariff wall that was placed around this country at the time of the enactment of the Smoot-Hawley tariff law, when no sane man will deny that hundreds of industries were forced out of the United States and the American financiers immediately taking advantage of this situation, investing their money in the foreign countries, financing industries and building plants that today are capable, if not able, to surpass the American manufacturer in production.

This terrific depression is never going to lift nor will work be found for the 11,500,000 who are still unemployed, nor will purchasing power ever be restored to them while we stand idly by and let the machine displace these millions or rob them of a livelihood.

It was my pleasure, in 1932, to suggest a Federal tax on every labor-displacing machine equal to the amount of men that the machine displaced, hoping that that would discourage, at least for the time being, the replacement of men by machines.

A great many cure-alls and panaceas for this depression have been offered as a solution, and I believe that the taxing of the machine is the real remedy. I feel that the machine tax would result in the scrapping of a great deal of machinery, probably as high as 60 percent, which, in all probability, would open up a new avenue of employment. No one will deny the fact that the machine is a producer but not a consumer.

We all agree that the machine is a necessity and brought into being for the sole purpose of relieving man of his burden, but no one in his idle moments ever dreamed that the machine would displace the man and take away his job at the appalling rate at which it is being done today, and that is the reason, my friends, that I am offering this suggestion here this afternoon on the floor of this House. There is not a Member here who cannot look back into his own district over a period of the last 10 or 15 years and see the effects of the machine age.

We, the Members of Congress who come here from the great industrial sections of this Nation, can readily understand the problems that are confronting this great country when we see men leaving industries, not in groups of 5 and 10, but by the hundreds, sad in heart and discouraged, after being employed in one particular industry over a period of probably 20 or 25 years, and to see a huge machine brought in which he himself helps anchor to the floor, then politely being told, "We are very sorry, but this piece of iron is going to take away the jobs of fifty or a hundred, and, in a great many instances, 200 men", and then told to pass on to the pay-check window and receive his last pay; to go forth to join the ranks of idle men seeking employment. That, my friends, is the problem facing every Member of Congress here today.

My people back in my district are not so much interested in the violating of the Constitution; they are not so much interested in the balancing of the Budget or the Supreme Court's decisions that are being rendered today, even though when the N. R. A. was declared unconstitutional the result was the placing of hundreds of thousands more men and women upon the relief rolls of this country. But the things they are vitally interested in are plans for a law to be passed by the Members of this Congress at this session to stop the machines from taking their jobs, so that they may again take their place in industry and contribute their share to society and to educate their children and to march along in time and in stride with the others of the employed and again take their places in the sunshine of prosperity and happiness.

It is a pretty sad part that the father of the family must play when receiving his pay check—and the last one—to go back home to his family, with several more payments probably due on the humble little place called home, and tell the mother of his children and of his home that he no longer has a job; that his place has been taken by a machine.

My friends, there are technologists and economists who will advance the thought and say, "Well, he will be absorbed in some of the other lines of endeavor", but this is not true, as history has proven many times that had it not been for the war in 1917 and America engaging in that conflict this depression would have been upon us a great deal sooner, for we can look back in 1912, 1913, and 1914 and at that time no one will deny the fact there were several millions of men out of employment.

There is hardly a day passes but what we do not receive several score letters from men back in my district, men who are employed in the steel industry, who have been working there over a long period of years, who are now being displaced by the so-called four high mills.

I am reliably informed that each and every one of these mills that are placed in operation takes the place of approxi-

mately 241 men. Just imagine a piece of cold steel one-eighth of an inch thick, cold rolled, going through a piece of machinery, being pressed and flattened out and made into tin—going through that machine at a speed of between 10 and 12 miles per hour and rolled into big, heavy spools, and all of this done by power-driven machinery. Is it any wonder that the men are complaining in the steel industry throughout the Nation?

This is an article taken from the Gary Post-Tribune, one of the leading newspapers in my district, in which Mr. Nelson Reck takes issue with the editor:

The new strip mill which has been brought into being at the Illinois-Carnegie mill will produce 36 times as much steel per man-hour as the old; in other words, only one man will keep his job out of every 36 employed in the old mill.

Is it any wonder that the men are worried about their homes and their families?

Let me also quote a little article that was taken out of the Youngstown Telegram, published in Youngstown, Ohio, of February 5, 1934, which contained the following statements relative to the displacing of men by new machinery and processes in the steel industry:

The steelworkers meeting in Warren, Ohio, claimed that the 12 broad strip mills with 1,600 workmen produce as much tonnage as 32,000 workmen produced on the old 636-sheet and Jobbing's mills combined.

My friends, that is the particular picture that confronts us in the steel industry. More labor-displacing machinery is still being brought in and placed in operation in spite of the protests of the men; in spite of their demanding a right to work—in spite of their demands for a living, with the old saying that "We must progress—we cannot stand still or go back." Just recently there was an article published in the Washington Daily News on Friday, January 31, 1936, which says:

Then there is our old friend technological unemployment. During a private discussion of unemployment here this week Senator GUFFEY, of Pennsylvania, said: "The steel industry is spending millions of dollars installing labor-saving machinery. Take the new strip mills being erected around Pittsburgh. The old type mill using hand labor needed a force of 373 men around the clock; they would produce 60,000 tons a year. The new type mill needs only 126 men, one-third as many, and it will produce as much in a month as the old type mill in a year. This isn't a move to increase capacity—the industry has been operating at less than 50-percent capacity; it never has operated at full capacity. Obviously the purpose of this improved installation is not to produce more steel but to use fewer men."

Now, my friends, I wish to quote Mr. Theodore W. Robinson, of the Illinois Steel Co., from the Labor Review of December 1927, page 61, in which he said:

The average man in a modern iron and steel plant is producing from one-half to eight times as much as he did 25 years ago.

That was back in 1927, and just think of the marked improvements that have been made in the steel industry since that time, which improvements have affected labor.

At this point, Mr. Chairman, I wish to insert the following:

[From the Labor Review, p. 6, November 1932]

IRON AND STEEL INDUSTRY

In the merchant blast-furnace industry, data obtained from selected plants producing pig iron for sale in the open market show that the average output of pig iron per man-hour in the period 1912 to 1914 was 0.141 gross ton; whereas in 1926 the output had risen to more than twice that figure, or 0.296 gross ton. From 1912 to 1926 the average output per stack day increased from 261.4 to 369.1 gross tons.

Factors contributing to the higher productivity of labor in this industry are the substitution of machinery for hand labor, the abandonment of inferior plants, and the change from the 12-hour to the 8-hour day. The extent to which machinery has been introduced is brought out by the fact that during the pre-war years 1911 to 1914, 15 of the 37 plants studied were hand-filled and sand-cast; while in 1926 only 3 out of 49 plants studied were operated in that manner. (U. S. Bureau of Labor Statistics Bul. No. 474: Productivity of labor in merchant blast furnaces, 1928.)

Index numbers of production of blast furnaces in the period from 1850 to 1920 (using 1850 as 100) show that the index of output per man had increased from 100 in 1850 to 3244 in 1919, or 3,144 percent. Expressed in long tons, the output increased from 25 tons per man per year in 1850 to 811 tons in 1919. (Labor Review, July 1922, p. 6.)

Productivity indexes for blast furnaces for the period 1899 to 1925, based on the year 1909 as 100, are as follows: 1899, 55; 1904, 74; 1914, 126; 1919, 120; and 1923, 194. For steel works and rolling mills, the indexes are: 1899, 61; 1904, 68; 1914, 96; 1919, 97; and 1923, 132. The indexes for both blast furnaces and steel works and rolling mills combined were: 1899, 60; 1904, 69; 1914, 100; 1919, 100; 1923, 139; and 1925, 159. (Labor Review, December 1926, p. 31.)

Man-hour productivity in the blast-furnace industry, as indicated by data covering plants producing 95.8 percent of the total blast-furnace output in the United States in 1929, is directly influenced by the size of the plant, the degree of mechanization, the kind of ore handled, the character of the labor force, and the wages paid. In the plants paying the highest wages the man-hour productivity was 11 times as great as in the lowest-wage plants. Plants with the smallest average horsepower showed the smallest average output per plant and the smallest output per man-hour (0.387 ton), whereas the plants with the largest horsepower showed the largest output per plant and per man-hour (0.759 ton). The average output per man-hour for the entire industry, all States considered, was 0.589 ton. The highest average output per man-hour, by States, was 0.920 ton in Indiana, where 524 wage earners in 3 establishments produced an average output per establishment of 1,425,920 long tons of pig iron in 1929. In Alabama, the lowest productivity State (0.351 ton per man-hour), 240 wage earners in 10 establishments produced an average output per establishment of 270,592 long tons. (Labor Review, August 1932, p. 260. Based on 1929 Census of Manufactures.)

The growth of the iron and steel industry is indicated by the following figures, based on census data: The percent of increase from 1899 to 1925, in physical volume of production, was 204.4; in number of persons engaged, 145.8; in primary horsepower, 307.5; and in production per person engaged, 23.9. "Number of persons engaged", however, includes proprietors, executives, clerical force, etc., as well as direct labor. (Labor Review, June 1927, p. 54.)

Index numbers of man-hour productivity for the period from 1899 to 1927, using 1914 as 100, are: Blast furnaces, 44 in 1899, 80 in 1909, 85 in 1919, and 203 in 1927; steel works and rolling mills, 63 in 1899, 104 in 1909, 96 in 1919, and 146 in 1927. (Labor Review, March 1930, p. 2.)

Productivity of labor in the sheet department of the iron and steel industry showed a steady gain in average output per man-hour from 1925 to 1929, except in the annealing operations. For bar shearing the increase was from 1,893 net tons per man-hour in 1925 to 2.200 in 1929, or 16 percent; for cold rolling, from 1.159 to 1.480 net tons, or 12 percent; for sheet pickling, from 0.702 to 0.857 ton, or 12 percent; and for hot rolling, from 0.072 to 0.077 ton, or 7 percent. In the annealing department the gain in output per man-hour was more than offset by the increased labor time required to meet the increasing demand for full-finished sheets of deep-drawing quality.

Among the factors affecting productivity are the substitution of machinery for labor, better-designed machinery, improvement in management, working conditions, etc. In general, however, the real gain in labor productivity due to improvement in technology and management was obscured by the increase in labor time required in the production of high-grade sheets for use in the manufacture of automobile bodies, electric refrigerators, and metal furniture. (Labor Review, January 1932, p. 19.)

Output per man-hour in one steel plant shows the following percent of increase in 1926 over 1902: In ore unloading, 706.7; in blast furnaces, 277.3; in Bessemer ingots, 99.8; in all open-hearth ingots, 66.0; and in the rail mill, 120.1. "The average man in a modern iron and steel plant is producing from one and a half to eight times as much as he did 25 years ago." (Labor Review, December 1927, p. 61. Quoting Theodore W. Robinson, of the Illinois Steel Co.)

Modern methods of molding have "obviated much of the molder's skill, as well as many hours of labor." Under former processes "it took the molder * * * and his helper a week to make the largest radial drill bases. * * * At the present time the same type of base is made in 1 day by a molder and a helper." (Labor Review, March 1927, p. 23.)

In 1925 an increase of 44 percent in the number of workers over the number employed in 1850 increased the output of pig iron 7,178 percent above that produced in 1850. Production per man increased 4,928 percent. "Stated differently, the number of wage earners in blast furnaces in 1850 was 862 per million of population. In 1921—which, however, was a slump year—there were 173 wage earners in this industry per million of population." (Labor Review, June 1928, p. 29.)

Now, my friends, let us divert from the steel industry. This is an article taken out of one of the local papers, with a headline, "New machine picks cotton at low cost. Inventor predicts wide use and will eliminate 2,000,000 jobs." Here we have the spectacle of a cotton-picking machine. "Machine-picking costs can be cut to $1 per acre, or about one-fifth the price of hand work." John Rust, 43, elder of the two brother inventors, declared:

Cotton-picking machines are going to cause a lot of changes. Maybe 2,000,000 people or more who now work as hand pickers will have to find something else to do—go on the land or to be put to work in factories.

Two million more men whose jobs are to be taken by the cotton-picking machines of the South are to be added to the list of unemployed now on the relief rolls. That is the condition the Nation faces.

Let us take a glance at the automobile industry, taken from the monthly Labor Review of 1932, page 2. We find, for example, comparative figures of the average man-hours required per car in representative establishments showing reductions between 1912 and 1923 from 4,664 to 813 in one establishment and from 1,260 to 228 in another, which means that in one industry in 1912 it required 4,664 hours to manufacture the automobile complete. In 1923 this was reduced to 813 hours, and from 1,260 hours to 228 in another, until today it is reasonable to assume that the same automobile is being manufactured in 21 hours.

Workers still in the factory—those actually engaged in the fabrication of the product—give 97 productive man-hours per car in 1918 and 51 in 1923. A machine has been invented for the manufacture of pressed-steel frames, operated by 1 man, producing 6 frames per minute, or 3,600 frames in 10 hours, an output which, by hand methods, would require 175 men; 1 man with a spot-welding machine is equivalent to 8 hand riveters; an automatic machine with 1 attendant drills 335 pistons per hour, while on the former type of multiple spindle machine 1 man drilled 150 pistons per hour.

Improved methods and practices and reorganization on the assembly line plan enabled one automobile-body manufacturer to reduce the number of hours required to produce a body from raw materials from 299 hours to 83 hours without changing the average number of employees, and this, my friends, was back in 1923. What can it be today with the present speed-up system of over two and one-half cars per minute falling from some of the assembly lines in the automobile industry?

In the year 1935, in an article taken from the Automobile Manufacturers' Association, published in December of 1931, cars and trucks produced in the United States and Canada were 4,150,000—passenger cars, 3,400,000; motor trucks, 750,000—and, my friends, we have been reliably informed that all of these automobiles have been produced by less than 150,000 men and in a period of little short of 7 months.

In the article taken from the Baltimore Sun as of March 24, 1935, as analyzed by Mr. Avery McBee, contained the following:

> In modern all-steel body mills, the wood mill in which a single concern employed 3,000 men in 1928 is entirely eliminated. Reduction in labor costs were as follows:
> Labor cost of doors in 1929, $4; in 1934, 15 cents.
> Labor cost of body frames in 1929, $3; in 1934, 30 cents.
> Labor cost of hand finishing of above body frame in 1929, $3; in 1934, 20 cents.
> Hanging four doors in 1929, $2.40; in 1934, 9 cents.
> Body trim in 1929, $12; in 1934, $4.

That, my friends, reveals some of the savings that the machine age has brought about.

I have been reliably informed by Congressman Dow W. HARTER, a Member of Congress from Akron, Ohio, that in his district, with the aid of modernized machinery, 14,000 workmen produced 80,000 tires a day with labor-saving machinery, whereas in 1920 it required 40,000 workmen to produce 30,000 tires daily.

Just think of the strides that have been made in the tire industry in the last 25 years to be able to increase daily output of tires with labor-saving machinery.

I would like also to quote from a story appearing in the February 22, 1936, issue of American Federation of Labor, "Facts on Wholesale Job Slaughter by Machines Cited by A. F. of L.", the headline read; and to quote:

> The tremendous destruction of work opportunities by machinery in modern industry was pointedly detailed to the Labor Subcommittee of the House of Representatives by S. P. Meadows, legislative representative of the American Federation of Labor.
> The steel mills—
>
> Mr. Meadows said—
>
> are introducing a machine which permits 1,600 workmen to do the work which now requires 32,000 workmen to do. Instead of 636 sheet and tin and jobbing mills in the country it would only be necessary to have 12 mills with this machinery.

I read a statement made by one of my colleagues, the Honorable JAMES M. MEAD, of New York, which stated:

> It is estimated that labor-saving machines in the window-glass industry have thrown 200,000 men out of work. The tremendous demand for window glass for automobiles has resulted in practically complete automatic production in this industry. For example, 3 men tending machines are turning out the work formerly done by 100 men. What are the 97 displaced men going to do? Shorten hours, increase wages, and create agencies and policies to guarantee jobs. We must do it.

Let us take, for instance, the telephone companies of today. We have on our desks the dial system of the telephone, and this system is being generally used throughout the entire country, and today it is only reasonable to assume that over 75,000 telephone operators have been displaced by the dial system, with no saving to the telephone users, but the wages saved thereby being added to the profits of the telephone companies.

Let us take the coal mines of today. Ask any one of the Members of Congress, those who represent the mining districts; they can tell you of the great strides that have been made by the new coal-digging machines, and over 500,000 miners have been displaced by these new inventions.

Let us take the oil refineries and inquire of any Members of Congress who represent any districts that have refineries located in them. They can tell you a pathetic story as to the number of men who are being displaced in these oil refineries by the so-called Kellogg stills. I dare say that in my own district in all probability 2,000 men have been displaced by new stills that have been brought into being since 1929.

I have received some information from several cigar men, members who have been employed in that particular industry over a great period of years, who now find themselves completely out of work, displaced by labor-saving machinery. Why, do you realize that today the very cigarettes that are being smoked, that no human hand touches them?

During the World's Fair in the city of Chicago there was exhibited on Michigan Avenue a machine that displaced over 75 men, turning cigarettes out by the thousands, placing them in the packages and ready for the market, with but three gir'ş in attendance.

Is it any wonder that everyone is in a quandary, wondering just when their jobs are to be taken by some labor-displacing machine?

We have been reliably informed that the Patent Office is swamped with applications for patents, over 70 percent of which are labor-displacing patents to do away with the necessity of using men in industry; and, irrespective of how safe we may feel, we are never going to see the bright side of life until these men who are on the relief rolls are placed in useful occupations and those in industry are reasonably assured that their jobs are safe.

Oh, I know that we will hear the economists say that this is too farfetched and, nevertheless, the newspapers are all heralding the story that production is increasing, dividends are being paid to the stockholders and to the bondholders, bank deposits are going up; but they are not telling you that all of this production is going on with less men employed than ever before.

Ask any railroad man what is happening to his job today, and he will point back to the time when, in 1925, one engine pulled 70 cars; today, my friend, the same engine is pulling 150 cars.

I sympathize with the man or woman who has lost his job to the labor-saving machine. My friends, you have suffered. You have been victims of a ruthless cause. You are like patriots wounded on the battle front of a new liberty. But for the wounds which you have received in your battle for employment there has arisen a mighty power to stay the progress of these monsters—for a period of years, at least—and give your jobs back to you or create other employment for you.

It is my contention that the ordinary American citizen is beginning to understand that during the last few years the

more automobiles turned out from the factories, the more coal from the mines, the more steel from the mills, the more textiles from the mills, the more shoes from our plants, the fewer workers were required to produce them and the greater were the profits falling into the hands of those who own the machines and the industries.

I say, save our factories! Let inventors discover new ways and means to lift the burden of labor from the backs of men! But, for God's sake, save our American laborer and farmer who depend upon each other and upon whom ultimately depend the owners of machinery and the Constitution of this Nation, and remember, that it must be human rights above that of property rights! I thank you. [Applause.]

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. STUBBS].

Mr. STUBBS. Mr. Chairman, my attention has been drawn to a news story printed February 20 in the Washington Herald, which states that Katherine Kellock, wife of the alleged publicity director of the Soviet Embassy, has been appointed field supervisor of the American Baedeker, a national guidebook being prepared under the jurisdiction of the Works Progress Administration.

According to the news story—and I have a good deal of faith in the ability of our newsmen to interpret events accurately—her appointment brings the preparation of the guide book directly under the influence of the Soviet Embassy, with its communistic agenda.

By reason of her appointment, Mr. Chairman, she will be in direct charge of approximately 4,500 persons throughout the country who are engaged in the preparation of this book. What a stroke of good business for the cause of communism—an organization of 4,500 persons, dependent upon Mrs. Kellock's good will for their bread and butter, who can be used at will to further the cause of communism.

I shudder when I contemplate the far-reaching effect of this appointment. Here we are, placed in a position of trust by our people, who do not believe in communism, and yet we are forced to submit to the appointment of a woman whose marital and personal association must necessarily be heavily tinted with the "red" anarchy of the sovietic.

Were this book merely a general guide, it would not be so bad; but it will include intimate national-defense details, such as maps of transportation systems and industrial resources, and will open to this queen of the soviets a heretofore closed book on the resources of the Nation. I can see her "red" sponsors carefully guiding her in the search for material which one of her murky political philosophy should never be given a chance to see.

Citizens of New York who are interested in Americanism have protested this appointment to President Roosevelt, and I hope that he will investigate and, if she is in the position pictured by the news story, remove her promptly and replace her with someone who has the welfare of America at heart.

In connection with this subject Mr. Chairman, I wish to draw to the attention of the Congress the fact that we have too many people in our Federal organizations who are careless of our democracy. This communistic riffraff should be eliminated at once. I believe a general housecleaning would be a good plan. Let us impress upon the Chief Executive the fact that these people are doing our cause more harm than good. We tolerate them today—tomorrow it will be their privilege to tolerate our old-fashioned ideas if they so desire, because, just as sure as I am standing here, if we do not halt their activities they will become our masters and we will be subject to their will.

I have been concerned with the laxity with which the officials of the Bureau of Immigration and Naturalization have viewed the existence of hundreds of thousands of aliens in this country. I am amazed at the attitude of the Works Progress Administration, which seems far more anxious to feed and clothe and provide food for the alien than for the American citizen. I believe we should rid this country of those aliens who are desperate in character, who violate our laws, and who fail to take steps to become citizens within a reasonable length of time.

These remarks of mine are not idle ones. I have two bills in committee—H. R. 9679, known as the alien registration bill, and H. R. 8602, known as the alien employment bill—which I believe will correct many of the faults in current legislation and which will more clearly define the duties of those who are charged with the responsibility of executive legislative directions. The first bill, H. R. 9679, is aimed point blank at none others than those who are aliens illegally resident within our borders, and who should be deported. Officials who have been in immigration work for years assisted me in the framing of this measure, and it is designed to plug the loopholes in the present law through which thousands of illegally entered aliens crawl annually. The other bill would provide that citizens be given preferential treatment over those who are not citizens of this country in the distribution of work.

Almost every other country of the world has more effective and more stringently enforced immigration laws. We are lax from inability to cover an immense border territory and because many of our officials appear to be lenient toward alien offenders.

The more important foreign nations of the world have alien employment laws which practically prohibit an American from obtaining employment in their countries. They all have a different system, but the aim of all these various laws are the sole objective—to prevent the outsider from getting a job and keep the work for themselves. I do not complain against these laws; I complain that we do not protect ourselves. I commend to your consideration my two bills, and I hope that the committees in charge of them will give them a hearing soon. I have no pride of authorship in them, as they incorporate the ideas of many men, and I am simply the legislative sponsor, but I do believe they are good bills and should be passed by the Congress for the benefit of our country. [Applause.]

Mr. CANNON of Missouri. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman and members of the Committee, in the past the people of this Nation have been careless and indifferent in the management and conservation of our great natural resources. Millions of acres of our best and richest soil have been blown or washed away. It has found its way into the creek and river beds, causing frequent overflows and floods. It has lodged in reservoirs and lakes, filling them and destroying their usefulness. Much of it has landed in the ocean, or is on its way. The muddy streams and the murky, dust-laden atmosphere are silent witnesses to soil erosion and the dissipation of soil fertility. Rich deposits of minerals and vast reservoirs of oil have been depleted. Primitive forests have been denuded. The generous supply of game and fish—wildlife of every kind and specie—is fast disappearing.

However, there seems to be an awakening. We have been brought face to face with the stark necessity of active and effective conservation movements along a broad front. We are in the act of passing a farm measure which has for its central idea the prevention of soil erosion and the preservation and improvement of soil fertility, and provides for the expenditure of $500,000,000 annually for that purpose. Steps have been taken to preserve our deposits of mineral and oil and protect our water-power sites. At this very time in every nook and corner of the country an appeal is being made to protect and preserve wildlife. This administration has begun a broad and an extensive reforestation program. A number of new national-forest units have been established providing for the purchase of large areas of land. The purpose of this is not only to develop the timber resources of the Nation but to assist in keeping the streams navigable and open to commerce, as well as to aid in flood control and also to shelter, to feed, and to save wildlife. This work in all these new units has just begun. A comparatively small

amount of land has been purchased, and in some units scarcely any.

To carry on the forest work, thousands of civilian conservation camps have been constructed in these areas to house the boys and young men who are enrolled in those camps. These young men have been taken from the streets and alleys, from the highways and byways; taken away from the allurements of idleness and the temptation of crime and vice and put to useful constructive work. This has furnished aid and assistance to their families while they have received instruction and training in orderly living that will make of them more useful citizens in the years that are ahead.

What will happen if additional funds are not provided for further acquisition of forest lands? Many of these camps will have to be abandoned. That has already happened in some places. Those abandoned camps will stand there like ghosts to haunt us in the future. They will remain as monuments to our inability to carry forward to full accomplishments and fruition the great forest-conservation program which we have begun. If more land cannot be purchased at this time, then that fine, trained, efficient staff of men and women engaged in the acquisition work will be disbanded. Those who locate and inspect the land to be purchased and negotiate with the owners and those who prepare abstracts of title and pass on the same must be discharged. If more land cannot be purchased, then the program cannot go forward. The millions that we have already expended will have been wasted so far as the development of national forests is concerned. If we are to stop now, it will be an admission of our inability to finish the great program which we have started. Nothing can be done without a large rather compact body of land upon which camps may be built and maintained and upon which the necessary agencies and equipment may be established and provided for carrying on forest work. More funds must be provided for the purchase of additional forest land, and they should be provided now. The bill under consideration should be amended to provide ample funds for the purchase of additional forest lands.

Within the last 3 years national forests for the first time have been established in the State of Missouri. There are now eight units with a purchase area of 3,363,452 acres, but to date there has been only a small part of this amount purchased. According to report of the Forest Reservation Commission, June 30, 1935, only 212,225 acres have been acquired. These great projects need and must have additional funds for acquisition to carry out the purposes for which they were designed. If these new national forests are to do any good in the conservation program, sufficient land must be acquired to enable them to operate on a bigger scale and on a more comprehensive plan. From the standpoint of furnishing employment in the community; from the standpoint of helping local industries, and from the standpoint of practical and useful conservation, no money can be more profitably spent than that which could be used in the purchase of more forest lands. In this awakening there seems to be a firm determination to check these destructive agencies of our great physical resources. In addition to new farm legislation, soil-erosion experiment stations and camps are engaged in the study and application of practical methods of soil conservation. The Department of Agriculture, land-grant colleges, farm-extension agents, farm bureaus and associations are actively and enthusiastically teaching land uses, crop rotation, the use of pasture land, clover and other legumes in a determined effort to lessen erosion and to increase and preserve soil fertility. Reforestation plays a leading part in this program.

The most important activity in connection with the development of a forest is fire protection. To secure this, four things are essential—lookout towers, from which the fires can be detected in their beginning; telephone communications with the headquarters and camps nearest the fire; roads over which vehicles may travel to get to or near the fire; and the tools and equipment with which the fire can be extinguished. The question arises, "Why all this expense and equipment to prevent fire when by many it is considered desirable to burn off the woods and fields in order to destroy insects and give the grass a chance to grow?" This is an entirely erroneous idea. Forest fires are dangerous to life and property. If forests are burned over, it will be impossible to develop a valuable merchantable timber. Forest fires not only kill and destroy the young timber but so burn and scar the more mature trees as to destroy their value. Not only do fires injure or destroy the timber, the development of which is the primary function of the Forest Service, but they consume the underbrush, the leaves, and the grass. Then the query, "What difference does that make?"

The leaves, grass, decayed twigs, and vegetation form a kind of mat or sponge which absorbs the rainfall, keeps the moisture in the soil, and prevents the topsoil from being washed away with the torrents of rain. They thus preserve the soil which is so necessary for the growth and developments of the trees and also hold back the gushes of water from the hillsides and prevent the overflow and floods in the valley streams. In addition to that, they furnish food and shelter for wildlife. If all the cover, the seeds, the nuts, the berries, and acorns, are to be consumed by forest fires, then there is no chance to preserve and protect the wildlife which is an important element in the economic and sport life of the country. Forest fires must, as far as possible, be prevented.

To develop a forest to its maximum value, there must be planting of suitable timber species, careful timber-stand improvements, and such timber sales as to produce the greatest income consistent with a staple and continuous production. Forests are replenished from three sources: Planting trees from the nursery; planting seeds in the forest; and the national increase that springs from the seeds which drop from forest trees. This young, tender crop needs attention. Above all, it must be protected from fire. It must be thinned out. Deformed and worthless trees must be removed. With the soil preserved, with proper planting, with careful and discriminate cutting and thinning, the forest will develop into a valuable merchantable industry. As the forest grows and develops, it produces a variety of products: Firewood for domestic use; cordwood for the market and the charcoal industry; mine props, fence posts, railroad ties, raw materials for the hub, handle, and stave factories; every grade and variety of timber for the great lumber mills of the country.

The cutting and disposition of the timber should be so regulated as to maintain a sustained yield. All the merchantable timber should not be utilized in one season, causing a rush and a boom, and leaving a denuded forest and a stranded population. The use should be such as to produce a steady supply of products and to furnish regular employment to labor and to insure stability to industry. All activities should be so coordinated as to produce a regular income and provide for continuous activity.

By efficient organization the growth and sale of forest products can become a successful enterprise, bringing fair returns to the Government upon its investment, and bringing a source of income to the counties in which the forest is located. It is to be remembered that the greatest good can be accomplished and the highest efficiency attained only by working with and receiving the cooperation of those public-spirited individuals and associations that own large areas of timberland and who are in sympathy with the conservation program and the ideas of forest development. Government and private ownership must go hand in hand, because neither can attain the highest success without the aid of the other.

When the primitive forests of the Missouri Ozarks are restored, and it can and will be done, then we will again hear the ring of the woodman's ax, the shriek of the engine's whistle, and the buzz and hum of the saw. Then the hush and stillness of the woodland will give way to the clang and clatter of industrial activity. Then, in that

section, the great dark pall of unemployment will be lifted. When the great timber industry comes back into its own, whole communities will be made happy and prosperous, and many homes will beam with contentment and joy. When proper environment is developed and when ample shelter, food, and protection are provided for wildlife, then again will the heart of the huntsman be made glad at the sight of the sleek and beautiful but alert and illusive deer. Then will more frequently be heard the gobble of the turkey, the chatter of the squirrel, the swish and whir of the partridge wing, and the clear-ringing call of the bobwhite. [Applause.]

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. If the Committee will bear with me in a discussion of the bill, I would like to read an amendment I propose to offer. It reads as follows:

On page 48, at the end of line 3, strike out the period, insert a comma, and add the following: "and in addition thereto, $180,000 for completing shelterbelt investigations and for the free distribution of shelterbelt trees to farmers: *Provided*, That no trees shall be grown from seed that are not now being produced in nurseries in that region."

Mr. Chairman, the Bureau of the Budget recommended $1,000,000 for a continuation of the shelterbelt project.

The committee saw fit to strike the entire appropriation from the bill. I call attention of the members of the committee to the fact that at the end of this fiscal year the shelterbelt organization will have 60,000,000 trees that will not mature in time to plant before the end of the fiscal year.

Mr. Chairman, I have consulted the Department, and they estimate that $180,000 will be sufficient to pay the private nurseries to continue the growth of these trees that have been planted already and distribute the 60,000,000 trees to the farmers in the next fiscal year and during the planting season a year from this coming spring. I do not think the committee will refuse to use the 60,000,000 trees that we have already started to produce. I do not think the Members will refuse to get some benefit out of the money which has been expended for this shelterbelt program. In other words, the amendment which I propose to offer provides a means of liquidating the stock this group has on hand and not allow the 60,000,000 trees that we need in that area to go to waste. The trees will be of no value at the end of the present fiscal year. They have been planted, but it takes another year to mature them to the place where they may be used, and if the Committee refuses this appropriation we will be put in the position of destroying 60,000,000 trees which would be of immeasurable value to the people of that area.

I do not know where the Members of the House get their conception about the country we live in out there, because I have heard countless Members say that trees will not grow there. It so happens that I have planted several thousand trees on my ranch. They have grown and developed and are a great asset to my place. They are a great asset to any farmer on whose lands they will grow. This is not entirely a Government project any more. A million dollars was granted to the shelterbelt organization as a drought-relief measure, which provided for the hiring of the farmers to plant these trees in 1935. Under my proposed amendment, the farmers are no longer going to be paid to plant these trees. It is not a drought-relief measure. The farmers will have to do all the work and the trees only will be provided. We have for many years grown trees to plant on private forest lands, and have done that since 1911. No one has objected. Therefore when we have 60,000,000 trees already in existence I cannot see how we can turn down the proposition to make these trees available to the farmers of this area. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. ZIONCHECK].

Mr. ZIONCHECK. Mr. Chairman, I have heard today different Members get up here and defend Army generals. I have heard other Members during this general debate defend the Supreme Court. In my opinion the one thing that needs a little defense now, in view of what happened in the other body a day or two ago, is the defense of the privileges of this House and the dignity of the Members thereof.

A Senator in the other body was presumptious enough, in order to get a little newspaper publicity to further his candidacy for President of the United States, to make a statement that a Member of Congress, whether Congress was in session or not, was subject to arrest for any offense, even for wrongfully parking a car. He cites the case of *Williamson* v. *The United States* (207 U. S. Repts.), and he says: "When you read that case there is no more question about that."

You know, he is a great constitutional lawyer, so he says; hence his saying so makes it so.

The case of Williamson against the United States was a case wherein a Member of Congress from Oregon, a Republican by the way, was indicted for what is known as subordination of perjury, which is a felony. That is not a breach of the peace nor is it a misdemeanor. The Court in deciding the case decided it upon the basis of the crime being a felony, and any language in the case other than that pertaining to a felony is surplusage; that is, ober dictum. I can tell the great Senator from Idaho, if he does not know already, that if he will inquire of a first-year law student who does not go to sleep in class, the student can tell him all about that very point of law. There is no decision to the contrary.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein four or five paragraphs from Blackstone's Commentaries, and also from Potter's Dwarris on Statutes, referring to a particular case involving a senator of the New York Assembly by the name of Hon. Henry Ray. I wish to include just the excerpts thereof to bring out the point I have in mind.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, how much of Blackstone does the gentleman desire to include?

Mr. ZIONCHECK. Just four paragraphs. I want to put in just as little as I can, because if I put in too much the gentleman will not read it.

Mr. HOFFMAN. Mr. Chairman, I object.

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent to include just three paragraphs.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. ZIONCHECK. Cooley's Blackstone (3d ed., vol. 1, p. 145, ch. 11), the following language:

In all tyrannical governments the supreme magistracy, or the right both of making and of enforcing the laws, is vested in one and the same man, or one and the same body of men; and wherever these two powers are united together there can be no public liberty. * * * The privileges of parliament are likewise very large and indefinite. It is so high and mighty in its nature that it may make law, and that which is law it may make no law, and the determination and knowledge of that privilege belongs to the lords of parliament and not to the justices. Privilege of parliament was principally established in order to protect its members, not only from being molested by their fellow subjects, but also more especially from being oppressed by the power of the crown. If, therefore, all the privileges of parliament were once to be set down and ascertained, and no privilege to be allowed but what was so defined and determined, it were easy for the executive power to devise some new case not within the line of privilege, and under pretense thereof, to harrass any refractory member and violate the freedom of parliament. The dignity and independence of the two houses are therefore in great measure preserved by keeping their privileges indefinite. * * * So that the chief, if not the only, privilege of parliament in such cases seem to be the right of receiving immediate information of the imprisonment or detention of any member, with the reason for which he is detained. A practice that is daily used upon the slightest military accusations, preparatory to a trial by court martial, and which is recognized by the several temporary statutes for sustaining the habeas corpus act. Whereby it is provided that no member of either house shall be detained till the matter of which he stands suspected be first communicated to the house of which he is a member and the consent of the said house obtained for his commitment or detaining. But yet the usage has uniformly been, ever since the revolution, that the communication has been subsequent to the arrest.

Now, Mr. Chairman, although I have had the permission to quote from Potter's Dwarris on Statutes, in the interest of brevity and economy, I ask those interested to look to page 566, a chapter on parliamentary law and privileges; in essence it regards the legislative department of the Government as one of the three depositories of the sovereign power of the State, and within its sphere independent of the executive and judicial power. To enable it to perform its appropriate duties and to exercise its proper functions, it is essential and necessary that it should possess all the needful power and all the necessary rights and privileges for the free and independent exercise of its separate action. On page 573 the complete arraignment at the bar of the New York Assembly of Judge Platt Potter, justice of the supreme court, for a breach of the privilege of that assembly is set forth.

On the 21st day of January 1807 Henry Ray, a member of the assembly, was subpenaed to appear and testify as a witness in a certain criminal proceeding pending before the grand jury. This subpena was duly served upon Mr. Ray at the City Hall at New York. He declined to obey on the ground of his privilege as a member of the Assembly of the State of New York. An attachment was procured against him for such disobedience. He was arrested and taken before the grand jury and required to testify. This was claimed to be a flagrant violation of the privilege of the assembly. A committee was appointed to investigate the matter of the arrest. Judge Potter was ordered to attend at the bar of the house on the 16th day of February, at 12 o'clock, to be given an opportunity to make the explanation of his conduct in issuing the attachment for the arrest of Hon. Henry Ray, a member of that house. Judge Potter appeared. He was not allowed counsel, and after a full hearing the following resolution was adopted by a vote of 92 to 15:

Resolved, That the Hon. Platt Potter was mistaken as to the privileges of this house in the action taken by him in the arrest of Hon. Henry Ray, and did commit a breach of its privilege in so doing; but this house do not believe that any intention or desire to interfere with the independence or dignity of the house actuated him in the performance of that which he deemed his official duty.

Mr. Chairman, let me point out the absurdity of the position taken by that Senator or anyone else who takes a similar position. In the State of Pennsylvania today there still exists a statute upon the books of that State which makes it a criminal offense to have a bathtub in one's home. If the Governor of the State of Pennsylvania did not like some Member of Congress from the State of Pennsylvania he could go before a grand jury and have him indicted for having a bathtub in his home. The Governor would then proceed to extradite that Member and have him incarcerated in jail, keeping the Member there until it was found out whether he had a bathtub in his home or not.

Mr. MORITZ. Will the gentleman yield?

Mr. ZIONCHECK. No. I will in a little while. The gentleman cannot deny that that statute is on the books there? Of course, he may deny it if he wants to, but it will do him no good.

Does that little statute mean more than representing 300,000 people of the sovereign State of Pennsylvania, or a particular congressional district, here in Congress?

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ZIONCHECK. Mr. Chairman, may I point out the absurdity of that position and refer briefly to the intention of our constitutional framers?

They said therein that a Member of Congress is only subject to arrest for treason, a felony, or a breach of the peace. Our great Senator says a breach of the peace means any violation of law. Well, I direct his attention to that section of the Constitution—I think it is known as article IV of section 11—where they refer to extradition and they say, "A person charged in any State with treason, felony, or other crime."

You will see that they distinguish between crime and a breach of the peace. I think if this Senator would put on his glasses and straighten his hair and take a look at this language and not be so anxious for publicity, he might become enlightened.

Why, take the city ordinances that we have in some of the cities where you have to have a certain type of plumbing installed. The supply companies get the city council to get up these ordinances and then they get the unions to help them lobby them through, not to promote sanitation, but to sell plumbing fixtures and create more work. If we did not have this opinion, anyone would be subject to extradition for a violation of such an ordinance, according to this great Senator's opinion.

Mr. Chairman, although I have not had the opportunity to brief this question thoroughly, I am satisfied, as a lawyer, that a Member of Congress is not subject to arrest except for treason, or for a felony, and then only after an indictment, unless those crimes are actually being committed in the presence of the arresting officers. Further, a Member of Congress is only subject to arrest for a breach of the peace that is mala in se, and not for a constructive breach of the peace or one that is merely mala prohibita, or the arrest for a real breach of the peace only for the length of time that it is actually necessary to stop the continuation of that breach of peace with a reasonable assurance that it will not be continued. At that point a Member of Congress, while Congress is in session or while he is going to or from a session of Congress, must be released.

My only purpose in rising at this time is to call the attention of the House to this very important question concerning its dignity and privileges and the dignity and privileges of its every Member. If this is not the law the American people could easily be deprived of their representation in this body by unscrupulous schemers and manipulators; and we have them, many of them, some of them even officers of the law and some judges.

I, for one, do not believe in the abuses of privilege and do not uphold those that would abuse them. In my opinion, very few ever do, and, therefore, we cannot make laws or interpret laws or construe the constitutional provisions pertaining to the privileges of the House or the Senate to catch those few that might stoop to an occasional abuse of this high prerogative, which is the public's one real protection against the arbitrary or even capricious—yes; even tyrannical—power of the judiciary or the Executive. In my opinion, it should be jealously guarded. [Applause.]

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Chairman, I believe I have unanimous consent to extend my remarks and put in the two excerpts I refer to.

The CHAIRMAN (Mr. SHANLEY). Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. THURSTON. Mr. Chairman, I yield myself 10 minutes, and ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. THURSTON. Mr. Chairman, the subcommittee in charge of this bill held hearings for about 6 weeks, and there were several hundred persons and many Members who appeared before the committee in support of different items in the bill. I do not recall one person or one Member who appeared in opposition to an amount that was proposed in any item of the bill. So, in effect, the hearings assumed an ex-parte character, everyone who appeared being in the position of asking for funds or increased appropriations from the Government; no one appearing in behalf of the taxpayer.

The items proposed by the Budget were reduced by 10, and in some instances, 20 or 30 percent, and I know that an attempt will be made when the bill is being read to substantially increase or restore some of these items. I do

not appear as a champion of any particular item, but it must be manifest to the membership, as well as to the citizens of our country, that we cannot continue to make appropriations without some reasonable limitation. Otherwise heavy tax assessments will be imperative.

This bill carries about $25,000,000 for purely agricultural purposes, $25,000,000 additional for general public welfare items, about $65,000,000 for highways, twenty some million dollars for a new program in relation to soil erosion, and about sixty-five million for agricultural extension to match funds supplied by the States; making in the aggregate about $180,000,000.

This measure is not sacrosanct. Undoubtedly there are items which might not be regarded as logical or as excessive or might not be consistent with some other activities of the Government, but the bill as reported does represent the best judgment of the subcommittee to which this matter was referred and who gave much time to the respective items.

While it is not within the province of this committee to legislate but rather to make funds available for a particular branch of the Government, I cannot help but think that in this great agricultural program that is being fostered here we have lost sight of or failed to give due consideration to some subjects which I believe are highly important, not only to those engaged in farming but to the entire citizenship of the country, and I shall touch upon these subjects briefly.

In the program under the A. A. A. and its substitute we have encouraged farmers to allow substantially one-fourth of their land to remain fallow or uncultivated, but your Government has adopted a contradictory policy of bringing new land into cultivation, notwithstanding the restrictive program just mentioned.

Within the last 2 or 3 years tremendous sums of money, estimated at almost three-quarters of a billion dollars, will be made available for irrigation and reclamation projects which will bring, of course, increased farm production to compete with the farmers who are now being urged to restrict their production.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. THURSTON. I yield.

Mr. ANDRESEN. Does the gentleman have any idea of the number of acres of newly irrigated land that will be brought into production?

Mr. THURSTON. I may say to my friend from Minnesota, who is always alert when agriculture is mentioned, I have some official documents which I wish to incorporate in my remarks, being certain pages taken from a reclamation publication issued by that branch of the Government, and certain tables are given here as to the amount of acreage that will be brought into production and the value of such crops.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. THURSTON. I yield to the Member who has constantly opposed additional irrigation projects.

Mr. CULKIN. The gentleman mentioned the amount of three-quarters of a billion dollars as being the disbursement.

Mr. THURSTON. That is the approximate sum that has been allotted, or commitments that will ensue.

Mr. CULKIN. Does the gentleman know that to complete the projects now in work it will take a billion and a half dollars? The Grand Coulee carries about $63,000,000, and to complete it, $490,000,000.

Mr. THURSTON. On the same subject we hear it said here and elsewhere that bringing new lands into cultivation will not make competition to the farmers already in that line of industry. The tables produced by the Government go into details of the character and extent of the crops produced on the new land.

Mr. WOODRUFF. Will the gentleman yield?

Mr. THURSTON. I yield.

Mr. WOODRUFF. Will the gentleman include the number of different locations and projects, with the probable amount of cost in each instance?

Mr. THURSTON. I will include the number and different projects, if possible, but as to the cost of each I do not have those figures.

Mr. WOODRUFF. I suppose the gentleman has the same trouble in getting information from the irrigation department that we have in some other departments. I want to say that if the gentleman will give the House the information or the outline as incorporated in these tables he will render an immense service to the House and to the country, because if the House and the Senate had all the information about these irrigation projects they would probably be stopped, at least until such time as we may in the future need additional farm lands upon which to raise necessary food for our people.

Mr. THURSTON. It is so manifest that the present reclamation program is inconsistent.

Mr. CANNON of Missouri. Will the gentleman yield?

Mr. THURSTON. I yield.

Mr. CANNON of Missouri. No doubt the gentleman will include in his tabulation the date of the legislative authority for these projects and the administration under which they were begun. It might also be noted that the Irrigation Service, to which reference has been made, has practically the same personnel inherited from previous administrations.

Mr. THURSTON. Let me say to my good friend from Missouri, and probably no Member is more interested in the farmer than the gentleman from Missouri, that these irrigation projects were begun when we did not have the great surplus that we have had lately, and so the extent of inconsistency did not appear at that time.

Mr. CANNON of Missouri. From 1922 to 1932, the period during which this legislation was enacted, we accumulated the greatest surplus ever known in ancient or modern times. The largest of the projects criticized by the gentleman originally bore the name of one of the foremost sponsors of the policy and was formerly known as the Hoover Dam.

Mr. THURSTON. As I said a moment ago, there are two subjects that I want to direct the attention of the House to; one was the inconsistent policy of the present administration in bringing a large acreage of land into cultivation and the other is if we restrict the production of crops we must ask the question, What are we going to do with agricultural labor because of this limited program, one-fourth of which will be displaced? We cannot thoughtlessly say that labor will be absorbed into industry. We know that industry has already millions, probably 12,000,000, of men more than it can absorb. What disposition are we going to make of this subject?

I contend, Mr. Chairman, that what we should do is to promote new fields of agricultural endeavor, to employ these same men. If we are going to employ these farmers who cannot be absorbed by industry, what line of endeavor may we promote? Restricting production will not solve the problem. If we should give intensive consideration to the production of rubber or its substitute, we have a large acreage of land which could be devoted to that purpose. Also we have a large acreage of land that could be devoted to the production of sugar, three-fourths of which we now import from foreign nations. If we could develop these two fields it might be that we could find employment for a considerable proportion of these farmers who normally are engaged in agriculture, and rather than restrict production it seems to me that we must enter the field and make researches in order to provide a theater of activity where we can employ these people.

This bill covers several hundred subjects, and in the time allotted to me it would be impossible to discuss them in detail; but if we are to use public funds for agriculture or any other purpose we owe it to ourselves and to the country not only to meet these problems but to solve them rather than defer them as we have in the past.

Mr. Chairman, I ask unanimous consent to extend my remarks and to include therein two tables prepared by the Bureau of Reclamation.

The CHAIRMAN. Is there objection?

There was no objection.

The tables are as follows:

Federal reclamation projects, October 1935

AGRICULTURAL AND CLIMATIC CONDITIONS ON FEDERAL IRRIGATION PROJECTS

State	Project	Elevation above sea level	Temperature range	Length of irrigation season	Principal products
		Feet	*Degrees*		
Arizona	Gila Valley	155–215	20–117	All year	Cotton, alfalfa, winter vegetables, lettuce, melons, small grains pecans, livestock.
Do	Salt River	1,200	20–117	do	Cotton, alfalfa, grain, cantaloups, grapes, figs, citrus fruits, winter vegetables, lettuce, livestock, poultry, dairy products.
Arizona-California	Yuma	80–140	20–120	do	Cotton, alfalfa, winter vegetables, lettuce, melons, small grains, pecans, livestock.
Arizona	Yuma auxiliary	155–215	20–117	do	Citrus fruits.
California	Orland	180–330	18–117	February to November.	Alfalfa, milo, citrus and other fruits, nuts, poultry, dairy products.
Colorado	Grand Valley	4,700	−10–100	Apr. 1 to Oct. 31	Fruit, alfalfa, potatoes, sugar beets, beans, grains, tomatoes, livestock, poultry.
Do	Uncompahgre	4,900–6,400	−10–96	do	Alfalfa, grains, potatoes, onions, apples, sugar beets, livestock, poultry.
Idaho	Boise	2,500	0–100	Apr. 5 to Oct. 5	Alfalfa, grains, clover seed, potatoes, onions, and other vegetables, apples, prunes, and other fruit, livestock, poultry.
Do	Minidoka	4,225	10–100	Apr. 1 to Oct. 15	Potatoes, alfalfa, grains, sugar beets, livestock, poultry.
Montana	Huntley	3,000	−35–105	May 1 to Sept. 30	Sugar beets, beans, alfalfa, grains, potatoes, small fruits, vegetables, melons, livestock, dairy products, poultry.
Do	Milk River	2,200	−40–100	Apr. 16 to Sept. 30	Alfalfa, grains, vegetables, sugar beets, potatoes, livestock.
Do	Sun River	3,900	−40–100	May 1 to Oct. 10	Alfalfa, sweetclover, grains, vegetables, seeds, livestock, and dairy products.
Montana-North Dakota	Lower Yellowstone	1,900	−40–105	May 1 to Oct. 10	Alfalfa, sugar beets, grains, potatoes, beans, garden truck, berries, livestock, and dairy products.
Nebraska-Wyoming	North Platte	3,800–4,500	−20–100	Apr. 1 to Sept. 30	Alfalfa, sugar beets, grains, potatoes, livestock, and dairy products.
Nevada	Newlands	4,000	0–105	Mar. 15 to Nov. 15	Alfalfa, grains, vegetables, melons, sugar beets, barley, corn, potatoes, small fruits, poultry, livestock, and dairy products.
New Mexico	Carlsbad	3,100	−4–112	March to November	Cotton, alfalfa, livestock, poultry.
New Mexico-Texas	Rio Grande	3,600–4,100	10–102	Feb. 15 to Nov. 15	Cotton, melons, fruits, vegetables, livestock, and dairy products.
Oregon	Umatilla	470	−37–115	Mar. 20 to Oct. 16	Alfalfa, small fruits, corn, potatoes, melons, garden truck, livestock, poultry, and dairy products.
Do	Vale	2,250–2,500	−24–111	Apr. 5 to Oct. 5	Alfalfa, grains, potatoes, onions, melons, head lettuce, turkeys.
Oregon-California	Klamath	4,035–4,185	−15–105	Apr. 15 to Sept. 30	Alfalfa, grains, potatoes, vegetables, livestock, and dairy products.
Oregon-Idaho	Owyhee	2,200–2,590	−26–113	Apr. 5 to Oct. 5	Alfalfa, red clover, grains, potatoes, truck crops, livestock.
South Dakota	Belle Fourche	2,800	−38–103	May 1 to Oct. 1	Alfalfa, sugar beets, grains, sheep, and dairy products.
Utah	Hyrum	4,200–5,600	−10–95	Apr. 15 to Sept. 30	
Do	Moon Lake	4,200–5,600	−10–95	do	
Do	Ogden River	4,200–5,600	−10–95	do	Sugar beets, alfalfa, potatoes, berries, grains, tomatoes, vegetables and fruits, onions, melons, poultry, livestock, and dairy products.
Do	Provo River	4,200–5,600	−10.95	do	
Do	Sanpete	4,200–5,600	−10.95	do	
Do	Strawberry Valley	4,600	0–95	do	
Washington	Okanogan	1,000	−10–108	May 1 to Oct 1	Alfalfa, grains, onions, sugar beets, potatoes, melons, fruits, livestock and dairy products, poultry.
Do	Yakima	600–2,200	−0–100	Apr. 1 to Oct. 1	Apples, berries, grains, vegetables.
Wyoming	Casper-Alcova	5,150–5,475	−22–101	May 1 to Sept. 30	Fruits, particularly apples and pears, potatoes, alfalfa, vegetables, berries, livestock, and dairy products.
Do	Riverton	5,200	−28–98	do	Dairy products, poultry, hogs, sugar beets, alfalfa, oats, wheat, barley, potatoes, corn, peas.
Do	Shoshone	4,500	−30–101	Apr. 10 to Nov. 1	Alfalfa, potatoes, sugar beets, grains, vegetables, livestock, poultry.
					Alfalfa, beans, sugar beets, potatoes, grains, livestock and dairy products, poultry.

Federal irrigation projects—Value and acreage of irrigated crops, 1934

	Acres	Percent	Value	Percent
Alfalfa hay	442,086	28.9	$12,582,874	20.6
Cotton and cottonseed	125,521	8.2	11,012,445	18.0
Vegetables and truck	167,229	11.0	10,259,892	16.9
Fruits and nuts	60,671	4.0	7,094,534	11.6
Cereals	350,195	22.9	6,922,437	11.4
Pasture, other hay, and forage	193,311	12.7	5,966,054	9.9
Sugar beets	87,350	5.7	4,582,366	7.5
Miscellaneous	72,667	4.8	1,502,046	2.5
Seed	28,074	1.8	1,006,321	1.6
Total	1,527,104		60,928,969	

Additional land, 1,229,594 acres, receiving project water under Warren Act contracts, provided crops valued at $40,014,745, or a grand total of $100,943,714.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. THURSTON. Yes.

Mr. CULKIN. Does the gentleman believe it would be a salutary thing to put all reclamation in the Department of Agriculture? Is not that the place it should be, because there it may be controlled with a view to surplus crops?

Mr. THURSTON. It would be such an unhappy disposition that I doubt if it could be brought about.

Mr. CULKIN. Does the gentleman think it is advisable?

Mr. THURSTON. If the change suggested was made, at least, in one department we would not have such counter contradictory purposes as we now witness in two branches of our Government, the Interior Department promoting production and the Department of Agriculture urging restriction of farm products.

Mr. CANNON of Missouri. Mr. Chairman, I now yield to the gentleman from Georgia [Mr. CASTELLOW].

Mr. CASTELLOW. Mr. Chairman, of all the activities of the Federal Government, I believe the crop-production loan, often referred to as the seed loan, has been more beneficial, considering the cost, than any other. I have just received the following letter from my constituent, Mr. I. J. Lunsford, clerk of the superior court in my home town:

CUTHBERT, GA., *February 22, 1936.*

Hon. B. T. CASTELLOW,
Member of Congress, Washington, D. C.

DEAR MR. CASTELLOW: Rumors are being circulated that the President is hesitating about signing the feed- and seed-loan bill as passed by Congress. The borrowers of funds for agricultural purposes are about divided as follows:

1. Twenty percent of the farmers who own their property, both real and personal, unencumbered, borrow from the local banks without giving security.

2. Thirty-five percent of the farmers, whose real estate is encumbered and whose personal property is unencumbered, obtain funds from the Farm Credit Administration through the Production Credit Association.

3. Forty percent, whose lands and personal property both are encumbered, cannot get money from either the Credit Production Association or the local bank, obtain their funds from the feed- and seed-loan office.

4. Five percent are the farmers on resettlement farms leased by the Government and have funds provided from that source.

Last year, during the months of May, June, and July, we had from 10 to 12 weeks' drought and a number of small farmers did not make enough corn to feed their mules until Christmas. A large number of farmers are going to need funds to buy feed. Since the Supreme Court decision the credit associations are very strict and turning down many applicants they supplied last year. Others who financed farmers last year have restricted credit on agriculture at least 60 percent. My information is obtained from the mortgages recorded during February 1935 and February 1936.

I trust the Georgia delegation will exert every effort to have the necessary funds supplied, as it will soon be planting time here, and unless some assurance is given that the money will be forthcoming, many farmers will not be able to obtain fertilizers.

With highest regards and best wishes, I remain,

Sincerely yours,

I. J. LUNSFORD.

Mr. Lunsford is a most efficient officer and highly respected citizen. He is in position to know the facts in connection with the matter about which he has written and, I am sure, has not overstated the needs of the farmers in our section. The farmers in Georgia have shown their need of this assistance by the large amounts they have borrowed and demonstrated their appreciation by the manner in which they have repaid the Government. I desire to direct the attention of the House to the tabulated statistics recently furnished by the Farm Credit Administration and to emphasize the fact that for the year 1935 Georgia farmers borrowed from this agency of the Government $2,664,140 and repaid, as of December 31, 1935, 93.1 percent, whereas only one other State, South Carolina, repaid as of that date as much as 90 percent. I am cognizant of the fact that while Georgia farmers are repaying practically their entire loans, there is a great discrepancy with many other States as between the amounts borrowed and payments made. These delinquencies will, of course, naturally place a greater burden upon the citizenship of our State, as they must contribute their proportionate share to the Federal Treasury, which must absorb the losses. As a rule, the States so in arrears are the ones benefiting most by donations made by the Federal Government, which likewise must be borne proportionately by the taxpayers of the entire country. I realize as fully as anyone else that after our farmers have scraped the bottom of their meal barrels to meet their obligations to the Government that they must then bear, through taxation, their part of the defaults of the agriculturists of other sections.

Though conscious of this situation and of the added burden upon our people by reason thereof, I find comfort in the knowledge that the burden has been incurred to assist a most worthy class, who, in spite of their efforts to help themselves, are in dire distress, and if relief to any class is justified, these certainly merit consideration. While we are appropriating billions for the relief of others, I insist it would be unjust and unwise to withhold or curtail this appropriation. The farmers not only need it but need it now. Planting will soon begin and fertilizers must be provided. I hope this fund in its entirety, as proposed by the Congress, will be made available at once.

Mr. CANNON of Missouri. Mr. Chairman, I now yield to the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Chairman, for quite a long time I have heard considerable talk in the House about an alleged huge unobligated balance of gold in the Treasury of the United States. We have developed a considerable school of financial experts in the House who think that all we have to do is to go out and gather up worn-out overalls, dirty underdrawers, and old newspapers and take them down to the Bureau of Engraving and Printing and have thousand-dollar bills made out of them and have those bills backed by this alleged unobligated balance of gold in the Treasury. I wrote to the Treasury Department to find how much there was of that unobligated balance of gold and discovered that there is just a trifle over sixty-seven millions of unobligated gold instead of ten billion. I ask unanimous consent to extend my remarks by including the answer from the Treasury at this point.

The CHAIRMAN. Is there objection?

There was no objection.

The letter referred to is as follows:

TREASURY DEPARTMENT,
Washington, February 21, 1936.

Hon. FRED BIERMANN,
House of Representatives.

MY DEAR MR. BIERMANN: Reference is made to your letter of February 7, 1936, requesting a definite reply to your inquiry concerning the unobligated gold and silver in the Treasury.

In this connection there is enclosed a copy of the Daily Statement of the United States Treasury for February 3, 1936. All of the gold in the United States Treasury offices on that date amounted to $10,176,495,677.66. There exist various liabilities against this gold amounting to $9,739,057,810.53, which are listed under "Liabilities" of the "Gold" account shown on the Daily Statement.

After the subtraction of such liabilities, the amount of gold remaining in the "General fund" of the Treasury is $437,437,867.13. Of this, $140,906,587.67 has been appropriated or authorized to be appropriated by Congress for payments to Federal Reserve banks for direct loans to industry, as provided in section 13 (b) of the Federal Reserve Act, as amended, for the Philippine Islands in connection with their currency reserves, and for melting losses, etc., on gold coin. The Treasury has also set aside $229,280,467.95 for the retirement of national-bank notes as such notes are presented for redemption. The liability for the retirement of the national-bank notes formerly resting with the national banks has now been transferred to the Treasury, because these banks have deposited with the Treasury the full sum necessary to retire their notes, such moneys having been covered into the "General fund." This leaves free gold in the "General fund" on February 3, 1936, amounting to $67,248,811.51.

Similarly with silver. The total of silver assets under the "Silver" account is $1,133,802,818.98, as shown by the enclosed Treasury statement, but against these assets there are outstanding liabilities of $1,028,006,486.50, leaving $105,796,332.48 in silver to be carried to the "General fund." There are certain liabilities in the "General fund" account required by law to be covered by lawful money held in the Treasury. After deducting the amount of these liabilities from the lawful-money assets in the "General fund", including monetary silver but excluding gold, the free silver in the "General fund" amounted to $80,068,857.27.

In addition to the item "Silver" in the "General fund", just referred to, the Treasury possesses as part of its "General fund" assets about $286,000,000 of silver bullion which is carried at its cost to the Government.

Very truly yours,

HERBERT E. GASTON,
Assistant to the Secretary.

Mr. ANDRESEN. Can the gentleman tell us why there is not ten billions of gold unobligated in the Treasury?

Mr. BIERMANN. There should be a footnote to the letter saying that six billions of it is accounted for by the shortage which came over from the Hoover administration.

Mr. CANNON of Missouri. Mr. Chairman, I now yield to the gentleman from Oklahoma [Mr. JOHNSON].

SHELTERBELT AND SOIL CONSERVATION

Mr. JOHNSON of Oklahoma. Mr. Chairman, in closing the general debate on the Agricultural Department appropriation bill, I desire to compliment the subcommittee that has handled the measure on its record of economy. It has slashed off more than $28,000,000 from the measure below the estimate of the Bureau of the Budget. That is a mighty good record, and if every subcommittee would follow that example, the expenses of the various governmental activities would be several hundred million dollars less for the ensuing year, and we would be carrying out the suggestion of the President that Congress really economize and start on a program of balancing the Federal Budget. [Applause.]

As one Member of this House, I have consistently and persistently advocated economy in all departments of Government, and I stand ready now to cut several of the items even below the committee's recommendations. For example, I have for several months advocated the elimination of any funds whatsoever for the so-called shelterbelt in the Plains region. It is well known that it was upon my motion that the Appropriations Committee added an amendment providing that—

No part of the appropriations contained in this act shall be used to continue the establishment of the so-called shelterbelt program of trees or shrubs in the Plains region undertaken heretofore pursuant to appropriations for emergency purposes.

NO SHELTERBELT FUNDS

In eliminating the item for the shelterbelt the committee not only effected a saving of $1,000,000 this year but the Johnson amendment, as adopted by the committee, if left in the bill, will prevent the spending of anywhere from thirty to one hundred million dollars of money that might be wasted in the future in an unsuccessful effort to grow trees in an arid region and in many instances many miles from water.

Let me say before I pass the discussion of this particular amendment that if the amendment just quoted remains in the bill, that it is not intended and could not possibly be construed as to prevent the continuation of cooperation on the part of the various Federal and State agencies to assist farmers in securing through the Forest Service any trees that have been seeded primarily for the so-called shelterbelt.

If you will turn to page 18 of the pending bill, you will note there is an item of $56,838 for the purpose of aiding "owners of farms in establishing, improving, and renewing wood lots, shelterbelts, windbreaks, and other valuable for-

est growths and in renewing useful timber crops under the provisions of section 5 of the act entitled 'An act to provide for the protection of forest lands, for the reforestation, and so forth.'"

TREES SEEDED BY GOVERNMENT FOR ALL FARMERS

The objection raised to the shelterbelt amendment is that the Government has already seeded some 60,000,000 trees, and that they should be disposed of. I agree thoroughly that none of the trees already seeded should be wasted or destroyed. But I fail to see any reason whatever why such seedlings, if and when transplanted, should be restricted to a little, narrow, 100-mile area, much of which will not grow trees. I am anxious that the Government distribute the seedlings to the farmers who want them; farmers who will set them out, fence them, cultivate, and otherwise care for them. But I maintain that the farmers of the Sixth Congressional District and other areas and sections of Oklahoma are just as much entitled to their share of the free seedlings as are the citizens who happen to reside in the so-called shelterbelt area. [Applause.]

CUT TOO SEVERE FOR SOIL CONSERVATION

Now, let me point out one item in this rather lengthy bill where, in my judgment, an injustice has been done. I refer to the Soil Conservation Service.

I conceive it to be my duty, as a Member of this Congress, as well as a member of the Appropriations Committee, to protest what I conscientiously believe to be an ill-advised move of false economy. I refer to the reduction of $5,000,000, which this bill proposes in the estimate for the Soil Conservation Service.

The Bureau of the Budget, after full and deliberate consideration, recommended that Congress appropriate the full $27,500,000 requested by this Bureau for continuation of its operations during the next fiscal year. The committee has recommended a reduction of approximately $5,000,000, or almost 20 percent, in that amount. In this recommendation of the committee I cannot honestly concur. The facts, I believe, are emphatic in support of my position.

It will be recalled that the Soil Conservation Service was established in the passage of the Jones-Dempsey Act of 1935. It will also be recalled that the Soil Conservation Service obtained $27,500,000 of emergency relief funds to establish a basic national program of soil conservation. It was assumed, of course, that it was established on a permanent basis, inasmuch as some $13,000,000 additional funds were included in the third deficiency bill of the last session of Congress, which passed this House but failed of passage in the Senate. Bear in mind also that the present session of Congress in January 1936 appropriated $6,284,000 in the first deficiency act for the Soil Conservation Service.

COMPREHENSIVE PROGRAM PLANNED

It is a matter of common knowledge that the Soil Conservation Service has planned a broad and comprehensive program with a goodly number of demonstration projects in many of the States. Surveys have been made for other projects. Yet the committee, with one fell swoop, strikes more than $5,000,000 from the appropriation as recommended by the Budget Bureau.

If the Soil Conservation Service were not functioning properly, and if it were not giving value received for every dollar it has spent, then no Member of the committee or of this House would be any quicker to slash its appropriations than would I. But if there is any activity of the New Deal that has really functioned 100 percent, surely it is the recently established Soil Conservation Service. In fact, it has functioned so creditably and sold the American people on the idea of soil conservation so completely, that the words "soil conservation" have become almost magic words in the minds of our citizens, especially throughout the Middle West.

The new farm bill that has passed both Houses of Congress and that will become a law possibly this week was conceived and written around two words, "soil conservation."

The new farm bill, passed as a substitute for the A. A. A., involves the expenditure of $500,000,000. It is needless for me to add that the Soil Conservation Service will be called upon to furnish basic technical information and assistance in carrying out the provisions of the new farm bill, inasmuch as practically all of the erosion technicians are now connected with the Soil Conservation Service. Yet, in spite of this fact, the research department will be seriously handicapped on account of the unreasonable cut made in this item by the committee.

BUDGET CUT CONSERVATION SERVICE

Let me call attention to the fact that the Budget estimate of $27,500,000 is a reduction of over $9,000,000 from the funds received by the Soil Conservation Service from all sources during the current fiscal year. It would permit only 10 new demonstration projects in the entire United States. With a $5,000,000 cut, of course no additional projects could be begun. It will also prevent the continuation and completion of several projects already begun, as well as several experiment stations, conservation surveys, operation of erosion nurseries, and other technical cooperation with Federal agencies. So the proposed cut by the committee will not only necessitate the elimination of any new projects and surveys, some of which I personally know are being urgently requested in Oklahoma, but will necessitate the serious curtailment, so I am advised, of much of the present work already started by the Soil Conservation Service.

MORE DUST STORMS FOR SOUTHWEST

This week, the New York Times carried in headlines the news that the dreaded dust was blowing again in the Great Plains wheat country. That means months of choking, blinding, dust storms are at hand for the people of that region. It means perhaps, that we shall see once again the awesome spectacle of soil stripped from our middle western wheat field and hurled in a great cloud across the continent to the eastern seaboard and out to sea. Last year and the year before such clouds bore the soil from those drought-stricken fields and laid it down upon the roof of this Capitol Building in which we sit today. That was the first time such a thing had happened since the coming of the white man to America. But the same thing may happen this year and other years in the future.

It need not happen next year, however, nor any year hereafter. Why? Because the scientists of the Soil Conservation Service—agronomists, and engineers, and soils men—have found out how to stop it. They have not been able in 2½ years to persuade all the farmers throughout the "dust bowl" of Oklahoma, Texas, New Mexico, Colorado, and Kansas to adopt common-sense measures of land protection, but they are doing so very rapidly.

Out at Dalhart, in the Texas Panhandle, the Soil Conservation Service is operating a demonstration of wind-erosion control. About this time last year, a survey showed 19,900 acres of the project area to be subject to serious and active soil blowing. One month ago, a resurvey showed 19,100 acres of this affected land completely protected from wind erosion. The soil on those fields will not blow this year; and the reason is that the owners of those fields—representative farmers with typical land—have adopted what the soil experts refer to as the "cropping systems" and moisture conservation measures devised by the Soil Conservation Service to provide a continuous cover of vegetation that will anchor the soil against the winds. We know they got results despite the fact that rainfall during the year was only 74 percent of normal.

I believe this means something more than the mere protection of 10,100 acres of wheat lands. It means that a weapon for combatting the scourge of wind erosion has been found and that it really works. It means that farmers in the plains region of Oklahoma, Texas, and other States can fight this force which threatens their very existence if they will. The practices which proved effective in the demonstration area near Dalhart are already beginning to spread throughout the region, including western Oklahoma, and will continue to spread as farmers realize that ordinary precaution and careful use of their land will enable them to produce and still conserve the soil from which they take their livelihood.

The proposal to cut drastically the funds for pushing ahead this Nation-wide program of demonstrating to the farmers of the country, region by region, the practical possibility of controlling erosion convinces me that many of us have not yet taken to heart the warning of the dust storms and the steady progress being forced by erosion in the direction of a nation of subsoil farming. After delaying 75 years too long in getting under way a practical program of control, what we are proposing to do in this bill amounts to hesitancy and further delay.

I am convinced beyond a doubt that we can well afford to spend whatever is necessary to combat the horror of those dust storms—of lives lost along dust-blackened highways, of thousands of dollars of goods damaged or destroyed on the shelves of stores, of the development of a new disease, dust pneumonia; of tens of thousands of people plagued beyond endurance with stifling sand; of farms destroyed and abandoned; cattle killed; and the population driven almost to despair. I know intimately of these things; my State has suffered with its neighboring States. I understand the full tragedy of this enemy to the Nation. I am calling that tragedy to your attention with all the earnestness at my command. Delay in attacking this problem, which is becoming progressively worse, simply means that the job ahead, which must be done eventually, regardless of the inclinations of any of us, will be just so much more difficult and so much more expensive.

WATER EROSION WORSE THAN WIND EROSION

Dust storms are the spectacular manifestations of wind erosion—grim reminders of the havoc it causes. Yet wind erosion is almost a local problem compared to the far more destructive process of water erosion. About 75 percent of the cultivated land in the country slopes sufficiently to cause rain water to run rapidly off across its unprotected surface. When that happens—and it is happening somewhere every day—with every rain that falls, the rich topsoil goes with it. That topsoil is the thin margin between marginal and submarginal production, the difference between solvent and bankrupt farming. And on the average the layer of topsoil on the farm lands of this country is only about 7 inches thick.

In order to emphasize the vast area of land already essentially ruined or hopelessly impaired by rainwash, it is appalling to know that it exceeds the combined area of Illinois, North Carolina, Maryland, Massachusetts, and Delaware. My own State of Oklahoma was opened to agriculture within the memory of most of us here. But our college of agriculture found 5 years ago that of 16,000,000 acres in cultivation, 13,000,000 acres were suffering seriously from erosion, half of it having reached the stage of gullying. And when fields begin to gully they have reached the death stage so far as practical farming is concerned.

EXPERIMENT STATION AND CROP ROTATION

There is a soil-erosion experiment station near Guthrie, Okla., where the rates of soil and water losses are accurately measured by catching and weighing every drop of water and every particle of soil at the foot of slopes undergoing various cropping treatment. These measurements show that land of about the average slope in the great Red Plains region is losing its topsoil at an annual rate or more than 25 tons per acre where cotton is grown continuously, as most farmers generally have been growing it. This means that within about 40 years the entire 7 inches of topsoil is removed down to stiff red clay, which is more costly to plow, far more erosive than the topsoil, and vastly less productive. Under a cover of grass, however, the same soil is eroding so slowly that more than 3,000 years would be required to sweep off the topsoil. The mere introduction of a crop rotation so reduces erosion on these lands that 200 years would be required to wash off the topsoil.

Now, among other things, the Soil Conservation Service is introducing crop rotations on a large watershed in this region, near Stillwater. It is taking the steeper, more erodible lands out of cultivation and seeding them to grass or planting them to trees in such a way that erosion is stopped almost at once. On the other more valuable lands crop rotations are being introduced where they were seldom practiced before; and strip cropping, contour cultivation, terracing, and other effective measures of erosion control are being applied to the land. The farmers are cooperating actively with the specialists of the Service, and the people of Oklahoma generally have agreed that here has been accomplished the best and the most impressive job of erosion control carried out by any agency or group of people. More than that, the work already done has so increased the absorption of rainfall that flood stages on Pecan Creek, where the work is being done, have been greatly reduced. Still more has been accomplished. The people of my State have become aware as never before of the evil of uncontrolled erosion. They are thinking in terms of better land use and better protection of their sloping fields from the disastrous effects of wind and water erosion.

It is needless for me to say I feel very keenly that the control of erosion is essential to the permanency of this country. Let me point out that we have today not enough good farm land. We can no longer afford to permit the destruction of 300,000 acres of our best land every year and the impoverishment of thousands of acres more. In spite of our enormously increased use of fertilizer, our improved seed, and improved machinery; in spite of our far-reaching educational system, our farm clubs, schools, and the press, the yields of our major crops are gradually declining. Soil erosion, in other words, is thwarting our stupendous efforts to maintain soil fertility. And were it not for the splendid work that has been done by our technical agriculturists, the evil effects of erosion would be even worse than they are.

It has been estimated that 20 times as much plant food is removed from our fields by erosion than is taken out of the land by harvested crops. Crops take out the plant food and leave the soil; the plant food can be restored in the form of fertilizer and with soil-improving crops. But soil erosion takes the whole body of the soil, plant food and all; and when the soil is removed from a field it is lost permanently to the farmer and to the Nation.

SOIL EROSION COSTS NATION $10,000,000,000

Already our misuse of the land has cost the Nation in direct land damage more than $10,000,000,000. Within the next 50 years it is estimated the cost of erosion will reach ten billion or perhaps even thirty billion dollars, unless the Nation proceeds with a program of erosion control similar to that inaugurated for the first time in our history by the Soil Conservation Service. That program is fundamentally sound, because it involves the treatment of the land in accordance with the needs and adaptabilities of the varying kinds of land subjected to varying intensities of rainfall and types of agricultural usage. The physical factors involved show clearly that until this is done permanent erosion control will be impossible on the vast areas of land susceptible to the progressive evil of soil depletion and destruction.

Let me say in conclusion that the Soil Conservation Service, under the able leadership of Dr. H. H. Bennett, chief here in Washinton, and under that dynamic personality who has done more than any other man in the Middle West to make our people of that section soil-conservation conscious—Dr. N. E. Winters, regional director for Oklahoma, Kansas, and Nebraska—this great program has succeeded in a marvelous way. This Congress should not handicap that program at this time by refusing to make available sufficient funds to properly continue this much-needed work. [Applause.]

The CHAIRMAN. All time has expired. The Clerk will read the bill.

The Clerk read as follows:

General weather service and research: For necessary expenses incident to collecting and disseminating meteorological, climatological, and marine information, and for investigations in meteorology, climatology, seismology, evaporation, and aerology in the District of Columbia and elsewhere, including $3,930 for investigations of the relationship of weather conditions to forest fires, under section 6 of the act approved May 22, 1928 (U. S. C., title 16, sec. 581e), $2,228,655, of which not to exceed $800 may be expended for the contribution of the United States to the cost of the office of the secretariat of the International Meteorological Committee, and not to exceed $10,000 may be expended for the maintenance of a printing office in the city of Washington for the printing of weather maps, bulletins, circulars, forms, and other

publications: *Provided*, That no printing shall be done by the Weather Bureau that can be done at the Government Printing Office without impairing the service of said Bureau.

Mr. WILCOX. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILCOX: Page 21, between lines 20 and 21, add a new paragraph to read as follows:

"In addition to all other sums herein appropriated for that purpose, there is hereby appropriated the sum of $25,000 for the purchase and installation of instruments, the construction, extension, and repair of buildings, and payment of wages, salaries, and other expenses incident to the accumulation of information and the issuance of warnings concerning storms and hurricanes originating in the South Atlantic and Caribbean areas."

Mr. CANNON of Missouri. Mr. Chairman, I reserve a point of order on the amendment.

Mr. TABER. Mr. Chairman, I reserve a point of order against the amendment, that it is legislation on an appropriation bill and not authorized by law.

Mr. WILCOX. Mr. Chairman, this is the amendment which I discussed before the House on day before yesterday. Those Members who were present at that time, I am sure, heard all of the reasons I had to offer for the acceptance of this amendment. I not only explained it in detail on the floor of the House 2 days ago, but when the committee was holding hearings on the bill I appeared and presented the matter fully at that time.

It is a very important matter. It is a matter that involves the preservation and protection of human life. The amendment proposes an appropriation of $25,000 for the purchase of instruments which will enable the Bureau to properly predict the approach of storms. Within the last 10 years between four and five thousand people have lost their lives through inadequate facilities for plotting the course of tropical hurricanes arising in the south Atlantic and Caribbean areas. Without adequate facilities for mapping the course of these disturbances and giving sufficient warning of their approach, thousands of lives have been lost and millions of dollars of property have been destroyed.

This is not a large appropriation. Twenty-five thousand dollars for the purchase of instruments and their installation, for the accumulation and dissemination of accurate information, is a mere pittance when it is considered that it is a matter involving the preservation and protection of human life. I think there is adequate provision in the law for this appropriation. In my opinion, there is no necessity for a separate authorization for an appropriation of money to equip the Weather Bureau with sufficient instruments and to install them for the purpose of doing what the Weather Bureau was originally intended to do—that is, to give adequate warning of the approaching storms. The Weather Bureau itself wants this appropriation and, through its Chief, has given its approval to it. Indeed, the Chief of the Bureau has requested it.

I hope that the members of the Committee will vote for this amendment. I am sure if it were a matter involving a million dollars I would not have a great deal of trouble in enlisting the sympathy of the Committee, but, of course, a $25,000 appropriation is too small to attract attention. Nevertheless, the size of the appropriation is not commensurate with its importance. This amendment can easily mean the saving of hundreds of human lives. It is a matter of the most extreme and vital importance, and I sincerely trust that the Committee will accept this amendment. This is a matter about which we cannot afford to take any chances. I do not want to be responsible for any failure to provide the necessary means for warning shipping and the inhabitants of the danger zones and thereby enabling them to take all possible precautionary measures. This is not a matter for the protection of my district or my State alone, but by the installation of these instruments the Bureau will be better able to protect the entire South Atlantic coast from Norfolk to Miami and all of the Gulf coast as well.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. TABER. Mr. Chairman, the amendment provides for the construction of buildings and all that sort of thing. There is no authority anywhere for such an operation. It is not just an extension of Weather Bureau services; it is the entering into a new project.

The CHAIRMAN. The Chair is ready to rule. The statute (U. S. C., title 15, sec. 313) provides, among other things, the following:

The Chief of the Weather Bureau, under the direction of the Secretary of Agriculture, shall have charge of the forecasting of the weather, * * * the distribution of meteorological information in the interest of agriculture and commerce, the taking of such meteorological observations as may be necessary to establish and record the climatic condition of the United States or as are essential to the proper execution of the foregoing duties * * * and for such purposes to * * * establish meteorological offices and stations.

The Chair is of opinion that the amendment does not constitute legislation on an appropriation bill but is an appropriation authorized by the provisions of the statute the Chair has quoted.

The point of order is overruled.

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committee heard with a great deal of interest the able presentation of this matter by the gentleman from Florida. It is to be regretted that the gentleman did not take the matter up with the Weather Bureau in time to have secured an estimate from them and submitted it to the Bureau of the Budget for consideration.

The committee believes it has provided liberally in this bill for this character of service throughout the country, and Members will note that an increase of approximately $57,000 has been allowed over the appropriation made last year.

There appears no good and sufficient reason why one particular area in which additional services may or may not be necessary should be selected by the Congress as the subject matter of special legislation.

The Chief of the Weather Bureau appeared before the committee, as may be seen from the hearings, and testified concerning the hurricane in Miami in September of last year and the character of notice of the approach of the hurricane which was accorded. It clearly appears from his evidence that, in his judgment, the warnings given were sufficient, that the War Department and the Pan-American Airline workers had sufficient notice to be enabled to remove their personnel and property from the area of danger. It did not appear to the committee that additional facilities at Miami might have prevented the loss of life which so unfortunately occurred there.

Mr. WILCOX. Mr. Chairman, will the gentleman yield to me at that point?

Mr. TARVER. I yield to the gentleman from Florida.

Mr. WILCOX. May I not call the gentleman's attention to the fact that the War Department property which was removed, and the property of the air lines to which the gentleman referred, which was also removed, was 150 miles from the danger zone. It was exactly that point I undertook to stress day before yesterday.

I call the attention of the Committee to the fact that in the area involved are no facilities for detecting the approach of these hurricanes, no facilities for giving adequate warnings in those sections which were stricken by the Labor Day hurricane of 1935.

Just one other point. I am sure the gentleman wants to be fair.

Mr. TARVER. Mr. Chairman, I do not believe the gentleman is asking a question; he is making a statement.

Mr. WILCOX. I am giving the gentleman information. I am sure the gentleman wants to be fair. When I appeared before the committee I stated that these figures were being assembled by the Weather Bureau for the purpose of submission to the committee; and on day before yesterday, before making my argument on the floor, I called the Chief of the Weather Bureau, and he himself gave me these figures and said, in his judgment, this amendment should be adopted and these funds made available.

Mr. TARVER. The gentleman, I am sure, realizes that this is not the proper way in which to present to Congress a request for appropriations, a telephonic conversation with

the Chief of the Weather Bureau which does not even appear in the hearings, and using it as the basis of an argument for the appropriation of a considerable sum of money and the creation of a new activity.

What constitutes an adequate warning of the approach of hurricanes, of course, is a matter of opinion; but Mr. Gregg, the Chief of the Weather Bureau, when he appeared before our committee, clearly indicated that adequate warning had been given in the instance of which the gentleman from Florida complains. There are, doubtless, many portions of the country where extensions of the work now being carried on would result in considerable benefit.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. It appears to me that the proper method of procedure in such instances is to have the matter presented through proper officials to the Bureau of the Budget and have all such instances considered in detail by the subcommittee formulating the bill rather than to ask an appropriation on the floor of the House based on a telephonic communication with the Chief of the Bureau.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. THURSTON. Did not the committee also take into consideration the fact that the request did not come from a section of the country which is thickly inhabited and that were we to set a precedent in this instance other sections of the country with greater population density would make similar demands?

Mr. TARVER. Of course, there is considerable population in Miami and the adjoining territory; but it occurred to the committee there were doubtless many other sections of the country that might be able to present an equally strong case. Aside from the increase we granted of approximately $57,000 we did not think an additional appropriation would be justified at this time.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, I want to be absolutely fair in the matter of the Florida hurricane disaster. Bonus marchers and ex-soldiers were sent to Key West. Why they were sent there no one seems to know. Were they sent in order that they might be as far away from Washington as possible? The gentleman from Florida [Mr. WILCOX] feels that they were not notified of the approaching hurricane in time so that they could be moved. The gentleman from Georgia [Mr. TARVER] takes the position that they were notified in time to be moved. If they were notified in time, why were they not moved?

Mr. Chairman, there were 619 of these men there. After the hurricane there were 128 identified dead, 132 listed as missing, and many injured.

The United States Government has a responsibility in this matter. It must be faced. These men were sent to Florida to do Government work, and there has been an amazing lack of consideration of what happened to them as a result of the inefficiency of someone.

With a view toward introducing legislation for the relief of these sufferers, even before any resolution had been presented, I asked General Hines, of the Veterans' Administration, for information which his Department possessed. After a reasonable length of time had elapsed, and the data was not forthcoming, I went to his office, and I wrote to him, saying that I felt that the details should be furnished to me as a member of the Committee on World War Veterans' Legislation. I insert his reply, just received:

Hon. EDITH NOURSE ROGERS,

House of Representatives, Washington, D. C.

MY DEAR MRS. ROGERS: I have your letter of February 24, 1936, referring to your request early in January for certain information concerning the Florida Keys tragedy.

* * * * * * *

As to the matter specifically at issue, you are aware that Mr. RANKIN has introduced a bill looking toward affording relief to the dependents of those veterans who lost their lives in the Florida disaster. The committee of which Mr. RANKIN is chairman has requested a report from the Veterans' Administration regarding this matter and this report is being compiled. As soon as it is furnished Mr. RANKIN, which should be within the next few days, I am sure it will be made available to the members of the committee. This is our usual procedure, and I am sure you are familiar with it.

As to the report of the investigation of the disaster, its causes, and consequences, no release whatsoever of this report has thus far been made and presently it is in the hands of Mr. Harry L. Hopkins, Administrator, Works Progress Administration. I note that you have been given information requested from the Works Progress Administration. What that organization releases is, of course, a matter entirely in their hands. Nevertheless, I do not feel that with propriety I can release the report of the Veterans' Administration in this regard until it has served its original purpose and is available to release.

Very sincerely yours,

FRANK T. HINES, *Administrator.*

Why is this veil of secrecy thrown around the veterans' tragedy on the Florida Keys? Why is it that the information from the Veterans' Administration is available only through the chairman of the World War Veterans' Committee? Things have come to a pretty pass if Members of Congress are obliged to seek information only through committee chairmen. It does not seem open and aboveboard to me.

No hearing has been held to date upon the resolution introduced by the gentleman from Florida [Mr. WILCOX]. The only information that I have been able to secure in reference to this matter has been secured direct from the W. P. A. I do not feel that they are efficient, but they are at least honest in giving information, and they are always courteous and individually cooperative.

It is about time for this Congress to take some notice of the resolution which the gentleman from Florida introduced. This terrible disaster should be investigated. We have investigated the fact and found certain of these men are dead. We have investigated the fact and found they were not moved in time, although the report from the W. P. A. shows that there was plenty of time to move them; but trains were not sent down there and they were not moved out.

Mr. Chairman, let us have done with secrecy and act upon the matter.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I call the attention of the Members of the House to page 145 of the hearings which were held on this bill. I quote from the testimony of Mr. Gregg, Chief of the Weather Bureau. He stated there were three major hurricanes during last year.

Mr. TARVER. I have reference to the one which resulted in the wiping out of camps on the keys below Miami, with a loss of the lives of a large number of veterans located there at that time, and wish to inquire whether there was any failure of your service in connection with the giving of a warning as to the approach of that hurricane and, if you had had greater facilities, if anything more could have been done to prevent that loss of life.

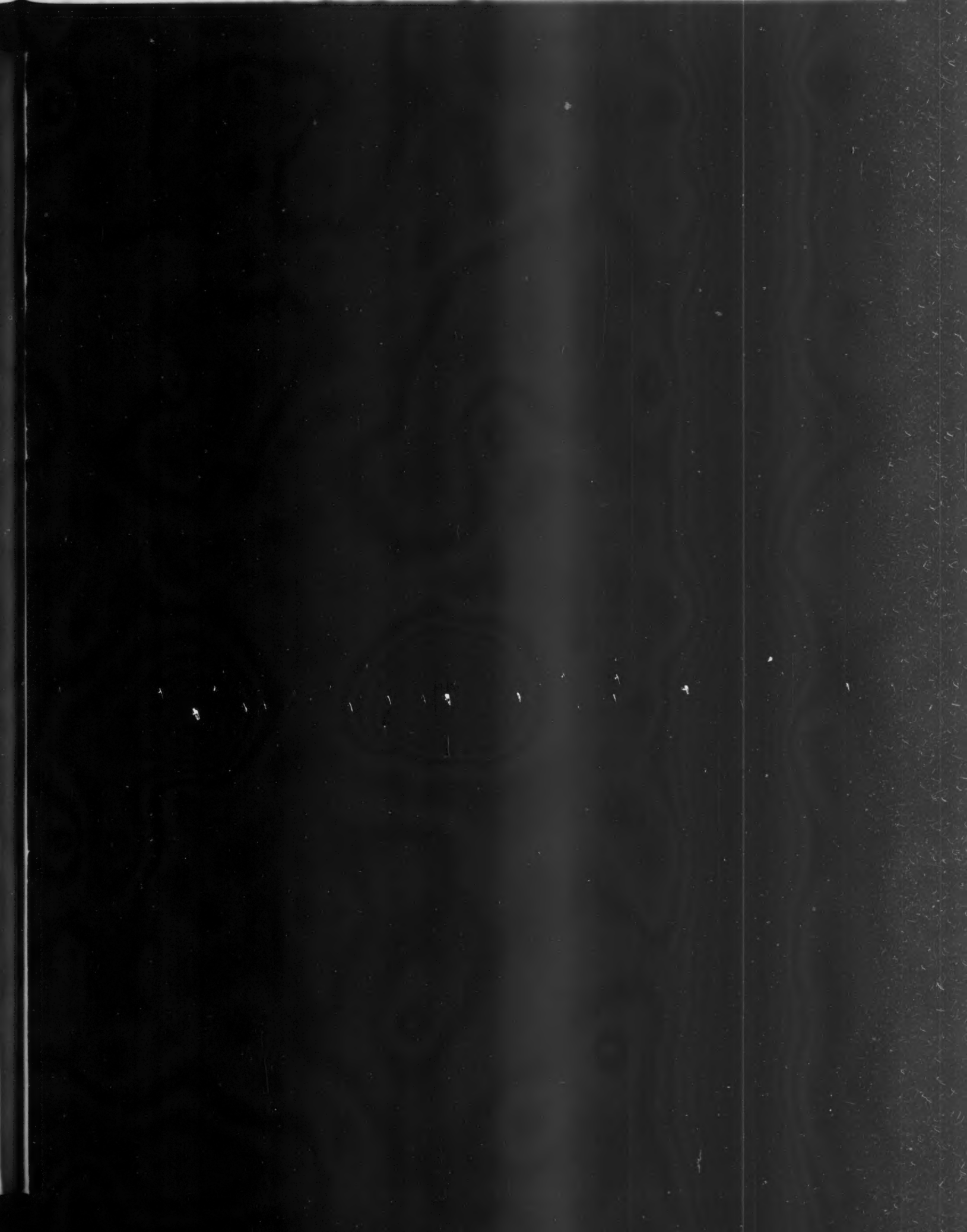
HURRICANE WARNING SERVICE

Mr. GREGG. In connection with that, I may say that the service which was set up with the $80,000 appropriation which was allowed us last year resulted in a very great improvement in the character of the service, in the completeness of the reports, and in the timeliness and accuracy of the warnings.

In connection with the hurricane in the early part of September, I may point out that the Engineer Corps of the War Department had some $400,000 worth of equipment and several men on the keys, and on the basis of the warnings which were issued by the Weather Bureau they moved all of that equipment and all of those men. They lost not a dollar's worth of equipment and not a single man.

I should like to say also that the Pan American Airways, basing its action likewise on the same warnings, canceled all flights and moved its planes to Jacksonville and other points in order that they should not be subjected to damage. They also lost no planes and no lives.

Mr. Chairman, it appears that $80,000 was given to the Weather Bureau for this purpose last year and that it was in position to notify the people of this hurricane. No case has been made out here for the increase which has been suggested. The increases allocated to this part of the Weather Bureau in this bill are $128,000. The committee



has been exceedingly liberal, and I trust this amendment will be defeated.

Mr. WILCOX. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Florida.

Mr. WILCOX. Mr. Chairman, I think the gentleman from New York and the Members of the Committee do not fully understand what is intended to be done with this $25,000. I undertook to explain it day before yesterday, but possibly I did not make my statement clear.

It is not intended that this money shall be spent simply for the protection of the people on the Florida Keys. I undertook to point out that these hurricanes originate in the Caribbean area, and by the installation of proper equipment it is a matter of plotting the course of those storms, not only for the protection of the people of Florida, but for the protection of the entire Gulf coast and the entire South Atlantic coast. May I say to the gentleman with reference to the removal of the equipment, as I just pointed out, the equipment referred to was many, many miles away from the approach of that storm. The Pan American Airways, through information which it had accumulated in Puerto Rico and Cuba, took advantage of that information, and as a precautionary measure canceled the flights of its airplanes. But the people in the danger zone were not sufficiently warned, because they were depending upon the Federal Government to give them the warning, and they did not have the facilities for accumulating the information.

Mr. TABER. Mr. Chairman, nothing has been done along the line of the development of a story from any official of the Weather Bureau or anyone who is in position to know whether such service as this is needed beyond what is already there. It does not seem to me that we should go ahead, after having set up $80,000 for this particular purpose last year, and increase our appropriation along this line any further.

Mr. ZIONCHECK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have not heard all of this discussion, but it is my understanding it refers to a matter of getting an appropriation to take care of some 125 or 150 veterans or unemployed men on the Florida Keys who may be working on relief, or for veterans who may be doing relief work?

Mr. WILCOX. If the gentleman will yield, may I say that the object of this amendment is simply to purchase additional Weather Bureau instruments in order to plot these approaching hurricanes.

Mr. ZIONCHECK. Oh, that is better yet.

Now, Mr. Chairman, it seems to me that we are rather inconsistent in this Congress. Just before we entered the last war there were a lot of people on soap boxes, and some of them from the pulpits—many of them from the pulpits—who were warning us as weather prophets with respect to the number of lives of American boys that would be lost in that war if we ever entered it, and what did we do? Instead of getting more people like this to warn us we threw them in jail. This does not seem quite consistent. Only 100 or 125 were killed because of this, but 50,000 were killed in France, and at the same time 20,000 brand-new millionaires were made in this country. It seems rather inconsistent now to make such a disturbance over 100 or 125 men who are to be warned in the future about possible hurricanes when, at the same time, you put out nothing to help enlighten the people about this terrible tragedy known as war.

I am informed that in the inner circles around Washington, if you go around among them, when they speak of the depression—the Du Ponts and others—what do they propose as a remedy for the depression? Another little war—they care not with whom, they care not what about, but just another little war.

I say let us look at the larger problem first—a problem that will involve, and, probably, protect and save, the lives of countless thousands—rather than spend money to try to protect somebody who may never be in the keys from hurricanes that may never come.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. ZIONCHECK. I yield.

Mr. THURSTON. I just wondered who constituted the membership of the inner circle, so some of us on the outside could find out something about it.

[Here the gavel fell.]

Mr. GREEN. Mr. Chairman, I rise in opposition to the pro-forma amendment.

I hope my colleague will accept the amendment as offered by the gentleman from Florida [Mr. WILCOX]. This increase in the facilities of the Weather Bureau is indeed needed in this part of the country. This is not by any means a local request or a matter of local benefit. All the vessels in the lower Atlantic Ocean and in the Gulf of Mexico will share the benefit from this additional storm warning and hurricane warning and general Weather Bureau service.

If this were not a real necessity, or were not justified by what we believe will result in the saving of life and property, my colleague from Florida would never have offered the amendment. When you consider the small additional expenditure that has been requested by my colleague and compare it with the saving in life and property, I am sure you will realize that this is an economy and the proper thing for us to do.

This is by no means a new question with the Weather Bureau officials and the W. P. A. They are now cooperating and desire to have this additional service in this vicinity, and I hope my colleagues here will support the amendment of the gentleman from Florida [Mr. WILCOX] and let us have this additional appropriation for this service in the area referred to. It is of the utmost importance and is in the public interest. The public welfare well warrants this small additional appropriation.

The pro-forma amendments were withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The question was taken; and on a division (demanded by Mr. WILCOX and Mr. DUNN of Pennsylvania) there were—ayes 29, noes 39.

So the amendment was rejected.

The Clerk read as follows:

Total, Bureau of Dairy Industry, $675,094, of which amount not to exceed $313,020 may be expended for personal services in the District of Columbia, and not to exceed $5,400 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

Mr. FOCHT. Mr. Chairman, I move to strike out the last word. Mr. Chairman, ladies and gentlemen of the House, you have listened to varied subjects discussed at length and with great intelligence, in my opinion.

I am particularly interested in this bill as it stands today or what is akin to it, that portion of the bill that refers to the dairy interests. Having observed the question of the rise and fall in prosperity of the farmers, I have come to the conclusion that it is more a matter of natural causes than any artificial means that might be applied which has occurred during my period in Congress of nearly 20 years.

I remember of farmers telling about their inability to raise enough agricultural products east of the Allegheny Mountains to supply the people with food. Prices were good, also the demand. After they caught up with consumption, in a few years the tide of population went west into the Ohio Valley, and after production had again caught up with consumption it went farther to the Middle West, and then we had a depression in the East caused by the surplus of agricultural products over consumption. Then the farmers moved on into the great granary of the world, the Dakotas.

Then when that had settled down we had to meet the production in Saskatchewan and Alberta.

So it is going on. Now you undertake to make provision for the cotton farmer, the tobacco farmer, and the wheat farmer, and you are going to abandon the greatest of all farmers, the dairy farmer.

It will be recollected that the farmer, when he found he could not get along with his wheat or his corn products, he was invited and lured into going into the dairy business. He spent thousands of dollars for high-blooded stock, pay-

ing two or three hundred dollars for a thoroughbred cow. Boys' clubs were formed to advance the dairy interests, and the banks loaned money for the purpose.

Do you mean to tell me that after all this money that has been spent by these farmers and energy applied by eastern State colleges you are going to abandon the dairy farmer, after you have lured him into another branch of business other than grain farming?

I live in one of the best communities in the world for dairy products, but we are within 200 miles of the Canadian border, and they come down and compete with us, and not only that, we have to compete with the products of Europe which you let in under your poorly conceived flexible tariff and trade agreements. That is one thing I do not understand, and that is why you are so blind as to the facts. I hope you will take one word from me. Of all the study and speeches I ever heard on the economy of America, I cannot understand how anyone sitting here—and I do not believe that you believe it—can be willing to admit foreign products, particularly agricultural products, into this country to compete with our own, and I hope you will exercise wisdom in the correction of this bill and see that the dairy interests are protected along with the rest. Otherwise you will have an unbalanced bill.

Mr. CANNON of Missouri. I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. CANNON of Missouri: Page 32, line 20, strike out "$607,099" and insert "$594,099."

Mr. CANNON of Missouri. Mr. Speaker, this is for the purpose of correcting a typographical error.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CANNON of Missouri. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. CANNON of Missouri: Page 22, line 21, strike out "$675,094" and insert "$662,094."

Mr. CANNON of Missouri. This is a total, and is also for the purpose of correcting a typographical error.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PIERCE. Mr. Chairman, I move to strike out the last word. I rise to call the attention of the gentleman from Pennsylvania [Mr. FOCHT], who has just spoken, to a few facts about the dairy business, and I am wondering where he gets the idea that there is any concerted effort here against the dairymen.

Mr. FOCHT. May I answer the gentleman right here? I do not see how any child in the cradle could fail to have imbibed that after what occurred here last week and the manner in which you kept the dairymen out of protection in the bill that was under consideration at that time. Does the gentleman think they are going to bring anything here to protect the dairy farmer? Does he not think they kept him out of that bill with every effort? I saw them working here, and I have seen them here for a good many years.

Mr. PIERCE. The gentleman had his 5 minutes. I voted for the Boileau amendment, and would do so again, but I cannot believe there is any concerted effort upon the part of the majority or anybody else to do harm to the dairy interests. The great difficulty with that industry has been that there has not been the buying power with the masses of the people to buy the products from the dairy cows, and cheap substitutes have flooded the market. They are very much cheaper, and the people find in oleomargarine what they call their "spreads" made from the products of the oils and fats brought in from the south seas and other places. They are manufactured much more cheaply than dairymen can produce butter and cheese; therefore, they have taken much of the market. There is no intention here to hurt the dairy industry. We are pouring out millions for that industry all of the time.

Mr. MITCHELL of Tennessee. Does not this appropriation which we are now considering carry a larger appropriation than ordinarily is the case in previous legislation in behalf of the dairy industry?

Mr. PIERCE. Yes; every effort has been made to protect the dairy interests. I am the author of a bill now pending before the Committee on Agriculture to place a tax upon coconut oil from the south seas.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes.

Mr. ANDRESEN. What does the gentleman have to say about the importation of wheat, butter, beef, and other dairy products from foreign countries?

Mr. PIERCE. If I had my way I would raise the tariff wall so high that they could not come in.

Mr. ANDRESEN. And is it not a matter, not with the Agricultural Committee as against the dairy interests, or any other branch of agriculture, but of administration of the existing law passed by Congress, whereby they could prevent the importation of these commodities.

Mr. PIERCE. I am not going to enter into any defense of the administration upon those matters, but I do deny that there is a preconcerted effort to forget the old milk cow. We all want to protect her in every way we can, and we are ready to appropriate our millions or pass laws for her protection. The difficulty lies in the fact that we have so many different bills and different ideas.

Mr. CHRISTIANSON. And whether the effort is preconcerted or not, the effect is the same, is it not?

Mr. PIERCE. No; and I cannot believe that that is true. If we could get together I think we could arrange something. The agricultural interests are certainly a majority in this House. We have done our best to get together. We have held several meetings at various times, and we will hold more.

Mr. CHRISTIANSON. Is it not the truth that the difficulty is the majority in this House is opposed to some of these very measures which representatives of the dairy industry want to take to protect that industry?

Mr. PIERCE. No; I do not think they are opposed, but they are just taken up with so many matters that appear to them so much more vital.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. CANNON of Missouri. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment.

I just came from my office. I was only there for about half an hour, and a number of telegrams came in asking me to support the Robertson amendment to the Agriculture Department appropriation bill. I have tried to learn what the amendment is, and I looked over the hearings, and I cannot see where the gentleman from Virginia has been before the committee. I asked the chairman of the subcommittee what the amendment was and he did not know. I looked in the RECORD and I cannot see where the gentleman from Virginia [Mr. ROBERTSON] has addressed the committee since this bill has been under consideration. I am being asked by my people out in my State to support amendments to this bill and, although I have spoken to about 20 Members, I have yet to find a Member who knows what the amendment is. They seem to know in Missouri all about an amendment to be presented, to add to this bill, that Members now on the floor have no information about. I presume it has to do with conservation, judging from some of those who have signed the telegrams, and the fact that Mr. ROBERTSON will offer it. He is a member of the Special Conservation Committee.

Mr. Chairman, I yield to no man in this House when it comes to favoring proper legislation to conserve wildlife and fish. The only hobby I have is fishing. I have been going fishing ever since I was able to get to a stream or lake,

and I go fishing now every chance I get, and I generally get fish when I go. I believe in the conservation of fish and game, but I also believe in trying at least to legislate in an orderly way. I do not want to legislate by telegraph. I am looking for information about this proposed amendment, and no Member here at present seems to know anything about it. If there was any amendment to be proposed to this bill, those who are going to propose it should, I feel, have discussed the matter in general debate so as to give Members an opportunity to properly study the question, and determine in an intelligent way whether or not they should support it. I like to answer my mail the day I receive it, and it is for that purpose that I seek information, as the Biological Survey item will not be reached until tomorrow.

I have been consistent in supporting our committees on appropriation bills, but no doubt now and then one can vote for an amendment, especially when the committee is divided upon the question. I receive letters daily to stay within the Budget, to balance the Budget, and then in a few days the same writer will ask me to support some legislation. He will say I think we should be very careful about expenditures in reference to the item he refers to; he thinks we should overlook the Budget recommendation. Well, that is the view practically all of our constituents take. When you reduce an appropriation that has to do with some activity they are interested in they complain, but they oppose what their neighbor might be interested in.

I think it is due to the Members of this House, when a colleague has some important amendment to be offered to a bill, we should hear something about it in general debate. That is what general debate is for. Especially should this policy prevail when the Member knows that some association is going to flood us with telegrams on the subject. The hearings on this bill contain about 1,500 pages. Surely no one can expect a Member to read them. They were only released and available 2 days ago.

Mr. THURSTON. Will the gentleman yield?

Mr. COCHRAN. I yield to the ranking minority member of the subcommittee in charge of the bill.

Mr. THURSTON. I am sure the gentleman understands there are several thousand organizations here in Washington allegedly representing people out over the country, and in order to hold their employment they are obliged to send out these telegrams to constituents, urging people out over the country to communicate with their Member of Congress, even though the person contacted does not know anything about the subject under consideration.

Mr. COCHRAN. I realize that, but I should like to ask the gentleman if any amendment having to do with conservation or requests for additional funds for conservation was presented to the gentleman's committee, or has the gentleman any knowledge about what this amendment is about which brings all these telegrams?

Mr. THURSTON. Of course, I would say that our good friends who are interested in wildlife appeared in great numbers before our committee and made certain requests, but I do not recall the particular item to which the gentleman has referred.

Mr. COCHRAN. In my State, Missouri, we have, like in all States, a law that provides for fishing and hunting licenses; and the money derived is used, or should be used, for enforcement of the laws and for conservation of fish and game. We have our State parks supported by this revenue as well as game refuges and fish hatcheries. I am strongly of the opinion if that money were properly applied we would not need any assistance from the Federal Government. The truth of the matter is, there is too much politics in the Department. I do not say the present official in charge is any more to blame than his predecessors. It seems to be an established policy to inject politics in this Department. When the Republicans are in power they follow this policy, and the Democrats do likewise when they are in control.

If those who are interested in conservation, who like to fish and hunt, who want to see game restored to our forests and fish to our streams, will bear down on our legislatures when they are in session and require the legislatures to take this important Department out of politics, then you will be doing something worth while for conservation. Provide for the appointment of a nonpartisan board to administer the laws having to do with conservation. It will not be easy to accomplish, because the Department and the employees are a very valuable asset for any political party, but those who are interested in hunting and fishing, if properly organized, can bring it about. I remember the days when the streams were full of fish and the forests full of game, and I should like to see those days brought back so the present generation and the generation to come will enjoy the great outdoors. With a proper nonpartisan board to enforce the laws of your State and proper laws enacted taking the Department out of politics and the money derived from hunting and fishing licenses used for conservation and not political purposes it will not be long before there will be an abundance of fish in the streams and game in the forests. With such a set-up, I repeat, it will not be necessary for the Federal Government to make contributions to the States. Let the Federal Government look after migratory birds and the fisheries along our coasts. I hope to see my State take the lead in bringing about what I have just suggested.

The CHAIRMAN. The time of the gentleman from Missouri has expired. All time has expired on this paragraph.

The pro-forma amendments were withdrawn.

The Clerk read as follows:

Arlington Farm: For continuing the necessary improvements to establish and maintain a general experiment farm and agricultural station on the Arlington estate, in the State of Virginia, in accordance with the provisions of the act of Congress approved April 18, 1900 (31 Stat., pp. 135, 136), $49,414: *Provided*, That the limitations in this act as to the cost of farm buildings shall not apply to this paragraph.

Mr. TABER. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the subcommittee a question. Is this Arlington farm producing any results that amount to anything? Over a long period of years I know it has been known as something that was absolutely useless. Would it not be just as well to get along without this?

Mr. CANNON of Missouri. Arlington farm is one of the most valuable and indispensable adjuncts to the Department. It is the outdoor laboratory of the Department. There is hardly a research activity in the Department which does not keep its trays in the Arlington farm greenhouses. In many instances it is an essential link in experimental work in distant field stations. Important work in sorghum in the Florida station must be done at the Arlington farm greenhouses to be effective. The appropriation for this purpose is perhaps more fully justified than most of the appropriations in the bill.

Mr. ANDRESEN. Will the gentleman yield?

Mr. TABER. I yield.

Mr. ANDRESEN. It was my understanding that the new farm created in Maryland at Beltsville, upon which large sums of money would be spent, would be the experimental laboratory of the Department of Agriculture.

Mr. TABER. Do they need that and this one, too? I understood the soil at the Arlington farm was very poor.

Mr. CHRISTIANSON. Will the gentleman yield to me for the purpose of enabling me to ask the chairman of the subcommittee a question?

Mr. TABER. I yield.

Mr. CHRISTIANSON. Is there any experimental work done at the Arlington farm that is not done or could not be done fully as well at the numerous State experimental farms that are aided in their support by the Federal Government?

Mr. CANNON of Missouri. The Arlington farm is in some respects an experimental nursery. Research projects frequently are given a preliminary trial at Arlington farm. It sometimes happens that they discover there is no occasion for carrying the experiment further.

If, however, after this preliminary investigation they believe the subject offers opportunities for real service to agriculture, it is transferred for exhaustive investigation to other stations under the control of the Department.

The gentleman may be interested to know that one of the most destructive sugarcane diseases—a disease which for a time threatened to wipe out the industry in the State of Louisiana—was remedied through experiments conducted at the Arlington farm station.

Mr. THURSTON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, recurring to the subject just mentioned by the distinguished gentleman from Minnesota, I feel that at this time I should call the attention of the Members to a policy that is being ardently promoted and very cleverly developed by the Department of Agriculture. A new scientific station has been created at Beltsville, Md., ostensibly to do work that cannot be performed at the experiment stations in the respective States of the Union. There is now and going to be, a determined effort on the part of those who really control the Department of Agriculture to reach out and take over activities that logically belong to these experiment stations throughout the country.

To show the lack of logic in this policy, it is only necessary for me to say that an experiment in relation to cotton should be conducted in Georgia or some Southern State where the plant is indigenous. The same applies to experiments with reference to corn, wheat, tobacco, or any other product of the farm. Surely it is more sensible to conduct these experiments where the animals can be raised on natural grass instead of grass or forage produced with the aid of fertilizers. In the case of grain, the test made at the station here surely cannot be as accurate or valuable as a test of natural products from the actual soils where it is expected the crops can be naturally raised.

The Members, therefore, must take a definite position in regard to retaining this experimental work at the stations in the area where normal specimens can be best developed rather than to have it centered down here in a section where there is limited fertility for natural production of plant life or forage for animals.

By unanimous consent, the pro-forma amendments were withdrawn.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent to revise and extend my own remarks and to include therein a letter to General Hines, of the Veterans' Administration.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The Clerk read as follows:

Cereal crops and diseases: For the investigation and improvement of cereals, including corn, and methods of cereal production and for the study and control of cereal diseases, and for the investigation of the cultivation and breeding of flax for seed purposes, including a study of flax diseases, and for the investigation and improvement of broomcorn and methods of broomcorn production, $520,721.

Mr. THOM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this agricultural appropriation bill, under the subhead of cereal crops and diseases, contains an additional sum of $15,000 to provide for the establishment and maintenance at the Wooster Experiment Station, at Wooster, Ohio, of a research laboratory for soft winter wheat, of which crop Ohio is the largest producer in the United States.

This program has the endorsement of the Tri-State Soft Wheat Improvement Association at Toledo, Ohio, consisting of millers in the States of Ohio, Indiana, and Michigan, and of Dr. C. G. Williams, director of the Wooster Experiment Station. The officers of the afore-mentioned organization predict that this investigation may easily add 10 percent to the value of the soft wheat crop, and this would mean three to four million dollars additional income a year to the farmers of Ohio and a proportionate amount to all of the farmers of the whole Winter Wheat Belt.

I submit herewith some pertinent facts about this particular crop and the part it plays in a commercial way, and also other data justifying this program:

First. The wheat grown in Ohio is almost exclusively of the soft winter type. About one-fifth of the total wheat produced in the United States is of this type and Ohio is the largest single producing State. Among all wheat-producing States, Ohio's production during the past 5 years has been exceeded only by Kansas, North Dakota, and Oklahoma. In 1935 the farm value of the Ohio wheat crop is estimated at $32,653,000, being exceeded only by corn.

Second. Ohio is centrally located in the Soft Winter Wheat Belt, a triangular area extending roughly from eastern Kansas to New York and North Carolina. The chief outlet for this type of wheat is for flour used in making soda crackers, cakes, pastries, cookies, doughnuts, pretzels, biscuits, and so forth. The value of these products—approximately $400,000,000—produced commercially in the country is somewhat less than the value of bread produced in commercial bakeries. Flours used in commercial bread baking are made chiefly from hard wheats, although considerable soft wheat goes into general-purpose flour.

Third. Owing to the large number of soft-wheat varieties grown—estimated at 65 in 1929—and to the diversity of soil and climatic conditions within the Soft Winter Wheat Belt, large variations occur in the quality of the crop produced. These variations, largely undetermined and uncontrolled, result in much economic loss to the milling and baking industry, arising from its inability to produce products of uniformly high quality. This loss is reflected in lower prices to the grower.

Fourth. There exist at present no adequate agencies or facilities for studying the causes and sectional extent of these variations in quality, nor are present laboratory techniques entirely satisfactory for interpreting these variations in terms of the diversified uses to which the crop is put. Progress in such quality studies has been confined chiefly to bread-wheat producing States, such as Minnesota, North Dakota, Kansas, and Nebraska. Many soft-wheat producing States are almost completely lacking in facilities for evaluating the quality of their wheats.

Fifth. That there exists need for research of the type to be done by the proposed laboratory is evidenced by the fact that a cooperative organization of millers and experiment-station workers of Ohio, Michigan, and Indiana was formed in 1929 to inaugurate, through grants of funds by the milling industry, a limited program of work of this kind at the three State stations, with the hope that as it progressed and its value became evident, support would be forthcoming from governmental agencies. Some excellent progress was made, but the depression resulted in the millers being unable to continue supplying the necessary funds.

Sixth. The establishment of such a laboratory under the provisions of the Bankhead-Jones Act was urged before a meeting of Corn Belt experiment-station directors held at Washington in November 1935 for the purpose of recommending to the Secretary of Agriculture desirable regional projects. However, six States represented in the Corn Belt region are outside the Soft Winter Wheat Belt and naturally were not interested. Moreover, Soft Winter Wheat Belt States in the northeastern and southern regions did not have an opportunity for passing on the project. Since apparently no provision exists for handling such interregional projects at present, the method herewith proposed seems most feasible.

Seventh. Efforts made to determine the sentiment of experiment-station directors and millers throughout the soft winter wheat region have revealed a wide appreciation of the need for such a laboratory.

In order that you may understand the nature of the work to be carried on by the proposed laboratory, there is listed below a few specific lines of investigation that should be pursued, in accordance with the recommendations of Director C. G. Williams, of the Ohio Experiment Station:

First. The improvement of existing methods and the development of new procedures for measuring the characteristics of soft wheats and soft-wheat flours, with special reference to their use in the production of different commercial products.

Second. The evaluation of the quality of different soft-wheat varieties when grown under different environments of soil and climate within the region and determining the causes producing variations in quality. Such data should form a basis for an intelligent program of varietal standardization

for growers, which, if carried out, would permit millers to purchase wheat of desired characteristics and more uniform quality.

Third. To make an annual survey of the quality of soft wheat grown in different sections of the Soft Wheat Belt to serve as a basis for the intelligent purchase by mills of wheat of the qualities they desire.

Fourth. The determination of the quality and commercial potentialities of new varieties being developed by plant breeders in Ohio and other States prior to their distribution to farmers. Failure to do this in the past has, in certain instances, caused large monetary losses to both millers and growers through the premature releases of varieties having agronomic merit, but possessing such inferior quality that they were heavily discounted by the trade.

By unanimous consent, the pro-forma amendment was withdrawn.

The Clerk read as follows:

Forage crops and diseases: For the purchase, propagation, testing, and distribution of new and rare seeds; for the investigation and improvement of grasses, alfalfa, clover, and other forage crops, including the investigation and control of diseases, $300,193.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word for the purpose of asking a question.

Mr. Chairman, may I ask the gentleman in charge of the bill to refer to line 15, on page 35, where the following provision is made:

For the purchase, propagation, testing, and distribution of new and rare seeds.

Then to turn to page 37, line 11, where this language appears:

For investigations in seed and plant introduction, including the study, collection, purchase, testing, propagation, and distribution of rare and valuable seeds—

And so forth. It would appear that there is a duplication. Perhaps it can be explained.

Mr. CANNON of Missouri. The item on page 35 deals specifically with forage crops and diseases, while the item on page 37 is for plant exploration and introduction. There is no relation between the two. Under this last item we have from time to time sent missions to remote parts of the world to discover new plants, grasses, shrubs, trees of various kinds which could be grown in our own country; and the plants they introduced in American agriculture have added materially to our national resources. Some of our most valuable crops we have today are grown from material brought in under this item; for example, durum wheat, club mariout barley, fortuna rice, Swedish oats, 60-day oats, grain sorghum, alfalfa, soybeans, and many varieties of cotton.

Mr. WADSWORTH. I have no doubt the work is valuable, but I have noticed as these appropriation bills come along year after year that there is apparently a multiplication of items, which lends the suspicion that there is a multiplication of divisions and subdivisions in the Department. It strikes me these two paragraphs to which I have called attention, and which the gentleman has explained, might well be merged into one, because they are certainly very closely related subjects.

They each referred to new and rare seed.

Mr. CANNON of Missouri. The duplication is in terms. One is for discovery and introduction of rare seeds and the other relates to rare seeds of forage crops which are known but which are especially desirable, as, for example, acid-resistant lespedeza. They are two separate and distinct classifications.

The pro-forma amendment was withdrawn.

The Clerk read as follows:

Nematology: For crop technological investigations, including the study of plant-infesting nematodes, $43,961.

Mr. TABER. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, I wish to call attention to the fact that in connection with the National Arboretum there is an increase of $15,000; that this bill provides for the employment of architects and all that sort of thing, and that the funds may be expended by contract for services without regard to the Classification Act.

I wonder why we need any such language, and why such increase is necessary? This arboretum outfit has been one of the most flagrant abuses of the expenditure of money we have in the Government, and I think we ought not to increase the appropriation for this sort of thing.

Mr. SNELL. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. SNELL. I should like to know at whose direction the language was put in the bill that these people could be employed without reference to the Classification Act? It certainly was not at the direction of the President, because I have seen a letter of his which stated that in order to get capable efficient servants you must apply the merit system. Now, who is responsible for this—Congress or someone else? I make this inquiry in all seriousness.

Mr. TABER. The President is just putting up a bluff. He does not mean that, or else his subordinates would follow him, and the Budget would not send up such language as this.

Mr. SNELL. May I ask the chairman of the subcommittee at whose suggestion this was placed in the bill?

Mr. CANNON of Missouri. Mr. Chairman, we are establishing here within the borders of the city of Washington an institution destined to become one of the most noted, valuable, as well as one of the most interesting, institutions of the city, the National Arboretum. Every Member of Congress should visit it and become acquainted with it, although it is just now in the formative period.

We have purchased, on the edge of the city 385 acres, on which it is planned to grow every tree indigenous to this climate.

Mr. Chairman, the growing of a tree is not a matter of seasons. It is a matter of a hundred years; it is therefore important that the arboretum be started right; that the foundation be properly laid—and to do it properly we require the services of expert and experienced technicians. This provision is not an unusual provision. It occurs in practically every District appropriation bill passed by the Congress. These men act as consultants. There must be authority to bring in men to render such expert service as cannot be secured through the regular departmental staff.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 37, line 4, after the word "expenses"——

Mr. CANNON of Missouri. Mr. Chairman, I regret to have to make a point of order against the amendment. We have already passed the item. We were discussing nematology.

The CHAIRMAN. The Chair will advise the gentleman that that paragraph has been read and the gentleman from Texas [Mr. LANHAM] was discussing the next paragraph. The gentleman moved to strike out the last word to give the House some information on nematology. The Chair, therefore, sustains the point of order.

Mr. TABER. Then, Mr. Chairman, I ask unanimous consent to return to the previous paragraph for the purpose of offering the amendment.

Mr. CANNON of Missouri. Mr. Chairman, of course, it is the duty of the Member in charge of the bill to expedite its consideration regardless of his personal preferences in the matter, but in view of the fact that the ranking minority member of the committee is making this request, I shall accede to his request and withdraw my objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 37, line 4, after the word "expenses", strike out "$34,307" and insert "$19,307."

Mr. TABER. Mr. Chairman, frankly, I can see no justification for increasing any of these appropriations unless they are going to serve a real, constructive purpose in connection with agriculture.

This arboretum has cost a great lot of money, and we are spending a great lot of money to keep it going. I think we ought not to so far forget ourselves as to increase our appropriations for this sort of thing from one year to another, and I hope the committee will adopt the amendment and reduce the appropriation to what it is for the current fiscal year of 1936.

Mr. CANNON of Missouri. Mr. Chairman, it is a very welcome change to have someone suggest a reduction in this bill. The criticism invariably leveled at the committee has been that we have not appropriated enough; that we have cut too deeply; that we have been too economical; and I must say, Mr. Chairman, if a mistake has been made in either direction, that it is true of this item. We cut the appropriation to the minimum.

This project was initiated during the administration of President Coolidge. We are simply carrying out as economically as possible the plan started at that time, and any smaller appropriation would be insufficient.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 22, noes 50.

So the amendment was rejected.

The Clerk read as follows:

Rubber and other tropical plants: For investigation of crops, from tropical regions, and for the study and improvement of rubber plants by cultural methods, breeding, acclimatization, adaptation, and selection, and for investigation of their diseases, $46,749.

Mr. CHRISTIANSON. Mr. Chairman, I move to strike out the last word, making the motion primarily for the purpose of asking the gentleman in charge of the bill a few questions. This appropriation is for the purpose of developing the rubber-growing industry in the United States?

Mr. CANNON of Missouri. That is true.

Mr. CHRISTIANSON. And it is in line with a general policy of developing or trying to develop new agricultural products to take the place of those whose production we seek to curtail by the acreage-reduction program. May I ask whether there are other similar appropriations for discovering or developing new plants which may be raised successfully by the farmers of the country?

Mr. CANNON of Missouri. That is the purpose of the research work provided by this appropriation. Investigations are also being made with a view to the utilization of byproducts now being wasted. The object is the diversion of land from the production of surplus crops to noncompetitive products.

Mr. CHRISTIANSON. Are you extending the program of developing industrial uses for agricultural products raised in this country? I read in the newspapers from time to time that we have carried on the work to a limited extent; what I want to ask is whether we are expanding that activity in this bill?

Mr. CANNON of Missouri. Yes. If the gentleman will follow the reading of the bill, he will find it under the Bureau of Chemistry.

Mr. CHRISTIANSON. I am glad to say to the committee that in my opinion it is acting wisely. Unfortunately, most of the items in past appropriation bills for the Department of Agriculture have been concerned with increasing production—making two blades of grass grow where only one grew before—which seems inconsistent with the policy we have pursued during the last 3 years. We have sought to reduce acreage and production in order to make supply and demand balance. Obviously it would be better to make supply and demand balance by finding new uses for farm products than by limiting production, if it could be done. It would be a wiser agricultural policy.

One of the handicaps of the farmer—and I am speaking particularly of the northern farmer—is that he is engaged almost exclusively in the production of food. Expenditures for food constitute only a fraction of the average family budget, and the farmer has been getting only a part of that fraction. In many cases processing, transportation, and retail distribution have taken so large a toll that there has been little of the consumer's dollar left for the farmer, who, like other producers of raw material, gets only what is left after those who stand between him and the ultimate consumer have had theirs.

In order to become reasonably prosperous the farmer must get a larger share in the national income. He must be placed in a position to participate in that part of the national income which is not spent for food.

It is a fact that for every pound of grain taken off the land, there are 2 pounds of cornstalks and straw. While some of this is used, and properly should be used, for feed and bedding for his livestock, it is probably safe to say that one-half is wasted. Often it is burned. Figuratively speaking, the farmer has been selling only the cream of his crop and throwing away the skimmed milk. The skimmed milk must be saved and utilized. It must be made to contribute a part of the farm income; otherwise the prospect of the farmer is none too bright. The waste of today must become the byproduct of tomorrow. If that consummation can be brought about, the farmer will neither need nor ask a subsidy.

Fortunately experiments toward that end have been conducted that give promise of results. Good newsprint has been made from stalks and straw, and as pulpwood becomes more scarce and dear and processes of manufacture are improved there will undoubtedly be a more general use of the products of midwestern farms in the paper-making industry. Strawboard is displacing wood, as cartons are being substituted for boxes. New processes are improving the quality of wallboard, making it acceptable in lieu of plaster and lumber.

Alcohol, acetic acid, and tannin are other products which the modern chemist is able to extract with increasing efficiency from waste that was formerly plowed under. Rayon, which has taken the place of silk to a large extent, will become even cheaper and more popular when we learn how to make it from fiber raised on the farm. Casein and starch, already utilized in ways not suspected by uninquiring folk, will be put to uses now undreamed even by men of science.

All that is required to make our dreams realities is research, more research, and still more research.

At the outset I alluded to the possibility of growing new kinds of plants and producing therefrom raw materials now imported from the Tropics. I mentioned rubber specifically.

There is no reason why we should be forever dependent upon the East Indies for rubber. Experiments thus far conducted show that we can acclimatize and adapt guayule, from which most rubber comes. We have grown it successfully in Florida, and the Burbanks of today are developing hardy varieties that will in due time stand the climate of other Gulf States. We shall probably not raise it in Minnesota during our generation, but we have the goldenrod. Edison experimented with the goldenrod and accomplished substantial results during his lifetime. The task is by selection and cross-breeding to develop varieties with higher and higher rubber content. Wheat was a weed until man, at the dawn of civilization, began to coax it to yield larger and larger kernels. A nation that uses one-half the world's rubber will not be content forever to get its supply from abroad.

The problem is to reduce the cost so as to make the use of domestic rubber profitable. Today rubber made from home-grown guayule costs 30 cents a pound, whereas imported rubber costs 12 cents. Get the cost down to 12 cents and we shall ride on home-grown tires. Get the cost of 30-cent alcohol down to 15 cents and we shall put home-grown motor fuel in the tank.

American coffee and cacao are no longer possibilities—they are probabilities.

It is not economy to withhold money from research. Let us have more industrial and fewer social and political experiments; for our deliverance, when it comes, will come from the scientist and not from the politician.

The Clerk read as follows:

Sugar-plant investigations: For sugar-plant investigations, including studies of diseases and the improvement of sugar beets and sugar-beet seed, $312,079.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word. I rise at this time to call the attention of the House to the most extraordinary work and valuable research which is being carried on in connection with sugar-plant investigations. Referring to page 284 of the hearings, we find that Mr. Richey's testimony indicates something like $1,050,000,000 invested in the beet-sugar industry in this country and in the subsidiary interests related thereto; that in Puerto Rico and Louisiana there is something like $330,000,000 invested, and in Hawaii and the Philippine Islands an additional $350,000,000, making a total of $1,730,000,000. Only a few years ago the production of cane sugar in Louisiana dropped to about 42,000 tons, while as a direct result of the research work carried on through the sugar-plant investigation department of the Department of Agriculture that production was in the last season brought back to about 300,000 tons.

Referring to some of the thoughts which have been expressed in connection with establishing new industries and improving those industries which are today nonsurplus crops, I might say to you that this country consumes annually about 120,000,000 bags of sugar, and that each bag represents 8 hours of productive labor for a laboring man. In this country, under the Jones-Costigan Sugar Act, we may produce approximately 30,000,000 bags of beet sugar. That deducted from 120,000,000 leaves 90,000,000, or 720,000,000 hours of labor, which, worked out on a basis of 300 days per year, 8 hours per day, means that we are importing into this country in the form of sugar jobs for approximately 300,000 workers. That is something which should be given serious consideration in providing these funds for the purpose of finding new crops and plants and for the purpose of fighting disease against crops now being grown.

In reference to the remarks of the gentleman from Texas, I might say that nematodes have a great deal to do with the hookworm disease, and they are one of the greatest enemies known to the sugar-beet industry. Nematodes, curley tops, and leaf-spot are the three real enemies of the sugar beet, and every sugar-beet grower in the United States knows that very well. The Department is doing wonderful work in holding down the ravages of the nematodes. I might also say in connection with the nematodes they are something which develop and operate in such a way that if you plow through a bed of nematodes with a cultivator, they will attach themselves to the feet of the cultivator and move on 15 or 20 feet and plant themselves and start their devastating work in that particular spot, so that when a field becomes entirely diseased, you have to stop the crop entirely, and I might say to the gentlemen from the South that killing out nematodes is just as tough a job as killing out Johnson grass, and if any of you have ever worked in a Johnson-grass field and tried to grow cotton, you know something about that.

Mr. Chairman, with loss of foreign markets and with so much claim that we are overproducing certain foodstuffs in this country, I cannot see why we pay so little attention to this nonsurplus crop—sugar. With the great imports we bring in from Cuba—to say nothing about the Philippine sugar situation, which must be dealt with under the creation of the new Philippine Commonwealth—while at the same time we are moving heaven and earth to meet our relief burden, we still pass up this golden opportunity of giving approximately 300,000 men a full year of work in this one industry. Do we prefer to let the men remain idle, keep them on relief, and import labor in the form of sugar, rather than produce our own consumption of sugar and supply jobs to these 300,000 men on a basis of 8 hours of work per day? Wherein do we use reason? Tomorrow I shall speak further on this very important subject and again attempt to show financial reasons why we should not longer pursue this policy of spending hundreds of millions of dollars for relief and for research in trying to find new crops—nonsurplus ones—when this great industry, which is already established to the extent of about 24 percent of our total requirements, stands begging for the opportunity to further expand. It is unable to do so because of restrictions which we have during the past 3 years imposed and because of fear that other countries will be permitted to ship in sugar, as they have been doing and are doing at this very moment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. TOBEY. Mr. Chairman, I rise in opposition to the pro-forma amendment to propound an inquiry to the chairman of the committee. On page 38, line 24, in the paragraph beginning "Soil-fertility investigations", I find the following language:

And soil amendments on yields and quality of crops.

What is meant by the word "amendments"?

Mr. CANNON of Missouri. What print has the gentleman?

Mr. TOBEY. Page 38, line 24, what does "soil amendment" mean?

Mr. CANNON of Missouri. There are many soils which are rich in plant food, but not in the proportions or form to be utilized by the crops, or crops to be most advantageously grown upon it, but which by the addition of fertilizers or mulch materials may be made available as plant food for the purpose desired. This process is termed "soil amendments."

Mr. TOBEY. That is a technical term, is it?

Mr. CANNON of Missouri. Yes; that is a technical or practical term applied to the process of adding to or subtracting from the soil so as to render it more adaptable to profitable cultivation.

Mr. TOBEY. The word connotes parliamentary usage but not agriculture to me. That is all.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUFF. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, while this bill was under consideration by the committee I was very greatly interested in the appropriation carried under the paragraph just read by the Clerk. The thing of concern to me was the necessity of supplying the Chemical Research Division of the Department of Agriculture with enough money to carry on certain investigations looking to more efficient storing methods for sugar beets from the time they are removed from the ground until they can be processed by the processing factory.

The scientists find that for every day a ton of beets is in storage it loses a pound of sugar. A pound of sugar taken from a ton of sugar beets does not mean much, but when you take 40 pounds of sugar from that ton of sugar beets it means something—not only to the processor, but a substantial sum to the man who grows the beets as well—because in my country the sugar-beet processors and the farmers divide the gross amount of money received from the sale of all products of the beet. In other words, they go 50–50. The farmer receives 50 percent of all the money received for the sugar, the beet pulp, or any other byproduct of the beet. Refined sugar sells on the market today for 4¼ cents a pound. This means a loss of $1.80 a ton to the processor and the farmer who grows the beets. If all this loss could be eliminated, it would mean 90 cents a ton more to the farmer who grows the beets and 90 cents more to the processor.

CHEMICAL CHANGES DURING SUGAR-BEET STORAGE

The sugar-beet industry in this country is obliged each year to place a considerable percentage of the crop in storage. The harvesting season in most of the sugar-beet growing areas is of necessity limited, since the farmer desires to take advantage of as long a growing season as possible, and must complete the digging of the beets before the advent of severe freezing weather. The beet-sugar factories start operations soon after the beginning of harvest, but since the rate of digging is necessarily much greater than the rate of consumption of the sugar beets by the factories it becomes necessary to start storage soon after harvesting operations are begun.

The average annual production of sugar beets in this country is about 9,000,000 tons. It has been conservatively estimated that 50 percent of the crop is stored for a period of 40 days. On this basis 4,500,000 tons of beets are placed in storage each year.

According to available information, it is estimated that on an average a ton of beets loses 1 pound of sugar for each day of storage. Thus, 4,500,000 tons of beets stored over a 40-day period undergo an average loss of 180,000,000 pounds of sugar. This quantity of sugar, valued at 4¼ cents per pound—the market price today—means a monetary loss of $7,650,000 annually.

In addition to the direct loss of sucrose during storage, certain biochemical changes occur in the tissue of the sugar beet which adversely influences its "workability" in the factory. These changes are very noticeable in manufacturing operation and result in increased manufacturing cost as well as a lower percentage recovery of sugar from the beets. It is difficult to evaluate this second monetary loss, as it varies considerably, depending on the deterioration of the beets during storage. However, manufacturing records show that a substantial loss occurs each year as a result of the reduced "workability" of the beets because of deterioration during storage.

It is evident from the foregoing that deterioration during storage causes a tremendous loss each year to the beet-sugar industry. This loss is shared by the beet farmer and processor, since the contract payment for sugar beets is based on the amount of commercial sugar recovered by the manufacturer. This loss of sugar is the more serious since it occurs after the full expense both of growing and of harvesting the crop has been incurred.

Some experimental work has been done on the problem of sugar-beet storage, and this work has established such facts as the loss of sucrose and the difficult workability of stored beets in the sugar factory, including some quantitative data on both of these topics. However, there has been hardly any research of a basic nature for the purpose of ascertaining the biochemical changes which take place during storage and, more important still, the relative influence on these changes of the various factors involved in storage as commercially practiced. Loss of sugar may be due to one or more causes, including respiration, growth, other metabolic changes, and microbiological action. It is planned to make a thorough biochemical study of the metabolic changes of sugar beets under various controlled conditions of storage and to ascertain the relative influence of various factors of storage on these changes. In addition to the action of the enzyme invertase on the sucrose content in the sugar beet, other presumed enzymatic actions occur—for instance, an increase in percentage of raffinose during storage. The factors influencing this, as well as other changes involved in storage deterioration, are not at the present time fully understood.

In investigating these deteriorative changes and other causal factors, it is proposed to use beets of known origin and to store them under controlled conditions of temperature and atmospheric humidity. The storage conditions will be varied on several lots of the same beet, so that optimum and minimum conditions for the various changes may be determined.

It is, of course, impossible to completely eliminate the loss of sugar resulting from respiration of the beets during storage. The metabolic activity of the beet can, however, be controlled within considerable limits, with the result that the annual loss of sugar resulting from deterioration during storage can be very materially reduced. This requires, however, an understanding of the various basic factors which influence deterioration, as well as a knowledge of their relative importance in causing loss of sucrose and in reducing the workability of the beets in the factory. The final objective, of course, is to effect a considerable control of the important factors of deterioration so as to reduce loss of sugar in storage.

The deterioration of beets during storage is, in all probability, the most important subject for chemical research in connection with the sugar-beet industry. A thorough investigation of this subject is desired by many interests in the beet-sugar industry, including both grower organizations and beet-sugar companies.

I am very happy to say that the committee—at least, I am so assured by Mr. Payne, head of the Chemical Research Division of the Department of Agriculture—has, in this sum of $312,079, provided for the necessary investigations and laboratory experiments before further investigations in the field can profitably be made.

I say these few words, Mr. Chairman, in order to express to the committee my appreciation of their consideration of this particular factor in arriving at the sum included in this paragraph.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

All time has expired. The Clerk will read.

The Clerk read as follows:

Tobacco investigations: For the investigation and improvement of tobacco and the methods of tobacco production and handling, $137,744.

Mr. MITCHELL of Tennessee. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the subcommittee with reference to this particular item for the investigation of tobacco. At the last session, as I recall, there was a bill passed, and I think it passed the Senate and became a law, to provide for tobacco graders and inspectors. Is that item covered in this appropriation, or is it in some other part of this bill?

Mr. CANNON of Missouri. We carry a provision for that activity under the item of "Bureau of Agricultural Economics."

Mr. MITCHELL of Tennessee. It is provided for in this bill, however?

Mr. CANNON of Missouri. It is included in the bill.

Mr. MITCHELL of Tennessee. One other question. May I revert to the poultry item? Was there an appropriation to carry out the enforcement of the amendment to the stockyards and packers' act, so as to cut out the racketeering in New York and Chicago with reference to poultry?

Mr. CANNON of Missouri. Yes; we carry the usual appropriation for the enforcement of the act.

The CHAIRMAN. The time of the gentleman has expired.

The pro-forma amendment was withdrawn.

The Clerk read as follows:

General administrative expenses: For necessary expenses for general administrative purposes, including the salary of the Chief Forester, for the necessary expenses of the National Forest Reservation Commission established by section 4 of the act approved March 1, 1911, and authorized by section 14 of said act, and for other personal services in the District of Columbia, $532,163.

Mr. TABER. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the subcommittee a question.

Why is it necessary to increase the appropriation for administration of the Forest Service by $166,000? It seems to me it is pretty high already, and that these bureaucrats are spending all the money they can get hold of. I wish the chairman would tell us why we should allow this increase.

Mr. CANNON of Missouri. Mr. Chairman, we are adding to the forest lands nearly 25,000,000 acres, and also undertaking new activities in that connection. The burden of administration is being correspondingly increased. This is a very modest increase in administrative costs in view of the additional burdens being placed on the Department.

By unanimous consent, the pro-forma amendment was withdrawn.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 42, line 24, after the word "Columbia", strike out "$532,116" and insert in lieu thereof "$365,800."

Mr. TABER. Mr. Chairman, I have been through the hearings. I realize that the Forestry Service has bought with relief money perhaps 5,000,000 acres of land, but we all know that these departments in Washington are overstaffed and top-heavy, and that there is absolutely no econ-

omy in their operation. They never will let up a bit in adding employees in the District, and this is one of the reasons we have so much rental to pay for space outside the regular Government buildings.

The committee, it is true, has made some cut in the request for general forestry administration to the amount of about half what they asked, but for this item they have allowed three-quarters of what was asked. There is no question at all in my mind but what with bona-fide management they can get along on an appropriation of the same size they had last year. I hope the committee will adopt this amendment and cut down the item.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. TARVER. The gentleman is, of course, aware that the committee reduced the appropriation below the Budget estimate by $66,137.

Mr. TABER. Yes; but it is still $166,000 above last year's appropriation. Why can we not cut out this increase? There is no excuse at all for loading up these bureaus with a tremendous lot of help right here in Washington.

Mr. TARVER. The gentleman's attention, doubtless, has also been drawn to the statement made by the National Forester to the effect that 16,000,000 acres have been added to the national forest area during a comparatively recent period. During this time no increases in personnel for general administration purposes have occurred. The additional acreage acquired represents approximately a 9½-percent increase.

Mr. TABER. Then we ought not to increase the appropriation more than 9½ percent, or perhaps $35,000. If the gentleman will offer an amendment to my amendment so that the total increase will not be more than $35,000, which would be about the amount the increase in acreage would justify, I will be willing to accept it. I have no desire to crowd them down so they cannot do efficient work, but this increase is altogether out of proportion, and we ought not to allow it.

Mr. CREAL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have listened with a good bit of interest to the information the gentleman gave us from the dictionary about bugs and worms. I want to say to the Members of this House that if Congress is in session in the year 2000 the appropriations to eradicate bugs, worms, and insects will look like mountains beside the figure we have before us now.

I want to give a minute of information. Man pays a terrible price for his folly. The wages of sin is death. While we have learned a great deal about insects and what they do and appropriations have increased, we have really done but little toward checking the insect in his progress.

What is the matter with the insect tribe and with man today? The Department of Agriculture figures show the enormous destruction brought about by insects and tells us of a new insect we never heard of. Man, animal, and every plant, of course, has its disease, but why do some plants have diseases they never had before?

One cause of this curse upon humanity today is man's own folly, committed when he deforested the land. He plants a mulberry tree today beside the cherry tree in order that the birds will eat the mulberries instead of the cherries. When he deforested he drove these fellows out, drove them into another field for food supply; and those Members who have studied the question and must know say the whale might have been a land animal once upon a time. If so, it took him a long time to make his habitation in the sea.

Those insects who never fed upon plants before, changed their diet and entered other fields. They underwent a gradual change in formation until finally we find a new animal with a new diet.

Mr. Chairman, we never had this situation when the forests were in existence. The Congress in the year 2000 will have a far worse condition at that time if these termites have not eaten down the Capitol or eaten up all the railroad ties out of the railroads of this country. Maybe there will not be any vegetation left.

We have to commence building up on these things. We have to rebuild the forests. As a matter of fact, this is the first Government that ever became forest minded to any extent. China, with its dry streams and floods of muddy water, paid the penalty by deforesting. That is where the insects live and thrive. They thrive best where your forests are located.

Where is the most trouble experienced from insects? In the immediate vicinity of where the forests are located. You must call the insects back off the vegetation. You want to change their former habits and move from where they once lived.

When we deforested we appropriated a lot of money to squirt chemicals on the insects and to doctor the seeds before planting. When we deforested we destroyed the bird family. We killed the bird family and then began appropriating millions of dollars to squirt some chemicals around to do away with the insects.

Mr. Chairman, I am not going to vote against anything that will promote forestry; therefore, I am against this amendment. [Applause.]

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

(Mr. CHRISTIANSON asked and was given permission to revise and extend his remarks in the RECORD.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 4, noes 45.

So the amendment was rejected.

The Clerk read as follows:

Forest influences: For investigations at forest experiment stations and elsewhere for determining the possibility of increasing the absorption of rainfall by the soil, and for devising means to be employed in the preservation of soil, the prevention or control of destructive erosion, and the conservation of rainfall on forest or range lands, $99,152.

Mr. FERGUSON. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offerd by Mr. FERGUSON: On page 48, line 3, after "$99,150", strike out the period, insert a comma and the following: "and in addition thereto $180,000 for complete shelterbelt investigation and for the free distribution of shelterbelt trees to farmers: *Provided*, That no trees shall be grown from seeds that are not now being produced in nurseries in that region."

Mr. TABER. Mr. Chairman, I raise the point of order that this is legislation in an appropriation bill, not authorized by law.

The CHAIRMAN. Does the gentleman from Oklahoma desire to be heard on the point of order?

Mr. FERGUSON. Yes.

Mr. Chairman, the section "Forest influences" was put in this bill in order to cover this very subject. If the amount of money and the language embodied in my amendment is subject to a point of order, then the $99,152 as enumerated in the bill would be also subject to a point of order. The very purpose of that section is to promote an investigation at forest experimental stations and elsewhere to determine the possibility of increasing the absorption of rainfall by the soil and devising means to be employed in the preservation of soil, the prevention or control of destructive erosion, and the conservation of rainfall upon forest or range lands.

Mr. Chairman, this section was put in there on the recommendation of the Agricultural Department lawyers to take care of this very thing. A million dollars was recommended and provided by the Budget to carry out this very purpose. The million dollars was cut out by the Appropriations Committee and the $99,000 retained. The section was put in the bill under authority of the Soil Conservation Act, Public, No. 46, Seventy-fourth Congress. Therefore the authority to appropriate money for this purpose exists under that law. A sum of money is provided in the bill for this very purpose;

therefore, in my opinion, it is impossible to direct a point of order against a sum to carry out the same identical purpose.

Mr. SNELL. Will the gentleman yield?

Mr. FERGUSON. I yield to the gentleman from New York.

Mr. SNELL. What authority in law is there anywhere for the distribution of trees to farmers?

Mr. FERGUSON. The Secretary of Agriculture, under Public Law No. 46, to which I just referred, the Soil Conservation Act, can do anything he desires in order to promote soil conservation.

Mr. SNELL. This is an agricultural appropriation bill, and we have to appropriate money according to law. The other is a matter of discretion with the Department.

Mr. FERGUSON. The law says that Congress may appropriate money to carry out the purposes of that act.

The CHAIRMAN. The Chair is ready to rule.

There is no question but that the Congress has the right to appropriate money to carry out the purposes indicated; but a point of order is raised that this is legislation.

The last provision in the amendment provides that—

No trees shall be grown from seeds that are not now being produced in nurseries in that region.

The Chair thinks that is legislation; and, therefore, sustains the point of order.

Mr. FERGUSON. Mr. Chairman, I offer another amendment striking out the limiting language to which the Chair has just referred.

The Clerk read as follows:

Amendment by Mr. FERGUSON: Page 48, line 3, after "$99,152", strike out the period, insert a comma, and add the following: "and in addition thereto, $180,000 for completing shelter-belt investigation and for the free distribution of shelter-belt trees to farmers."

Mr. TABER. Mr. Chairman, I make the point of order against the amendment that it is legislation calling for an appropriation not authorized by law. There is no authority in anything I have ever seen to provide for free distribution of trees or for a shelter belt.

Mr. FERGUSON. Mr. Chairman, may I call the gentleman's attention to the fact that in this very bill there is a provision for State cooperation, providing for free distribution of trees and cooperative distribution of forest-planting stocks, on page 49. This has been done for years. In the Forest Service they plant trees to produce timber on private lands, and certainly if you have authority to plant and produce and distribute trees to be put out on forest land, we cannot become so technical as to say that we cannot do the same thing in the plains area with respect to trees that are to be used for shelter and soil conservation purposes.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. I yield.

Mr. ANDRESEN. Can the gentleman point out any instances where the Forest Service has planted trees on private land at Government expense?

Mr. FERGUSON. So I understand.

Mr. ANDRESEN. I do not know of any such instances.

Mr. FERGUSON. I may be misinformed.

Mr. ANDRESEN. I think the gentleman is.

Mr. FERGUSON. But I notice there is a provision for cooperative distribution of forest planting stock, and money is provided for that purpose. We have quite a table over here in the hearing that shows how many trees and how much money has been put out in various States to carry out the purpose of distributing trees free to be planted on privately owned lands.

Mr. TABER. Mr. Chairman, the gentleman has not cited any statute which authorizes this kind of appropriation.

The CHAIRMAN (Mr. MCREYNOLDS). The Chair is ready to rule.

The Congress in the last session passed an act—Public, No. 46—to provide for the protection of land resources against soil erosion, and for other purposes. This act provides that—

It is hereby recognized that the wastage of soil and moisture resources on farm, grazing, and forest lands of the Nation, resulting from soil erosion, is a menace to the national welfare and that it is hereby declared to be the policy of Congress to provide permanently for the control and prevention of soil erosion and thereby to preserve natural resources, control floods, prevent impairment of reservoirs, and maintain the navigability of rivers and harbors, protect public health, public lands, and relieve unemployment, and the Secretary of Agriculture, from now on, shall coordinate and direct all activities with relation to soil erosion, and in order to effectuate this policy is hereby authorized, from time to time—

(1) To conduct surveys, investigations, and research relating to the character of soil erosion and the preventive measures needed, to publish the results of any such surveys, investigations, or research, to disseminate information concerning such methods, and to conduct demonstrational projects in areas subject to erosion by wind or water.

(2) To carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land;

(3) To cooperate or enter into agreements with, or to furnish financial or other aid to, any agency, governmental or otherwise, or any person, subject to such conditions as he may deem necessary, for the purposes of this act; and

(4) To acquire lands, or rights or interests therein, by purchase, gift, condemnation, or otherwise, whenever necessary for the purposes of this act.

SEC. 2. The acts authorized in section 1 (1) and (2) may be performed—

(a) On lands owned or controlled by the United States or any of its agencies, with the cooperation of the agency having jurisdiction thereof; and

(b) On any other lands, upon obtaining proper consent or the necessary rights or interests in such lands.

The Chair is of the opinion that this proposed appropriation is authorized by the provision of law just quoted, and, therefore, overrules the point of order.

Mr. TABER. Would the Chair hear me a moment on the point of order?

The CHAIRMAN. The Chair has ruled on the point of order.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. MCREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, had come to no resolution thereon.

"GAG" RULE INDEFENSIBLE

Mr. LEMKE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, including therein my reply to the letter from the gentleman from New York, which has been put in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. LEMKE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 26, 1936.

Hon. JOHN J. O'CONNOR,
House of Representatives, Washington, D. C.

DEAR JOHN: I was glad to receive your letter which is a masterpiece of dodging issues and facts and throwing logic and reasoning to the winds.

I am not interested in the remarks you make concerning the Frazier-Lemke refinance bill in the Senate. If you desire to know what took place there, I suggest that you read the remarks made by Senators Frazier, Borah, and the immortal Huey Long in connection with this bill.

You state that this bill could have been brought up and passed on Calendar Wednesday, May 15, 1935. You know and I know that no controversial public measure of importance is ever brought up for discussion and passage on Calendar Wednesday. The reason is that on Calendar Wednesday controversial measures are blocked by quorum calls and roll calls. Such measures are invariably brought up under a rule.

You are hard pressed for excuses when you have to go back a year. Even if you were right in your erroneous conclusions, do you believe you are justified in continuing to deny a rule for a bill that will save the homes of 10,000,000 men, women, and children? I will leave that with your conscience.

It is not possible for you and me to settle this great issue by writing letters to one another. You know and I know where the responsibility rests for the strangulation of this bill.

The undercover method of getting names off of petition no. 7 has become a national disgrace. Therefore, I invite you to get 2 hours' time, to be equally divided between you and myself, to debate this question on the floor of the House. If the Speaker refuses to give you the time, then may I suggest that you bring out a rule.

May I also invite you to publicly debate this question with me here in Washington, in your own State, New York, or in Chicago, Minneapolis, Kansas City, or Los Angeles, so that the whole ugly truth may get to the public, the ultimate judge of issues of this kind?

For you personally I have the highest regard, therefore, I am extending this invitation to publicly debate to you in the spirit of true sportsmanship, so that the Members of the House and the public may know who is blocking a vote on this bill.

However, whether you accept this invitation or not, the denial of representative government here in Congress will be carried by me into every agricultural State between now and next November, unless those who have been strangling this bill recede from their unwarranted position and do the only honorable and constitutional thing that they can afford to do, and that is to bring this bill up for discussion and disposition on its merits with ample time for debate and amendment.

Very respectfully yours,

WM. LEMKE.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3998. An act to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season to season; to the Committee on Banking and Currency.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 9062. An act authorizing a preliminary examination of the Esopus Creek and its tributaries of Birch, Bushnelville, Woodland, Warner Bushkill, and Beaverkill Creeks; Sawkill, Rondout, and Neversink Creeks, Ulster County; Schoharie and Catskill Creeks, Greene County; Neversink, Beaverkill, East Branch of Delaware, Willowemoc, and Lackawack Rivers, Sullivan County; Schoharie Creek and its tributaries, Schoharie County, all located in the State of New York, with a view to the controlling of floods.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 399. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia; and

S. 3035. An act to provide for enforcing the lien of the District of Columbia upon real estate bid off in its name when offered for sale for arrears of taxes and assessments, and for other purposes.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 9 minutes p. m.) the House adjourned until tomorrow, Thursday, February 27, 1936, at 12 o'clock noon.

COMMITTEE HEARING

IMMIGRATION AND NATURALIZATION

Subcommittee of Committee on Immigration and Naturalization, Thursday, February 27, 1936, at 10:30 a. m., room 445 Old House Office Building, on H. R. 10485, relating to pay and promotion of certain employees of the Immigration and Naturalization Service.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 11019) for the relief of George W. Iler; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 10729) for the relief of Charles Augustus Lathrop; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 5740) for the relief of May C. Jacobson; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK: A bill (H. R. 11474) for the relief of the Indians of the Fort Berthold Reservation, N. Dak.; to the Committee on Indian Affairs.

By Mr. CELLER: A bill (H. R. 11475) to increase duties on certain articles; to the Committee on Ways and Means.

By Mr. SANDERS of Louisiana: A bill (H. R. 11476) to revive and reenact the act entitled "An act granting the consent of Congress to the Lamar Lumber Co. to construct, maintain, and operate a railroad bridge across the West Pearl River at or near Talisheek, La.", approved June 17, 1930; to the Committee on Interstate and Foreign Commerce.

By Mr. HARTER: A bill (H. R. 11477) to foster industry and fair competition, to promote and encourage employment, and to prevent the dumping of foreign merchandise on the markets of the United States; to the Committee on Ways and Means.

By Mr. SCHAEFER: A bill (H. R. 11478) to extend the times for commencing and completing the construction of a bridge across the Mississippi River between St. Louis, Mo., and Stites, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. BIERMANN: A bill (H. R. 11479) to prevent the infringement of patents; to the Committee on Patents.

By Mr. JONES: A bill (H. R. 11480) to amend the act approved June 29, 1935 (49 Stat., 436–439), entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges"; to the Committee on Agriculture.

By Mr. CARMICHAEL: A bill (H. R. 11481) to provide for the conveyance by the United States of certain land to the city of Tuscumbia, Ala.; to the Committee on the Public Lands.

By Mr. BELL: Resolution (H. Res. 431) authorizing the expenditure of not more than $50,000 by the select committee of eight Members of the House instructed to inquire into the acts and conduct of any person, partnership, group, trust, association, or corporation, claiming or purporting to promote, organize, or further old-age-pension schemes authorized by House Resolution 418; to the Committee on Accounts.

By Mr. STEWART: Joint resolution (H. J. Res. 499) authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BINDERUP: Joint resolution (H. J. Res. 500) proposing an amendment to the Constitution of the United States providing for direct proportional primaries to nominate candidates for President and Vice President, and for direct proportional election of such candidates; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. CANNON of Wisconsin: Joint resolution (H. J. Res. 502) restricting immunity of debate to Members of Congress; to the Committee on the Judiciary.

By Mr. JONES: Joint resolution (H. J. Res. 503) authorizing the completion of certain records and operations resulting from the administration of certain acts repealed and making funds available for these and other purposes; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY: A bill (H. R. 11482) for the relief of Carlo Resta; to the Committee on Immigration and Naturalization.

By Mr. CHURCH: A bill (H. R. 11483) for the relief of Mary Kane, Ella Benz, Muriel Benz, John Benz, and Frank Restis; to the Committee on Claims.

By Mr. CROWE: A bill (H. R. 11484) for the relief of the heirs of David H. Fish, deceased; to the Committee on Claims.

Also, a bill (H. R. 11485) granting a pension to Andrew J. Owens; to the Committee on Pensions.

Also, a bill (H. R. 11486) for the relief of Mary Hemke; to the Committee on Claims.

By Mr. DEMPSEY: A bill (H. R. 11487) for the relief of John E. Joy, Walter Beale, Lilly Ross, Lee C. Yokum, and Verna E. Yokum; to the Committee on Claims.

By Mr. DONDERO: A bill (H. R. 11488) for the relief of George A. Brown; to the Committee on Claims.

By Mr. DUFFEY of Ohio: A bill (H. R. 11489) for the relief of Cecelia Folta, wife of Victor Folta, nee Patran Folta, or Karolina Szczygiel, or Carolina Szczygiel, alias Mary Folta, or Marya Fotta; or Marjanna Folta, alias Mary Ann Folta; to the Committee on Immigration and Naturalization.

By Mr. GEARHART: A bill (H. R. 11490) for the relief of Charles Barchard; to the Committee on Military Affairs.

Also, a bill (H. R. 11491) for the relief of Fred E. Shaffer; to the Committee on Naval Affairs.

By Mr. GREEN: A bill (H. R. 11492) granting a pension to John F. Fisher; to the Committee on Pensions.

By Mr. JOHNSON of West Virginia: A bill (H. R. 11493) for the relief of Perry Randolph; to the Committee on Military Affairs.

By Mr. McFARLANE: A bill (H. R. 11494) for the relief of Luther Woodrow Mayes; to the Committee on Naval Affairs.

By Mr. McMILLAN: A bill (H. R. 11495) granting a pension to Mary Irene Broughton; to the Committee on Pensions.

By Mr. O'CONNOR: A bill (H. R. 11496) granting a pension to Denis Keohane; to the Committee on Pensions.

By Mr. QUINN: A bill (H. R. 11497) for the relief of James H. Riffle; to the Committee on Military Affairs.

By Mr. SCOTT: A bill (H. R. 11498) for the relief of Georgina Park; to the Committee on Claims.

By Mr. THOMAS: A bill (H. R. 11499) granting an increase of pension to Sophia Rawlins; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 11500) granting an increase of pension to Lydia Atkins; to the Committee on Invalid Pensions.

By Mr. GUYER: Joint resolution (H. J. Res. 498) for the relief of William K. Richardson; to the Committee on Claims.

By Mr. McSWAIN: Joint resolution (H. J. Res. 501) authorizing the President of the United States to award a posthumous Congressional Medal of Honor to William Mitchell; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10291. By Mr. BEITER: Letter signed by Edith M. MacVeigh and eight other residents, of Buffalo, N. Y., and vicinity, advocating the enactment of the Kerr immigration bill (H. R. 8163); to the Committee on Immigration and Naturalization.

10292. By Mr. BIERMANN: Petition of Peter Paul Adams and others, asking for remedial patent legislation; to the Committee on Patents.

10293. Also, petition of Peter Paul Adams and others, asking for a bridge at Cassville, Wis.; to the Committee on Interstate and Foreign Commerce.

10294. Also, petition of A. C. Gaunitz, of Lansing; N. O. Faldet, of Decorah; Hale & Sons, of Waukon; H. G. Gunhus, of Ridgeway, all in the State of Iowa; and many others, asking for passage of House bill 6246; to the Committee on Interstate and Foreign Commerce.

10295. By Mr. COFFEE: Petition of 166 patrons of star routes at Rushville and Broken Bow, Nebr., favoring legislation to grant compensation to star-route carriers on equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10296. By Mr. KENNEDY of New York: Petition in the nature of a resolution of a majority of the members of the Downtown Owners' Committee, 120 Broadway, New York City, representing the ownership of 52 buildings in the Borough of Manhattan of the city of New York, with an aggregate assessed valuation of over $300,000,000, endorsing the proposal now before Congress to establish a landing field for mail and passenger planes at Governors Island; to the Committee on Interstate and Foreign Commerce.

10297. By Mr. LAMNECK: Petition of Edith Perkinson, recording secretary of the Maywood Council, No. 311, Daughters of America, Columbus, Ohio, to take House bill 5921 out of the hands of the House Committee on Immigration and Naturalization, and also protesting against the passage of the Kerr bill (H. R. 8163); to the Committee on Immigration and Naturalization.

10298. By Mr. MEAD: Petition of the Common Council of the City of Buffalo, N. Y., requesting Congress to enact House bill 10408, which provides for the improvement of the New York State Barge Canal; to the Committee on Rivers and Harbors.

10299. By Mr. GRAY of Pennsylvania: Petition of citizens residing in towns served by star route no. 10962, requesting enactment of legislation that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10300. By Mr. O'CONNELL: Petition requesting Congress to restore to the District of Columbia its prohibition law by passing House bill 8739; to the Committee on the District of Columbia.

10301. By the SPEAKER: Petition of the Junior Order United American Mechanics, Clarksville Council, No. 153; to the Committee on Immigration and Naturalization.

10302. Also, petition of the Third National Co., mortgage loan department, Nashville, Tenn.; to the Committee on Banking and Currency.

10303. Also, petition of Branch 515, International Workers' Order, Los Angeles, Calif.; to the Committee on Military Affairs.

10304. Also, petition of the Sergeant Jasper Post, No. 13, the American Legion, supporting House bill 6427; to the Committee on the Judiciary.

10305. Also, petition of Sergeant Jasper Post, No. 13, the American Legion, supporting Senate bill 2253; to the Committee on Military Affairs.

10306. Also, petition of the Methodist ministers' meeting in Philadelphia; to the Committee on Interstate and Foreign Commerce.

10307. By Mr. MOTT: Petition signed by Earl Farrier, Brownsville, Oreg., and 80 others of Linn County, Oreg., urging the enactment of legislation placing star-route carriers on the same salary and working basis as rural carriers; to the Committee on the Post Office and Post Roads.

SENATE

THURSDAY, FEBRUARY 27, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, February 26, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Holt	Overton
Ashurst	Connally	Johnson	Pittman
Austin	Coolidge	Keyes	Pope
Bachman	Costigan	King	Radcliffe
Bailey	Couzens	La Follette	Reynolds
Barbour	Davis	Lewis	Russell
Barkley	Dickinson	Logan	Schwellenbach
Benson	Donahey	Lonergan	Sheppard
Bilbo	Duffy	Long	Smith
Black	Fletcher	McAdoo	Stelwer
Bone	Frazier	McGill	Thomas, Okla.
Borah	George	McKellar	Thomas, Utah
Brown	Gerry	McNary	Townsend
Bulkley	Gibson	Maloney	Trammell
Bulow	Glass	Metcalf	Truman
Burke	Gore	Minton	Tydings
Byrd	Guffey	Murray	Vandenberg
Byrnes	Hale	Neely	Van Nuys
Capper	Harrison	Norbeck	Wagner
Caraway	Hastings	Norris	Walsh
Carey	Hatch	Nye	Wheeler
Chavez	Hayden	O'Mahoney	White

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD] is absent because of illness, and that the Senator from Arkansas [Mr. ROBINSON], the Senator from Nevada [Mr. MCCARRAN], the Senator from New York [Mr. COPELAND], the Senator from New Jersey [Mr. MOORE], the junior Senator from Illinois [Mr. DIETERICH], and the Senator from Iowa [Mr. MURPHY] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Minnesota [Mr. SHIPSTEAD] is necessarily absent.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H. R. 9062. An act authorizing a preliminary examination of the Esopus Creek and its tributaries of Birch, Bushnelville, Woodland, Warner Bushkill, and Beaverkill Creeks; Sawkill, Rondout, and Neversink Creeks, Ulster County; Schoharie and Catskill Creeks, Greene County; Neversink, Beaverkill, East Branch of Delaware, Willowemoc, and Lackawack Rivers, Sullivan County; Schoharie Creek and its tributaries, Schoharie County, all located in the State of New York, with a view to the controlling of floods; and

S. J. Res. 217. Joint resolution postponing the effective date of certain permit and labeling provisions of the Federal Alcohol Administration Act.

LOANS FOR CROP PRODUCTION—VETO MESSAGE

Mr. SMITH. Mr. President, in view of the fact that a great many Senators are absent and the Senate is likely, at the conclusion of today's session, to take a recess until Monday, I wish to serve notice that on Monday I shall ask for the consideration of the veto message on the so-called seed-loan bill. I wanted to say this in order that all Senators who are interested in the bill may be present, because I am going to ask for a vote on the subject.

Mr. THOMAS of Oklahoma. Mr. President, let me suggest to the chairman of the Committee on Agriculture and Forestry that the veto message has been referred to his committee, and that before the bill can be brought back to the Senate it will be proper for the committee to meet and report it with some kind of recommendation.

Mr. SMITH. I understand that may be true, and I rather think it would help the situation for the committee to recommend that the bill pass, the President's objections to the contrary notwithstanding; but, in case I should not be able to hold a meeting of the committee between now and Monday, I am going to move to discharge the committee from the further consideration of the message and bill and ask that the question be voted upon on the floor of the Senate.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Federal Communications Commission, reporting, pursuant to law, that there are on the files of the Commission in Washington, D. C., and its several field offices, an accumulation of papers which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. WHEELER and Mr. COUZENS members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Mr. WALSH presented the petition of Somerville Post, No. 19, the American Legion, of Somerville, Mass., praying for the enactment of legislation providing for safety at sea, which was referred to the Committee on Commerce.

He also presented the petition of Myra B. Conover, R. N. Superintendent of New England Hospital for Women and Children, Boston, Mass., praying for the enactment of the so-called Dockweiler bill, being House bill 8000, to remove the tax on coconut oil used for soap manufacture, which was referred to the Committee on Finance.

He also presented a letter from Mrs. Arthur G. Robbins, chairman of the committee on social service, General Alliance of Unitarian and Other Liberal Christian Women, of Boston, Mass., relative to the so-called Pettengill bill, and regulation of the motion-picture industry, which was referred to the Committee on Interstate Commerce.

He also presented letters in the nature of petitions from Local No. 1929, Silk and Rayon Workers' Union, of Holyoke; and Local No. 1715, United Textile Workers of America, of Lawrence, in the State of Massachusetts, praying for the enactment of the so-called Ellenbogen bill, being House bill 9072, relating to the textile industry, which were referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a memorial from the Motor Truck Club of Masachusetts, Boston, Mass., remonstrating against the enactment of the so-called Pettengill bill relative to rates charged by common carriers, being the bill (H. R. 3263) to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4), which was referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a petition from the Central Labor Union, of New Bedford, Mass., praying for the enactment of legislation prohibiting the use of Federal arms and equipment by State militia in industrial disputes, which was referred to the Committee on Military Affairs.

He also presented the petitions of Dr. T. W. Hannigan, of Milford; and Charles A. Blackman, of Halifax, in the State of Massachusetts, praying for the enactment of legislation to indefinitely extend all star-route contracts and also to benefit such routes, which were referred to the Committee on Post Offices and Post Roads.

He also presented the petition of Helen E. Mummery, general secretary, Young Women's Christian Association, and sundry other citizens, of Lowell, Mass., praying for the enactment of the so-called Kerr bill pertaining to the deportation of aliens, which was ordered to lie on the table.

He also presented letters in the nature of memorials from Norton Grange, No. 218, of Norton; Dover Grange, No. 117, of Dover; Mattapoisett Grange, No. 215, of Mattapoisett; Middlesex Central Pomona Grange, No. 23, of Bedford; and Borough Pomona Grange, No. 11, of Westborough, all of the Patrons of Husbandry, in the State of Massachusetts, remonstrating against the enactment of the bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and

foreign commerce, and for other purposes, which were ordered to lie on the table.

He also presented resolutions adopted by conventions of the Lynn District Epworth League at Cliftondale, and the Plymouth County Woman's Christian Temperance Union at Brockton, in the State of Massachusetts, favoring the maintenance of peace and strict neutrality by the United States, which were ordered to lie on the table.

He also presented the memorial of Industrial Council, No. 17, Junior Order United American Mechanics, Worcester, Mass., remonstrating against the enactment of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, which was ordered to lie on the table.

He also presented a letter in the nature of a memorial from the Massachusetts Bay Yacht Clubs Association, Inc., remonstrating against the enactment of House bills 6202 and 7319, to amend section 4463 of the Revised Statutes of the United States, as amended by the act of Congress approved May 11, 1918 (relative to the minimum number of licensed deck and engineer officers required for safe navigation on vessels propelled by machinery), which was referred to the Committee on Commerce.

DEPARTMENTAL APPROPRIATIONS—PERMISSIONS TO FILE REPORT

Mr. HAYDEN. Mr. President, it is my understanding that the Senate will today recess probably until Monday next. In the light of that fact, I ask unanimous consent that the Committee on Appropriations may have authority to file with the Secretary of the Senate a report on House bill 10630, being the appropriation bill for the Department of the Interior.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE REPORT OF A COMMITTEE—ROBERT N. POLLARD

As in executive session,

Mr. HATCH, from the Committee on the Judiciary, reported favorably the nomination of Robert N. Pollard, of Virginia, to be United States district judge for the eastern district of Virginia, an additional position authorized by law.

Mr. GLASS. Mr. President, as in executive session, I ask unanimous consent for the immediate consideration of the nomination of Robert N. Pollard, of Virginia, to be United States district judge for the eastern district of Virginia. I do this for the following reason: Judge Pollard is now a judge of a State court in Virginia. The Virginia Legislature is in session and will be in session only a few days longer. It is desired that the legislature should immediately select a successor to Judge Pollard when he is advanced to the Federal judiciary. Therefore I ask unanimous consent that his nomination, which has just been reported favorably from the Judiciary Committee, be confirmed.

The VICE PRESIDENT. Without objection, as in executive session, the nomination of Judge Pollard is confirmed.

Mr. GLASS. I ask unanimous consent that the President be notified.

The VICE PRESIDENT. Without objection, the President will be immediately notified.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on February 26, 1936, that committee presented to the President of the United States the following enrolled bills:

S. 399. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia; and

S. 3035. An act to provide for enforcing the lien of the District of Columbia upon real estate bid off in its name when offered for sale for arrears of taxes and assessments, and for other purposes.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

A bill (S. 4107) granting an increase of pension to Sarah A. O'Brien (with accompanying papers); to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 4108) for the relief of Charles A. Cobb; to the Committee on Military Affairs.

A bill (S. 4109) for the relief of John Gustav Baisch; to the Committee on Naval Affairs.

By Mr. GUFFEY:

A bill (S. 4110) to further the development and maintenance of an adequate and well-balanced American merchant marine, to provide for the separation of the regulatory functions of the Government over shipping from the Government's business interests in ships and shipping, to regulate the wages and working conditions of American seamen, to repeal certain former legislation, and for other purposes; to the Committee on Commerce.

By Mr. GIBSON (by request):

A bill (S. 4111) to provide for building up a strong American merchant marine, and for other purposes; to the Committee on Commerce.

By Mr. HARRISON:

A bill (S. 4112) for the relief of Hunter George Taft; to the Committee on Naval Affairs.

By Mr. WALSH:

A bill (S. 4113) authorizing the appointment of Robert P. Mortimer as a captain, Ordnance Department, United States Army; to the Committee on Military Affairs.

By Mr. BURKE:

A bill (S. 4114) to authorize a preliminary examination of the Republican River with a view to the control of its floods; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 4115) for the relief of Charles D. Birkhead; to the Committee on Military Affairs.

By Mr. BULOW:

A bill (S. 4116) for the relief of Grant Anderson; to the Committee on Claims.

By Mr. KEYES:

A joint resolution (S. J. Res. 220) authorizing the creation of a Federal Memorial Commission to consider formulating plans for the construction of the Blair Memorial; to the Committee on Public Buildings and Grounds.

By Mr. NYE:

A joint resolution (S. J. Res. 221) proposing an amendment to the Constitution of the United States relative to the sale and marketing of agricultural commodities; to the Committee on the Judiciary.

TAXATION OF LIQUOR—AMENDMENT

Mr. WALSH submitted an amendment intended to be proposed by him to the bill (H. R. 9185) to insure the collection of revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. HAYDEN submitted an amendment intended to be proposed by him to House bill 10630, the Interior Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed. (See proposed amendment printed in full below.)

NOTICE OF MOTION TO SUSPEND THE RULES

Mr. HAYDEN also submitted the following notice of motion to suspend the rules:

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph IV of rule XVI, for the purpose of proposing to the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes, the following amendment, viz: On page 68, after line 10, insert as a separate paragraph the following:

"The following-named reclamation projects are hereby authorized to be constructed, the cost thereof to be reimbursable under the reclamation law:

"Central Valley project, California: For flood control in aid of navigation and to provide for the general welfare in cooperation

with the State of California and for incidental purposes, including irrigation, drainage, and power production.

"Grand Lake-Big Thompson transmountain diversion project, Colorado: To irrigate public lands of the United States and to provide for the general welfare in cooperation with the State of Colorado, and for incidental purposes, including the irrigation of patented land, power production, and flood control: *Provided*, That said project shall include the construction and the permanent maintenance of adequate compensatory or replacement reservoirs, necessary feeder canals, and other incidental works, at the most suitable sites within said State; the water impounded by said reservoirs to be used within said basin and the cost of constructing and maintaining such reservoirs, feeder canals, and incidental works shall be included in the cost of said project and be repaid by the beneficiaries of the water so diverted from said Colorado River basin: *Provided further*, That said project shall be constructed and operated in such manner as to continuously maintain the normal levels of the waters of said Grand Lake.

"Carlsbad project, New Mexico: To provide for the general welfarefare in cooperation with the State of New Mexico and for incidental purposes, including irrigation and flood control.

"Deschutes project, Oregon: To provide for the general welfare in cooperation with the State of Oregon and for incidental purposes, including irrigation and flood control.

"Provo River project, Utah: To provide for the general welfare in cooperation with the State of Utah and for incidental purposes, including irrigation and flood control.

"Yakima project, Washington, Roza division: To provide for the general welfare in cooperation with the State of Washington and for incidental purposes, including irrigation and flood control.

"Casper-Alcova project, Wyoming: To irrigate public lands of the United States and to provide for the general welfare in cooperation with the State of Wyoming and for incidental purposes, including the irrigation of patented lands, power production, and flood control."

A CONSTITUTIONAL CATECHISM (S. DOC. NO. 180)

Mr. FLETCHER. Mr. President, I ask to have printed as a Senate document a paper by Nathan Boone Williams, Esq., of Washington, D. C., entitled "A Constitutional Catechism."

The VICE PRESIDENT. Without objection, it is so ordered.

MASSACHUSETTS AND THE FIRST 10 AMENDMENTS TO THE CONSTITUTION (S. DOC. NO. 181)

Mr. WALSH. Mr. President, I ask unanimous consent to have printed as a Senate document a manuscript entitled "The Failure in Massachusetts of the First 10 Amendments to the United States Constitution", written by Denys P. Myers, research librarian of the Fletcher School of Law and Diplomacy—administered by Tufts College, Massachusetts, with the cooperation of Harvard University—and also research director of the World Peace Foundation.

The manuscript was prepared at the request of the State Department, which, with the Archives Division, have expressed the hope that the information so compiled might be printed as a public document.

It is an able study of the facts concerning the question of the ratification of the first 10 amendments of the United States Constitution in Massachusetts. As appendixes to the article, Professor Myers has added certain documents with a view to throwing some historical light upon the attitude in Massachusetts concerning a bill of rights at the time of the adoption of the Constitution. Thus the appendixes contain textually the Massachusetts resolution of ratification of 1788, the congressional resolution of 1789, and the report of the joint committee of the General Court of 1790.

The VICE PRESIDENT. Without objection, it is so ordered.

FEDERAL LAWS HELD UNCONSTITUTIONAL BY SUPREME COURT

Mr. STEIWER. Mr. President, I send to the desk the result of a rather extensive study made by Mr. W. C. Gilbert, of the legislative reference service of the Library of Congress. This study deals with the provisions of Federal laws which have been held unconstitutional by the Supreme Court during the entire history of the country. I think it of very great value and should like to have it made a Senate document. By reason of the rather extensive nature of the study I shall not at this time ask unanimous consent that it be made a Senate document, but I ask that the request, with the material in question, be referred to the Committee on Printing for the consideration of that committee.

The VICE PRESIDENT. The matter will be referred to the Committee on Printing, as requested by the Senator from Oregon.

NEUTRALITY LEGISLATION—ARTICLE BY SENATOR PITTMAN

Mr. LEWIS. Mr. President, I tender for the CONGRESSIONAL RECORD an article written by the chairman of the Foreign Relations Committee, the senior Senator from Nevada [Mr. PITTMAN], touching matters of legislation upon the subject of neutrality, as to which we understand further legislation very shortly is to be undertaken.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[Article from Today of Feb. 1, 1936]

LET'S NOT WAIT FOR PEACE

(By Senator KEY PITTMAN, chairman, Senate Committee on Foreign Relations)

The so-called neutrality bill introduced in the United States Senate on January 3 by me is naturally the subject of considerable public discussion, as it is not only of vital importance but admittedly far-reaching in its effect. This act is known as an administration measure because the State Department participated in its drafting and approved it before introduction.

The primary purpose of the act is to eliminate major causes for the involvement of the United States in foreign wars not of its own making. To this end the bill contains the following material provisions:

1. An absolute embargo upon the export of arms, ammunition, or implements of war to belligerent countries.

2. An embargo upon the export of such other articles or materials above normal exports as the President may find are used in the manufacture of arms, ammunition, or implements of war, or in the conduct of war, or when he shall find that such embargo will serve to promote the security and preserve the neutrality of the United States.

3. Prohibition of credits to any belligerent government, except to the extent of short-time commercial credits in aid of the financing of legal exports.

4. Prohibition of the transportation of arms, ammunition, or implements of war to any belligerent country by American vessels.

5. Grant of discretion to the President to require all commercial transactions with belligerent countries to be conducted at the risk of the shipper, when such transactions threaten to involve our country in war.

6. Excluding use of passports for travel on belligerent vessels from ports in the United States, and prescribing, with certain exceptions, that all citizens traveling on belligerent vessels shall travel at their own risk.

7. Power to regulate terms and conditions upon which our ports may be used by belligerent vessels.

8. Particular restrictions with regard to submarines in the use of ports in the United States.

I have had the opportunity to read some severe criticisms of the proposed act. In none of these criticisms have I discovered any opposition to the embargo upon arms, ammunition, and implements of war. In fact, most of these critics approve such embargo. They do, however, strenuously oppose an embargo upon the materials which may be manufactured into arms, ammunition, and the implements of war. I do not see upon what theory they draw their distinction.

Is it upon the grounds that arms, ammunition, and implements of war have always been recognized as contraband of war that may be seized and confiscated by belligerents? Do these intelligent critics mean to contend that only arms, ammunition, and implements of war are contraband of war?

There is no international understanding as to what articles or materials constitute contraband of war. But certainly the general conception held before the World War as to what should constitute contraband of war and conditional contraband of war and noncontraband of war greatly changed during the World War.

The belligerents in the World War, before our entry, declared practically every article of commerce, including foodstuffs, as contraband of war and subject to seizure and confiscation. When the United States entered the war it also adopted the same rule as to contraband.

Who is to say that it is more inhuman and unjust to defeat a country by cutting off its essential war supplies than by exterminating its nationals? I deplore that wars should be carried to the extent of depriving nationals of belligerents of food. Without regard to what may be the highest concept as to what exports to belligerents should be permitted, the indisputable fact remains that belligerent governments reserve to themselves the right to declare what constitutes contraband of war, as they did during the World War; and these restrictions upon export, no matter how contrary they may be to the rights of neutrals, cannot be overcome except through the force of a superior navy.

It is charged that the bill aids the strong and penalizes the weak. Any exports to belligerent countries during a war must have this effect. The belligerent, or belligerents, having control of the seas will prevent any exports reaching the belligerents weaker upon the sea. How do we injure the weaker, therefore, by permitting fewer exports to all of the belligerents? We sympathize with the weak, but it is better for us that they suffer

than that our citizens be dragged into war unnecessarily. We are seeking primarily to keep our citizens out of war, and in this effort we cannot be deterred by the effect of our domestic action upon any belligerent. The act provides that we must treat all belligerents alike. Nothing could be more neutral.

It is contended also by some careless students that the bill grants to the President the power to discriminate in favor of one belligerent against another. There is no such authority granted in the act. The act expressly states that when upon the outbreak or during the progress of any war among two or more foreign states the President shall proclaim such facts; that thereafter it shall be unlawful to export, etc., to any of such belligerent countries named in the proclamation. It is mandatory in the act that he shall name in his proclamation the countries that are at war, and that proclamation determines the countries affected by the embargo. But, if there were any doubt about that language, it is definitely clarified in section 6, which provides:

"SEC. 6. Any embargo, prohibition, or restriction that may be imposed by or under the provisions of sections 2, 3, or 4 of this act shall apply equally to all belligerents, unless the Congress, with the approval of the President, shall declare otherwise."

One of the conditions that would justify the placing of an embargo on articles and materials other than arms, ammunition, and implements of war was "that to refrain from placing such restrictions would contribute to a prolongation or expansion of the war." Some critics contend that that would permit the President to aid the League of Nations in making effective its sanctions. The Secretary of State stated to the Committee on Foreign Relations that he had no such intention; that, on the contrary, as the restrictions on exports applied to all belligerents equally, he felt that it might be used impartially in aid of the ending of war. However, the Secretary at the time stated that he had no objection whatever to such language being stricken from the bill, and on my motion the language was stricken from the bill.

It is contended in some quarters that the language which states "upon the outbreak or during the progress of any war * * *" permits the President to delay action during a war until near its termination. This is plainly not the intent of the act. The whole section is mandatory. If a government declares war, the President knows definitely the time of the outbreak of the war and then he is commanded to make his proclamation. If war may have continued for weeks in the absence of any declaration of war, and without the knowledge of the President, then, of course, he could not issue the proclamation upon such outbreak but only upon his discovery that war was in progress.

To limit the President to issuing a proclamation upon the outbreak of war might be construed as denying him such power during the progress of the war if he failed to make such proclamation at its outbreak, even though he had no knowledge of it. No President would resort to a subterfuge to avoid the performance of his mandatory duty. But to remove even groundless suspicions there may be inserted the words "so soon as such facts shall come to the knowledge of the President." There, technical questions do not touch the principle involved, and it is the function of the Foreign Relations Committee of the Senate, who now have such bill under consideration, to make such amendments as in their opinion will most clearly define the purpose and administration of the act.

Section 9 of the act, in giving the President permission to prescribe that commercial transactions carried on by and between our nationals and belligerent governments, or their nationals, shall be at the risk of our nationals when he finds that conditions are so serious as to threaten our neutrality, is intended to relieve our Government of the moral duty of engaging in war for the protection of such commerce. Such action does not constitute the abandonment, waiver, or modification of any of our rights under international law. For the purpose of restraining our own citizens we make it a condition of their commerce, under such critical conditions, that they will not call upon their Government for protection. This, of course, does not deprive the Government of utilizing such powers as it may possess—even its military forces—upon its own motion and initiative in the protection of such commerce, or any neutral rights in relation thereto.

It must be remembered that in this section we are not dealing with human life but with commodities, the loss of which may be compensated for in damages after the war has ceased. It is in reality transferring, in such critical situation, the liability of the Government to the liability of insurance companies. But, that it may be certain that the Government does not abandon, waive, or modify any of its rights as against foreign governments under international law, it is expressly provided in the act that the United States reserves and reaffirms its rights under international law as they existed prior to August 1, 1914. That language was transferred from section 16 and added as a proviso to section 9.

There are two proposals as a substitute for this act: (1) That in the event of such wars all trade with belligerent countries shall be restrained; (2) that there shall be no legislation, and that our Government shall rely upon and act under existing international law.

Personally, I should like to see international commerce as little disturbed as possible by war. I would rather attempt to induce belligerent governments to approve of the exports provided for in the proposed act. If a complete embargo, however, upon the export of all articles and materials to belligerent countries is necessary to prevent us from becoming involved in a foreign war, then, in my opinion, such embargo would gain us more than the temporary loss of a part of our foreign commerce.

Great as our trade was during the World War and high as were our profits, they did not begin to compensate for our financial losses arising out of the war, and cannot, of course, be considered as any compensation for the suffering and death imposed upon our soldiers.

Would we be better off without legislation? We would be in the position that we were in during the World War prior to our entry into that conflict. Our Government would have no authority to do those things it may do under this act. The results would probably be the same as during the World War.

It is contended that by the act we assert that such exports are legal, and, therefore, we are obligated to protect such exports. It is equally true that under international law, as it was considered to exist prior to the World War, we insisted that our citizens had a legal right to export many articles and materials that belligerent nations during the World War denied our authority to export to their enemies. Our duty toward our citizens was the same with regard to such exports as it is today with regard to the proposed exports in the proposed act. There are several ways in which the Government may protect its citizens against the abuse of their rights, but it is not required, necessarily, to adopt war in the protection of such rights. If we wait until there is peace in the world before we pass domestic legislation looking to the protection of our neutrality, we will never have the opportunity to enact such legislation.

DEPORTATION OF UNDESIRABLE ALIENS

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the CONGRESSIONAL RECORD an editorial from today's Washington Herald, the editorial being entitled "Congress and the Undesirable Alien Problem."

There being no objection, the editorial was ordered to be published in the RECORD, as follows:

[From the Washington Herald of Feb. 27, 1936]

CONGRESS AND THE UNDESIRABLE-ALIEN PROBLEM

Congress now has pending for action two rival bills concerning our perplexing and menacing alien problem.

One is the Kerr-Coolidge bill, which Secretary Perkins of the Department of Labor supports.

The other is the Reynolds-Starnes bill, introduced a few days ago by Senator REYNOLDS, of North Carolina, and by Representative STARNES, of Alabama.

The American people should understand clearly and exactly what each of these bills undertakes to do.

The Kerr-Coolidge bill is actually a bill which would loosen immigration laws, extend opportunities for alien criminals and Communists to enter and remain in the United States, and open the gates to the worst of foreign immigration instead of the best.

1. The Reynolds bill provides for the registration and fingerprinting of "all aliens now in the United States or who may hereafter be admitted."

The Kerr bill makes no such provision—notwithstanding the fact that the Labor Department itself does not know how many aliens are in the United States nor how many of them are here illegally.

The necessity for an alien census and for supervision of aliens is not debatable.

In no other civilized nation has this public duty been neglected as it has been here.

2. The Reynolds bill would require the prompt and mandatory deportation of alien criminals.

Instead of making deportations mandatory, the Kerr bill would set up an interdepartmental committee and would give this committee discretionary power to suspend deportation laws passed by Congress and to permit certain classes of deportable and undesirable aliens to remain here—even convicted alien criminals.

3. The Reynolds bill aims to eliminate alien troubles by keeping out the undesirables.

It provides for intelligence tests to be made in the foreign country as a step toward selective immigration.

As a further step the bill provides that:

"No immigration visa shall be issued to any applicant * * * whose reputation or personal characteristics, in the judgment of the consul, would render the applicant not readily assimilable among the preponderant element of the population of the United States."

In addition, the bill would establish a system of fingerprinting by the American consulates abroad as a means of permanently identifying legal immigrants and preventing substitutions and passport frauds.

The Reynolds bill would also stop aliens from temporarily deserting their families abroad, entering the United States as quota immigrants, and then, on the plea of "separation of families", getting their families into this country as nonquota immigrants.

The Kerr bill, on the contrary, tends to restrict deportation, and makes no attempt to improve or regulate immigration.

4. The Reynolds bill would debar Communists and other revolutionaries and would deport agents of foreign governments engaged in espionage.

The Kerr bill contains no provisions to close these loopholes in the law.

5. The Reynolds bill would, in times of national emergency, permit the deportation of pauper aliens, as in other countries.

This would relieve the Federal and State Governments, as well as private charitable organizations, of the expense of maintain-

ing a horde of destitute foreigners in addition to the millions of our own people dependent on overstrained relief agencies, both public and private.

In addition it would simplify the problem of finding reemployment for Americans who are out of work by saving available jobs for our own people.

The Reynolds-Starnes bill does not attempt to deal with so-called "hardship" deportation cases, which are the main excuse for the Kerr bill.

Genuine "hardship" cases, which are in fact relatively few, are to be provided for in a separate measure.

The contrasting merits and demerits of the Reynolds bill and of the Kerr bill were described accurately by Senator REYNOLDS when he said:

"The bill which I have introduced proposes to expel definitely and positively all habitual criminals in the United States, which the so-called Kerr bill certainly would not accomplish.

"The Kerr bill makes two holes in our immigration barriers for every one it plugs."

A comprehensive alien and immigration measure is necessary at this session, and the Congress should see to it that the measure is comprehensive enough to deal adequately with all the problems involved.

The Reynolds-Starnes bill is not perfect. But if the Reynolds-Starnes bill should be taken as the basis for such legislation the legislators would be able to make any improving amendments deemed necessary or advisable without detriment to the real and predominant interests of the country.

TOWNSEND OLD-AGE-PENSION PLAN

Mr. WHEELER. Mr. President, I ask that an article by Will P. Kennedy appearing in the Washington Evening Star of the issue of Tuesday, February 25, 1936, containing what purports to be a significant statement by Hon. JOSEPH P. MONAGHAN, of Montana, may be printed in the RECORD. Mr. MONAGHAN has heretofore been one of the strongest exponents of the Townsend old-age-pension plan.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of Feb. 25, 1936]

TOWNSEND GROUP FOUND DECAYING—MONAGHAN REQUESTS PROBERS QUIZ CLEMENTS FIRST IN INQUIRY

By Will P. Kennedy

The Townsend-plan organization is disintegrating.

Representative JOSEPH P. MONAGHAN, Democrat, of Montana, chairman of the legislative strategy committee of the House (renamed "the legislative steering committee for the Townsend plan"), has asked the special investigating committee, of which Representative C. JASPER BELL, of Missouri, is chairman, to call as its first witness R. E. Clements, former real-estate agent of Long Beach, Calif., coorganizer and secretary of the Townsend movement.

He hopes to show how the Townsendites are being deceived, how the old people who have been led to believe that they are to be paid $200 a month are being buoyed up by false hopes, and that those in charge of the Townsend movement are not playing fair with those who have been endeavoring to get this legislation through Congress.

Representative MONAGHAN is sincerely working for an adequate old-age-pension system. He believes the way to stop old-age-pension "rackets" is to start a "decent old-age-pension system."

DEMANDS QUESTIONS BE ANSWERED

"If the Townsend Weekly, privately owned and admittedly no part of the O. A. R. P. (old-age revolving pension), is to continue to pose as the official spokesman of the Townsend plan and as its reporting organ, then all the questions propounded by me to Mr. Clements in my letter under date of February 19, as printed in the CONGRESSIONAL RECORD, should be answered, in all fairness to the people who are donating their moneys to the promotion of this plan in Congress", said Mr. MONAGHAN.

When the resolution for an investigation was before the House, Representative MONAGHAN placed in the CONGRESSIONAL RECORD a letter which he had written to Mr. Clements charging bad faith and unfairness by the Townsend organizers and its official organ toward those Members of Congress who have worked hardest and sacrificed most in behalf of the Townsend plan.

Mr. MONAGHAN emphasized that he had gone into the Townsend movement and worked for it because he believes the power of public opinion behind this plan would make it possible to get a satisfactory old-age-pension system.

He charges that Mr. Clements and those directing the Townsend movement have shown bad faith within the organization toward Members of Congress, and especially those sponsoring this legislation. He censures the Townsend-plan leaders for not playing fair with the old people who are contributing their dimes, quarters, and dollars to the organization. He has no sympathy with the catch-penny schemes of the Townsend organization. He walked out on the first meeting in his district when they started a coin collection, and he denounced the collection at Great Falls, Mont.

QUOTES ROOSEVELT

Explaining how he came to support the Townsend plan, Mr. MONAGHAN recalled that President Roosevelt said "the power of public opinion once united in a fixed purpose is the most irresistible force in the world." "Realizing that it takes power of that character and a united effort of the forces of public opinion behind a movement, I wedded myself to the Townsend plan", said Mr. MONAGHAN. "At that time I realized that the demand for $200 a month, if not itself achieved, would lead eventually to some such pension." His idea was that if ever Congress is to pass a good social-security act it would have to have public opinion supporting it.

Representative MONAGHAN said that "approximately 20,000,000 Americans are hanging upon every word that is being said and done in this Congress to bring about adequate social security", and he does "not propose to sit idly by and see a great movement made a political football to advance the personal fortunes of men who have sat idly by while 63 loyal Members who stood up in the hour of greatest need are being betrayed on the cross of political aspiration."

THE CAPITALIST SYSTEM AND THE NEW DEAL—LETTER FROM JESSE A. LA RUE

Mr. BLACK. Mr. President, I ask unanimous consent that there be inserted in the RECORD a letter addressed to me by Mr. Jesse A. La Rue, of Birmingham, Ala.

This letter is offered for the RECORD at the request of Mr. La Rue, who is a citizen of my State, and has given considerable study to the matter he discusses. I offer the letter for the RECORD by reason of the fact that it is an interesting discussion of the matters presented.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BIRMINGHAM, ALA., *February 5, 1936.*

Hon. HUGO L. BLACK,
United States Senate, Washington, D. C.

MY DEAR SENATOR: The rejection of some New Deal measures by the Supreme Court and the President's recent request for the revocation of certain other New Deal laws have led to the belief in some quarters that, in order to bring about recovery of general employment, it is going to be necessary to entirely reorganize our economic system on a strictly nonprofit basis. This feeling is expressed in various new-party movements in their demand for "production for use instead of for profit."

It has been said of the President that he inaugurated the New Deal measures in an effort to "save the capitalist system." I do not, of course, know whether or not this represents his real intent. I have the distinct impression, however, that the President viewed those measures as a "combined reform and recovery program." I do not see that the "capitalist system", as our present economic order is sometimes called, should be in need of being "saved", since, rightly understood, it must be seen as a very good system for free men to live under.

Stripped of nonessentials, the capitalist system must be seen as one in which people can come and go and do as they please, always respecting the equal rights of others. One may employ his fellows to use his land, his machinery, his tools, and materials in creating useful things for many people, and out of the process derive a profit for himself—if he can. We know from experience that most of such enterprises prove unsuccessful. They are unsuccessful and pass out of the economic picture solely because they are not able to find a profit in operation, but find a loss instead.

Business statisticians tell us that about 97 percent of all business ventures fail of success. Could we, then, say with truth that the employees of that 97 percent of business enterprises suffered economic distress or unemployment because of any profits their employers derived from their labor? Would the survival of barely 3 percent of the enterprises that are started warrant the charge that the profit they derived has brought unemployment to our distressed millions? This would appear to prove rather too much, and therefore, perhaps, prove nothing.

It seems to me that those who demand the abolition of profits, and that "production for use" be substituted, have taken too superficial a view of our economic processes. All production is for use. Whatever a manufacturer produces must be useful and acceptable to consumers, and must actually go into consumption and be paid for before the manufacturer may himself eat of the fruits of his enterprise. If a man shall work for another, it is with the expectation of profit in the form of wages. If the man who employs this man and others to produce useful things shall receive no more for those things than he has paid out in money for their production, then the employer himself will fail to receive wages, and so must shortly cease to be an employer. And this is why so many fail in business—they are unable to obtain a profit, which is the only wages an employer can receive.

In a competitive field it is rarely that an employer's wages are excessive. Where employers obtain an excessive wage, in the form of profit, it usually is due to monopoly. This may be a natural monopoly, such as public utilities, or it may be an artificial monopoly, created by collusion or by extensive advertising. Undue wages, due to natural monopoly, can be prevented by adequate regulation under the law. Virtual monopoly, through collusion, can be prevented by existing law, if enforced. Practical monopoly, due to extensive advertising, can be defeated by the people themselves by buying competitive goods.

It is well recognized, however, that in some cases industry receives wages in the form of profits that are quite excessive. But just how does this destroy the employment of great numbers of our people? If these excessive profits that are gained by some industries shall, in turn, be expended by them, or paid out to their stockholders and by them expended, employment must be maintained by this spending just as truly as though these excessive

profits had been paid out in the first instance to their employees instead and spent by those employees in living. An unbiased view of all the facts must disclose that the unemployment of large numbers of our people has not come about through the earning of profits of itself. Rather this unemployment has come about from the fact that a considerable part of the economic capital that is withdrawn as wages, salaries, profits, rent, or interest is not returned to the economic pool by means of spending. This part is held as idle money, thus bringing about a continuous depletion of the economic capital, which is the very bloodstream of industry and enterprise of every kind.

I think it must be self-evident that any money-using society, such as ours, can keep itself fully and continuously employed, and at any existing price level, if its money income shall be completely exchanged for each other's goods or services. If, however, this money income shall not be completely exchanged—if a considerable portion of this national income shall be withheld from reexpenditure and be held as idle money, then it is inevitable that this must result in (a) unemployment in like proportion, or (b) a compensatory recession in the price level, or (c) such a combination of these two as will balance with the volume of money thus withdrawn and held in idleness. This is just another way of putting the old universally known truth that "idle money means idle men."

Money becomes idle for numerous reasons, the chief reason being that those owning idle money do not know of suitable opportunities to invest it with safety and profit. There has been little opportunity for profitable investment for some years past, and this condition still persists. This is for the reason that our "economic machine" has fairly been completed for the present. Practically all existing industrial plants already have been built considerably beyond present needs, and no new developments have come forward calling for any considerable funds. We thus appear to have reached an impasse. We cannot hope for the reemployment of our idle men until this great volume of idle money shall be gotten into motion. On the other hand, those owning these surplus and idle funds cannot, under present conditions, be induced to spend them. And yet, the necessity of getting this great volume of surplus funds into motion is so imperative that the Government practically will be forced to find a means of accomplishing it, if we would avoid utter chaos.

The most effective means that can be employed to get all surplus and idle money into motion would be to levy a Federal tax of about 6 percent per annum against bank deposits. This tax should be divided into four equal parts of 1½ percent each, and one part applied each quarter year. The banks themselves should apply this tax to each of their depositors' accounts after the close of business on the last business day of each quarter, and at once pass the totals to the Government. In the practical application of this measure it is my belief that exemption might be made of the first $100 of open accounts and the first $250 of savings accounts, without impairing the success of the measure.

To prevent the evasion of the bank-deposit tax by hoarding currency past the tax periods it would be necessary to also issue a new series of currency to take the place of all outstanding currency, the new currency to be conspicuously dated, and to depreciate in buying and debt-paying value at the same rate as the bank-deposit tax and at the same time the deposit tax is applied—quarterly. This type of currency could not successfully be hoarded.

The effect of this tax measure would be to make it unprofitable to hold surplus money too long in idleness, and it would cease to be done. Owners of such funds would find something to do with them in order to avoid the tax. While this tax could not possibly be evaded, yet it could be avoided by any depositor by using his funds before tax dates, since this tax should be applied not against average balances but against balances existing on tax dates.

The complete and frequent movement of money that would be induced by this measure would very rapidly and completely reemploy all our people at useful and productive occupations, and would permanently eradicate the periodical business slump that is known as the business cycle.

This tax would not prevent saving. It would, however, encourage the conversion of savings into lands, buildings, and other forms of material wealth without too great delay, and thus maintain employment.

This measure would be particularly opportune at this time. The Congress has enacted the bill to immediately pay the remainder of the so-called "soldiers' bonus", which will require approximately two and one-half billion dollars of additional revenue. The bank-deposit tax measure that I have herein outlined would yield in the first year approximately this amount, based upon the present volume of bank deposits. After this veterans' obligation shall have been discharged, most or all of the sales and excise taxes now levied ought to be abandoned, since so much revenue would not be needed, and this tax left, in effect, to perform the double function of producing needed revenue and forcing idle money to keep in motion.

The outstanding evils characterizing our present order are three: First, the inability of all the people to become and remain continuously employed in producing the things they need. Second, the fact that, to maintain employment, both the public and private debt structure must continuously grow higher and higher, and can never substantially be reduced, save by cancelation. Third, the process of the concentration of wealth into fewer and fewer hands is quite automatic and unavoidable. These evils, however, do not arise because of profits or by virtue of "rugged individualism." All of them are the direct and inevitable results of the nontaxation of money, which permits surplus and idle money to be held indefinitely without loss and without cost. If, however, we shall lay a tax against money as I have herein outlined, all these evils would be eliminated from our economic system, and the really good parts would still remain. By means of this tax, we can reemploy all our people; we can rapidly retire our entire debt burden, both public and private, and remain out of debt in the future, and we can attain a gradual but certain dissemination of concentrated wealth among all the people. All these benefits would flow out of this bank-deposit tax measure as certainly and as automatically as the evils now suffered flow out of the nontaxation of money.

It is not necessary that we abandon the so-called capitalist system of industry or forfeit our complete liberty of action and initiative in order to effect the reemployment of our people. The measure outlined will not only bring universal employment and permanent prosperity, but it will also vastly enlarge individual opportunities for all our people.

I do not think we should hide our heads in the sand. I think we should take a realistic view of our problems always. There is always an adequate remedy for our ills, if we shall be diligent enough to find it and shall also have the courage to apply it.

Yours very truly,

JESSE A. LA RUE.

PROCESSING TAXES AND PROTECTIVE TARIFFS

Mr. NORRIS. Mr. President, I hold in my hand the February issue of the Harvard Law Review, in which appears an article by Henry M. Hart, Jr., upon the subject Processing Taxes and Protective Tariffs, which I think would be exceedingly interesting reading not only to Senators, but to everybody else. I ask unanimous consent that the article be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Mr. Justice ——— delivered the opinion of the Court:

In this case we must determine whether the provisions of the Tariff Act of 1930 (46 Stat. 590), commonly called the Smoot-Hawley Tariff Act, conflict with the Federal Constitution. The act is challenged by the petitioner on the authority of our recent decision in *United States* v. *Butler* (296 U. S. —), invalidating certain provisions of the Agricultural Adjustment Act, 1933 (48 Stat. 31).

The Tariff Act of 1930 is entitled "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes." Section 336 (a) of the act, entitled "Equalization of the Costs of Production", provides that "in order to put into force and effect the policy of Congress by this act intended", the Tariff Commission shall, on request of the President or of either or both Houses of Congress, on its own motion, or on application of an interested party, "investigate the differences in the costs of production of any domestic article and of any like or similar foreign article." If the Commission upon investigation and hearing finds that the duties expressly fixed by statute do not equalize such differences in costs of production, it is required so to report to the President and to specify what increases or decreases in the rate of duty fixed by statute, within a maximum limit of 50 percent, are necessary to effect such equalization. Section 336 (c) provides that the President shall by proclamation approve the changes reported by the Commission, if in his uncontrolled judgment "such rates of duty and changes are shown * * * to be necessary to equalize such differences in costs of production" (46 Stat. 701).

The petitioners made an importation into New York of cloth, in chief value of cotton, containing wool, which the collector of customs assessed at the dutiable rate of 70 percent ad valorem. This was 10 percent more than that fixed by statute (par. 906, ch. 497, 46 Stat. 642). The rate was raised by virtue of the proclamation of the President. Protest was made against payment both of the original duty and of the increase, and an appeal was taken under sections 514, 515, chapter 497, Forty-sixth Statutes, pages 734–735. The United States Customs Court unanimously upheld the constitutionality of the act. Thereafter the case was appealed to the Court of Customs and Patent Appeals, where the judgment was affirmed. In view of the manifest public importance of the question involved, we granted certiorari.

First. No question can here be raised as to the standing of the petitioners to contest the validity of the exaction. In this respect the obstacles in the way of the petitioners are much less serious than were those which confronted the taxpayers in the Butler case, supra. There the validity of the processing tax was attacked on the ground of the use to which its proceeds were to be put, by specific appropriation; and it was necessary for us, in order to hold the tax invalid, to distinguish the case of *Massachusetts* v. *Mellon* (262 U. S. 447), which decided that a Federal income-tax payer had no standing to question the validity of expenditures appropriated out of general funds. In this case we are spared the embarrassment of again drawing this delicate distinction which, if maintained, can so easily be evaded by Congress. For here the asserted unconstitutionality lies not in the regulatory operation of the expenditure but in that of the tax itself. As we said in the Butler case, "The tax can only be sustained by ignoring the avowed purpose and operation of the act, and holding it a measure merely laying an excise * * * to raise revenue for the support of government." When Congress undertakes to regulate

not by expenditure of the proceeds of a tax but by the imposition of the tax itself, it is obviously much more difficult, indeed, it is impossible to ignore the avowed purpose and operation of what it has done.

Second. We are thus brought immediately to the consideration of the great and controlling question in the case, whether the exaction of which the petitions complain is, as it purports to be, a tax, or whether in truth and effect, as the petitioners contend, it is but a cloak for the attainment of ends outside and beyond the powers of the Federal Government. The principles which must govern the decision of this question are set forth with simplicity and clarity in the opinion in *United States* v. *Butler*, supra. We there said, "A tax, in the general understanding of the term and as used in the Constitution, signifies an exaction for the support of the Government. The word has never been thought to connote the expropriation of money from one group for the benefit of another. We may concede that the latter sort of imposition is constitutional when imposed to effectuate regulation of a matter in which both groups are interested and in respect of which there is a power of legislative regulation. But manifestly no justification for it can be found unless as an integral part of such regulation."

The United States insists that the tariff act is merely a revenue measure levying an excise upon the importation of foreign goods. It is true that one of the avowed purposes of the act is to raise revenue, but so was it also of the Agricultural Adjustment Act. It is likewise true that the act does in fact produce substantial revenue, although in amounts far smaller than those produced by the processing taxes imposed by the Adjustment Act. These circumstances, however, cannot be permitted to blind us to the real character of the exaction. Beyond cavil the object of the legislation is "to encourage the industries of the United States" and "to protect American labor" by equalizing the costs of production at home and abroad, and in so doing to expropriate money from importers and consumers of goods, both foreign and domestic, and bestow it upon domestic producers.

"The tax plays an indispensable part in the plan of regulation" (*United States* v. *Butler*, supra). It is "the heart of the law", a means of helping domestic industries attain parity of costs with foreign competitors. The rate is fixed with the purpose of bringing about such parity. It is to equal "the differences in the costs of production of any domestic article and of any like or similar foreign article." It may be altered, indeed is required to be altered, in such amount—within a maximum limit of 50 percent—as the Commission and the President find necessary to promote the policy of the act. "The exaction cannot be wrested out of its setting, denominated an excise for raising revenue and legalized by ignoring its purpose as a mere instrumentality for bringing about a desired end. To do this would be to shut our eyes to what all others than we can see and understand" (ibid.).

It is hardly necessary to reiterate that the Federal Union is a government of delegated powers. From this established principle it follows that powers not expressly granted or reasonably to be implied from such as are conferred are reserved to the States or to the people. The same proposition, otherwise stated, is that powers not granted are prohibited. No power is given to legislate in order to increase or decrease the wages of labor engaged in local activities, or the profits of capital similarly engaged, and therefore legislation by Congress for that purpose is forbidden. The fostering of industries, whether infant or adult, is to no greater extent a permissible object of Federal concern than is the fostering of agriculture. The Constitution and its amendments will be searched in vain for any power to legislate for either purpose.

"It is an established principle that the attainment of a prohibited end may not be accomplished under the pretext of the exertion of powers which are granted. * * * The power of taxation, which is expressly granted, may, of course, be adopted as a means to carry into operation another power also expressly granted. But resort to the taxing power to effectuate an end which is not legitimate, not within the scope of the Constitution, is obviously inadmissible" (*United States* v. *Butler*, supra; compare *Child Labor Tax Case*, 259 U. S. 20; *Linder* v. *United States*, 268 U. S. 5, 17; *United States* v. *Constantine*, 296 U. S. —).

It is true, as insisted, that the Agricultural Adjustment Act expropriated money directly from processors and then turned over to farmers the very money so expropriated, whereas the protective tariff transfers its benefits more circuitously. The Constitution, however, cannot be concerned with the mere mechanics of expropriation. A tax which makes possible the profitable operation of a protected industry at the expense, in part directly of importers, and in the end indirectly of consumers, is no less to be condemned than one which similarly favors a farmer at the expense immediately of processors, but likewise in the end of consumers. No less than the Hoosac Mills Corporation in the Butler case have the petitioners in this case been required to pay money for the benefit of other groups in the community. No less in this case than in that is the exaction resisted as a step in an unauthorized plan to control matters outside the competence of the Federal Government.

Still more unsubstantial, if possible, is the objection that the beneficiaries of the Agricultural Adjustment Act were coerced, by purchase, to comply with affirmative regulations—regulations beyond the power of the Federal Government to command—whereas the benefits of the Tariff Act are conferred unconditionally. It was precisely because the Adjustment Act achieved its regulatory ends thus conditionally and indirectly that the appraisal of its constitutionality was attended by such difficulty. The tariff act flaunts the Constitution without subterfuge, employing its tax as the sole and direct instrument for the equalization of production costs in local industries throughout the country. Compare *United States* v. *Constantine*, supra.

Third. It is urged on behalf of the Government that the protective tariff is supported by the power to regulate foreign commerce, and our footnote to that effect in the Butler case, which cited *Board of Trustees of the University of Illinois* v. *United States* (289 U. S. 48), is referred to in support of the contention.

The constitutionality of a protective tariff was first considered in *J. W. Hampton, Jr., & Co.* v. *United States* (276 U. S. 394), and there sustained as a revenue measure. We said, "So long as the motive of Congress and the effect of its legislative action are to secure revenue for the benefit of the general government, * * * the existence of other motives cannot invalidate congressional action." At that time we were still adhering, for the most part, to our well-known doctrine that we would not inquire into the motives of Congress in levying a tax, a doctrine which had first been departed from in the Child Labor Tax case, supra, on the ground that there the nonfiscal motives were not merely incidental but primary. Recently, however, in the Constantine and Butler cases, we have adopted the principle that what all others can see and understand we will not shut our eyes to. Evidently we cannot shut our eyes to the motives of Congress when those motives are to benefit industrialists and open them when they are to benefit farmers. Nor can we say that the revenue motive is primary with a tariff that produces but $350,000,000 a year and not only less than primary but nonexistent with a processing tax which produces almost a billion.

In the University of Illinois case we abandoned without explanation our theory of a protective tariff as a revenue measure and referred it to the power to regulate foreign commerce. This was helpful in explaining a decision that the university was not entitled, as an instrumentality of the State, to an exemption from taxation on articles which it imported. Manifestly, we were not considering in that connection the use of the power to tax in order to regulate costs of production in every local enterprise throughout the land nor the use of the power to regulate foreign commerce for the same purpose; nor did we then have the benefit of the opinion in *United States* v. *Butler*, supra. This, indeed, is the conclusive answer to the Government's contention. Whether we were right in the Hampton case or in the University of Illinois case, or in both cases, we need not now determine. The power to levy a tariff for revenue only, or for revenue primarily, and the power even to impose an embargo (see *The Brigantine William*, 2 Hall's Amer. L. J. 255) in the genuine and not merely purported exercise of the power to regulate foreign commerce, may both be admitted, without going to the length of sustaining under either power the authority to equalize costs of production throughout the whole of agriculture and industry. The commerce power cannot any more than the taxing power be utilized for the attainment of a prohibited end.

This conclusion may be tested, if it can be thought to need testing, by supposing the processing tax levied by the Agricultural Adjustment Act to have been exacted as a condition of the movement in interstate commerce of processed commodities, or of unprocessed commodities intended for processing. Almost in terms our opinion in *United States* v. *Butler*, supra, will be found to condemn it. Such a conclusion, indeed, was anticipated by our decision at the previous term in the Railroad Pension case. We there pointed out that the "contentment" and "social welfare" of workingmen is not an object for the attainment of which the regulatory power over carriers engaged in interstate commerce can be exerted (*Railroad Retirement Board* v. *Alton R. Co.*, 295 U. S. 330, 368). Congress has no more power respecting the costs of industrial production than it has respecting "the fostering of a contented mind on the part of the employee." Compare *Schechter Poultry Corp.* v. *United States* (295 U. S. 495, 549).

The implications from a decision sustaining a contrary proposition would be startling. Compare *United States* v. *Constantine*, supra. If the cost of doing an intrastate business were itself the permitted object of Federal legislation, the extent of the legislation would be a question of discretion and not of power. Compare *Schecter Poultry Corp.* v. *United States*, supra, at page 549. If Congress can seek to bring about an equilibrium of costs, it can seek to bring about a disequilibrium, in favor of domestic producers. The concession of such a power would open the door to unlimited regulation of matters of State concern by Federal authority.

A few instances will illustrate the thought. As we observed in *United States* v. *Butler*, supra, "a possible result of sustaining the claimed Federal power would be that every business group which thought itself underprivileged might demand that a tax be laid on its vendors or vendees, the proceeds to be appropriated to the redress of its deficiency of income." The application of this statement to the question now before us needs no elaboration. What we said in the Railroad Pension case concerning the perils of a drive for "legislative largess" in "the halls of Congress' is equally pertinent. (See 295 U. S. at 351.)

Let us suppose Congress should determine that the farmer, the miner, or some other producer of raw materials is receiving too much for his products, with consequent depression of the processing industry and idleness of its employees. Though, by confession, there is no power vested in Congress to compel by statute a lowering of the prices of the raw material the same result might be accomplished, if the questioned act be valid, by lowering the tariff upon competing raw materials from abroad.

We have held in *Schechter Poultry Corporation* v. *United States*, supra, that Congress has no power to regulate wages in a local business. If the petitioners are right, this very end may be ac-

complished by removing a tariff from a protected industry so as, in effect, to compel a reduction in wages, or by restoring or increasing the tariff so as to make possible a restoration or even increase of wages. Should Congress ascertain that sugar refiners are not receiving a fair profit, and that this is detrimental to the entire industry, and in turn has its repercussions in trade and commerce generally, it might, following the example of the present law, impose a protective tariff of 2 cents a pound, thus increasing the price on every sale of the commodity, enabling the refiners to keep for themselves the funds so collected from consumers. Assume that too many shoes are being offered for sale throughout the Nation; that the market is saturated, the price depressed, the factories running half time, the employees suffering. Upon the principle of the statute in question Congress might simply raise the tariff so as to prevent the importation of foreign-manufactured shoes. Suppose that there are too many factory workers in the great industrial States; that this results in dislocation of the economic balance. Upon the principle contended for, the tariff on the principal manufactures of these States might be lowered while that protecting the products of the more sparsely populated States was increased. Thus, through the asserted power to impose a protective tariff, the Federal Government, against the will of individual States, might completely redistribute the industrial population. Whole intrastate industries might be made or destroyed merely by raising or lowering tariffs.

"These illustrations are given, not to suggest that any of the purposes mentioned are unworthy, but to demonstrate the scope of the principle for which the Government contends; to test the principle by its applications; to point out that, by the exercise of the asserted power, Congress would, in effect, under the pretext of exercising the taxing power, in reality accomplish prohibited ends. It cannot be said that they envisage improbable legislation" (*United States* v. *Butler*, supra).

Fourth. The remaining contentions of the Government may be dismissed summarily. We are told that the power to tax is inseparable from the effecting of consequences which Congress could not otherwise command; that every granted power of the Federal Government will be paralyzed if the motives and consequences of its exercise are themselves a limitation upon its scope. Whatever force these arguments might once have had, they come now too late. In *United States* v. *Butler*, supra, the same arguments were made and rejected. We are told that the power to levy a protective tariff is one which resides in the Government of every civilized country. The objection wholly and strangely misconceives the dual character of our constitutional system which differs radically from that of other nations where all legislative power, without restriction or limitation, is vested in a parliament or other legislative body subject to no restrictions except the discretion of its members. Again, we are told that as a practical matter it is unthinkable that the reserved power of the States, which we hold to have been invaded, should ever actually be exercised by the States.

We gave no weight to such considerations in the Butler case, however, and we shall give none here. We are told, finally, that the Tariff Act of 1930 was passed as a part of an effort by the party then in power to deal with a Nation-wide economic emergency; that that emergency has persisted; and that invalidation of the act at this time will be productive of economic distress and dislocation more widespread and intense than any which have preceded it. It is necessary simply to refer to recent decisions of this Court to show the irrelevance of these conditions. Emergency does not create or enlarge constitutional power (*Schechter Poultry Corporation* v. *United States*, supra, at p. 528). Such power is no more to be confused with economic than with social desirability (compare *Railroad Retirement Board* v. *Alton R. Co.*, supra, at p. 367). When an act of Congress is appropriately challenged as not conforming to the constitutional mandate, this Court has only one inescapable duty—to lay the article of the Constitution which is invoked beside the statute which is challenged and to decide whether the latter squares with the former.

Since, as we have found, there was no power in the Congress to impose the contested exaction, the judgment below must be reversed.

HENRY M. HART, Jr.

CONSTITUTIONAL DIFFICULTIES OF SELF-GOVERNMENT—ADDRESS BY DONALD R. RICHBERG

Mr. NORRIS. Mr. President, on the 16th of February Mr. Donald R. Richberg delivered an address in Boston on the subject Constitutional Difficulties of Self-Government. I ask that his address may be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The difficulties of self-government are as many as the obstacles to a blameless life. The politician who is not something of a statesman will lead us astray. The statesman who is not something of a politician will lead us nowhere. We may follow a demagogue to destruction, or a heavy thinker to futility. Our hope for useful leadership rests mainly with practical politicians who sincerely wish to render public service, who understand why we behave like human beings and who appeal not solely to our nobler passions, nor entirely to our baser appetites.

You can identify these men at the present time, because if they belong to the party in power you will find them doing all they can to assist the national administration to put in effect helpful public policies; and you will not find them masking personal antagonisms and political backsliding with emotional arguments about the Constitution and the imaginary dangers of communism.

In the opposition party you can also identify the useful leaders as those who are discussing the merits of alternative public policies; and who are not claiming that the particular opinions of a particular majority of the Supreme Court with which they happen to agree today are the last words of a superhuman wisdom which should determine the policies of the United States regardless of what a majority of 125,000,000 people may believe are sound public policies. Constitutional exhortations of that variety are simply efforts to evade discussing the real issues before the American people.

In order to establish self-government we must adopt a fundamental law providing for the organization of a State, distributing the governing powers, and declaring the political principles and purposes which are to be maintained. In the writing and execution of that fundamental law, which is called a constitution, the ideals of statesmen and the practical wisdom of politicians must be employed. A political system is thus established which will sustain by law the economic system through which the citizenship will obtain a livelihood. Then as the economic system changes, as new ways of earning a living develop, as new methods of producing and exchanging the necessities and comforts of life alter the habits, the interests, and the needs of the people, the political system must be modified and reconstructed so that it will continue to support the orderly operation of the economic system.

CHANGING CONDITIONS AND CHANGING LAWS

Necessarily we must continually revise the laws which regulate individual conduct. In days gone by the sewage of scattered homes or villages could be disposed of locally; but today the sewage of huge, crowded cities cannot be simply poured into a river to carry an intolerable pollution to other communities, even to other States. Furthermore, we have learned many things about sanitation and the spread of disease, of which our forefathers were ignorant. So we write many new laws; we undertake many new governmental duties; we impose many new public obligations. Problems that once were local become national. Laws and their administration that were once simple and inexpensive become complex and expensive. Taxes and governmental expenditures necessarily increase.

It is not politics, it is business that is regimenting our lives. It is not the political system, it is the economic system that is socializing our activities and modifying our pioneer individualism.

Our methods of earning a living are no longer merely the local concern of individuals and villages. The inhabitants of cities and States and of the entire Nation become interdependent upon the growing of wheat in Kansas, of corn in Iowa, of cotton in Texas, upon the making of textiles in the Carolinas, of shoes in Massachusetts, of clothing in New York, of meat in Chicago, and of automobiles in Michigan. The mining of coal, the production of oil, the making of steel, the generation of electricity, and the fabrication of articles of daily use in a thousand centers of manufacturing become matters of grave importance to all the people of the United States. Transportation, although essential to distribute the necessities of life to a huge population, is only one of the essential elements of a commerce which must be maintained "among the several States" in full vigor in order to keep all these people alive and healthy.

The entire Nation also becomes concerned with the human outpourings of this new economic system. If unprofitable farms pour into the cities millions of people looking for work, if city factories pour millions of discarded or outworn workers into the streets, there can develop rapidly a national problem of 10,000,000 or more unemployed wage earners, which offers the prospect of thirty or forty million men, women, and children destitute and facing starvation. This is not simply a problem for New York or Chicago or New Jersey or Indiana to solve. Local governments could not support this increased burden even if they could confine their obligation to their own citizens and compel them to stay at home. Too much of the wealth of cities and States under our new economic system is siphoned out of them into national reservoirs, where it can only be subjected to social obligations through national taxation. It has also been proved conclusively that only the national credit is sufficient to meet the needs of a national emergency.

The stream of commerce that flows throughout the Nation is like the circulatory blood system in the human body. It cannot be maintained as a life-giving flow of goods and services merely by regulating the movement of the stream. If the processes of production are polluting the stream with economic diseases, such as unemployment, destructive trade practices, inadequate wages for industrial workers, and inadequate prices for farmers, the blood of the Nation will not sufficiently nourish the body; and it will carry disease to the vital organs, which are being poisoned by accumulated waste. Muscles will become flabby and nerves will become jittery. When the Nation is sick the blood stream of commerce cannot be purified, either by regulating its flow or by merely pumping in some new blood—obtaining a transfusion from the national credit.

FEDERAL LEGISLATIVE POWER

What this Nation has needed and needs today to insure a health-giving stream of commerce is constitutional treatment; this is, cooperative action in support of the economic system of private enterprise. This action has been authorized in the Constitution of the Nation, in the grant of power to the Congress to provide for the general welfare and to regulate commerce among the States. And yet, by some supreme process of illogic, that is

exactly the action which, when undertaken by the Congress of the United States, we are now being told is unauthorized and unconstitutional. We are being told that the Federal Government can provide for the general welfare by levying taxes and spending money, but not by regulating production or business done within a State; and that the Federal Government can regulate the flow of commerce, but not the production or distribution of articles of commerce within a State.

We know, however, that no single State can prevent or control commercial intercourse with other States, because that is prohibited in the Constitution. And we know that no single State can provide for the general welfare of citizens in other States. So, if we are being told the truth about the lack of power in the Federal Government, the fact must be that there is no governmental power anywhere to sustain the modern economic system of production and distribution with a cooperating political system; and that the people of America must either simply trust to Providence to maintain a healthy blood stream of commerce or else must rewrite the Federal Constitution so that, when the stream of commerce is polluted and stagnating, some power of government may be available to stop the progress of a dangerous disease and save the life of the Nation.

But is it the truth that the Federal Government lacks this essential power of self-preservation? Is it the truth that our forefathers in their wisdom denied this power to the National Legislature and reserved to the States or to the people a power to protect the general welfare which they cannot exercise? We are being told that the Supreme Court has so decided. We are told this most frequently by those whose knowledge of law and the opinions of the Supreme Court is limited to reading a few recent opinions in which members of the Supreme Court have differed most vigorously in their statements of what is the law.

On the other hand, men who have devoted their lives to a study of the Constitution and the opinions rendered by the Supreme Court during nearly 150 years, know that the Supreme Court has held over and over again that the Federal Government possesses the very powers that are now being substantially denied. There have been many differences of opinion as to the manner in which those powers can be exercised and the limitations within which they must be exercised. But the entire course of the supreme judicial opinion since the days of Chief Justice Marshall has steadfastly maintained the fundamental authority of the Federal Government which is now disputed, and has steadily expanded the area of Federal control far beyond the limits now being proclaimed.

DEBATABLE QUESTIONS OF CONSTITUTIONALITY

There is no sound basis for the contention which is frequently made today in order to attack and discredit the legislative program of the present administration—the claim that laws have been enacted in willful disregard of clearly established limitations upon the legislative powers of the Congress. Uncertainty as to the constitutionality of new legislation designed to meet new needs is an old, old story to those who have any comprehensive knowledge of the origins of the Federal Constitution, the intentions of those who wrote it, and the constructions and interpretations of its broad phrases which have been written in hundreds of the opinions of the Supreme Court.

There has been no law of major importance enacted by the Federal Government in all our history which involved the exercise of the indefinite powers of the Congress or which might be subject to the indefinite limitations upon those powers which has not been attacked as unconstitutional. There have been erected in the opinions of the Supreme Court scores of tombstones sacred to the memory of expensive constitutional lawyers who had assured their clients and argued to the Court that Federal statutes were unconstitutional. At rarer intervals you will find in this judicial cemetery a slab bearing the name of a lawyer for the Government whose argument in support of a Federal law has been judicially buried, although probably by only a majority of the justices, with a dissenting opinion chiseled on the stone for the solace of the bereaved.

NEW DEAL LEGISLATION

There has not been a single law sponsored by the present administration whose constitutionality has not been upheld by a large number of Federal judges or other expounders of constitutional law prior to its disapproval by a majority of the Supreme Court. In the case of the National Industrial Recovery Act, which was unanimously disapproved by the Court, the law had been previously upheld by no less than 65 district judges and 3 circuit courts of appeals; and the final decision reversed the unanimous opinion of 3 of the ablest Federal judges sitting on the United States Circuit Court of Appeals, who had vigorously upheld the constitutionality of the law.

Does it not seem a trifle silly to argue that a law such as the A. A. A. should not have been enacted, because at the present time there happen to be on the Supreme Court three justices who think that the law is constitutional and six who think it is unconstitutional? This makes it plain that a majority of nine other equally able judges might have upheld the law. When there is ground for reasonable debate over a constitutional question, should the Congress always refrain from exercising its power? That doctrine would have prevented the passage of a large percentage of our present Federal laws. On the contrary, the Supreme Court has always held that, so long as there is a reasonable doubt as to a constitutional objection it is the duty of the Court to uphold the law. If, therefore, the Congress had been advised in advance that there was a conflict of opinion in the Supreme Court as to the constitutionality of the Agricultural Adjustment Act, the Congress would have been fully justified in deciding that it had the power to pass the law and in assuming that the Court would feel in duty bound to uphold the judgment of the National Legislature. This is because the Constitution does not give to the Supreme Court any authority to review a legislative determination of public policy, or to review the wisdom of a law, or to overrule a reasonable legislative construction of the Constitution.

CONSTITUTIONAL LIMITS OF JUDICIAL AUTHORITY

This is a long-established limitation on the power of the Court, which was reaffirmed as recently as March 1934, when the Supreme Court again sustained the legislative power to adopt "whatever economic policy may reasonably be deemed to promote public welfare"; and held that: "The courts are without authority either to declare such policy, or, when it is declared by the legislature, to override it" (291 U. S. 502).

Since it is apparent that a great many people do not understand what makes a law "constitutional" or "unconstitutional", it seems worth while to emphasize that the Supreme Court has not been given an unqualified authority to settle such questions. The Court has, in fact, no authority to overrule the action of the Congress in adopting, and acting in accordance with, its own reasonable construction of the language of the Constitution.

This legislative power which must be respected by the Court is made clear in an opinion of the Court, written by Justice Holmes, which holds:

"It is not enough that a statute goes to the verge of constitutional power. We must be able to see clearly that it goes beyond that power. In case of real doubt a law must be sustained" (207 U. S. 79).

Those who yearn for a high degree of efficiency in government may think that the Supreme Court should have the power to nullify all laws of doubtful constitutionality. But that is exactly the power which has never been claimed by the Court and which is not given to the Court by the Constitution.

THE GREAT COMPROMISE OF 1787

The superior wisdom and lasting quality of our Constitution lies in the fact that many well-recognized principles of executive efficiency were set aside in 1787 in order to compromise the demands of conflicting interests.

To establish a Federal Union by consent of 13 independent States it was necessary to provide overlapping authorities for the State and Federal Governments, thereby insuring a future unending conflict in the making of laws.

To prevent the dominance of either the legislative, executive, or judicial power it was necessary to provide overlapping authorities for three groups of public officials, thereby insuring a future unending conflict in the interpretation and enforcement of laws.

To prevent the Government from regulating too freely the life of the individual citizen it was necessary to reserve to the people certain ultimate rights, thereby insuring a future unending conflict over the extent to which the power to make and enforce laws had been granted to either the State or Federal Governments.

If any claim had been made in 1787 that an ideally efficient Government had been established, it would have been refuted by the unanimous denial of the members of the Constitutional Convention. They sought and found a workable adjustment of different theories of government and opposing economic interests which were, and always will be, in profound conflict. And the great principle which triumphed in establishing a Government of "checks and balances" was the principle that self-government is a process of continuing compromise. The establishment of that principle gave to our experiment in government one of its most enduring qualities.

JUDICIAL DECISION OF INEVITABLE CONFLICTS OF LAW

But when our Federal Union of sovereign States was established on the basis of perpetuating a conflict of authority between State and Federal Governments and between independent branches of both Governments, and between granted powers and reserved rights, it was clearly necessary to provide also for the decision of the controversies which were thus made inevitable. As the basis for such decisions it was written that—

"This Constitution and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding."

It is evident that the primary purpose of this language was to provide that in any conflict between any State laws and the laws of the United States which were either written in the National Constitution or under its authority the national law should be supreme.

To insure this national supremacy, it was further provided, in Article III of the Federal Constitution, that the judicial power of the United States should extend to all cases arising under the Constitution and laws of the United States and should be vested in one Supreme Court and such inferior courts as the Congress might establish.

Thus a clear method was provided for the judicial decision of any conflict between Federal and State authority. The law of the United States, written in the National Constitution, or written by the Congress under the authority of the Constitution, was made supreme. But ever since the beginning of the Republic the question has been raised as to who shall finally decide whether a Federal statute is a law of the United States when the objection is made that the Constitution does not give the Congress any power to enact such a law.

We can save ourselves much useless argument if we will promptly admit that the Supreme Court must have the authority to pass upon this question. It is the duty of the Court to uphold the requirements of the Constitution as the supreme law of the land; and if any act of the Congress, or any act of an executive official, clearly violates a provision of the Constitution, the Court must be expected to enforce the law of supreme authority against the law of inferior authority.

For example, the Constitution provides that "no tax or duty shall be laid on articles exported from any State." Certainly, the Supreme Court, being required to accept that prohibition as the supreme law, could not enforce an act of Congress laying a duty on the exports from any State.

The Constitution prohibits the Congress from interfering with religious freedom, or abridging freedom of speech or freedom of the press, or denying trial by jury. These prohibitions would become meaningless if the judges were not also bound by their oaths to respect them and, therefore, to refuse to enforce any act of Congress which clearly violated this supreme law.

Not only is the obligation to decide whether a Federal law, as well as a State law, conforms to the requirements of the Federal Constitution imposed upon the Supreme Court by the Constitution, but it is absolutely necessary, in a government wherein conflicts of law are inevitable, to have the supreme judicial authority empowered to make a judicial decision as to what law shall be enforced.

Nevertheless, the very fact that this power has been given, and must be given, to the Supreme Court makes it necessary for the Court itself to observe most scrupulously the constitutional limitations upon its own authority. Where there is a clear conflict between a State and Federal law, or where either a State legislature or the Congress enacts a statute which clearly violates some express requirement of the Federal Constitution, both legal opinion and the common judgment of the people will support the Supreme Court in maintaining the supreme authority of the Constitution and holding a legislative act invalid.

When, however, the Congress of the United States has enacted a law which is challenged upon the ground that it does not come within a broad indefinite grant of power, or that it is forbidden by some undefined limitation upon the legislative power, then a serious question arises as to the extent of the authority of the Supreme Court to overrule the judgment of the Congress. The Justices of the Supreme Court have themselves bitterly disagreed over the constitutional limitations upon their authority in such cases from the earliest deliberations of the Court down to its most recent opinions.

The most learned students of the law have pointed out that the Members of Congress, the President, and other executive officers, as well as Justices of the Supreme Court, have all taken an oath to support the Constitution. Since there are three independent branches of the Government, each deriving its authority from the Constitution, each has the independent obligation to decide what is a constitutional exercise of its authority; and there is nothing in the Constitution which requires one to subordinate its judgment to another.

HISTORIC DIFFERENCES OF OPINION

President Johnson vetoed the reconstruction acts on the ground that they were unconstitutional. President Taft vetoed the Webb-Kenyon Act on the same ground. But when these acts were passed over the veto both Presidents held it to be their duty to execute them as the law—accepting the final authority of the law-making body to enact a law conforming to its construction of the Constitution. Both laws were later upheld by the Supreme Court. To reverse this picture we may also recall that President Jackson vetoed the charter for a national bank on the ground that it was unconstitutional, although the Supreme Court had held it was constitutional. It is also well to remember that the Supreme Court once held an obstruction to navigation was unlawful, but when Congress then passed a law making the obstruction lawful this reversal of its opinion was accepted as binding on the Court.

In the Legal Tender cases the Supreme Court held that Congress had no power to make "greenbacks" legal tender; and then in a later case overruled its former decision. Time and time again the Supreme Court has reversed or greatly modified a former ruling, thereby changing its construction of the Constitution, either because of changing conditions or because of the altered views of the judges or a change in the membership of the Court.

In a score of recent cases it has been made apparent that it has not been the unalterable requirements of the Constitution, but the debatable opinions of the Justices of the Supreme Court, which have determined whether an act of Congress would be enforced as a law of the United States or nullified on the ground that it was unconstitutional.

Yet it was Abraham Lincoln, in his first inaugural, who said that "if the policy of the Government upon vital questions is to be irrevocably fixed by decisions of the Supreme Court, the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal." Nor should it be forgotten today that Lincoln was elected and the Republican Party came into power on a platform denouncing the "political heresy" of a decision of the Supreme Court.

IS THIS A "GOVERNMENT OF LAWS"?

There would be no truth in the assertion that we have a Government of laws, made by the elected representatives of the people, if in fact the Congress of the United States were only permitted to enact such laws as met with the approval of a majority of nine men appointed for life, who had the power to construe and modify the Constitution according to their political and economic opinions and accordingly to enforce or to nullify acts of Congress, and whose exercise of this power was subject only to their own self-restraint. The dangers of such an exercise of an unrestrained authority were made quite clear in the recent dissenting opinion of Justice Stone in the A. A. A. case; and they have been pointed out by practically every member of the present Supreme Court in opinions rendered in the last 2 years.

In three notable cases Justices Van Devanter, McReynolds, Sutherland, and Butler joined in dissents, in one of which Justice McReynolds said: "The impending legal and moral chaos is appalling" (294 U. S. 330). In another case the same Justice said that a "facile disregard of the Constitution as long interpreted and respected will inevitably lead to destruction" (291 U. S. 502). In another case Justice Sutherland said: "If the provisions of the Constitution be not upheld when they pinch as well as when they comfort, they may as well be abandoned" (290 U. S. 398). Then, in a realinement of the prevailing majority, Chief Justice Hughes, in a dissenting opinion in behalf also of Justices Brandeis, Stone, and Cardozo, said that the opinion of the other five Justices showed "a departure from sound principles and places an unwarranted limitation upon the commerce clause" (295 U. S. 330).

Shortly thereafter came an opinion by Justice Cardozo, in behalf also of Justices Brandeis and Stone, criticizing the majority opinion which held a Federal taxation law to be unconstitutional on the ground that, despite its declared purpose, the real purpose of the law was to regulate matters outside Federal control. This minority opinion said: "Thus the process of psychoanalysis has spread to unaccustomed fields" (80 L. Ed. 195).

Then came the notable conflict of opinion in the A. A. A. case, in which Justice Stone, in behalf also of Justices Brandeis and Cardozo, complained of "a tortured construction of the Constitution" by which the power to tax and spend which "the Constitution gives to Congress, in specific and unambiguous terms", was held "subject to limitations which do not find their origin in any express provision of the Constitution" (80 L. Ed. 287).

It is apparent from the foregoing quotations that all the present members of the Supreme Court have at one time or another taken the position that their associates were writing into the Constitution meanings which were not necessary and unavoidable, but which, on the contrary, represented a choice between debatable constructions of the Constitution. In a word, the undefined powers and limitations in the Constitution are being given by the decisions of the Court not those meanings which they must have but those meanings which a majority of the judges believe they ought to have. Thus the Constitution is being continually amended by the opinions of the Supreme Court, and this has been the practice since the beginning of our Government; a practice described and criticized in scores of opinions by eminent justices holding the most conservative as well as the most liberal views.

RESPECT FOR DECISIONS AND CRITICISM OF OPINIONS

The decisions of the Supreme Court must be respected and obeyed by law-abiding persons. But the power of self-government would be abdicated if the people of the United States failed to exercise freely their right to criticize the soundness and the wisdom of the opinions of the Court, and, by a habit of silent deference, permitted the Court to assume the unconstitutional authority of a final arbiter of public policy. The folly of such a subservient attitude was explained long ago by the late Chief Justice Taft, who said (in 1895):

"The opportunity freely and publicly to criticise judicial action is of vastly more importance to the body politic than the immunity of courts and judges from unjust aspersions and attack. * * * There are few men, whether they are judges for life or for a shorter term, who do not prefer to earn and hold the respect of all, and who cannot be reached and made to pause and deliberate by hostile public criticism. In the case of judges having a life tenure, indeed, their very independence makes the right freely to comment on their decisions of greater importance, because it is the only practical and available instrument in the hands of a free people to keep such judges alive to the reasonable demands of those they serve." (Quoted with approval by President Theodore Roosevelt in his sixth annual message.)

Abraham Lincoln exercised this right of criticism when he said: "We think the Dred Scott decision is erroneous. We know the Court that made it has often overruled its own decisions, and we shall do what we can to have it overrule this."

THE OPPOSITION OF THE UNDEMOCRATIC PARTY

Today the coalition leaders of the undemocratic party, in their desire to establish an authority beyond the reach of public opinion, may repudiate the Republican leadership of Lincoln and Taft, as well as the Democratic leadership of Jefferson, Jackson, and Roosevelt. They have apparently undertaken to spend enormous amounts of money for the purpose of persuading the American people that they should regard the Constitution as a "civil bible" and the opinions of a shifting majority of Justices of the Supreme Court as the inspired revelations of divine wisdom. One of these leaders recently had the audacity to assert at a dinner of the undemocratic party that God has given us the kind of Supreme Court that cannot be moved by public opinion and to demand that the people pay the same reverence to the conflicting constitutional doctrines and revelations of the Justices that they would pay to the Holy Scripture.

Now, it is entirely proper to advise the American people to respect the law, and to respect and obey the decisions of the Supreme Court. But laws enacted by the Congress are also entitled to respect and to obedience so long as they are within a reasonable

construction of the constitutional authority of the Congress. We will not inspire respect for law by encouraging disrespect for those chosen to make the laws and respect only for those who overrule the lawmakers.

And, so long as we intend to remain a free, self-governing people, we cannot sanction any effort to establish the worship of a man-made document and reverence for its human interpreters as a state religion. We cannot tolerate the effort of a political organization to coerce the will of the people by proclaiming the divine authority of any hierarchy of public officials to decide what laws may be enacted to provide for the common defense and general welfare of the American people. We cannot permit criticism of public servants and discussion of public issues to be stifled by the assertion of divine rights.

On the contrary, as a free people we must maintain that those who disagree with the constructions placed upon the broad clauses of the Constitution by a majority of the Supreme Court have exactly the same right as those who agree to believe that their opinions are in accord with the fundamental purposes and principles of the Constitution and with the intentions of those who established the original Constitution and the subsequent amendments.

HISTORIC SUPPORT OF THE POWERS EXERCISED BY CONGRESS

A startling example of this right to disagree with opinions of the Supreme Court is given when we look into the origin of the principal difference of opinion concerning the constitutionality of most of the so-called New Deal legislation. A large part of this legislation has been based upon the assumption that the Congress has been granted the power to enact such legislation under the specific grants of power to the Congress to lay and collect taxes, "to pay the debts and provide for the common defense and general welfare of the United States", and the power "to regulate commerce * * * among the several States."

But the Supreme Court has held in several recent cases that the power to enact laws to provide for the general welfare, or to regulate interstate commerce, is restricted by the power reserved to the States to regulate local activities, including the production of industrial and agricultural products. Yet long ago and often the Supreme Court has held that there are no reserved rights of the States "in hostility to the authorized exercise of Federal power." So said Justice Hughes in the *Minnesota Rate Cases* (230 U. S. 352).

It is, moreover, apparent that the States are separately incapable of adequately protecting or regulating industry or agriculture, because the States are forbidden to prevent the import of articles from other States; they cannot regulate interstate commerce; and they cannot protect their citizens from unfair competition in the production and distribution of products in other States. The result is that under the Constitution the States are denied the authority to protect local commerce by regulations affecting interstate commerce; and the Federal Government, under the decisions of the Supreme Court, is denied the authority to protect interstate commerce by regulations affecting local commerce. Thus, between the acknowledged areas of Federal and State regulation we have a growing area where no regulatory power of government can be exercised. We have a vacuum in which there can be no valid laws; an area of anarchy in which there can be no effective restraint upon activities destructive of the public interest; an area in which both State and Federal Governments are helpless to promote or to protect the general welfare.

Our forefathers, when they wrote the Constitution, realized that such a vacuum, in which legal authority could not function, would be abhorrent and intolerable, and they deliberately decided that the authority of the Federal Government should be extended over this area.

THE PLAN OF WASHINGTON, MADISON, AND RANDOLPH

In the Constitutional Convention of 1787 the so-called Virginia plan was brought in by Governor Randolph, of Virginia, supported by George Washington and James Madison, and was finally adopted by a vote of 8 States in favor and only 2 opposed. It read:

"*Resolved*, That the National Legislature ought—

"1. To possess the legislative rights vested in Congress by the Confederation; and

"2. Moreover, to legislate in all cases for the general interests of the Union, and

"3. Also in those to which the States are separately incompetent, or

"4. In which the harmony of the United States may be interrupted by the exercise of individual legislation."

This resolution, having been approved, was then sent to the Committee of Detail for drafting, and since no revision of the plan was thereafter discussed, it is evident that this plan was substantially written into the Constitution in the two clauses of section 8, article I, wherein it was provided that "the Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States"; and "to regulate commerce with foreign nations and among the several States."

If these clauses of the existing Constitution are construed in the light of their origin, it becomes apparent that they were intended to provide, in accordance with the Virginia plan, for legislation "for the general interests of the Union" and in all cases where "the States are separately incompetent" or where "the harmony of the United States may be interrupted by the exercise of individual legislation."

Therefore, when the power to legislate for the general welfare or to regulate interstate commerce is now held restricted by the powers of the States to legislate in matters where the States plainly cannot provide for the general welfare and cannot regulate interstate commerce, the result is to deny to the Federal Government exactly that power which those who wrote the Constitution of the United States intended to confer upon the Federal Government. Such a doctrine does not take us "back to the Constitution" of our forefathers, but carries us away from the purposes and the wisdom of the Constitution as they wrote it. We are carried back behind the Constitution of the Union—back to the preceding Articles of Confederation which were inadequate to make us a nation.

DANGERS OF ABUSE OF POWER

It may be conceded that there are dangers in the grant of broad powers to the Congress to legislate in order to provide for the general welfare and to foster and to protect interstate commerce. But that is no basis for denying to the Federal Government the authority which no State can exercise and which it is essential to have exercised.

Justice Stone, in the dissenting opinion in *United States* v. *Butler* (the A. A. A. case) answered the contention that a clear Federal power should be restricted because of the danger of its abuse, in the following language:

"The suggestion that it must now be curtailed by judicial fiat because it may be abused by unwise use hardly rises to the dignity of argument. So may judicial power be abused."

The sound corrective for an abuse of power by a legislative body is, as Justice Stone asserted, an appeal "not to the courts but to the ballot and to the processes of democratic government."

If, in the opinion of a majority of the Supreme Court, a Federal law, in attempting to provide for the general welfare or to regulate interstate commerce, goes too far in the direction of controlling matters of local concern and in restricting the powers of local self-government, the decision of this issue of public policy should not finally rest upon the political or economic opinions of the judges, but upon the deliberate judgment of the people acting through their elected law-making representatives.

WHY AMEND THE CONSTITUTION?

Those who argue that a method of amending the Constitution is provided and should be followed if the people disagree with the Supreme Court, overlook the fact that what is needed, for example, in this present situation, is not a change in the Constitution, but a change in the construction placed upon the Constitution by a majority of the Supreme Court. The power granted in the Constitution to provide for the general welfare, or to regulate interstate commerce is redefined in every case presented to the Court, according to the opinions of the Justices, as to how far this power can be exercised to control local activities, because, for example, the Court has repeatedly held that activities wholly within one State can be regulated by the Federal Government when such regulation is necessary to protect and promote interstate commerce.

It is manifestly unsound to suggest that every time the Court redefines the extent of the Federal authority in order to answer the questions presented in a particular case, that construction ought not to be changed except by two-thirds of the Congress submitting an amendment for the approval of three-fourths of the States. The Court itself can overrule or modify its opinion within a week or a month or after several years. But if such a change in the law of the United States can only be made either by a change in the opinion of the Court or by a constitutional amendment, the judicial power is given a dominance over the legislative power which was never intended and in which in the long run will be intolerable in a democratic form of government wherein the legislative power conferred upon the elected representatives of the people should be, in fact as in name, the dominant law-making power. As Justice Holmes wrote long ago: "It must be remembered that legislators are the ultimate guardians of the liberties and welfare of the people in quite as great a degree as the courts" (194 U. S. 267).

AN APPROPRIATE CONSTITUTIONAL REMEDY

It would be wholly consistent with the principles of our Constitution to provide that when a law not clearly prohibited by definite language in the Constitution had been held constructively unconstitutional by the Supreme Court, then the Congress should have the authority to reenact the law, notwithstanding the construction placed upon the Constitution by the Supreme Court. To give opportunity for a previous expression of public opinion this authority might be conferred upon the Congress assembled after the next succeeding general election.

This suggestion follows the proposal made over 130 years ago by the greatest expounder of the Constitution in our entire history. In 1804, facing the threatened impeachment of a Justice of the Supreme Court, the great Chief Justice Marshall himself wrote:

"A reversal of those legal opinions deemed unwise by the Legislature would certainly better comport with the mildness of our character than a removal of the judge who has rendered them unknowing of his fault."

Following the same logic, if those debatable opinions of the Court which construe an indefinite requirement of the Constitution were deliberately reversed by the Congress of the United States, this procedure would better comport with the principles of our Government than a process of amending the Constitution itself in order simply to change the debatable construction placed on the Constitution by a majority of nine judges.

CONCLUSION

We shall not solve the constitutional difficulties of self-government by empowering any small group of men—no matter how learned, how far-seeing, and how wise—to determine the extent

to which the elected representatives of the people shall be permitted to enact laws, which in their judgment are necessary for the general welfare and are consistent with the principles and methods of government ordained in the Constitution of the United States.

The proposition that the public policies of the Nation shall be determined by the political and economic opinions of a small group of men holding office for life and not made responsible to any corrective power of public opinion is fundamentally undemocratic. It can only be supported by those who lack faith in popular government and are always seeking some method of establishing some benevolent autocracy which can be relied upon to save the people from themselves and to furnish a continuing protection for the more fortunate members of society against the pressure of the less fortunate.

But let there be no mistake. The ultimate aim of this undemocratic program is not to enthrone the judges as a benevolent autocracy. The judge who is convinced of his own superior wisdom and integrity of purpose is, however, a helpful instrument for denying lawmaking powers to the elected representatives of the people and of establishing a higher law than the statutes—a higher law which is not found in the clear requirements of the Constitution, but in the ever-changing construction of vague phrases.

Sanctimonious reverence is given to such judicial opinions when they aid large private interests to escape public obligations. Thus, economic powers are enabled to dominate political powers; and the private custodians of concentrated wealth are able to control public services. And thus is created, again, around the dominant figures in our economic system, the ancient divinity that once did "hedge a king", and citizens of a democracy are gradually transformed into subjects of an economic kingdom.

Those who would have the Constitution regarded as a sacred writing of divine origin, and then exalt the justices of the Supreme Court to the position of priests of an established religion, whose interpretations of this writing must be accepted as the authentic reading of divine commandments, are not engaged in perpetuating the institutions of a democracy. They are, in fact, seeking to reestablish the divine right of kings in another disguise. And to them the faithful defenders of constitutional liberty and the powers of self-government may well answer in the words of the poet who wrote:

"All we have of freedom, all we use or know—
This our fathers bought for us long and long ago.
* * * * *
Howso' great their clamour, whatsoe'er their claim,
Suffer not the old King under any name!"

PARK, PARKWAY, AND RECREATIONAL-AREA FACILITIES

Mr. WAGNER. I move that the Senate proceed to the consideration of Calendar No. 1611, being House bill 10104.

The VICE PRESIDENT. The clerk will report the bill by title.

The CHIEF CLERK. A bill (H. R. 10104) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof.

The VICE PRESIDENT. The question is on the motion of the Senator from New York.

Mr. McNARY. Mr. President, without expressing an opinion concerning the merits of the bill, but in the nature of a parliamentary inquiry, I ask would not the motion, if it should prevail, run counter to the unanimous-consent agreement entered into yesterday and displace the unfinished business, the consideration of which has been merely postponed until Wednesday next?

The VICE PRESIDENT. If the Senate should now decide to adopt the motion submitted by the Senator from New York, on next Wednesday, if the bill covered by the motion should still be before the Senate, it would be displaced by the unanimous-consent agreement entered into yesterday.

Mr. McNARY. Then, if the motion submitted by the Senator from New York should prevail, it would not displace the unfinished business?

The VICE PRESIDENT. It would not displace the unfinished business. On next Wednesday morning the bill referred to by the Senator from New York would be displaced, if then under consideration, by what is known as the Norris rural-electrification bill.

Mr. McNARY. So, if the motion should prevail, and the bill referred to by the Senator from New York should continue under consideration until Wednesday next, at that time the unfinished business, which has been temporarily laid aside, would again become the unfinished business of the Senate.

The VICE PRESIDENT. The Senator states the situation correctly.

The question is on the motion of the Senator from New York.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 10104) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof, which had been reported from the Committee on Public Lands and Surveys with amendments.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Public Lands and Surveys was, in section 1, page 2, line 17, after the word "them", to strike out "and may accept unconditional donations and gifts from private agencies, instrumentalities, and individuals", so as to make the section read:

That the Secretary of the Interior (herein called "the Secretary") is authorized and directed to cause the National Park Service to make a comprehensive study, other than on lands under the jurisdiction of the Department of Agriculture, of the public park, parkway, and recreational-area programs of the United States, and of the several States and political subdivisions thereof, and of the lands throughout the United States which are or may be chiefly valuable as such areas. The said study shall be such as, in the judgment of the Secretary, will provide data helpful in developing a plan for coordinated and adequate public park, parkway, and recreational-area facilities for the people of the United States. In making the said study and in accomplishing any of the purposes of this act, the Secretary is authorized and directed, through the National Park Service, to seek and accept the cooperation and assistance of Federal departments or agencies having jurisdiction of lands belonging to the United States, and may cooperate and make agreements with and seek and accept the assistance of other Federal agencies and instrumentalities, and of States, political subdivisions thereof, and the agencies and instrumentalities of either of them.

Mr. COUZENS. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Michigan?

Mr. WAGNER. I yield.

Mr. COUZENS. May I have an explanation as to why that provision is proposed to be stricken out by the committee?

Mr. WAGNER. The provision relating to the acceptance of donations?

Mr. COUZENS. Yes.

Mr. WAGNER. The expenses of making the survey are really devoted to financing a public function. They are not mere donations of property. Therefore, the committee felt that they ought to be borne by a governmental appropriation. There was apprehension that otherwise private individuals or institutions proposing to make such a donation might influence or even perhaps control the survey and the method of procedure.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Idaho?

Mr. WAGNER. I yield.

Mr. BORAH. My attention was diverted when the section was read. Is it the object of the bill to procure a survey, as it were, of park possibilities?

Mr. WAGNER. Exactly.

Mr. BORAH. It does not undertake to establish parks and does not authorize the establishment of parks in and of themselves?

Mr. WAGNER. No. The bill provides for a survey of lands in the United States for the purpose of ascertaining whether some of the property not otherwise needed may be transferred to a State for the purpose of having a coordinated park system. But such a transfer will not be allowed until first, the President of the United States approves; second, the department having the particular property under its jurisdiction approves; and third, Congress approves; so that in effect this proposal is merely for a report of a survey to the Congress. I think it is a very desirable measure.

Mr. KING. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. KING. Does not the bill go a little further than indicated by the Senator? I notice in line 25, page 2, the word "establishing." It would seem that the bill contemplates not

only the necessary preliminary work to plan for parks but it goes further and uses the word "establishing." It not only proposes to plan parks, State or National, or both, but to establish the parks, State or National, or both.

Mr. WAGNER. That cannot be done until Congress actually approves the establishment of the parks.

Mr. CONNALLY. Mr. President——

Mr. WAGNER. I yield to the Senator from Texas.

Mr. CONNALLY. The bill provides that the Secretary may transfer these lands. Apparently that may be done without the approval of Congress, but merely under a report to Congress.

Mr. WAGNER. In the first place, the President must approve; in the second place, the department having the property under its jurisdiction must approve; and in the third place, Congress must approve. The approval must be in the form of action within 100 days after the report is submitted to Congress.

Mr. CONNALLY. Does the Senator contend that the failure of Congress to act would constitute approval? If the matter is reported to Congress and we for some reason do not act within 100 days, does that constitute approval?

Mr. WAGNER. If we were not in session, the matter would go over to the following session, and we should then have 100 days while Congress is in session.

Mr. CONNALLY. But Congress has to veto it affirmatively within 100 days, and if we do not, then the transfer becomes effective. I am not favorable to any such proposal.

Mr. WAGNER. This is not a new provision or a new suggestion. We advocated the same policy and had an identical provision in the case of the powers granted to the President to reduce duties; and the position of the Democratic Party several years ago was that his approval should not be final unless Congress also approved. I think 100 days is ample time to consider the question of the transfer of property.

Mr. KING. Mr. President, will the Senator yield?

Mr. WAGNER. Certainly.

Mr. KING. The Senator will recall that so many transfers of public lands were made by executives without the authority of Congress that finally Congress enacted a law forbidding the transfer of lands except by the Congress, because under the Constitution of the United States, as the Senator well knows, Congress has full authority over the public lands, and the President of the United States has not.

I am not in favor of permitting the President of the United States or any department to transfer lands to States or to political subdivisions of the States. Any public domain that is transferred ought to have the affirmative approval of legislative enactment of the Congress of the United States. I share the apprehension expressed by the able Senator from Texas [Mr. CONNALLY] in regard to this provision.

Mr. WAGNER. The desire of the committee was that when a plan had been agreed upon as desirable from the standpoint of contributing to the health and recreation of the people of the United States some action ought to be assured. That is the reason that the 100-day limitation was inserted in the bill. But I am not at all wedded to the idea. If it is the feeling of the Senate that before such property can be transferred it should receive the affirmative approval of the Congress without any limitation as to the time within which the approval shall be given, I shall not press the matter.

I think this is one of the most worthy and most important social measures that has been before the Congress. It provides for the health and recreation for the people of the United States.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Idaho?

Mr. WAGNER. I yield.

Mr. BORAH. The Senator suggests a question now as to the necessity of Congress acting without limitation of time. I hope the Senator will amend eliminating that requirement.

Mr. WAGNER. I have just said I am not wedded to the idea. The committee thought that was a way to assure action by Congress, but if it is desired by the Senate that we remove this limitation upon the time during which Congress may approve, I am quite satisfied.

Mr. BORAH. I should very much prefer to have that limitation omitted.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WAGNER. I yield to the Senator from Kentucky.

Mr. BARKLEY. As I understand this provision, it does not provide for transferring title from one department of the United States Government to another, but only for transfer to a State or subdivision of a State.

Mr. WAGNER. Yes.

Mr. BARKLEY. It is not similar to the proposals we have had up heretofore, authorizing the President to transfer the activities of one department to another department.

Mr. WAGNER. No; quite the contrary, I may say to the Senator. No transfer of this property may be made, even to a State, unless the head of the department having that property under his jurisdiction approves it. This was inserted to overcome the opposition there was to the original bill, based upon the apprehension that the old bill might have permitted transfers from one department to another.

Mr. BARKLEY. The Senator knows that many of the States, including my own, are now actively engaged in the development of parks. It has become a source of great pride in some of the States to develop outstanding places of scenery and recreation for State park purposes; and, of course, there is cooperation between the State park departments and the National Park Service. As I understand, this provision is simply to enable the Federal Government to make transfers to the State park agencies which are developing local parks, in order that there may be coordination and cooperation between them.

Mr. WAGNER. Yes. I wish all the Senators could have had the privilege I had, along with some other members of the Public Lands and Surveys Committee, of visiting our national parks at the end of the last session. During our trip we had a number of hearings. Not only is there great local interest in these parks and their development but the appreciation which the public has of the accessibility of these parks to persons of moderate means was evidenced by the fact that this year, I am told, there was the largest attendance that there has been in the history of the parks. I desire to pay a tribute to our National Parks Service for the magnificent way in which the parks are run for the benefit of our citizens.

Mr. BORAH. Mr. President, I quite agree with the view which the Senator expresses; but I do want the bill so framed that Congress may have a voice in the ultimate determination.

Mr. WAGNER. If some amendment of that kind is offered, I am quite willing to have it adopted.

Mr. KING. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. KING. I ask the attention of the Senator from Texas [Mr. CONNALLY] and the Senator from Idaho [Mr. BORAH]. Would not this amendment meet the criticism just made?

On line 7, page 3, strike out the words "the President of the United States" and insert "Congress", so as to read:

> That for the purposes of this act, and subject to the approval of Congress, the Secretary is authorized to transfer—

And so forth.

That is now the law with respect to the public domain. No transfer may be made of the public domain today except by act of Congress, and when Congress approves, of course, that means the President of the United States.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. HARRISON. Would it not be better, on pages 4 and 5, beginning at line 25 on page 4, to strike out the remainder of the paragraph down to section 6 on page 5? In other words, strike out beginning at the words "after the expiration of 100 calendar days" and ending with the words "special session", just before section 6, and substitute therefor "when approved by Congress." It seems to me that would make it very simple.

Mr. WAGNER. That would be all right. I will say to the Senator that I think that amendment is preferable. There is the feeling among the various departments that one may,

in its activities, invade the province of another. The amended language will still require the approval of the department having jurisdiction, even before it comes to Congress.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. WAGNER. Yes.

Mr. BARKLEY. I am afraid the Senator's suggested amendment, at the bottom of page 4 and the top of page 5, will not cover the entire situation, because it refers only to transfers under subsection (1) of section 4, on the same page. Section 3 provides for transfers with the approval of the President to the States and subdivisions of the States; so if what the Senator is trying to do is to provide that any transfer, either under section 3 or under section 4, must be approved by Congress, he does not do it by the amendment he has suggested.

Mr. WAGNER. Mr. President, the transfer is really limited to the land set forth in section 4, as I read the bill. For instance, on lines 15 and 17 of section 3, it is provided:

> In the event that title to or jurisdiction over any land described in section 4 hereof is held in the name of any Federal agency or instrumentality, the Secretary is authorized to accept transfer thereof on behalf of the United States.

Mr. O'MAHONEY. Mr. President——

Mr. WAGNER. While the discussion is going on I should like to inquire where the amendment ought to be made, since it is apparently the desire of the Senate to make it.

Mr. KING. Mr. President, while the Senator is making the investigation, will he yield?

Mr. WAGNER. Certainly.

Mr. KING. It seems to me the amendment I have suggested meets the whole situation, and it is in conformity with existing law.

Mr. WAGNER. That may be true.

Mr. KING. Under the present law—and Congress forced that law through because, as I said, of the making of unwise and inexpedient withdrawals of public domain by the Executive—Congress said that no transfer of the public domain shall be made without the approval of Congress. It put into effect the constitutional provision that Congress has jurisdiction over all public domain.

Mr. WAGNER. Will the Senator permit me to examine the matter? Perhaps the Senator is right. In that event we probably should have to strike out section 5; but that would take only a moment.

Mr. KING. If this transfer is to be made by Congress, that is all that is needed. Then the National Park Service may prepare their plans and submit them to Congress, and if Congress enacts a law permitting the transfer the park will be established. Otherwise it will not be. I desire Congress to have the final say; not the President; not any department of the United States.

Mr. HATCH. Mr. President, will the Senator yield for just a moment? I desire to get his amendment clearly in my mind.

As I recall, he suggested that on page 3, line 7, the words "the President of the United States" be stricken out and "Congress" inserted in lieu thereof.

Mr. KING. Yes.

Mr. HATCH. That, then, would make all transfers under the bill require the approval of Congress.

Mr. KING. Absolutely.

Mr. HATCH. If that should be done, section 5 could be eliminated entirely.

Mr. KING. I think so.

Mr. WAGNER. I think so, too; but let us see.

Mr. KING. Let the Park Service make the surveys and submit them in concrete form, with recommendations as to the lands to be transferred. Then, if Congress desires to transfer the lands, if it desires to alienate the territory of which it is the trustee, it may do so; but I am not willing to leave to any department, or to the President of the United States, authority to transfer the public domain.

Mr. BARKLEY. In view of the fact that section 3 applies to all transfers under the bill, and not simply to those under section 3, it seems that the language suggested in section 3 should be sufficient to cover transfers under sections 3 and 4, because it refers to the bill instead of merely to the section.

Mr. WAGNER. I think if the amendment suggested by the Senator from Utah should be accepted, it would obviate the necessity of section 5 of the bill.

Mr. KING. I think so.

Mr. McKELLAR. It might as well be stricken out entirely.

Mr. WAGNER. Yes; it might be eliminated entirely. Does the Senator from Utah desire to offer the amendment?

Mr. KING. I do. Of course, I do not wish to offer anything that is inexpedient or improper; but it does seem to me that we ought to follow the course which Congress has pursued after calm deliberation, and because of the invasions by executive and other departments of the rights of Congress.

Mr. BORAH. Mr. President, the object may be accomplished by striking out "the President of the United States" and inserting "Congress."

Mr. KING. Exactly. That was the amendment I offered.

Mr. BORAH. Has that motion been made?

Mr. KING. I offer that amendment.

Mr. WAGNER. That is quite satisfactory to me.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senator from New York has the floor.

Mr. CONNALLY. There is an amendment pending, if the Senator from New York wishes to speak on that amendment; but I am protesting against the Senator from New York concluding the matter by accepting the amendment without any debate. I wish to debate the amendment.

Mr. WAGNER. I am not attempting to conclude the matter. My views were asked, and I have said that, so far as I am concerned, I approve the amendment.

The PRESIDING OFFICER. The pending amendment is on page 2.

Mr. CONNALLY. Mr. President, I shall support the amendment offered by the Senator from Utah; but it does not cure the matter simply to insert "with the approval of the President." All of section 5 ought to come out.

Mr. WAGNER. Yes; I said that.

Mr. CONNALLY. Furthermore, Mr. President, I desire to submit some remarks on the whole bill.

Frankly, I think this bill is of much more importance and more far-flung than Senators realize. Let us see what it does.

In section 1 the bill authorizes, supposedly, merely a survey by the Secretary of the Interior of the park facilities of the United States and of the several States and political subdivisions—all the State parks. Very well. Let us see what else the bill proposes to do after this study shall have been made.

The Secretary is authorized to cooperate with States and their subdivisions and with subdivisions and instrumentalities of the Federal Government; and then at the end of the bill there is a general authorization of any amounts Congress may see fit to appropriate for all these purposes.

Section 2 directs the Secretary to aid the States in planning and establishing such areas. The bill commits the Federal Government to going out and making agreements with States and political subdivisions about their parks.

Mr. McKELLAR. Mr. President, will the Senator yield to enable me to ask a question of the Senator from New York?

Mr. CONNALLY. Yes.

Mr. McKELLAR. How much is it estimated it is going to cost to make this survey?

Mr. WAGNER. We were told by the representatives of the Interior Department that no appropriation at all would be necessary.

Mr. McKELLAR. The bill provides for an appropriation.

Mr. WAGNER. An authorization.

Mr. McKELLAR. An authorization; and wherever there is an authorization, an appropriation is always asked for.

Mr. CONNALLY. Mr. President, section 2 gives the Secretary of the Interior blanket authority to go out and

negotiate with States for planning their parks and establishing them. What does it mean by "establishing"?

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. I do.

Mr. LOGAN. That is true; section 2 does give the right to cooperate with the States to plan and to join in the establishment of parks; but sections 3 and 4 limit the part the Secretary may have in the establishment of parks. That is, certain lands which, after investigation, are found to be fitted for recreational or park purposes may be transferred to the States. The Secretary may not establish parks under this bill in any other way, or take any part in their establishment except to transfer the land.

Mr. CONNALLY. I thank the Senator.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. CONNALLY. Let me first answer the Senator from Kentucky, and then I will be glad to yield to the Senator from New York.

What the Senator says is very true, but the Senator knows that the experience with the departments is that when we give these blanket authorizations they come to the Congress and want the money. Then a State may say, "You have broken faith with us unless you appropriate the money. The Secretary of the Interior told us that he was going to establish this park, and now we want the money."

I yield to the Senator from New York.

Mr. WAGNER. Mr. President, as I understand the Senator, he complains that we are proposing to give power to a member of the Park Service to make a survey of State recreational facilities.

Mr. CONNALLY. I do not object to that, but I am talking about the authority to establish, authorizing them to go out and join a State in establishing a park.

Mr. WAGNER. The bill refers to the establishment of the area, but before anything can be done by way of transfer to a State Congress has to approve. There is no better way of safeguarding the matter. To present additional obstacles is tantamount to disagreeing with the whole venture.

Mr. CONNALLY. Let me say to the Senator that I am not out of sympathy with the establishment of parks; I am for it in all proper cases. But I am not favorable to Congress delegating to the Director of National Parks, or to anyone else, the sweeping and almost unheard of powers which this bill proposes.

Mr. WAGNER. I have tried to emphasize, and I think the provisions of the bill sustain my position, that all this bill does is to authorize the making of a survey, in order to ascertain what the recreational facilities of the States are, and what properties the Federal Government owns which may be useful to States in the development of a coordinated park system. After that is done, Congress will determine whether the transfers should be made and the parks established.

Mr. CONNALLY. That will be true, probably, if the suggested amendment shall be adopted, but that is not what the Senator from New York wanted. He wanted the bill as it was written, and that is what I am protesting against. The very fact that he is willing so quickly to abandon it shows how vicious it is.

Mr. WAGNER. Those are very unkind words.

Mr. CONNALLY. They are not meant to be unkind.

Mr. WAGNER. The entire Committee on Public Lands, which is composed of very conscientious Members of this body——

Mr. CONNALLY. Absolutely.

Mr. WAGNER. They all agreed to this plan. As a matter of fact, I have less knowledge upon this subject than the other members of the committee. I am guided a good deal by them. So I do not claim all the credit, nor do I deserve all of the criticism which has been showered upon me.

Mr. CONNALLY. Mr. President, I retract any loose diatribes which may have been expressed by me or anyone else. I should like to have the Senator's attention if I am to reply to him. I think the Senator, after shooting me below the collar, should, at least, give me the courtesy of listening to what I am trying to say to him.

Mr. WAGNER. If the Senator is offended by anything I have said, I withdraw it.

Mr. CONNALLY. I am not offended, but I do say that the Senator is unusually disturbed in thinking I had any personal reference about this bill. I am speaking legislatively. I say I think it is a bad bill. That is no reflection on the Senator or on the committee, because there are many bad bills which come before the Congress—many bad bills come out of committees. I am not attacking the Senator's good faith, but I say it is a bad bill as it was reported, and the Senator acknowledges that, because he forswears the biggest part of it, willingly and gladly, when he is shown how bad it is.

Now let us see what section 3 provides. I said the bill gave unheard-of power to the Secretary of the Interior.

Mr. MINTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Indiana?

Mr. CONNALLY. I yield.

Mr. MINTON. Before the Senator leaves section 2, I should like to ask him whether he believes that the authority granted therein to the Secretary of the Interior, where he is authorized to aid the several States, would permit the Secretary of the Interior to commit the Federal Government to the expenditure of Federal funds in the planning and establishment of such areas?

Mr. CONNALLY. It might not in a binding fashion, but it would certainly do so morally and put the Congress in the attitude of having the States come here and say, "You have pledged it and caused us to spend a lot of money making surveys and plans, and now you are not carrying out the project."

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. BARKLEY. With reference to the question propounded by the Senator from Indiana [Mr. MINTON], of course, as a practical matter, we understand that there is and ought to be cooperation between the State park departments and the National Park Service. All this means, as I understand it, is that through the National Park Service the Federal Government may cooperate with the States in the matter of making surveys of national parks or of State parks. It may put at the disposal of a State park commissioner, for instance, the facilities of the National Park Service, and aid them in any proper way in deciding whether there shall be a park area set aside. I do not understand that it authorizes the Secretary of the Interior to make any allotment of funds to a State park.

Mr. CONNALLY. I do not so contend, and have not so contended. I say specifically that legally it would not be binding on the Federal Government, but if we authorize the Secretary to aid the States in planning and establishing parks, then they will come back to the Congress and will want the Congress to approve what has been done, which will put the Congress in the attitude of acceding or repudiating his actions and offending the States.

Mr. McADOO. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. McADOO. Does not the Senator from Texas think it would be advisable to omit the words "and establishing", in line 25?

Mr. CONNALLY. I do.

Mr. McADOO. I think that is a dangerous feature of the section.

Mr. CONNALLY. I think so.

Mr. McADOO. I see no objection to the bill being passed giving power to plan or consider, so that the matter may be submitted to the Congress for final action, but I think the words "and establishing" bring up an important question.

Mr. CONNALLY. I thank the Senator. His interruption is quite in point.

Mr. BARKLEY. Mr. President, that is only a substitute for language which is stricken out, which was in the bill as it passed the House, and which included more than we included here. The language of the bill as it passed the House was "planning, establishing, improving, and maintaining." The Senate committee has stricken out that language, and limited the authority of the Secretary to "planing and establishing."

Mr. CONNALLY. The Senate committee amendment could be amended by striking out the words "and establishing."

Mr. BORAH. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BORAH. I do not know whether the Senator has reached the point or not, but I do not understand the language in lines 13 and 14 in section 3.

Mr. CONNALLY. I was just coming to that.

Mr. BORAH. Very well.

Mr. CONNALLY. I thank the Senator. What is proposed in section 3 of the bill? The proponents of the bill are not content with giving authority to the Secretary to dispose of any lands the Federal Government may now own, but the bill provides:

That for the purposes of this act, and subject to the approval of the President of the United States, the Secretary is authorized to transfer to any State or political subdivision thereof by lease, for such terms as he may deem best—

It is up to the Secretary to give away, by lease or otherwise, the public domain—

or by patent, such right, title, or interest in or to the land described in section 4 hereof as he may deem advisable: *Provided*, That all minerals in the land patented or leased shall be reserved to the United States. No lands shall be transferred, however, except with the approval of the head of the department having jurisdiction thereof.

Is that the language to which the Senator from Idaho referred?

Mr. BORAH. Yes; it seemed to me that provision placed the power back in the hands of the Department with reference to the matter of transfer.

Mr. CONNALLY. It does, in effect; because while Congress, under the proposed amendment, would have to approve it, Congress could not approve it unless first it had been endorsed by the head of the Department.

Mr. BORAH. Not only that, but it would seem that even if the Secretary did approve it, it could not be transferred.

Mr. CONNALLY. Unless the amendment should be made very clear, that would be possible.

Mr. WAGNER. Mr. President, will the Senator yield further?

Mr. CONNALLY. I yield.

Mr. WAGNER. That provision was inserted because of the apprehension of the Department of Agriculture that some of the national forests might be transferred without the consent of the Department. In order to assure everyone that no such transfer could be made without the consent of the head of the department concerned, this limitation was put into the bill. In addition, the whole thing is subject to the approval of Congress.

Mr. CONNALLY. It will be if this amendment shall be adopted.

Mr. WAGNER. It was before.

Mr. CONNALLY. I do not agree with the Senator about that.

Mr. WAGNER. We will not quarrel about that.

Mr. CONNALLY. I will get to that in a moment.

Mr. KING. Mr. President, will the Senator yield?

Mr. CONNALLY. In just a moment I will yield.

I do not want to quarrel with the Senator from New York, though he seems very much disposed to do so. I am a man of peace, and I refuse to be drawn into any acrimonious discussion on this or any other matter with the Senator from New York. In fact, I am somewhat in the mood of the Senator from Illinois some years ago, when he was challenged by a Senator on the other side of the Senate in these words:

I hope the Senator from Illinois will not draw his sword on the Senator from New Hampshire.

The Senator from Illinois replied:

Mr. President, allow me to assure the distinguished Senator from New Hampshire that if the Senator from Illinois ever points his sword at the Senator from New Hampshire, it will be tipped with a rose.

[Laughter.]

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Kentucky; but before I do so I wish now to paraphrase, in the case of the Senator from New York, the language heretofore used by the Senator from Illinois. If the Senator from Texas ever draws a weapon on the Senator from New York, it will be a toy pistol.

Mr. WAGNER. Fine! I never carry any kind of weapon, so the Senator is safe so far as I am concerned.

Mr. BARKLEY. I hope the Senators will not toy with each other about it.

Mr. CONNALLY. I now yield to the junior Senator from Kentucky.

Mr. LOGAN. Mr. President, I wish to find out whether I understand the present situation.

As I understand, the only disagreement between the Senator from New York and the Senator from Texas arises by reason of the fact that under the original bill when a transfer was made it had to go to Congress, and Congress had a right to disapprove it within 100 days; and if Congress did not disapprove it——

Mr. CONNALLY. Then it became final.

Mr. LOGAN. Yes; if Congress did not disapprove the transfer it became final.

Mr. CONNALLY. That is true.

Mr. LOGAN. The Senator from Texas, knowing the habits of Congress and that at times it is a little somnolent and sleepy, is afraid Congress might not find out about it in 100 days.

Mr. CONNALLY. And very important matters may press us.

Mr. LOGAN. Mr. President, if I understand the pending bill, I am very much for it. If I do not understand it, I desire the Senator from Texas to put me right.

As I comprehend the bill, it gives the Department of Agriculture power to make investigations in the States concerning their recreational facilities, their parks, and matters of that kind. Then it gives the departments having control of public lands power to make investigations to find out whether some of the lands owned by those departments will fit in with State projects, and the departments are authorized to convey their lands to the States. Therefore it is necessary to establish park areas in conjunction with the Federal Government. After the investigation has been made and it is found that some department of the Government owns land which will fit into a State project and is suitable for that purpose, that department has the power to transfer the land to the State or the municipality, provided Congress approves the transfer. Is not that about all there is to the bill?

Mr. CONNALLY. With the proposed amendment; yes.

Mr. LOGAN. I assumed, for the purpose of my question, that the amendment was accepted.

Mr. CONNALLY. It is not yet adopted.

Mr. LOGAN. As I understand the Senator from Texas, he thinks the amendment will be adopted, but he is going to make a speech against the bill on the idea that the amendment will not be adopted.

Mr. CONNALLY. No; I am now speaking on the amendment. It is up for consideration, and I am speaking on it.

Mr. LOGAN. I do not see the harm which the Senator anticipates could flow from the enactment of the bill.

Mr. CONNALLY. Is not the Senator from Kentucky in favor of the amendment?

Mr. LOGAN. I shall vote for it, but I do not care whether or not it is adopted. I do not think it makes any difference one way or another. I do not think Congress, however slow it is going to be, will allow a matter like that to be overlooked for a whole hundred days while Congress is in session.

Mr. CONNALLY. I have known Congress to overlook much more important matters than that for longer periods than 100 days.

The disagreement between the Senator from New York and myself is this: He insists that under the terms of the original bill the Department is required to submit its report to Congress, and if it does submit its report and Congress takes no action within 100 days such failure to act becomes the approval of Congress. I submit that such failure to act is not the approval of Congress. It could only be what it is—the omission or failure of Congress to act.

That is not affirmative approval by Congress; and I insist that before these wholesale alienations of public lands shall be effectuated, the affirmative approval of Congress shall be had.

If any Senator objects to that, I am sorry; that is all. I am glad to have convinced the Senator from Kentucky to the extent that he is going to vote for the amendment, though he did not care anything about whether or not it was adopted.

Mr. LOGAN. Mr. President, will the Senator further yield?

Mr. CONNALLY. I yield.

Mr. LOGAN. I do not think there is a single Senator in the body who has expressed any intention of voting against the amendment. The Senator from Texas is trying to prove a case that seems already to have been well proven.

Mr. CONNALLY. I thank the Senator, because I have tried to prove it. Let us look at section 4. I am talking about the bill. I do not believe it had thorough consideration in the committee, and that is no reflection on the chairman of the committee.

What does section 4 provide? It contains the language "any land heretofore or hereafter acquired"—any land that the Federal Government may own. We know that throughout the United States there are literally hundreds of old post-office sites, valuable property in the cities of this country, worth millions of dollars in the total. Every city would be glad to have these old sites converted into public squares or public parks.

Mr. LOGAN. Mr. President, will the Senator further yield?

Mr. CONNALLY. I yield.

Mr. LOGAN. I ask the Senator if he will not read section 3 and then read the limitation imposed upon section 3 by section 4. The difficulty the Senator is laboring under is that he has stopped before reading all of the bill.

Mr. CONNALLY. Oh, no, Mr. President.

Mr. LOGAN. The power to alienate, as conferred in section 3, is limited to the property defined and described in section 4. Post-office buildings and other buildings of that kind do not fall within the limitation. They are excluded by the limitation in section 4.

Mr. CONNALLY. Where is the limitation in section 4?

Mr. LOGAN. It requires that only those properties which are suitable for park and recreational facilities and things of that kind shall be used in conjunction with the State or municipality.

Mr. CONNALLY. All right, Mr. President; I accept the Senator's construction. He is a distinguished lawyer, and I follow the court.

The Senator says the alienation applies only to such property as the Secretary of the Interior regards as proper for park purposes. What would be more proper and more appropriate for a park purpose than a piece of property situated in a great crowded city containing a post-office site on the public square? It would not take a Secretary of the Interior to know that that would make a fine park area or a plaza or a square giving that city a breathing space.

Mr. McADOO. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. McADOO. I should like to say to the Senator from Texas that I think his point is well made; and I cite him to the city of New York, where the old Federal building, which has now been abandoned for the new one, stands adjoining the City Hall Square. It is a very valuable property; and, as I read the pending bill, the power is conferred to transfer property of that kind.

Mr. CONNALLY. If the Congress thinks it should be.

Mr. CHAVEZ and Mr. BARKLEY rose.

The PRESIDING OFFICER. Does the Senator from Texas yield; and if so, to whom?

Mr. CONNALLY. I yield to the Senator from New Mexico. He has been on his feet several times.

Mr. CHAVEZ. I desire to give the Senator from Texas some instances in my State.

The Government has acquired various Mexican and Spanish land grants, from 20,000 acres up to 60,000 acres. While we are in sympathy with the policy of the National Park Service, under this bill those lands could be used only for national-park purposes. While we have considerable worry as to where we are going to feed our stock, which under present economic circumstances is of more vital importance than additional parks, these lands would be made into national-park areas in order to provide a place for us to go on a Sunday picnic, but would not permit us to take care of the present-day depression.

It is not only important that some of these lands be used for national-park purposes but it is most important that they be used as a means of providing existence for the people of the State. Conditions of that sort arise also in other States.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BARKLEY. Right along the point suggested by the Senator from California [Mr. McADOO], I think the amendment which is going to be adopted——

Mr. CONNALLY. Mr. President, the Senator from Kentucky states with some assurance that the amendment is going to be adopted. I cannot say that that is the case.

Mr. BARKLEY. No; I do not make the statement with any assurance. I take it for granted that the amendment is going to be adopted. The amendment has been suggested, and those in charge of the bill have agreed to accept it, and I think we may assume that it will go through without any great amount of trouble. It might shorten the debate to have a vote on the amendment and decide whether or not to adopt it.

Mr. CONNALLY. I thank the Senator from Kentucky for suggesting that I vacate the floor; but I have been very generous with the Senator, and have already yielded to him three times during this discussion.

Mr. BARKLEY. I know the Senator has done so. The Senator is always instructive and entertaining when he speaks, and I would not for anything be the means of taking him from the floor. It might clarify the situation, however, to have a vote taken on the question as to whether we shall adopt the amendment; and if it shall be defeated, then all these arguments against the amendment may be justified.

Getting back to the point under consideration, in the city of Louisville a new post-office building was built and the old one abandoned, in the very heart of the city. My colleague from Kentucky and I have made every possible effort to induce the various departments of the Federal Government to use the old abandoned building instead of renting space all over town for the activities of the Federal Government; but inspectors have examined the old building and reported adversely upon it, saying it would cost more money to renovate the old building than to pay rent.

I myself do not see any objection to the Federal Government donating to the city or the county that property, located in the very heart of the city, in order that the old building may be cleared off and the land turned into a park for the benefit of the people. I am not asking that it be done—and it cannot be done under this bill—but there are many such instances where it could be done.

Mr. CONNALLY. It cannot be done unless the bill is amended.

Mr. BARKLEY. The bill is going to be amended; but there are many instances of that sort where the Federal Government has property which is not in use at all and is only a roosting place for bats and owls, an eyesore to the community in which it exists; a place which ought to be used for some useful purpose. In such a city, where our forefathers were rather short-sighted, as in most cities, with respect to providing recreational and park areas for the benefit of the people, I cannot imagine a finer use to which such land may be put than to make it into a park, where the people may gather for recreational purposes.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I fully appreciate the observations of the Senator from Kentucky [Mr. BARKLEY]; but we are faced with a very difficult problem. We feel very deeply sympathetic toward the policy of the National Park Service, and we know that there are many areas in the West which may be utilized for national-park purposes; but we are also interested in grazing. In my particular State hundreds of thousands of acres have been acquired by agencies of the Federal Government, and we insist that it is just as easy and of just as much importance to use those particular lands for grazing purposes as for park purposes, in order to make a living for the people in the community. It is just as important to do that as it is to allow somebody to go there on Sundays to enjoy the place for recreation.

Mr. BARKLEY. Mr. President, I agree with that statement; but the bill provides that such transfer which is to be made by Congress, if the amendment shall be adopted, shall be of lands that are particularly fitted for park purposes.

Mr. CHAVEZ. But who decides that?

Mr. BARKLEY. Congress will, in that case.

Mr. CHAVEZ. In my opinion, section 4 practically gives complete authority to the National Park Service.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. CONNALLY. I now yield to the Senator from New York.

Mr. WAGNER. I am not sure, but I think the Senator has misapprehensions about this particular legislation.

Mr. President, will the Senator from Texas permit me to interrupt him further?

Mr. CONNALLY. I yield to the Senator.

Mr. WAGNER. What this bill provides is that, subject to the approval of Congress, Federal lands which may be useful for recreational purposes and which a State may desire for a coordinated park system may be transferred to the State. To do so it will be necessary, first, to obtain the consent of the Federal Government through Congress, and then there must be a desire on the part of the State to have the transfer made. There is nothing in the bill which authorizes the Federal Government to go into a State and confiscate territory or take away grazing property or to use any property for purposes other than the Congress and the State have agreed upon.

Mr. CHAVEZ. And the lands which have been acquired by the Federal Government will not be transferred until a bill shall be passed.

Mr. WAGNER. Is the Senator speaking of lands in his State which are owned by the Federal Government?

Mr. CHAVEZ. I am speaking of lands which have been acquired by the Federal Government.

Mr. WAGNER. In the Senator's State?

Mr. CHAVEZ. Yes; in my State.

Mr. WAGNER. Unless the State desires their retransfer to the State, there is nothing in this bill which will affect the existing situation. I feel sure that the Senator did not understand the provisions of the bill in that respect.

Mr. CONNALLY. Mr. President, I wish to be courteous to the Senators, but I hope I will not be interrupted, as I wish to conclude my remarks.

The Senator from Texas is chairman of the Committee on Public Buildings and Grounds and he knows to be true what the Senator from California says about old post-office sites throughout the country. The Committee on Public Buildings and Grounds receive a great many communications requesting that valuable public sites, worth millions of dollars, be given away simply on the plea that they will make nice parks. I think the Federal Government is under no obligation to furnish people within the States their own parks. I should like to see the Government cooperate in establishing parks or any other public improvements, but if the people do not want them badly enough to put up some of their money, they are not going to do them or anybody else much good.

Mr. WAGNER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from New York?

Mr. CONNALLY. While I asked not to be interrupted, I will yield to the Senator.

Mr. WAGNER. If it does not disturb the Senator——

Mr. CONNALLY. Not at all. The Senator's interruptions ornament the debate.

Mr. WAGNER. I thank the Senator for his compliment. Even if undeserved, it is pleasant to hear.

The Senator from California gave as a hypothetical case the transfer of property in New York City, upon which the old post office is now located and which under this bill might be used for park purposes. It so happens that I was connected originally with the legislation that provided for the construction of the new courthouse and new post office. In that legislation it was provided that upon the construction of the new courthouse—and the city of New York made a contribution of the property to the Federal Government—the title to the old courthouse would be transferred to the city of New York. So the Senator has chosen a very unfortunate illustration.

Mr. CONNALLY. The Senator from California was unfortunate in the allusion, but the Senator from New York was fortunate that the city got the property.

Mr. WAGNER. We gave more to the Federal Government than was received in return.

Mr. CONNALLY. I did not know that that situation existed. I absolve myself; I did not know anything about it; and I hope the Senator from New York will draw no unpleasant deductions.

Mr. WAGNER. Oh, no.

Mr. McADOO. Mr. President, will the Senator from Texas yield to me for a moment?

Mr. CONNALLY. I yield.

Mr. McADOO. I may say that I think the city of New York was extremely fortunate in getting the legislation about which my distinguished friend from New York has informed us. I was not familiar with that condition, and I was using it only as an illustration. If, of course, the title still remains in the Federal Government a transfer could be effectuated under this bill.

Let me say just a word further. I am in sympathy with the general purposes of the bill, but I do not think the interests of the General Government are sufficiently protected against possible transfers or possible commitments which I think ought, in their finality, to be approved affirmatively by the Congress, and I am in sympathy with the view that it would be well to reconstruct the bill so as to give more effective protection to the Federal interests than is provided in the bill as now drafted. That is the only idea I have in mind in connection with the measure.

Mr. WAGNER. Mr. President, I do not want to let go unanswered the suggestion that the Federal Government conferred upon New York City a great favor in transferring this property, the old post-office site, to New York City. In return for that transfer the city gave property which I think—and as was established by an appraiser—was worth more than what the Federal Government gave to the city of New York.

Mr. McADOO. May I interrupt the Senator there to say that I do not dispute that? But it is not material.

Mr. WAGNER. The Senator said that the city of New York was fortunate.

Mr. McADOO. It is not material to the point I was making, because I only used it as illustrative, upon the theory that such a transfer had not as yet been accomplished.

Mr. CONNALLY. Mr. President, the Senator from California simply meant that if that could happen in New York City it could happen anywhere.

Mr. McADOO. Yes. As I recall the situation, I think the site of this building was originally a part of the City Hall Park.

Mr. WAGNER. Yes; and it belonged to the city of New York.

Mr. McADOO. And the city of New York conveyed it, for a consideration, to the Federal Government. I think the Government paid money for it, and the exchange of properties was, therefore, perfectly proper and was provided for in the original law. But the point I was making, in supple-

menting the argument of the Senator from Texas, was that where no such condition exists, under the bill, as I read it hurriedly, I think the Government might be committed to the transfer perhaps of very valuable property without any further affirmative action on the part of Congress. I think the bill should be safeguarded more effectively than has been done in the measure as reported to the Senate.

Mr. WAGNER. While the Senator is addressing himself to a proposed amendment, let me say that I think an amendment has been generally accepted, and with that amendment all the safeguards that can possibly be provided are provided, namely, that nothing can happen until Congress approves.

Mr. CONNALLY. Mr. President, I hope the amendment will be agreed to, but I have not consulted the Senators around me. I have only heard the Senator from New York and the Senator from Kentucky give assurances that it is going to be done, and I have no right to assume that other Senators are not going to express their own wishes and views when the time comes to vote.

Mr. President, in addition to the old post-office sites throughout the country there are many Army posts which have been abandoned or are not used by the Government; there are all sorts of public property of that kind throughout the United States which under this bill as drawn could be given away by the Secretary of the Interior on the theory that the property will make nice parks. So, Mr. President, I think this bill ought to go back to the committee for redrafting; and I move, therefore, that the bill be recommitted to the Committee on Public Lands and Surveys.

Mr. REYNOLDS and Mr. KING addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. REYNOLDS. I yield to the Senator from Utah.

Mr. KING. I wish to make a few remarks in my own time.

(At this point Mr. SMITH gave notice that on Monday, Mar. 2, 1936, he would ask the Senate to consider the veto message of the President on the crop production loan bill (S. 3612); and Mr. LEWIS secured permission to have printed in the RECORD an article by Mr. PITTMAN. Both matters appear under the appropriate headings elsewhere in today's RECORD.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes.

PARK, PARKWAY, AND RECREATIONAL-AREA FACILITIES

The Senate resumed the consideration of the bill (H. R. 10104) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof.

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. Did the Chair understand that I made a motion to recommit the pending bill?

The PRESIDING OFFICER. The Chair did not.

Mr. CONNALLY. I made a motion a moment ago that the pending bill be recommitted to the Committee on Public Lands and Surveys.

The PRESIDING OFFICER. The motion to recommit, then, is pending. Does the Senator from North Carolina desire to avail himself of the motion to recommit?

Mr. REYNOLDS. I desire to address myself to the bill. I wish to say, for the benefit of the Senator from Texas [Mr. CONNALLY], that while I am in thorough accord with the general objectives of the pending bill I am in sympathy with his motion to recommit the bill for further consideration, because I think it should be given more thought, in order that it may be of benefit not only to the Federal and State Governments, but particularly to the people of the entire United States.

I wish also to avail myself of this opportunity to say something in reference to the national parks and to the desirability and advantages of travel within the confines of the United States. I believe at this hour there is no subject matter we can discuss which is of more interest to all the people of the United States than that of the pending bill, because in no remote way it interests itself in travel. Travel is today intimately connected with the educational facilities of the country. Of course, we in this country are more deeply interested in educational facilities than are the peoples of any other country upon the face of the earth.

Likewise I shall be perfectly frank and candid in stating that I am delighted to have this opportunity in order that I may give to my State some advertising of its great national park, which I contend is the greatest national park in the United States. At this moment I am delighted to avail myself of the opportunity to proclaim to the entire world that in my beloved and heavenly section of western North Carolina there are presented for the national eye the most beautiful things to be found anywhere on this great hemisphere. I refer to the great Smoky Mountain National Park of western North Carolina and eastern Tennessee, the eastern entrance of which is to be found in my home town of Asheville, N. C., known as the Little Gem City of the continent. A more delightful, a more lovely spot than my home city of Asheville, N. C., cannot be found anywhere upon the face of the earth.

Mr. BARKLEY rose.

Mr. REYNOLDS. I will admit that our sister State of Kentucky is likewise possessed of a great natural beauty in the form of Mammoth Cave.

Mr. WAGNER rose.

Mr. REYNOLDS. The State of New York presents to the American people some of the most interesting historic places of this entire continent, because it was in the city of New York that the beloved Father of his Country first took the oath of office as President of the United States.

Mr. O'MAHONEY rose.

Mr. REYNOLDS. Even Wyoming [laughter] can boast of the largest national park in America and some of the most beautiful scenery to be found anywhere. In addition thereto it boasts of a most magnificent State house at Cheyenne and one of the finest airports in America.

Mr. BARKLEY. Mr. President, will the Senator from North Carolina yield?

Mr. REYNOLDS. I am delighted to yield.

Mr. BARKLEY. I simply want publicly to accept the Senator's invitation and to inquire when he will be at home for the reception of visitors. [Laughter.]

Mr. REYNOLDS. I may say to my eminent friend from Kentucky that I shall always be at home to receive him or any Member of this body or anybody else in the United States, so far as that is concerned. I may say further that in extending that invitation I assure my good friend from Kentucky that the latchstring is always on the outside and the dog is dead. [Laughter.]

Mr. KING. Mr. President——

Mr. REYNOLDS. I yield to my good friend from Utah.

Mr. KING. I hope the Senator in enumerating the great parks of the land will not forget the scenic beauties of the great State of Utah. We have the finest parks in the world except, of course, those in North Carolina, and some of us think they surpass even the beauteous Smoky Mountain Park.

Mr. GLASS rose.

Mr. REYNOLDS. I thank the Senator from Utah for his contribution, and I am delighted to yield to my beloved friend from Virginia, who just rose.

Mr. GLASS. Mr. President, I simply desire to extend a cordial invitation to my friend from North Carolina and others to forget their provincialism and visit the Shenandoah Valley Park of Virginia, the greatest State on earth. [Laughter.]

Mr. REYNOLDS. That was one of the very first things I did, because I knew I could not properly recognize and appreciate the beauties of western North Carolina until I had seen all of our great historic sister State of Virginia, of which my friend has just spoken.

In answer to that which has been stated by my eminent friend from the State of Utah, I wish to say that his is a fine State. The State of Utah, as we all know, is, from an historic standpoint, one of the most interesting of all the States, and it has aided greatly in the development of this the greatest country on earth. Last summer while there I visited his State capitol building. Next to the capitol building of the State of Louisiana, I believe I did not see anything that was more inspiring than the capitol building I found atop the hill which overlooks the great city of Salt Lake City. In addition to that, while there last September, I had an opportunity to drive at the rate of 80 or 85 miles an hour over the great salt beds on my way from Salt Lake City, the capital of Utah, to the border line of Nevada. I quite agree with the Senator from Utah that he has a great State, and I shall go further in saying that the people of Utah have a great Senator.

Mr. President, I am interested in this subject because I am interested in the youth of our country. I am interested in this question because I know that educational facilities of the proper sort must be provided the youth of our land. I know there is no more lasting, no broader, no more liberal education to be attained than that derived from travel. It is concerning that which I want to speak.

Incidentally, when the matter was being considered a moment ago my friend the junior Senator from the great State of New York [Mr. WAGNER] mentioned the facilities to be provided the people of this country for travel and recreation by way of opportunities to visit our great national parks where he was last summer. That is a matter for very serious consideration. When we were considering that suggestion a moment ago I was reminded of the fact that last year my friend the colleague of the junior Senator from New York—and I refer to the able senior Senator from New York [Mr. COPELAND]—introduced in this body Senate bill 33, entitled "An act to encourage travel to and within the United States by citizens of foreign countries, and for other purposes." Mr. President, if a measure of that kind is to be considered by this body, I think it should be entitled "An act to encourage travel to and within the United States by citizens of the United States, and for no other purpose."

I wish to remind the Members of the Senate that the steel industry is not the largest industry on earth, that transportation by railroads and steamships is not the greatest industry on earth; but, sirs, one of the largest industries on earth, as large as those I have mentioned, if not larger, is the industry of travel. That is one thing in which we must now interest ourselves, for it is our duty to teach Americans first to see America before they venture across the blue waters of the Atlantic or the wind-swept surface of the Pacific.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MCGILL in the chair). Does the Senator from North Carolina yield to the Senator from Utah?

Mr. REYNOLDS. Gladly.

Mr. KING. The statement just made by my friend about seeing America first reminds me of the fact that a Virginian, one of the most talented men that ever came to the State of Utah, was for a number of years secretary of the Chamber of Commerce of Salt Lake City. He was indefatigable in his efforts to induce people to visit the West and the parks. He devised the slogan which for years and years was copied in many States, and was upon many letterheads—See America First. That sentence as a slogan emanated from Hon. Fisher Harris, a great Virginian, who was a distinguished resident of the State of Utah.

Mr. REYNOLDS. I thank the Senator for his excellent contribution.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. REYNOLDS. I gladly yield to the Senator from Texas.

Mr. CONNALLY. I will ask the Senator from North Carolina if he does not think, however, the bill ought to go back to the committee for redrafting, in view of its high purposes?

Mr. REYNOLDS. I have so stated, Mr. President. I unhesitatingly concede that to be true.

Mr. CONNALLY. I hope the Senator from New York [Mr. WAGNER] will let the bill go back to the committee, because a great many Senators are not satisfied with it in its present form. I think the Senator will save time if he will agree to let the bill be recommitted. Frankly, I think the bill will be voted down if that shall not be done.

Mr. REYNOLDS. Mr. President, in order to appreciate the greatness of America it is necessary for Americans to see America. I again say I am thankful to my colleague from the State of Utah for telling me that it was a Virginian who went to his State years ago and coined the phrase, "See America First." I was delighted to learn that he had been an official of the chamber of commerce in the State of Utah. At this time I wish to give credit where credit is due and state to the Senator from Utah that the chamber of commerce in Salt Lake City bears the enviable reputation of being one of the most active chambers of commerce in the entire United States. It was there, last September, that I was honored by Governor Blood of that great State by way of an invitation to attend a banquet given by the members of the chamber in Salt Lake City in honor of our Secretary of War, Mr. Dern; and I have never met a more hospitable, a more active people in all my travels.

I am interested in having Americans see America before they venture across the borders to our north and likewise before they venture across the borders to our south. I am particularly interested in having the younger people of this country observe the wonders, the great industrial centers, the historic spots, here at home before they venture across either the Atlantic or the Pacific. In other words, I want the people of America to see America first. I want the people of America to recognize and to realize what they have here at home before they venture to foreign shores, and I want them to do that because I want them to spend their money at home rather than spend their money abroad.

We know that too much American money is finding its way particularly to continental Europe, because if we have made a study of one subject that is of vital interest to us, we know that since the crash of October 1929 millions of persons, including large numbers of foreigners and aliens, have been upon public charity, sustained by the Government, and that from the money they have received from the F. E. R. A. and other Government sources $250,000,000 has gone out of this country to the pockets and the homes of those who reside 3,000 miles from here, across the blue waters of the Atlantic.

Gentlemen of the Senate, I wish to have American money as much as possible remain at home, because those who have given any study whatever to the matter know that year after year millions upon millions of American dollars are going into foreign lands in the form of moneys expended by American travelers in continental Europe and in the great Orient across the Pacific.

Mr. President, that is opposition. That is keen competition; but we have more competition. Only recently there has been opened a fine highway leading from Laredo to Monterey in the hill country of Mexico, south of us, and onward to the capital of our sister Republic of Mexico, with its 15,000,000 inhabitants. In addition to that, we know that we face competition north of us from those residing within the confines of the Dominion of Canada, where they have provided excellent highways of all kinds extending from the Atlantic to the Pacific, clear across the Dominion. So we not only face competition in keeping American dollars at home from those who would expend them to be informed by way of travel abroad, but at this hour we find that we have competition to the north of us and to the south of us.

Mr. President, I am confident that you realize—if I may thus address the Chair—as do I, and as I stated a moment ago, that no form of education is more beneficial, more lasting, more indelible, more liberal than the education ob-

tained by travel. For years upon years I have been preaching that doctrine. I have been speaking in the public schools of my State and elsewhere at times as one of the executives of the American Automobile Association in an endeavor to have the people of America see America first. The people of America, however, have had the erroneous notion that it costs too much to travel in America, and that there is nothing in America to see. There are more interesting things in America for Americans to see than in any other part of the entire world; and after we have seen the interesting things in America I contend that the country which holds out for us the next greatest interest is the country of Mexico, south of us.

Many persons think it costs too much to travel in this country. I wish to convince Americans that it does not cost anything to travel in this country in comparison with what it costs to travel in Europe. Why? Why am I so interested in convincing our people that it is cheaper to travel in America than to travel in Europe or in any other part of the world? Because I want the 80,000,000 persons who reside within 18 hours by automobile of the Great Smoky Mountains National Park to visit my section of the United States and bring their tourist dollars there and leave them with North Carolinians instead of with the people of France, England, Ireland, Scotland, Spain, Portugal, Italy, Germany, Russia, Poland, Holland, or any other country that may be thought of, or that may be created between now and tomorrow, because the map of Europe is rapidly changing.

Mr. KING. Do not leave out Luxemburg.

Mr. REYNOLDS. I will include Luxemburg as well. I want those tourist dollars to remain at home; and the only way we can be beneficial in keeping those dollars at home is to prove to the American people that they can travel here cheaper than they can travel in Europe.

Now let us see whether or not we have anything interesting in this country.

Mr. President, travel, with its many broadening influences, ought to be a major course, required in every man's education. I know, because I have been fortunate enough to have seen more of the world than most people. I started traveling when I was a college boy, made three trips across the Atlantic on a cattle boat—earning the princely sum of $20 a trip—and took a bicycle tour through Europe during one of my college days' vacations. I have seen Australia, South America, Central America, Africa, Russia, and have just recently completed my third trip around the world.

I believe in travel. So do a lot of other people, for travel ranks fourth or fifth among our major industries. But the best time to travel is when one is young. That is when the mind is fresh and pliant, retaining the colorful impressions that are lost as we grow older.

A long-standing hobby of mine is that young Americans must first travel in America. After they know something of their own great country and its people they can begin branching out, going to more places and seeing more things. But I believe in seeing America first. Too many people travel to Europe who should be learning about what a wonderfully rich and gloriously beautiful country is their own.

A lot of people would like to travel but are scared off by the expense. Travel is expensive, if you choose to make it expensive. It is fine to travel expensively, ride in Pullman cars, and stay at the best hotels; but you do not have to travel that way. Travel is cheap. It may be as cheap as staying at home; and there are more opportunities for cheap but comfortable travel in our own America than in any other country of the world. Our roads are unexcelled anywhere. Our automobiles are relatively cheap. The cost of fuel is low, much lower than it is in the majority of the countries of the world; and food and lodging, if you look for them in the right places, are not high.

I nursed along a pet theory of mine for a long time before I was able to try it out. The theory was that it was possible to spend 30 days seeing America from coast to coast and from Canada to Mexico at the total cost of $100 in actual travel expenses. By seeing America I do not mean racing from dawn to dark along the highways at 60 miles an hour until you are so tired driving that you cannot sleep and so sleepy that you cannot drive.

By seeing America I mean visiting the beauty spots and getting your fill of what they offer. I mean visiting the places that are rich in the historical traditions of our land, soaking in the atmosphere, letting the imagination fold back the pages of history in the spots where history was made; seeing and learning to know the places you have read about all your life, and viewing the great industrial centers and agricultural sections of the United States.

I took a 30-day trip through America. I drove 11,500 miles, and did all the driving myself. I visited 31 States and the District of Columbia. I touched both coasts, drove through Ontario in Canada, and took a glimpse of Juarez, Mexico; drove through three of our great national parks, visited 14 State capitals, and stopped briefly in some 500 American cities and towns. By stopping I do not mean pulling up to a gas station and getting a tank filled, but stopping long enough to introduce myself to a policeman or a citizen of the place and requesting him to deliver to the mayor an envelope containing a letter from me and literature describing the wonders of our State of North Carolina, and I did it all for less than $400.

If four young men followed my plan and something of my schedule, they could do the same thing for $100 each, allowing something for an inexpensive present to bring to the folks back home and to go to an occasional movie en route or stop at a tourist camp if they wanted a change for a night.

Here is how I did it: I got a trailer equipped with a combination living room and sleeping quarters for two—berths that made up something like those in a Pullman car. There was a folding table, an alcove for a portable typewriter, an alcove for a small library, a radio, and reclining chairs like those in your living room at home. There was a kitchenette equipped with a small gasoline stove, a sink, hot and cold running water, a wardrobe for clothes, a compartment for shoes and linen, one for cooking utensils and dishes, one for groceries, and an ice box. There was also a shower bath and a telephone connection between the trailer and the power car in front and electric lights.

This trailer was hitched to the back of a small coupe. I started out from the Plaza in front of the Capitol at Washington, and returned 30 days later with more sights and memories and new facts I learned and new friends made than I ever before in all my life packed into 30 days. While I did all the driving—for my companion did not drive—I got back to Washington feeling better and in finer health than when I started. I had seen more than many people see in a lifetime, and I traveled almost as cheaply and just as comfortably as I ever traveled before.

You might object at this point—that I was able to do this because I had a trailer, and not many people have one. But, while mine was unusually fine, all trailers do not have to be equipped with electric lights and running water. Any ingenious boy, with the help of a mechanic, can knock together a good enough trailer to carry pup tents, cooking utensils, and the equipment one needs in such travel. They can be bought for prices starting remarkably low and going up to the more expensive ones ranging as high as $5,000.

We started from Washington and drove 35 miles to the United States Naval Academy at Annapolis, Md., where we visited this fine training school for our future admirals and saw something of quaint and historic Annapolis, the capital of Maryland and the oldest chartered city in the United States. Here is to be seen the tomb of John Paul Jones and historic old naval vessels that defended America in the early days.

From there we drove through Baltimore, where during the bombardment of Fort McHenry, in 1814, Francis Scott Key, a Baltimore lawyer held prisoner on a British boat, wrote The Star-Spangled Banner.

A few hours thereafter found us driving northward through Wilmington, Del., where the first powder mill built

in America is still in use, and where is to be found the hearthstone on which Thomas Jefferson stood to read the Declaration of Independence in Philadelphia.

Next was Philadelphia, the City of Brotherly Love, a city that is rich in the history of infant, struggling America, home of famous Independence Hall and its precious antiquities relating to the signing of the Declaration of Independence and the Constitution of the United States, the Liberty Bell, the Betsy Ross House in which the first American flag was made in 1777, the home of William Penn, and Christ Church Cemetery, containing the graves of Benjamin Franklin and his wife. It was at Philadelphia that Washington was inaugurated for his second term. In addition to these historic spots, Philadelphia boasts of the largest naval aircraft factory in the world, the world's largest single-span suspension bridge, and the largest natural park entirely within the limits of any city.

Mr. President, is that of interest to Americans? It should certainly be more interesting to our school children, our boys and girls, than anything to be found upon foreign shores.

Through Trenton, N. J., we motored at night; and I recalled that on Christmas night, in the year 1776, during the Revolutionary War, it was there that Washington crossed the Delaware River and surprised the Hessian garrison in the city, on the following morning winning a complete victory. As you drive through the city you will observe at Warren and Broad Streets a monument which marks the spot where the battle began.

From Trenton we drove to New York City, where Washington was first inaugurated President of the United States, and which is now the great melting pot of the world, where today more than 300,000 aliens who are not entitled to citizenship in this country reside at this hour; aliens whom I am endeavoring to have deported through the bill which a few days ago I introduced in the Senate, and concerning which I hope to have the cooperation of all Senators.

Thence we journeyed up the Hudson River to the United States Military Academy at West Point, where the future generals and the leaders of our Army will be developed; where were developed such men as Gen. Manus McCloskey, the commander of Fort Bragg, N. C., who, when he landed upon shores 3,000 miles away with his marines, and the command was given to retreat, said, "Retreat, hell; we have just gotten here."

Then we traveled northeast to Plymouth, Mass., where the Pilgrims landed in 1620, and over to Boston, one of the most historic cities in America. Here we visited, among half a hundred other interesting spots, the home of Paul Revere, and in leaving the city we drove over the same highway upon which he rode to Lexington, advising the patriots of the advance of the British, and on to Concord, where was fired in battle "the shot that was heard 'round the world." In passing along this highway from Boston, "the cradle of liberty", we drove through the campus of Harvard University, and in this vicinity saw the old homes of Longfellow and other famous men of literature.

Albany, the capital of the State of New York, was reached that night after a lovely drive through the invigorating Berkshire Hills, and you will recall that it was just across the river from Albany that Yankee Doodle was written.

Next in turn there came Buffalo and Niagara Falls, where we crossed the International Bridge into Canada, following one of the Dominion's fine roads for 300 miles across Ontario to Detroit. We stopped in Detroit long enough to visit an American automobile factory where they build a car from the ground up, fill it up with gas, and drive it away, all before your eyes. We saw what no American should miss—Henry Ford's Greenfield Village and Museum, which bring to one things of interest instead of making him go thousands of miles to see them; such, for instance, as the courthouse in which Lincoln practiced law and the laboratories in which Thomas Edison worked.

Incidentally thousands upon thousands of Canadians come to Detroit yearly, as they come to the city of New York, without any protection whatever for the American people, because we have no law making it compulsory for aliens to register in this country and make clear their intention of becoming citizens. I shall seek to have such a law enacted during the present session of Congress, an effort in which I trust I shall have the support of every Senator, regardless of the side of the aisle on which he may sit at the present time.

From Detroit, the greatest automobile-manufacturing city in the world, we drove to Chicago and visited the great slaughterhouses and packing plants, through Iowa, the greatest corn-growing State in the Union, and then into the famous Black Hills and the Bad Lands of South Dakota, where such colorful pioneer Americans as Deadwood Dick, Calamity Jane, and Wild Bill Hickok held forth. Then came Lead, S. Dak., the site of the largest gold-producing mine in the world, from which place we wended our way in serpentine fashion over towering hills to Rushmore National Park, where Gutzon Borglum, the noted sculptor, is carving giant likenesses of Washington, Lincoln, and Theodore Roosevelt from the solid granite of a mountaintop which towers high above the surrounding country.

I want to tell you about an exciting night we spent here, one of our few misadventures. We started from a point near the mountaintop where the carving is being done, headed toward Wyoming, against the friendly advice of a young lady in charge of a filling station, who warned me I would not be able to negotiate the mountain passes and dangerous curves before dark. Well, I had gotten through the tunnels and around the perilous turns, when, all of a sudden, we had to start climbing a very steep grade without having an opportunity to gain momentum by a running start. I shoved the car into low gear, and crept up almost to the top, when the engine, boiling over and steaming, simply quit and went dead.

There we were, stalled on a steep mountain road, with a precipice on one side, a towering cliff on the other, and it was black dark. The air brakes on the trailer quit working when the engine stopped. I pulled on the emergency brake with all my strength, and held it until my companion jumped out and put a rock under one of the wheels. Then we let the engine cool, and started it up again. We worked for 2 hours there in the darkness, trying to nurse our load up that hill; but starting from a standstill, as we were, we could not make more than a foot at a time between "breathing spells" of the motor. You cannot back one of those trailers without a lot of slow, careful maneuvering, and I did not have the light by which to back. Finally, tired as dogs, we scotched the wheels with rocks and logs, got out our blankets, and went to sleep in the woods by the side of the road, afraid to sleep in our comfortable bunks in the trailer for fear it would break loose and carry us to our death over the side of the precipice extending from our right hundreds of feet below.

And did we sleep! It was daylight when we awoke, with a car stopped on the road in front of ours, and a man standing over us. I looked at the man, rubbed my eyes, threw back my blanket, looked at his car, and saw it had a District of Columbia license tag like mine. Then I told the owner of the car what had happened to us, and learned he was Mr. Borglum's son.

"Brother," I said, "your father got me into this mess. I drove thousands of miles to get here and see his work, and was heading for Wyoming and its 'Hell's Half Acre' when we stalled. So you will have to get us out."

He did. He turned his car around, hitched us on behind with a tow rope, and took us clear to the top of the mountain.

That reminds me of something, and it is this: If you are really in trouble on the road, you will always find a friend to pull you out. People are kindly and friendly and helpful the world over. It is the same way in any part of the United States, in any part of the world, as a matter of fact. People are friendly if you approach them in the right way and let them know you are friendly. That is one of the happiest things I have learned in traveling in my own country, over and around the world.

From South Dakota we followed the road to Wyoming State Park, said to be the largest State park in the United

States; then to Cheyenne, the capital of Wyoming, southward between the towering ranges of the Rockies to Colorado's capital at Denver, where in the neighborhood of its magnificent civic center we replenished the car with gas and continued to Colorado Springs, Pike's Peak, and the Garden of the Gods.

From the massive gateway rocks of vivid red sandstone of the Garden of the Gods we retraced our trail to Cheyenne through the oil fields of Wyoming and entered the Wind River Canyon, where a 12-mile stretch of automobile road paralleling the river between towering ranges has been blasted out of the solid rocks in three places, traveling through the solid granite of the Mammoth Mountains to Thermopolis, where is the largest hot-water spring in the world, flowing 18,600,000 gallons of healing mineral water every 24 hours. That night we drew up in front of the courthouse on the main street at Cody, Wyo., where is located the Buffalo Bill Museum.

The next morning we entered and crossed the Yellowstone National Park from east to west, and turned southward through Montana and down through the potato-growing State of Idaho to Salt Lake City.

I am glad the Senator from New York [Mr. WAGNER] is in the Chamber. I think we can greatly improve our public parks, and I think it is a matter deserving of much consideration. I know the Senator from New York visited the West last year, because those in charge of the respective parks visited by him advised me of his visits, and of his great interest in the welfare of the people of those respective sections. But I know he is particularly interested in the welfare of the people of the whole United States, who are entitled to enjoy those great parks. I take this opportunity to congratulate the Senator from New York upon his great interest in this important subject.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. WAGNER. The Senator learned, as I did, that last year was the banner year for visits by Americans to their national parks.

Mr. REYNOLDS. Yes; and I was glad to learn that. I might state in that connection that the Great Smoky Mountain National Park, in western North Carolina, the boundary of which is within a few miles of my home city of Asheville, N. C., had approximately 40,000 more visitors than did any other national park in the United States, with the exception of a small one in the State of Maine. That was attributable, of course, to the fact that the Great Smoky National Park, in western North Carolina, is accessible, within 18 hours by motor, to 80,000,000 people of the United States, while the Yosemite and the Yellowstone National Parks, in Wyoming and California, are some 7 days away.

I think the best way in the world to distribute wealth in this country, a subject concerning which we have heard so much, is by providing good roads, safe roads, eliminating curves, eliminating railroad crossings, broadening highways, making them smoother, and making it less expensive for the owners of the 25,000,000 automobiles of the United States to operate them.

Recurring to Salt Lake City, the capital of Utah, it was founded in 1847 by the Mormons under Brigham Young, and some of its most interesting houses are the historic ones which were occupied by Brigham Young and his wives. After visiting the capitol, the Mormon Temple, and driving through the State university grounds, we hit the road for the Great Salt Lake, where we sat upon the surface of the water in the blazing sun and looked over a newspaper. A few miles farther on we left the main highway and drove over the great salt flats for a distance of some 20 miles, where, as I have said, we sped our car up to 75 miles an hour, trailer and all. It was a real thrill. It was here that Sir Malcolm Campbell broke his own world's record in attaining a speed of over 300 miles an hour in his specially constructed racing car which he brought over with him from England.

Shortly thereafter we found ourselves in the desert of Nevada, and within 24 hours we had passed through Reno, visited the famous section of mines, Virginia City, where Mark Twain began his literary career as a reporter, and took a glimpse at the capital, Carson City, in leaving the State for California.

Daybreak found us maneuvering the Great Tioga Pass, at the top of which we entered the Yosemite National Park. We drove through it and then continued westward toward the setting sun to San Francisco and across the bay to the bleak island of Alcatraz, where dangerous Federal prisoners, such as Capone, are confined, and from which I feasted my eyes upon the Golden Gate.

We spent glorious days in southern California and took a peek at the movie industry in and around Los Angeles.

I have mentioned the places I have because of their outstanding historical importance. I have spoken of places of great natural beauty and places of outstanding commercial importance in America. I regret to say that on this trip, which covered a mileage of 11,500 miles, I did not visit the State represented by the Senators from Washington, who are honoring me by listening to me this afternoon; but I want to say that I have been to their State. Seattle, the garden of heaven! Seattle, a city of beauty, in a State well represented in the Senate of the United States.

From California we drove eastward to the petrified forest of Arizona, into New Mexico, stopped at the famous Carlsbad Caverns, said to be the largest and most beautiful crystal caverns in the world, then dropped down into Texas, and across to Old Mexico at El Paso over the International Bridge to Juarez, where we saw the building which was once used as headquarters of the Mexican bandit, Pancho Villa. Then we drove back to El Paso and across a stretch of the Lone Star State to San Antonio and the Alamo Mission where Davy Crockett and James Bowie, the inventor of the deadly Bowie knife, lost their lives while fighting the Mexicans in 1836.

I may say in passing that at San Antonio there is located the finest air field in America. That city has a population of 300,000. It is one of the most interesting places, historically, in all America. About 50 percent of its population, however, is made up of people from across the border, thousands upon thousands of whom are aliens in this country. No one knows the number of Mexicans there who are entitled to American citizenship, but everyone who has made an investigation of the question knows that a very large percentage of the people on the relief rolls in that city are aliens.

While I am on that subject, a subject in which I am greatly interested, and concerning which I expect to engage the attention of the Senate for some time when my bill pertaining to the limitation of immigration and the compulsory registration of aliens is reported, I wish to say that it has been conservatively estimated, and I believe that I shall be able to prove it, that 3,000,000 alien born who are not possessors of citizenship in this country have been on the relief rolls at one time or another since 1929, during which time it has cost you, Mr. President, and the citizens of your State and those of every other State in the Union, over $400,000,000.

From Houston and Beaumont, Tex., we drove to Baton Rouge, the Capital of Louisiana, on the capitol grounds of which, directly in front of the Capitol Building, is buried the late Senator Huey P. Long. From there we went to New Orleans, strolled through the streets of the quaint old French quarter, and saw the house constructed for Napoleon Bonaparte in case he succeeded in escaping from the Isle of St. Helena. Then we drove across the Mississippi River and the States of Alabama and Florida to St. Augustine, the oldest city in the United States, where is located the famous Fountain of Youth, said to have been discovered by the Spanish explorer, Ponce de Leon, in 1513.

Then we drove northward, through Atlanta, Ga., the capital of the State, where is to be seen the largest battle painting in the world, depicting the Battle of Atlanta, which was fought between the Confederate and Union soldiers during the Civil War. Tennessee followed, with brief stops at Chattanooga and Knoxville; and then we proceeded to North Carolina and Tennessee's magnificent Great Smoky Moun-

tain National Park, beyond which lies beautiful Asheville, N. C., the park's great eastern gateway. Then we drove to historic Kings Mountain, where was fought during the Revolutionary War the Battle of Kings Mountain, which is claimed by many to have been the turning point for the patriots. Thence we drove to busy Charlotte, N. C., which Cornwallis, the British leader, while encamped there, named The Hornet's Nest. It was here that the famous Mecklenburg Declaration of Independence was drafted, antedating Thomas Jefferson's by a whole year, and believed by many to be the basis for that which was written by Thomas Jefferson.

Up into Virginia we traveled, over the Natural Bridge, through the famous Shenandoah Valley and its hundreds of crystal caverns, to Charlottesville and nearby the famous homes and shrines of Jefferson, Monroe, and Madison.

From these historic places we drove to more which we found at Fredericksburg, where the Father of his Country, George Washington, with his sister Betty and his brothers Charles and Samuel, went to school, where is the grave of Mary Washington, the mother of George, and in this town there still stands the Masonic lodge in which Washington received his three degrees. Nearby are the offices in which James Monroe, fourth President of the United States, practiced law and which contains a large collection of the furniture owned by President and Mrs. Monroe.

The Senator from Virginia [Mr. BYRD] is just as much interested as I am in this matter, because there is a great national park in his State, and our interests are alike. We are in accord, because we are trying to have established a great highway, the Shenandoah National Highway, leading from his great State to my great State and from my great State to his great State, and he wants tourist dollars there.

With a sigh of regret that we were nearing our journey's end—a journey which had provided us with a far better conception than we had ever had before of the vastness of our country, the courage of its war heroes and patriots, and the indomitable will of its builders—we turned the nose of our faithful little car toward the Capital of the greatest nation upon the face of the earth, Washington, which we reached from Fredericksburg, via Mount Vernon, on the Potomac River, the home and last resting place of George Washington and his wife, Martha. Then we glided smoothly over the Mount Vernon Boulevard for 13 miles, across the Memorial Bridge, which spans the Potomac, past the Lincoln Memorial, down Constitution Avenue, and up the "Hill" to the front of the Capitol, from which point just 30 days before we had set out to see America—and we saw it.

During this trip of 30 days we slept in the trailer at night and parked it wherever we wished. We slept in the trailer parked on busy Dyckman Street in New York. In Boston we had the use of the capitol grounds for our house on wheels. In Chicago we parked at the curb on Michigan Boulevard near the Art Museum and had a swell sleep. When we were driving through the countryside we stopped at night where we chose, parked our trailer in a spot that took our fancy, cooked our supper—which usually consisted of a big steak, light bread, and milk—and got to sleep early. And, believe me, it was no trouble to find sleep!

We made it a practice to get up in the morning about 30 minutes before dawn and put the coffeepot on the fire. Breakfast consisted of nothing but fruit and a steaming cup of black coffee. Then we started driving just about dawn. I found that the best time for driving was between dawn and 10 o'clock in the morning. You can cover more ground at that time, for there is less traffic on the road. Sometimes, when the notion struck us, we drove at night. We covered an average of about 375 miles every day. That is pretty tough driving when you are doing it all yourself, but not bad when there are others to spell you off. The amount of mileage we covered each day depended entirely upon where we wanted to stop and just what we wanted to see.

On this trip I found that a great many people had never seen a United States Senator. When they learned they were looking at one, they usually expressed surprise at seeing one dressed as I was, in overalls, and unshaved. That reminds me that at Sioux Falls, S. Dak., I parked the car at a mechanic's place for some repairs and was walking along the "main drag" when a nice-looking fellow came along whistling. I stopped him, intending to ask where the telegraph office was, holding up my hand in a friendly greeting. Without pausing, he said: "Sorry kid; I haven't got a dime", and increased his pace. He thought I was a panhandler. That shows how I must have looked to others, because there were days at a time when I enjoyed the luxury of not shaving, bathing, or changing my clothes, which wearing apparel consisted of a pair of overalls and a sweater.

We had a few break-downs, but, all in all, not much serious trouble. We were stalled twice in Yosemite National Park and once in Yellowstone, but fortunately someone always happened along and gave us a hand. The roads were good everywhere. In the Yellowstone and Yosemite Parks, many stretches of the road were found to be exceedingly rough and dangerous, and all without excuse, as many bad curves could be widened, roads broadened to permit cars to pass one another, and boulders and scrub trees removed from the highways and sidings without much expense to the National Government. We never were molested on the trip, and we never got into trouble without someone coming along and helping us.

In going across Arizona we came upon three boys with a small delivery truck from North Carolina, my home State. They were out of gas, so I took one of them to a gas station some miles away, gave him 10 gallons of gas in containers which he brought along, and sent him back to their car. They had been touring the country for 2 months during school vacation, and were having a grand time of it. They slept in their truck and prepared their meals in a frying pan over a wood fire in true Boy Scout fashion. More young Americans ought to do the same thing.

Now about expenses:

I used about 850 gallons of gasoline, and, all in all, spent approximately $250 for gas and oil. We did not cook all our own meals, as people along the routes were most kind to us, entertaining us frequently at noon and supper. We found that money wisely spent for food purchasable along the roadside can be bought 25 or 30 percent cheaper than in the city markets or stores. With $350 going for food and fuel, the only other additional expenses are tunnel and bridge tolls—not very much—and the occasional fees of entrance to museums and national parks—and here I pause to remark that in my opinion the National Government should provide its citizens with the parks and playgrounds without cost to its taxpayers—which will be adequately covered with $50, leaving a large enough balance to take care of all but serious repair bills.

I should advise anyone taking such a trip to supply himself with such essentials as a red lantern, rope or chain for towing, flashlights, a tent or tents—provided, of course, the trailer does not have sleeping accommodations—first-aid kit, water bucket, and a small gasoline or kerosene stove if you do not want to be put to the trouble of gathering faggots for fuel at mealtime.

The trip should be carefully planned in advance if you propose to get the most out of it. One wise method is to procure literature from such agencies as the American Automobile Association and State and city chambers of commerce describing the country that you intend to visit. Your journey will be more intelligently and satisfactorily carried out if this is done.

One bit of advice: Do not tie yourself down to a too definite daily schedule which forces you to go farther than you feel like going. Stop at the places which appeal to you, have a good time, and do not work yourself to death merely trying to cover ground, for, after all, the purpose of travel is to enjoy yourself and learn while you are doing it.

In every State there are comfortable and cheap tourist camps, and the national parks are fine camp sites where camping spots are designated. Many times we pulled up alongside a filling station in city, town, or country, replenished our oil and gas, filled the radiator, lubricated the car,

ate a snack, and turned in for the night ready for the great open spaces before dawn the next day.

Now, after hearing me, you may say, "Well, it can't be done." The same thing was said to me many, many times by friends to whom I confided my plans before starting on the trip to "see America in 30 days for $100." Well, I did it; and if I can do it, you can—that is, if you want to. But let me warn you that you cannot do any loafing and you cannot waste any money if you are determined to cover the United States and take a glimpse of Canada and New Mexico all within 30 days, and with an expense account limited to $100 each for four persons.

But here is luck if you do undertake it; and I venture the assertion that when you get back you will feel healthier and stronger and be more enthusiastic about your country than you have ever been before. It is a great country, whose history you ought to know; whose national wonders you should see; whose industrial centers you should visit; whose wholesome people—north, east, south, and west—you should meet; and whose fine highways you should motor over, from coast to coast and from Canada to Mexico, with patriotism in your heart.

Luck to young Americans, boys and girls alike, who, as they travel, as I hope they may, the broad highways of their magnificent country, will be able, to the delight of their fathers and mothers, to drink in with their eyes a liberal education.

Mr. President, I hope that the pending bill will be recommitted, because, in my opinion, there are many things which ought to be in it which are not in it, and there are probably many things contained in the bill which ought not to be within its covers.

Mr. WAGNER. Mr. President——

Mr. REYNOLDS. I yield to the Senator from the State of New York.

Mr. WAGNER. I might state just as well now as at any other time that it has been generally agreed that, in the course of time today, the Senate will take a recess until Monday, the pending bill to remain the unfinished business. During the recess we may get together upon certain amendments which will undoubtedly perfect the bill and make it satisfactory to all.

Mr. REYNOLDS. I thank the Senator.

Mr. President, in conclusion, let me again extend a warm invitation not only to the Members of this body but generally to the people of America to get in their automobiles next summer and drive southward and visit one of the greatest parks in the entire United States, the Great Smoky Mountain National Park. There they will be welcome; there they will be benefited; there they will be able to listen to the music of the rippling brooks, the chirping of the birds, feast their eyes upon the blue heavens, and view such scenery as they have never before beheld in any part of the world.

AGRICULTURAL RELIEF—CONFERENCE REPORT

Mr. SMITH. I move that the Senate proceed to the consideration of the conference report on the so-called farm relief bill, being Senate bill 3780.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Holt	Overton
Ashurst	Connally	Johnson	Pittman
Austin	Coolidge	Keyes	Pope
Bachman	Costigan	King	Radcliffe
Bailey	Couzens	La Follette	Reynolds
Barbour	Davis	Lewis	Russell
Barkley	Dickinson	Logan	Schwellenbach
Benson	Donahey	Lonergan	Sheppard
Bilbo	Duffy	Long	Smith
Black	Fletcher	McAdoo	Steiwer
Bone	Frazier	McGill	Thomas, Okla.
Borah	George	McKellar	Thomas, Utah
Brown	Gerry	McNary	Townsend
Bulkley	Gibson	Maloney	Trammell
Bulow	Glass	Metcalf	Truman
Burke	Gore	Minton	Tydings
Byrd	Guffey	Murray	Vandenberg
Byrnes	Hale	Neely	Van Nuys
Capper	Harrison	Norbeck	Wagner
Caraway	Hastings	Norris	Walsh
Carey	Hatch	Nye	Wheeler
Chavez	Hayden	O'Mahoney	White

Mr. LEWIS. I reannounce the absence of the Senators whose names were mentioned by me earlier today, and for the reasons then stated.

The PRESIDING OFFICER. Eighty-eight Senators have answered to their names. A quorum is present.

The question is on the motion of the Senator from South Carolina [Mr. SMITH] that the Senate proceed to the consideration of the conference report on Senate bill 3780.

The motion was agreed to; and the Senate proceeded to the consideration of the conference report on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. McNARY. Mr. President, I suggest to the capable Senator from South Carolina that he make a statement concerning the changes made by the conference report in the bill as passed by the Senate and that passed by the other House.

Mr. SMITH. Mr. President, there are not any substantial changes in the bill as it passed the Senate. One change which may be considered perhaps of importance is that, on the insistence of the conferees on the part of the House, there went out of the bill the so-called La Follette amendment. The House conferees, in the case of the sharecropper and tenant proposal, agreed to an amendment which very considerably modifies the provision as adopted by the House.

I do not think there are any other material changes, except that the House had included in its bill a provision which would practically turn over to the land-grant colleges and the Extension Service the administration of the bill. That was disagreed to, and that provision went out of the bill.

I do not recall that there is any material change from the original text of the bill except along the lines I have indicated.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. COUZENS. Did the conferees agree to the so-called Wagner amendment, which was defeated in the Senate?

Mr. SMITH. Yes; that was agreed to by the conferees. I did overlook that. The House had a modified form of the amendment which the Senator from New York had proposed here and which was voted down in the Senate. The language which came from the House embodied the principle, but with different wording, and was agreed to by the conferees.

Mr. McNARY. Mr. President, when the bill was before the Senate for consideration I offered an amendment to the effect that payments or grants should be subject to the further condition that no crops intended for sale should be harvested from and no livestock intended for sale should be grazed or pastured on certain lands. Is such a provision contained in the conference report?

Mr. SMITH. Yes. There was considerable discussion as to what benefits might accrue to the dairy interests. The House had included certain language, and the Senate agreed to it with an amendment. I think the dairy interests are protected so far as they may be under a bill of this character.

Mr. McNARY. Inasmuch as the Senator has answered my inquiry in the affirmative and is familiar with the conference report, will he tell me wherein I may find the provision I offered on the floor at the request of the milk producers?

Mr. SMITH. I have not the conference report before me, but the dairy interests were taken care of. I will ask the clerk to find the specific amendment to the bill which was agreed to to take care of the dairy interests. I know they were taken care of, but the exact language and just where the provision appears in the conference report I cannot now state.

Mr. McNARY. It has been suggested, and I think very properly, that we should have the conference report read in its entirety. May that be done?

The VICE PRESIDENT. The conference report will be read.

The Chief Clerk read the conference report.

(For conference report, see p. 2804 of yesterday's Senate proceedings, CONGRESSIONAL RECORD.)

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. McNARY. Mr. President, evidently the Senator from South Carolina did not understand the nature of my inquiry. I asked if the amendment which I offered in the Senate, which was proposed by the Milk Producers' Associations, which largely controls the production of legumes and nitrogeneous plants, had been taken care of by the House and was in the conference report. The Senator from South Carolina, I assume, not understanding my question, answered in the affirmative. I assume responsibility for not making myself plain.

Upon reading the conference report and investigation of the RECORD, however, I find that the proposal which I submitted at the suggestion of the milk producers is not in the conference report; and I desire to have the RECORD plainly show that fact. In order to make the RECORD clear, I ask that the clerk may read the amendment I offered.

The VICE PRESIDENT. Without objection, the amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 7, line 6, in the amendment in the nature of a substitute proposed by Mr. SMITH, at the end of section 8, it was proposed to insert the following:

And any payment or grant of other aid which is conditioned, in whole or in part, upon the growth of soil-restoration, soil-conservation, or erosion-preventing crops on any land, or any change in the kind of crop to be grown on any land, shall be subject to the further condition that no crops intended for sale be harvested from, and no livestock intended for sale, or the products of which are intended for sale, be grazed or pastured on, such land.

Mr. McNARY. On February 15, as appears at page 2160 of the CONGRESSIONAL RECORD, a vote was had on this proposal. The yeas were 28 and the nays were 45. Consequently, the amendment was rejected by the Senate.

The same amendment was offered in the House on February 21, and appears at page 2577 of the CONGRESSIONAL RECORD. The proposal was rejected by the House by a vote of 146 yeas and 224 nays.

Therefore, of necessity the proposal which I made to take care of the dairy industry is not in the conference report, and therefore is not in the bill. I desire to have it made very clear that in this bill neither the House nor the Senate in any way attempted to look after the interests of the great dairy industry.

Mr. NORRIS. Mr. President, I desire to ask the Senator from Oregon a question. As I understand, this amendment was rejected both by the Senate and by the House?

Mr. McNARY. That is true.

Mr. NORRIS. Of course, therefore, the amendment could not be in the conference report.

Mr. McNARY. That is what I said.

Mr. NORRIS. So the conference committee is not to blame for that.

Mr. McNARY. I am not blaming anyone. A few moments ago I asked whether this proposal was in the bill, and I assume the Senator from South Carolina did not understand my inquiry, for he said it was.

Mr. NORRIS. If the conference committee had put it in the bill, the bill would have been subject to a point of order either in the House or here.

Mr. McNARY. Of course; I appreciate that fact. I have said so many, many times; but in response to my inquiry the Senator from South Carolina said the proposal I made was in the conference report. I assume that he did not understand my inquiry. I have simply made the record clear on that point without any criticism; that is all.

Mr. SMITH. Mr. President, I wish to assure the Senator from Oregon that the conferees were perfectly willing, in view of the language which the House had passed, to do all they could for the dairy interest in the conference report.

Mr. McNARY. I quite appreciate that. I am complaining about no one.

Mr. BORAH. Mr. President, I am candidly in search of knowledge.

In the conference report, subdivision (5) of section 7, there is found the following, which it is declared to be one of the purposes of the act to secure:

Reestablishment, at as rapid a rate as the Secretary of Agriculture determines to be practicable and in the general public interest, of the ratio between the purchasing power of the net income per person on farms and that of the income per person not on farms that prevailed during the 5-year period August 1909–July 1914, inclusive, as determined from statistics available in the United States Department of Agriculture, and the maintenance of such ratio. The powers conferred under sections 7 to 14, inclusive, of this act shall be used to assist voluntary action calculated to effectuate the purposes specified in this section. Such powers shall not be used to discourage the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption as determined by the Secretary from the records of domestic human consumption in the years 1920 to 1929, inclusive, taking into consideration increased population, quantities of any commodity that were forced into domestic consumption by decline in exports during such period, current trends in domestic consumption and exports of particular commodities, and the quantities of substitutes available for domestic consumption within any general class of food commodities.

Mr. President, I do not pause to discuss the constitutional question in this sweeping delegation of power. It is so manifestly in violation of all principles in a government of law that I must assume that was understood and accepted by the signers of the report.

Mr. SMITH. Mr. President, according to both the House and the Senate conferees, the interpretation was that even during the temporary period and during the period in which the States were to cooperate, the bill giving the power to the Secretary to veto or accept the program from the States, he should inform them in his proposition to them, to be adopted by them, the conditions necessary for reduction or increase, so as to meet as nearly as might be, according to his judgment, the situation as it then existed, when he was inviting the cooperation of the States in carrying out this measure.

To illustrate, if there were an excess of a product, he would suggest to the State—he having the veto power—if they saw fit to cooperate, then that particular thing would be reduced. Likewise for domestic consumption; the increase in population might necessarily cause him to change in the next year the percentage or the basis upon which he would recommend to the States, but the States all having the power either to accept or reject the proposition which he might make.

Mr. President, that was our interpretation of that very strained language, because I take it that it would be a considerable task for one so to arrange the production of a commodity as to bring it up to where the purchasing power which resulted from the sale of the product would match the purchasing power of those who bought it. Our interpretation was along the lines I have indicated, that the Secretary and his staff would always have in mind not only the volume necessary for export and domestic consumption but the relative value of the purchasing power of the consumer with that of the producer.

If the Senator will recall, in the Agricultural Adjustment Act we attempted by the processing tax to reach what we called "parity."

Mr. BORAH. Mr. President, the Secretary of Agriculture has been fiercely criticized from time to time during the administration of his office, but I do not join in that criticism, and have not done so. I think that, considering the task which he has had to perform, he has acted with perhaps as much efficiency and competency as could have been exhibited by any man who could be placed in that position. But we are here asked to confer upon him a task which would require omnipotence. It is crudely, on the face of it, an absurdity. The human mind is not equal to the task. I venture to say that no one can well understand the language of the bill, much less execute the duty imposed.

In the first place, there is no rule, no principle announced or incorporated, which would guide anyone. In other words, the discretion and judgment of the Secretary of Agriculture would be the sole rule of procedure under this provision.

Mr. SMITH. Mr. President, if the Senator will allow me, I do not think that is a correct interpretation. I take it that he will gather statistics and facts upon which to base his conclusion as to the necessary increase or decrease in the production of a commodity.

Mr. BORAH. Mr. President, there are no statistics and there are no facts which would enable anyone to determine between the purchasing power of the net income per person on a farm and the purchasing power of the net income of persons not on a farm, and the purchasing power is something wholly beyond the control of anyone under any rule which is announced in the legislation.

Mr. SMITH. I take it that the rate of wages received, and the price at which commodities are selling, upon which would be determined the approximate rate of wages the producer would receive, are possibly capable of being reduced to statistical form. I think that may be true, because, as we discussed the matter in conference, the question was how to determine the purchasing power of the consumer. That, of course, would depend upon the available statistics as to the rate of wage generally received, and the rate of wage which the producer would receive from the sale of his products.

Mr. BORAH. Mr. President, the years referred to here are the years of domestic human consumption, 1920 to 1929. I suppose the period from 1920 to 1929 was taken as a basis upon the theory that at that time there was a living income coming from the farms of the United States; otherwise, that would not have been adopted as the rule. But the income from the farms of the United States from 1920 to 1929 could not in any sense be considered a living income.

Mr. SMITH. I do not think it has ever been a living income.

Mr. BORAH. We know perfectly well that from 1920, the time when the deflationary policy was initiated by the Federal Reserve Board, the income from the farm gradually decreased, until in 1928 and 1929 the farmers were in a very critical condition financially.

Mr. SMITH. The Senator will recall the sudden paralysis which occurred following the meeting of the Federal Reserve Board when they decided to deflate. There was a tremendous, panicky drop in all farm prices. From May 1920 until the succeeding fall, to illustrate, cotton dropped from 40 cents a pound to 10 cents a pound. But in 1923, 1924, 1925, and 1926 there was a revival to such a point that most of the lost ground was regained.

Mr. BORAH. Mr. President, the Senator is thoroughly informed on that subject, of course; but from 1920, and for the next 6 or 8 years, while there was some revival after 1920 and 1920 and 1921, the farm conditions continued to be desperate. We were constantly trying to legislate upon the subject for the purpose of relieving the farmers. We had several measures before us looking to that end. To say that we should undertake to stabilize the income of the farmer upon the basis of the period from 1920 to 1929 seems to be a wrong theory upon which to proceed.

Mr. SMITH. We must take into consideration the fact that wages dropped almost in proportion at the same time.

Mr. BORAH. They did drop; they will always drop when there is distress on the farms.

Mr. SMITH. What the proponents of this legislation were driving at was the purchasing power of the wage earner as compared to the purchasing power of the farmer.

Mr. BORAH. But it seems to me we make a mistake in this proposition in taking the farmer and the wage earner and comparing their part of the national income, and assuming that there is a controversy between the producer and the wage earner. The trouble arises out of the fact that out of the national income the wage earner and the farmer combined do not get their due proportion. It is not wise to assume that the task is to divide more equitably the income of the producer and the wage earner; the problem is to increase their portion of the national income.

Mr. SMITH. No; but the purchasing power of the wage earner and the purchasing power of the producer were about equal; but since then, in the subsequent years, the wage earner's wages have increased, while the purchasing power of the producer has still further drastically declined. It was a relation between the two, the proponents of the legislation were attempting to reach.

Mr. BORAH. It is assumed also, it seems from this report, that the increase of the products on the farm has a perceptible effect upon the increase of the cost of living for the laborer. That is not correct. The increase in the prices of the products upon the farm, of course, will have some effect, but it does not at all account for the immense increase in the cost of living. That takes place after the products leave the farm and before they get to the consumer, and the controversy should not be raised and the controversy cannot well be laid between the farmer and the wage earner. The power which fixes prices for both of them is power which keeps them from getting their due proposition of the national income, and we are not dealing with that; we are dealing with the supposed controversy between the two.

Mr. SMITH. I think the objective here is, of course, to so control the situation as to bring about an increase in the income of the farmer, and with his prosperity, of course, there generally follows an increase in the purchasing power of the consumer.

Mr. BORAH. Mr. President, now the Senator is expressing himself in accordance with my views. That is, if the income of the farmer is increased, it will increase the purchasing power of the farmer, it will increase the selling power and capacity of the manufacturer, and the manufacturer thereby will be enabled to employ a greater number of laborers at a better wage. That is the only way in which it can be done. This idea that even by Divine power we can go out and equalize the purchasing power of the producer and the purchasing power of the laborer, when above them both is a power which is fixing a rule under which they live, is to me inconceivable.

Mr. HATCH. Mr. President, I desire to ask a question of the chairman of the committee. It is really as to a matter of geography. I ask the question at the request of the Senator from Kansas [Mr. McGILL], who was called from the Chamber.

In section 4, page 5, in referring to the $2,000,000 appropriation, the report says it shall be "for allocation and payment to the States in the southern Great Plains area."

Mr. SMITH. In reply to the Senator, I will say that we had a note from the Department saying that in cases where disastrous dust storms originated in certain areas, but affected areas not geographically included, the benefits would cover the area affected by the disaster.

Mr. HATCH. I quite understand the purpose of the allocation, and I am heartily in favor of it. What the Senator from Kansas wanted to know was just what section of the United States is included in the term "the southern Great Plains area."

Mr. SMITH. According to the description of the Department, it is where the dust storms originate; but they state that sporadically, sometimes incidentally, dust is raised—not political dust but actual dust—in some of the States bordering this area; and as the question was raised by those affected by the dust storms, but who do not live in the area in which they originate, we were informed by the Department that the specification as to that area would not exclude those border States affected by the disaster.

Mr. HATCH. One would be safe in assuming, then, that that area includes all the region where the dust storms have been originating?

Mr. SMITH. Yes.

Mr. HATCH. I see the senior Senator from Kansas [Mr. CAPPER] present. I am sure he would feel satisfied that that would include his State.

Mr. SMITH. That matter was discussed and the senior Senator from Kansas was a member of the conference committee.

Mr. HATCH. That was the point the Senator from Kansas [Mr. McGILL] desired to bring up.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. BARKLEY. I ask unanimous consent that the Vice President be authorized to sign, during the recess of the Senate, the bill the conference report on which has just been agreed to.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? Without objection, it is so ordered.

SCHOOL BUILDING FOR INDIAN CHILDREN IN MOUNT VAIL COUNTY, N. DAK.

Mr. FRAZIER. Mr. President, on January 16 of this year Senate bill 3093 was passed by the Senate. It is a bill to provide funds for a public school which Indian children attend. A little later an identical bill came from the House, was passed by the Senate, went to the White House, and was there vetoed by the President.

In order to straighten out the parliamentary situation with respect to this bill, I ask unanimous consent that the vote by which the bill was passed be reconsidered and that the measure be indefinitely postponed.

The PRESIDING OFFICER. Without objection, the vote by which Senate bill 3093 was passed is reconsidered and the bill is indefinitely postponed.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, in view of the controversy over the language in the park bill, which is the unfinished business, it has been agreed that the bill and the question of recommittal shall go over until Monday and remain the unfinished business at that time, with a view of enabling Senators to get together on language which will be satisfactory to all concerned.

Therefore, I move that the Senate now proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CLARK in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations (and withdrawing a nomination), which were referred to the appropriate committees.

(For nominations this day received, and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

IN THE ARMY

The legislative clerk proceeded to read sundry Army nominations heretofore passed over.

Mr. SHEPPARD. I ask unanimous consent that the nominations in the Army be passed over.

The PRESIDING OFFICER. Without objection, the nominations in the Army will be passed over.

PUBLIC WORKS ADMINISTRATION

The legislative clerk read the nomination of Leo J. Voell, of Wisconsin, to be State director of the Public Works Administration in Wisconsin.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters on the calendar.

Mr. McKELLAR. I ask that the nomination of Earl D. Cline to be postmaster at North Los Angeles, Calif., be passed over.

The PRESIDING OFFICER. Without objection, the nomination of Earl D. Cline to be postmaster at North Los Angeles, Calif., will be passed over.

Mr. McKELLAR. With that exception, I ask unanimous consent that the remaining nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the remaining nominations of postmasters are confirmed en bloc.

That completes the calendar.

RECESS TO MONDAY

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 2 o'clock and 52 minutes p. m.) the Senate took a recess until Monday, March 2, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 27 (legislative day of Feb. 24), 1936

PUBLIC WORKS ADMINISTRATION

Joe B. Mullins, of Tennessee, to be State engineer inspector for the Public Works Administration in Tennessee.

PROMOTIONS IN THE NAVY

Lt. Robert W. Bockius to be a lieutenant commander in the Navy from 1st day of August 1935.

Lt. John B. Lyon to be a lieutenant commander in the Navy from the 4th day of October 1935.

Lt. Elmer F. Helmkamp to be a lieutenant commander in the Navy from the 1st day of November 1935.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 30th day of June 1935:

Everett P. Newton, Jr.

James W. Haviland, 3d.

Lt. (junior grade) David G. Greenlee, Jr., to be a lieutenant in the Navy from the 5th day of September 1935.

Lt. (junior grade) Charles F. Chillingworth, Jr., to be a lieutenant in the Navy from the 6th day of September 1935.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of October 1935:

John E. Florance

Ranald M. MacKinnon

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 4th day of October 1935:

Martin J. Drury

Alexander MacIntyre

Edward D. Crowley

Lt. (Jr. Gr.) Hugh P. Thomson to be a lieutenant in the Navy from the 8th day of October 1935.

Lt (Jr. Gr.) George P. Biggs to be a lieutenant in the Navy from the 20th day of November 1935.

The following-named lieutenant commanders to be lieutenant commanders in the Navy, from the dates stated opposite their names, to correct the dates of rank as previously nominated and confirmed:

Henry R. Oster, July 1, 1926.

Lawrence B. Richardson, July 1, 1926.

James R. Allen, June 2, 1927.

Charles A. Nicholson, 2d, June 2, 1927.

The following-named paymasters to be paymasters in the Navy, with the rank of lieutenant commander, from the 1st day of June 1934, to correct the date of rank as previously nominated and confirmed:

Charles D. Kirk	John H. Davis
Charles S. Bailey	Harold T. Smith
Walter W. Mahany	Charles J. Lanier

Asst. Paymaster James P. Dowden to be a passed assistant paymaster in the Navy, with the rank of lieutenant, from the 30th day of June 1935.

The following-named boatswains to be chief boatswains in the Navy, to rank with but after ensign, from the 1st day of October 1935:

Gerard J. O'Brien	Noyes V. Sanborn
Homer V. Randolph	John F. Pingley
Ralph A. Wiley	John D. Garland
Milton P. Dominquez	Percy D. Generous
Percy Bond	Roland B. McArthur
Charles G. Jenkins	

The following-named electricians to be chief electricians in the Navy, to rank with but after ensign, from the 1st day of October 1935:

Charles E. Mowry
Perry E. Koon
James B. Terwilliger

Machinist Ernest E. Dobson to be a chief machinist in the Navy, to rank with but after ensign, from the 1st day of October 1935.

The following-named pay clerks to be chief pay clerks in the Navy, to rank with but after ensign, from the 5th day of September 1935:

Roland A. Platt
James D. Stephens
Louis J. Spare

Ensign James L. Kemper to be a lieutenant (junior grade) in the Navy from the 2d day of June 1935.

Pay Director Charles Conard to be a pay director in the Navy, with the rank of rear admiral, from the 14th day of November 1927.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 27 (legislative day of Feb. 24), 1936

PUBLIC WORKS ADMINISTRATION

Leo J. Voell to be State director of the Public Works Administration in Wisconsin.

UNITED STATES DISTRICT JUDGE

Robert N. Pollard to be United States district judge for the eastern district of Virginia.

POSTMASTERS

CALIFORNIA

James M. Hayden, Delano.
Walter A. Filer, Fellows.
Mary G. Newby, San Quentin.
John J. Blaney, Weaverville.

CONNECTICUT

Francis T. Green, Naugatuck.
Patrick J. Goode, New Haven.

HAWAII

John I. Silva, Eleele.
Manuel J. Carvalho, Makaweli.

IOWA

Dee C. Batten, Chariton.
Mark R. Doud, Douds.
George T. Shanley, Webster City.

KANSAS

Mattie L. Binkley, Brewster.
Henry F. Schmidt, Dodge City.
James B. Doyle, Herington.
Wilbur Rothe, Otis.

MISSOURI

Edwin A. Williams, Boonville.
Bailey F. Brooks, Caruthersville.
William P. Carskadon, Dalton.
Clare Magee, Unionville.

NEBRASKA

Patrick F. Leonard, Anselmo.
Gustav A. Koza, Clarkson.
Gretchen Wohlfarth, Diller.
Edmund J. Barrett, Lawrence.
Kitty Hennessy, Platte Center.

NORTH CAROLINA

Charles N. Dobbins, Yadkinville.

WITHDRAWAL

Executive nomination withdrawn from the Senate February 27 (legislative day of Feb. 24), 1936

POSTMASTER

PENNSYLVANIA

Morrissey C. Miller to be postmaster at Beech Creek, in the State of Pennsylvania.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 27, 1936

The House met at 12 o'clock noon.

Rev. Chesteen Smith, D. D., retired minister of the Methodist Episcopal Church, Washington, D. C., offered the following prayer:

Almighty God, our Infinite Father, we crave Thy blessing for the service of this hour. As the inspirer of human minds, wilt Thou enlighten us as we seek to think through the perplexing questions which face us in these days? We praise Thee for the privilege of being citizens in so glorious a land as this. We pray that we may ever keep in mind those great objectives of peace and righteousness and human welfare, that they may inspire us to seek with all earnestness to bring the Nation to these desired ends. May we never forget that the true grandeur of any nation is in the moral character of its people. Bless, we pray Thee, those who are charged with the responsibility of giving leadership in the great task of bringing in the day of brotherhood and cooperation, and may we recognize these as the great objectives which call for our best ability. May the work of this day make some valuable contribution to the devising of those policies and the enactment of those laws which will provide a better day in the history of mankind. We ask this in the name of Him who gave us such a marvelous revelation of Thy will to men. Amen.

The Journal of the proceedings of yesterday was read and approved.

HOUSING FOR FAMILIES OF LOW INCOME

The SPEAKER. Under a special order, the Chair recognizes the gentleman from New York [Mr. BOYLAN] for 10 minutes.

Mr. BOYLAN. Mr. Speaker, I am taking time today to explain the provisions of the bill introduced by me, H. R. 11146. This bill provides Federal aid to States, municipalities, and political subdivisions of States for carrying out projects for housing for families of low income, and for other purposes.

In any consideration of the reasons why poor housing exists it becomes apparent that the old law of supply and demand has failed to function satisfactorily in the field of low-rent shelter. Homes of modern standards at low rents cannot be made available to the majority of American consumers through private production. Profits and ordinary methods of private enterprise presupposes high monthly rentals. Speculative builders cannot operate on a nonprofit basis.

The need for drastic action toward closing the gap between quality housing and low rents is strikingly shown by the fact that in New York and most of the large urban centers very few apartments or houses following the World War rented before the depression in 1929 at less than $15 per room per month, or $60 a month for a four-room apartment. It is commonly estimated in the United States that 25 percent of income for rent is the most the average worker can pay.

This includes the cost of fuel for heat and hot water. Therefore, no worker could afford to rent such accommodations unless he received a salary from $2,500 to $3,000. The lower-income groups were compelled to take the castoff, the unwanted, the obsolete in housing. While the depression caused some reductions in rents, it likewise reduced the income of wage earners. By 1932 the national wage bill had decreased to approximately two-thirds that of 1929. Today, with the maximum average income of wage earners falling below $1,000, they cannot properly pay more than $20 per month for shelter or from $5 to $7 per room. The builder is not alone responsible for this economic deadlock between home production and consumption as it relates to the families in the lower-bracket income. He is forced to pay a high price for land, and to get a return on his investment by erecting only high-cost buildings.

In New York City alone over 1,000,000 people are living in buildings declared unfit for human habitation many years ago. Ninety percent of the people who are in need of better

housing quarters have earnings of less than $2,500 a year, and therefore are unable to purchase the expensive type of house now being built.

In a recent survey made by a leading university on housing conditions in the United States the following table was prepared by the university based on 1929 incomes:

A $6,100 home is too expensive for 80 percent of American families.

A $5,100 home is too expensive for 75 percent of American families.

A $4,200 home is too expensive for 66 percent of American families.

A $3,400 home is too expensive for 53 percent of American families.

A $2,500 home is too expensive for 35 percent of American families.

The President in his address to Congress on June 8, 1934, said:

> Among our objectives I place the security of the men, women, and children of the Nation first. This security for the individual and for the family concerns itself primarily with three factors. People want decent homes to live in; they want to locate where they can engage in productive work; and they want some safeguard against misfortunes which cannot be wholly eliminated in this man-made world of ours * * *. In pursuing this policy we are working toward the ultimate objective of making it possible for American families to live as Americans should.

The first municipal housing bill was introduced at Albany, N. Y., in March 1933, but was not adopted and passed until January 1934. This New York bill served as a pattern for similar legislation adopted by other States, and for the sample bill subsequently prepared by the Legal Division of the Public Works Administration. In February 1935 this latter model municipal housing authorities bill was submitted to the Governors of approximately 40 States where such legislation had not yet been adopted, the P. W. A. having been requested to submit sample drafts of a municipal housing plan.

Since the autumn of 1933 the cities of 18 States have been empowered to create local housing authorities. They are Alabama, California, Colorado, Illinois, Kentucky, Massachusetts, Michigan, Montana, Nebraska, Nevada, New York, North Carolina, Ohio, Rhode Island, South Carolina, Tennessee, West Virginia, and the District of Columbia.

New York leads the States with the greatest number of cities which have taken advantage of their newly granted powers and have established local housing authorities—eight, including New York City, Buffalo, Schenectady, Syracuse, Lackawanna, Port Jervis, Yonkers, and Amsterdam.

American slums are among the worst in the western world. From coast to coast the housing conditions which families in the lower-bracket income are obliged to occupy are a shocking commentary on what we like to call the American standard of living. In nearly every American community families live in homes that are unfit for proper human habitation.

The Federal Government has under construction two large housing projects in Brooklyn and Harlem which will provide over 3,000 apartments at low rentals. In addition, the New York Housing Authority has constructed its first group of houses—of low-rent houses by the city. These projects, however, will be unable to rent rooms at a rent low enough to reach thousands of families who, on account of their small incomes, are unable to pay over $5 to $7 per month per room.

The only solution to the problem, to my mind, is the granting by the Government, under proper conditions, amounts up to 80 percent of the cost of carrying out projects; these projects to be well built and supply heat and hot water to the tenants at a rent not exceeding $7 per room per month.

This proposed plan would not interfere with private industry, inasmuch as they could not provide accommodations of this character for rents, specified, and make any profit. In addition, this construction would prove a boom for the building-trade workers. Just last week spokesmen for about 1,000,000 building-trades workers agreed with the labor housing conference held in Washington that a national housing program be commenced which would include a system of Federal subsidies, the establishment of a permanent Federal housing agency, and Federal standards in all public-aid projects.

Officers of the building trades department of the American Federation of Labor, representatives of building unions, and the Labor Housing Conference, adopted a declaration to form the basis of a drive by 60 labor housing committees affiliated with the Labor Housing Conference and other unions throughout the country.

Since 1932, it is said, about two-thirds of the building-trades workers have been unemployed. The union spokesman insisted on the following essentials of a building program:

First. There must be a permanent Federal housing agency, with the responsibility, the power, and the means to see that adequate low-rental housing is constructed.

Second. There must be a clear-cut system of Federal subsidies. In general, families with incomes under $1,200 to $1,500 cannot be housed without some form of outright grant or subsidy. The only agency that can supply such grants today is the Federal Government.

Third. There must be local initiative, cooperation, and responsibility in housing construction and management wherever possible and feasible.

Fourth. The Federal Government must exact adequate standards in all publicly assisted housing projects. One of the basic standards is that prevailing wages must be paid all workers on housing projects. Another is that every project must meet certain definite standards of physical space and equipment and neighborhood planning and facilities. Rent levels and management must be controlled by the housing agency.

The only way many of our people can obtain proper housing conditions is by governmental action. To my mind, it is the function of Government to inculcate a spirit of contentment in the people by providing decent, habitable living quarters properly equipped with heat, hot water, and other modern conveniences.

This objective may be accomplished by passing my bill. It will open a new outlook on life for families of low income in the Nation.

It will be recognized that the very next essential, after you provide food for a man who is in need, is to provide proper housing. It has been said, "Oh, you are going to put the Government in business to compete with the ordinary building trades." That is not so, because in the building of houses for low-income families in the cities of the United States, one cannot afford to buy the land and erect proper buildings at a price that would permit the low-income class of people to rent them. It is, therefore, necessary that the Government should step in and help this class. Take some of the propositions that the Government has financed in the large cities. They have tried the limited-dividend corporation, for instance.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. SNELL. I have been interested in the discussion the gentleman has given us and ask him this question. How far does the gentleman think we should go in creating by Government funds, raised from the taxpayers, nonprofit organizations to compete with private business?

Mr. BOYLAN. I do not speak of nonprofit corporations, other than municipal ones. My bill provides for the granting of subsidies to corporations, which are municipal, State, or other subdivision of the State. It does not provide for grants to either profit or nonprofit private corporations.

Mr. SNELL. I understood the gentleman in his statement to say that profit organizations could not do what he wants to do, so that I would think that would put this organization he wants to set up as opposed to profit organizations.

Mr. BOYLAN. The gentleman perhaps did not follow me closely. I was trying to illustrate the fact that in cases of nonprofit organizations or limited profit ones, where the Government had made loans, even under those favorable auspices they were unable to erect proper housing to rent for less than $10, $12, or $14 per room per month.

Mr. SNELL. If we establish these nonprofit organizations with Government funds, why should we not follow it up in every other line of business?

Mr. BOYLAN. I fear the gentleman has not followed my remarks. I repeat that my bill does not provide for subsidies to corporations other than municipal corporations.

Mr. SNELL. But they are nonprofit organizations, competing with private business?

Mr. BOYLAN. No. They will not compete in that class. I have tried to make that clear, too, because the profit-making corporations or speculative builders cannot afford to enter into this class of construction, because it will not produce any return at all.

Mr. SNELL. That is just the point I am getting at.

Mr. BOYLAN. They will not go into business, as the gentleman knows, unless it is profitable.

Mr. SNELL. Then the gentleman advocates putting the Government or a municipality into a business that does not produce any profit and that necessarily comes in competition with private funds trying to make a profit on their business?

Mr. BOYLAN. Oh, the gentleman is too well informed. I know the gentleman and I know his high standing——

Mr. SNELL. Well, never mind that now.

Mr. BOYLAN. Let me answer the gentleman's question.

Mr. SNELL. Never mind that. This is a question of economics I am asking the gentleman about now.

Mr. BOYLAN. I feel the gentleman would do anything possible to help the people of our country, but surely the gentleman is not going to say that the Government should not take a man out of these hovels—these hovels of the great cities—and out of the slums and say that that is a matter for private enterprise?

The SPEAKER. The time of the gentleman from New York [Mr. BOYLAN] has expired.

Mr. CURLEY. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CURLEY].

There was no objection.

Mr. BOYLAN. Now, has the gentleman any more questions?

Mr. SNELL. I should like to have the gentleman answer the question I asked him. [Laughter.]

Mr. BOYLAN. I cannot believe that, because the gentleman is too intelligent. [Laughter and applause.]

Mr. SNELL. Let me make this statement: I am opposed to the Government in business. That is my philosophy. I should like to know just how far the gentleman would have the Government go in erecting buildings or in any other line of endeavor in competition with private business? If the gentleman would answer that, that is the only question I have to ask him.

Mr. BOYLAN. Yes; I will answer that. It should go far enough to take the low-income people of the great urban centers of this country out of the obsolete houses in which they live in order to give them proper and adequate and decent shelter in order to make them better citizens of this Republic. [Applause.]

Mr. CURLEY. Will the gentleman yield for a question?

Mr. BOYLAN. I yield.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. CURLEY. Mr. Speaker, I ask unanimous consent that the gentleman have 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CURLEY. As a Representative in this House of a district that is greatly interested in the proposed legislation which the gentleman has introduced, it is the object of this bill which the gentleman is introducing today to stimulate private industry. Is that not right?

Mr. BOYLAN. Yes; stimulate it; but, of course, in this particular field, there being no profit, private industry will leave it alone.

Mr. CURLEY. As a matter of fact, private interests are not financially able to enter into this construction?

Mr. BOYLAN. Absolutely not. They are not going to work without a reasonable chance to make a profit.

Mr. CURLEY. So that if the National Government does not take a hand in the reconstruction of these tenement-house sections, such as we have in our great city of New York, as well as other cities, we will have conditions such as we had in the past year, where there was great loss of life?

Mr. BOYLAN. Absolutely; loss of health and loss of life.

Mr. CURLEY. There are 161,000 one- and two-family houses in New York where there are five, six, and seven families living. Is that not right?

Mr. BOYLAN. The gentleman is correct.

The SPEAKER. The time of the gentleman from New York has again expired. [Applause.]

Under the special order of the House the gentleman from Pennsylvania [Mr. RICH] is recognized for 10 minutes.

Mr. RICH. Mr. Speaker, I do not expect to yield to anybody during the 10 minutes I have unless my time can be extended.

I want to say a word with reference to the statement of the Federal Treasury. I think it is one of the things to which Members of this House have not given proper consideration. I believe the condition of the Federal Treasury is one of the most serious things that is facing the Nation today.

I had the privilege of the floor on Monday, when KENT KELLER asked my favorite question to the House, "Where are you going to get the money?" I said I could not answer, and I did not believe anybody else could. The gentleman from Illinois, Mr. KENT KELLER, said he could. I yielded all of my time to him to answer it, and he made this statement:

> I want you to see that this question of balancing the Budget is not only not vital, but it is a piece of nonsense, in my judgment, to bring it out every time we get up here and talk about it unless we know what we are talking about.

KENT KELLER talked for 18 minutes, and I want you to read it and see whether he has given you anything constructive about balancing the Budget.

I want to call attention to the fact that we have collected this year, beginning July 1 to date, $2,309,601,642.20, and we have expended $4,682,586,233, or we have gone in the red $2,372,984,590.80. Now we are in debt thirty-two and one-half billion dollars. I want to know whether you think that is of serious moment and demands consideration by the Members of this House. When you think that the Secretary of the Treasury, Mr. Morgenthau, says that by the end of this year we will be in the red $40,000,000,000, when a Harvard economist says that we are probably able to stand a $50,000,000,000 indebtedness, where are we going to stop? I say there is someone responsible for this, and I am going to center that responsibility on the gentleman from Alabama [Mr. BANKHEAD], the leader on the majority side of the House of Representatives, and I will name a few other leaders who share this party responsibility with him; and I want it understood that I consider all of these gentlemen my friends, but I do not wish to do them any personal harm. All I wish to do is to get them to assume their responsibility to their party and to our Nation—the country which we all love.

It is up to him and the members of his party to see that we do not go further in debt. You must stop spending or do more taxing, or both.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. RICH. I will when my 10 minutes have expired, if the gentleman gets me more time.

Mr. BANKHEAD. The gentleman should yield now. Does the gentleman decline to yield?

Mr. RICH. I will not yield until my 10 minutes are up. I have too much to say to you.

I say it is the responsibility of Mr. BANKHEAD, the Democratic leader, the gentleman from Alabama, and the Members of this House. I present a few more facts, showing the responsibility of others: The President, Mr. Roosevelt, said

in Sioux City, Iowa, September 29, 1932, in referring to Mr. Hoover's administration; I quote:

> I accuse the present administration of being the greatest spending administration in peace times, in all our history—one which has piled bureau on bureau, commission on commission.

Now I wonder what he thinks of his ruthless expenditures. They must look awful in comparison.

In Pittsburgh, on October 19, 1932, President Roosevelt said:

> I regard reduction in Federal spending as one of the most important issues of this campaign. In my opinion, it is the most direct and effective contribution that government can make to business.

Let Mr. Roosevelt reflect upon his statement. What does he think of his ruthless expenditures?

In Butte, Mont., President Roosevelt said, on September 19, 1932—I quote:

> Remember well that attitude and method, the way to do things, not just the way we say things, is nearly always the measure of our sincerity.

Does Mr. Roosevelt now—or has he had any sincerity? I want you to remember this, too, that the expenditures of government from Washington to Wilson, 1789–1913, a total of 124 years, were $24,521,843,000. The expenditures of the Roosevelt administration for 3 years was $24,206,533,000. Someone should hide their face in shame.

Are you sincere in what you are trying to do? This is no foolish or laughing matter. Are you Members of the House going to stop this ruthless expenditure? If the majority leader [Mr. BANKHEAD] and his associates are not responsible, why are they permitting increases in all the bills which have come before us? We have passed the following appropriation bills: Independent offices, Interior, Treasury-Post Office, War Department, and we are now considering the Department of Agriculture appropriation bill. Everyone of these appropriation bills is greatly increased over what it was for the current year.

The President of the United States said on January 3:

> We are approaching the balanced Budget.

Read the Treasury statement. Nothing was further from the truth; and when Mr. Farley, out in Kansas the other day, said, "We are in the black"—well, "you can fool some of the people some of the time, but you cannot fool all of the people all of the time." [Applause.]

Let me say that it takes brains to make money, but any foolish person can spend it. [Laughter.] Any fool can spend other people's money. If you men are sincere in what you say you are going to do in the Democratic platform about a balanced Budget, and what you are expected to do, then you must handle things differently from now on than what you have been doing the past 3 years. It is certainly a very serious matter to me.

What I am saying should be taken a little more seriously.

A MEMBER. Regular order, Mr. Speaker.

Mr. BANKHEAD. Mr. Speaker, I hope the Chair will maintain order, for I am extremely anxious to hear this valuable contribution the gentleman is making.

The SPEAKER. The House will be in order. The gentleman will proceed.

Mr. RICH. On this list in my hand are the names of the men mainly responsible for these large appropriations, and I will insert it in the RECORD. The gentleman from Alabama [Mr. BANKHEAD] is the leader of them in the House.

MEN RESPONSIBLE FOR RUTHLESS EXPENDITURES, HOUSE OF REPRESENTATIVES

William B. Bankhead, majority leader; John J. O'Connor, Rules Committee; James P. Buchanan, Appropriations; Robert L. Doughton, Ways and Means; Lindsay Warren, Accounts; John J. Cochran, Expenditures in the Executive Departments; Marvin Jones, Agriculture; Sam Rayburn, Interstate and Foreign Commerce; John J. McSwain, Military Affairs; Carl Vinson, Naval Affairs; James M. Mead, the Post Office and Post Roads; Joseph J. Mansfield, Rivers and Harbors; Joseph W. Byrns, Speaker of the House; John N. Garner, Vice President; Senator Robinson, Senate majority leader; President Roosevelt, President of the United States; and other Democratic Party committee chairmen.

The bill for relief in 1934 was $2,338,000,000; in 1935 it was $3,188,000,000; in 1936 it will be $3,044,000,000. You will probably very soon be asking more money for relief, and probably it will be necessary; but you are on the wrong track in the laws you have enacted because they are having the very opposite effect to what you intended. You need new Jeffersonian Democrat advisers; and get rid of the "brain trusters." If we are to put 11,400,000 unemployed men back on the pay rolls of industry, it is going to be necessary to do something different from what we are doing and what we have been doing.

Mr. CREAL. Mr. Speaker, will the gentleman yield?

Mr. RICH. Mr. Speaker, I refuse to yield to anyone.

Mr. Speaker, I call attention once more to the first plank in the Democratic platform:

> The Democratic Party solemnly promises by appropriate action to put into effect the principles and reforms herein advocated and to eradicate the policies, methods, and practices herein condemned. We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance; to accomplish a saving of not less than 25 percent in the cost of Federal Government; and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.
>
> We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate Executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay.

Are you going to do it? I want an answer from the Democratic leaders.

If you are going to spend money, are you going to raise it by bringing in a tax bill? Men, it is serious. You Democrats are compelled to bring in a bill for taxation. If you permit this great indebtedness to increase, you are going to find out that you will wreck the Nation. If the American flag behind the Speaker stands for anything to you, to me, or to the people of this country, we have got to preserve the financial structure of the Nation. We cannot permit it to go into bankruptcy, we cannot permit our debts to be canceled. If we do, we are going to lose our form of government; we have no alternative.

Mr. O'CONNOR rose.

Mr. RICH. You are one of those responsible. [Applause and laughter.]

Mr. ZIONCHECK. Why not point out the Speaker; he is responsible, too.

Mr. RICH. I say he is an honest man.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield for a question?

Mr. RICH. When my 10 minutes have expired and if the gentleman will get me more time, I will yield. Some have tried to lead class strife and hatred in the House, and at this point I shall read a statement made on the floor of the Senate in 1838 by Daniel Webster, which, I think, is very applicable in the present day:

> There are persons who constantly clamor. They complain of oppression, speculation, and pernicious influence of accumulated wealth. They cry out loudly against all banks and corporations and all means by which small capitalists become united in order to produce important and beneficial results. They carry on mad hostility against all established institutions. They would choke the fountain of industry and dry all streams. In a country of unbounded liberty they clamor against oppression. In a country of perfect equality they would move heaven and earth against privilege and monopoly. In a country where property is more evenly divided than anywhere else they rend the air shouting agrarian doctrines. In a country where wages of labor are high beyond parallel they would teach the laborer he is but an oppressed slave.
>
> Sir, what can such men want? What do they mean? They can want nothing, sir, but to enjoy the fruits of other men's labor. They can mean nothing but disturbance and disorder, the diffusion of corrupt principles, and the destruction of the moral sentiments and moral habits of society.

[Here the gavel fell.]

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, if we had more Daniel Webster's today, how much better we would be off! We certainly have too many demagogues!

Mr. Speaker, may I quote the following poem, in conclusion, and if I knew who the author was I would give him credit for it, but to me it is very apropos at this time:

TIRED

I'm tired, oh, so tired, of the whole New Deal;
Of the juggler's smile and the barker's spiel;
Of the mushy speech and the loud bassoon;
I'm tiredest of all of our leader's croon.

I'm tired of farmers goose-stepping to laws;
Of millions of itching job holders' paws;
Of fireside talks on commandeered mikes;
Of passing more laws to stimulate strikes.

I'm tired of the daily increasing debt;
I'm tired of promises not to be met;
Eating and sleeping by Government plan,
I'm tired forgetting the forgotten man.

I'm tired of every new "brain trust" thought;
Of the Ship of State turned into a yacht.
I'm tired of beating the courts by stealth,
And terribly tired of sharing the wealth.

I am tired of laws that ruin the land;
Of "brain trusters'" suggestions from every hand;
If Congress, sound business methods would adopt,
This administration might be saved from being a flop.

OPINION OF UNITED STATES SUPREME COURT IN GROSJEAN *v.* AMERICAN PRESS CO. (H. DOC. NO. 416)

Mr. LAMBETH. Mr. Speaker, by direction of the Committee on Printing I send to the desk a privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 421

Resolved, That the opinion of the Supreme Court of the United States in the case of *Alice Lee Grosjean, Supervisor of Public Accounts for the State of Louisiana, appellant*, v. *American Press Co., Inc., et al.*, involving the question of the freedom of the press, be printed as a House document; and that 3,000 additional copies be printed for the use of the House document room.

Mr. LAMBETH. Mr. Speaker, I merely wish to quote two sentences from this great opinion of the Supreme Court:

A free press stands as one of the great interpreters between the Government and the people. To allow it to be fettered is to fetter ourselves.

Mr. Speaker, this resolution is introduced at the request of a number of Members, and will cost about $35 to print as a document.

Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was agreed to.

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

Mr. JONES. Mr. Speaker, I call up the conference report on the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. The gentleman from Texas calls up a conference report and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the amendment of the House insert the following:

"That the Act entitled 'An Act to provide for the protection of land resources against soil erosion, and for other purposes', approved April 27, 1935, is amended by inserting at the end thereof the following:

"'SEC. 7. (a) It is hereby declared to be the policy of this Act also to secure, and the purposes of this Act shall also include, (1) preservation and improvement of soil fertility; (2) promotion of the economic use and conservation of land; (3) diminution of exploitation and wasteful and unscientific use of national soil resources; (4) the protection of rivers and harbors against the results of soil erosion in aid of maintaining the navigability of waters and water courses and in aid of flood control; and (5) reestablishment, at as rapid a rate as the Secretary of Agriculture determines to be practicable and in the general public interest, of the ratio between the purchasing power of the net income per person on farms and that of the income per person not on farms that prevailed during the five-year period August 1909–July 1914, inclusive, as determined from statistics available in the United States Department of Agriculture, and the maintenance of such ratio. The powers conferred under sections 7 to 14, inclusive, of this Act shall be used to assist voluntary action calculated to effectuate the purposes specified in this section. Such powers shall not be used to discourage the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption as determined by the Secretary from the records of domestic human consumption in the years 1930 to 1929, inclusive, taking into consideration increased population, quantities of any commodity that were forced into domestic consumption by decline in exports during such period, current trends in domestic consumption and exports of particular commodities, and the quantities of substitutes available for domestic consumption within any general class of food commodities. In carrying out the purposes of this section due regard shall be given to the maintenance of a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair to both producers and consumers.

"'(b) The Secretary of Agriculture shall cooperate with States, in the execution of State plans to effectuate the purposes of this section, by making grants under this section to enable them to carry out such plans.

"'(c) Any State which submits to the Secretary, prior to such time and in such manner and form as the Secretary prescribes, a State plan to effectuate the purposes of this section shall be entitled to payments, as provided in this section, for the year to which such plan is applicable, if such plan is approved by the Secretary as provided in this section.

"'(d) No such plan shall be approved unless by its terms:

"'(1) It provides that the agency to administer the plan shall be such State agency as may be designated by the Secretary if such agency is authorized by the State, or such other State agency as is authorized by the State and approved by the Secretary;

"'(2) It provides for such methods of administration, and such participation in the administration of the plan by county and community committees or associations of agricultural producers organized for such purpose, as the Secretary finds necessary for the effective administration of the plan; and

"'(3) It provides for the submission to the Secretary of such reports as he finds necessary to ascertain whether the plan is being carried out according to its terms, and for compliance with such requirements as the Secretary may prescribe to assure the correctness of and make possible the verification of such reports.

"'(e) Such plan shall be approved if the Secretary finds that there is a reasonable prospect that—

"'(1) Substantial accomplishment in effectuating the purposes of this section will be brought about through the operation of such plan and the plans submitted by other States; and

"'(2) The operation of such plan will result in as substantial a furtherance of such accomplishment as may reasonably be achieved through the action of such State.

"'(f) Upon approval of any State plan for any year the Secretary shall allocate to such State such sum (not in excess of the maximum amount fixed in pursuance of subsection (g) for such State for such year) as he finds necessary to carry out such plan for such year, and thereupon shall certify to the Secretary of the Treasury for payment to such agency of the State as the Secretary of Agriculture certifies is designated in the plan, and the Secretary of the Treasury shall pay to such agency, one-fourth of the amount so allocated. The remainder of the amount so allocated shall be similarly certified and paid in such installments (payable prior to the end of the calendar year) as may be provided in the plan. No such installment shall be certified for payment if the Secretary of Agriculture finds that, prior to the due date of such installment, there has been a substantial failure by the State to carry out the plan according to its terms, or that the further operation of the plan according to its terms will not tend to effectuate the purposes of this section. No amount shall be certified for payment under any such installment in excess of the amount the Secretary finds necessary for the effective carrying out of the plan during the period to which the installment relates.

"'(g) On or before November 1 of each year, the Secretary shall apportion among the several States the funds which will be available for carrying out State plans during the next calendar year, and in determining the amount to be apportioned to each State, the Secretary shall take into consideration the acreage and value of the major soil depleting and major export crops produced in the respective States during a representative period and the acreage and productivity of land devoted to agricultural production (including dairy products) in the respective States during a representative period: *Provided, however*, That apportionments of funds available for carrying out the purposes specified in this section for the year 1936 may be made at any time during 1936, and apportionments for 1937 may be made at any time during 1937. Notwithstanding the making of an apportionment to any State for any calendar year, the funds apportioned to any State for which no plan has been approved for such year, and any amount apportioned to any State

which is not required to carry out an approved plan for such State for such year, shall be available for carrying out the provisions of sections 7 to 14, inclusive, of this Act.

"'SEC. 8. (a) In order to carry out the purposes specified in section 7 (a) during the period necessary to afford a reasonable opportunity for legislative action by a sufficient number of States to assure the effectuation of such purposes by State action and in order to promote the more effective accomplishment of such purposes by State action thereafter, the Secretary shall exercise the powers conferred in this section during the period prior to January 1, 1938, except with respect to farming operations commenced in any State after the effective date of a State plan for such State approved pursuant to section 7. No such powers shall be exercised after December 31, 1937, except with respect to payments or grants in connection with farming operations carried out prior to January 1, 1938.

"'(b) Subject to the limitations provided in subsection (a) of this section, the Secretary shall have power to carry out the purposes specified in clauses (1), (2), (3), and (4) of section 7 (a) by making payments or grants of other aid to agricultural producers, including tenants and sharecroppers, in amounts, determined by the Secretary to be fair and reasonable in connection with the effectuation of such purposes during the year with respect to which such payments or grants are made, and measured by, (1) their treatment or use of their land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion, (2) changes in the use of their land, (3) a percentage of their normal production of any one or more agricultural commodities designated by the Secretary which equals that percentage of the normal national production of such commodity or commodities required for domestic consumption, or (4) any combination of the above. In determining the amount of any payment or grant measured by (1) or (2) the Secretary shall take into consideration the productivity of the land affected by the farming practices adopted during the year with respect to which such payment is made. In carrying out the provisions of this section, the Secretary shall, as far as practicable, protect the interests of tenants and sharecroppers. In carrying out the provisions of this section, the Secretary is authorized to utilize county and community committees of agricultural producers and the agricultural extension service, or other approved agencies. In carrying out the provisions of this section, the Secretary shall not have power to enter into any contract binding upon any producer or to acquire any land or any right or interest therein. In carrying out the provisions of this section, the Secretary shall, in every practicable manner, protect the interests of small producers. The Secretary in administering this section shall in every practical way encourage and provide for soil conserving and soil rebuilding practices rather than the growing of soil depleting commercial crops.

"'(c) Any payment or grant of aid made under subsection (b) shall be conditioned upon the utilization of the land, with respect to which such payment is made, in conformity with farming practices which the Secretary finds tend to effectuate the purposes specified in clause (1), (2), (3), or (4) of section 7 (a).

"'SEC. 9. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting, and methods of accomplishing most effectively, the policy and purposes of section 7 (a). Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this Act.

"'SEC. 10. The term "agricultultural commodity" as used in this Act means any such commodity and any regional or market classification, type, or grade thereof.

"'SEC. 11. All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments as the Secretary may request to cooperate or assist in carrying out this Act.

"'SEC. 12. Whenever the Secretary finds that the exercise of the powers conferred in this section will tend to carry out the purpose specified in clause (5) of section 7 (a), or will tend to provide for and maintain a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair to both producers and consumers, or both, he shall use such part as he deems necessary of the sums appropriated to carry out this Act for the expansion of domestic and foreign markets or for seeking new or additional markets for agricultural commodities or the products thereof or for the removal or disposition of surpluses of such commodities or the products thereof.

"'SEC. 13. Notwithstanding the foregoing provisions of this Act, the Secretary is authorized and directed to provide for the execution by the Agricultural Adjustment Administration of such powers conferred upon him under sections 7 to 14, inclusive, of this Act as he deems may be appropriately exercised by such Administration, and for such purposes the provisions of law applicable to the appointment and compensation of persons employed by the Agricultural Adjustment Administration shall apply.

"'SEC. 14. The facts constituting the bases for any payment or grant or the amount thereof authorized to be made under section 7 or 8 hereof, when officially determined in conformity with rules or regulations prescribed by the Secretary of Agriculture, shall be reviewable only by the Secretary of Agriculture.

"'SEC. 15. To enable the Secretary of Agriculture to carry out the purposes of sections 7 and 8 there is hereby authorized to be appropriated for any fiscal year not exceeding $500,000,000.

"'SEC. 16. The obligations incurred for the purpose of carrying out, for any calendar year, the provisions of sections 7 to 14, inclusive, of this Act shall not exceed $500,000,000.

"'SEC. 17. (a) This Act shall apply to the United States, the Territories of Alaska and Hawaii, and the possession of Puerto Rico, and as used in this Act, the term "State" includes Alaska, Hawaii, and Puerto Rico.

"'(b) This Act may be cited as the "Soil Conservation and Domestic Allotment Act."'

"SEC. 2. Section 32 of the Act to amend the Agricultural Adjustment Act, and for other purposes, approved August 24, 1935, is amended by striking out clause (3) and inserting in lieu thereof, '(3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption. Determinations by the Secretary as to what constitutes diversion and what constitutes normal channels of trade and commerce and what constitutes normal production for domestic consumption shall be final.' and by striking out that part of the last sentence thereof which precedes the second proviso and inserting in lieu thereof: 'The sums appropriated under this section shall be expended for such one or more of the above-specified purposes, and at such times, in such manner, and in such amounts as the Secretary of Agriculture finds will effectuate substantial accomplishment of any one or more of the purposes of this section:'.

"SEC. 3. The unexpended balance of the funds appropriated by the second paragraph of Public Resolution Numbered 27, Seventy-third Congress, approved May 25, 1934, to carry out section 2 and section 6 of the Act entitled 'An Act to amend the Agricultural Adjustment Act so as to include cattle and other products as basic agricultural commodities, and for other purposes', approved April 7, 1934, and the unexpended balance of the funds appropriated or reappropriated by section 37 of Public Act Numbered 320, Seventy-fourth Congress, entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', is authorized to be made available for the purposes enumerated in said Acts until June 30, 1937. The authorization, which is limited to June 30, 1936, contained in section 37 of Public Act Numbered 320, Seventy-fourth Congress, is likewise extended so that the funds therein authorized are authorized to be made available until June 30, 1937.

"SEC. 4. The sum of $2,000,000 of the unobligated balance of the appropriation for relief purposes contained in the Emergency Relief Appropriation Act of 1935, approved April 8, 1935, is hereby made available to the Secretary of Agriculture for allocation and payment to the States in the Southern Great Plains area, or to farmers therein, for wind erosion control, under plans to be approved by the Secretary of Agriculture.

"SEC. 5. Section 22 of the Agricultural Adjustment Act, as amended, is amended by inserting after the words 'this title' wherever they appear the following: 'or the Soil Conservation and Domestic Allotment Act, as amended'; and by striking out the words 'an adjustment' wherever they appear and inserting in lieu thereof the word 'any'."

And the House agree to the same.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

E. D. SMITH,
ARTHUR CAPPER,
LOUIS MURPHY,
LYNN J. FRAZIER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The Senate bill (sec. 7 (a)) included, as one of the items constituting the policy and purposes of the bill, promotion of the economic use and conservation of land. In the House amendment the comparable provision omits the reference to conservation of land. The conference agreement adopts the Senate provision.

The Senate bill (sec. 7 (a)) included, in the statement of the policy and purposes of the bill, diminution of wasteful and unscientific use of national soil resources. In the House amendment the comparable provision with respect to use of soil resources relates to the unprofitable use of such resources. The conference agreement adopts the Senate provision.

The Senate bill (sec. 7 (a)), in the statement of the policy and purposes of the bill, included protection of rivers and harbors against the results of soil erosion in aid of maintaining the navigability of waters and water courses and in aid of flood control. No such express provision is contained in the House amendment. The conference agreement adopts the Senate provision.

The House amendment (section 7 (a)), in the statement of the policy and purposes of the bill, includes provision for and maintenance of a continuous and stable supply of agricultural commodities adequate to domestic and foreign consumer requirements at prices fair to producers and consumers. Under the Senate bill the provision is not an independent policy and purpose but has

the effect of a factor to which due regard is to be given in carrying out the purposes of the section. Under the Senate bill the supply of agricultural commodities to which the provision related was one adequate to meet consumer demand rather than one adequate to meet domestic and foreign consumer requirements, as in the House amendment. The conference agreement adopts the Senate provision.

The Senate bill (section 7 (a)), in the statement of the policy and purposes of the bill, included reestablishment and maintenance of farmers' purchasing power.

The House amendment contains a similar provision considerably elaborated. It provides for the reestablishment and maintenance of the ratio between the purchasing power of the net income of persons on farms and the income of persons not on farms that prevailed during the period August 1, 1909, to July 31, 1914. This ratio is to be reestablished at as rapid a rate as the Secretary determines to be practicable and in the public interest. Determinations under the provision are to be made from statistics available in the Department of Agriculture.

The House amendment also contains a provision, not expressly set forth in the Senate bill, under which the powers conferred in that part of the bill which amends the Soil Erosion Act are to be used to encourage voluntary action calculated to effectuate the purposes set forth in the beginning of the section.

The House amendment also contains a provision, not expressly set forth in the Senate bill, under which such powers are prohibited from being used to discourage the production of foods and fibers sufficient to maintain normal domestic human consumption as represented by the period 1920–29, inclusive, as determined by the Secretary. In determining domestic human consumption for these years the Secretary is to take into consideration increased population, quantities forced into domestic consumption by decline in exports, current trends in exports and domestic consumption, and substitutes available for domestic consumption.

The conference agreement adopts the House provision.

Under the Senate bill (sec. 7 (b)) the Secretary was directed to cooperate with States in the execution of State plans to effectuate all the purposes of the section. Similarly, a State plan to effectuate all the purposes had to be submitted (sec. 7 (c)), and it had to have a reasonable prospect of effectuating them all in order to be approved (sec. 7 (e) (1)). If it no longer tended to effectuate them all, no further funds were to be available to the State (sec. 7 (f)). Under the House amendment in all these particulars the requirement is referable to one or more of the purposes of the section, rather than to them all. The conference agreement adopts the Senate provision.

The Senate bill provided (sec. 7 (d) (1)), among the requirements for approval of a State plan, that the agency to administer it be such agency as is authorized by the State and approved by the Secretary. Under the House amendment it is expressly provided that the agency is to be the land-grant college, or if more than one, all of them in the State, or, if not the land-grant college, such other State agency as may be approved by the Secretary. The provision as agreed to in conference provides that the agency to administer the plan shall be such State agency as may be designated by the Secretary of Agriculture if such agency is authorized by the State or such other State agency as is authorized by the State and approved by the Secretary.

In determining amounts to be apportioned to any State for any calendar year the Senate bill (sec. 8 (g)) provided that the Secretary was to take into consideration the acreage and value of the major soil-depleting crops and export crops for a representative period. Under the House bill he is to take into consideration instead the farm population, value of agricultural commodities, and the acreage and productivity of land devoted to agricultural production during a representative period. In the conference agreement it is provided that the Secretary shall take into consideration the acreage and value of the major soil-depicting and major export crops produced in the respective States during a representative period and the acreage and productivity of land devoted to production in the respective States during a representative period, and in the case of consideration of acreage and productivity of land an express provision is inserted to make certain that land devoted to production of dairy products is included.

Under both the Senate bill and the House amendment (section 8 (g)) State plans can be approved and go into operation in 1936 by the provision authorizing apportionments for 1936 to be made at any time during 1936. The House bill authorized apportionments for 1937 likewise to be made at any time during that year. The conference agreement adopts the House provision.

Under the Senate bill (section 8 (g)) even if apportionments have been made for 1936 or 1937, funds which have been apportioned to any State if there is no plan approved for that State may be used under section 8 in any State for which no plan has been approved. The House amendment removes the limitation which confines the operation of the provision to 1936 and 1937 and makes it applicable to any calendar year. It makes funds not required to carry out an approved State plan or apportioned to a State for which no plan is approved available for carrying out sections 7 to 14, rather than section 8 (the temporary plan) alone. Neither bill, however, extends the temporary plan by reason of this provision. The conference agreement adopts the substance of the House provision and makes certain that the funds not required to carry out a State plan because no plan has been approved for such State may likewise be used for the purposes of sections 7 to 14.

Section 8 authorizes the Secretary to carry out the direct-payment plan but limits his authority to the period prior to January 1, 1938, except in connection with farming operations carried out prior to then. Section 8 (a) of the Senate bill contained an express provision, not found in the House amendment, prohibiting the exercise of the powers contained in that section in any State even prior to January 1, 1938, with respect to farming operations begun after the effective date of a State plan applicable in that State. The House amendment (section 8 (a)) strikes out the "shall" requiring him to exercise the powers given him by that section and inserts "may" in order to remove the possible contradiction in requiring him to carry out the temporary plan notwithstanding that section 7 requires the permanent plan during the temporary period if the plans of the States are approved. The conference agreement adopts the Senate provision under which the Secretary is not to exercise powers conferred under the section even prior to January 1, 1938, in a State, with respect to farming operations commenced after the effective date of the plan for such State. It also restores the "shall", since, with the Senate provision, it is clear that the Secretary is not to exercise powers under the temporary plan in any State after the permanent plan is in operation in that State.

The Senate bill (sec. 8 (b)) authorized the Secretary to carry out all the purposes specified in section 7 (a) by making payments or grants to producers for the temporary period. The House amendment limits this authorization to the first three clauses of section 7 (a): Preservation and improvement of soil fertility; promotion of economic use of land; and diminution of unprofitable use of soil resources. The conference agreement adopts the House provision, expanded to include the fourth clause of section 7 (a), protection of rivers and harbors and maintenance of navigability of streams.

The House amendment (sec. 8 (b)) which authorizes payments or grants of other aid to "agricultural producers" expressly includes tenants and sharecroppers within such term. There is no comparable express provision in the Senate bill. The conference agreement adopts the House provision.

The Senate bill (sec. 8 (b)) contained a provision under which the amounts to be paid to producers under the temporary plan were to be those determined by the Secretary to be fair and reasonable in connection with the effectuation of the purposes of the section during the year for which payments were to be made. No comparable express provision is contained in the House amendment. The conference agreement adopts the Senate provision.

Under the Senate bill (sec. 8 (b)) and the House amendment, the alternative bases or measures of payments were different. They are contrasted below under their corresponding numbers in the two provisions.

(1) The first basis of payment in the Senate bill was the acreage of crop land. The House amendment has, instead, treatment or use of land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion.

(2) The second basis in the Senate bill was the acreage of soil improving or erosion preventing crops. No corresponding express provision is contained in the House bill.

(3) The third basis in the Senate bill was changes in the farming practices during the year on the land with respect to which the payment is made. The comparable House provision (clause (2)) relates to changes in the use of land.

(4) Both the Senate bill and the House amendment authorize payment on a domestic consumption percentage. They are substantially the same, except that the domestic consumption which is the basis for calculating the percentage in the Senate bill is domestic consumption through normal channels, while the House bill has no provision relating to normal channels.

(5) The Senate bill expressly authorized a combination of any of the four above-enumerated bases. The House bill contains no comparable express provision.

The conference agreement adopts the House provisions, but adds thereto the Senate provision authorizing a combination of the bases of payment.

The House amendment (sec. 8 (b)) provides that in determining the apportionment of any payment or grant with respect to land the Secretary shall take into consideration the contribution in services of tenants and croppers and any loss of income sustained by tenants or croppers by reason of changes in farming practices adopted in the years with respect to which the payments or grants are made. There is no comparable provision in the Senate bill. The conference agreement omits the House provision and substitutes therefor a provision under which the Secretary, in carrying out the section, as far as practicable, is to protect the interests of tenants and sharecroppers.

The House amendment (sec. 8 (b)) contains a provision not found in the Senate bill by which it is provided that the Secretary, in carrying out the temporary plan, shall in every practicable manner protect the interests of small producers. The conference agreement adopts this provision.

The House amendment (sec. 8 (b)) contains a provision not found in the Senate bill by which it is provided that the Secretary, in carrying out the temporary plan, shall in every practical way encourage and provide for soil-conserving and soil-rebuilding practices rather than the growing of soil-depleting commercial crops. The conference agreement adopts this provision.

Under the Senate bill (sec. 8 (c)) payments or grants made for the temporary period were to be conditioned upon utilization of the land in conformity with practices the Secretary finds tend to effectuate the purposes of the first three clauses of section 7 (a).

The House amendment provides that the payments or grants be conditioned upon such utilization by the producer of his land or a part thereof as the Secretary finds has tended to further the purposes so specified. The conference agreement adopts the Senate provision expanded to include the purpose of protection of rivers and harbors and maintenance of navigability of streams.

The House amendment (sec. 11) inserts a section not contained in the Senate bill which makes funds to carry out the act available for allotment to bureaus and offices in the Department and to agencies of the Federal and State Governments requested to cooperate or assist in carrying out the act. The conference agreement adopts this provision.

Both the Senate bill (sec. 11) and the House amendment (sec. 12) make funds available for expansion of markets and removal of surpluses. Under the Senate bill the Secretary was to use such funds for such purposes if he found that their use would tend to carry out clause (4) of section 7 (a). This probably was a clerical error and the reference was intended to be to clause (5) which related to the reestablishment and maintenance of farmers' purchasing power. Under the House amendment the Secretary can use the funds if he finds that their use either would tend to establish or maintain farmers' purchasing power (clause (5)), or to provide for and maintain a continuous and stable supply adequate to consumer requirements at fair prices (clause (4)), or both. The conference agreement adopts the House provision with necessary clerical and technical changes.

The Senate bill (sec. 11) also authorized the use of funds for stabilization of markets and authorized the Secretary in carrying out such section to enter into contracts with associations of producers and associations composed of producer associations under which they could be designated by the Secretary to carry out any program authorized under the section. The Secretary was authorized to allot funds to such associations for such purposes. No comparable provision is contained in the House amendment. The conference agreement omits this provision.

The Senate bill (sec. 12) authorized the use of the Agricultural Adjustment Administration in carrying out the sections of the bill which are added to the original Soil Erosion Act. The House amendment (sec. 13) extends this authorization to the use of the Administration in carrying out the provisions of the original Soil Erosion Act as well. The conference agreement adopts the Senate provision as section 13.

Under the Senate bill (sec. 13) the facts constituting the bases for any payment or grant under section 7 or 8 of the bill or the amount thereof when officially determined in conformity with regulations promulgated by the Secretary of Agriculture were reviewable only by him. The comparable provision of the House amendment (sec. 14) provides that the action of any officer or employee in determining the amount of or in making any such payment or grant shall not be subject to review except by the Secretary of Agriculture. The conference agreement adopts the substance of the Senate provision, as section 14, except that it applies to rules and regulations prescribed by the Secretary rather than to regulations promulgated by him.

The Senate bill (sec. 14) contained a provision authorizing an appropriation for any fiscal year of not more than $500,000,000 for carrying out sections 7 and 8. There is no comparable provision in the House amendment. The conference agreement adopts this provision as section 15.

The Senate bill (sec. 15) provided that the obligations incurred for carrying out the act (including the provisions of the original act to which this bill is added) for any fiscal year should not exceed $500,000,000. The comparable provision of the House amendment relates this provision to the carrying out of the amendatory sections (secs. 7 to 14, inclusive); puts the limitation on incurring obligations on a calendar-year basis rather than a fiscal-year basis; and makes it clear that the provision relates the limitation to the incurring of obligations with respect to the programs to be undertaken in a particular calendar year. The conference agreement adopts the House provision as section 16.

The Senate bill made the short title of the act the "Soil Conservation Act." The House amendment made the title the "Soil Conservation and Domestic Allotment Act." The conference agreement adopts the House provision as section 17.

The House amendment, in the amendment to the provisions of existing law which authorizes the use of an amount equal to 30 percent of the customs receipts for certain purposes in connection with agriculture, inserts a provision which strikes out the authorization of existing law for financing adjustments in acreage or production and substitutes therefor a provision authorizing the reestablishment of farmers' purchasing power by the making of payments on a domestic-allotment basis. The House amendment also makes certain determinations by the Secretary under the section final. The House amendment also makes a technical correction in the provision laying down standards for payments. The conference agreement adopts the House provision with clerical changes in the reference to the section of existing law which is amended.

The House amendment makes technical changes in the provision of the Senate bill (sec. 3) authorizing extension to June 30, 1937, of authorizations to appropriate or reappropriate funds for dairy- and beef-cattle industries relief. The amendments are designed to make certain that the funds heretofore authorized may hereafter be appropriated and the funds heretofore appropriated may hereafter be reappropriated. They also make certain that such of the authorizations of appropriations as are not limited in time by their terms are not limited in time by this bill. The conference agreement adopts the House provisions.

The House amendment inserts a new section (sec. 4), not contained in the Senate bill, under which $2,000,000 of the unobligated balance of the appropriation for relief purposes contained in the Emergency Relief Appropriation Act of 1935 is made available to the Secretary of Agriculture for allocation and payment to the States in the Southern Great Plains area, or to farmers therein, for wind-erosion control, under plans approved by the Secretary of Agriculture. The conference agreement adopts this provision.

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J. ROLAND KINZER,
Managers on the part of the House.

Mr. JONES (interrupting reading of the statement). Mr. Speaker, this statement covers several pages and is available to all Members. Unless someone insists on its being read at this time, I ask unanimous consent that the further reading be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SNELL. Mr. Speaker, reserving the right to object, I shall not insist on reading the report or the statement, but I think the gentleman should explain to the House what changes have been made in the conference report.

Mr. JONES. I will undertake to do that.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Speaker, the conference report is an agreement signed by members of both the House and Senate conference group. In my judgment, it substantially follows the important House provisions. There are a number of clerical changes, where one or the other was taken, as the language seemed better suited to carry out the provisions of the act.

The first important question that came up was that of including in one of the purposes the protection of rivers and harbors from damage from soil erosion. The Senate provision was included in reference to that matter.

The next important provision was the one in reference to the protection of consumers; that is, the so-called consumer amendment. The consumer amendment was embodied as written in the House bill and is so reported by the conference.

Mr. MAY. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Kentucky.

Mr. MAY. Was the consumer amendment left exactly as the House passed it?

Mr. JONES. The consumer amendment was left just as the House passed it. There were two or three lines prior to the amendment, wherein there is some change in language, but the actual consumer amendment was adopted just as it passed the House.

Another change was a shift of language in connection with the amendment pertaining to an adequate supply of farm products on a fair price basis to satisfy the needs of the markets both at home and abroad. This matter was simply shifted to another part of the bill.

There was some change in the allocation of the funds, and a combination of Senate and House amendments was included. The so-called tenant amendment was somewhat modified in form but has substantially the same purpose as outlined in the original bill. The amendment for the protection of the small producer was retained in the measure.

Section 12, in substance, is as the House passed it. We included, in addition to the House limitations as to the amount of money that might be obligated, the Senate limitation on the amount that might be appropriated in any one year.

I believe this covers the substantial differences.

Mr. PIERCE and Mr. CHRISTIANSON rose.

Mr. JONES. I yield first to the gentleman from Oregon.

Mr. PIERCE. What is the situation with respect to flood control? Is there any limitation on that? I heard there was a provision put in that money could be used for flood control.

Mr. JONES. No; the reference is to soil rebuilding and soil conservation, having as one of its objects, among several others, the protection of rivers and harbors.

Mr. CHRISTIANSON. Did the Senate recede from the so-called La Follette amendment?

Mr. JONES. Yes; the La Follette amendment is not included in the measure.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Kentucky.

Mr. MAY. When the gentleman refers to the limitation on the amount as put in by the Senate, is that the Clark amendment?

Mr. JONES. Yes.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. In the section of the bill that provides the method of distributing the money by the Secretary of Agriculture to the various States, I notice you have included language in the bill as it comes from the conference that did not appear in either the Senate bill or the House bill, namely, the words "including dairy products."

Mr. JONES. We understood that they were already included. But to make sure they were included in specific terms, and as we eliminated one of the other provisions of the House bill, we simply inserted that language to make sure that would be the interpretation.

Mr. BOILEAU. I notice you have just before that the words "and productivity of land devoted to agricultural production", and then follow the words "including dairy products." It there any doubt upon the part of the members of the conference that dairy products are agricultural commodities?

Mr. JONES. No; but some of the conferees wanted to be sure about the matter; and inasmuch as we were eliminating one other provision, we inserted that language. There was not any doubt in the minds of any of the members of the conference, but we wanted it framed so there could be no doubt in the mind of anybody who might be called upon to construe the language. We wanted to be sure our interpretation would be followed in its administration. There were some who thought that someone in its interpretation might be inclined to construe it as being limited to crops only, and we wanted to be sure that no such construction was possible.

Mr. BOILEAU. The language was "and productivity of land devoted to agricultural production", and then you have inserted "including dairy products." I was just wondering if there is any disposition on the part of anybody here to exclude dairy products or to think that dairy products are not agricultural commodities.

Mr. JONES. There was not any such disposition, but in view of the discussion here we wanted to make it perfectly clear that there could not be any such construction possible by anyone.

Mr. BOILEAU. The gentleman says, "in view of the discussion here." Of course, this only applies to the permanent bill and has no connection with any fight made on the floor of the House with reference to the language of the bill.

Mr. JONES. I understand that, but there is no difference in the construction of language, whether it is to be temporary or permanent.

Mr. BOILEAU. This applies only to the permanent legislation and has no connection with the temporary program.

Mr. JONES. The gentleman is correct.

Mr. SNELL. Mr. Speaker, if the gentleman will yield I should like to ask one more question on that same section.

Mr. JONES. I yield to the gentleman from New York.

Mr. SNELL. The House bill carried a provision that in the distribution of these permanent funds the agricultural population of each State should be taken into consideration and that has been changed, as I understand, in the permanent bill.

Mr. JONES. Yes.

Mr. SNELL. What will be the effect of that?

Mr. JONES. I do not think there will be any very great effect, in view of the inclusive nature of the amendment. It includes all the major soil-depleting crops, all the major export crops, and it includes all agricultural production. We made it certain that that includes dairy products. So I think there will not be any very great difference, in view of the inclusive nature of the language.

Mr. SNELL. One reason I think that should be in the bill is that such language is something that everybody can definitely understand, while general language is always so indefinite it is sometimes hard to construe.

Mr. JONES. The figures are about as accurate with respect to the other things in view of the statistics that are gathered.

Mr. SNELL. The gentleman is sure that will not make any trouble?

Mr. JONES. I think not.

Mr. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Minnesota.

Mr. ANDRESEN. The gentleman will recall that we did have some discussion with the representatives of the dairy sections as to the effect that there might be an undue expansion of the dairy and livestock industry.

Mr. JONES. Yes; I recall that.

Mr. ANDRESEN. Was any action taken by the conferees so as to, perhaps, retard any such movement?

Mr. JONES. The Senate agreed to the House amendment, which was put in and which the gentleman will recall I offered here. The Senate yielded on that.

Mr. ANDRESEN. Does the gentleman then think his amendment, which was adopted in the House, will be a yardstick so as not to permit an extensive expansion of the dairy and livestock industry?

Mr. JONES. I do not think we have the authority to insert a mandatory provision, but I hope every effort will be made to protect the dairy interests, and I am sure they will be, and we have other provisions in the bill which I think will also have the same effect. The gentleman will recall the letters from both Administrator Davis and Secretary Wallace which were printed in the RECORD and which give assurance on this matter.

Mr. ANDRESEN. Then the gentleman will say that it is the intent of Congress that there should not be an undue displacing of the livestock and dairy industries?

Mr. JONES. I am not authorized to say what is the intent of Congress; but I assert that it is my wish, and I think the wish of most of the Members, that there be no undue expansion or any injury done to any business.

Mr. ANDRESEN. I think the gentleman is able to express the intent of Congress.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. JONES. Yes.

Mr. HOPE. In view of the discussion which took place regarding the manner in which the money will be apportioned among the various States and the factors to be taken into consideration, particularly the elimination of the factor of farm population, I just wanted to say that I do not believe that that will make any material difference in the distribution of the funds, particularly as the original bill did not say what particular weight should be given by the Secretary to that factor; and this bill does not, so far as that is concerned. It simply sets up factors and permits the Department of Agriculture to give whatever weight it may deem right to these various factors which must be considered.

Mr. JONES. Mr. Speaker, I thank the gentleman for his statement, which I think correctly interprets the provision.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. JONES. Yes.

Mr. ZIONCHECK. I wish to ask the chairman of the committee a double question. Is not the phrase "including dairy products" subject to a point of order either in this House or in the Senate, and if the point of order is made those words will be stricken out as legislation not in either the House or the Senate bill?

Mr. JONES. I do not think so. It is wholly clarifying and, I think, does not add to the substance or the meaning. It was in different section numbers of the House and the Senate bills. There can be no question about our right to add a clarifying expression to either one.

Mr. ZIONCHECK. The other question is this: The gentleman remembers the amendment I tried to introduce to com-

pel dumping for domestic consumption before dumping is made for foreign consumption, in order to keep the prices up. Is there anything in the bill now as it is drawn by the conferees that gives more assurance that the domestic consumers will get the benefit of the dumping before the foreign consumers or merchants?

Mr. JONES. I do not think there will be any dumping in any event, but I state to the gentleman that we put a provision in similar to the one the gentleman suggested, in which we made it possible to use it in domestic fields, whereas the 30 percent, because of the way certain restrictions had been interpreted, could not be fully applied in that way before.

Mr. ZIONCHECK. That is in the domestic field for purposes other than the regular channels of trade?

Mr. JONES. That is correct.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. JONES. Yes.

Mr. MICHENER. Reverting to the colloquy between the chairman of the committee and the gentleman from Wisconsin [Mr. BOILEAU], as to the interpretation of the word "dairying", does the gentleman not understand that the courts or the Department has said—some of the courts—that dairying is not agriculture as construed in connection with the Frazier-Lemke mortgage-moratorium bill?

Mr. JONES. I do not recall any such statement as having been made.

Mr. MICHENER. As I recall, the Judiciary Committee reported an amendment defining dairying as an agricultural pursuit. This was necessary because the courts had held otherwise. The gentleman from North Dakota [Mr. LEMKE] has law referred to. That law only refers to a specified section of the bankruptcy law, however.

Mr. JONES. I do not agree to such a construction. The whole dairy division is in agriculture.

Mr. MICHENER. As an illustration, a large dairy in New York, within the city of New York, was cited, where they had a large number of cattle, which were fed on imported feed. The dairy business was carried on entirely within the city limits, and that inasmuch as that was the case, that dairying was not agriculture.

Mr. JONES. That must have been dairy marketing the gentleman is talking about. I never heard of a dairy farm in the city limits of a big city. I think the gentleman is talking about a different expression. Undoubtedly the term "agriculture" includes dairy products. The whole dairy division is under agriculture and all of the language heretofore has been construed to include those things.

Mr. BIERMANN. Mr. Speaker, will the gentleman yield?

Mr. JONES. Yes.

Mr. BIERMANN. I did not hear the gentleman's answer to the question regarding the La Follette amendment. Is that in or out?

Mr. JONES. That is eliminated.

Mr. MASSINGALE. Will the gentleman yield?

Mr. JONES. Yes.

Mr. MASSINGALE. Is the gentleman satisfied with the language employed in subsection (b) of section 8 in regard to carrying benefits of this act to tenants and sharecroppers?

Mr. JONES. I think that is the best that we can have, and I think it will assure that they will be fairly treated.

Mr. MASSINGALE. The gentleman believes that the tenant and sharecropper may have an assurance under this language that he will be fairly treated?

Mr. JONES. Yes.

Mr. BOYLAN. Mr. Speaker, will the gentleman yield?

Mr. JONES. Yes.

Mr. BOYLAN. I rise to congratulate the gentleman and the conferees, particularly on keeping in the bill the so-called consumers' amendment. I think the gentleman deserves great credit. It has been said somewhere by somebody that the House does fool things. I wish the House would do many more such fool things as it has done in the successful handling of this conference report.

Mr. JONES. I thank the gentleman.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I understand the parliamentary situation to be that the gentleman from Texas has asked unanimous consent that the further reading of the conference report be dispensed with?

Mr. JONES. No. That has been granted. The conference report is under consideration.

Mr. ZIONCHECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman from Texas yield for a parliamentary inquiry?

Mr. JONES. Yes; I yield for a parliamentary inquiry.

Mr. ZIONCHECK. This language includes dairy products, and the chairman has stated it is merely clarifying language, although it was not in either the House bill or the Senate bill, but they feel that it properly comes here. I for one feel that a point of order should be made and ruled upon so that in the event it comes before the courts at least we have decided it and know that it is here.

The SPEAKER. Without passing on the merits of the point of order, the Chair will state it comes entirely too late.

Mr. ZIONCHECK. I understand. I was just making a parliamentary inquiry, Mr. Speaker.

Mr. LEMKE. Will the gentleman yield?

Mr. JONES. I yield.

Mr. LEMKE. I might clear up the question as to what the courts have held is agriculture and what is not. In the State of Washington and a half a dozen other States the courts have held that agriculture means only the tilling of the soil, in passing on the Frazier-Lemke bankruptcy amendment. So in Public, No. 60 appears the definition of what a farmer is, and this was approved May 15, 1935. It reads as follows:

> (r) For the purposes of this section, section 4 (b), and section 74, the term "farmer" includes not only an individual who is primarily bona fide personally engaged in producing products of the soil, but also any individual who is primarily bona fide personally engaged in dairy farming, the production of poultry or livestock, or the production of poultry products or livestock products in their unmanufactured state, or the principal part of whose income is derived from any one or more of the foregoing operations, and includes the personal representative of a deceased farmer; and a farmer shall be deemed a resident of any county in which such operations occur.

I might state the courts in a half a dozen States have held that an agricultural farmer means a farmer who tills the soil.

Mr. JONES. If the gentleman will look at those decisions he will find they were cases which contained some special language. We put in this bill that agricultural products shall include all agricultural commodities, and all grades and types thereof. That is in the measure that we here present. Webster says in its broad sense the term "agriculture" includes livestock and all types of farming; all the things which the gentleman says now. His particular bill, I am sure he will find, when he looks into it, contained some special provision that made it apply to only one type. If any doubt arises, that will be corrected, I can assure the gentleman.

Mr. LEMKE. That was a case where a person was raising livestock.

Mr. JONES. Well, what was it he wanted to do?

Mr. LEMKE. He wanted to come under the Frazier-Lemke moratorium, and the court said he was not a farmer and that his activities did not relate to agricultural production.

Mr. JONES. We are talking about agriculture and agricultural production. That was a measure, of course, that covered a particular thing, and that kind of a measure would be strictly construed, as the gentleman knows.

Mr. LEMKE. It was considered in a narrow sense and not in the broader sense. I am afraid the court will do the same thing with this act.

Mr. JONES. I do not think so.

Mr. Speaker, I do not want to get into a discussion of funds in connection with this bill, but I will state that with increased prices and increased business, both on the farms and in the industrial sections, you could take a very small part

of the increased price and still leave people with a lot more money and business than they had during the previous administration.

I want to read in this connection the definition of "agricultural commodity", this having been quite a controverted point:

SEC. 10. The term "agricultural commodity" as used in this act means any such commodity and any regional or market classification, type, or grade thereof.

Under this language I think there can be no doubt that dairy products would be included, even if there were any doubt otherwise.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. MAY. Does not the word "agriculture" in its ordinarily accepted meaning include every one of these things?

Mr. JONES. I do not think there can be any question about it.

Mr. MAY. If "agriculture" does not cover them, nothing will.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. TABER. How did it happen that the House conferees yielded in the matter of subsection 4 of section 7?—

The protection of rivers and harbors against the results of soil erosion in aid of maintaining the navigability of waters and watercourses and in aid of flood control.

Mr. JONES. I may state to the gentleman from New York that the same purpose, briefly, is stated in the original Soil Conservation Act. It seemed that the Senate conferees should have something out of this. We did not think it made much difference, so we yielded on this particular proposition.

Mr. TABER. It leaves a question as to jurisdiction.

Mr. JONES. I do not think it will be abused. I may state to the gentleman that this deals primarily with soil conservation, and not with rivers and harbors.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. HAMLIN. Mr. Speaker, I ask unanimous consent that on next Tuesday, March 3, the anniversary of the admission of the State of Maine into the Union, I may be permitted to address the House for 15 minutes immediately following the reading of the Journal and disposition of business on the Speaker's table.

Mr. BIERMANN. Mr. Speaker, reserving the right to object—and I shall not object—next Tuesday is the regular day set aside for the calling of bills on the Private Calendar. We have not gotten along very well with the Private Calendar this session. So, while I will not object to the pending request, I will object to any further requests to address the House on that date.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HARTER. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HARTER. Mr. Speaker, there has been a great deal of criticism of the disciplinary action taken by the War Department in the case of General Hagood. I believe this House has a desire to be fair in all things, and that the American public is imbued with a sense of fair play. We should not make up our minds or criticize the action of the War Department until we hear both sides of this case. I feel that very hasty judgment has been taken by many Members of the House and by some of the newspapers without a full knowledge of the facts upon which the War Department bases its action. I do not know whether it has become generally known, but this is not the first time disciplinary action has been recommended with reference to this officer; and in saying this I do not want in any way to detract from the soldierly qualities he has exhibited in times of national emergency. He was a good officer during the World War, but he seems to have lost track of the fact that he owes a loyalty to his Commander in Chief; that we must have discipline in the armed forces of this country.

A man who has been in the Army as long as General Hogood and has reached his high rank should know that freedom of speech is not license to voice personal opinions which are not those of the War Department and which are critical of the civil administration of government.

General Hagood's record, as made public by the War Department, shows that he has been reprimanded several times since 1919. In 1927 the then Inspector General of the Army described a book entitled "The Service of Supply", written by General Hagood, as containing "tactless, ill-advised, and doubtful statements of fact and opinion."

In the same year, upon his dismissal of Colonel Baltzell from command of the Twenty-second Infantry, he was advised by the War Department:

Your failure to conform to the usual approved methods of command, your faulty judgment, hasty action, and intemperate statements in administering discipline, conclusively shown in the investigation of this case, indicate you do not possess the qualities of command expected of an officer of your high rank.

Doubtless this is new information to most of you, after hearing the glowing eulogies of General Hagood the last few days. The record speaks for itself. Are we going to undermine discipline and loyalty to the service in this Army of ours by condoning a continuing course of conduct which is bound to have a most unwholesome effect upon the morale of the entire Army?

Fortunately civil authority has always been supreme in this country. The military has always been subservient to civil authority. This has not been the case in many of the nations of the world. We have, for example, today small military cliques in the Far East doing things we would all regret to have done in this country. We know that not only has this happened in Japan but also in Greece in recent months, and in South American countries from time to time. Fortunately for this democracy the Army has stayed out of politics, and for the safety of our country it always should stay out of politics.

General Hagood had full opportunity to revise his testimony. In view of his record, I submit the War Department had no option except to take the disciplinary action it did.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks by inserting therein the memorandum of the Chief of Staff upon the disciplinary action imposed on General Hagood.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. JOHNSON of Oklahoma. Mr. Speaker, reserving the right to object—and I shall not object—but is the House to understand from the gentleman's remarks that he condones the drastic action of the War Department in General Hagood's case? And does the gentleman think that when a general of the United States Army comes before any committee he should be muffled and not permitted to express his sentiments simply because he happens to be an officer in the Army?

Mr. HARTER. Answering the first question, may I say that I certainly do condone the action of the War Department, and feel it was justified in the action that has been taken in this case.

Mr. CULKIN. Mr. Speaker, reserving the right to object, does the gentleman intend to include in his extension of remarks the waiver which the Chief of Staff gave General Hagood when he appeared before this committee? If it is the gentleman's intention to include that, I will not object.

Mr. HARTER. That has already been inserted in the RECORD of yesterday.

Mr. CULKIN. This self-serving declaration of the War Department has appeared in the daily press. If the gentleman will insert the waiver, I have no objection; otherwise I shall object.

Mr. HARTER. If the gentleman will look at the RECORD of yesterday, page 2858, he will find that the waiver has been there inserted.

Mr. MOTT. Mr. Speaker, reserving the right to object, can the gentleman inform us as to what language the general used that was objectionable to the Commander in Chief? Was it his reference to P. W. A. funds being stage money? Was that the principal objection?

Mr. HARTER. Well, I can quote to the gentleman from Oregon a part of what the general said. General Hagood told "what he thought of some of the New Deal relief spending." The general further said he was not familiar with the various pockets in which Uncle Sam keeps his money, and other statements. Does the gentleman care to have me repeat the other language, which, doubtless, he has read in the daily press?

Mr. MOTT. No; I simply wanted to know what particular language was objectionable. He referred to some of this money as being stage money.

Mr. HARTER. There are other objectionable statements included in the War Department's memorandum.

Mr. MOTT. I have no objection to including that; in fact, I would be very glad to see what it is that the President considered objectionable language.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The matter referred to follows:

MEMORANDUM FOR THE PRESS

In view of the attention that has been attracted to the recent disciplinary action imposed on Maj. Gen. Johnson Hagood, the War Department believes it advisable to break its usual rule of silence in this case. Accordingly it is making public the memorandum in which the Chief of Staff detailed the circumstances of Major General Hagood's violation of military discipline, together with the Secretary of War's approval of the action taken. It is thus made apparent that the entire matter is one falling within the administration of the War Department in its endeavor to maintain the high standard of conduct it requires of its personnel.

FEBRUARY 18, 1936.

Memorandum for the Secretary of War.

Subject: Testimony of Maj. Gen. Johnson Hagood before subcommittee of House Appropriations Committee on December 17, 1935.

1. I deem it necessary for the good of the service to invite your attention to the testimony given by Maj. Gen. Johnson Hagood, now commanding the Eighth Corps Area, before a subcommittee of the House Appropriations Committee on December 17, 1935, as reported in the Washington Star of February 10, 1936, and to Major General Hagood's reply, by first endorsement, to letter of inquiry addressed to him under date of February 10, 1936, in which he admits that the statements attributed to him "are substantially correct." The clipping, letter, and endorsement are attached hereto.

2. According to this acccount General Hagood told "what he thought of some of the New Deal relief spending." A part of the account reads as follows:

"The general said he was 'not familiar with the various pockets in which Uncle Sam keeps his money', but that he understood 'there is Budget money, which is very hard to get; there is P. W. A. money, which is not so hard to get; and then there is a vast quantity of W. P. A. money, which is very easy to get for trifling projects but almost impossible to get for anything worth while.' He said he called W. P. A. funds 'stage money' because 'you can pass it around but you cannot get anything out of it in the end.' 'It is harder for me to get 5 cents to buy a lead pencil than to get a thousand dollars to teach hobbies to C. C. C. boys', Hagood told the committee. 'I do not like the Government standard lead pencils and I cannot get by the Comptroller with the kind of pencils I like. But C. C. C. hobbies are exempted from the Comptroller's decisions. They do not have to come up to Government specifications. One man can be taught to collect postage stamps while another man can be encouraged to take an interest in butterflies. Under the W. P. A. I can get $200 to build a gravel walk to the garden house but I cannot get $10 to repair a "busted" steam pipe.'"

Urging appropriations for permanent housing of the Army, he is further quoted as saying:

"I am suggesting that you do it now, when there is a lot of easy money floating around, and not to wait until you are skinning the Budget to the bone in order to make up for past extravagance. I got $45,000,000 last year for the C. C. C., and I got a lot of this stage money from the W. P. A. * * *."

3. These quotations speak for themselves. When a general officer who, within some 2 months, will be, except for the Chief of Staff, the ranking officer on duty with the Army, refers to the work which the Government is seeking to do in training young men to useful and gainful occupations as "C. C. C. hobbies", "collecting postage stamps", "taking an interest in butterflies", etc., and to expenditures made under the directions of the Work Progress Administration as money "almost impossible to get for anything worth while" and as "stage money", the writer of a telegram of protest addressed to you is certainly justified in characterizing General Hagood's statement as a "contemptuous reference to policy approved by the head of the State, who is also his Commander in Chief."

4. If this were the first offense of this nature, some measure of excuse might perhaps be found for an officer whose "eccentricities" were noted by Maj. Gen. F. W. Coe in an efficiency report made as early as 1919. But Major General Hagood's 18 years as a general officer have been marked by repeated examples of lack of self-control, irresponsible, and intemperate statements, and references to War Department policies in which his opposition and contempt have been very thinly veiled. There have been reprimands and explanations to little avail. In 1927, for example, without any apparent effort at securing authority or acquainting his superiors with the nature of his comments, he published a book entitled "The Service of Supply", in which he commented very freely on the defects and shortcomings of officers who headed important branches during the World War, specifically naming them and describing their supposed unfitness and incompetency. The Inspector General described the book as containing "tactless, ill-advised, and doubtful statements of fact and opinion" and "unmilitary in tone and tenor, and at times intemperate in both. If the circulation is extended, it will do considerable harm; among the uninformed it will bring ridicule upon the War Department; among the informed it will bring down ridicule upon the author. Both conditions militate against the service."

In the same year, General Hagood's conduct with respect to the relief of Col. George F. Baltzell from command of the Twenty-second Infantry resulted in a letter from the War Department in which he was advised that "your failure to conform to the usual approved methods of command, your faulty judgment, hasty action, and intemperate statements in administering discipline conclusively shown in the investigation of this case, indicate that you do not possess the qualities of command expected of an officer of your high rank."

His personal file discloses a reprimand, in 1929, in connection with the flippant tone used in forwarding a communication from the Adjutant General of South Dakota. Evidently the trait of flippancy is too ingrained for reprimand or admonition to have much effect.

5. General Hagood is an officer of high professional and technical attainment, of brilliant intellect and great energy, but he apparently feels that these endowments entitle him to express himself in a manner that would bring condign consequences on others. His remarks before the subcommittee can only be characterized as flippant in tone and entirely uncalled for, and designed to bring ridicule and contempt upon civil agencies of the Government. They were not necessary to the laudable purpose which he desired to accomplish, and can only be denominated as of the "wisecrack" political type which every Army officer—and most assuredly one of such high rank—should sedulously avoid in his public utterances. In stating that he was instructed by me that he was free to answer any question or to make any statement which he might choose, common sense, of course, should have made him understand that political comments and criticisms, never proper in an Army officer, might not freely be made. Nor can the effects of remarks so deliberately designed to hold up Government agencies and policies to ridicule and contempt be avoided by a telegram to the chairman of the House Military Affairs Committee (found in the CONGRESSIONAL RECORD for Feb. 13, 1936, at p. 1980) that the officer is "deeply shocked at being accused of criticizing the President." General Hagood either intended his remarks in their natural satirical sense or he did not. If he did so intend them, the offense was deliberate; if he did not so intend them, his judgment and common sense are sadly lacking.

6. I am strongly of the opinion that disciplinary action is called for by these remarks. They have excited general comment throughout the Army and in the civilian press. If permitted to pass without comment by the War Department, it would be construed as hardly less than tacit approval of the sentiments expressed by an authorized spokesman. I do not recommend investigation with a view to trial by court martial, but I think that the situation is such that action of a nature to serve notice on all that the War Department will not tolerate this type of utterance should be taken, once and for all. General Hagood is over 62 years of age and is subject to compulsory retirement by the President under section 1244, Revised Statutes. (This was done in the case of Maj. Gen. Adelbert Cronkhite.) He might also be relieved from command and ordered home to await orders. A mere reprimand would be no more effective than it has been in the past.

I therefore recommend, in the interest of the Service, that General Hagood be relieved from his present station and duties and ordered to his home to await further orders.

MALIN CRAIG, *Chief of Staff.*

Approved February 21, 1936.

GEO. H. DERN, *Secretary of War.*

WAR DEPARTMENT,
February 26, 1936.

MEMORANDUM FOR THE PRESS

In connection with the War Department statement on the disciplinary action taken in the case of Maj. Gen. Johnson Hagood, Gen. Malin Craig, Chief of Staff, made the following statement:

1. The only projects financed by the Works Progress Administration regarding which General Hagood could be expected to have information are projects sponsored by the Army.

2. All W. P. A. projects sponsored by the Army were requested by military authorities on the basis of their usefulness and the ability of the relief labor available to accomplish them.

3. Military authorities recognize that funds provided under the Works Progress Administration must first be used to give work to persons on relief rolls, and they further recognize that the projects on which this work is to be done must be of such a nature that the persons who are on relief can accomplish them. If there are—and this is genrally true—only comparatively few skilled building-trade workers on relief, then the projects must be so designed that only comparatively few skilled workers will be required.

4. The various branches of the Army have cooperated actively and thoroughly with W. P. A. officials in developing these types of projects. It is the opinion of military authorities in a position to know that such projects generally are of very great value and that the use of relief labor on projects sponsored by the various branches of the Army represents as good an investment of public funds as could be made under the provisions of the Emergency Relief Appropriation Act.

PERMISSION TO ADDRESS THE HOUSE

Mr. BOILEAU. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. CANNON of Missouri. Mr. Speaker, reserving the right to object, we have been in session an hour and 15 minutes, and, although I regret having to object, I am compelled to do so.

Mr. BOILEAU. May I say to the gentleman that I did not object to Members on that side addressing the House.

The SPEAKER. Objection is heard.

Mr. BOILEAU. Mr. Speaker, I make the point of no quorum.

The SPEAKER. The Chair will count.

Mr. CANNON of Missouri. Mr. Speaker, I withdraw my objection.

Mr. BOILEAU. Mr. Speaker, I withdraw my point of no quorum.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin to address the House for 2 minutes?

Mr. WITHROW. Mr. Speaker, I make the point of no quorum.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-seven Members are present, a quorum.

The gentleman from Wisconsin [Mr. BOILEAU] asks unanimous consent to address the House for 2 minutes. Is there objection?

Mr. O'BRIEN. Mr. Speaker, I object.

AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes.

Mr. BOILEAU. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 365, not voting 65, as follows:

[Roll No. 25]

YEAS—365

Adair	Berlin	Buck	Chapman
Allen	Biermann	Buckler, Minn.	Christianson
Amlie	Binderup	Burch	Church
Andresen	Blackney	Burdick	Citron
Andrew, Mass.	Bland	Burnham	Claiborne
Andrews, N. Y.	Blanton	Caldwell	Clark, Idaho
Arends	Bloom	Cannon, Mo.	Clark, N. C.
Ashbrook	Boehne	Carmichael	Cochran
Ayers	Boileau	Carpenter	Coffee
Bacon	Boland	Carter	Colden
Bankhead	Bolton	Cary	Cole, Md.
Barden	Boykin	Casey	Cole, N. Y.
Barry	Boylan	Castellow	Collins
Beam	Brewster	Cavicchia	Colmer
Beiter	Brown, Ga.	Celler	Connery
Bell	Brown, Mich.	Chandler	Cooley
Cooper, Ohio	Gregory	Maloney	Sanders, Tex.
Cooper, Tenn.	Griswold	Mansfield	Sauthoff
Costello	Guyer	Mapes	Schaefer
Cox	Gwynne	Marcantonio	Schuetz
Cravens	Haines	Marshall	Schulte
Crawford	Halleck	Martin, Colo.	Scrugham
Creal	Hamlin	Martin, Mass.	Sears
Cross, Tex.	Hancock, N. Y.	Mason	Secrest
Crosser, Ohio	Hancock, N. C.	Massingale	Seger
Crowe	Harlan	Maverick	Shanley
Crowther	Hart	May	Shannon
Culkin	Harter	Mead	Short
Cullen	Healey	Meeks	Sirovich
Cummings	Hennings	Merritt, Conn.	Sisson
Curley	Hess	Merritt, N. Y.	Smith, Conn.
Daly	Higgins, Conn.	Michener	Smith, Va.
Darden	Higgins, Mass.	Millard	Smith, Wash.
Darrow	Hildebrandt	Mitchell, Ill.	Smith, W. Va.
Deen	Hill, Ala.	Mitchell, Tenn.	Snell
Delaney	Hill, Knute	Montet	Snyder, Pa
Dempsey	Hobbs	Moran	Somers, N. Y.
DeRouen	Hoffman	Murdock	South
Dickstein	Hollister	Nelson	Spence
Dies	Hook	Norton	Stack
Dietrich	Hope	O'Brien	Stefan
Dingell	Houston	O'Connell	Stubbs
Dirksen	Huddleston	O'Connor	Sullivan
Disney	Hull	O'Day	Sumners, Tex.
Ditter	Imhoff	O'Leary	Sutphin
Dobbins	Jacobsen	O'Malley	Taber
Dockweiler	Johnson, Okla.	O'Neal	Tarver
Dondero	Johnson, Tex.	Owen	Taylor, Colo.
Dorsey	Johnson, W. Va.	Palmisano	Taylor, Tenn.
Doughton	Jones	Parks	Terry
Doxey	Kahn	Parsons	Thom
Drewry	Keller	Patman	Thomason
Driscoll	Kelly	Patterson	Thompson
Duffy, N. Y.	Kennedy, Md.	Patton	Thurston
Duncan	Kennedy, N. Y.	Pearson	Tinkham
Dunn, Miss.	Kenney	Perkins	Tobey
Dunn, Pa.	Kinzer	Peterson, Fla.	Tolan
Eagle	Kloeb	Peterson, Ga.	Tonry
Eaton	Kniffin	Pettengill	Turner
Eckert	Knutson	Peyser	Turpin
Edmiston	Kocialkowski	Pfeifer	Umstead
Eicher	Kopplemann	Pierce	Utterback
Ekwall	Kramer	Pittenger	Vinson, Ga.
Ellenbogen	Lambeth	Plumley	Vinson, Ky.
Engel	Lamneck	Polk	Wadsworth
Englebright	Lanham	Powers	Wallgren
Evans	Larrabee	Quinn	Walter
Faddis	Lea, Calif.	Rabaut	Warren
Farley	Lee, Okla.	Ramsay	Weaver
Ferguson	Lehlbach	Ramspeck	Welch
Fiesinger	Lemke	Randolph	Werner
Fitzpatrick	Lewis, Colo.	Rankin	West
Flannagan	Lewis, Md.	Ransley	Whelchel
Fletcher	Lord	Rayburn	White
Focht	Lucas	Reece	Whittington
Ford, Calif.	Luckey	Reed, Ill.	Wigglesworth
Ford, Miss.	Ludlow	Reed, N. Y.	Wilcox
Frey	Lundeen	Reilly	Williams
Fuller	McAndrews	Rich	Wilson, Pa
Fulmer	McClellan	Richards	Withrow
Gambrill	McCormack	Richardson	Wolcott
Gavagan	McFarlane	Robertson	Wolfenden
Gifford	McGrath	Robinson, Utah	Wolverton
Gilchrist	McKeough	Robsion, Ky.	Wood
Gildea	McLaughlin	Rogers, Mass.	Woodruff
Gillette	McLean	Rogers, N. H.	Woodrum
Goldsborough	McLeod	Rogers, Okla.	Young
Goodwin	McMillan	Romjue	Zimmerman
Granfield	McReynolds	Rudd	Zioncheck
Green	Maas	Russell	
Greenwood	Mahon	Ryan	
Greever	Main	Sadowski	

NOT VOTING—65

Bacharach	Fernandez	Kerr	Sanders, La.
Brennan	Fish	Kleberg	Sandlin
Brooks	Gasque	Kvale	Schneider, Wis.
Buchanan	Gassaway	Lambertson	Scott
Buckbee	Gearhart	Lesinski	Starnes
Buckley, N. Y.	Gehrmann	McGehee	Steagall
Bulwinkle	Gingery	McGroarty	Stewart
Cannon, Wis.	Gray, Ind.	McSwain	Sweeney
Carlson	Gray, Pa.	Miller	Taylor, S. C.
Cartwright	Greenway	Monaghan	Thomas
Corning	Hartley	Montague	Treadway
Crosby	Hill, Samuel B.	Moritz	Underwood
Dear	Hoeppel	Mott	Wearin
Doutrich	Holmes	Nichols	Wilson, La.
Driver	Jenckes, Ind.	Oliver	
Duffey, Ohio	Jenkins, Ohio	Risk	
Fenerty	Kee	Sabath	

So the motion was agreed to.

The Clerk announced the following pairs:

General pairs:

Mr. Sabath with Mr. Jenkins of Ohio.
Mr. Buchanan with Mr. Treadway.
Mr. Oliver with Mr. Doutrich.
Mr. Steagall with Mr. Gearhart.
Mr. Miller with Mr. Holmes.
Mr. McSwain with Mr. Stewart.

Mrs. Greenway with Mr. Kvale.
Mr. Bulwinkle with Mr. Hartley.
Mr. Duffey of Ohio with Mr. Carlson.
Mr. Fernandez with Mr. Bacharach.
Mr. Cartwright with Mr. Fenerty.
Mr. Montague with Mr. Mott.
Mr. Kleberg with Mr. Thomas.
Mr. Corning with Mr. Fish.
Mr. Driver with Mr. Buckbee.
Mr. Kerr with Mr. Lambertson.
Mr. Samuel B. Hill with Mr. Risk.
Mr. Sweeney with Mr. Gehrmann.
Mr. Sandlin with Mr. Schneider of Wisconsin.
Mr. Brennan with Mr. Wearin.
Mr. Starnes with Mr. Dear.
Mr. Brooks with Mr. Gray of Indiana.
Mr. Nichols with Mr. Sanders of Louisiana.
Mr. McGhee with Mr. Kee.
Mr. Gassaway with Mr. Buckley of New York.
Mr. Gray of Pennsylvania with Mr. Wilson of Louisiana.
Mr. Crosby with Mr. Underwood.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

Mr. BOILEAU. Mr. Speaker, reserving the right to object——

The SPEAKER. The Chair calls for the regular order. Is there objection to the request of the gentleman from Missouri?

Mr. BOILEAU. Mr. Speaker, I object.

The result of the vote was announced as above recorded.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. McREYNOLDS in the chair.

The Clerk read the title of the bill.

Mr. BOILEAU. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. BOILEAU moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. BOILEAU. Mr. Chairman, the enacting clause of this bill, which is an appropriation bill for the Department of Agriculture, states that the bill is for the purpose of making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937.

I am very much interested in providing farm credit for the farmers of this Nation. I am very much interested in seeing to it that there is adequate farm credit afforded all the farmers in this country.

I may say that I have the idea that a better way can be provided for giving farm credit to the farmers of this country than is provided under the provisions of this bill.

Mr. CANNON of Missouri. Mr. Chairman, the gentleman is not confining himself to his motion. The gentleman is discussing a matter that has no relation to his motion, and I make the point of order that the gentleman must confine himself to his proposition.

The CHAIRMAN. The gentleman from Wisconsin will proceed in order.

Mr. BOILEAU. I wish to say that I do not believe that the farm credit provided in this bill is adequate. I want to say to the membership of this House that it is time we provide some real farm credit, and there are many Members of this House who feel as I do and we are meeting tomorrow morning at 10 o'clock in the caucus room of the old House Office Building.

Mr. CANNON of Missouri. Mr. Chairman, I renew my point of order.

The CHAIRMAN. The gentleman from Wisconsin will proceed in order.

Mr. BOILEAU. And I want to say, Mr. Chairman, that tomorrow, when we meet to discuss farm credit as a substitute for the provisions of this bill—

Mr. CANNON of Missouri. Mr. Chairman, I make the point of order the gentleman's remarks are not germane to the subject.

The CHAIRMAN. The Chair holds the gentleman is not in order. The gentleman will proceed in order.

Mr. BOILEAU. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BOILEAU. Is it proper, under the rules of this House, for a Member to express views contrary to the provisions of a bill presented to the Committee, or are we gagged even in that respect?

The CHAIRMAN. The Chair has not made any such ruling. The gentleman will confine himself to the bill and proceed in order.

Mr. BOILEAU. I should like to ask the Chairman if I may suggest methods of providing farm credit other than those expressed in this bill and I should like to have a ruling from the Chair on that.

The CHAIRMAN. The Chair has ruled that the gentleman is in order in that respect. The gentleman will proceed in order.

Mr. BOILEAU. I may say to the Members of the House that there is more than one way of providing farm credit and I wish to say to the Members of this House that since I have been a Member of the House——

Mr. CANNON of Missouri. Mr. Chairman, one of the fundamental rules of the House is that debate must be germane to the motion, and I insist that the gentleman must confine himself to the motion he has offered. The matter which the gentleman is now discussing has no relation to that motion.

The CHAIRMAN. The Chair will advise the gentleman that there is an appropriation in the bill for farm credit, and if the gentleman confines his remarks to that subject the gentleman is in order. If the gentleman discusses matter foreign to the provisions of the bill, the gentleman is not in order.

Mr. BOILEAU. The Chair has not ruled on my parliamentary inquiry. My parliamentary inquiry is to determine whether or not I can advocate any other type of appropriation for farm credit.

The CHAIRMAN. The Chair holds that the gentleman cannot discuss such matters except as they may be contained in the pending bill.

Mr. BOILEAU. I should like to say to the membership of the House that I do not approve of the method provided for granting farm credit under the provisions of this bill. I do not think the method is adequate. I may say to the membership of the House that there are many others in the House who feel as I do on this proposition. [Applause.]

I may say further that those of us who feel as I do want to have an opportunity before the consideration of this bill is concluded to submit our views to this House.

Mr. CANNON of Missouri. Mr. Chairman, the motion to strike out the enacting clause should not be made the vehicle of Members who desire to violate the rules of the House by discussing matters foreign to the subject under consideration.

Mr. O'MALLEY. Regular order, Mr. Chairman.

The CHAIRMAN. The gentleman is in order as long as he is talking against any provision of the bill, and the Chair so holds.

Mr. BOILEAU. I thank the Chair. In order to further convince the Members of the House that there are better ways of providing farm credit than that provided in this bill——

Mr. CANNON of Missouri. Mr. Chairman, the gentleman is not discussing the pending question.

Mr. O'MALLEY. Regular order, Mr. Chairman.

Mr. CANNON of Missouri. Mr. Chairman, it is evident the gentleman is not confining his remarks to his motion.

Mr. O'MALLEY. Mr. Chairman, a parliamentary inquiry.

Mr. BOILEAU. Mr. Chairman, I do not yield. I want to proceed, and I wish to say again that the Chair has ruled on the question; and I wish the gentleman from Missouri would recognize the ruling of the Chair. I have tried to conform to the rules of the House, and I submitted a parliamentary inquiry in order that I might be properly advised as to the attitude of the Chair; and the Chair stated I was within my rights when I advocated a different method of providing farm credit; and I appeal to the Members of the House who agree with me to work in unison to put forth a concerted effort. I hope you will meet with us tomorrow morning at 10 o'clock so we can advocate the Frazier-Lemke bill and explain our

position to the House with respect to a real farm-credit measure. [Applause.]

Mr. CANNON of Missouri. Mr. Chairman, the Chair has repeatedly sustained points of order proposed, and the entire speech of the gentleman is in violation of the rules of the House. You cannot make an announcement of a meeting of Members, however laudable the purpose, under the guise of a motion to strike out the enacting clause.

Mr. BOILEAU. I withdraw the motion, if no one objects.

The CHAIRMAN. Without objection, the motion of the gentleman from Wisconsin is withdrawn.

There was no objection.

The CHAIRMAN. Without objection, the Clerk will report the motion offered by the gentleman from Oklahoma yesterday when the Committee rose.

The Clerk read as follows:

Amendment offered by Mr. FERGUSON: Page 48, line 3, after the figures "$99,152", strike out the period, insert a comma, and add the following: "And in addition thereto, $180,000 for completing shelterbelt investigations, and for the free distribution of shelterbelt trees to farmers."

Mr. FERGUSON. Mr. Chairman, I ask unanimous consent that I may proceed for 10 minutes, having an additional 5 minutes.

The CHAIRMAN. Is there objection?

Mr. CANNON of Missouri. Mr. Chairman, I must object.

Mr. FERGUSON. Mr. Chairman, first I want to bring to the attention of this Committee that a million dollars was recommended by the President and approved by the Budget for this item. At the time that the matter was before the committee I appeared, but the situation, as I am presenting it here today, was not presented. The committee had only the choice of $1,000,000 appropriation or nothing at all. I am trying to salvage something from the $2,200,000 that has been expended by the shelterbelt authorities in gathering seeds and planting trees that will grow in that western country. The Chief of the Forest Service, Mr. Silcox, wrote me this letter today. He is in favor of my amendment, and I should appreciate it very much if the Members would give the letter careful attention. The letter is as follows:

FEBRUARY 27, 1936.

Hon. PHIL FERGUSON,
House of Representatives.

DEAR MR. FERGUSON: With reference to your telephone request this morning as to the amendment introduced by you yesterday upon the floor of the House:

Your inquiry was as to whether the sum requested would be adequate to carry out the purpose of your amendment. As quoted in the RECORD, your amendment to page 48, line 3, of the agricultural appropriation bill, by adding "and in addition thereto, $180,000 for completing shelterbelt investigations and for the free distribution of shelterbelt trees to farmers", is adequate to care for trees too small to plant this spring.

At the present time there are in the nurseries which are producing stock for the shelterbelt project about 95,000,000 trees. Of these about 35,000,000 trees will be planted in the spring of 1936. Most of these are 1 and 2 years old. This will leave in the nurseries about 60,000,000 1-year-old trees too small for planting this year. They have cost to date about $4 or $5 per thousand, or between $240,000 and $300,000. To carry these trees to a size suitable for planting under Plains conditions (2 or 3 years old) will cost about $2.25 per thousand, or about $130,000 total. To distribute these to farmers free of cost would cost about 50 cents per thousand, or about $30,000. This would involve packing, crating, shipping, etc.

This would leave about $20,000 for continuing the investigations of shelterbelt planting now under way by the Forest Service in the Plains region.

The total of $180,000, therefore, seems adequate to carry out the purpose of your amendment.

Very sincerely yours,

F. A. SILCOX,
Chief, Forest Service.

Can this Committee be so prejudiced that it would refuse $180,000 that the Chief of the Forest Service says would carry out the program? It would give them a chance to develop the trees to the age where the trees could be planted.

Mr. McLAUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. Yes.

Mr. McLAUGHLIN. In effect, what the gentleman is asking Congress to do is to appropriate $180,000 to save $240,000.

Mr. FERGUSON. That is it exactly. That has already been expended on these trees. That does not include some $2,000,000 that has been spent for investigation all through this region to find trees that will grow.

The CHAIRMAN. The time of the gentleman from Oklahome has expired.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate upon this paragraph and all amendment thereto close in 25 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment. The subcommittee considering the shelterbelt proposed appropriation was convinced that this project is impractical, that it carries with it no prospect of any climatological benefits or general public benefits to the area in which it is proposed to be located, that such benefits as may follow from its being consummated will be benefits to the owners of land improved, for which they themselves should pay and not the Government.

Mr. EATON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. No; I have not the time. I shall not enter into any discussion as to the correctness of that conclusion, because I have not the time in the 5 minutes allotted me. The full committee, so far as the discussion of it indicated, was unanimously in accord with the conclusion of the subcommittee, and not one single voice was raised in favor of making the shelterbelt appropriation. So far as this proposition of appropriating $180,000 is concerned, to wind up the work, the appropriation, if made, would be absolutely futile. They have 95,000,000 trees, according to the letter read by Mr. FERGUSON, and they intend to continue planting this year so that they will plant 35,000,000 trees more, even after this action is taken by the Congress indicating that it does not think this project is practical, leaving 60,000,000 trees. How much does it cost to plant 60,000,000 trees? The evidence before us shows it costs $86.10 a thousand. For 60,000,000 trees that would be over $5,000,000.

Mr. FERGUSON. Will the gentleman yield?

Mr. TARVER. I have already explained to the gentleman that I cannot yield.

Mr. FERGUSON. The farmers are going to plant these trees. The Government does not plant the trees.

Mr. TARVER. There is no provision in the gentleman's amendment for the farmers to plant trees. The evidence before the committee discloses that it requires $86.10 a thousand to plant these trees. If you are going to continue with this impractical project and want the trees planted, you might as well appropriate enough money to do it.

Now, they have had an allocation of about $2,000,000 from relief moneys, of which $750,000 still remains to be expended, if they want to expend it during the balance of the present fiscal year. They ought not to expend it. After the Congress indicates, as I am sure it will indicate, that it does not desire that this project should be consummated, they ought to use their $750,000 which they have now to liquidate this project. If along the lines desired by the gentleman from Oklahoma [Mr. FERGUSON], well and good; but at any rate, instead of our appropriating $180,000, evidently an absolutely insufficient amount if the planting of trees is contemplated, we ought, if we do anything, to provide that this $750,000 which they already have shall be used only for the purpose of liquidating this project. They have had allocated to them almost $2,000,000. They have planted 22,000 acres. They have 2,000,000 acres to plant. They have 3,000,000,000 trees to plant in the event the project is carried through to completion. If it is a practical project, if it is something which it is desired shall be consummated, then make your appropriation for it and make it in sufficient amount. If it is impractical, why spend $180,000 more or the $750,000 more already allocated from relief funds? Why carry on this project? Why not stop now?

The CHAIRMAN. The time of the gentleman from Georgia [Mr. TARVER] has expired.

The Clerk will report the amendment to the amendment offered by the gentleman from Nebraska [Mr. LUCKEY].

The Clerk read as follows:

Amendment offered by Mr. LUCKEY to the amendment offered by Mr. FERGUSON: After the word "investigation" insert "of which $50,000 shall be available for investigation of establishing, maintaining, and improving forestry and other tree and shrub plantings in the Plains region."

Mr. LUCKEY. Mr. Chairman, the purpose of this amendment is to clarify and specify more directly in the amendment offered by the gentleman from Oklahoma [Mr. FERGUSON] as to what should be done with the money allocated. We have undertaken a great project out in the Great Plains region that has been very severely criticized, and probably justly so, as visionary. The purpose of my amendment is to enable the agricultural colleges, the land-grant colleges out in this section, to do work along the line of what may be possible and feasible to aid forestry and tree planting and shrubbery planting out in that section.

I hold in my hand a map from the Forestry Department which shows in the dark portions the forestry regions and the forestry experiment stations in connection therewith. It shows that this Great Plains section, including the two Dakotas, Nebraska, Kansas, and parts of Oklahoma and Texas, have no experiment stations and are not doing any forestry research work at all. There are possibilities there—not in the line of the so-called shelterbelt, but in the line of collecting and disseminating information about trees that will aid the farmer in planting windbreaks, improving his homesteads and farmsteads by proper planting of the right variety of trees. Every other region in the United States has forest experiment stations. The Great Plains area, where trees are needed most, has no such research and experimentation facilities. My amendment is for the purpose of enabling these land-grant colleges to do that.

[Here the gavel fell.]

Mr. THURSTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment is for the purpose of saving the face of one of the most ridiculous and silly proposals that was ever submitted to the American people. Originally it contemplated a timber belt about 100 miles in width, about 1,100 miles in length, and as time passed it became apparent that the plan was so impractical and absurd that it has almost been abandoned even by those who sponsored it in the commencement. There is an item on the next page, carried in this bill, which will provide that nurseries shall make experiments and studies into the development of trees that will be adaptable to this region, and this information will be disseminated among those who are interested. Originally the allocation for this purpose was $15,000,000. Thanks to the foresight and good common sense of the Comptroller General of the United States, General McCarl, only $1,000,000 was actually allocated for this purpose. Other funds were used, so that some sum in excess of $2,000,000 has been expended for this purpose. I will submit that while it may be helpful to the farmers in this region to have windbreaks around their premises and buildings, the same thought applies to farmers residing elsewhere in the United States, most of whom have erected or planted windbreaks around their homes, which can likewise be privately provided for in this respect.

To those of you who would like to have some definite and concrete information, I would suggest that you read the remarks carried in the CONGRESSIONAL RECORD made by the gentleman from Indiana [Mr. LUDLOW] just last Monday. To show you how enthusiastic and yet impractical and absurd some of the men in the Department are, who are sponsoring this shelterbelt fiasco, when appearing before the committee they said that the land upon which these trees would be planted was worth about $40 per acre. Of course, anyone familiar with land values throughout the United States knows that the land value throughout the region in question is not worth probably one-third or one-fourth of that amount, excluding the land immediately adjacent to or upon which the buildings are situated.

As to the extent which this belt would protect abutting vegetation, the Chief Forester said about 7 feet in length for each 1 foot in height of the tree or bush that may be grown. One of his assistants in charge of this work said 20 feet. If you have to plant a row of trees or a row of shrubbery and it will only protect vegetation within a few feet, and then you must have these rows of trees, 20 or 30 feet apart, then you get a picture of the immense cost involved.

If they were to complete the project first submitted by this administration it would cost at least $100,000,000, with little or no permanent value to the country.

[Here the gavel fell.]

Mr. FERGUSON. Mr. Chairman, I rise in opposition to the amendment offered to my amendment.

The CHAIRMAN. The Chair will state to the gentleman that time for debate on this amendment was fixed, and the gentleman from Michigan [Mr. MICHENER] having asked to be heard during this time, must first be recognized. The gentleman from Oklahoma has spoken once on the amendment.

Mr. MICHENER. Mr. Chairman, I want to compliment the committee on the action it has taken in this particular regard. It is time to liquidate these undertakings and proven-unsuccessful experiments.

This shelterbelt proposition was one of the most fallacious experiments of them all. Its absurdity approaches the ridiculous. No one knows this better than the Members of Congress living in parts of the territory in which these shelter belts were to be established. I do not know exactly who was the author of the original dream. I do know, however, that the President advocated something of this sort. The plans were undoubtedly prepared by someone who used blueprints, formulas, and theories without any practical knowledge of the physical conditions of the country to be affected.

We who have faith in the forestry department are happy in the thought that this wild-eyed scheme apparently never met with the enthusiastic support of these officials. The proponents of this proposition evidently did not realize that trees will not grow in a desert country. And I can imagine the gentlemen who are advocating this amendment out with their sprinkling cans watering the millions of trees which the taxpayers of the country are asked to plant in this territory. Neither did the proponents realize that in many instances these trees would necessarily have to be protected by fences. In all, the proposition is not only fantastical but preposterous from any common-sense standpoint.

I do not want to find fault with our capable friend from Oklahoma [Mr. FERGUSON], or with the splendid Representative from Nebraska [Mr. MCLAUGHLIN], who is apparently interested in this amendment, and who will undoubtedly be heard from. It is difficult for these gentlemen to take any other position. Their immediate territory is affected. However, if this local territory were not affected, I should be perfectly willing to leave this whole proposition to either one of these gentlemen and rest secure in the thought that the whole thing would be abandoned here and now.

A year ago I gave some little consideration to this matter. In my country the thing was a joke, and everybody having any knowledge of the facts were sure that it would terminate just as it has terminated.

Let me repeat that the President said early in the New Deal game that he would be the first to abandon failures. If there ever was a failure, this shelterbelt halucination is one of them. And even though the President's Budget did ask for an appropriation to carry on this work, yet this body is fortunate in having a reasonable, economic, and forward-looking subcommittee, which committee dares to oppose this type of money spending. I also want to compliment the House upon returning signs of independence. Let us hope that the day is not far off when the Congress will again function, use its own judgment, and legislate as the direct representatives of the people.

Sometime ago I asked Dean S. T. Dana, of the forestry department of the University of Michigan, to give me his views in reference to this shelterbelt project as embarked upon by the administration. I have a short synopsis of his statement, which I shall include as a part of my remarks. The statement is as follows:

Shelterbelts have the following advantages:

1. They increase crop production in a strip on their leeward side to a distance of 10 times or more the height of the trees. This is due to the checking of wind movement and the consequent reduction of evaporation in the protected strip and to the accumulation of snow, which adds to the moisture content of the soil.

2. They sometimes make possible the production of crops—for example, fruit trees—which could not be grown without their shelter.

3. They afford protection to people and to livestock from hot winds in summer and cold winds in winter.

4. They prevent the burying of buildings under heavy snowdrifts.

5. They check erosion.

6. They increase the supply of song and insectivorous birds and other wildlife.

7. They break up the monotony of the landscape and, in general, add materially to the attractiveness and livability of the region.

These benefits are primarily local in nature. Shelterbelts cannot be counted on to have any important influence on the general climate, and certainly not to prevent the recurrence of droughts and dust storms such as have occurred in recent years.

The establishment of shelterbelts in regions of scanty precipitation is a difficult task. Trees must be selected which are suited to both climatic and soil conditions; planting must be done with great care; plantations must be cultivated and, in some instances, watered for the first few years; stock must be excluded; and steps must be taken to prevent damage by insects and disease. All of these activities require the continued interest and attention of the farm owner.

The large shelterbelt project proposed by the administration is open to serious question because of the difficulty of tree planting in the region of 18- to 20-inch rainfall, because of the geometrical arrangement of the plantations, which may not be at all suited to soil conditions or local needs, and because of the administrative difficulties involved in Government ownership and control of such small and badly scattered tracts. Initial costs will be high, while protection and maintenance are likely to be even more expensive and to run into many unexpected difficulties.

A sounder program would apparently be to encourage the establishment of shelterbelts by individual farmers along somewhat the same lines that have been followed in the Canadian prairies. Under such a program the Government might well furnish planting stock at cost, or even at a nominal price, together with technical advice and assistance in the establishment and subsequent maintenance of the plantations. This would make it possible to take advantage of favorable local conditions, to make the shelterbelts an integral part of the farm under the direct care and control of the owner, and to avoid the difficulties inherent in so far-flung a governmental enterprise.

I might say that Dean Dana is one of the outstanding authorities of the country on forestry and, like all those persons interested in work of this kind, he is an enthusiast. I am sure that his appraisement as given above resolves all doubt in favor of any possible shelter belts. Information of this kind is of value to all of us because of its expert character and because the conclusions are not biased by personal or political interests.

I hope, Mr. Chairman, that this amendment will be defeated.

Mr. LUCKEY. Mr. Chairman, will the gentleman yield for one question?

Mr. MICHENER. I yield.

Mr. LUCKEY. I may say to the gentleman that I am not in favor of this so-called shelterbelt. I think it is visionary; but there is some merit in a forestry study of this Great Plains region.

Mr. MICHENER. Yes; let us conduct the study. but let us not appropriate money to plant trees where it is known beforehand that they will not grow.

Mr. LUCKEY. I am with the gentleman in that statement.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. THURSTON. I think the committee has already made provision for the study indicated by the gentleman from Nebraska.

Mr. JOHNSON of Oklahoma. Mr. Chairman, as much as I should like to do so, I cannot agree with my colleague from Oklahoma with reference to his proposed amendment. If this amendment is adopted, it is understood he proposes to move to strike the amendment I offered in the committee and adopted and now a part of the bill to prevent the continuation of the establishment of the so-called shelterbelt project, as follows:

No part of the appropriation contained in this act shall be used to continue the establishment of the so-called shelterbelt project of trees or shrubs in the Plains regions undertaken heretofore, pursuant to appropriations made for emergency purposes.

I fully realize that my colleague from Oklahoma [Mr. FERGUSON] is very much interested in getting $180,000 for the purpose of taking care of the remaining 60,000,000 trees that are seeded and now in the nurseries. So do I want the remaining trees planted, but if his amendment is adopted and then my amendment is stricken from the pending measure, as he says he will propose, there will be nothing to prevent the Forestry Service continuing the shelterbelt project indefinitely. In fact, his amendment specifically mentions the shelterbelt, and, if adopted, might prevent any of the 60,000,000 trees from being distributed to farmers outside of that narrow area known as the shelterbelt. I should like to see my good friend from Oklahoma, who is an active, capable, and valuable Member of this body, get every tree for his farmers that they will set out and properly care for. I should also like that every farmer in his district who is interested receive every tree that he desires to plant. In fact, it would please me to see a tree planted at every spot in western Oklahoma where a tree would grow. More than that, Mr. Chairman, I should like very much to see the 60,000,000 trees distributed to farmers who need and want them throughout the entire United States, but reference to page 18 of this bill shows that under the existing law every one of such trees that my colleague is worried about can be disposed of advantageously and no doubt all will be in cooperation with governmental agencies. It is useless and absurd, in my judgment, to try to make Members of Congress believe that these 60,000,000 trees are going to be wasted, burned, or otherwise destroyed, unless the Ferguson amendment is adopted. Oh, no. That will not be done. This or some future Congress will no doubt make appropriation sufficient to distribute all available trees to the farmers of the United States.

Mr. FERGUSON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to my colleague from Oklahoma.

Mr. FERGUSON. All these trees are on leased ground; the Government does not own the ground they are on. Some provision will have to be made to take care of the trees.

Mr. JOHNSON of Oklahoma. I should be glad to see such a provision made, but the gentleman's amendment provides that the trees shall be distributed in shelterbelts. In fact, his amendment specifically names only shelterbelts. I take the position, as I stated on the floor of the House yesterday, that every farmer in every area or section of the United States is as much entitled to these free Government trees as are the people who live in the so-called shelterbelt, much of which I regret to say is an arid section where in some places it is miles and miles from water and where trees will not grow under any circumstances. If I know anything about the sentiment of the Appropriations Committee or the membership of this House, a vast majority do not want the shelterbelt project continued and do not propose to take any chances on permitting that impractical project to be continued at a cost of $100,000,000 or more.

Mr. FERGUSON. These trees were especially developed. The seed from which the trees were grown were gathered in that area after an extensive study. They are especially adapted to that particular area. I should be glad to see a tree program carried on all over the United States.

Mr. JOHNSON of Oklahoma. I deeply appreciate that fact, and I am anxious that every tree now seeded be properly set out and cared for. But why select a narrow area and discriminate against other sections in this tree-planting program? Just who conceived such an impractical scheme no one seems to know. It was inaugurated at a time when every possible effort was being made to put people to work.

Instead of wasting millions of dollars in a foolish and fruitless effort to establish a so-called shelterbelt, those 60,000,000 trees ought to be distributed to the farmers who will plant

and grow them and appreciate the opportunity of doing so. [Applause.] Certainly if this great magnanimous Government of ours will seed and ship trees to the farmers of the country, the farmers will undoubtedly be willing to plant and care for them without governmental supervision and red tape. I submit that the Federal Government should not be put to the expense of sending some society saphead from the city who is interested primarily in holding down a Government job, and who no doubt in some instances knows nothing about trees except what he might read in a Government bulletin to not only tell the farmers how to plant trees but to actually plant them—and mind you—at Government expense. [Applause.]

I maintain and insist, Mr. Chairman and Members, the farmers are sufficiently interested that if they are furnished free trees by the Forest Service they will gladly plant, fence, if necessary, and otherwise take care of them after they are planted.

Mr. FERGUSON. Under the amendment which I have offered they will have to plant the trees themselves.

Mr. JOHNSON of Oklahoma. Oh, that may possibly be, although the amendment does not so provide, but, nevertheless, I still insist that every one of the 60,000,000 seedlings about which my colleague seems so deeply disturbed can be properly distributed to farmers who want them under the existing law, and that there is no rhyme or reason for confining the planting of the trees in question to the so-called shelterbelt. [Applause.]

[Here the gavel fell.]

Mr. COSTELLO. Mr. Chairman, my amendment proposes to increase this appropriation by $30,000 in order that the experimental work in San Dimas Experimental Forest may be adequately carried on during the coming year. In order to appreciate the need for this increase, one must understand something of the work that has already been done in this area during the past 6 years.

In Los Angeles County an area consisting of 17,000 acres has been set aside as a great outdoor experimental laboratory in which to study, for the first time in history, watershed management on a scale large enough to make possible accurate deductions regarding rainfall, run-off, erosion, and water storage by means of vegetation. Here in the East the problem is one of water drainage, while we in the West are concerned with water storage, subsurface water supply, flood control, and irrigation. The object of this experiment is to increase the yield of usable water by some method of systematic management of the watershed vegetation consistent with the control of floods and erosion, without allowing the vegetation itself to take too great a toll in consumption of water for its own growth.

In preparing this extensive area for the necessary experimentation a sum in excess of $1,250,000 has already been expended to construct some 17 stream-measuring stations, weather stations, over 300 rain gages, many sample vegetation plots, erosion-control experiments, debris reservoirs, and concrete dams. Roads, trails, and firebreaks have been built and all necessary buildings. In a word, the entire preliminary work has now been completed.

During the coming years the resultant studies will be made from this area by hydraulic engineers and water conservationists. It will require more than 5 years of continual study and research to evolve the data and information which is so essential in planning flood-control and water-supply systems. To curtail this work at this time, when the first fruits of this tremendous expenditure are within grasp, is indeed a short-sighted policy. To adequately and properly handle this program during the coming year, $75,000 should be expended, but I realize the futility of attempting to increase this appropriation by that amount, and I am urging but a $30,000 increase in the hope that this committee will grant at least this amount.

Los Angeles is not asking that the Federal Government stand the entire burden of cost for this work which means so much to us throughout the West. In 1934 the county of Los Angeles appropriated $295,113 for this work. To further impress you with the seriousness of the water situation in southern California, let me inform you that while the county has approximately 51 percent of the population of the State we have scarcely 1 percent of the total available water of the State. Moreover, 24 percent of the irrigated agricultural land of the State, producing an annual crop valued at $158,200,000, is located in the county. To augment our water supply we are bringing the water from the Colorado River into southern California at a cost of $200,000,000, which will be paid by the metropolitan water district. Let me also remind you that the entire cost of the Boulder Canyon project will be repaid to the Federal Government over a period of 50 years by the same metropolitan water district.

We are doing our share to build up our water resources, and I am confident you will not deny us this small additional appropriation which is so necessary to enable us to carry on a scientific program of water conservation and water storage. The information now being developed will be the basis for flood control and water development in this entire southwestern area, and the progress made here will lead the way to similar water conservation in other localities. I sincerely urge the adoption of my amendment.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from Nebraska.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. FERGUSON) there were—ayes 35, noes 81.

So the amendment was rejected.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 48, line 3, after the word "lands", strike out "$99,152" and insert in lieu thereof "$129,152."

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was rejected.

The Clerk read as follows:

FOREST-FIRE COOPERATION

For cooperation with the various States or other appropriate agencies in forest-fire prevention and suppression and the protection of timbered and cut-over lands in accordance with the provisions of sections 1, 2, and 3 of the act entitled "An act to provide for the protection of forest lands, for the reforestation of denuded areas, for the extension of national forests, and for other purposes, in order to promote continuous production of timber on lands chiefly valuable therefor", approved June 7, 1924 (U. S. C., title 16, secs. 564–570), as amended, including also the study of the effect of tax laws and the investigation of timber insurance as provided in section 3 of said act, $1,578,632, of which $62,020 shall be available for departmental personal services in the District of Columbia and not to exceed $2,500 for the purchase of supplies and equipment required for the purposes of said act in the District of Columbia.

Mr. WHITE. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. WHITE: Page 49, line 9, after the word "act", strike out "$1,578,632" and insert in lieu thereof "$2,500,000."

Mr. WHITE. Mr. Chairman, this item deals with one of the most important activities of the Federal Government. I have reference to the protection of the remaining forests of this country. Under an arrangement we have now for cooperative fire protection the State, the National Government, and private owners contribute to an organization which is created for the purpose of affording fire protection to the remaining great stands of timber in the United States. To carry on this work there must be available a trained personnel. There must be depots, tools, and a complete organization. The amount included by the Budget for this item does not adequately provide for the Government contribution to this great activity. In fact, there has been a very serious reduction made from the amount proposed by the Budget.

Mr. Chairman, I want to read some figures in connection with this matter. The total area of State and privately owned forest lands aggregate 426,000,000 acres, of which 237,000,000 acres are now under some form of organized protection. Now, get this next item. This leaves 189,000,000

acres of forest lands unprotected. One-third of this area is burned over every year as compared with only about 1 percent of the area within the protected forests. In other words, through failure to render adequate protection to the land mentioned here, one-third of this unprotected area is being burned over every year.

The amendment provides the funds to adequately protect this land. The Government must come in and assist the States. This has been recognized by a number of acts that provide for the Government's participation in the protection of these vast resources.

I feel that in asking for this increase in the appropriation the Government will only be providing its just share in the financing of this great work.

Something has been said about the C. C. C. forces protecting the land from fire, but I wish to remind the members of the Committee that the C. C. C. is only useful in fire suppression, while this cooperative fire-protection organization is for fire prevention, being organized and having lookouts and trained administrative personnel to supervise the work and watch out for fires and having a staff of men to rush to any place where a fire may break out in order to suppress any fire and keep it from spreading out and ruining the forests, as they have in the past.

I also call your attention to the fact that this privately owned timber is surrounded and closely bound by great stands of timber owned by the Federal Government, and some means must be provided to protect this timber, so that the fires may not spread from privately owned land or State land and destroy vast quantities of Government timber.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield.

Mr. RANDOLPH. I believe the gentleman said we have organized fire protection on 337,000,000 acres. Is it not 237,000,000 acres instead of 337,000,000 acres, as the gentleman stated?

Mr. WHITE. The gentleman misunderstood my statement. The figure is 237,000,000 acres.

[Here the gavel fell.]

Mr. McCLELLAN. Mr. Chairman, I move to strike out the last word.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. McCLELLAN. Mr. Chairman, we have been hearing quite a lot of discussion this afternoon about reforestation and about the Government undertaking a project for the building of a timber belt across the Nation. It has been conceded that this project probably has been a failure, but it cannot be successfully contended that the program for which this appropriation is to be made has been a failure. It was instituted under the Clarke-McNary Act of 1924, and during the 12 years we have made such substantial progress that we can now see the possibilities and the advantages of having the full appropriation authorized by that act.

As has been stated by the author of the amendment, we have already progressed far enough so that we have 237,000,000 acres of land included in this program with some kind of protection. We lack only 189,000,000 acres of having all of the forestry lands in the United States under this protection.

Some figures have been given you to show you the advantage of the work that is being done in the area that now receives limited protection. In the area where such protection has been provided only 1.1 percent is burned over each year by fire, resulting in damages to the 237,000,000 acres of only $8,000,000, whereas on the 189,000,000 acres that has no protection more than 20 percent of it was burned over last year, with the result that there were damages of $37,000,000. Therefore, for every dollar that the Government is investing in this project there is conserved annually $30 in value that would otherwise be destroyed.

You talk about appropriating money on projects that are worthless; in this instance you are making an investment for the good of the Nation, because you are conserving taxable resources that will help you, some day, balance the Budget, and I invite you to go along and let us make the appropriation up to the limit.

We have 38 States now participating and 2 other States who want to come into this program this year. If they do not all come in, the money will not have to be expended, but it can be authorized, so we may meet the situation.

If we will conserve our forests, if we will go along and do the sensible thing and the wise thing by making these appropriations that have been tried and proven and found to be economically justified, we will not have to talk about reforestation 10 or 20 years from now. Let us conserve our forests. It is a wise national policy to make adequate provision for this need.

The Budget Bureau asked for $152,750 more than the committee has allowed. I hope you will support this amendment, in order that this splendid program of fire prevention and timber conservation and forest preservation may be carried on and reasonably expanded, so that full and beneficial results may be obtained as far as possible.

[Here the gavel fell.]

Mr. PIERCE. Mr. Chairman, I rise in opposition to the pro-forma amendment.

As a Member of the House in the Committee of the Whole considering these appropriation bills I am a rather persistent voter in going along with the Committee. It is very seldom that I differ or cast my vote to change the figures that the committee brings in. I do this because I have confidence in the committees and I have confidence in the fact that they have gone into the matter and given it their best judgment; but on this matter I am supporting the amendment of my colleague the gentleman from Idaho.

I know what these forests mean. We are cutting them and destroying them far faster than they are growing. I think the figures are something like 3 to 1; in other words, we are cutting down or destroying 3,000 feet to every 1,000 feet growing.

The figures vary somewhat, and I do not know what is correct; but I do know that the Federal Forest Service has saved vast forest stands in the Northwest from destruction by fire. Oregon has the largest stand of timber of any State in the Union, and it needs preservation for the use of States less fortunate in timber supply. It is important to all States to maintain the timber. It needs all the money that can be rightly used for that purpose in building towers, in watching fires when they start, in providing trails, and in getting men to the fires. No one who has not seen one of these forest fires can imagine what a holocaust it is and how it sweeps through the country. I have been astonished at the work of some of the forest men in controlling such fires. I am encouraged to vote for the amendment because the Budget itself grants $150,000 more than the committee saw fit to put into the bill.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes.

Mr. RANDOLPH. Is it not a fact also that the private timberland owners will contribute approximately the same amount as the Federal Government if we carry out this amendment?

Mr. PIERCE. Surely they will bear half the burden. Most of these fires are set by lightning, very few by tourists or hunters. When there is proper protection, when we have the proper towers, and the fires are located, when they can be seen when started and the telephones are up so that different people can reach the fires, they are put out before material damage has been done.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes.

Mr. TERRY. I call the gentleman's attention to page 24 of the hearings, which show that the Federal contribution for this year was $1,429,000 of a grand total of $6,229,000; so that $4,800,000 of the amount in this Budget has been put up by States and private owners.

Mr. PIERCE. I think that is a fair contribution. I, myself, have contributed freely. The men who own land pay their share through assessments that are made by the State forester. We have a good fire-fighting force in Oregon, it is well organized, and appropriation ought not to be curtailed, for your benefit as well as for ours.

Mr. RANDOLPH. Referring further to the figures, the private owners have contributed $1,500,000 to that fund.

Mr. PIERCE. Yes. I, myself, have always contributed for fire protection on my timbered land.

Mr. BANKHEAD. The gentleman says that the appropriation ought not to be curtailed. As I understand it, the present appropriation gives the same amount as for the current fiscal year.

Mr. PIERCE. It is the same amount as for last year? The Budget recommended $150,000 more.

Mr. BANKHEAD. But the gentleman said that it ought not to be curtailed when, as a matter of fact, they are given just as much as for the current year.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho.

The question was taken; and on a division (demanded by Mr. PIERCE) there were—ayes 39, noes 80.

So the amendment was rejected.

Mr. McCLELLAN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. McCLELLAN: Page 49, line 9, after the word "act", strike out "$1,578,632" and insert in lieu thereof "$1,731,382."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The amendment was rejected.

The Clerk read as follows:

COOPERATIVE DISTRIBUTION OF FOREST PLANTING STOCK

For cooperation with the various States in the procurement, production, and distribution of forest-tree seeds and plants in establishing windbreaks, shelterbelts, and farm wood lots upon denuded or nonforested lands within such cooperating States, under the provisions of section 4 of the act entitled "An act to provide for the protection of forest lands, for the reforestation of denuded areas, for the extension of national forests, and for other purposes, in order to promote the continuous production of timber on lands chiefly suitable therefor", approved June 7, 1924 (U. S. C., title 16, sec. 567), and acts supplementary thereto, $70,579, of which amount not to exceed $2,740 may be expended for departmental personal services in the District of Columbia.

Mr. FULMER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. FULMER: Page 50, after line 3, insert the following:

"COOPERATION IN FOREST-LAND MANAGEMENT

"For carrying out the purposes of the act entitled 'An act to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and coordinating Federal and State activities in carrying out a national program of forest-land management, and for other purposes', approved August 29, 1935 (49 Stat. 963), $2,000,000."

Mr. FULMER. Mr. Chairman, the purpose of this amendment is to place in this appropriation bill at this time $2,000,000 to carry out the purpose of the bill we passed in the last session, H. R. 6914, which authorized an appropriation of $5,000,000 for the purpose of permitting the Federal Government to cooperate with the various States in the Union in purchasing State forest lands and in managing the administration of same. I am surprised that the appropriation is not carried in this bill. The forest service in every State and every citizen in the States interested in reforestation is for this legislation. The Forest Service under the Department of Agriculture sent to the Budget Director a strong report and, as I understand, requested that the $5,000,000 authorized in the bill be carried in the appropriation bill for the purpose, as stated, of purchasing State forest lands. We have spent millions in buying national-forest lands.

Many of the States have not been able to cooperate with the Federal Government in the national-forest program because of not being able to raise revenue to match the Federal Government. Under this bill we will be able to buy State forest lands in the various sections of the States where we can buy suitable forest lands. As a rule, in buying national-forest lands, they are bought adjacent to any national-forest unit already located in the State.

Here is a letter addressed to my colleague, Mr. GASQUE, of South Carolina, by the President of the United States, which I want to read in my time:

THE WHITE HOUSE, *January 17, 1936.*

Hon. A. H. GASQUE,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I am glad to learn of your interest in the Fulmer Act. It received my approval on August 29 last because I felt it was a sound, constructive measure.

This law provides, as you know, basic authority for Federal aid in acquiring State forests and for cooperation and stimulation in developing and administering them within such States as may qualify under provisions of the act. South Carolina, I understand, qualified by legislation which was passed on April 27 last.

The Fulmer Act authorizes, as you say, a total for all States of not to exceed $5,000,000 with the proviso that funds may become available only as the Congress may from time to time appropriate them. This provision is very definitely in my mind. It seems necessary, however, as I am sure you realize, to consider very carefully what seems consistent with Budget limitations as well as those of the act itself may be appropriated for the provisions of this act.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

My friends, you will note from this letter that this program is endorsed by the President, and according to the wording of his letter it clearly indicates that he expects a part of the authorization made at this time. The trouble with the Budget Director is that we have too many people connected with two or three departments buying land for various other purposes, along with those connected with the buying of national forests, who seem to be able to control the Budget Director in passing upon these matters.

I may say that when we had this legislation under consideration a number of States passed legislation so that they could qualify and cooperate with the Federal Government and are now in a position to take advantage of this wonderful act.

Mr. CANNON of Missouri. Will the gentleman yield?

Mr. FULMER. I yield.

Mr. CANNON of Missouri. The President in that letter nowhere said that we should appropriate any sum of money—much less the sum the gentleman suggests—in this bill. On the contrary, he says—and he says it very emphatically—that it must be considered very carefully what is consistent with Budget limitations. And the Budget limitations specifically exclude any such appropriation. In other words, this letter from the President is an argument against the gentleman's amendment instead of an argument for it. In order that there may be no misapprehension on that point I will ask the gentleman from South Carolina, Did the President's Budget approve, either directly or indirectly, this expenditure at this time in this bill?

Mr. FULMER. I beg leave to differ with the gentleman from Missouri for the reason that the President's letter just read would clearly indicate that an appropriation would be made, but that we should keep in mind that the appropriation was to be made from time to time.

I want to say that there is not a man on the gentleman's committee who does not believe that this is a meritorious and constructive proposition, and that there ought to be some provision made now where we can put the bill into operation.

Mr. CANNON of Missouri. But the gentleman has given us the impression that the President approves of it. The letter which the gentleman has just read does not approve it. The letter disapproves it. The letter says such appropriations must be consistent with Budget recommendations, and the Budget recommends that no appropriation be made. The letter speaks for itself. There is no way to get around it.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. FULMER] has expired.

Mr. FULMER. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FULMER. The President plainly stated that in making this appropriation you should do so from time to time. He had in mind not putting in in the first instance $5,000,000, which was authorized, but certainly he is willing for us to get started with this very constructive program.

Mr. CANNON of Missouri. He does not say it at this time. He says not unless the Budget recommends it, and his Budget Director has refused it. The letter from the President says plainly, "Do not make the appropriation in this bill."

Mr. MAY. Will the gentleman yield?

Mr. FULMER. I yield.

Mr. MAY. The only effect of this amendment is to allocate a portion of this money and earmark it for that purpose?

Mr. FULMER. Absolutely; to get started; something that we have not been doing.

Mr. THURSTON. Will the gentleman yield?

Mr. FULMER. I yield.

Mr. THURSTON. The gentleman seeks funds to support an act which he sponsored in the legislative committee. Will the gentleman tell the Committee the distinction which that bears from other proposals?

Mr. FULMER. Yes. I will state that the purpose of this act is to use this money in cooperation with the States, through the State forest service, that has been or will be set up in accordance with the act. The purpose is to buy State forest lands.

Mr. THURSTON. Will that duplicate some purely Federal agency which is now promoting the acquisition of privately owned lands?

Mr. FULMER. None whatever. Permit me to say that a great many of the States represented here today have not been able to secure C. C. C. camps because they have not had State forest lands.

Mr. THURSTON. I have been informed that an amendment will be offered by the gentleman from Illinois to carry $25,000,000 for acquiring public lands for forestry or submarginal purposes. Does the gentleman's appropriation cover the same field of activities?

Mr. FULMER. None whatever; and that amendment has not anything whatsoever to do with the program in which I am interested and the purpose of the bill referred to previously.

Mr. THURSTON. The gentleman says "starting with $2,000,000." How much does he contemplate it will cost ultimately?

Mr. FULMER. Only $5,000,000 has been authorized under the act.

Mr. THURSTON. And none has been used?

Mr. FULMER. None has been used. The President states himself that it is constructive. He did not state that we should not have any appropriation at this time, but to keep in mind that the bill stated that from time to time an appropriation ought to be made, and therefore I contend that we ought to have this appropriation today.

I want to call to the attention of the Members of the Committee that the Agricultural Committee, of which I have the honor of being a member, gave careful thought to this bill, holding hearings thereon, and gave a unanimous favorable report on the bill. My good friend and colleague, Congressman DOXEY, of Mississippi, who is also a member of the Agricultural Committee as well as a member of the National Forest Reservation Commission, gave lots of time in helping me with this bill. It meets with the hearty approval of the National Forest Reservation Commission, composed of several of the heads of the departments, Senator KEYES, of New Hampshire; Senator GEORGE, from Georgia; and Congressman WOODRUFF, from Michigan.

I want to take this opportunity of paying my respects to my colleague [Mr. DOXEY], who is one of the hard-working Congressmen on the Agricultural Committee, being well acquainted with agricultural problems and deeply interested in trying to help solve them. My friends, let us vote for this appropriation so as to be able to commence a very constructive program which will tend to rehabilitate the forest resources of the country, which is so necessary at this time if we are thinking of the welfare of future generations.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 25 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ANDRESEN. Mr. Chairman, I move to strike out the last two words. I rise in support of the amendment offered by the gentleman from South Carolina [Mr. FULMER], which simply provides for an appropriation of $2,000,000. This appropriation in no way conflicts with any other appropriation provided for in this bill for forestry purposes. This measure was considered originally by the Committee on Agriculture and it has the endorsement of forestry men from all the States in the Union. The committee acted upon the evidence submitted in a unanimous report. The bill passed the House virtually without opposition and was enacted into law. The legislation provided for a total authorization of $5,000,000. I feel that the entire amount should be approved in this bill, but those in charge of the amendment feel that if the program can be started so as to secure some State cooperation it will be an incentive for conservation in the various States, and we will have carried out a very desirable purpose.

Mr. DOXEY. Will the gentleman yield for a brief question?

Mr. ANDRESEN. I yield.

Mr. DOXEY. Knowing that we are both members of the committee, and we had representation from quite a number of States, is it not a fact that if we do not secure an appropriation to carry on this particular work a great many of the State forest services will suffer greatly? Here is an opportunity to revive this work by cooperating with them in furnishing these limited funds.

Mr. ANDRESEN. The gentleman is absolutely correct. I may state further, Mr. Chairman, that the so-called Fulmer bill simply provides that a State forest may be set up in any State in the Union through Federal cooperation and Federal aid. The amount is very small, but it is sufficient that the States may start their own State forests. The money will eventually be returned to the Federal Government out of proceeds derived from the sale of products from these forests. It will give all the States an opportunity to establish State forests, and it occurs to me that every Member should heartily support this amendment. It will return to the States the right to have something to say about conservation programs. I hope the amendment will be supported unanimously at this time.

Mr. GREENWOOD. Mr. Chairman, will the gentleman yield?

Mr. ANDRESEN. I yield.

Mr. GREENWOOD. As I understand, the Federal forestry program takes in large tracts that are contiguous, that the Federal Government is not interested in the development of small tracts itself, but is interested in encouraging the States to develop these small tracts, even as small as 80, 100, or 160 acres, that the State may have taken in on account of delinquent taxes. The State receives Federal aid and develops these smaller tracts under State supervision, thus supplementing the Federal program.

Mr. ANDRESEN. That is correct; and, in addition to establishing State forests on these tax-delinquent lands, under the provisions of this bill even a county or a community can establish forests of tax-delinquent or other lands.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not know how fully the Members of the House realize what is being done, but I think it is time they should give consideration to some of these things.

The Resettlement Administration is now engaged in buying lands of a submarginal character all over the country for forestry purposes. They have in their hands, allocated to them—and, frankly, I do not mean by saying this that I favor their operations—$189,000,000 of unexpended funds at the moment. For the purpose of acquiring additional forest lands there has also been allocated to the Department of

Agriculture out of the emergency-relief appropriation of last year the sum of $4,750,000. It is my estimate that upward of $10,000,000 has been spent on this program already by the Resettlement Administration, and the other item of $4,750,000 is akin to it.

I do not believe Congress ought to go further than the Budget in granting funds for this kind of proposition. I think we have gone too far already in the amount of expenditures we have made; and we are going to get ourselves into trouble if we commit ourselves to a program that goes far beyond the capacity of the people of the United States to pay. I believe the Congress at this time and in this place should show a conservative tendency, a tendency toward keeping down expenditures. I do not think anything would give the people of this country more comfort or encouragement than to feel that we had decided here in the House of Representatives against large expenditures just as far as we could. I hope the action of the committee will here and in this place be sustained.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MAY. I call the gentleman's attention to the fact that this is not an additional appropriation but is an attempt to do something we have not yet done in this session or any previous session of Congress, to earmark some of the money for a particular purpose. The fact that Tugwell has had $27,000,000 allotted to him out of a fund of $464,000,000, without the knowledge or consent of Congress, argues, it seems to me, that we should earmark this $2,000,000 so it can be used for no other purpose without further legislation from Congress.

Mr. TABER. Does the gentleman mean that this is not an amendment to take additional funds out of the Treasury?

Mr. MAY. It merely earmarks a part of this appropriation to the extent of $2,000,000.

Mr. TABER. It earmarks a part of what appropriation?

Mr. MAY. A part of the sum allowed under this bill.

Mr. TABER. Then, Mr. Chairman, I ask unanimous consent that the amendment be again reported.

Mr. BURDICK. Mr. Chairman, I object.

Mr. TABER. Then I ask, Mr. Chairman, that it be read out of my time.

Mr. BURDICK. Mr. Chairman, I object.

The CHAIRMAN (Mr. COOPER of Tennessee). Does the gentleman object to the amendment again being read?

Mr. BURDICK. Yes.

Mr. TABER. I now have the amendment. I do not believe its language limits the appropriation to moneys already carried in the bill, but provides for an additional $2,000,000.

Mr. MAY. That is not my understanding of it.

Mr. TABER. That is the way it reads.

Mr. PIERCE. Mr. Chairman, I find myself again in opposition to the committee; not that I feel they have not given the matter thought. I believe if this matter had been properly presented to the Budget the importance would have been realized and not only $2,000,000 assigned to this work but perhaps three or four million dollars would have been provided. It is of very great importance.

Mr. MICHENER. Will the gentleman yield?

Mr. PIERCE. I yield to the gentleman from Michigan.

Mr. MICHENER. Does this amendment provide for an appropriation of $2,000,000 more or does it just earmark $2,000,000 out of an existing appropriation?

Mr. PIERCE. I understand it appropriates an additional $2,000,000.

Mr. TARVER. Will the gentleman yield?

Mr. PIERCE. I yield to the gentleman from Georgia.

Mr. TARVER. I understood the gentleman to say he was of the opinion that if this matter had been presented to the Budget it would have been approved by them. May I say my information is it was presented to the Budget and they disapproved it.

Mr. PIERCE. When I was Governor of the State of Oregon 12 years ago we had the opportunity of acquiring quite a large tract of forest land for the State. I remember distinctly what a difficult time we had organizing our forest service to take care of these young trees. Had we at that time had the cooperation of the National Government, under a law like the Fulmer Act, with reasonable funds for cooperation, it would have made possible a forest several times as large as the one we started.

I realize fully and completely the necessity of the National Government assisting and helping the States in this matter. The State of Oregon now has the opportunity of acquiring several thousand acres of forest land in addition to what it owns. The States need the personnel of the Forest Service to carry out the program in a proper way. Reforestation is going to be an exceedingly slow process, especially when undertaken by States alone, without the help and assistance of the trained personnel of the United States Forestry Service. I voted for the Fulmer bill last year, believing at that time that it would be of great value to the States and the Nation. It has been a law for some time, but without an appropriation it is of value only as a statement of policy.

Mr. FULMER. Will the gentleman yield?

Mr. PIERCE. I yield to the gentleman from South Carolina.

Mr. FULMER. May I say to the gentleman that many of the States which have forest services have been preparing and getting ready to put into operation the bill which the gentleman referred to, believing that there would be an appropriation available at this time.

Mr. PIERCE. May I refer for a moment to the forest in western Oregon which the State of Oregon acquired? The timber in that forest, even at the cheap price of standing timber today, I am told, is worth four times as much as it cost the State of Oregon at the time it was acquired.

Mr. Chairman, there are forests in States throughout the West that can and do grow good timber, but the cooperation of the National Government is needed.

Mr. MAY. Will the gentleman yield?

Mr. PIERCE. I yield to the gentleman from Kentucky.

Mr. MAY. This is a companion measure to aid the States in handling their State forests in the same way the national forests are handled?

Mr. PIERCE. Yes. This enables the States to secure the scientific knowledge of men who know how to do these things. It gives the States a service which they cannot acquire without the expenditure of a tremendous sum of money.

Mr. RANDOLPH. Will the gentleman yield?

Mr. PIERCE. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. And from the sale of this timber, this fund will come back to the Federal Government?

Mr. PIERCE. It will all come back to the Federal Government eventually.

[Here the gavel fell.]

Mr. EKWALL. Mr. Chairman, I rise at this time to state that I am most heartily in favor of the pending amendment. I hold in my hand a letter written by the commissioner of conservation, State of New York, which is in favor of this amendment and speaks for itself. It is dated February 13, 1936, addressed to Hon. JAMES P. B. DUFFY, and reads as follows:

DEAR CONGRESSMAN: It has been brought to my attention that a request has been made to the subcommittee on Agricultural Appropriations for an appropriation of $5,000,000, with which to start work of acquiring lands for State forests under the so-called Fulmer bill.

My purpose in writing you is to urge you to do all you can to get favorable consideration for this item, for I am hopeful we can make extensive and desirable additions to our State forests under the Fulmer Act when appropriations are available to make it effective.

Very truly yours,

LITHGOW OSBORNE, *Commissioner.*

Mr. Chairman, the people of the State of Oregon who have contacted me relative to this amendment are very hopeful that this appropriation will be made, because they feel it is a step in the right direction.

Mr. RANDOLPH. Will the gentleman yield?

Mr. EKWALL. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The several States are actually administering this act?

Mr. EKWALL. The gentleman is correct, and as he very aptly stated a few moments ago, this money will be re-

turned to the Federal Government from the sale of timber and the title to the land, as I understand it, will revert to the State. In the final analysis this appropriation is simply taking money out of one pocket and putting it back in the other, so to speak.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, the United States Government has acquired in the last 2 years the greatest amount of land ever bought by any government in modern history. The Forestry Service has been buying land. The Biological Service has been buying land. The Resettlement Service has been buying land, and a half dozen other Government agencies have been buying land, until we have acquired through purchase something like 23,000,000 acres of land.

Mr. EKWALL. Will the gentleman yield?

Mr. CANNON of Missouri. I am glad to yield to the gentleman from Oregon.

Mr. EKWALL. The gentleman has stated that this Government has bought more land than any government has ever purchased. How about the Louisiana Purchase for $15,000,000?

Mr. CANNON of Missouri. If the gentleman desires to bring in the Louisiana Purchase I will amend the statement and say the United States Government has bought the largest amount of land ever bought by any government since the Louisiana Purchase and the Alaskan Treaty.

Mr. PARSONS. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Missouri.

Mr. PARSONS. Did I understand the gentleman to say that the Government had purchased 26,000,000 acres of land in the last few years?

Mr. CANNON of Missouri. Twenty-three million acres.

Mr. PARSONS. The correct figures are between 12,000,000 and 15,000,000 since the new conservation program was started.

Mr. TARVER. The gentleman refers only to the Forestry Service. My colleague is speaking of the forestry branch as well as other branches of the Government.

Mr. PARSONS. I just wanted to keep the RECORD straight. I understood him to say that the Forestry Service had purchased that amount of land.

Mr. CANNON of Missouri. As a matter of fact, I have understated it rather than overstated it. If you desire to keep the RECORD straight, the exact figure at the last computation, on January 31, 1935, was 23,406,029 acres, and we have been buying as rapidly as we could buy ever since, so the present figure is no doubt considerably in excess of that amount; and for it the Government had paid at the close of the year the sum of $116,627,198.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. With pleasure.

Mr. KELLER. What amount does the bill carry?

Mr. CANNON of Missouri. The bill carries nothing for the simple reason that the Budget recommended nothing, and that refutes the impression which some may have obtained to the effect that the President approves this amendment. Nothing could be further from the fact. The President has never, at any time, expressed his approval of any such amount or any other amount for this purpose in this bill.

On the contrary, he states in the letter just read to the Committee that we should be governed by the Budget recommendation.

It has also been stated here that this is a proposal merely to earmark money for the purpose. There is no money in the bill which can be earmarked. It is not a proposal to earmark; it is a proposal to take it out of the United States Treasury against the advice and consent of the Budget Bureau and against the unanimous recommendation of the Committee on Appropriations.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. FULMER].

The question was taken; and on a division (demanded by Mr. CANNON of Missouri) there were—ayes 68, noes 47.

Mr. CANNON of Missouri. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. CANNON of Missouri and Mr. FULMER.

The Committee again divided; and the tellers reported that there were—ayes 97, noes 53.

So the amendment was agreed to.

The Clerk read as follows:

ACQUISITION OF LANDS

For the acquisition of land in accordance with the provisions of the act entitled "An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Uinta and Wasatch National Forests, Utah", approved August 26, 1935 (49 Stat., p. 866), not to exceed $50,000 from the entire receipts from the sale of natural resources or occupancy of public land within said national forests for that part of the fiscal year 1936 subsequent to August 31, 1935.

Mr. PARSONS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PARSONS: Page 50, line 13, strike out the period, insert a semicolon, and add the following language: "For the acquisition of forest lands under the provisions of the act approved March 1, 1911 (36 Stat., p. 961), as amended, United States Code, title 16, sections 500, 513, 515, 516, 517, 518, 519, 521, 552, 563, $25,000,000, of which amount the sum of $10,000,000 shall be available for expenditure immediately upon approval of this act."

Mr. TABER. Mr. Chairman, I make the point of order that the amendment is not germane at this point in the bill and that it is legislation on an appropriation bill.

Mr. PARSONS. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN (Mr. COOPER of Tennessee). The Chair will be pleased to hear the gentleman.

Mr. PARSONS. Mr. Chairman, the Weeks and the Clarke-McNary bills are complete authorizations for money to be appropriated by the Congress. This is now organic law, and under the terms of the amendment I have proposed there is absolutely no new legislation whatsoever, because it has been authorized, and the bill, in many places, and even in this paragraph, makes available $50,000 for the purchase of land in the Wasatch National Forest and makes it immediately available as the funds are collected, because these funds are to be used as they are collected for the purchase of such land.

I submit, Mr. Chairman, the amendment is germane and in order at this point in the bill, and I ask for a ruling by the Chair.

The CHAIRMAN. Does the gentleman from New York desire to be heard further on the point of order?

Mr. TABER. Mr. Chairman, this is an amendment to the paragraph that has just been read, which has nothing to do with the items which are now proposed. The amendment is not germane to this paragraph and is entirely out of order at this point in the bill.

Further, I do not believe that the authorizations to which the gentleman refers go so far as to permit this type of appropriation or so large an appropriation.

Mr. PARSONS. Mr. Chairman, these sections provide, if I may say a further word, for the acquisition of land. There is no point in the bill where this amendment could come in except under this paragraph.

The CHAIRMAN (Mr. COOPER of Tennessee). Obviously, the Chair has not had time to examine the various references to the statutes contained in the amendment, but this part of the bill deals with the Forest Service and this particular paragraph deals with the subject of the acquisition of lands.

Mr. TABER. Not under those paragraphs referred to.

The CHAIRMAN. It seems to the Chair that the amendment offered by the gentleman from Illinois clearly relates to that subject and is germane to the part of the bill to which it is offered, and the point of order is therefore overruled.

Mr. PARSONS. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

Mr. CANNON of Missouri. Mr. Chairman, I wonder if we cannot reach an agreement on time. I ask unanimous consent that debate upon this paragraph and all amendments thereto close in 50 minutes.

The CHAIRMAN. Is there objection?

Mr. PARSONS. Mr. Chairman, I reserve the right to object. There is no use of our taking up so much time of the House. Nearly everyone knows what this amendment is for.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. BURDICK. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for 5 minutes additional. Is there objection?

Mr. BURDICK. Mr. Chairman, I object.

Mr. PARSONS. Mr. Chairman, we have heard a great deal of discussion today about expenditures and about the Forest Service. I have a map before you by which I want to illustrate the purchase of forest units established in the last 2 years. In June 1933, after the Civilian Conservation Corps bill was passed, the President allocated $20,000,000 from the funds provided for the C. C. C. organization for the establishment of new forestry units in the country. All of the orange color you see on this map are those new units that were established by the Forest Reservation Commission from that time up until the present time. There are 84 of them in the United States in 27 States east of the Mississippi. They have also been purchasing lands in the West, and those lands adjoin what are now established national forests. The total purchase is about 15,000,000 acres at the cost of some $56,000,000. Again, in 1934, $10,000,000 additional was allocated, and in June last year two and a half million, and in July approximately twelve million more, making a total of about $44,532,000; but these new units that have been established are not completed. They are only in their infancy. There are something like 24,000,000 acres available to be purchased yet in all of these units to round out the national forests. Gentlemen on both sides of the aisle all know that the President in 1933 announced a policy and a plan for forestry service, and this is only carrying forward his plan of taking agricultural lands that are worn out out of production and placing them into a productive operation of the forest. The C. C. C. camps have been located in many instances in or near these forests. Thousands of miles of hard roads have been laid down and truck trails. If these funds are not made available now for the continuation of the purchase of these units, the camps will be moved away.

In addition to that, the whole thing will collapse, and the administrative expense which has been increased in this bill will become greater every year for the administration of the Forestry Service because they do not have all the land in a contiguous, compact unit. Up until 1933 the agricultural appropriation bill always contained from one to four million dollars a year for the purchase of these lands. When the President allocated this $20,000,000, that appropriation was eliminated. So far no funds have been provided this year, and we do not know that any will be provided, and in spite of that fact the Bureau of the Budget eliminated that part asking for the purchase of lands and no funds are made available for the acquisition of another acre. At the present moment there are 2,000,000 acres that have been optioned in all of these States, some in the West. The people expect to sell that land and get their money, but if this bill is passed without any appropriation, those people will still have their lands left on their hands, and they will have to continue to pay taxes. They will be disappointed and you, who have these units in your districts, will be very much disappointed if this bill does not carry these funds.

Mr. Chairman, I hope the committee will adopt my amendment and provide $25,000,000 for the purchase of forestry lands to complete the units that have been established.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. CANNON of Missouri. Mr. Chairman, I move that all debate upon this paragraph and all amendments thereto close in 10 minutes.

The question was taken; and on a division (demanded by Mr. CANNON of Missouri) there were—ayes 73, noes 29.

So the motion was agreed to.

Mr. PARSONS. Mr. Chairman, I ask the committee to vote for this amendment and provide for $25,000,000 additional for the purchase of these lands.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. UMSTEAD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I yield to no man in my interest in forestry and soil conservation. The gentleman from Illinois [Mr. PARSONS] has advanced here a new brand of economics. He stated in effect that the way to reduce the administrative expenses of the Forestry Service is to buy more land. The truth is that each additional purchase of forest lands adds to the administrative expenses of the Forestry Service. The gentleman discussed expenditures by the Government for the purchase of land during the past few years. I call your attention to the following figures prepared for this committee, and which I assume are correct:

During the years of 1933, 1934, 1935, and the estimated expenditures for 1936 the following sums have been spent by the Government in the acquisition of land:

Interior Department, $7,364,464; Department of Agriculture, including the Forestry Service, $47,895,764; Resettlement Administration, $45,410,619; the Biological Survey, $5,772,009, making a total of $106,442,856 spent by the Federal Government through these four agencies for land, which will necessitate increased annual maintenance appropriations for all time to come.

Mr. MOTT. Will the gentleman yield?

Mr. UMSTEAD. I am sorry; I do not have time.

This is not a question as to whether or not we believe in preserving the resources of this country. We do. It is not a question as to whether or not we believe in forestry. We do. This amendment presents a question of an additional appropriation of $25,000,000, which will result in a large annual increase in this appropriation bill.

Many of you here complain about the expenditures of the Government and say that said expenditures must be decreased; yet the gentleman from Illinois, for whom I have much respect, proposes that the Government spend an additional $25,000,000 for the purchase of land, in order that the people who own said land may not be disappointed in the sale thereof. He appealed to those of you who have such land in your districts to vote for this measure, in order that your constituents may sell their land. I know the gentleman well, and it is difficult for me to believe that he intended to leave the impression that this amendment should be adopted in order to provide a market for those who desire to sell land to the Government.

In conclusion permit me to say that your subcommittee has no selfish desire in regard to this question. We, too, are interested in preserving the forests of this country. This is a matter of relative importance, and every bureau of the Government has important matters demanding the attention of the Federal Government. The responsibility in connection with appropriations is an individual matter for each Member of the House. In the opinion of our committee, this tremendous amount of money should not be at this time added to this appropriation bill.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. CANNON of Missouri. Mr. Chairman, if any member of the committee on the minority side desires to speak, I shall be glad to yield. Otherwise I will take the time myself.

Mr. Chairman, I talked to a certain eminent member of this administration last week relative to an expenditure for another item. He said, "I know there are many things which are desirable and which we should like to finance, but", he said, "I want you people to remember that when JIM BUCHANAN and his crowd up there on the Hill spend a dollar, BOB DOUGHTON and his gang have got to raise it." Every one of you men are going back home to talk economy.

On the other side of the aisle you are going to call attention to the vast expenditures of this administration, and yet you have just voted to add $2,000,000 to this bill when the Budget opposed it and the committee, after long study, opposed it, and every rule of reason opposed it, at a time when we are deep in the red and cannot hope to balance the Budget for 2 or 3 years to come at best.

Why, Mr. Chairman, in this bill itself the Budget proposed an addition of $500,000 a year merely for the maintenance of the additional lands already purchased.

If it requires $500,000 a year to maintain the extra acreage already purchased, what do you suppose it would require to administer and maintain this huge amount of land which you propose to buy with this appropriation of $25,000,000? This $25,000,000 is merely an initial expenditure. And in addition you will be voting to saddle on this Government an annual cost of maintenance so vast and so far reaching as to be beyond the range of computation.

Mr. Chairman, I trust the Members who are sitting in this Committee will remember their obligation to the Federal Treasury as well as to the landowners back in their districts who desire to unload their holdings on the Federal Government.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Illinois [Mr. PARSONS].

The question was taken; and on a division (demanded by Mr. CANNON of Missouri) there were ayes 80 and noes 64.

Mr. CANNON of Missouri. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. CANNON of Missouri and Mr. PARSONS to act as tellers.

The Committee again divided; and the tellers reported there were ayes 78 and noes 59.

So the amendment was agreed to.

The Clerk read as follows:

Agricultural chemical investigation: For conducting the investigations contemplated by the act of May 15, 1862 (U. S. C., title 5, secs. 511, 512), relating to the application of chemistry to agriculture; for the biological, chemical, physical, microscopical, and technological investigation of foods, feeds, drugs, plant and animal products, and substances used in the manufacture thereof; for investigations of the physiological effects and for the pharmacological testing of such products and of insecticides; for the investigation and development of methods for the manufacture of sugars, sugar sirups and starches and the utilization of new agricultural materials for such purposes; for the technological investigation of the utilization of fruits and vegetables and for frozen pack investigations; for the investigation of chemicals for the control of noxious weeds and plants; and to cooperate with associations and scientific societies in the development of methods of analysis, $360,260.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Page 52, line 13, after the word "analysis", strike out "$360,260" and insert in lieu thereof "$383,930."

Mr. CRAWFORD. Mr. Chairman, at the outset of my remarks I call attention to that portion of the report appearing on page 443 of the printed hearings submitted by Dr. Skinner and Dr. Paine with reference to the work they are carrying on, which in part says:

Investigations conducted under this project to determine the identity, properties, and content of these carbohydrate constituents; to ascertain the factors which influence yield and quality of these constituents and derived products; to devise measures which will insure better and more uniform quality and better adaptation to market requirements.

Mr. Chairman, during the last few weeks we have been discussing, passing bills, and making appropriations for research with reference to agricultural products and the marketing of those products. The work which has been carried on by the carbohydrate division is exceedingly outstanding. Adding to the remarks I made yesterday with reference to the sugar industry, I wish to say, Mr. Chairman, that about 5 years ago, while studying some exhibits at the Michigan State fair, Dr. Keane made himself known to me. Shortly thereafter he began an intensive research having to do with the quality of sugars taken from the domestic sugar beet. During the past 4 or 5 years Dr. Keane, under the direction of Dr. Paine and with the help of other contributors, has accomplished almost unbelievable results. Through their leadership the sugar-beet industry is today turning out a grade of beet sugar which meets all the practical uses of technical and home users of sugar. Within 5 years they have accomplished most amazing results. Today the beet sugar produced in the United States ranks on a par with cane sugar in quality.

I hold in my hand a report submitted by Dr. Keane, who has been in direct charge of this work. He summarizes the work as follows:

The various factors which have been discussed, such as the higher purity white massecuite made possible by three-boiling, the higher quality remelt sugars, the improved centrifugal operations, and efficient filtration at high densities of all liquors going to the white pan, have no doubt resulted in the remarkable improvement in sugar quality already accomplished. These results have been brought about in many factories by additional equipment. In other factories changes are being made which will facilitate the production of high-quality sugar. In many instances cost considerations are involved, but the various factors are discussed here only in relation to their bearing on sugar quality.

Mr. Chairman, as I remarked yesterday, something like 30,000,000 bags of beet sugar are produced in this country annually. If this quantity of sugar is sold at 40 cents per bag under the price of cane sugar at a time when we have reports showing that the quality of beet sugar is equal to the quality of cane sugar, it is an easy matter to compute the loss of $12,000,000 annually. Even if only one-half of the beet-sugar crop is sold at 40 cents per hundred under the price at which cane sugar sells, that involves an annual loss of $6,000,000. In my hand I hold a broker's market report dated February 26, 1936, quoting high-quality American-made beet sugar at $4.25 New York basis, less 2 percent, and foreign-grown cane sugar, New York basis, $4.65 per hundred, less 2 percent, a difference in price of $320 per carload on this basic commodity. We are appropriating funds from day to day for the purpose of carrying on research to the end that quality products will come from our farms and to the end that these quality products may be placed on the market. When we bear in mind the fact that the sugar-beet growers of this country sell their beets to the sugar processors on the basis of the price received for sugar, I feel that we should condemn the selling policy of the processors and refiners wherein they place on the market this high-grade home-grown American product at a price $320 per car less than the price at which the sugar grown by the foreign producer and imported into our market sells at. Wherein is there good judgment in making these appropriations, performing the research work, only to have its results squandered by those who care so little for the interests of the farmer?

I make these remarks at this time to call attention to this outstanding nonsurplus crop industry, the sugar-beet industry, to the end that as it asks for protection and to the end that as we make these appropriations for research work that, after this work is done, the farmers may reap the full benefit intended by Congress at the time the appropriations are made.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, permit me to make this additional observation: That as we appropriate these funds and carry out this research work and establish these facts beyond controversey, that our protected industries, particularly, do their part in every way possible to see that the farmers of the country receive the benefit of this research work.

These remarks are not made with the thought of criticizing in any way whatsoever any members of the industry;

they are made to draw attention to the fine work which is being accomplished and to draw attention to the necessity of these appropriations and help push along the establishment of nonsurplus crops and a market therefor.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to place in the RECORD certain facts and figures I have prepared in connection with the general situation having to do with the farm problem.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, I am one of those who have great faith in the good that comes through research, and my object in offering the amendment was for the purpose of securing time in which to discuss what I have just spoken about and to present some additional views and facts. We all know how badly the American farmer needs additional income with which to support his family, with which to pay his present fixed overhead operating costs, and last, but not least, how badly he needs income with which to buy the goods of heavy industry. We are appropriating millions of dollars annually for the purpose of carrying on agricultural research, to find new markets, and to help fit the products of American farms into the economic life of this Nation—all to help increase the farmers' income. What good will flow from this vast expenditure of funds and all of this effort in research if after the results have been accomplished the farmer still must sell his products for a mere existence? We cannot stop with just the passing of tariff laws designed to protect the American market. We cannot stop with just the performing of research work. We cannot stop with just the finding of a market here for more of the products of the soil. We must go a step further. If after all of this has been done we find through some unsound and unfair policy the American farmer is receiving no part of the benefits which were supposed to flow from all of this expenditure and research—as we do now find in some cases—then I ask, Mr. Chairman, why should the appropriations be continued? In this House and on this floor it is good that all phases of the question be debated and understood. Men are human, and the defects and weaknesses of human frailty can be found in every group, whether it be political, industrial, or other. In every phase of our existence we need checks and balances. When benefits are granted by the Congress, there is as great a responsibility upon this body to see that those benefits flow to the ones for which they were intended as to grant the benefits in the first instance.

THE BALANCE SHEET AND OPERATING STATEMENT OF THE AMERICAN FARM AS A WHOLE

The second session of the Seventy-fourth Congress and the administration are now engaged in a "death struggle" with the problem of agriculture. And this problem will not have been solved when the present Members of Congress return to their respective districts to seek reelection. The agricultural problem of this Nation is much bigger, broader, and deeper than any single session of Congress or than any single major political party. That is the reason the problem hangs on and on from one year to another and from one Congress to the next. The two major political parties will struggle and again struggle before they release that portion of their platforms which is to state what the individual position of the two respective parties shall be if elected. The farm population has not forgotten what was said by the two parties in their 1932 platforms, what transpired during the previous 12 years and what has taken place during the past 3½ years. Perhaps more has been done within the last 36 months to arouse the thought of the American farmer than during any previous length of time since that immediately preceding and following the Battle of Lexington.

Simultaneously with the decision of the Supreme Court holding the control features of the A. A. A. unconstitutional and beyond the power of the Federal Government, mother nature has blessed the great agricultural belt from north to south and from east to west. Great coldness has prevailed over the land dealing death to farm pests and insects. With the cold has come bounteous rains and snows, all meaning much moisture for the crops soon to be planted. This points the way to abundant yields per acre of the numerous crops which the American farmer plants. While the edict of man in the form of the Constitution is being upheld by the Supreme Court and those issued by minor officials are outlawed by the same decision, nature proceeds to operate under her own laws and the farmer is caught between the grinding wheels of man-made and natural laws. Six million eight hundred thousand farmers sit by their firesides and wonder. The farmer is thinking of the political promises made in the 1932 platforms by the two major political parties. He is reviewing in his own mind and his own way the radio speeches that flow to him on the waves of the air day and night. Incidentally, he wonders somewhat about the technicalities of laws made by man; something about what is constitutional and what is unconstitutional—because all of these things have so very much to do with his ability to buy and sell and to provide for his family the actual necessities of this modern age. He hears much talk and reads some about what constitutes inflation, deflation, sound currency, and metallic money. He does not forget the statements he sees and hears about stabilized buying power of the dollar, which is the trading or purchasing unit of the organized manufacturer, trader, and banker.

THE FARMER'S TRADING UNIT

The trading unit of the farmer is a bushel of corn, oats, or wheat, a pound of cotton, beef, or pork, or a ton of hay. These constitute his working capital to a great extent. His farm represents his manufacturing plant—a place on which to do business. On his farm he lives, and there he proceeds to join hands with nature in the manufacturing of the food supply of the Nation. There he takes a risk on the market through the purchase of seed, fertilizer, machinery, and repairs thereto; he goes into the labor market and hires help as does the man who operates the great manufacturing plants engaged in production of steel and automobiles. The farmer has little control over the amount of production which may come from his effort, as this depends upon the cooperation Mother Nature gives him. Due to the great complex exchange machine of domestic and foreign trade, the farmer has no control, of any consequence at all, over the price at which he shall sell his goods after they have been manufactured on the farm and are ready to be placed on the domestic and foreign markets. So he finds that one year his buying unit has a given purchasing power only 40 or 60 percent of what it has another year. He also finds that a given or certain amount of produce from his farm will buy only one-third of what the same production will buy in another year. And, too, he finds that one year his plant values, including operating capital in the form of feed, seed, and livestock, carry a value of $78,000,000,000 and a few years later these same assets carry a value of about $33,000,000,000. Along with the great fluctuation in the buying power of his unit of exchange he finds that his sources of credit dry up and insurance companies, on which he has depended for decades, run away from his collateral, and private investors no longer desire to carry farm paper in their portfolios. With all of these facts staring him in the face, the farmer actually wonders how the international banker would get along if his exchange rates fluctuated as wildly and as disastrously as do the exchange rates of the trading units which have to be used by the American farmer and which are in form of bushels and pounds and tons of what he has to sell. Could any other industry withstand the terrific shock of having its plant value drop from $78,000,000,000 in value in 1920 to $33,000,000,000 in 1933? Could any other industry with such a staggering investment survive if it had its sources of credit withdrawn in a manner as has been followed by insurance companies and private investors in running away from the promises to pay of the American farmer?

As the American farmer sits by his fire or goes about his chores or rides his cattle range he gives some thought to the matter of State and Federal legislation, which sticks and guarantees fixed returns—net—on invested capital of more than 5 percent per annum to those who have their money invested in railroad equipment and roadbeds, in tele-

phone lines and switchboards, in power transmission lines, bus bars, and steam and water turbines. Are these of greater interest to the welfare of a people than food-producing farms occupied and owned by a successful, contented, and prosperous group of farm owners and workers?

In 1932 the income of the American farmer was so low that after paying himself a starvation wage of only $17.53 per month, with board, and which amounted to only a fraction over 5 cents per hour, he was just short $968,000,000 of having any return at all on his plant investment of more than $30,000,000,000. In October 1935, with benefit payments in operation, this monthly wage throughout the United States, with board, amounted to only $20.57 or a fraction under 7 cents per hour. Does good work justify life or a living? If so, we shall have to give much more thought to the solution of this great agricultural tragedy.

NUMBER OF FARMS, POPULATION, INVESTMENT, AND SIZE

Late statistics show in round figures we have 6,811,689 farms in the United States aggregating 1,035,181,009 acres of land and occupied by a farm population of, say, 32,800,000 souls. For practical purposes, and considering presently going market values, we may consider the following breakdown in values:

Asset—Valuation

Farm real estate and buildings	$32,696,000,000
Live stock	3,354,000,000
Machinery	2,200,000,000
Working capital, in form of seed, feed, etc., estimated by some at $20,000,000,000, but let us say $1,500 per farm	10,200,000,000
Investment, 1935, deflated values	48,450,000,000

(5-percent return on investment would call for $2,422,500,000 annually.)

Starting with the great Hearst ranch in California and coming down to the small truck garden operated by the small operator just outside the metropolitan city, we find the size of the farms vary from, say under 3 acres up to many thousands of acres of land under a single management:

Number of farms:	
Under 3 acres	43,007
3 to 9 acres	315,497
10 to 19 acres	559,617
20 to 49 acres	1,440,388
50 to 99 acres	1,374,695
100 to 174 acres	1,342,927
175 to 259 acres	520,593
260 to 499 acres	451,338
500 to 1,000 acres	159,696
Over 1,000 acres	80,620

FARMERS' CONTRIBUTION TO NATIONAL INCOME

National income for 1934 was estimated at $51,920,000,000. Of this amount, agriculture contributed only 10.2 percent, which included benefit payments from processing taxes. This contribution amounted to only 60 percent of agriculture's contribution to national income during the pre-war period 1910–14. Between 1910 and 1934 agriculture's contribution to national income declined 45 percent, and its largest contribution, expressed in current dollars, was $12,182,000,000 in 1919, and its smallest, $3,582,000,000 in 1932.

For a moment let us look at agriculture's contribution in number of workers. The 1930 census being the latest official figures, we find total income producers gainfully employed, 10 years old and over, were 48,829,920. Those engaged in agricultural pursuits totaled 10,471,998, or 21.5 percent. In 1870 over one-half of the gainfully employed, over 16 years of age, were engaged in agricultural labor. In 1930 this had dropped to just over one-fifth. Increase in production of agricultural commodities has followed rather closely the rate of increase of population, leading to a relatively inelastic demand for foodstuffs. What would our volume of trade be if the agricultural class, making up 25 percent of our total population and contributing 21.5 percent of the gainful workers 10 years old and over, actually received as income, say, 21.5 or 25 percent of the national income? Let the national income advance to seventy-five or one hundred billion dollars and then give to the agricultural workers 21.5 or 25 percent of that increased income, and you would witness an increase in the production and exchange of goods such as mankind has never seen. This is what Mr. Ford and Mr. BORAH have reference to when they speak of production of goods and their exchange bringing prosperity to a nation and the farmer's enemy.

Strange to say, the variation in the production of goods for market during the past 15 years by the American farmer has been very small. Yet his share of the national income and the fluctuations in price of that labor which the farmer contributed in the form of goods to market measured in dollar income have varied clear beyond comprehension, excuse, or reason. It has reached a point that now calls for a showdown. It is now a great national issue engulfing both major political parties, involving national and international banking, domestic and foreign trade, sound currency and inflation, a new national land policy, and, last but not least, unemployment and taxation. Using a base of 100 for 1910–14, we find farm prices and gross farm income have since 1914 fluctuated from the base level up to a plus of 220 to 240 and down to a minus of 60 and 80, while at the same time there has been little variation in the amount of foodstuffs produced by the farmers. This wild and erratic price curve is enough to wreck any industry, and when added to the natural hazards of the farming industry it becomes of the gravest national concern and calls for the highest policy of the Nation.

WHAT DOES THE FARMER DO WITH HIS CASH INCOME?

Who are the real consumers of this Nation? I here refer to heavy goods, such as machinery, clothing, shoes, building material, and so forth. In looking over the Employees per million of United States population we find that in 1930 there were 85,294 agricultural workers, 49,805 clerks, 21,577 servants, 7,920 chauffeurs, 7,796 textile workers, 7,749 trainmen and brakemen, 7,570 carpenters, 6,731 steel workers, 6,064 miners, 5,215 machinists, 4,421 tailors and dressmakers, 4,261 painters, 3,123 engineers and firemen, and 3,049 barbers and hairdressers. Other occupational groups total less than 3,000 per million of population. What class in the groups here listed will do the consuming? Does the clerk, the servant, the chauffeur, the barber, or the hairdresser, or any of the other groups consume as does the farmer? Certainly not. And remember the agricultural workers number 85,294 per million of population.

In 1 year the business operating expenses of American farms—the cash paid out by American farmers in the course of producing their crops—amounted to more than $2,800,000,000. Look at these figures and then compare them with the purchases you make or your group makes, and that of your business:

PRODUCERS' GOODS BOUGHT BY FARMERS IN 1 YEAR

Articles:	
Feed, seed, fertilizer	$1,070,000,000
Containers, spray, twine	139,000,000
Operating cost of tractors, automobiles, trucks	417,000,000
Other costs—insurance, harness, ginnings, etc.	289,000,000
Current expense, or costs to be processed into foodstuffs by combination with man's labor and moisture and sunshine	1,915,000,000
Add:	
Machinery, tractors, repairs	408,000,000
Automobiles and trucks	262,000,000
Repairs on farm buildings	282,000,000
Grand total	2,867,000,000

That same year, 1926, six and one-third million American farmers received a total cash income of only $9,658,000,000. Out of this income they had to pay the above-mentioned operating expense, plus $932,000,000 for hired labor, $717,000,000 for interest, and $664,000,000 for taxes—a total deduction of $5,180,000,000. The farmer as a group had left only $4,478,000,000—30 percent of which came from his export market, since largely lost—for the labor of himself and family and as a return on his investment and the depreciation incident thereto on land, buildings, machinery, and so forth. With this he had to run his farm as a business and maintain as best he could his home and family. On the basis of population living on farms, power to consume, contribution to the national income in number of workers and production, he should have had a net of two and one-half times this amount.

PURCHASES FOR FAMILY USE MADE BY FARMERS WITH CASH INCOME

A study has been made which gives a fair idea of what an average farm family of 4.4 persons will purchase in 1 year if the money is available. All in addition to above-mentioned items, which are for use in producing a crop:

Clothing and food purchases	$452.00
Advancement (education, books, dues, etc.)	104.80
Operating goods (insurance, transportation, household supplies)	169.90
Furniture	40.20
Personal (gifts, candy, tobacco, etc.)	41.00
Life insurance and health insurance	40.80
Miscellaneous items, including health	64.30
Total for year	913.00

This double analysis shows the great diversity as well as volume of what the agricultural workers will buy when properly sharing in the national income.

SOME PRINCIPAL SOURCES FROM WHICH FARM INCOME FLOWS

By groups of commodities we find the American farmer's income in 1929 and in 1933 largely came from the following sources:

Source of income	1929	1933
Crops:		
Grains	$1,297,000,000	$506,000,000
Fruits and nuts	707,000,000	376,000,000
Vegetables	1,130,000,000	747,000,000
Sugar crops	83,000,000	81,000,000
Cotton and cottonseed	1,389,000,000	684,000,000
Tobacco	286,000,000	179,000,000
Other crops	542,000,000	301,000,000
Total	5,434,000,000	2,874,000,000
Livestock and livestock products:		
Cattle and calves	1,111,000,000	489,000,000
Hogs	1,531,000,000	619,000,000
Sheep and wool	262,000,000	153,000,000
Poultry and eggs	1,241,000,000	560,000,000
Dairy products	2,323,000,000	1,263,000,000
Other	39,000,000	27,000,000
Total	6,507,000,000	3,111,000,000
Total crops and livestock	11,941,000,000	5,985,000,000
Rental and benefit payments		271,000,000
Grand total, gross income from which must be deducted operating and production costs	11,941,000,000	6,256,000,000

The above comparative figures showing the paralyzing decline in farmers' purchasing power between 1929 and 1933 tell only a part of the story. It must be kept in mind that until about 1930 the farmers of America derived their gross income from sales made in two principal territories: Sales at home for domestic consumption; sales made abroad for foreign consumption.

What happened between 1929 and 1933? During the first half of the post-war decade exports accounted for more of farm income than in the pre-war period, but during the second half, far less than that amount. Do you remember those emotional posters scattered throughout the land during the war which said:

If you can't fight, farm. Food will win the war.

The American farmer believed that, and proceeded to do his bit through producing food. He plowed up grasslands. He toiled early and late. He supplied the tonnage. He mortgaged his lands to buy machinery and tools and repairs and barns and supplies for the production of more and more food. He fed the world to a very large extent, and it is estimated he put 40,000,000 acres of new land under cultivation.

A great conflict like the World War causes nations to become food-blockade conscious. Accordingly, and in due time, the other nations of the world began to block the importation of American foodstuffs. Civil population and military experts demanded this be done. There was a general willingness to pay the price of putting back on their feet the agricultural population living in foreign countries and which American dominance of the world market had for years been squeezing to the wall. England adopted the slogan, "Imperial preference—buy British", and other countries raised tariff barriers designed to protect home production. They wanted food produced within their own borders with which to feed their own population whether at peace or engaged in war. The American farmer lost about one-third of his gross farm income.

Directly and indirectly the American farmer's income suffered. Foreign sales declined and the unsold farm commodities which continued to be produced in the United States resolved themselves into a surplus. Both the foreign and domestic market at a profit was gone. True, domestic consumption continued without such a staggering decline in volume but the 10 major processors of American farm goods found themselves able to purchase at their own price and the unorganized selling American farmer found himself helpless. The Federal Farm Board's attempt at speculation did not suffice. The buyers knew the Farm Board would grow tired as an owner of vast supplies of foodstuffs and awaited their time to purchase. The Board in due course had to sell. The story is now past history.

FARMER'S SHARE OF CONSUMER'S DOLLAR

Receiving 56 cents out of each consumer's dollar paid for 10 major food items, such as beef, butter, bread, and so forth, before the war, the farmer's share dropped to 34.9 cents in 1932. The farm and retail value of these 10 major items, compared for 3 years, gives this shocking illustration:

	Retail value	Distributor's share	Farmer's share
April 1929	$25.93	$12.81	$13.12
April 1933	15.29	10.05	5.24
April 1935	21.42	10.69	10.73

This is a mathematical illustration of the dealth-dealing burden which the exchange machine imposes upon the primary producer—the American farmer.

In further support of the above illustration it has been found upon a comparison of net returns to capital of 10 food manufacturing corporations holding a dominant position in the market, and a relatively inelastic demand for food products, yielded to the food corporations returns of better than 10 percent from 1924 through 1931, and returns of almost 7 percent in 1933. For further proof of the toll taken by the food-exchange machine of this Nation one can refer to the balance sheets and operating statements of scores of manufacturing and distributing establishments engaged in handling the raw products which come from American farms and which are placed on the market almost entirely through the farmer dealing as an individual seller instead of through organized selling associations on a cooperative basis. Sharing such a small proportion of the retail value or price paid by the ultimate consumer, it is no wonder we find the percentage of the farmers' gross income available as a net return for their labor and capital, ranged from 71.6 percent in 1919 to 48.3 percent in 1932. With these facts before us we should be able to fully comprehend why the farmers of the Nation could not furnish to industrial workers the necessary buying power to keep American industry in the harness. The absence of farm buying power is immediately reflected in a falling off of employment in industrial centers. The presence of this buying power with farmers furnishes the necessary stimulant to start the industrial wheels turning and the stepping up of employment as was so thoroughly demonstrated in 1933 and 1934. A further study along this line shows that since 1920 the per capita purchasing power of available farm income—the dollar buying power after paying production costs out of money taken in—has never risen more than slightly above its pre-war level—only for a very short time and almost insignificant—and has suffered two deep depressions. The per capita level of wages and salaries stayed well above the pre-war level throughout the decade 1922–31 and returned to that level in 1934 while the farmer was still 22 points below its pre-war average.

WHY DOES THE AMERICAN FARMER FOLLOW HIS PRESENT MARKETING METHODS?

For many generations the American farmer has enjoyed the greatest independence of any large group of agriculturists operating anywhere in the world. He has very largely

been the king of his own domain. It has been an expensive independence. He toiled, sowed, reaped, and sold without much thought of cooperating with his fellow farmer in the disposition of the fruits of that labor. He had a foreign and domestic market, rich soils from which to draw his products, and a new frontier just beyond the western horizon. When the soil of one farm would wear out he could move westward to another and point his plow into virgin soil. Finally the land crop was harvested, America industrialized, and the World War was declared and America shifted from a debtor to a creditor Nation. The farmer's status was immediately changed.

A sound cooperative marketing plan must necessarily involve and embrace production, transportation, warehousing, financing, and then marketing. Goods produced without planning, inadequate warehousing and financing must necessarily lead to distressed selling. Where distressed sellers are pressing their goods on the market there can be no stabilization of prices. The buyer is wise to offerings and the market declines, the ownership of goods shifts into strong hands followed by an absence of distressed sellers pressing the market, and then we see prices advance.

To change from his old haphazard, individualistic manner of offering his goods on the market, the farmer must have assistance in many ways. This assistance could come from one of two or from both sources—the State and the Nation. Much time and energy must be devoted by the individual farmer to a study and comprehension of the problem involved. There must be created the necessary credit for the establishment of warehousing facilities to the end the goods to be sold may be offered on the market in an orderly manner. Rather distinct lines must be drawn as between the portion which moves into channels of domestic consumption and that part of the crop which is to move away for foreign consumption.

Although even prior to 1932, as well as at that time, the two major political parties very definitely pledged themselves to a program of cooperative marketing for farm products, the wheels of Government machinery and leadership have not moved rapidly enough to assist the farmer materially and permanently in getting away from his disadvantageous and unorganized selling position. True, some progress has been made. There are some successful cooperatives operating at the moment. Some credit machinery has been placed in operation. Some interest rates have been reduced. However, it must be very evident to any student of the problem that putting into operation cooperative marketing is a very slow process for transforming an industry as decentralized as is farming. In the meantime overhead costs must be radically reduced if the industry is to survive without the loss of tens of thousands of homes. We have had pointed out to us the thought that the financing of agricultural production in its many phases now becomes a highly complicated banking problem; that it must be given the most serious consideration, to the end that credit lines be maintained for the financing of production, warehousing, processing, and marketing of the major crops, to say the least. Certainly less important crops must have special attention also. The great pea-bean industry of the country presents one problem, the sugar-beet crop another, and the potato grown on a commercial scale another. Cotton, cattle, wool, and mohair all have their own peculiar problems, and these cannot be handled, like in the case where many of the production and marketing and pricing factors are known, as in organized industry. If credit is to be extended only on the basis of that which goes to highly organized and managed commercial undertakings, then in that case agriculture will always be in a distressed position. The primary producer will always have to dump his products on the market at harvest time, and the middleman or processor or distributor—or all combined—will continue to gather much the greater share of the return paid by the ultimate consumer. Cooperative marketing means cooperative production, processing, warehousing, and financing. All must move along together; otherwise the entire plan must necessarily fail. We have not gone this far with agriculture generally. Herein we have failed.

Certainly private investors, including insurance companies, shy away from farm mortgages as the inability of the farmer to meet his mortgage interest and principal payments becomes more and more apparent to the lender. Metropolitan banks will not desire to lend money to country banks for the purpose of advancing to farmers for harvesting and marketing operations. One only needs to look at the hesitancy of insurance companies to make loans on first mortgages. At the present time they are lending for farm first mortgages only about three-fourths to 1½ percent of their total loans, and this with the benefit payments going to farmers. With agriculture again back where it was in 1932 it is reasonable to predict private capital, including insurance companies, will be less inclined to go along with the farmer in financing his production and marketing needs. A recent study of the mortgaged farms of owner operators in 100 counties in 11 States indicates that the combined cost for interest, commission, and other financing as reported in the census of 1930, averaged 8.3 percent for farms having loans under $500 in amount, as compared with 7.3 percent for loans between $500 and $1,500. This staggering interest burden is imposed on farmers. Commercial-paper rates on 4 to 6 months' terms, is drawing only three-fourths of 1 percent. Production credit associations — farm cooperatives — were having to pay 5 percent straight, while the Government was borrowing hundreds of millions of dollars at rates ranging from 1⅛ percent per annum up to 3 percent on very long paper. Now, anyone familiar with the farm problem knows these farmers cannot continue to pay interest rates of this character and at the same time have any cash income left with which to support organized industry through purchase of fabricated heavy-industry goods or even consumers' goods. Today we face a clean-cut proposition of where the public, owner of bank credits in the form of deposits in banks, are willing for those credits to be used in the purchase of Government bonds through the agency of the banks. For the use of that money or those credits, the Government is paying our citizens about the same general average rate of money wages the bank formerly paid to depositors for their daily balances on demand and time deposits. The 1935 Banking Act fits into this very scheme or plan wherein it prohibits the payment of interest by banks on demand deposits. Furthermore, the banks are now arranging their program on time deposits and in many cases the rates paid by banks for time deposits amount to no more than 1 percent per annum. Everything moves in the direction of lower interest rates. The farmer desires to be considered, and naturally he wants, expects, and should demand that his rates be lowered, if he is expected to fit into the national economy and be worth while to the industries of the country as a customer for the goods they turn out.

INCREASED MARKETING BURDEN ON ACCOUNT OF DECREASE IN NUMBER OF HORSES AND MULES UTILIZED ON FARMS

More than 2,000,000 fewer horses than in 1930 are shown in the United States summary of the 1935 farm census just recently released by Director W. L. Austin. Mules, which reached the peak about 1925, are now decreasing in number. The recent census shows that on January 1, 1935, there were 11,857,850 horses and 4,818,160 mules, compared with 13,383,574 horses and 5,353,950 mules April 1930. This new influence has so very much to do with a diminished consumption of farm products. While the horse problem itself is of great importance, the decrease in work animals markedly affects the entire agricultural set-up.

For example, farmers must provide use for the several million acres of land formerly devoted to growing feed for the 2,000,000 horses which have disappeared since 1930—

Says the bulletin. Farm power in the form of motors, gas, and oils means less foodstuffs will be consumed in the production of the farm crops, and this places on the market just that much more labor of the farmer in the form of foodstuffs for man and beast.

EXPORTS AND IMPORTS

Of course, the farm problem cannot be comprehended without taking into consideration the most unusual situation with reference to imports and exports. The trend-of-

export movement compiled from the Department of Commerce reports by the Foreign Agricultural Service Division January 1936 release shows export movement of—

Year	Wheat and flour (1,000 bushels)	Bacon, hams, and shoulders (1,000 pounds)	Lard (1,000 pounds)	Cotton, running bales (1,000 bales)
1922	235,307	631,452	766,950	6,015
1932	82,118	84,175	546,202	8,916
1934	36,536	83,725	431,238	5,753

The declines in exports here shown tell their own story of "bad news" for the American farmer. It shows his export market slipping away, and therefore it must be some other agricultural country is absorbing that market. South America and certain other parts of the world are in position to undersell the United States.

The trend of agricultural imports shows staggering and paralyzing increases in cattle, butter, wheat grain, corn, and oat grain. Combine this with a bumper crop for 1936 and with inadequate financing by reason of the increased demand and the unwillingness of banks and insurance companies to go along, and there is a fair chance for the debacle of 1932 being repeated in American agriculture.

HOW MUCH INCOME IS THE AMERICAN FARMER ENTITLED TO RECEIVE?

The farm problem of America is a business problem. Those familiar with the solution of business problems of great magnitude can easily comprehend the elements which go to make up this problem. The United States Steel, the American Telephone & Telegraph, the General Motors Corporation all have a simple way of arriving at the approximate amount of income necessary to support their operations and to keep them in balance. On the American farm, as a whole, people live. Seed and operating supplies are purchased, plantings are made, and from that point on it becomes a matter of cultivating, harvesting, transporting, processing, warehousing, and marketing. A definite amount of capital is invested in fixed, operating, and liquid assets. Balance sheets and operating statements now available indicate there should be a minimum return to the American farmers, as a group, of from twelve to fifteen billions of dollars annually. This problem being one which so directly relates to the social and economic welfare of the people of the entire Nation, it has, of course, become a great political issue. The two major political parties and the leaders of those parties are charged with the responsibility of proceeding without further delay. Some of the more important and vital steps that should be taken are the following:

First. Give the American farmer the American foodstuffs market, insofar as he is physically able to supply that market. This means stop the imports and let him produce.

Second. Provide the required credit machinery for financing the planting, cultivating, and harvesting operations. These to be known as production loans.

Third. Provide required credit machinery for financing the transportation, processing, and warehousing of the three surpluses of agricultural commodities:

(a) Those which are regional or seasonal in character and which are eventually consumed in the normal domestic market in the season in which produced.

(b) Those which are required to equalize the variations of productivity from one season to another caused by climatical and other conditions beyond human control.

(c) Those which exceed domestic requirements over the period of the cycle of production, including the equalization of the cyclical variations, which may be termed "excess" or "overall" surpluses.

Fourth. In all credits or loans provide interest rates of no greater amount than those charged by commercial bankers to food handlers, middlemen, processors, and distributors. The tilling of the earth is the bottom condition of our civilization and must be recognized. A banking system which lends money at three-quarters of 1 percent to handlers which at the same time burdens the primary producer with from 6½ to 10 percent is highly discriminatory in favor of the former and against the latter. Its continuation will eventually lead to the complete strangulation of the American farmer.

Fifth. No branch of financial investment is of greater primary importance to the general welfare than agriculture. Therefore, in whatever plans or policies there may be adopted, give full cognizance to the necessity of a fair return on invested capital of farmer the same as to investments in railroads, telephone and power equipment, and other branches of industry.

Sixth. Depreciation on farm real estate, buildings, machinery, and livestock used for production purposes is as great or greater than in general industry. Any agricultural program failing to recognize this factor will be utterly inadequate.

Seventh. Any plan adopted will not suffice if it fails to return to agriculture the direct and indirect costs of production. The people must be led to realize this fact.

Eighth. Give full weight to the fact that about 25 percent of total population lives on farms and about 21 percent of income producers of the Nation are agricultural workers.

Ninth. In view of the fact that a broad, sweeping program must necessarily be administered through the Federal Government and the States cooperating, the excess tax burden which is now being borne by the American farmer should be equalized. Specifically speaking, take the tax paid on, say, farm real estate valued at $100,000 and compare that tax with what is paid on a similar amount of value represented by Federal, State, or industrial bonds and corporation stocks. The farmer is a fabricator of foodstuffs who works in cooperation with the uncertain elements and whose competitors are the farmers of the other nations of the earth. His risks are greater by far than those of organized industry. Furthermore, he is a consumer of heavy industrial goods as well as light consumers' goods.

Tenth. Give full consideration to the fact foodstuffs take on the nature of other goods, insofar as the relation to interstate and foreign commerce is concerned. What activity can be more closely allied to interstate and foreign commerce than is agriculture?

CAN CERTAIN AND DEFINITE NEEDS OF AGRICULTURE BE ACCOMPLISHED INSOFAR AS LEGISLATION (STATE AND NATIONAL) IS CONCERNED?

Fifteen years ago many would have answered this question in the affirmative. At that time the leaders in both major parties certainly felt that most of the ills of the agricultural industry could be easily cured by passing legislation designed to meet certain problems. Today many are beginning to feel the problem is too great for solution by Congress. The Supreme Court decision, in which it dealt with certain powers of the Federal Government as applied to the production or nonproduction of crops, has added much food for thought. During the past 15 years both major political parties have had the opportunity to do a great deal of experimenting with legislation designed and passed and administered by the respective parties while in power. The evidence before us today appears to confirm the thought on the part of some that all of the plans of both major parties have utterly failed in bringing about a solution. Perhaps no better proof could be found than the fact that at the moment we have before us for consideration the present administration's substitute bill for the Agricultural Adjustment Act so recently held invalid by the Supreme Court. We also have before us the plans recently suggested by Messrs. Hoover, Landon, Vandenberg, McNary, Peek and McNary, Dickinson, Lowden, and Hope, to say nothing of the propositions submitted by the Farm Bureau, the Grange, the Farmers Union, and others. Press reports and submission of all of these plans would lead one to believe the agricultural problem is a very definite one and a big one at this very moment and after 15 years of trial and error. Shortly the national conventions of the two major political parties will be in session. At that time there will undoubtedly be much said about the agricultural plank in the two respective platforms. Again the farmers of the Nation will be called upon to support these planks insofar as they deal with agriculture.

Can better plans be found than those now before the country for consideration? Would it be good common horse sense for both parties to participate in less politics and utilize more "brain and cooperation" in seeking out the best and most effective steps to follow in legislating in behalf of agriculture? Is it not true, if both parties would work together, that from present plans there could be taken those parts which are constitutional, constructive, and effective and with these elements build a legislative program which would be as fair to agriculture as other legislation is fair to the other elements of our national life, such as banking, transportation, organized industry in manufactures, insurance, and so forth? Is it not true that after all Congress and the State legislative bodies are not big enough to comprehend the millions of details involved in the operation of almost 7,000,000 American farms in the soil handling, crop planning, foodstuff producing, and marketing activities? Can Washington with a bureau of five times the present personnel or that which was created by the A. A. A. manage from the seat of Central Government the farming activities of America? If so, upon what basis? Is it not true that if a bureau in Washington becomes the management of the farming activities of this Nation that regimentation must necessarily follow in all of its sordid details? Is it not true that if the plans of the President as now set forth in the new farm bill, as well as those proposed by the leaders of the other major political party, if carried out, must necessarily clothe the Secretary of Agriculture with vast and far-reaching powers in telling foodstuff growers, processors, and handlers what they can and cannot do? That seems to be the absolute judgment of the ranking Republican member on the House Agriculture Committee.

This question now being a part of big politics we shall have to deal with its political phases. But may we play as little politics as possible. Let us proceed to cooperate; make it as nonpolitical as possible; give and take.

Once the American farmer is placed on an adequate and comparable income basis, he will then resume his place in the national economy. He will buy goods by the billions of dollars' worth. Industry will be called upon to supply those goods. To supply them industry will have to employ American citizens unless we import the goods from abroad, and God forbid that we do this while our own people are starving for want of work. Increasing American industrial activity calls for employment, and this will reduce unemployment, relief rolls, Government expenditures, and finally the need of taxes for relief purposes. The national debt will cease to climb as a result of financing deficits through bond issues, and that will allow present inflation to be discontinued with the balancing of the Nation's Budget. At the same time farmers and workers in organized industry will be in a better position to carry such tax burden as may be necessary to pay off the debt which has already been created through the effort of the Government to support its people instead of letting the people support the Government.

If we rebuild on a sound agricultural structure, we shall go forward. Otherwise we must prepare for more unemployment, high taxes, continued inflation through an unbalanced Budget, and the disaster that must necessarily follow unless we correct our ways.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

The Clerk read as follows:

Industrial utilization of farm products and byproducts: For the investigation, development, experimental demonstration, and application of methods for the industrial utilization of agricultural products, waste, and byproducts, and products made therefrom, except as otherwise provided for in this act, by the application of chemical, physical, and technological methods, including the changes produced by micro-organisms such as yeasts, bacteria, molds, and fungi; the utilization for color, medicinal, and technical purposes of substances grown or produced in the United States, $171,243.

Mr. BURDICK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I call attention to that portion of the hearings appearing between pages 940 and 983 for the reason that in this document is to be found overwhelming evidence that our machinery for financing the farms of America has broken down. I think we are in a very serious situation this afternoon, fighting over an increase of $1,000,000 or $500,000 while Rome is burning. There are 2,000,000 farms that cannot be refinanced.

Mr. Chairman, I want to extend my remarks, and I shall attempt to prove to every Member of this House, not by a fair preponderance of the evidence but beyond any reasonable doubt, that the Farm Credit Administration has broken down.

I refer you to evidence submitted to this Committee.

During the last year they have ceased lending money, and in my district they have almost stopped altogether. While they have been refusing to make loans, they have been foreclosing. In 1935 there were the greatest number of foreclosures in the history of the depression. We thought we had struck the peak in 1933, but we had not. In 1935, if you will refer to page 941, you will see what is going on. I simply call the attention of the Members of the House to the fact that before we close, regardless of what we appropriate for this or that, or whether we are for this bill or that bill, some provision must be made for the protection of the farm homes in America.

Mr. PIERCE. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Oregon.

Mr. PIERCE. Is it not true that when we put over the Commissioner's loans the Farm Credit Act of this country was abolished and repealed because they sent out the appraisers from the various Federal land banks and reduced the appraisement value of the property, so that all we did on this floor in connection with the Commissioner's loan was to authorize the lending of money up to 75 percent of the value of the farms?

Mr. BURDICK. Yes. Here is what the papers say:

Sharp decline in farm loans held good sign.

Why? Because the land banks are not lending money.

Mr. PIERCE. They are lending money, but they are doing so at such a low valuation that the farmer cannot accept

Mr. BURDICK. They cannot make loans that may be applied for by the farmers.

Mr. PIERCE. That is because they appraise the property so low.

Mr. BURDICK. That is right.

Mr. PIERCE. They are still lending money, but they lend money only on 60 or 70 percent of the value.

Mr. BURDICK. In 1934 the Federal land banks lent $1,292,000,000, but last year when the emergency was greater than ever they lent only $449,000,000. If you will refer to the report made by Mr. Meyer, you will see his attitude toward farm financing. In the last year the Federal land bank has not been devoting its attention to farm loans because, it is said, we are in a period of retrenchment. In other words, it is foreclosing and selling land which it has already acquired. I did not want this opportunity to go by without calling the attention of the Members of the House to it.

[Here the gavel fell.]

Mr. HOOK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the Committee has just agreed to a very important amendment, known as the forestry amendment. Most likely when the bill is brought up in the House for final passage the Members will be called on for a separate vote in reference to this amendment. There is one thing I want to call attention to. We hear organizations and the people of this Nation crying "Buy American", and rightfully so. They tell us we should buy American, but let me say that unless this amendment is agreed to and placed upon the statute books of this Nation, we will not be able to buy American lumber within the next 20 years.

Mr. Chairman, the statistics show that our annual consumption of lumber is some 63,000,000,000 feet, and that within 20 years, if the cutting of timber is continued and the forests are allowed to be slashed away as they have been in the past and not acquired by this Government and not protected, we will not have any forests or lumber.

There is another thing to which attention should be directed. We will not be able to buy in this Nation the pulp which goes to make up newsprint paper. We will be forced to do as some of the newspapers of this Nation are now doing who are crying "Buy American." That is, go to foreign countries for our pulp. Some of the great newspapers of this Nation right today are buying every single, solitary bit of their newsprint paper from foreign countries. May I emphasize that if this amendment is not agreed to in the House, they will not only have the option of buying in foreign countries but will be forced to buy in foreign countries, because the only way we can keep up the growth of pulpwood in this country is through a reforestation program and the planting and growing of trees for this pulpwood.

May I invite attention to an article that was written by one of my colleagues on the opposite side of the House, the gentleman from Michigan [Mr. ENGEL], which covers this program in very great detail. The gentleman states that in his district alone, unless there is secured the proper amount of pulp through reforestation, the great paper mills will suffer. These trees should be planted and grown in the areas that have been cut over, which will provide the pulp to keep the great paper mills of this country going.

Mr. LUNDEEN. Will the gentleman yield?

Mr. HOOK. I yield to the gentleman from Minnesota.

Mr. LUNDEEN. May I say to the gentleman that there are paper mills situated in my State, and I can confirm his statement. It is a very able statement and is true in every respect.

Mr. HOOK. I thank the gentleman.

In conclusion, may I state I will include in my remarks a letter from the Ironwood Association of Commerce?

IRONWOOD ASSOCIATION OF COMMERCE,
Ironwood, Mich., February 16, 1936.

Mr. FRANK E. HOOK,
Representative, Twelfth District of Michigan,
Washington, D. C.

DEAR FRANK: I was very glad to get your long letter, and it goes without saying that everybody here knows that you are heart and soul for the forest program. However, we have now had the forest program in effect for nearly 1 year and we have suddenly come to the realization that our original objective of saving the Black River country and the Porcupine Mountain district and the roadside timber has not been realized in the least and that cutting of timber has been stepped up to 350,000,000 feet this year, or nearly trebled. The logging companies are now operating on the Black River road and it will be only a short time that this valuable source of beauty and tourist attraction will go by the board. Once gone, it is gone for good as far as we are concerned. What land has been purchased for the forest has almost entirely been cut-over land down near Watersmeet. Of course, the purchase of cut-over land is all right, but that does not save the timber, and that is our primary object. Now, this is not the fault of the Forest Department. They have all this north country cruised and under option but there are no available funds. Do you remember when we went before the Forest Reservation Commission that Mr. Tinker told them it would take about $9,000,000 to inaugurate a cutting plan and save the virgin timber? Well, the fact of the matter is that we still need the nine million, and it has not been forthcoming. And unless this appropriation is made in the next 2 or 3 months, before June 1, it will be too late. In our estimation, the only one who can save the situation is the President himself, and I am sure if he knew the urgency of the matter he would act. There has been some talk of the Forest Reservation Commission going before the President in a body and presenting the situation, and this would be a good move if it could be done. But, whatever the means, we need direct action, and soon. The people in Washington must be made to realize that this is not just a local project, but that the conserving of this last grand stand of virgin hardwood is a national problem and will benefit every person in these United States.

If the Ottawa Forest is developed in the way the Forest Service has planned it, this last virgin stand of timber will serve as an inspiration to everybody from far and wide, and this beautiful Lake Superior country, with its waterfalls and streams and mountains, will be a jewel in the crown of this whole United States. There is nothing like it anywhere in the United States today, forestry men say, and they ought to know. And coupled with that fact is the knowledge that it means the future living of this country. The money that the Government has sunk in Alaska for a handful of people on a very questionable enterprise would have put this whole plan in working order and been the means of livelihood of some 5,000 people in the future and now.

I have a letter from Mr. JAMES COUZENS assuring us of his support and willingness to work with you or anybody to put this project across. He states that there is a movement afoot among Members of the House from Michigan to recommend amendment to legislation to carry out proposal for the Government to purchase certain land in connection with a national-forest unit. We also understand that Representative PARSONS, of Illinois, has something afoot along this line also. This would seem to indicate that the need is felt there by a great many of the Congressmen, but they do not seem to understand the urgency of the situation and that something must be done now. If all these forces could be assembled together and made to realize that this forest is their forest and the last of its kind we would get action, I am sure. I wonder if you could not contact Congressman PRENTISS M. BROWN and get his interest. He is for the Mackinaw bridge project; but if all the timber in this country is destroyed, why, you could row the tourists across the Straits of Mackinaw in a rowboat that would be interested in coming up here. They have plenty of that desolated country below the straits.

Now, about the resettlement project. The feeling of the club and businessmen on this subject is this: Here we have a real project in the Ottowa Forest which is not getting any place, and yet the Government is thinking of putting in some millions of dollars in a project which at the best is highly questionable for the good of this town. We would much prefer that we get the forest project complete and that the money be used for this purpose and not for the other. You say that this has no connection with the other project, but I would like to point out this fact to you: We had a good start on the forest, and then we have had delegations in Washington wanting some more funds for another project. In the meanwhile, the forest project suffered. Our opinion is that while they may be in different departments, in the last analysis what we get from one will be subtracted from the other. And between the two, why, our vote is for the Ottowa National Forest and its full development every time; and we think that if this fact is made known, why, perhaps we will get somewhere with it. Why not let the President know that and, if necessary, transfer the funds to the forest project. It has been done before. Let's back one horse for a winner, because it will be a glorious winner if we put it across. And that is what we are going to do.

With my best personal regards, I am,
Sincerely yours,

RAYMON DICK,
Chairman, Forest Conservation Committee.

The pro-forma amendment was withdrawn.

The Clerk read as follows:

Agricultural fires and explosive dusts: For the investigation, development, experimental demonstration, and application of methods for the prevention and control of dust explosions and fires during the harvesting, handling, milling, processing, fumigating, and storing of agricultural products, and for other dust explosions and resulting fires not otherwise provided for, including fires in grain mills and elevators, cotton gins, cotton-oil mills, and other structures; the heating, charring, and ignition of agricultural products; fires on farms and in rural communities and other explosions and fires in connection with farm and agricultural operations, $48,403.

Mr. GILDEA. Mr. Chairman, I offer an amendment.

Tht Clerk read as follows:

Amendment offered by Mr. GILDEA: Page 53, line 12, after the word "operations", strike out "$48,403" and insert "$58,403."

Mr. GILDEA. Mr. Chairman, after just restoring $27,000,000 to the items in this bill, the argument that we are keeping within the Budget no longer holds good, and this addition of $10,000 to this particular item no longer restores it to the Budget estimate.

The reason I think it should be restored is because of the work being done by this particular Bureau. The testimony of Dr. Skinner before the committee shows that the annual farm loss from fires is $100,000,000, and the annual loss from fires in rural communities is $225,000,000, or a daily loss of $600,000 every day in the farming and rural communities of the United States.

The Budget estimate would extend the study of spontaneous combustion in hay to all kinds of hay, not merely alfalfa, as at present, and to other farm commodities.

The explosive-dust experiment station is doing a service of benefit not merely to farmers and owners of grain elevators but to everybody that comes in contact with any form of explosive in this country.

During the recent miners' convention practically all of the delegates to that convention from the anthracite section went out to see what a dust explosion really is in action. These men are going down into the mines daily and coming into contact with explosive gas. The man who sees a mine explosion is always a victim of it. This experiment station permits them to see what explosions really mean, and dust can be compared with high explosive gas. When these miners go home after seeing the terrible force expended in one of these explosions they are going to be more careful workmen, and to extend this service so as to make it possible for the Department of Agriculture to conduct such experi-

ments as it is doing today throughout the country and appearing before firemen's conventions and taking the story into the rural communities——

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. GILDEA. Certainly.

Mr. TARVER. The gentleman understands that the appropriations for investigation of explosive dust, in which the gentleman seems to be very much interested, is exactly the same in this bill as it was in the bill last year, and no increase in this respect was recommended by the Budget.

Mr. GILDEA. This is simply to extend the work of this same branch of the Department of Agriculture, and the addition of this $10,000 would extend it for research into spontaneous combustion.

Mr. TARVER. The matter in which the gentleman is interested is in connection with another item. The gentleman seems to be laboring under the impression that the Bureau of the Budget recommended an increase of $10,000 for investigation of explosive dust. This is in error. They did not recommend any increase in the item, and we have left the appropriation as recommended.

Mr. GILDEA. I realize that spontaneous combustion is listed fifth in the items given by Dr. Skinner in his testimony. However, the benefit of this study of explosive dust, in my opinion, would jusify this increase in the appropriation.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, we ask for a vote on the amendment.

The amendment was rejected.

The Clerk read as follows:

Soil survey: For the investigation of soils and their origin, for survey of the extent of classes and types, and for indicating upon maps and plats, by coloring or otherwise, the results of such investigations and surveys, $301,208.

Mr. BLAND. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Page 53, line 20, strike out "$301,208" and insert "$381,208."

Mr. BLAND. Mr. Chairman, no question can be raised against this amendment upon the ground that it is out of conformity with the estimates of the Budget. I have provided in the amendment just exactly the amount that is recommended by the Director of the Budget. The committee cut it down $80,000. I am in receipt of a letter from the director of the Virginia Agricultural Experiment Station, in which he says:

This item is very important from the standpoint of farmers. Soil surveys furnish the basic facts on which must be based such activities as erosion control, resettlement, rehabilitation, soil conservation, land use, and farm management on individual farms.

I would not have been influenced even by this communication from so eminent an authority to offer this amendment if there had not been passed within the last few days a farm program that is based upon the theory of soil conservation. The conference report upon the bill inaugurating that program has been accepted, and is based fundamentally upon soil conservation. Soil conservation must scientifically be predicated upon a knowledge of the soil, and the knowledge of the soil must be gotten by the study that is contemplated in this amendment. The bill that passed today is a temporary bill for 2 years, with a permanent program in the offing, and that permanent program is based upon soil conservation. The importance of soil conservation will be recognized. In order to carry out intelligently any program of that character, information should be scientifically obtained.

Since I have been in Congress, for the last 16 years, there has come to me from time to time the urgency of further appropriations for just this sort of work. I have not undertaken to press those amendments because the urgency did not seem as great as at the present time, but I take it that the increased study at this time is in direct conformity with the program which we have adopted in this House and which the administration has prepared for the country. The amendment agrees with the estimate of the Director of the Budget.

Mr. TARVER. Mr. Chairman, I am sure that every Member of the House, and especially everyone who comes from an agricultural section, is deeply interested in the subject matter discussed by the gentleman from Virginia [Mr. BLAND]. The trouble about his amendment is that if it should be offered anywhere, it ought to be offered in connection with that portion of the bill which deals with the expenses of the publication of these surveys. It developed in the evidence before the committee that the Bureau is behind some 2 or 3 years in the publication of surveys that have already been made available for publication. The field surveys have been made, the mapping has been done, but they have not been able to catch up with their work of publishing those surveys and making them available to the public. In addition to that, it appears a great many of their surveys are out of print and they have not sufficient money to republish them so as to make them available to the people in the areas for which they were originally provided. It seemed to the committee it was not necessary to provide a large additional sum for field work and mapping purposes, to get ready a large number of additional surveys, when it was very apparent that the surveys if gotten ready could not be printed and made available to the public. We thought they ought to catch up with their program of surveys already made before undertaking to add to the appropriation heretofore had for the work of making surveys.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. TARVER. Yes; but first I want to point out that we have allowed the same appropriation which they had last year.

Mr. BLAND. But that is not enough. What I want to ask the gentleman is, if it is not important to carry ahead the field work now in order that that field work may be translated into these reports later. The important thing now is getting the original data.

Mr. TARVER. That is very true, but may I say, however, that the same appropriation they had last year will be sufficient, in view of the fact that it has been sufficient heretofore, not only to provide all of the surveys that they could publish, but to provide so many more surveys than they could publish that they are 2 or 3 years behind already with the appropriation already had.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was rejected.

The Clerk read as follows:

Dutch elm disease eradication: For control and prevention of spread of the Dutch elm disease in the United States, $261,156, to be immediately available: *Provided*, That no part of this appropriation shall be used to pay the cost or value of trees or other property injured or destroyed.

Mr. MORAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORAN: Page 58, line 8, after the word "States", strike out "$261,156" and insert "$1,500,000."

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MORAN. Mr. Chairman, without going into detail, which is, of course, impossible in the short time available, let me comment on the fact that the Dutch elm disease is a new one as far as this country is concerned. The disease itself is incurable, and we must bear that fact in mind as we think of the values involved.

The disease appeared first in Ohio in 1930, then in New York and New Jersey in 1933, but the eradication work really did not begin until 1934. The method of attacking this disease has been in two forms: First, finding and destroying diseased trees—so far 14,074 diseased trees have been found—and, second, a sanitation program, cutting down trees—918,000 have been cut down, 1,219,000 trees have been

found dead or dying. At the present time this particular disease is confined principally to an area within 50 miles of the Statue of Liberty—principally around New York and New Jersey—but the New England States and Pennsylvania are in line for this attack.

Mr. HEALEY. Will the gentleman yield?

Mr. MORAN. I yield.

Mr. HEALEY. Is this disease prevalent in the New England States at the present time?

Mr. MORAN. At the present time it is not. However, I look at it as I would look at a conflagration, not far away and headed in the direction of New England, and I continually bear in mind that this is a disease that is absolutely incurable; our only hope is eradication before all of our elms have gone.

Mr. HEALEY. Has the gentleman any information regarding the number of elm trees?

Mr. MORAN. There are 8,200,000 elm trees in Massachusetts.

Mr. HEALEY. That is more than in any other State involved?

Mr. MORAN. More than in any State involved.

Mr. THURSTON. Will the gentleman yield?

Mr. MORAN. I yield.

Mr. THURSTON. The gentleman proposes a very substantial increase. Has he any information which he can bring to the Committee to satisfy the Committee that they have trained personnel and that there is a real need for the amount that is indicated?

Mr. MORAN. I will try, if I may at this time, to show what was done last year.

With an appropriation of $261,156 in the bill for the coming fiscal year, which is the same amount as in the bill for this year, there was an additional amount of $2,730,000 available from emergency relief funds, making a total of $2,991,156, which was used as follows:

Scouting to locate diseased and dying trees within the generally infected area	$1,013,772
Sanitation work consisting of removal and destruction of dead and dying trees which harbor insect carriers of the disease	1,524,431
Scouting to locate diseased trees in the 13 outlying areas where the disease occurs or is suspected to exist	55,000
Scouting along railroad routes over which imported logs were shipped prior to prohibiting entry	21,483
Pathological examination of specimens from trees suspected to be infected with the disease	86,580
Studies on insects which may transmit the disease	6,000
Enforcement of quarantine	5,000
Removal and destruction of infected trees	98,745
Supervision and coordination of work done by State agencies, including general administration	180,145
Total	2,991,156

The point I make is that $3,000,000 is being spent this year on the fight against the Dutch elm disease, whereas in the coming year there will be only $261,156 available, unless emergency funds not now in sight become available. Therefore, my amendment to increase the appropriation from $261,156 to $1,500,000 means, if adopted, an expenditure of only half as much money as there is being spent this year for this same purpose.

In answer to the argument that this expenditure is useless because eradication is impossible, I call attention to statements to the contrary on pages 484 and 485 of the hearings, as testified by Lee A. Strong, Chief, Bureau of Entomology and Plant Quarantine.

To substantiate my statement that the proposed 1937 appropriation is not sufficient, I refer to Chief Strong's testimony—page 486 of hearings—that "this $261,000 is not anywhere near enough to do the job."

In answer to the argument that passage of my amendment would make the item exceed the Budget, I call attention to the fact that the Appropriations Committee itself has exceeded the Budget on two other items in this very same section of the bill: First, the Budget Bureau recommended $350,000 for Japanese-beetle control, but the committee increased that figure to $400,000; second, the Budget did not recommend a cent for screwworm control, but the committee inserted $460,000 for this purpose. I am not objecting to these two increases, but I do say to this House that the beautiful and valuable elm trees of New England, New York, and New Jersey are of infinitely more value than are many of the assets which we so tenderly protect under similar programs. There are 4,500,000 elm trees in Connecticut; 8,200,000 in Massachusetts; 1,200,000 in Rhode Island; 4,200,000 in my own State of Maine; 2,200,000 in Vermont; 3,500,000 in New Hampshire; 4,000,000 in New York; 3,750,000 in Pennsylvania; a total of 31,500,000 elm trees in these named States only. If there are any Members of this House who can travel through the many towns in New England without appreciating their beauty and realizing how irreparable their loss would be, then let me appeal on the dollars-and-cents basis and say that elm is valued for timber, and elm lumber brings good prices and has averaged well up among the hardwoods for many years. Let me say, further, that the total appropriations in this bill are so far below the Budget total that this increase would not make the total bill in excess of the Budget.

This Dutch elm eradication program has given employment, under the regular appropriation, to 68 persons and 8 on per-diem basis. Under the emergency allotment for this program employment has been given, as of week ending February 22, to 3,022 persons, taken from relief rolls, and 269 persons occupying supervisory, clerical, and technical positions.

America's elm trees are a real asset. We should meet the present attack vigorously, stamp it out, and bequeath to our children and grandchildren one of Nature's greatest gifts—the American elm.

The CHAIRMAN. The time of the gentleman from Maine [Mr. MORAN] has expired.

Mr. EATON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I noticed an expression of surprise on the part of some Members when it was proposed by the gentleman from Maine that $1,500,000 be devoted to the purpose of combating the deadly menace of the Dutch elm disease, although last year we spent with the W. P. A. fund nearly $3,000,000 in this work.

We are faced with what threatens to be one of the greatest national calamities of a physical and aesthetic nature that has ever befallen this Nation in the absolute destruction of our elm trees. You can visualize what it would mean by thinking of what Washington would be like if these magnificent elm trees of ours were to be destroyed, left standing like ghosts, as they will be inevitably, unless we grapple with this menace now and adequately solve the problem.

One million five hundred thousand dollars is a very modest request under the circumstances. We really ought to have twice that. It has this advantage over the W. P. A. plan. If this $1,500,000 is granted in this bill, it will be administered by the skilled, able, and resourceful members of the Department of Agriculture, who are charged with the responsibility of heading off these imported plant and tree pests in this country.

This elm-tree pest appeared first around 1919 in Holland. It was imported from some obscure Asiatic source. Engaged in the struggle to rehabilitate themselves after the war, no attention was paid to this destruction of elms until the thing had spread everywhere. Then it was too late to do anything. Around 1929 the plague was introduced into this country by the importation of logs through New York, Baltimore, Norfolk, and New Orleans. This pest has appeared in Virginia near Norfolk. It has appeared in Maryland near Baltimore. It has appeared here and there in western sections where this imported lumber has been shipped. The handling of the problem is made difficult and slow because you have to go to a laboratory with portions of the diseased tree to determine whether it is in the tree or not. It is an infection of the lifestream of the tree.

It results in a curling, fading, and dying of the leaf followed by the complete death of the tree. They have to cut off a branch and take it to a laboratory to ascertain the cause of the death of the tree because this particular

disease is a form of inner infection. There is no cure for this deadly infection except the destruction of the tree, and this has to be done on the spot immediately, because to carry the tree hither and yon is to send the spore carriers flying into other trees, thus adding to the disaster.

Gentlemen, visualize what it means! These glorious trees threatened with extinction over our country east of the Rockies from the Canadian line to Florida.

This elm-tree disease can be likened to a streptococcus infection in a human being which poisons the entire system. This elm disease poisons the entire tree.

I sincerely hope that patriotism as well as economics will prevail in the consideration of this amendment.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. EATON. I yield.

Mr. TREADWAY. Is not the damage done to the tree before the insect in the infected tree reaches the flying stage?

Mr. EATON. Yes; but the disease germ is carried from tree to tree by boring insects.

Mr. TREADWAY. I understood the gentleman to say the damage was done by an insect.

Mr. EATON. No; the disease is not inherent in the insect, as I understand it, but in what the insect brings.

I am informed that the distinguished chairman of the committee [Mr. CANNON of Missouri] is authority for the statement that in the opinion of the Agricultural Department and in his opinion the case is hopeless. Such an attitude of defeatism is beyond my comprehension. We have only been trifling with this menace thus far. If we face it in the spirit of patriotic determination to repel this alien invader, we can win the fight. It will cost money, effort, and the sacrifice of some part of our elm-tree wealth. But whatever it costs, we ought to head off this destruction of our elm trees before they meet the fate of the chestnuts a few years ago. There are millions of American citizens who are deeply concerned over this situation, and they expect, and have a right to expect, that their Government, which they so generously support by their taxes, will now protect them and their country against the ruin of a species of tree life which constitutes one of the chief glories of our landscape.

Mr. TOBEY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein statements prepared by the Bureau of Entomology.

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. TOBEY. Mr. Chairman, I shall be very brief.

I look upon this amendment and the purpose to be gained therefrom as similar to preventive medicine. This is a tree disease that has come into this country from abroad, where the damage done has been tremendous. Within 60 miles of New York there are 25,000,000 elm trees, and a study made by the Bureau of Entomology discloses that there are 14,000 infected trees within that radius. The disease has cropped out in New England and New Jersey. Heroic efforts must be applied to check it. The amount asked in this amendment is less than the price of one torpedo boat or one destroyer, if you please; and if we can stop this thing before it spreads to wider areas it will be worth all its cost. This program will be carried out by the Bureau of Entomology, and the Bureau can be trusted to spend the money wisely. Their reputation along this line is commendable.

From an economic standpoint we cannot afford to neglect this menace to all the elm trees of the country. It cannot be measured only in terms of the loss of millions of dollars; it threatens the scenic beauty of large areas. We cannot wait and attack this menace in futurum. It is something we should take care of now, not 5 or 10 years from now. In certain sections of the East the disease has done a great deal of damage. It has broken out in Connecticut, attacking the beautiful elms in Old Lyme.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. TOBEY. I yield.

Mr. TREADWAY. Is it not true that had we undertaken to combat the ravages of the gypsy moth when it first made its appearance we could have eradicated this terrible pest? And is not this another case where we should start promptly in order not to have a repetition of what we had with the gypsy moth?

Mr. TOBEY. The gentleman is exactly right.

I was down to the morgue the other day when a telephone message came in that a man had died at the transient bureau from an attack of spinal meningitis. The coroner in charge immediately said: "Burn the body at once." This is what we must do now in the case of this tree disease. By systematic scouting, locate infested trees, cut them down and burn them. It can be called the spinal meningitis of the elm, a disease to be eradicated at once by applying extreme measures.

Mr. ROGERS of New Hampshire. Mr. Chairman, will the gentleman yield?

Mr. TOBEY. I yield.

Mr. ROGERS of New Hampshire. Even if the amendment proposed by the gentleman from Maine be adopted, the total amount available will be far less than it was a year ago. We had $2,730,000 in 1935 from the Emergency Relief Appropriation Act, together with $569,220 carried in the regular bill.

Mr. TOBEY. The gentleman is correct. Reverting again to the statement made by the gentleman from Massachusetts [Mr. TREADWAY], we might also call attention to the starlings and the English sparrows that came over from the old country and have become a nuisance to us here. Those menaces could have been overcome had we tackled the job in time.

Mr. Chairman, at this point I extend my remarks by inserting the following letter from the Acting Chief of the Bureau of Entomology and Plant Quarantine, which gives detailed information on the source of this disease, its progress in our Nation, the methods used in combating it, and a schedule of the allotment of funds for the summer of 1935 and the fiscal year 1936.

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE,
Washington, D. C., February 27, 1936.

Hon. CHARLES W. TOBEY,
House of Representatives.

DEAR MR. TOBEY: You asked to be supplied with information showing how much money is available for Dutch elm disease eradication work in the current fiscal year and how it is being spent. You also asked what, if any, progress is being made in the effort to eradicate it and for any information available as to the number and importance or value of elm trees in the area involved.

The agricultural appropriation bill for the fiscal year 1936 provides $261,156 for Dutch elm disease eradication. In addition to this and during the latter part of last fiscal year $2,730,000 was allotted from the Emergency Relief Appropriation Act of 1935, which has been available during 1936. The approximate amounts of these combined funds allotted to the various activities are itemized on the attached page.

Unless you have had opportunity to personally acquaint yourself with the nature of the problem presented by the presence of this disease in this country a brief explanation will perhaps assist you.

The disease is of foreign origin and was first found in this country in Ohio in 1930. At that time there was no knowledge as to how it had been introduced, and only a few trees were found affected, a total of only 11 trees having been found there prior to 1935. In August 1933 a diseased tree was found in New Jersey, and scouting was begun in that region at once, resulting in the finding of others. In the meantime it had been ascertained that elm burl logs being imported into this country from Europe were infected with the disease and infested with at least one species of bark beetle known to be a carrier of the disease. An embargo on elm-log importations followed, and scouting in the vicinity of ports of entry and along railways known to have transported such logs led to the discovery of one diseased tree in Baltimore, and later three at Brunswick, Md. In a similar way 4 trees have been found in Norfolk and Portsmouth, Va., and 14 diseased trees have been found at Indianapolis, and during the past summer 23 more diseased trees were discovered in Ohio. These, with five found at Old Lyme, Conn., are the only findings thus far outside of the area in which the infection appears to be rather generally distributed in the States of Connecticut, New York, and New Jersey.

The area involved in these States may be described as comprising about 60 miles in width surrounding New York Harbor. Some light may be thrown on the intensity of the infection in this area when it is stated that an elm-tree census reveals the presence of

25,000,000 elms there, of which 14,000 trees have been found diseased. Here it might be appropriate to refer to your question as to progress in the work of eradicating the disease by calling to your attention this statement which has been made by the Department in response to similar queries. It is believed that definite progress has been made toward the eradication of the disease, and if vigorous work can be continued there is fair assurance of success which will protect trees in the general area of infection and prevent spread throughout the United States.

As indicated on the attached sheet, one of the larger items of expenditure is for the purpose of finding and destroying diseased trees. In this work the States concerned cooperate, the destruction of trees is done under State laws, and State representatives contact property owners, obtain permits for tree removal, and perform related functions. This does not represent the limit of State cooperation, as they have aided with State appropriations and in many helpful and important ways. Scouting for the disease is best done when foliage is on the trees. Visible evidence of early stages of infection are found in wilted twigs or branches. Samples of such trees are taken to the laboratory for confirmation, as the presence of the disease in a tree can only be determined with certainty by laboratory cultures.

A tree showing these early symptoms of infection is not believed to be a source of spread for a short time following and it is upon this principle the eradication program is based. Frequent scoutings to detect symptoms before spread results followed by prompt destruction is the best known means of protecting healthy elms and of stamping out the disease.

Another important factor is represented by the other of the two largest items of expenditure on the statement herewith transmitted, namely, the sanitation program. This expenditure represents the effort to facilitate the scouting and to a degree to get ahead of the disease by removing more or less worthless elms and those which are in an unhealthy condition though presence of the disease in such trees has not been determined. As previously stated, there are about 25,000,000 elms in this area. Half of these, because of their location or condition, or both, have little or no value, except for watershed purposes. More than 1,000,000 such trees have been removed and it is planned to continue this phase of the work in the infected area, because by their removal the work of scouting is correspondingly reduced and because their condition is such as to make them attractive as breeding places for the beetles known to act as carriers of the disease. These are the two major lines of work used in the eradication program.

You will note that only a comparatively few actually diseased trees have been found. These trees, however, because of the infectious nature of the disease, were a menace to all the elms of the country. If we may judge by the experience of other countries where the disease is destroying practically all the elms unless the infected trees are promptly located and destroyed and the abundance of the insect carriers of the disease reduced, the disease may spread into uninfected regions and the elms of the country be destroyed as the chestnut has been. The season when effective scouting can be done to locate infected trees is limited and emphasizes the importance of the general sanitation program in the area where infection is known.

The elm tree census in this area developed the fact that there were about 25,000,000 elms, of which half have little value except for watershed purposes. Of the other half, 6,250,000 are estimated to have value as timber or fuel and 6,250,000 are shade trees. In nearby States, such as the New England States and in the States of Connecticut, New York, and Pennsylvania, well beyond the known limits of infection estimates have been made as to the elm shade tree population. The list of States and the estimated number of elm shade trees follows:

Connecticut	4,500,000
Massachusetts	8,200,000
Rhode Island	1,200,000
Maine	4,200,000
Vermont	2,200,000
New Hampshire	3,500,000
New York	4,000,000
Pennsylvania	3,750,000
Total	31,550,000

Another question asked by you had to do with the value of elms. Elm is valued for timber and elm lumber brings good prices and has averaged well up among the hardwoods for lumber purposes for many years.

Average value of elm timber at the mill per 1,000 feet board measure

Year	All kinds of lumber	Elm
1899	$11.13	[1] $11.47
1920	38.42	[2] 47.23
1931	18.56	[2] 25.37

[1] From 1899 to 1931, inclusive.
[2] Elm consistently bettered average.
[3] Mill price for "All kinds of lumber."

Authority: Statistical Bulletin 21, pt. 2, U. S. Department of Agriculture, 1928, "Lumber, Lath, and Shingles", 1930, p. 15, table 7, et seq.

Throughout the States listed above, however, and in other nearby States the elm is valued principally for shade. There are several accepted methods of computing shade-tree values. Four typical ones are:

1. Diameter-measurement method, $10 per inch of diameter, measurement breast high.
2. Circumferance-measurement method, $5 per inch of circumference, measurement breast high.
3. Replacement-value method:
   Gave Newark, N. J., average value of $30.72 each for its 66,308 trees.
   This conservative method gives $2,036,981.76 value.
4. Roth method:

Minimum cost of establishing tree	$15.00
Compound interest at 5 percent for 25 years	36.80
Total value for tree	51.80

(Conservative because no care cost considered.)

These and other accepted methods have withstood the test of litigation.

We trust that this will supply the information you desire.

Yours very truly,

AVERY S. HOYT,
Acting Chief of Bureau.

Allotment of funds available for eradication of Dutch elm disease for summer of 1935 and the fiscal year 1936, by activities

Scouting to locate diseased and dying trees within the generally infected area	$1,013,772
Sanitation work consisting of removal and destruction of dead and dying trees which harbor insect carriers of the disease	1,524,431
Scouting to locate diseased trees in the 13 outlying areas where the disease occurs or is suspected to exist	55,000
Scouting along railroad routes over which imported logs were shipped prior to prohibiting entry	21,483
Pathological examination of specimens from trees suspected to be infected with the disease	86,580
Studies on insects which may transmit the disease	6,000
Enforcement of quarantine	5,000
Removal and destruction of infected trees	98,745
Supervision and coordination of work done by State agencies, including general administration	180,145
Total	[1] 2,991,156

[1] Includes:

Regular appropriation, 1936	$261,156
Allotment from emergency funds, latter part of 1935 and 1936	2,730,000
Total	2,991,156

Mr. SEGER. Mr. Chairman, the State of New Jersey stands in the very center of the attack being made by the Dutch elm disease, and I am told today by authorities of the Department of Agriculture the fungus germ is more prevalent there than in the area embraced by the States of New York and Connecticut, which are also seriously affected.

The disease was first discovered in my district in north Jersey, on Independence Day, 1933. County Agricultural Agent Harold E. Wettyen reported it to the State authorities and the battle began. It was realized immediately that the fight was not to be a short one, but it was agreed there would be no armistice until public and private agencies had won or lost. New Jersey knew the story of Europe's terrible fight against the disease, first discovered in Rotterdam, during which thousands of magnificent trees were slaughtered.

"Who will win the battle?" asks Richard P. White in New Jersey Farm and Garden. And the Passaic Herald-News asks:

Is the New Jersey elm destined to survive or will it go with the noble New Jersey chestnut, perhaps to come back to us only after long years, after most of us are dead, as the chestnut, long believed to be extinct, shows some signs of doing?

We must have this Federal aid in order to prevent further spread as well as protect the investment already made. New Jersey's Secretary of Agriculture, W. B. Duryee, wires me as follows:

TRENTON, N. J., *February 26, 1936.*

Hon. GEORGE N. SEGER,
House of Representatives:

New Jersey vitally interested in Dutch elm disease eradication, because most of diseased elms occur here. May I urge your support of amended bill in order to prevent further spread and protect investment already made?

W. B. DURYEE,
Secretary of Agriculture.

Our State has already spent $85,000 appropriated by the legislature, and New York has added $324,000 and Connecticut $14,400.

Federal plant pathologists, Federal laboratories, and Federal workers are needed to rescue the infected areas in these eastern States and to prevent the slaughter of elms in other States. Europe, when faced with the issue, started too late. We must not fail in this important crisis now, unless, of course, we are willing to bid farewell to that noble tree, the elm, which has meant so much to our country.

I urge the prompt adoption of the amendment.

Mr. CANNON of Missouri. Mr. Chairman, if there were any way to save these elm trees no amount of money would be too much to appropriate for the purpose. But the case is hopeless. We have already spent over $3,000,000 in a determined attempt to control the disease and have not cured a single tree. We have not yet retarded the progress of the disease a half meter. Holland has abandoned the fight. England, with her magnificent elm trees, has thrown up her hands. Germany, the cradle of horticulture, leader of the world in forest management, is making no further expenditures in the hopeless struggle. In all these countries and in all these years since its inception in 1919 not one single tree has been cured.

Mr. Chairman, the appropriation of this money would retard the solution of the problem, and I will tell you why. There is only one way to meet this situation, and that is for the States through their police power to cut down all trees which are subject to immediate infection, just as in a conflagration you blow up the buildings in advance of the fire. You must remove the trees in advance of the contagion, as London was depopulated at the time of the black death, until the Dutch elm disease, having no further material to feed upon, burns itself out.

If this money is appropriated, what do they propose to do with it? After the tree is dead they go out and cut it down. If the Government did not do that, the owner would have to do it. Many of these trees have to be taken down limb by limb. It is expensive. All we are doing is appropriating this money to save the owner that expense, thereby retarding the solution of the problem just that much, because as long as the Federal Government spends money in this hopeless way the States will do nothing. The State must enact laws to compel every owner to cut not only the infected trees but those subject to infection. If we agree to this amendment, we will, in my opinion, to that extent condemn the elm trees of America.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine.

The question was taken; and on a division (demanded by Mr. EATON) there were—ayes 30, noes 49.

So the amendment was rejected.

The Clerk read as follows:

Truck crops and garden insects: For insects affecting truck crops, ornamental and garden plants, including tobacco, sugar beets, and greenhouse and bulbous crops, $366,418.

Mr. KOPPLEMANN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. KOPPLEMANN: Page 58, line 14, strike out "$366,418" and insert "$375,418."

Mr. KOPPLEMANN. Mr. Chairman, the amendment which I have just offered calls for a small sum of money and is introduced at this time because it did not receive consideration by the Committee on Appropriations. It was not discovered that this item had been left out until after the committee had made its report. A disease which is attacking tobacco and other products raised in the Connecticut Valley is now causing great damage annually. According to the statement of the man engaged by the State of Connecticut to work on the control of these insects, $2,000,000 annually is being lost to the farmers up there because of the beetle flies and other pests attacking farmers' crops.

My amendment simply requests $9,000 in addition to the $366,000 which is now provided in the bill for the control of insect devastation. The control and eradication of tobacco pests in other States has been undertaken by the Bureau of Entomology, but Connecticut was left out, inadvertently I am certain. The Bureau of Entomology writes me that it is worth while. The representative in the Connecticut River Valley wires me giving the loss as $2,000,000 and hopes for the enactment of this amendment.

We are simply asking for this small sum of money to round out the program of the Department as contained in this bill.

Mr. TARVER. Will the gentleman yield?

Mr. KOPPLEMANN. I yield to the gentleman from Georgia.

Mr. TARVER. The gentleman surprises the Committee very much when he states that no part of this appropriation is available for the tobacco of the State of Connecticut.

Mr. KOPPLEMANN. I did not say no part was available for tobacco. I said no part was available for the Connecticut Valley and the investigation and control through the Bureau of Entomology of those insects which are attacking our products. There is nothing in the bill for Connecticut.

Mr. TARVER. Does the gentleman have particular reference to tobacco?

Mr. KOPPLEMANN. Tobacco and other products; yes.

Mr. TARVER. The gentleman is undoubtedly mistaken, because the appropriation for tobacco investigation and the investigation and control of tobacco insects is not local to any section of the country and is certainly available for use in the Connecticut Valley and elsewhere.

Mr. KOPPLEMANN. I have talked to the Chief of the Bureau of Entomology, and I have a letter in which it is stated there is no provision made for Connecticut.

Mr. TARVER. The provision applies to the country as a whole and may be used for Connecticut if desired. It is in the discretion of the Department. There is no law prohibiting it from doing so, and the committee intended that the whole problem should be taken care of, and they feel they have recommended a sufficient fund for this purpose.

Mr. KOPPLEMANN. That may be the gentleman's understanding, but I have a letter here from Lee A. Strong, Chief of the Bureau, in which he says that the Bureau recognizes there is a need for special studies to develop control measures which may be effectively used in controlling certain pests of tobacco in the Connecticut Valley. They further state that they have given consideration to the suggestion of locating a field laboratory in Connecticut, but under the present allotment reasonable adjustments cannot be made.

Mr. TARVER. If the gentleman has in mind the construction of a laboratory, that is distinctly something else. The appropriation to which he has referred does not cover the construction of laboratories.

[Here the gavel fell.]

Mr. KOPPLEMANN. Mr. Chairman, may I proceed for 2 additional minutes?

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. KOPPLEMANN. What we are asking is the service of the Department, with its laboratory and materials, to go into the Connecticut Valley and help us there, and the amount involved is very small.

Mr. GRANFIELD. Mr. Chairman, will the gentleman yield?

Mr. KOPPLEMANN. I yield.

Mr. GRANFIELD. I listened to what the gentleman from Georgia [Mr. TARVER] had to say with reference to the gentleman's proposition being included in the bill, and I would like to ask the chairman of the subcommittee if that is the fact.

Mr. CANNON of Missouri. There is no provision for this specific proposition in the bill, but there are, of course, funds which are available for the purpose generally throughout the United States.

Mr. KOPPLEMANN. We simply ask, Mr. Chairman, for this $9,000, which is a very small percentage of the appropriation to be used for this purpose, and for this reason no one in the Committee should make any objection.

Mr. CITRON. Mr. Chairman, will the gentleman yield?

Mr. KOPPLEMANN. I yield.

Mr. CITRON. As a matter of fact, the money now appropriated is earmarked for other sections and there is none left for Connecticut.

Mr. KOPPLEMANN. That is correct; and why any section of the country should be left out is beyond my understanding. In my discussion of the matter with the chairman of the subcommittee he tells me that he can see no objection, and all that is required is the consent of this Committee.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 26, noes 30.

Mr. MARTIN of Massachusetts. Mr. Chairman, I make the point of order there is no quorum present.

Mr. KOPPLEMANN. Mr. Chairman, I demand tellers.

Mr. MARTIN of Massachusetts. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The gentleman from Connecticut demands tellers. The Chair will count. [After counting.] Evidently a sufficient number.

Mr. MARTIN of Massachusetts. Mr. Chairman, I renew the point of no quorum.

The CHAIRMAN. The gentleman from Massachusetts makes the point of order that there is not a quorum present. The Chair will count. [After counting.] One hundred Members present, a quorum.

Tellers were ordered, and the Chair appointed as tellers Mr. CANNON of Missouri and Mr. KOPPLEMANN.

The Committee again divided; and the tellers reported that there were—ayes 30, noes 38.

So the amendment was rejected.

The Clerk read as follows:

European corn-borer control: For the control and prevention of spread of the European corn borer and for the certification of products out of the infested areas to meet the requirements of State quarantines on account of the European corn borer, $32,939.

Mr. ROBERTSON. Mr. Chairman, I move to strike out the last word.

Mr. TABER. Mr. Chairman, I make the point of order that that is not an amendment. I think it is absolutely necessary, if we are going to get through this bill tomorrow night, with all the roll calls that will be necessary, to dispense with the motion to strike out the last word for the rest of the afternoon.

Mr. ROBERTSON. Will the gentleman withhold that for just 2 minutes?

Mr. TABER. I do not see how I can withhold the point of order.

The CHAIRMAN. What is the gentleman's point of order?

Mr. TABER. The point of order is that that is not an amendment.

Mr. ROBERTSON. Mr. Chairman, I insist it is a proper amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment striking out the last word. The gentleman is recognized for 5 minutes.

Mr. ROBERTSON. Mr. Chairman, I know the gentleman from New York can now make a point of order, because I shall not speak directly to the amendment, but I hope the gentleman will withhold it for this reason. I am speaking as amicus curiae for a number of game associations and State departments interested in the establishment of research stations, and I want this opportunity to ask permission to insert in the RECORD a brief memorandum sent me today by the Chief of the Biological Survey outlining the work that is done by these research stations, and put the House on notice of an amendment that I shall offer tomorrow on page 64, at line 19, to add $63,000 to the item there, to provide for the establishment of eight additional research stations.

Everyone knows, following the National Wildlife Conference held here several weeks ago, of the depletion of the wildlife of the country. Everyone should know what it means to the farmer to have our fur supply gradually wiped out. When I last checked these figures 2 years ago, the retail value of furs was $500,000,000 a year. We imported $100,000,000 of furs a year. Our farm production of raw furs formerly was $65,000,000 a year. This has dropped to below $20,000,000 a year.

If we do not do something to protect the fur industry, it will be only a matter of a few years until it is wiped out.

We talk about farm relief. Here is one chance for us to help the farmer and the farm boy by conducting scientific studies to find out why we are losing these natural resources, what can be done to restore them, and how we can help our farm boys to supplement their limited incomes with the trapping of furs which should be abundant in this country.

I recall, Mr. Chairman, several years ago, when I was chairman of the Virginia commission, we placed a bounty of $5 on wildcats. Some months afterward I met a mountaineer and said to him, "I am pleased to learn you are interested in our campaign to control the wildcats", and he said, "That bounty saved my life. I got $75 last winter for trapping wildcats, and it was the only cash money I had during the winter and it carried me through. I would have starved to death without it."

That is but one instance of the limited cash income in rural sections. In 1926 the average income for the farms was only $600 a year, of which only $200 was in cash.

Mr. GREEVER. And does not the gentleman also think these scientific research stations in connection with land-grant colleges are beneficial to this study of wildlife of all kinds, including elk and moose.

Mr. ROBERTSON. Absolutely. They are going to conduct in these various regions, eight of them, not in my State—we already have a station in my State—but in these other States, a study of desirable species of wildlife. There are many nature lovers and 6,000,000 licensed hunters interested in this program.

I ask unanimous consent to extend my remarks in the RECORD by including this brief statement from the Chief of the Bureau on how these stations are to be operated.

The CHAIRMAN. Is there objection?

There was no objection.

MEMORANDUM TO THE HONORABLE WILLIS ROBERTSON

The initiation of the cooperative wildlife research program with the States is one of the soundest basic efforts that has ever been made in an attempt to solve the complicated problem of perpetuation and use of our wildlife resources. Nine cooperative stations have been set up so far, and are beginning to attack some of the phases of work. Of these, seven are financed from Federal funds and two from other funds which have been made available for this work. The program at each station has for its chief objectives the following:

1. To carry on such research and investigation as will furnish foundation knowledge upon which to base practical wildlife management.

2. To establish actual experimental and demonstration areas where methods of handling wildlife and environment and methods of game management and utilization can be tested out, and where landowners, hunters, and all others interested in wildlife production can see examples of such management and utilization. These areas will be conducted under practical land-utilization conditions as they exist in various parts of the country.

3. To carry on educational work: (1) to make available to the public results of investigations and demonstrations, and (2) to promote a greater interest in wildlife production and in practical methods of making surplus crops available.

For the first time we are attempting to gear a wildlife conservation and restoration program into the existing agencies for development of land use and agencies for taking the information and practice out to the people in usable form.

PROJECTS NOW UNDER WAY

The programs of the various stations set up to date include the following:

1. Major life history and management studies on wild turkey, mourning dove, eastern white-tailed deer, eastern cottontail rabbit, woodcock, quail, central western cottontail, muskrat, mule deer, antelope, and sage grouse.

2. Supplementary experimental and management work on southern bobwhite, fox, ruffed grouse, moose, ring-necked pheasant, blue grouse, Texas bobwhite, forest and game relationships, utilization of wildlife statistics for administrative purposes.

3. Demonstration and management areas. (At each station one or more areas are being organized mostly in cooperation with private landowners, on which to demonstrate the practical methods worked out through experimental work.)

4. A definite program of educational wildlife work through extension services and other agencies.

5. A definite program of training men who will be equipped to handle wildlife management on an intelligent basis.

WORK LEFT TO BE DONE

The present stations cover only a small part of the natural-life zones which need study. Other regions or zones not yet covered are in as great need of study, but work cannot be done in them with present funds.

In the wildlife field the following are among important species and problems which need study and methods worked out for management very badly:

White-wing dove, big-horn sheep, black bear, javalina or wild hog, prairie chicken, sharp-tailed grouse, Hungarian patridge, raccoon, fox squirrel and gray squirrel, opossum, mink, beaver, marten, California quail, scaled quail; expansion of the work on sage grouse, blue grouse, antelope, moose; problems of effects of introduction of foreign species; the interrelation between predators and game species; problem of practical development of fur-bearers as a supplementary form of land use and income; additional problems of landowners in handling wildlife crops and hunters; the whole problem of what constitutes adequate environment for wildlife and what bearing wildlife has on the economic handling of land for other purposes.

Emphasis needs to be placed on the work with fur bearers. The money paid to trappers annually, mostly farmers and farm boys, runs into millions of dollars, yet little has been done to help develop this industry. An opportunity to increase the scope of the cooperative research program would afford opportunity in this field.

IRA M. GABRIELSON.

PROPOSED VIRGINIA RESEARCH PROGRAM

RESEARCH PROBLEMS

A. Primary problems:

1. Turkey.—This will be the major research effort and, in combination with grouse and deer, a major demonstration area project. (See North River area under demonstration.) The purpose will be to study the life history, movements, building up of natural production, improvement of wild type, and harvesting of the crop. The Camp Lee area will be used to furnish brook stock for experimental work, to test out methods of trapping, and to furnish stocking for stocking purposes. This is largely a continuation of work already under way and will require a minimum of Handley's time.

2. Quail.—This species will be secondary so far as pure research work is concerned, but a major effort as to demonstration and management areas.

The research phases will be only such as are needed in addition to available data, in order to work out applications to Virginia conditions.

The Blacksburn area will be essentially a quail research and management area.

The Cooperative Resettlement Service area will be a quail-turkey-deer area, with special reference to working out management and production and the harvesting of crops. Quail will receive major attention.

B. Secondary problem (prospective short-time results):

1. Ecology of native plants and relation to game management.—Massey is giving half time to this work. Considerable work has been done on this, and it is expected that an annotated list of plants will be ready for publication at the end of a year, and a major publication later. The work will serve as a background for all the studies and all the management practices on game projects. It is about the only project V. P. I. has requested in the program.

2. Fox studies.—This problem was approved if held to a minimum. It is essentially a continuation of work already under way and nearing completion in cooperation with the Biological Survey. It should not be dropped. It is possible that a publication will be put out on this by the Biological Survey at the end of another year.

3. Birds of Virginia: A piece of work under way which should be completed. A list of the birds will be published at end of year, it is expected. The work will be done largely by Dr. J. J. Murray, of Lexington, with some assistance by Handley. It will be good foundation work for graduate men in the game-research program.

4. Crows: Handley has done some preliminary work on crow control. This problem is proposed for about 2 weeks additional time and a small cost to finish up the data. It will be a short-time result problem.

5. Elk: At the present time this is proposed as a secondary problem to study the plantings of elk made in Virginia. De Le Bar seems especially fitted to carry on a 3-month study to attempt to determine the reasons for the poor results. This is important because of the pressure being brought to bear on the Game Commission to spend considerable additional funds for more introductions. It will be a valuable service project for the Commission and permit the publication of findings within about a year.

6. Miscellaneous service problems: There is opportunity to accomplish considerable game-improvement practice through cooperation with the Soil Conservation Service. This will be largely a matter of advice and guidance in helping this service to adapt their practices to game production.

DEMONSTRATION AREAS

A. Blacksburg area (quail): This is an area of land owned or leased by V. P. I. and located at the college. The handling of this area for quail experiments under farm and pasture conditions has the hearty support of the dean of agriculture and the other authorities. The purpose of the area will be: (1) To furnish experimental data for application to management areas; (2) to serve as a production area for surrounding privately owned area which is to be set up as a utilization area under a plan of controlled harvest. The dean of agriculture has volunteered to assist in the setting up of this additional area since he knows personally nearly all the landowners.

B. North River area (turkey-deer-grouse area, with some quail possibility): An area of around 11,000 acres within the George Washington National Forest, is already established as a State game refuge. This forms the nucleus of a larger 48,000-acre area which has been set aside as a game-management unit. An approximate 1,000 acres is to be added to this later by moving one of the boundary marker fences to coincide with a new road. The purpose of the area will be to work out management plans and practices and conduct production studies, and to try out a method of controlled take on a public-owned area with a refuge as a nucleus and with a charge for hunting to cover the cost of administration. This latter depends on whether proper legal authority can be obtained to so handle the take, and Handley is to ascertain this.

C. Buckingham County Resettlement Service area (a quail, grouse, deer, and turkey area): The Resettlement Service has a large area in one of their projects which they are willing to handle as essentially a game area. Practically all the land is under option, and our understanding is that a good number of options are approved for purchase. The area ultimately will be turned over to the State conservation interests for administration. The Resettlement Service has indicated its willingness to carry out plans advised by the research set-up. The plan for this area has not been completed and will require considerable consultation work with the Resettlement Service. It is proposed that this area will be a management and hunting area. The special trial will be of a plan of utilizing selected farmers as farmer-caretakers, of the area under a share-cropping plan as designated for them. The purpose of maintaining directed agriculture on the area in a modified form is to find a practical way for maintaining sufficient openings and cleared area for quail and turkey. This is a game problem on large areas in Virginia because there is an increase in land abandoned from agriculture, and any such land rapidly reverts to dense brush and young timber growth, which is not favorable to quail or turkey. To keep enough openings for these without prohibitive cost is a problem.

The proposal is to select certain farmers in sympathy with wildlife, preferably from those now on the area, and instead of moving them off and abandoning the land to forest set them up on a farming plan designed chiefly for wildlife but with the purpose of so coordinating and arranging crops that a farm family can subsist and do the game-management work for a share of the crop.

EDUCATIONAL WORK

1. The assistant extension service director has practically assured us of the opportunity to give some game-management work at the county agent conference, to be followed up if possible at county agent's district conferences.

2. College authorities have agreed that a course of wildlife work can be included in the annual farm and home week program of work.

3. Attempts are being made to get the game commission to approve enough additional subsistence expense for their wardens, so that they can spend an extra day or two at the time of their regular district conference in game-management work, and in familiarizing themselves with the research program.

The Clerk read as follows:

Insects affecting man and animals: For insects affecting man, household possessions, and animals, $150,148.

Mr. WADSWORTH. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: Page 59, line 25, strike out "$150,148" and insert "$120,140."

Mr. WADSWORTH. Mr. Chairman, the effect of my amendment is to reduce the appropriation carried in line 25, page 59, to the figure for this present fiscal year. The language of this item attracted my attention and curiosity to a considerable degree because I notice that it affects insects affecting both man and animals. I had occasion to look up in the hearings just what group of insects are covered by that language. I approached the matter with considerable delicacy, but I find that many of the activities of this particular Bureau under this heading are devoted to the study of mosquitoes, and great emphasis is placed upon the fact, and the statement lodged before the committee, that mosquitoes carry yellow fever, that mosquitoes carry malaria

and Dengue fever, and apparently this Bureau is working on that problem. We have all known, since Walter Reed made certain tests down at Habana with enlisted men of the Army Medical Corps, who volunteered for service, that certain mosquitoes do carry yellow fever. The whole world is informed of it, and yellow fever has practically been stamped out. The same with malaria. What progress has been made in connection with Dengue fever I am not informed about, but, Mr. Chairman, is not that a public-health question in any event? Why should the Department of Agriculture expend money for the extermination of insects, mosquitoes, for example, which affect the health of man? I had understood that the Public Health Service performed functions of that kind, and it passes my comprehension why the Department of Agriculture should get into the medical field.

Yet, judging from the statements left before the committee, that is just what they are doing. They carry it further. They are investigating insects that infest house furnishings and dwellings, and again I feel some delicacy in approaching the subject. But does not that also affect public health rather than a problem of agriculture? I do not offer to destroy the appropriation; I merely ask that it be reduced to last year's figure, to see if the committee in the preparation of its next year's bill cannot determine whether or not the Department of Agriculture shall stay within its proper sphere and make inquiries as to whether the public health is not making investigations of exactly the kind contemplated in this appropriation.

Mr. TARVER. Mr. Chairman, does the gentleman realize that the increase in the appropriation he is seeking to strike out has no reference whatever to the subject matter that he has been discussing, but has been added on the request of the Department and the Bureau of the Budget in order to do research work with regard to the screw-worm moth, which has infested 12 of the Southern States—6 in the southeast and 6 in the southwest.

Mr. WADSWORTH. It does not say so in the bill

Mr. TARVER. It does in the report and in the hearings.

Mr. WADSWORTH. But in the bill the appropriation of $150,148 can be used for any or all of these purposes.

Mr. TARVER. If the gentleman's amendment should be adopted, striking out the increase, he would simply stop this research work in the diseases of animals and not touch the subject matter he has in mind.

Mr. WADSWORTH. I do not see how, because a sufficient amount of the fund would be left to do this screwworm work. I would like to see this department brought within its proper sphere; and if necessary to do so, we will offer some other kind of amendment.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the gentleman from New York may have one-half minute more. I want to ask him a question.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLANTON. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. BLANTON. During the gentleman's long service here, could he tell us just how many millions of dollars we have paid out to eradicate the barberry bush?

Mr. WADSWORTH. I cannot say. I know that the Biological Survey appropriation for the eradication of predatory animals started in the year 1916, as I remember, when I was a member of the Senate Committee on Agriculture. It started with $20,000, and it is now $600,000 a year.

Mr. BLANTON. But the barberry bush has been with us all these years, and has $200,000 in this bill.

Mr. WADSWORTH. It is a very pretty bush.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. CANNON of Missouri. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WADSWORTH].

The question was taken; and on a division (demanded by Mr. WADSWORTH) there were ayes 22 and noes 35.

So the amendment was rejected.

Mr. WOLCOTT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-eight Members are present; not a quorum.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, had come to no resolution thereon.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3780) entitled "An act to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes."

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 7147. An act authorizing a preliminary examination and survey of the San Gabriel and Los Angeles Rivers and their tributaries, to include both drainage basins and their outlets, in Los Angeles County, Los Angeles, Calif., with a view to the controlling of floods.

The message also announced that the Vice President had appointed Mr. WHEELER and Mr. COUZENS members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments", for the disposition of executive papers in the office of the Federal Communications Commission.

PARSONS AMENDMENT TO H. R. 11418, MAKING APPROPRIATIONS FOR THE DEPARTMENT OF AGRICULTURE

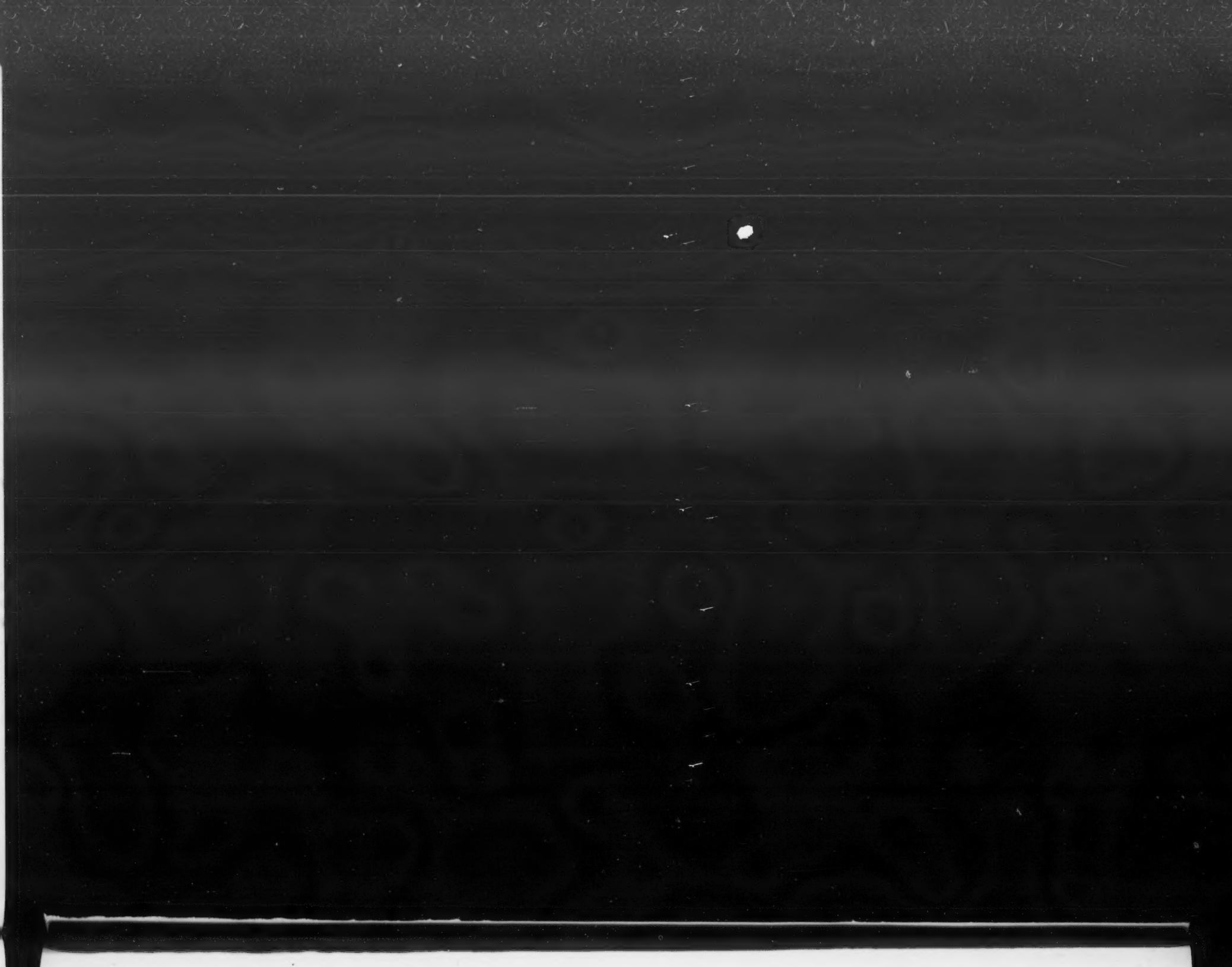
Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ENGEL. Mr. Speaker, if this amendment provided for an increase in an appropriation which was to be spent in the operating of the Government, I should be opposed to its adoption. However, this is not the case. The proposed amendment provides for an appropriation of $25,000,000, which is to be used in the purchase of forest lands, solidifying our present national forests. It is therefore an investment and not an operating cost of the Government. This investment will be intact and in fact worth more in 10 or 25 years than it is now, because of the growing timber, which adds a value to the land each year. It will help to establish a much-needed permanent policy in our National Forest Department.

I have been very much interested in this problem for many years. Permit me to give you the picture as I see it. On the one side we have 178,000,000 acres of land owned by the National Government, an area 13,000,000 acres larger than the State of Texas, not being utilized and nonproductive. On the other side we have 750 paper mills in America, 600 of which import their pulp and some of the other 150 their pulpwood. On the one side of the picture we have from nine to eleven million men unemployed. On the other side we have 70,000 men employed in foreign countries in the production of pulpwood and pulpwood products used in America. Industry tells us that it is now employing 7,000,000 men; that during the best of times it only employed approximately 9,000,000 and is only able to absorb 2,000,000 more



of those now unemployed. What to do with the remaining seven to nine million unemployed is a real problem.

According to the testimony before the Ways and Means Committee of the House in 1929, $580,000,000 of American capital are invested in foreign countries, employing foreign labor for the purpose of producing paper. Vice President Garner, then a Member of this House, commenting upon this situation, used the following language:

> Neither under a protective tariff nor for revenue only can it be justified. Whether it be under one theory or the other, you cannot justify the fact that you have $580,000,000 dollars of American money invested in foreign countries employing labor to produce a product that can be produced in this country.

In 1900 we imported 1 percent of our newsprint. In 1915 we imported 25 percent, and in 1934 we imported 66⅔ percent, and in 1935 the figures will show that the importations increased over 1934. Three million tons of newsprint were consumed in America in 1934. Nine hundred thousand tons were manufactured here; 2,100,000 tons were manufactured in Canada. One hundred thousand square miles of Canadian timber is used each year, I am informed, in manufacturing newsprint.

I recently investigated conditions among the pulpwood cutters in Michigan. They make approximately $1 a day and furnish their own board. This condition is deplorable to say the least. Due to the fact that pulpwood timber in this country is so scattered and that it must be hauled such long distances, and due to the keen foreign competition, the pulpwood and paper industry in America is forced to pay starvation wages to the cutter, the owner, and the men transporting such pulpwood, and even with these starvation wages paid, approximately 50 percent of the tonnage in America is in the hands of receivers.

According to the report of the Secretary of Labor, we spent $2,000,000,000 last year in Public Works programs, employing 475,000 men. In other words, it cost, according to these figures, $4,000 to support one man under a Public Works program. If this is true, it would take $280,000,000 in Public Works money to support the 70,000 men who are out of employment, but who might be employed if we produced our own paper and paper products.

What, then, is the answer to this problem? Some would place a tariff on pulp and paper products, with special reference to newsprint. This tariff would be high enough to protect labor in the payment of decent wages. Being a Republican, I naturally under ordinary circumstances would take that viewpoint. The opposition argues, on the other hand, that to have a tariff on newsprint high enough to protect local industry and protect labor in the payment of decent wages, it would have to be so high that it would increase materially the cost of newspapers and magazines. They further argue that it is more important that 126,000,000 people receive a low-price newspaper than it is to put 70,000 men at work. I am rather inclined to support that argument. If the tariff is not the answer, then the answer must be in the utilization of these millions of acres of land in the production of pulpwood and other timber.

The purpose of this appropriation is to purchase land in order to solidify the various national forests and to increase the area where it can be increased by the purchase of cheap lands. Pulp and paper mills erected near to a perpetual supply of raw material eliminate the cost of long-haul transportation and much overhead expense. We can then have cheap paper, utilize these millions of acres of land, and manufacture this product with American labor.

The Manistee National Forest is in my congressional district. One million acres are or should be in that forest. Twenty-seven thousand acres were planted last year to various kinds of timber in that forest. The picture I have in mind is this: Pulpwood matures in approximately 30 years. I hope to see the day when 30,000 acres of pulpwood will be harvested in my congressional district, the land cleared, and replanted each year. This assures a perpetual supply for mills that are now or that may come into that area at a cost that will enable them to compete with foreign countries. This will give us cheaper newsprint at home and at the same time furnish employment to those who need it. What is here said with regard to pulpwood and paper products applies equally to other timber used for other purposes in America.

FACTS ON BUTTER SUBSTITUTES

Mr. GOODWIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting a short statement of fact on butter substitutes, applying to the State of New York.

The SPEAKER. Is there objection?

There was no objection.

Mr. GOODWIN. Mr. Speaker, dairying is the most important agricultural industry in the United States. Farm cash income from the sale of dairy products is higher than that from any other commodity and amounts to about one-fourth of the total income of all agriculture. In 1934 cash income from dairying exceeded the combined cash income from wheat and cotton, the two leading cash crops, and almost equaled the income from both cattle and hogs.

[Figures from Creamery and Produce Review]

	Pounds
1934 sales of butter substitutes	258,079,735
1935 sales of butter substitutes	380,620,367
Gain in 1 year, 43.6 percent, or	122,540,632

Each pound of butter substitutes sold replaces the sale of 21 pounds of milk. Two hundred and fifty pounds of butter substitutes puts a cow out of business. Last year's butter-substitute sales displaced the production of 1,590,000 dairy cows.

If butter-substitute sales make yearly gains as great as that made last year we can reduce our dairy herds by 467,000 cows per year. This will destroy the market for 500,000 tons of hay and 400,000 tons of grain in addition to the loss of returns from the cow herself.

Fifty-four percent of the fats and oils used in butter-substitute manufacture last year were imported from foreign countries. The butter industry is practically 100 percent a domestic industry.

In the United States in 1935 there were 155,415 retail dealers in butter substitutes. This was an increase of 50,463 in 1 year. In New York State the number jumped from 4,108 to 13,867.

The only Federal tax on uncolored substitutes at present is one-fourth cent a pound stamp tax. Colored butter substitutes, of which very little is manufactured, bear a Federal tax of 10 cents a pound.

EXTENSION OF REMARKS

Mr. SEGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at the point immediately following the address by the gentleman from New Hampshire [Mr. TOBEY] in Committee of the Whole, on the Dutch elm disease, page 58 of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

FREE EDUCATION FOR SONS OF DEAD WORLD WAR SOLDIERS

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD concerning the education of the orphans of dead World War soldiers and sailors.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I am asking for this opportunity of reaching, through the Members of Congress and through the relatives and friends of war orphans, those young men who are eligible under the act of June 8, 1926, for appointment to the United States Military Academy and the United States Naval Academy. Under said act of June 8, 1926, 40 sons of officers and enlisted men of the Army killed in action or died, prior to July 2, 1921, of wounds or injuries or disease contracted in line of duty during the World War are eligible for appointment to the Military Academy at West Point, and 20 of these orphans must be sons of officers so killed or died and 20 of them must be sons of enlisted men so killed or died. The same is true of the orphans of officers and enlisted men in the Navy and the Marine Corps. Forty such orphan boys may be appointed

to the Naval Academy at Annapolis, and of them 20 must be sons of officers killed or died as above stated and 20 of them sons of enlisted men killed or died as above stated.

AMERICAN LEGION COMMITTEE ON WORLD WAR ORPHANS

Mr. Speaker, the American Legion has done a wonderful work through its national director of education of war orphans, Maj. Gen. Peter C. Harris, retired. They have tried to inspire the sons of these dead officers and enlisted men to prepare themselves for these scholarships at these academies. Of course, surely everybody knows that an education at these splendid schools is absolutely free to those appointed, and that the instruction and the training is just as good as can be had in the most expensive universities and colleges in the country. I have, therefore, been amazed, Mr. Speaker, to learn of the seeming lack of interest in these scholarships, especially among the sons of enlisted men. At present I am informed by General Harris that there are 4,550 orphans, both male and female, of such officers and enlisted men of both the Army and the Navy, now ranging between the ages of 18 and 21. Naturally, we assume that one-half of these orphans are boys. On July 1, 1936, there will be 17 vacancies for the sons of enlisted men and 6 vacancies for the sons of officers at the Military Academy. To fill these vacancies only 25 sons of enlisted men have applied for authority to take the examinations to be held March 3, 1936, whereas 18 sons of dead officers have applied for authority to take the examination on that date. In other words, there are 18 sons of officers competing for only 6 vacancies, whereas there are only 25 sons of enlisted men competing for 17 vacancies, and, judging from past experiences, we very much fear that there will not be found among the 25 sons of enlisted men 17 sufficiently prepared to pass the entrance examination.

SITUATION AT UNITED STATES NAVAL ACADEMY

But, Mr. Speaker, the picture as to the Naval Academy is still worse. There will be on July 1, 1936, nine vacancies for the sons of officers at the Naval Academy, and there are only five such sons applying for authority to take the entrance examinations. On the other hand, there will be 15 vacancies to be filled at the Naval Academy by the sons of enlisted men, and there will be 19 such sons competing to fill said vacancies. Knowing the high average required for entrance to these splendid institutions, I very much fear that there will be several vacancies for the sons of officers and more vacancies for the sons of enlisted men.

SOME ELOQUENT FIGURES

Now, Mr. Speaker, I do not know exactly the ratio between the number of orphans of dead officers and those of dead enlisted men. We do know of the Army that the number of enlisted men killed was 48,261, and the number of officers killed was 2,214. The ratio of those dying since is perhaps the same. But, naturally, the officers, being older and more mature, more of them were married, and, therefore, their ratio of orphans would be higher. However, it would be a reasonably safe estimate to say that about one-third of all these orphans are the children of dead officers, and about two-thirds are the children of dead enlisted men. Upon that basis, of the 2,250 sons now between 18 and 21 years of age, about 750 would be the sons of dead officers, and about 1,500 would be the sons of dead enlisted men. Applying the same ratio to those under 18 years of age, as they shall come up to the age of entrance, there are 2,750 such male orphans under 18 years of age, of whom about 900 are sons of dead officers and about 1,800 the sons of dead enlisted men.

SOME INTERESTING FACTS

Now, Mr. Speaker, I want to reach in this way these 3,300 sons of dead enlisted men and 1,650 sons of dead officers, and also to reach their mothers and their brothers and sisters, and all their relatives and friends, and to impress upon them the wonderful opportunity they are missing by not preparing for and applying for these scholarships that our generous Government has offered them. Those who are 18 years old have until 22 to enter the Military Academy and until 20 to enter the Naval Academy. Here is the best chance for a free education and for life career of honorable service that has ever come to a group of young Americans. All their relatives and their friends, members of local American Legion posts, Daughters of the American Revolution, and all patriotic and civic organizations ought to search out these individual orphan boys, both those 18 and above, and those below 18, and impress upon them the necessity of being prepared by a thorough high-school education and, if possible, by private instruction in addition to high-school training, so that they may be successful in their competition for these scholarships, and then may be able also to pass the entrance examinations, and, having entered, have sufficient ground work of education to carry on successfully their regular courses.

LET ALL GOOD PEOPLE HELP THESE BOYS

For this reason, Mr. Speaker, I am intending to send these remarks to the addresses of the mothers, the guardians, and the orphan boys themselves. I hope these remarks will fall into the hands of school teachers, ministers of the Gospel, American Legionnaires, and public-spirited citizens, and that they will cooperate with the unselfish, patriotic service being rendered by General Harris and will contact him by correspondence. They will receive all the necessary information from him, so as to get these boys, both the sons of officers and of enlisted men, prepared to take up these scholarships. I am sure that General Harris will be very helpful, and I, personally, invite correspondence with anyone interested in making these provisions of the act of June 8, 1926, available to the orphan boys of our honored dead.

LAUNCHING THE U. S. S. "TUCKER"

Mr. DARDEN. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein some remarks I made yesterday at the launching of the U. S. S. *Tucker*.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DARDEN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by myself on the occasion of the launching of the U. S. S. *Tucker*, at Norfolk Navy Yard, Norfolk, Va., February 26, 1936.

Ladies and gentlemen, it is, I think, proper that we should recall briefly some of the incidents in the life of that gallant naval officer, whose name this trim fighting ship will bear through the years that lie ahead.

Commodore Samuel Tucker was born at Marblehead, Mass., on November 1, 1747, almost 200 years ago. He was the son of Andrew Tucker, one of three brothers, who came to this country from Scotland. Andrew Tucker followed the sea. He belonged to that intrepid band of sea captains who did so much to develop the maritime interests of the New World and who in later years furnished naval commanders of great ability and daring.

Samuel Tucker followed in the footsteps of his father. At the age of 11 he entered the service of Great Britain and embarked on the sloop of war *Royal George*. The training which he received in the English Naval Service stood him in excellent stead in later years.

He was in London at the outbreak of the Revolution. It is reported that he refused a commission in His Majesty's service and that as a result he was forced to leave the city secretly. With the help of friends he obtained passage home on a ship belonging to Robert Morris, and, through the intervention of Morris, he was commissioned captain by Gen. George Washington on January 20, 1776, and placed in command of the armed schooner *Franklyn*.

Captain Tucker soon became a successful sea raider. He was so successful in fact that he received special commendation from General Washington, and in the spring of 1776 he was transferred to the command of the armed schooner *Hancock* in which his successes continued. The latter part of 1777 saw him given command of the frigate *Boston*. On February 10, 1778, he was ordered to convey to France the Honorable John Adams, who was being sent abroad as a special envoy. This difficult assignment he discharged most creditably. Having safely transported Adams to France, almost under the guns of the British naval forces, he joined a fleet of Frenchmen then cruising off the French coast. Here he sailed in company with that great sea captain, John Paul Jones.

Time does not permit me to enumerate the many other notable exploits of this capable naval officer. Justice Sprague, in a eulogy of Adams and Jefferson delivered at Hallowell, Maine, in 1826, had this to say in referring to him in connection with the voyage of Adams: "The public ship, on board which he embarked, was commanded by the gallant Commodore Tucker, now living and a citizen of this State, who took more guns from the enemy during the Revolutionary War than any other naval commander." This was a great and a deserved tribute.

The construction of this destroyer was authorized by the President of the United States from funds provided by the appropriation for public works in 1933. The purpose of this authorization was twofold. It was designed to give employment. This it has done both directly and indirectly. While the actual construction work has been done here in this fine old navy yard, whose history is almost one with the Republic's, the materials which have gone into the construction of this vessel have been gathered from many States and have given employment to many hands in the course of their preparation.

The second reason for the authorization lies in the determination of the President to place our sea power upon an adequate basis. He is not a militarist, but he is an authority on our naval needs. He earned the right to be so regarded by his splendid service as Assistant Secretary of the Navy under Woodrow Wilson. He is now Commander in Chief of the naval forces of the United States. In all its long history, which has been a glorious one, our Navy has never been commanded by one so responsive to its needs.

In closing I wish to pay tribute to the skill and the ability of those employed here in the construction of this vessel which will shortly take its place with our fleet. Theirs has been a great contribution.

It matters not where the *Tucker* may be called or on what distant seas she may see service, I know that she will always be worthy of the name that she bears and the flag that she flies, because there has been built into every inch of her trim lines that stamina which comes of honest work skillfully performed.

THE DEPRESSION—ITS CAUSE, CURSE, AND CURE

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a statement on the money question. I have an estimate from the printer.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WHITE. Mr. Speaker, I have the honor to represent, among my constituents, a man who has devoted a lifetime to the study of the money question, and I present herewith, as a part of my remarks, an article on the depression by Mr. Frank E. Johnesse, a man of wide experience in business and mining in the State of Idaho and the Northwest.

It is generally conceded that with the individual discretion is the better part of valor, that it is best not to air one's troubles, and that to be an optimist is a commendable trait. This also applies to the citizenry of nations and the world in general, but there are exceptions to all rules.

Right now the world is struggling under one of the darkest periods since the dawn of civilization. The wheels of industry are silent, unemployment is rife throughout the land, millions of people are without means of sustenance, social unrest is becoming radical, and we are nearing the brink of revolution. The time is at hand when the seriousness of the situation must be acknowledged and faced with courage, and a united and determined effort made to provide a sane solution in the very near future. Various reasons have been given as to the cause, and numerous nostrums have been applied with no lasting relief.

Superficial treatment of the basic causes which have brought on existing conditions, not alone in our own country but throughout the world, will not end it. It may help some of its victims, but only temporarily at best. The present world-wide chaos is not a condition from which we can emerge on a basis of assured general prosperity without fundamental changes in the economic system of all leading nations. We have reached the stage of internationalism where no nation can emerge from it alone.

THE CAUSE

From an economic point of view our antiquated monetary system is the basic cause, for it is an established fact that the money or medium of exchange is the most profound, potent, and far-reaching influence affecting the general or individual welfare and prosperity of the people of any nation. In fact, now that the world has become so intensely commercialized, it is the lifeblood of every phase of society and human endeavor.

Our economic and monetary system has lagged far behind the broad advances that have been made in science and industry. From an industrial standpoint it is due very largely to mechanization—machine production; to our having in the recent past brought into general use a vast variety of labor-saving machines which have revolutionized the processing of commodities of all kinds, and our having failed to adjust our economic structure to meet the situation. This has thrown millions of people out of employment and deprived them of their purchasing power.

There has been a decided falling off of our export trade, due to the lack of an international monetary system and the fact that foreign nations have become modernized by the adoption of up-to-date industrial methods which supplies their demands in many lines. This has taken from us the privilege of functioning as the "bread basket" of the world, as has been our good fortune for the past threescore or more of years.

The fundamental or most profound reason, however, so far as our Nation is concerned, is the ignorance and indifference on the part of the electorate, which has made it impossible to keep our commercial, economic, and industrial system in conformity with the progress of mechanical and political science. As a result we have become victims of a bureaucratic and capitalistic form of government, and industry has become stagnant.

Under existing laws which form the basis of our economic system, and which, due to our ignorance and indifference, have been placed upon our statute books in the interest of the privileged class, the wealth of the Nation has become centralized in the hands of a few, and injustice and oppression is becoming intolerable.

The great majority living under our supposedly most advanced form of government know but little of even its fundamentals and have but the slightest conception of their individual responsibility in governmental affairs. And while in the recent past civilization has made great strides in many scientific lines, we still cling tenaciously to medieval political and economic methods.

Civil government or political science is a vital subject which seriously concerns our citizenship and which, if neglected until maturity by the average individual, they acquire very little knowledge of or interest in, and therefore do not realize what it means to their general well-being. This is due very largely to the fact that it has never been systematically, generally, and without prejudice taught in all grades of our public schools and other institutions of learning as it should be, for it is the one subject that should be outstanding in the curriculum of every grade of every educational institution from the kindergarten up; and until the public is more generally informed on this subject it is going to be difficult to eradicate those most devastating political evils so prevalent under existing conditions.

For a nation to function justly under any form of government it is absolutely necessary that each and every citizen living thereunder zealously realize and judiciously exercise their individual responsibility therein.

It has long ago become an established fact that "eternal vigilance is the price of liberty." That the people must know their government, or "government by, for, and of the people" will fail. Unfortunately the people so far have failed to understand this greatest of all truths: That government is the all-important, dominating influence in the advancement of civilization; that it means more, not merely in sentiment, but in dollars and cents or the necessities of life to the individual than do their private affairs. And this being true, it would seem that the next step in human progress should and must be that of bringing the electorate to a clearer understanding of their individual responsibility.

Unfortunately, reason plays a very small part in practical political education, while experience plays a very large one, and it is plainly evident that the time is at hand for the development of an exceedingly well-educated electorate, for if present conditions stay with us for any length of time, as they bid fair to do, the electorate should be in a way to acquire considerable political intelligence.

There is no question but that the most just and therefore the best system of government ever yet devised and adopted by man is that which derived its just power from the consent of the governed. Therefore if, while we are supposed to be functioning under such a government, the majority suffer from injustice, inequality, and a discriminating economic system, brought about by the centralization of wealth in the hands of a mercenary minority class which usurps legislative power and takes unto itself special privileges, thereby bringing about a discriminating industrial and social condition such as exists in our United States today, then it is not only the right but the bounden duty of the masses to take back unto themselves their constitutional birthright, abolish class rule, and build up a government of universal justice.

In the past ours has functioned as a very successful form of government, not so much because of a strict adherence to the Constitution, as is generally believed, but because of our vast and diversified natural resources which, with the freedom of individual initiative, has permitted the most intensive exploitation. But now that our natural resources have about all passed into the hands of the privileged class and individual initiative stifled, it can no longer function, and a new formula must be devised and adopted if democracy is to survive.

ITS CURSE

Because of the fact that most of our public utilities are owned and controlled by private corporations instead of by the municipalities, State or Nation, or through cooperative organizations, the average person, particularly the laboring class, do not receive a just service therefrom nor a fair proportion of the wealth created by their labor. This in a sense makes of them industrial slaves under our present wage system, as well as an inferior class socially, according to our dollar social standard. And because of our crude partisan political system and our ignorance of political economy we have failed to exercise our individual responsibility in governmental affairs. The result has been that instead of a government by, for, and of the people we have in reality a plutocracy which, through a cunningly devised system of propaganda and legislative corruption, maintains an invisible government, dominating the system under which the various departments of state function, with the result that we are ruled by bureaus, the courts, commissions, and other forms of dictatorships instead of by fixed laws, as our Constitution intended; and there has grown up thereunder an unjust class control, fostering the most gigantic system of graft and political corruption this world has ever known.

Our century and a half of independence shows an astounding record of scientific industrial development and wealth production. In the world's history no other nation has ever made such strides. But the opportunities of the masses are gradually fading. They must awaken and act collectively or soon it will be a mere legend. We have reached an advanced state of hereditary wealth. A parasitic class that never created an honest dollar now riots in luxury at the expense of the producing masses, and they know but little

of human nature who believe that extremes of luxury and poverty can coexist under our advanced educational system without generating envy, malice, all uncharitableness, and, sooner or later, insurrection.

The great majority of the population is laboring on land that is not their own—aliens, so to speak, on their native soil. They create the bulk of the Nation's wealth, but their freedom boast is a joke, for it is little more than "the boast of the slave in this supposedly land of the free and the home of the brave."

This unjust and inequitable distribution of our natural resources and the granting of special privileges robs humanity of its birthright, and, in spite of our protective tariff, farm relief, Federal Reserve Banking System, the Reconstruction Finance Corporation, the N. R. A., and other farcical palliatives that promised relief. The dark shadow of poverty thickens over the masses, class distinction becomes more pronounced, and the surging tide of industrial discontent is rapidly beating down the barriers of society.

It is now plainly evident that under our careless application of what has seemingly been the world's most satisfactory governmental system, there has developed serious defects, and we find that the hindrances to a realization of a government such as we have been striving for are so many and have become so burdensome that a large percentage of our citizenship have become indifferent through having lost heart, as is evidenced by the fact that except in the last general election, which recorded a strong protest against existing conditions, but little more than 50 percent of the electorate have gone to the polls. This certainly indicates a serious indifference, although there are those who are blind enough to attribute it to contentment and satisfaction on the part of the masses. Closely analyzed, however, it will prove to be discontent, discouragement, and disgust, which, having already been fanned to a certain heat, is fermenting an eruption in our body politic from which it is going to require most heroic efforts to save the Nation from a terrific catastrophe.

Our monopolistic commercial corporations and public utilities have outgrown the competitive system and the open market until the production and distribution of practically all necessary and luxurious commodities, other than raw farm products, are more or less under monopolistic control. Monopoly is contrary in every way to democratic principle, a great menace to a just economic and social structure, and must be abolished. It is nothing more or less than plutocracy which is opposed to the rule of the people, claiming that the masses are incompetent. But we have only to review history to learn that wherever power has been placed in the hands of the few, we have had graft, misery, and cruel oppression; while peace, contentment, and good will has ever attained those of a government by the whole people.

Every form of society to date that has existed for a century or more has built up a plutocratic class which has invariably developed within itself the germs of its own destruction. And while it usually, out of its ashes, points the ways and means of a slightly improved successorship, the gains made by such a slow process of evolution are by no means worth the cost.

In the past these disintegrating forces have developed slowly and at different periods in different nations; but today, as a result of the World War and the rapid progress of science and invention, which has brought about mass production and a broader and more rapid means of communication and transportation, a new era is dawning; not only in the leading nations, but in many of the most remote and backward nations of the world. Everywhere a progressive revolutionary spirit is strongly manifest as is evident from recent events in many nations of the world. Here in the United States it is becoming deep-rooted, and the movement has made greater progress than is generally understood; it is a spontaneous result of oppression and cannot be averted but should be met and dealt with in a logical way to prevent going to the other extreme.

We still have the ballot and a semifree press, but we will not have them long if we do not take advantage of them in the very near future.

The rulers of Rome shook off the Republic, did away with the ballot, forcibly installed an Emperor, and in due time—the inevitable—Rome fell. They were entrenched by a falsely constructed "public sentiment" built up by propaganda, which for a time gave them the army. A public sentiment created by falsehood, misrepresentation, and misunderstanding, which, due to the stupidity on the part of the masses, is easily established.

Time was when the masses were disposed to suffer so long as the evils were bearable, rather than to right themselves by modernizing and improving upon the form of government to which they have been accustomed, but under our advanced educational system they will, now that they are beginning to understand, insist on keeping pace with the progress of human endeavor. In the future it will not be possible to keep them in ignorance and maintain a class distinction based on the dollar standard. There is only one standard under which society can be graded and endure, and that is standard based on intellect, morals, and the Golden Rule.

Today, in our public schools, colleges, and universities, and even in our churches, paternal and benevolent orders, this class distinction based on the dollar, dress, and the make of the car one drives, has become so pronounced that it is actually humiliating to those who are unable to qualify. This has a very demoralizing effect on our social structure and breeds class hatred, the greatest disintegrating force in social life.

As the grip of plutocracy tightens, our courts assume more and more power not contemplated by our fundamental laws, and the powers thus assumed are almost invariably in favor of the ruling class.

It is a well-known fact that under our present dishonest class-controlled political system a very large percent of all our public elective or appointive offices are filled by incompetents, who are usually the political tools or hirelings of the ruling class. In no branch of our Government is this condition more pronounced than in our legislative halls. Go down to Washington while Congress is in session and make a close survey of those that represent us there and who are supposed to make our laws, and you will have much less respect for that supposedly august body and the system under which it functions. Except for a few independent, honest Members and the "inner circle" which controls to a large percent by a corrupt system both branches of Congress, the rest might as well leave their proxies with the "inner circle" to be voted as directed by the lobbyists that infest the city and return to their homes. This is quite as true of the average State legislature. It is certainly a revelation to the unsophisticated to have the opportunity of a close-up on our modern legislative bodies, for they are generally found to be composed largely not of statesmen or near-statesmen, as should be expected, but chiefly of some who are fossilized, others who are hypnotized, many dollarized, and not a few but who are seemingly mentally paralyzed.

Out of the 561 Members of our present Congress, there are but a small percent who really count. The balance are simply rubber stamps, tools (many unconsciously) of a corrupt political system, and it is only the independents or free lances who are accredited with any individuality or statesmanship.

The various lobbies that infest our National and State Capitols form an almost impregnable barrier between the people and their representatives, and the well-informed person cannot help but see that as a supposedly prosperous and contented Nation functioning under a representative form of government we are slipping fast. Popular rights have become political privileges, and the Nation is officially, economically, and morally sick.

In spite of the optimistic propaganda headlines in our daily press, poverty is increasing; every day it becomes more difficult for the laboring class to provide the necessities of life, discontent is spreading throughout the land, and none can deny but that as a result our social and moral standards are being rapidly shattered.

It makes but little difference what party is in power, our legislative bodies usually carry out the mandates of the plutocratic or dominating class, resulting in the building up of a bureaucratic form of government, the most burdensome, expensive, inefficient, and arbitrary ever imposed upon the human family. Teapot Dome and the alleged graft of the War Finance Board are but mild symptoms of the disease. For more serious results we have but to familiarize ourselves with statistics showing the tremendous growing national debt, the rapid increase in the delinquent tax list, the vast army of unemployed, the large percent of farmers who have lost their farms, the number of bank failures, the increase in crime, and the rapid accumulation of wealth in the hands of a few.

The majority of Congress appear to be imbued with dollar diplomacy, for while they are well aware of the fact that the public is being taxed billions of dollars each year in the payment of dividends on the highly watered stocks of public utilities, they favor such exploitation through private ownership.

One thing which is as great an obstacle to political and social progress as ignorance, if indeed they are not one and the same thing, is tradition. Humanity is prone to disregard the constantly increasing demand for changes in Government to conform to advances in science and intelligence, simply because they would supersede established customs. Our habits become crystalized, and so we drift along. The rich getting theirs by doing the Government and the poor owing their condition to neglect of Government. This is due largely to the fact that we put too much confidence in representative government, when it can so easily be controlled by the privileged class. Ours is no longer a government representing the masses, but representing predatory powers to whom we hand out our natural resources and monopolistic privileges. The natural resources of the Nation have been and are being exploited in a manner that reflects most unfavorably on the intelligence of its electorate.

The system has been carried to the hazardous extreme. The people leave it to legislative representatives, who, in turn, put it up to a committee, bureau, or department heads, whose verdict is generally final, and who are subjected to the influences of all the most powerful political trickery and bribery known to modern lobbyists, with the result that we have been constantly enacting class legislation and doling out these special privileges at the expense of the public.

History does not record one single instance where the dominating or ruling class in any country has ever voluntarily relaxed or made one important concession in favor of the oppressed. But on the contrary, they have invariably gradually added to their demands until the "worm has turned." It is, therefore, futile for the oppressed to look for relief from the oppressor, for it always has, always will, and must always come from their own efforts.

It is hardly necessary to enumerate the many other political depravities that have been running rampant in our governmental institutions as a result of this political degeneracy. Very few citizens will deny their existence, nor will they dispute that they have grown so general and so malignant as to threaten the very foundation of our Government.

We have only to recall the sugar scandal involving high political officials, the graft and corruption of the Veterans' Bureau, the dishonest sale of surplus war supplies; the shameful scandal of prohibition enforcement; the rotton administration of our

revenue office, the Treasury and the Interior Departments; the miscarriage of the Federal Reserve Banking System; the wholesale fraud and petty larceny of the Shipping and Farm Boards; and legalized graft in Congress, as well as the sinister actions and inactivities of the Department of Justice. All are matters of common knowledge, as is also the fact that graft in private and corporate business has become universal.

The greatest obstacle to getting just and unbiased information to the people on any vital subject of national importance is the propaganda methods which are now being so successfully employed by those who are in a position to influence or control the press and the radio. And should further abuse by thus imposing corrupt economic methods and industrial inequalities result in a revolution on the part of the masses this method of conveying misinformation to the people will be largely responsible for it.

Lincoln is credited with having said, "Government rests on public opinion. Whoever can change public opinion can rule the government." Propaganda can do it, and the forces that control the press and radio have every advantage.

The Government can always be relied upon to support those who own and control the industries and resources in any controversy with the laboring class or masses, regardless of the justice of its action. This is not necessarily due to the fact that all of those who administer the different branches of the Government are crooked or corrupt, but to the inherent function of any government to defend the social and economic system under which it exists and of which it is the most accurate reflection.

Usually our chief concern with respect to new legislation is its effect on industry and our pocketbooks, rather than on our social order. As an example, its effect on monopolized industry is the sole cause of the opposition to the Child Labor Act, which has met with such opposition in spite of the justice of it. Therefore, can it be denied that ours is no longer a government of, for, and by the people? It has become one of and by representatives of the privileged class.

Despite our splendid success in a war waged against foreign autocracy, our country is menaced by the growing power of an autocratic and reactionary minority influence at home. We are gradually losing many of the liberties and advances won in the course of our national development, and there is grave likelihood of our being left stagnant and backward in a world that, for the most part, is vigorously striving to reorganize its economic and political life.

Centralization of wealth and bureaucracy has been increasing rapidly in the organization of our Government, in the control of credit, and in the determination of public opinion. The very classes who labor in factory and field and form the basis and substance of our economic structure find no effective political medium through which to express their economic demands, but by deceptive diversions of our party system are denied their proper representation in the lawmaking bodies of the Nation.

Free speech and free press has become a joke; periodicals are suppressed by a dictator without a pretense of adequate hearing; public assemblies meeting under constitutional provisions are dispersed by official force or by mob violence bred of official intolerance; agricultural and labor organizers and political reformers are not only suppressed but are in many cases sent to penitentiaries for terms of such unprecedented severity as to surprise even the fallen despots of Europe.

The sad part of letting a condition that breeds such universal injustice and discontent continue until it reaches the breaking point is the fact that it is not those who create and impose the condition but the masses that must suffer most, and in many ways. But it is the system and not the individual or class upholding it that should first be condemned and disposed of, and every peaceful means possible should be employed to remedy the evil before resorting to harsher methods.

There is a propaganda going over the land to the effect that democracy has failed, when the fact is we have boasted of living under a democracy without ever having strictly applied its principles. Representative government is not real democracy.

Therefore, can there be any real doubt but that most poverty and a very large percent of all crime and suffering is the direct result of the stupidity of the electorate which permits this maladjustment of our legislative system and social order? And under these conditions is it not self-evident that we have reached the point where we must admit that representative government is a failure because it subjects the masses to the mercy of greed, the world's greatest foe?

THE CURE

The foregoing is a serious indictment, but literally true. The time has come for all free minds to meet in concerted effort to face and shape the crisis. There can be no lasting relief under our existing economic order. New and radical methods must be devised and adopted; which, first of all, must provide for a more equitable and just distribution of the wealth created from labor and our natural resources.

When all is said and done, the main objective in life is, or should be, intellectual achievement and contentment. And if we would but realize it, it is most abundantly obtained through friendly association with our fellow men, building for a common good. Doing for others brings far greater reward to one's peace of mind than to satisfy our own selfish desires. And yet while this fact is generally accepted as true, the present generation has a false idea as to how it is obtained and appears to be obsessed with the thought that it comes through mercenary tactics in accordance with our crude economic system.

The late war has revealed to all the world—except, perhaps, the personnel of the big corporations who control our Government—the basic importance and incomparable social value of labor. In the future the development of human society, if it is to continue on an upward trend, will have to be toward a very much better place for labor and its associate interest—which includes the agricultural class—than they have ever before had. To try to oppose such a movement is to oppose evolution. And evolution suppressed germinates revolution.

The real remedy lies with the people who must act collectively. Compulsory voting with a nonpartisan primary, direct legislation, and the recall is our constitutional salvation, or at least the beginning of it.

We must look elsewhere than to political party agencies for relief. Nothing but a determined nonpartisan movement will ever reclaim or revitalize these institutionalities so essential to the continuity of the Nation's welfare. Parties as constituted today are nothing more than class agencies, made up too often or led by Judases, ready at the opportune time to betray the public or each other to further their own selfish ends. Solidity of the masses enlisted for a common cause, regardless of party, with a broader knowledge of political economy is by far the most effective measure, and the desired results can thereby be more quickly and permanently established than through party organization. There would be no parties as we know them today were it not for the spoils.

The purification of our political problems depends on the men we put in office and not the party they represent. Were it not for the party subservience on the part of public officers, many of our present political evils never could have developed. A strict partisan is not a loyal citizen.

To get down to true democracy here in our own country it is going to be necessary to enact some such reform legislation before it is too late for such action. No intelligent person will expect all these necessary radical changes to be made spasmodically, nor could they be without most seriously disrupting our national equilibrium. It must be brought about by degrees, but the start must be made in the near future and readjustment carried on until at least these most destructive evils have been eradicated. To bring this about is going to require an educational campaign which should result in the passing of a law or an amendment to our Constitution providing for a compulsory nonpartisan primary voting system. Such a law would be the means of getting out close to 100 percent of the votes, and with that we need have no fear of results, for we would then be ruled by the majority instead of by a minority, as under our present system.

If we consider the question in the right spirit, we will readily see that voting is an obligation which we owe our country, and which every citizen should regard as a sacred responsibility. It is the highest test of patriotism. The real patriots are not those who worship the flag or cling blindly to established forms and customs because they were instituted by our honored dead, but are those who realize their personal responsibility in the Government under which they live, keep themselves informed, and are not a "citizen slacker." We must vote our unbiased convictions to safeguard our institutions against the enemies of democracy and all other political evils.

How quick we would arrest and punish a man were we to see him trample the flag beneath his feet. Yet we accept in good society the men and women who on election day turn their backs on the flag by not casting their ballot. In times of war there are always millions who are willing to die for their country, and it does seem that at all times everyone should be willing to at least vote for its preservation.

"The ballot is a greater national safeguard than the strongest army and navy we could maintain."

"A weapon that comes down as still
As snowflakes fall upon the sod;
But executes a freeman's will,
As lightning does the will of God."

If all qualified voters were to obliterate party allegiance and do more thinking for themselves along economic and political lines and never miss a chance to vote independently when the opportunity offers, there would be no question about sustaining and improving upon the basic system of our Government, which should rest on the people's will.

The next important law should be the adoption of the initiative and referendum in municipalities, State, and Nation; with a compulsory voting system it will prove most effective, for it is much safer to trust our fate to a majority of the electorate than to a representative body or a "brain trust."

Until such a law has been made operative it is a misrepresentation of facts to say that ours is a government that derives its just powers from the consent of the governed.

In the past the people have not understood the initiative and referendum. They have looked upon it as an untried experiment, although it is nothing more than self-government—direct legislation; in other words, true democracy. It simply means that instead of the usual loose and indirect method the people shall act directly. And without such a system we are not in reality self-governing. With the adoption of these two most essential reform measures many of our numerous political evils would soon be dispelled.

The first requisite for relief from existing economic conditions is the stabilization of the purchasing power of money, and now that we are living in the metal age this can best be accomplished by having the price of a group of the leading industrial metals,

which are interchangeable, imperishable, and indispensable, fixed by a national or international law, each at a ratio with some fixed standard, for which gold would serve the purpose, and all debts, both public and private, redeemable in a national currency therewith secured. This would regulate the market and equalize the purchasing power of the dollar or medium of exchange and, therefore, stabilize industry as nothing else would. The price of all other commodities not included in the fixed standard would then soon become automatically adjusted to their relative production labor cost.

Under this system the price would regulate the supply and demand much more indiscriminately than supply and demand can regulate the price. It would prevent control of prices by trusts and combines and thereby distribute the usual excessive profits, which under our present system go to the middleman, between the producer and consumer. It would also provide the basis for an ideal international monetary system and in effect revolutionize or rectify to a large extent our present crude and unjust economic system, a reform which is very essential to our general well-being.

Prices, except for that of the raw farm products, are no longer subject to the law of supply and demand but are fixed by codes, combinations, and trusts, a fact that even the most unsophisticated must realize. Therefore, would it not be far better to have prices fixed automatically by a broad practical and equitable monetary system, functioning under natural laws, than by trusts and combines that operate solely to serve their own selfish ends?

With the afore-mentioned reform measures functioning properly, it would not be long before we would realize the justice and see the necessity of substituting our present tax system with a graduated income tax which could be made to include every known form of tax levy and provide the most equitable and just tax system ever yet proposed.

Our present tax system is a maze, the same as has been used since the dawn of civilization. It is antiquated, crude, burdensome, inequitable, and not adapted to advanced civilization. This is a scientific age, and it is not to be expected that medieval formulas will fit present conditions. For quick relief from existing conditions the chief requisite is the broadening of the metal basis backing our monetary system, as above stated. Then, with compulsory voting and the initiative and referendum, other reform measures will soon follow, and their early adoption will save us from despotism.

Unfortunately, the general public understands but little about any one of these vital principles, and as a rule "what we are not up on we are generally down on." However, if compelled to vote, they will very naturally want to know what and whom they are voting for, and it will be an incentive for broader information on their part.

With the initiative and referendum they will study the various problems upon which they will have to pass and, therefore, realize and exercise their individual responsibility a great deal more than if they were left to a representative body to pass upon.

There seems to be little doubt but that the present administration earnestly desires to overcome many of these existing evils, but it can never be accomplished through the building up of a greater bureaucracy and the stifling of individual initiative which appears to be their proposed method.

We have no call for a dictator, Hitlerism, socialism, or communism; nor can we expect a utopia on this earth. All that is necessary to bring about a more equal production and distribution of the bountiful store of the necessities as well as the comforts and luxuries of life is a strict application of democratic principles.

The fundamental principles of a democracy, as generally understood, are that of the greatest good for the greatest number. But in our zeal to promote industry and our natural inclination to follow the supreme law of nature, that of "the survival of the fittest", it has been disregarded in our modern legislation, and we have become imbued with the capitalistic idea which holds that, if big business is taken care of, the masses will in some way be provided for, instead of fostering and promoting the principle of common welfare or brotherly love.

The afore-mentioned proposed relief measures tend toward a more general application of the Golden Rule, which should be our main objective in the advance of civilization, and without the application of which we can never hope to attain anything like equal justice and universal peace. It has been the creed of every seer, prophet, or public benefactor since the inception of man, and the only creed that has never been assailed by false prophets. It assures peace and happiness, joy and contentment, love and devotion, good will and universal fellowship, and pays a thousandfold. It is a principle which saint and sinner, Jew and Gentile, and followers of every known faith can subscribe to and from which all can reap abundantly of the blessings of life. Boiled down, it is just brotherly love, which is the essence of all religion and the greatest civilizing factor in human life.

FRANK E. JOHNESSE.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 7147. An act authorizing a preliminary examination of the San Gabriel and Los Angeles Rivers and their tributaries, to include both drainage basins and their outlets, in Los Angeles County, Los Angeles, Calif., with a view to the controlling of floods.

The SPEAKER announced his signature to a joint resolution of the Senate of the following title:

S. J. Res. 217. Joint resolution postponing the effective date of certain permit and labeling provisions of the Federal Alcohol Administration Act.

ADJOURNMENT

Mr. O'CONNOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 12 minutes p. m.) the House adjourned until tomorrow, Friday, February 28, 1936, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

Hearing before the Committee on the Public Lands, Friday, February 28, 1936. To be held in room 328 at 10:30 a. m. on H. R. 10303, to establish a National Resources Board.

EXECUTIVE COMMUNICATIONS, ETC.

680. Under clause 2 of rule XXIV a letter from the Chairman of the Federal Communications Commission, transmitting, pursuant to the provisions of the act of Congress entitled "An act to authorize and provide for the disposition of useless papers in the executive departments", approved February 16, 1889 (25 Stat. 672), as amended by the act approved March 2, 1895 (28 Stat. 933), a schedule of useless papers in the office of the Federal Communications Commission in Washington, D. C., and its several field offices, was taken from the Speaker's table and referred to the Committee on the Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'CONNOR: Committee on Rules. House Report 2081. A resolution relating to lobbying pursuant to House Resolution 288. Referred to the Committee of the Whole House on the state of the Union.

Mrs. O'DAY: Committee on Immigration and Naturalization. S. 2912. An act to repatriate native-born women who have heretofore lost their citizenship by marriage to an alien, and for other purposes; with amendment (Rept. No. 2106). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOUSTON: Committee on Claims. H. R. 4670. A bill to authorize the Attorney General to settle outstanding claims against Chapman Field, Fla., and for other purposes; with amendment (Rept. No. 2107). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TAYLOR of Tennessee: Committee on Immigration and Naturalization. S. 3399. A bill for the relief of Rosalie Piar Sprecher (nee Rosa Piar); without amendment (Rept. No. 2082). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 857. A bill for the relief of Eugene McGirr and Rose McGirr; with amendment (Rept. No. 2083). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 1439. A bill for the relief of William Hayes; with amendment (Rept. No. 2084). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 1915. A bill for the relief of Henry O. Goddard; with amendment (Rept. No. 2085). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 4565. A bill for the relief of Lucile Smith; with amendment (Rept. No. 2086). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 4955. A bill for the relief of the heirs of Jennie Brenner; with amendment (Rept. No. 2087). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 6344. A bill for the relief of the estate of John A. McGloin; with amendment (Rept. No. 2088). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 6951. A bill for the relief of Thomas J. English; with amendment (Rept. No. 2089). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 6999. A bill for the relief of Frank Rottkamp; with amendment (Rept. No. 2090). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 7529. A bill for the relief of Mariano Biondi; with amendment (Rept. No. 2091). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 8671. A bill for the reimbursement of R. H. Quynn, lieutenant, United States Navy, for loss of property by fire at the naval operating base, Hampton Roads, Va.; with amendment (Rept. No. 2092). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 8685. A bill for the relief of Edwin Pickard; with amendment (Rept. No. 2093). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 8799. A bill for the relief of John N. Hunter, postmaster at South Bend, Ind.; Edmund D. Cook, acting postmaster at Allegan, Mich.; Fred C. Putnam, postmaster at Kalamazoo, Mich.; and Merchants National Bank of South Bend, South Bend, Ind.; with amendment (Rept. No. 2094). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H. R. 9375. A bill for the relief of certain disbursing officers and former disbursing officers of the United States Veterans' Administration; without amendment (Rept. No. 2095). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 9455. A bill for the relief of Robert J. Mann; with amendment (Rept. No. 2096). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 277. An act for the relief of the Perkins-Campbell Co.; with amendment (Rept. No. 2097). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. S. 918. An act to carry out the findings of the Court of Claims in the case of the Union Iron Works; with amendment (Rept. No. 2098). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 1837. An act for the relief of W. W. Cook; with amendment (Rept. No. 2099). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 2188. An act for the relief of the estate of Frank B. Niles; with amendment (Rept. No. 2100). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 2590. An act for the relief of James E. McDonald; without amendment (Rept. No. 2101). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. S. 3001. An act for the relief of Walter F. Brittan; without amendment (Rept. No. 2102). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. S. 3090. An act for the relief of Joseph M. Cacace, Charles M. Cacace, and Mary E. Clibourne; with amendment (Rept. No. 2103). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3274. An act for the relief of Mary Hobart; without amendment (Rept. No. 2104). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 3683. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department; without amendment (Rept. No. 2105). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SEARS: A bill (H. R. 11501) to authorize the acquisition of lands in the vicinity of Jacksonville, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon; to the Committee on Naval Affairs.

By Mr. BINDERUP: A bill (H. R. 11502) providing for the reorganization of the Farm Credit Administration; to the Committee on Agriculture.

By Mr. RANKIN (by request): A bill (H. R. 11503) to provide for the payment of pension to certain blind veterans of the World War; to the Committee on World War Veterans' Legislation.

By Mr. MEAD: A bill (H. R. 11504) to authorize the Secretary of War to grant to the city of Buffalo, N. Y., the right and privilege to occupy and use for sewage-disposal facilities part of the lands forming the pier and dikes of the Black Rock Harbor improvement at Buffalo, N. Y.; to the Committee on Rivers and Harbors.

By Mr. DISNEY: A bill (H. R. 11505) providing for continuing retirement pay, under certain conditions, of officers and former officers of the Army, Navy, and Marine Corps of the United States other than officers of the Regular Army, Navy, or Marine Corps who incurred physical disability while in the service of the United States during the World War; to the Committee on World War Veterans' Legislation.

By Mr. ELLENBOGEN: A bill (H. R. 11506) to amend the internal-revenue act to provide that there shall be levied, collected, and paid on cigars, if manufactured or imported to retail at not more than two for 5 cents, $1 per thousand, and for other purposes; to the Committee on Ways and Means.

By Mr. LUDLOW: A bill (H. R. 11507) to amend Public Law No. 271, Seventy-fourth Congress; to the Committee on Ways and Means.

By Mr. WOLCOTT: A bill (H. R. 11508) to provide for the extension of the classified civil service to include postmasters of the first, second, and third classes, and for other purposes; to the Committee on the Civil Service.

By Mr. WHITE: Joint resolution (H. J. Res. 505) relating to the civil-service requirements of applicants for positions as medical officers in the Indian Service; to the Committee on the Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AMLIE: A bill (H. R. 11509) for the relief of Frank Barlass; to the Committee on Claims.

By Mr. COLE of Maryland: A bill (H. R. 11510) for the relief of Montrose Grimstead; to the Committee on Claims.

By Mr. CONNERY: A bill (H. R. 11511) for the relief of William J. B. Hughes; to the Committee on Naval Affairs.

By Mr. ELLENBOGEN: A bill (H. R. 11512) for the relief of Max W. Amster; to the Committee on Pensions.

By Mr. GILLETTE: A bill (H. R. 11513) for the relief of Walford W. Watt; to the Committee on Military Affairs.

By Mrs. GREENWAY: A bill (H. R. 11514) for the relief of Harriet King; to the Committee on Claims.

By Mr. LAMBERTSON: A bill (H. R. 11515) granting a pension to Mollie Clinkinbeard; to the Committee on Invalid Pensions.

By Mr. LEA of California: A bill (H. R. 11516) for the relief of First Lt. Frank Z. Pirkey; to the Committee on Military Affairs.

By Mr. LUNDEEN: A bill (H. R. 11517) for the relief of Grace Campbell; to the Committee on Claims.

By Mr. O'BRIEN (by request): A bill (H. R. 11518) for the relief of Lester B. McAllister; to the Committee on Claims.

By Mr. SEARS: A bill (H. R. 11519) for the relief of Joseph Noel Roberts; to the Committee on World War Veterans' Legislation.

By Mr. TARVER: A bill (H. R. 11520) for the relief of Lon D. Worsham Co.; to the Committee on Claims.

By Mr. THOMASON: A bill (H. R. 11521) granting a pension to Mary Eva Frazier; to the Committee on Pensions.

By Mr. KING: Joint resolution (H. J. Res. 504) to authorize the issuance to Sekigo Takahashi of a permit to reenter the United States; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10308. By Mr. BIERMANN: Petition of Irving J. Sweetser, H. J. Huber, and others, asking for remedial legislation in regard to star routes; to the Committee on the Post Office and Post Roads.

10309. By Mr. BLOOM: Petition of the members of the Hudson Branch of the American League Against War and Fascism, opposing the passage of the Tydings-McCormack bill (H. R. 5845); to the Committee on Military Affairs.

10310. By Mr. DRISCOLL: Petition of patrons of star route no. 10211, between Clarendon and Vandergrift Corners, Pa., urging enactment of legislation at this session of Congress to extend all star-route contracts and increase compensation on them; to the Committee on the Post Office and Post Roads.

10311. Also, petition of patrons of star route no. 10651, between Corydon and Warren, Pa., urging enactment of legislation at this session of Congress to extend all star-route contracts and increase compensation on them; to the Committee on the Post Office and Post Roads.

10312. Also, petition of patrons of star route no. 10175, between Warren and Oil City, Pa., urging enactment of legislation at this session of Congress to extend all star-route contracts and increase compensation on them; to the Committee on the Post Office and Post Roads.

10313. By Mr. FOCHT: Resolution of the Lehigh Valley Railroad Veterans' Association, supporting immediate passage of Senate bill 1632 and House bill 3263; to the Committee on Interstate and Foreign Commerce.

10314. By Mr. GRAY of Indiana: Petition of citizens residing in towns served by star route no. 33199, a part of the Tenth Indiana Congressional District, favoring legislation to indefinitely extend all existing star-route contracts, and increase the compensation thereon, to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10315. Also, petition of citizens residing in towns served by star route no. 33197, a part of the Tenth Indiana Congressional District, favoring legislation to indefinitely extend all existing star-route contracts, and increase the compensation thereon, to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10316. Also, petition of citizens residing in towns served by star route no. 33175, a part of the Tenth Indiana Congressional District, for legislation to indefinitely extend all existing star-route contracts, and increase the compensation thereon, to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10317. By Mr. HENNINGS: Petition of the Greater St. Louis Colonial Patriotic Club, protesting against relief and aid being given by the United States Government to unnaturalized citizens, and against the fact that over 5,000,000 aliens are jobholders in the United States; to the Committee on Appropriations.

10318. By Mr. LUDLOW: Petition of citizens of the State of Indiana, favoring the enactment of legislation to provide for the issuance of permanent contracts to all contractors and subcontractors on star routes and to increase the compensation thereon; to the Committee on the Post Office and Post Roads.

10319. By Mr. SMITH of Washington: Petition signed by citizens and patrons of star mail route 71265, Montesano, Wash., urging the enactment of legislation that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10320. By Mr. TAYLOR of Colorado: Petition of citizens of Dolores County, Colo., requesting passage of legislation indefinitely extending all existing contracts for star routes, etc.; to the Committee on the Post Office and Post Roads.

10321. Also, petition of citizens of La Plata County, Colo., requesting passage of legislation indefinitely extending all existing contracts for star mail routes, etc.; to the Committee on the Post Office and Post Roads.

10322. Also, petition of citizens of Archuleta County, Colo., requesting passage of legislation indefinitely extending all existing contracts for star mail routes, etc.; to the Committee on the Post Office and Post Roads.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 28, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Lord God of Hosts, we are borne hither on the bosom of Thine innumerable mercies. Thou art not only a God of wisdom and might, but our Heavenly Father whom we know in the sanctuary of our souls. Bow down Thine ear, O Jehovah, and answer our prayer, for we are poor and needy. Teach us Thy way and unite our hearts to fear Thy name. We praise Thee that in joy and in sorrow, through light and darkness, we are sustained according to Thy promise that all things work together for good to them that love Thee. Unite our people everywhere and let the heart be as strong as the head. Do Thou let genuine patriotism and cooperation prevail, augmented by a forceful devotion to the public service. Heavenly Father, we earnestly pray Thee that Thy glorious word may be held in our hearts: "The memory of the just is blessed", and unto the Father, Son, and Holy Spirit be eternal praises. Amen.

The Journal of the proceedings of yesterday was read and approved.

RELIGIOUS FREEDOM

Mr. CULLEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting the speech delivered by the President of the United States on religious freedom and tolerance on Brotherhood Day.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CULLEN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the address of President Roosevelt Sunday, February 23, 1936, on religious freedom, in connection with the celebration of Brotherhood Day, as follows:

I am happy to speak to you from my own home on the evening of a Sabbath day which has been observed in so many of your home communities as Brotherhood Day. The National Conference of Jews and Christians has set aside a day on which we can meet, not primarily as Protestants or Catholics or Jews but as believing Americans; a day on which we can dedicate ourselves not to the things which divide but to the things which unite us. I hope that we have begun to see how many and how important are the things on which we are united. Now, of all times, we require that kind of thinking.

There are honest differences of religious belief among the citizens of your town as there are among the citizens of mine. It is a part of the spirit of Brotherhood Day, as it is a part of our American heritage, to respect those differences. And it is well for us to remember that this America of ours is the product of no single race or creed or class. Men and women—your fathers and mine—came here from the far corners of the earth with beliefs that widely varied. And yet each in his own way laid his own special gift upon

our national altar to enrich our national life. From the gift that each has given, all have gained.

This is no time to make capital out of religious disagreement, however honest. It is a time, rather, to make capital out of religious understanding. We who have faith cannot afford to fall out among ourselves. The very state of the world is a summons to us to stand together. For, as I see it, the chief religious issue is not between our various beliefs. It is between belief and unbelief. It is not your specific faith or mine that is being called into question, but all faith. Religion in wide areas of the earth is being confronted with irreligion; our faiths are being challenged. It is because of that threat that you and I must reach across the lines between our creeds, clasp hands, and make common cause.

To do that will do credit to the best of our religious tradition. It will do credit also to the best in our American tradition. The spiritual resources of our forebears have brought us a long way toward the goal which was set before the Nation at its founding as a Nation.

Yet I do not look upon these United States as a finished product. We are still in the making. The vision of the early days still requires the same qualities of faith in God and man for its fulfillment.

No greater thing could come to our land today than a revival of the spirit of religion—a revival that would sweep through the homes of the Nation and stir the hearts of men and women of all faiths to a reassertion of their belief in God and their dedication of His will for themselves and for their world. I doubt if there is any problem—social, political, or economic—that would not melt away before the fire of such a spiritual awakening.

I know of no better way to kindle such a fire than through the fellowship that an occasion like this makes possible. For Brotherhood Day, after all, is an experiment in understanding; a venture in neighborliness.

I like to think of our country as one home in which the interests of each member are bound up with the happiness of all. We ought to know by now that the welfare of your family or mine cannot be bought at the sacrifice of our neighbor's family; that our well-being depends, in the long run, upon the well-being of our neighbors. The good-neighbor idea as we are trying to practice it in international relationships needs to be put into practice in our community relationships. When it is, we may discover that the road to understanding and fellowship is also the road to spiritual awakening. At our neighbor's fireside we may find new fuel for the fires of faith at our own hearthside.

It would be a fitting thing for an organization such as the National Conference of Jews and Christians to undertake this kind of a project in neighborliness. I should like to see associations of good neighbors in every town and city and in every rural community of our land. Such associations of sincere citizens like-minded as to the underlying principles and ideals would reach across the lines of creed or of economic status. It would bring together men and women of all stations to share their problems and their hopes, and to discover ways of mutual and neighborly helpfulness. Here, perhaps, is a way to pool our spiritual resources; to find common ground on which all of us of all faiths can stand; and thence to move forward as men and women concerned for the things of the spirit.

AMERICA SPEAKS—THE TOWNSEND PLAN

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address delivered by me on the Townsend plan before Potomac Grange, No. 1, in Washington, February 19, 1936.

Mr. SNELL. Reserving the right to object, Mr. Speaker, will the gentleman tell us whose address it is?

Mr. SMITH of Washington. It is my own address, and it is a very good address, too.

Mr. SNELL. Mr. Speaker, I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD I insert an address delivered by me before Potomac Grange, No. 1, at Washington, D. C., February 19, 1936.

The address is as follows:

Brother Worthy Master, Brother Chairman Wallace, and my brothers and sisters of the Grange, I am very happy to have the privilege of addressing you this evening, and I assure you it is both an honor and a pleasure for me to appear before Potomac Grange, No. 1, which, I am advised, is the first Grange organized in the United States, in 1867. I am, myself, a Granger, as you know, and belong to Newton Grange in Grays Harbor County in the State of Washington. I am acquainted with National Master Louis J. Taber and State Master Ervin E. King, of my State, and during my service as a Member of Congress during the past 4 years I have been glad to cooperate with both of these leaders in active support of meritorious farm legislation advocated and favored by the National Grange.

My friends, I have been requested to discuss with you on this occasion the Townsend plan, in which I have been deeply interested for the past 2 years, for I first became interested in it at a time when there was not a single Townsend club in my State, and I have taken a prominent part in the campaign waged in its behalf in and outside of Congress.

If I were to give my remarks this evening a title, I would entitle them "America Speaks." A brief 2 years ago out in the far West, at Long Beach, Calif., Dr. F. E. Townsend, unheralded and unknown, raised his voice in behalf of his aged fellow citizens and all his countrymen, young as well as old, and made known to a small circle of his personal friends and afterward to the community in which he lived his plan of revolving old-age pensions and his program for permanent national recovery.

This plan, under the leadership of its author, Dr. Townsend, and that of his closest personal friend and its cofounder, Robert E. Clements, has since become the strongest, most dynamic social, economic, and political reform movement in the history of modern America. From the sun-kissed shores of the Pacific it has rapidly spread across the continent and everywhere captured the minds and hearts of the men and women of America—until tonight, as we are gathered here in the Nation's Capital, there are tens of millions of our fellow citizens residing in every town and city, in every village and hamlet, high in the mountainous regions and down in the vales and valleys and upon the rolling prairies, by lakes and rivers and harbors and in far-inland places, whose voices have become a mighty swelling chorus, the like of which has never before been heard in America, speaking in earnest, unmistakable tones to their public servants in the Halls of Congress and in the Executive Mansion on Pennsylvania Avenue, demanding social justice and the application to the affairs of their Government of those eternal principles of righteousness which exalteth a nation—demanding, if you please, the prompt, speedy enactment into law of the Townsend plan.

I have studied this plan for old-age pensions and national recovery for the past 2 years. I placed in the CONGRESSIONAL RECORD on April 4, 1934, the first statement and explanation of the Townsend plan which was made in the Congress of the United States and the first official notice which it received in the National Capital. I have studied it continuously since then, and was one of a small group of House Members who drafted the first and second bills embodying the plan, the latter receiving 56 votes in the last session of Congress, and am again serving on the steering committee in this session.

The Townsend plan provides for a 2-percent transactions tax on the gross business turn-over of the United States, which amounted to thirteen hundred billion dollars in 1929, according to the reports of the Federal Reserve Banks, and these figures did not include the transactions passing through the State banks or cash transactions. However, taking the thirteen hundred billion dollars as a basis, a 2-percent transaction tax thereon will yield a revenue of $26,000,000,000 per annum, which is considerably more than the $19,200,000,000 required to pay 8,000,000 United States citizens of the age of 60 or over $2,400 per annum at the rate of $200 per month. The surplus will be $6,800,000,000 per annum, and I therefore favor including in any revised Townsend bill hereafter introduced in Congress a proviso to the effect that this surplus be applied toward the payment and liquidation of the national debt of the United States Government.

The citizens who receive the payment of $200 per month must spend it within 30 days, or during the calendar month it is received, thus placing the money in immediate circulation.

Money is the lifeblood of the Nation and it must circulate freely in the channels of business, trade, industry, and agriculture to maintain the life of the Nation. The circulation of blood in the human body is absolutely essential to the life of a human being—human life depends upon circulation of the blood—and when it fails to circulate paralysis and ultimately death ensue. Our beloved America is suffering today from lack of sufficient money in circulation in the hands of the people, and business, industry, and agriculture are paralyzed, and ultimately our Nation will perish if this condition is not changed. Our people do not have sufficient money to purchase the foodstuffs, goods, and wares which are produced by the farms and factories, and therefore these are unable to give employment to many millions of our citizens.

The Brookings Institution in Washington, D. C., the leading statistical organization in the country, has recently published two books—America's Capacity to Produce and America's Capacity to Consume, representing 5 years of intensive study and research. This great organization of experts has reached the conclusion and established the fact to be that the difference between production and consumption due to lack of purchasing power of the people is between sixteen and nineteen billion dollars per annum. The Townsend plan will place in the hands of 8,000,000 citizens the sum of $19,000,000,000 and requires them to spend it within the 12-month period, which the Brookings Institution declares will reemploy the unemployed, restore business, trade, industry, and agriculture, and permanently end the depression.

That these salutary results would be certain to follow is further corroborated by the statement issued by the United States Department of Labor to the effect that every time $2,400 per year of new income is placed in circulation a new job is created for an American citizen. Also, of the 8,000,000 aged citizens past the age of 60, who would have to retire from gainful pursuits, are 2,000,000 who are employed, according to the 1930 Census, which would release that many jobs to younger persons.

A transactions tax of 2 percent on every transaction sale or exchange of an article in commerce, trade, business, agriculture, industry, and finance is the most equitable and just tax that could possibly be devised, and it would not impose a hardship upon any-

body. It would amount to $2 on every $100, $20 on every $1,000, $2,000 on every $100,000, etc., and in the case of nearly all manufactured articles would involve directly a tax load of only five times the single 2 percent, while passing, first, through the hands of the producer of the raw materials; second, the manufacturer of the finished product; third, the jobber-broker-commission man; fourth, the wholesaler; and fifth, the retailer. Of course, the increase in the price level would undoubtedly be much greater than the 10 percent resulting directly from paying the 2 percent five times, owing to the stimulation of business, trade, industry, and agriculture, which would result; but that would be governed by the law of supply and demand, the same as is the case at the present time. Prices would go up as they always have in the past when times have been good, and wages would go up in proportion. Hence no damage or injury could be caused to the vendor of any commodity who would, in the very nature of things, be greatly benefited on account of the improved market and demand for everything that is produced on the farms and manufactured in the factories.

The Townsend plan provides a reasonable retiring annuity of $2,400 per year, payable in monthly installments of $200, for citizens 60 years old and over, who have labored, pioneered, and contributed materially to the growth, development, progress, and building of the great United States of today. When a citizen has been a law-abiding, useful citizen all his life, has been a producer and bread-winner for over 40 years, reared a family, worked and labored and produced wealth, he is by every rule of justice and reason entitled to enjoy the fruits and blessings of science, discovery, and invention in his old age. We are no longer satisfied to have a few thousand men with incomes of millions of dollars, and tens of millions of honest, God-fearing American citizens without a dollar to spend.

Fellow Grangers, I have endeavored to sketch in brief outline the most salient and outstanding features of this important legislative proposal which is engaging the attention and thought of such large numbers of our fellow citizens and Grangers throughout the land, and I hope that you also will approach it with an open mind, free from bias and prejudice, and consider it solely upon its merits. If all of the American people will only do that, the Townsend plan will eventually become the law of America, and bring employment, food, clothing, shelter, peace, happiness, and social security to every American citizen.

THE FRAZIER-LEMKE BILL

Mr. PFEIFER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PFEIFER. Mr. Speaker and Members of the House, I have signed the petition on the Speaker's desk in an effort to bring the Frazier-Lemke bill before this House, where it can be publicly debated so we may all know its merits and demerits. This is the true American fashion.

Signing this petition does not pledge me to vote for the bill.

In considering this bill one must not only look at it from a farmer's standpoint—although it is called the farm refinancing bill—for it proposes to alleviate the economic suffering of the farmer by granting him 100-percent value of his property as a mortgage at 1½ percent. Nevertheless, let us not forget that many city home owners are in a similar financial and economic distressed condition as the farmer, and all that the Government allows them through the H. O. L. C. is up to 70 percent valuation of their property as a mortgage, and this at 5 percent. Is this fair? Is this "special privileges to none, equal justice to all"?

Many years ago the north section of my district was a farm center. It was such a wonderful place that the grass was always green, thus called Greenpoint. These farms have all disappeared, and in their place homes and factories have developed and are occupied by individuals who are today my constituents. No better are found in this great wide world. They are genial, home-loving, loyal, industrious, faithful, and patriotic. These attributes, together with the brotherly love for one another—disregarding faith, creed, or color—have honored Greenpoint as the "garden spot of the world."

To the distressed landowners of my district, who are unable to pay the interest on their mortgages, the taxes on their property, and so forth, I ask for justice and fair play. Justice should be rendered to all the people and not to a few. I therefore intend, should the bill come before the House, to attach a rider to amend the H. O. L. C. Act so as to give the distressed city-land owner the same consideration as the Frazier-Lemke bill gives to the farmer.

PERMISSION TO ADDRESS THE HOUSE

Mr. PARKS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

AUGUSTUS H. GARLAND

Mr. PARKS. Mr. Speaker, on Monday, February 24, Mr. FULLER, my colleague from Arkansas, introduced a resolution asking the loan of a couch upon which Augustus H. Garland died, for our centennial exposition in Arkansas.

A colloquy ensued, in which the distinguished gentleman from New York, the minority leader [Mr. SNELL], said:

> I would like to know if that man was a Democrat?
> Mr. FULLER. Yes.
> Mr. SNELL. If he is dead, all right.

As the years go by those who lived and served and wrought history are soon forgotten. Few more distinguished men ever lived than Augustus Hill Garland, despite the fact that he never carved a niche, in the mind of the distinguished minority leader.

Augustus H. Garland lived in the county adjoining the one where I was born, and lived in the county where I afterward lived and served. It is inconceivable to me that any man who reads history does not know who Augustus H. Garland was. My father was a law student in his office, and afterward received a commission as a colonel in the National Guard signed by Augustus H. Garland. This commission hangs on the wall of my humble home.

Garland was recognized as one of the great lawyers of our Nation. He could not be placed among the great corporation lawyers, who flit here and there and get their decisions for the great corporations of the earth, but he ranks with the greatest lawyers who have adorned the bar of the land.

In order that the distinguished gentleman from New York, who never heard of Garland, and who asked if Garland were dead, may know, I call his attention to a suit that was filed and argued by this mighty Garland from my home county. It was known in the record as Ex parte Garland. He won it in the Supreme Court, which might have been termed a hostile court, but at least a high and honorable court, the decision in which lawyers of the South, after the War between the States, were again permitted to practice before this Court. It is part of the record of the simple and wonderful man, notwithstanding the great minority leader never heard of him and does not know whether or not he is dead.

He was one of the few men who served in both the Confederate Senate and the Senate of the United States, and because of his marvelous legal ability was selected by President Grover Cleveland, who I trust my distinguished friend from New York has heard of, as his legal adviser and the Attorney General of the United States.

True to his instincts and his simple desires he went back to his country home, Hominy Hill, after his public service ended, to fight the battles of his country among the simple people of his community. While arguing before the Supreme Court, that had regarded him as a man without guile but a man of honor, integrity, and great ability, the Creator reached down and touched him and he fell, as he would have ordained it himself, at work before the Court he loved and, on the couch mentioned in the resolution, died.

Augustus H. Garland was one of the really great men of our country and ranked along with Andrew Jackson and Grover Cleveland. He lies in a little cemetery in Little Rock and if my distinguished friend from New York ever desires an inspiration of patriotism, wisdom, and love for his fellow man, I would have him come down to this little cemetery, where my own ancestors lie buried, and read the history of Augustus H. Garland, whom he never heard of.

Augustus Hill Garland, a Senator from Arkansas; born in Tipton County, Tenn., June 11, 1832; attended St. Mary's College, and was graduated from St. Joseph's College in Kentucky in 1849; studied law, was admitted to the bar in 1853, and commenced practice in Washington, Ark.; moved to Little Rock in 1856; Presidential elector on the Constitutional Union ticket of Bell and Everett in 1860; Union delegate to the State convention that passed the ordinance of secession in 1861; member of the provisional congress that met in Montgomery, Ala., in May 1861, and subsequently of the Confederate Congress, and served in both

houses; elected to the United States Senate for the term beginning March 4, 1867, but was not permitted to take his seat, as Arkansas had not been readmitted to representation; argued the test-oath case as to lawers in the Supreme Court of the United States and won it; followed the practice of law until the fall of 1874; Governor of Arkansas 1874–76; elected as a Democrat to the United States Senate in 1876; reelected in 1883, and served from March 4, 1877, to March 6, 1885, when he resigned, having been appointed Attorney General in the Cabinet of President Grover Cleveland, and served from March 9, 1885, to March 5, 1889, resumed the practice of law in Little Rock, and died in Washington, D. C., January 26, 1899.

AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. McREYNOLDS in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

Biological investigations: For biological investigations, including the relations, habits, geographic distribution, and migration of animals and plants, and the preparation of maps of the life zones, and including $15,738 for investigations of the relations of wild-animal life to forests, under section 5 of the act approved May 22, 1928 (U. S. C., title 16, sec. 581d), and for investigations, experiments, and demonstrations in the establishment, improvement, and increase of the reindeer industry and of musk oxen and mountain sheep in Alaska, including the erection of necessary buildings and other structures, $128,149.

Mr. ROBERTSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTSON: On page 64, line 19, after the word "structures", strike out "$128,149" and insert in lieu thereof "$191,149."

Mr. ROBERTSON. Mr. Chairman, before addressing myself to the amendment, I should like to have an understanding with the chairman of the subcommittee about the time we can devote to this subject. The chairman knows that since the commencement of the Seventy-third Congress this House has not spent any time discussing the general subject of conservation of our natural resources. There are a number of States interested in this project. The interest is Nation-wide. A number of Members have indicated to me a desire to say something about the work of the Biological Survey. As indicated yesterday, there are about 6,000,000 licensed hunters interested in the work of this Bureau. We are dealing here with a bureau that reaches millions of people in its activities, a bureau whose activities have never been discussed to any extent on the floor of Congress.

At the recent North American Wildlife Conference held in Washington a number of speakers said that the Congress was not interested in conservation and did not give the movement support. I made a brief speech there and said that that was a mistake; that the Members were interested, but that frequently they did not have knowledge of what the Federal bureaus were doing or what other conservation agencies were doing.

In order, therefore, Mr. Chairman, that Members from other States interested in the program of the Biological Survey may have some opportunity to express the views of their States on this work, and as this will probably be the only amendment offered to the section of the bill dealing with appropriations for the Biological Survey, I suggest to the chairman of the committee that we agree to limit debate on this paragraph to 40 minutes.

Mr. CANNON of Missouri. Everybody, of course, is interested in wildlife conservation.

Mr. THURSTON. Mr. Chairman, if the gentleman will yield, what provision will be made for the division of time? There may be opposition.

Mr. CANNON of Missouri. Mr. Chairman, at the suggestion of the gentleman from Virginia [Mr. ROBERTSON], I ask unanimous consent that debate on this paragraph and all amendments thereto be limited to 40 minutes, one-half to be controlled by the gentleman from Virginia [Mr. ROBERTSON] and one-half by myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. THURSTON. Mr. Chairman, reserving the right to object, as I understand, it is the desire of the chairman of the subcommittee to conclude this bill today. Would not 30 minutes be ample, 15 minutes to each side?

Mr. CANNON of Missouri. If that is agreeable, I shall modify my request accordingly and ask unanimous consent that all debate on this paragraph and all amendments thereto close in 30 minutes, 15 minutes on each side.

Mr. PIERCE. I should like to have a few minutes.

Mr. ROBERTSON. Can we not agree on 40 minutes?

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The gentleman from Virginia is recognized for 15 minutes.

Mr. ROBERTSON. Mr. Chairman, the amendment which I have offered seeks to add $63,000 to the current appropriation of $128,149 for the establishment and operation of research stations by the Biological Survey. The Survey now has in operation seven research stations financed in part by Federal funds, in part by State funds, and in part by private funds. It also has two other stations that are financed exclusively by private funds.

It is the desire of the Biological Survey to establish 15 regional research stations in addition to the 2 that will be financed by private funds.

Mr. Chairman, I have no criticism to offer of the work of the Appropriations Committee in the preparation of this bill. As a matter of fact, I am in thorough accord and sympathy with the efforts of the Appropriations Committee to reduce public expenditures. There are several items in this bill that I think might have been further reduced. This is one item which I feel it would be good economy to increase. The Bureau of the Budget recommended $199,000 more for the work of the Biological Survey than was allowed by the committee. When we appropriate $1 for a research station we are, in the words of Billy Sunday, "casting our bread upon the waters to be returned covered with butter and jam." We get a contribution from the State game commissions of $1. We get a contribution from the State agricultural colleges of $1, and we get a contribution from the national game organizations of a considerable amount.

Mr. Chairman, this carries the work of a very necessary and scientific character to all sections of the United States. It has the endorsement of all the game departments of the States. Mr. Darling, who inaugurated this work last year, told me that in his opinion it was the most valuable work being done by the Biological Survey. I inserted in the RECORD yesterday a statement by the present Chief of the Biological Survey, in which he expressed the opinion that it was the most valuable work being done by that Bureau. Mr. Chairman, I was not, of course, elected to represent either the sportsmen or the citizens generally of the State of my good friend from Missouri, Mr. COCHRAN. The Biological Survey wants to establish one of these stations in Missouri. If the gentleman from Missouri, Mr. COCHRAN, and the chairman of the Subcommittee on Appropriations, Mr. CANNON, do not favor locating one of these stations in Missouri, that, of course, is their privilege, and I do not criticize them for expressing their views on this subject.

Mr. THURSTON. Will the gentleman yield?

Mr. ROBERTSON. I yield to the gentleman from Iowa.

Mr. THURSTON. I think I may say that the subcommittee is sympathetic toward the objective mentioned by the gentleman in his remarks. The question rose as to whether or not sufficient field investigation had been made which would be necessary to establish these stations. Ultimately, of course, they must be established, but the question was whether it could be done advantageously at this time.

The CHAIRMAN. The gentleman has consumed 5 minutes.

Mr. ROBERTSON. I will just take 1 more minute.

Mr. Chairman, I have not time to read the telegrams I have with me, and there are a number of them which I have not at hand at this time. May I say that from all over the country comes a demand for the establishment of these research stations. In the opinion of conservationists, it is the best type of work that the Federal Government can do. We cannot solve a particular problem until we know what the problem is. We have to lay the foundation by the development of scientific information concerning the problem at hand as a basis for its ultimate solution.

Mr. Chairman, I yield 3 minutes to the gentleman from Wyoming [Mr. GREEVER].

Mr. GREEVER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Virginia.

Since it became known that the gentleman from Virginia [Mr. ROBERTSON] would introduce this resolution, I have received telegrams from the Honorable Leslie A. Miller, Governor of the State of Wyoming; Hon. Andrew J. Martin, State game and fish commissioner of the State of Wyoming; and Hon. John W. Scott, of the Isaak Walton League, asking that I support the amendment increasing the appropriation providing for cooperative game-management surveys with land-grant colleges and State game and fish commissions.

It is very interesting to note that in the State of Wyoming there is one herd of elk consisting of 22,000 head. This is the Jackson Hole herd. In addition to that, in other herds there are approximately 16,000 head of elk, making a total elk population in the State of Wyoming of approximately 38,000 head. In addition to the elk there are 4,000 moose, 4,500 mountain sheep, 34,000 antelope, and 30,000 deer. These are the figures furnished me by the State game and fish commissioner of the State of Wyoming under date of February 27, and I believe present an accurate picture of the large game in the State, exclusive of bear and also exclusive of the buffalo herd in Yellowstone Park, which is under the jurisdiction of the National Park Service in cooperation with the United States Biological Survey. In addition, the State has large numbers of game birds and fur-bearing animals, and the streams and lakes abound with fish.

The problem of game and fish management has been a difficult and often perplexing one for a State of the small population of Wyoming, and tremendous problems have arisen to confront our most efficient State game and fish commission, which is a nonpartisan body and composed of men who are thoroughly familiar with wildlife. The game and fish of Wyoming and other Western States present a national problem. Sportsmen from all over the country, and, indeed, all over the world, visit our State and other Western States each year in quest of game. People by the thousands from all over the United States fish in the streams of Wyoming and of Yellowstone Park, which is situated within the State of Wyoming. We have no agency at the present time which is able to cope scientifically with certain problems arising in connection with game management, and for that reason the Robertson amendment is especially important.

It is necessary that we have in this locality somewhere, and preferably at the University of Wyoming, a station set up that can deal intelligently with the State game departments in problems that arise concerning the conservation, care, and propagation of this game. I read this morning in the report of the National Resources Board that the game of this country every year is worth $180,000,000 to the people of the United States.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GREEVER. I yield.

Mr. CANNON of Missouri. The gentleman is not discussing the amendment. The amendment is to establish certain ecological stations, and we hope the gentleman will discuss the amendment. Nothing the gentleman has said applies to an ecological station, and I wonder if the gentleman knows what an ecological station is.

Mr. GREEVER. The thing we are interested in in the State of Wyoming is cooperation——

Mr. CANNON of Missouri. Is the gentleman interested in the amendment?

Mr. GREEVER. Yes.

Mr. CANNON of Missouri. Will the gentleman tell us what are ecological stations?

Mr. GREEVER. The situation we are interested in in Wyoming are stations to accomplish what is provided for in the bill.

Mr. CANNON of Missouri. I am asking the gentleman to talk on the amendment.

Mr. GREEVER. I refuse to yield further to the gentleman. I am telling about the conditions we have in our State and in the West.

In order that the Members of the House may further know as to what the amendment seeks to accomplish, I wish to read from a letter addressed to me on February 14, 1936, by Mr. Ira N. Gabrielson, Chief of the Biological Survey, Washington, D. C.:

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF BIOLOGICAL SURVEY,
Washington, D. C., February 14, 1936.

Hon. PAUL R. GREEVER,
House of Representatives, Washington, D. C.

DEAR MR. GREEVER: At the request of Dr. Scott, of the University of Wyoming, I am sending you the following information with regard to the program of cooperative research being carried on at various land-grant colleges.

With the funds made available last year the Biological Survey was able to establish cooperative research and demonstration work with wildlife species at none of the land-grant colleges. There are no funds available to increase this program at the present time, and the extent to which the program can be expanded into additional States would, of course, depend upon any additional funds which might become available for this purpose.

The programs as they are set up in the various States at the present time are in accordance with a three-way agreement. The Biological Survey and the American Wildlife Institute funds, which latter were made available to the States for this purpose, make up $6,000 a year. The land-grant college agrees to put in $6,000 a year in funds or equivalent services, which services are required to be of such a nature as will take the place of expenditures which would otherwise have to be made out of the cash funds. The State game department puts in $6,000 of cash or equivalent in services on the same basis as the land-grant college. In most of the cases the game commissions have been putting in half cash and half equivalent services, materials, etc. This makes an $18,000-a-year program at each of the stations.

The work at the stations is under the direction of a project leader, who is a member of the Biological Survey and whose salary is a part of that fund set up at each station by the Biological Survey. The principal part of the work at these stations is carried out by means of graduate student assistants or by contributed time from college faculty members. The administration of the affairs of these units is under an advisory committee in the State itself, usually consisting of the executive officer of the game commission, a representative designated by the college, and the project leader and field supervisor of the Biological Survey.

In building up the program of work at these stations one of the chief aims is to have the investigational and demonstration work built up from those problems which are found to exist in the State or the particular region in which the station is located. It is also one of the aims of each of these stations to make a major study of some one of the major game or fur resource species. In addition to this primary effort it is the aim to take up investigational work upon additional problems which will give some answer and pertinent information enabling a more intelligent administration and use of the wildlife resources. We believe that the work of these stations is not complete unless the program not only finds the facts but also works out the ways and means whereby these facts can be made use of in a practical way in conjunction with intelligent land use and intelligent fish and game administration for the States. Hence we are emphasizing the establishment of experimental demonstration areas on which wildlife management practices can be gotten under way and which will stand as examples of intelligent wildlife management.

It has been asked how much money would be required in order to carry out the program. The present participation of the Biological Survey in this program is on the basis of $42,000 per year. Naturally it will require that amount of money to maintain the work now under way, and we find that even now we are having to limit the scope of work at these stations in order to stay within the budgets. Any new stations set up would, of course, require additional funds, and the number of these would depend upon the amount of funds made available. The Bureau could probably locate personnel and make provision for supervision of around eight more additional stations during the coming year if funds were made available.

Trusting that this will give you the information you desire, and assuring you that we will be glad to furnish you any additional information.

Very truly yours,

IRA N. GABRIELSON, *Chief.*

The game of my State and of the United States is a great national resource. It affords an opportunity to lovers of outdoor life. It is a magnificent sight to people from the cities and from sections of the country where no game exists to visit the great game areas in the West and see there in their native habitat elk, deer, moose, and other wild animals.

The Western States have conserved their game at great expense. They have used the experience and wisdom of men who have lived in a game country all their lives in preserving and building up these herds. Stockmen in the State have been unselfish enough, at detriment to themselves, to build up herds of antelope, a species of animal that was fast disappearing, until now on one ranch in particular, the great Pitchfork Ranch located on the Greybull River in Park County, Wyo., and managed by Mr. Eugene Phelps and Mr. Charles Belden, there is now a herd of 2,500 head of these animals.

We need established at the University of Wyoming a station wherein the Biological Survey, the State Game and Fish Commission, and the university may cooperate in intelligent research of the many questions affecting the game situation in that State. It is necessary to coordinate the information and the scientific and practical knowledge available in order to intelligently manage and conserve this great resource.

I am assured that the University of Wyoming is willing to advance $6,000 during the next year for this work, or its equivalent services, which services would be required to be of such a nature as will take the place of cash. The State game and fish department of Wyoming has also agreed to put in $6,000 in cash or its equivalent in services on the same basis as the university. With the other $6,000 which will become available from this appropriation I feel that a work will be carried on which will be of lasting benefit to our great natural resources and will give to our local agencies the benefit of experience and advice of the Bureau of Biological Survey, under the capable and efficient management of its chief, Mr. Ira N. Gabrielson.

Mr. Chairman, I ask unanimous consent to extend my remarks and to include therein a letter from Ira N. Gabrielson, Chief of the Biological Survey.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri.

Mr. MARTIN of Colorado. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARTIN of Colorado. Before the debate on the amendment proceeds any further, some of us would like to know what an ecological station is.

The CHAIRMAN. The gentleman from Missouri has the floor.

Mr. COCHRAN. Mr. Chairman, I would not have asked for this time if the gentleman from Virginia [Mr. ROBERTSON] had not mentioned my name and my State.

If the gentleman from Virginia thinks that $6,000 and a few telegrams are going to make me vote for an increase in this appropriation, he is very badly mistaken. I think I was fishing and hunting just as early in life as was the gentleman from Virginia, and I am just as much interested in conservation as the gentleman is; but let me say that yesterday we added almost $30,000,000 to this bill.

The people of this country are watching us and they are watching expenditures. Those of you on the Republican side, over 50 percent of your membership, who have been preaching "balance the Budget", joined with Democrats over here in unbalancing the Budget by adding these items to the appropriation bill on yesterday. You did not think of the Budget yesterday. I did.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield there?

Mr. COCHRAN. I am very sorry, but my time is so limited I cannot yield.

Mr. Chairman, it seems to me we should pay some attention to the recommendations of the President, Budget Director, and also to our committees; and so far as I am concerned, even though I did receive the same telegrams, it was inspired propaganda, if you please, as the other Members of the House received, it is not going to sway me one bit in casting my vote against this amendment, nor will I be influenced by the fact that my State is going to receive $6,000.

If you will provide for a little research work all over the country in your State and mine in regard to our fish and game commissions, secure the facts and then fight to get the fish and game commissions out of politics, let the money collected from fishing and hunting licenses be spent for conservation and not for politics, we will not have to be coming to the Federal Treasury and asking for money all the time. [Applause.]

Mr. Chairman, I am not going to talk about the merits of this amendment, but I am going to talk a little about what the Congress has done for the Biological Survey. Look at the record and you will find the appropriation for the Biological Survey was $1,204,084, and for 1937 this committee recommends $1,841,595. You do not have to be an Einstein to see that this is an increase in 2 years of over 50 percent. An increase of $637,511. Now, let us be reasonable. Even though we are 100 percent in favor of conservation, why should we want to try and do all that the wildlife organizations recommend in 1 year?

I am in hopes that Congress will next year provide for the grouping of the various Government agencies engaged in conservation work and put them all under one head. Of course, when this is suggested you are going to get plenty of opposition, but if we can group these activities, cut down the cost of administrative expenses, and apply that money so that we will produce more game for the forests and more fish for our streams we will be getting somewhere. I have always maintained that it matters not what Government department administers a law, that law is going to be administered as Congress wants it administered.

I know I invite criticism when I say there is no reason on earth why the Biological Survey now in the Department of Agriculture and Fisheries in the Department of Commerce should not be under one head. Consideration could also be given at the same time to grouping national parks, forest reservations, Biological Survey, and the Forest Service. In the first instance, Biological Survey conserves game, and so forth, Fisheries conserves fish, while the forest reservations are nothing more than small national parks. Our national parks and forest reserves can and should be used to raise game and fish, and it should be distributed throughout the country. We now distribute fish from our hatcheries throughout the country and place the fish in streams and lakes. We can do the same on a large scale with game in the forest reservations and the national parks. It is true it has been done to some extent, but we have just scratched the surface.

Of course, our land-grant college at Columbia, Mo., would like to have this research station, and I should like to see it get it, but right now we must think about the situation that confronts us in the Treasury Department.

Conservation never had a better friend in the White House than Franklin D. Roosevelt. He not only preaches conservation but he fishes at every opportunity, and only yesterday we read where he is going to spend a week next month fishing in the South. With such a friend at the head of our Government, why can we not cooperate with him?

Take my own State. Just in the last 3 years the Government has provided for taking control of over 1,000,000 acres of ground in the Ozarks of Missouri for forest reservations. They have C. C. C. camps there now making trails and doing reforestation work. The Government is going to put game on those reservations, and I expect to see at least six fish hatcheries established, but I am not going to ask that it all be done this or next year.

Every man who has spoken on this amendment held in his hand at least one telegram he received, the same as the telegrams I received. As I stated Wednesday, I could not learn what the amendment was, although I spoke to about 50 Con-

gressmen. The people in my State and your State were aware that this amendment was to be offered when the Members of Congress did not know what it was. That is no way to legislate. If the Members of the House are going to continue to add to the appropriation bills as they come from the committee, then you are going to find that some of the projects that we are deeply interested in are going to suffer.

Take the appropriation yesterday for additional money for forest reservations. Why, the Bureau of Forestry working in my State has been unable to secure title to all the land it has purchased. It just has not had the time to do the work. That is the same situation throughout the country. More money will be forthcoming when they are ready for it.

In closing, let me say again, no Member of this House is more interested in conservation than I am. I happened to be the one who urged three Governors of my State to change our State laws so that the Government could come in and buy lands for forest reservations. Our original law limited the Government to 25 acres in any one county. That was changed to 25,000 acres, then to 100,000 acres, and finally the limit was taken off. All this has happened in the last 5 or 6 years, and, as I say, I was the Member of Congress who was urging the action. This in itself should show my interest in conservation.

If the condition of the Treasury would permit, I would support more liberal appropriations for conservation purposes; and I am sure that when conditions do permit, we will not have to be offering amendments on the floor, because the committee itself will take care of the matter. Let us look at the general situation, not solely because our State is to get an appropriation of a few thousand dollars.

Mr. ROBERTSON. Mr. Chairman, I yield 2 minutes to my colleague the gentleman from Oregon [Mr. EKWALL].

Mr. CANNON of Missouri. Mr. Chairman, before the gentleman resumes his seat, there seems to be a good deal of question in the Committee as to what "ecology" means, and I suggest that the gentleman from Virginia explain whether ecology relates to plants or animals.

Mr. ROBERTSON. Ecology, Mr. Chairman, relates to the study, as the Greek derivation of the word indicates, of the life habits of birds and animals, and refers especially to a scientific study to find out why this resource is being wiped out and what we can do to restore it.

Mr. CANNON of Missouri. I am sorry the gentleman does not know the meaning of the word. The meaning of the word, according to the dictionary, includes both plants and animals, with reference to their environment and factors controlling their distribution.

Mr. ROBERTSON. Ecology means study with relation to life habits, and it might refer to plants, but this clearly refers to birds and animals, as the gentleman knows.

Mr. CANNON of Missouri. If the gentleman will look it up in the dictionary, he will find the correct definition; and if he will make a study of the regions to be serviced by his amendment, he will find their boundaries are determined by the plant foods they provide.

Mr. EKWALL. Mr. Chairman, I am very much delighted at this lesson in word analysis on the part of our genial friend from Missouri [Mr. CANNON]. I had not thought that ecological had so limited a meaning as the gentleman from Missouri [Mr. CANNON] states. But whether it refers to one thing or another, the people of my State of Oregon, who have expressed themselves, are in favor of this increase. Talk about increasing the Budget, we strain at a gnat and swallow a camel here every day. This $60,000 is most important for biological investigations, but, as appropriations go, is very modest, indeed. I live in a part of the country that is the last frontier. We have many wild birds and animals. We are very desirous of making a study of their diseases and of the food and life habits of birds and animals so that we may conserve them. I think every conservationist in the country is interested in seeing that we spend adequately for this purpose, because it will come back one hundred fold into the pockets of the citizens of the country and into the Federal Treasury. This $60,000 increase will mean so much to this very important survey that I am sure it will be thoroughly justified. The gentleman from Missouri [Mr. COCHRAN] seems very much concerned because once in a while a Republican votes for a dollar or two of appropriation, but this is a splendid case, and I am sure it will be money so well invested that the results will change the opponents of today into the friends of tomorrow. I think the people of my State are strongly in favor of this additional appropriation.

Mr. HAMLIN. Mr. Chairman, will the gentleman yield?

Mr. EKWALL. Yes.

Mr. HAMLIN. Does the gentleman feel that the amendment will in any way refer to a study of the health and habits of the wild animals of the House?

Mr. EKWALL. No. The trouble with the wild animals of this House is that they are all too healthy now.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. THURSTON].

Mr. THURSTON. Mr. Chairman, there appears to be some misconception of the attitude of the subcommittee toward this particular item, but if Members will examine into the sums provided, they will find that the committee has been liberal in all other respects so far as the work of the Biological Survey is concerned. From that we should conclude that there must have been some real reason why the committee did not allow the full amount for this item. I think it is fair to say that those in charge of this work have not made a complete survey of the country to ascertain just where they feel these additional stations should be placed. Ultimately, of course, it is the intention to have these additional stations provided for, and I assume that within 1 year this information will be available and these stations will be established. The committee well understands that in order to carry out the program so that each section of the country will be represented in this work these stations must be provided. The question with the committee was whether they should be carried in this bill at this time. There can be no difference of opinion as to the ultimate action that should be taken in regard to this subject. It is a question probably of whether it should be done this year or later, when adequate and thorough knowledge of the subject has been ascertained.

Mr. ROBERTSON. Mr. Chairman, I yield 2 minutes to my colleague from Ohio [Mr. FIESINGER].

Mr. FIESINGER. Mr. Chairman, 2 or 3 weeks ago there was held in the city of Washington the North American Wildlife Conference. I was a delegate to that convention from the State of Ohio. I enjoyed the proceedings and the enthusiasm of the gathering. The conference was called by the President of the United States, indicating his great interest in wildlife conservation; and there were not only delegates from all over the United States but there were delegates from Canada and Mexico. This proposal to extend these stations fits in with the program of the conference. A permanent organization was established under the name of the General Wildlife Federation. At the conclusion of the meeting I made a statement in the House of Representatives in which I said:

> I shall endeavor to use whatever little influence I may have to get proper appropriations for this work and to give the House the sense of its responsibility to this great conservation movement, that it may cooperate therewith.

In supporting the amendment offered by my colleague [Mr. ROBINSON], I am endeavoring to carry out what I then said. The purpose of this appropriation of $63,000 is to establish eight additional stations. Nine stations have already been established in the United States. As I understand it, these stations are established in States in cooperation with their conservation departments. The stations not only make research into local problems, but set up areas where the wildlife and the management of wildlife may be observed by people who are interested in wildlife. That is, farmers, hunters, and others may come to these areas and study the habits and management of wildlife. This program is a program not to curtail production, but is the only program that I have heard proposed in this Congress that

has for its purpose an increase in production. It fits in with our great soil-conservation program. Many people in my State are vitally interest in the Robinson amendment, because it is on the program to establish one of these stations in the State of Ohio to work in cooperation with our division of conservation. Many farmers and others help their incomes by producing and selling the fur of wild animals, and it no doubt would be a source of pleasure as well as profit to get information concerning their activities near at home that the great United States Government has to offer, and see with their own eyes on an area to be provided the best methods of handling wildlife and environment, game management, utilization, and production.

Mr. Chairman, I have not favored other amendments to increase appropriations in this bill. I know the subcommittee, headed by my good friend Mr. CANNON of Missouri, has labored diligently to give us a good bill which will take care of the great agricultural interests of this country, and in this I have an especial interest; but I feel constrained, in view of the importance of this amendment and the small amount of money comparatively involved, to give it my support and to work for its adoption.

Mr. ROBERTSON. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. DUFFY] and 1 minute to the gentleman from Pennsylvania [Mr. BERLIN].

Mr. DUFFY of New York. Mr. Chairman, I appeared before the subcommittee in this matter when it was conducting hearings. I take advantage of this 1 minute of time to put into the RECORD the following telegram from Mr. Osborne, conservation commissioner of the State of New York:

ALBANY, N. Y., *February 25, 1936.*

Hon. JAMES P. B. DUFFY,
New York State Congressman, House Office Building, Washington, D. C.:

Earnestly request your support of amendment to Agricultural appropriation bill to be offered by Congressman WILLIS ROBERTSON on Wednesday or Thursday providing funds for game management surveys through United States Biological Survey, land-grant colleges, and State conservation departments. New York in first line to receive one of these projects which will be of great benefit to this State.

LITHGOW OSBORNE,
Conservation Commissioner.

I have also received a telegram from Karl T. Frederick as president of New York State Conservation Council, urging adoption of Mr. ROBERTSON's amendment.

The council is keenly interested in having a demonstration unit in wildlife management established in New York State and will cooperate with the Bureau of Biological Survey and the State of New York Conservation Department to that end.

The CHAIRMAN. The time of the gentleman from New York [Mr. DUFFY] has expired.

Mr. ROBERTSON. Mr. Chairman, I yield the remaining 1 minute to the gentleman from Pennsylvania [Mr. BERLIN].

Mr. BERLIN. Mr. Chairman, I wish to call the attention of the Committee to the importance of this amendment and the standing of the gentleman from Virginia [Mr. ROBERTSON], who has offered this amendment. Most of you know that the gentleman from Virginia for 7 years was game commissioner of the State of Virginia and he knows the necessary things pertaining to wildlife. I think this Committee should be swayed by that fact and for that reason support this small amendment. It only provides for $63,000. The gentleman from Missouri talked about $30,000,000 which we have increased this general appropriation bill, but we are only asking enough for a study of wildlife in America and for the protection of fur-bearing animals. It is only the small sum of $63,000.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. CANNON of Missouri. Mr. Chairman, the gentleman from Virginia [Mr. ROBERTSON], who proposes this amendment, tells us it is to restore an item in the bill. He says it proposes the amount allowed by the Budget.

Mr. ROBERTSON. I beg the gentleman's pardon. I did not make that statement.

Mr. CANNON of Missouri. What statement did the gentleman make?

Mr. ROBERTSON. I said that the Budget recommended $30,000 more for this item than the committee included, and the committee cut the recommendation for the whole bill $199,000.

Mr. CANNON of Missouri. That is exactly my charge. The gentleman heard we cut this item $30,000, and that shows the gentleman is wholly uninformed on the subject of his amendment. We did not cut it one dollar, and that is not the full extent of the lack of information on the part of the gentlemen who have supported this amendment. They do not even know what ecological stations are. There was not a man who spoke in support of the amendment who could tell us what the word means. They have spoken at length in support of an appropriation, the purpose of which is entirely unfamiliar to them.

We have been more than generous with the Biological Survey. We have increased the appropriation for general administrative expenses. We have increased the appropriation for the purchase of fur-animal experiment stations. We have increased the appropriation for game-management surveys. We have increased the appropriation for the enforcement of the Migratory Bird Treaty Act. We have increased the appropriation for investigation of distribution of game birds. We have increased the appropriation for enforcement of the Lacey Act. We have increased the appropriation for maintenance of mammal reservations. We have increased the appropriation for the maintenance of new bird refuges. We have increased the appropriation for additional maintenance of Bear River Migratory Bird Refuge. We have increased the appropriation for additional lands for the Upper Mississippi Valley Wildlife Refuge. We have increased the appropriation for the investigation of diseases of birds. We have increased every appropriation. We have given them everything they asked in the Budget. It is evident they cannot be satisfied short of carte blanche to draw at will on the National Treasury.

Mr. UMSTEAD. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to my colleague on the committee.

Mr. UMSTEAD. Is it not true that the appropriation for the Bureau of Biological Survey in 1935 was $1,204,084 and this year the appropriation recommended by the committee was $1,841,595, which is an increase in 2 years of more than 50 percent?

Mr. CANNON of Missouri. Exactly. In the last 2 years we have increased the appropriation for the Bureau of Biological Survey, as the gentleman from North Carolina says, by more than 50 percent. It is one of the most-favored items in the entire Budget, and if you will just give us time, gentlemen; if you will not insist on everything being done in a day, we will be able to develop an expeditious and effective plan for the conservation and protection of the wildlife of America.

Mr. Chairman, I earnestly urge the Members who receive these amendments to give them some consideration before they come in here and propose to disrupt one of these bills formulated after careful study and investigation, following long and exhaustive hearings. At least know what an ecological station is before you come in here and ask for one.

You ought to know that every one of this flood of telegrams you received yesterday and today are in response to instructions from a professional lobby here in Washington. Some fellow back home sends you a telegram, and as soon as you receive the telegram you rush in here and say, "I do not know what it is all about, but it is to spend money, and I am in favor of spending it." [Laughter and applause.]

I ask for a vote, Mr. Chairman.

The CHAIRMAN. The time for debate on this amendment has expired.

The question is on the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. ROBERTSON) there were—ayes 37, noes 75.

So the amendment was rejected.

The Clerk read as follows:

Control of predatory animals and injurious rodents: For investigations, demonstrations, and cooperation in destroying animals injurious to agriculture, horticulture, forestry, animal husbandry, and wild game; and in protecting stock and other domestic animals through the suppression of rabies and other diseases in predatory wild animals, $600,000.

Mr. FADDIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FADDIS: On page 64, line 25, following the figures, strike out the period, insert a colon, and the following proviso: "*Provided*, That no part of this appropriation shall be devoted to the poisoning of wild animals or birds."

Mr. FADDIS. Mr. Chairman, it was my first thought to offer an amendment to cut this appropriation of $600,000 down to $300,000, but upon being approached by various Members of the House in regard to this matter, I was convinced that probably in some sections of this Nation peculiar conditions prevailed which may make it necessary that this $600,000 be put out for the benefit of a very few States in the Union. I would not wish to work a hardship upon the livestock interests in the West, but I do believe such matters should be handled with some degree of common sense.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. TABER. Is this the appropriation under which Secretary Tugwell sends men from Arkansas up to North Dakota to shoot jackrabbits?

Mr. FADDIS. I believe not; I do not believe that is part of his duties.

Mr. TARVER. Mr. Chairman, will the gentleman yield for a question?

Mr. FADDIS. I yield.

Mr. TARVER. Under this appropriation efforts are made to exterminate coyotes in the West. The effect of the gentleman's amendment, of course, would be to prevent using it for the purpose intended.

Mr. FADDIS. I do not believe so; it is not so intended.

Mr. TARVER. A coyote is a wild animal.

Mr. FADDIS. My idea in introducing this amendment is to do away with the reprehensible campaign of indiscriminate poisoning not only of harmful animals but also desirable animals, which are also victims of the poison. I believe the extermination of the undersirable predatory animals can be accomplished by hunters and trappers, by employing people out of employment for this purpose. By this method of procedure the fur of those animals which are fur-bearing animals will be conserved. Under this campaign of poisoning, a large amount of valuable fur is lost.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. SISSON. The gentleman from Pennsylvania knows a great deal about wild game and conservation. Is it not a fact that in the State of Pennsylvania and in the State of New York, and in practically all of the States in the East, we take care of predatory animals through hunters and sportsmen without any assistance from the Federal Government?

Mr. FADDIS. Exactly; and we take care of them without injuring the animals we desire to conserve. The crow is a menace in the East but we control him without resorting to a wholesale poisoning campaign and without asking for assistance from the Federal Treasury. I believe that predatory animals and vermin can be controlled without destroying Nature's systems of checks and balances in such a drastic manner. There is no doubt but that incidental to poisoning coyotes and gophers many useful species of wildlife are also destroyed.

Mr. GREEVER. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. GREEVER. Does the gentleman believe that hunters are going to be able to catch prairie dogs out in the Western States?

Mr. FADDIS. In the Eastern States hunters, trappers, and farmers do away with their own vermin in that manner.

Mr. FORD of California. Will the gentleman yield?

Mr. FADDIS. I yield to the gentleman from California.

Mr. FORD of California. Has the gentleman ever tried to trap a gopher?

Mr. FADDIS. No; but I have trapped things that were a great deal harder to trap than gophers, such as fox, mink, and otters, and I can do it.

Mr. Chairman, from every sportsmans magazine published in the United States we hear a great storm of protest against this senseless poisoning campaign which is being carried on throughout part of our Nation. In the interest of the wildlife of the country, I hope the Members will support my amendment and do away with this nonsensical proposition of trying to control predatory animals to the benefit of a few specially protected sheep and cattlemen in the United States.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, a few years ago the Secretary of Agriculture came before the Committee on Agriculture and stated that the loss to the stockmen of the West from predatory wild animals amounted to about $20,000,000 a year. That is such a frightful loss that the industry really cannot stand it. The stockmen who graze their stock on the public domain and in the forest reserves have got to have this protection. The Biological Survey has been doing a marvelous amount of good work. They kill tens of thousands of wild animals every year. We have 140,000,000 acres in forest reserves throughout the Western States. These forest reserves are really the breeding ground for the bears, mountain lions, gray wolves, coyotes, bobcats, and other wild animals. Generally speaking, the forest reserves are uninhabited. These wild animals breed there at an appalling rate and practically unmolested by the general public, and the forest reserve officials are not equipped or required to do this work in a systematic way. The authority to trap or shoot them is not sufficient.

There are various other "animals injurious to agriculture, horticulture, forestry, animal husbandry, and wildlife game." There is no other effective way of killing off gophers except by poison. I think the coyote is the shrewdest wild animal in the world. He is genuinely intelligent, resourceful, cunning, and has a marvelously keen scent. Traps are not sufficient. We ought not to put any limit on any way to kill those crafty and vicious wild animals. Three or four wolves or a small band of coyotes often kill a whole herd of sheep in one night. The stock industry of the West is tremendously interested in this item, and I feel that the money cannot be better expended than in this way.

Mr. MURDOCK. Will the gentleman yield?

Mr. TAYLOR of Colorado. I yield to the gentleman from Utah.

Mr. MURDOCK. We leave the conservation of wildlife to the Biological Survey. Is it consistent to think that in the use of poison they will do anything detrimental to that very function?

Mr. TAYLOR of Colorado. Why, no. The officials of the Biological Survey are splendidly expert, efficient, and careful. They try very hard not to destroy birds or domestic animals. They have a system of poisoning whereby the bird life is very largely conserved. If we take away from them the authority to poison coyotes, gray wolves, bobcats, and other predatory wild animals in the West and to eradicate the other vermin, rodents, and so forth, we will very seriously injure the efficiency of this service.

Mr. LEA of California. Will the gentleman yield?

Mr. TAYLOR of Colorado. I yield to the gentleman from California.

Mr. LEA of California. Is it not true that in a large portion of the West it is a question of either the survival of the sheep industry or the coyotes?

According to the report of the Biological Survey, over 66,000 predatory animals were killed in the fiscal year 1935, the greater number of which were coyotes. The removal of such a menace to the livestock industry is a major accomplishment. Only experience, skill, and the use of most effective methods made that result possible. We should not, by the adoption of this amendment, handicap this great work.

A large proportion of those animals were killed without the use of poison. Poisons are the main reliance for combating injurious rodents. Persons outside of those familiar with the arid or semiarid regions cannot appreciate the importance of this work, or its necessity. The adoption of this amendment would greatly cripple that work so necessary in many large sections of the West.

So far as predatory animals are concerned, I venture to guess that if control methods were abandoned, the destruction of useful animal life would be greater than it is now due to any efforts of the Biological Survey.

From 1916 to 1935, inclusive, the States spent over $19,000,000 in rodent and predatory-animal control, in cooperation with the Federal Government.

Mr. TAYLOR of Colorado. The gentleman is quite correct. The coyotes live quite largely off the sheep out in that country. But they kill colts, calves, and all kinds of game and birds. They are frightfully destructive, and we have to kill them in every possible way and all the time.

I think all the Western States pay a bounty on them. My recollection is that Colorado pays $50 a head on wolves and mountain lions, and the Denver Post has for about 30 years paid an additional bounty of $25 on mountain lions.

Mr. GREEVER. Will the gentleman yield?

Mr. TAYLOR of Colorado. I yield to the gentleman from Wyoming.

Mr. GREEVER. Is it not true that we have terrific game losses by reason of these predatory animals?

Mr. TAYLOR of Colorado. Yes; it is appalling the way they slaughter the game. They destroy thousands of young deer and elk.

Mr. WHITE. Will the gentleman yield?

Mr. TAYLOR of Colorado. I yield to the gentleman from Idaho.

Mr. WHITE. Does the gentleman think it is possible to kill cougars and mountain lions by the use of poison?

Mr. TAYLOR of Colorado. Oh, yes; I think so. But this proposed amendment is not limited to those animals. The Biological Survey experts are thoroughly efficient. I feel that department is doing a wonderful work. We have considered this matter exhaustively and I believe it would be a great mistake to reduce or limit the practical use of this money.

Mr. THURSTON. Will the gentleman yield?

Mr. TAYLOR of Colorado. I yield to the gentleman from Iowa.

Mr. THURSTON. Is it not true that the use of poison gas is the best method of exterminating gophers, ground hogs, and the like?

Mr. TAYLOR of Colorado. Yes; I understand so. I feel we are safe in leaving this question to the Biological Survey, and we should not hamper them as this amendment would do. Mr. Chairman, I trust the Members will vote down the amendment.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was much interested in the observation of the gentleman from Colorado to the effect that the coyote is the most cunning and elusive animal and the most difficult to eradicate. I venture to express the opinion that he is mistaken. It so happens I have had some experience with that particular animal in Texas. I can remember very well offering some small boys, averaging from 10 to 12 years of age, 50 cents a pair for coyote ears. They went to work in a range country, and at the end of 2 months I had to withdraw the offer. They brought in ears by the dozen. Mr. Chairman, the truth of the matter is the coyote is exceedingly easy to trap and kill. Coyotes are scavengers. Coyotes always return to the carcass. If you poison the carcass, you get the coyote. They have not a keen scent and they are very easy to trap and shoot. If the gentleman had mentioned wolves or the lobo of the Southwest, he would have been right, because that animal is the most cunning and keenest of all the animals that prey upon livestock. We used to pay a bounty of $100 for wolves.

I can remember very well when this item was first started in the Agricultural Department appropriation bill. I was a member of the Committee on Agriculture of the Senate at the time. I think the item was introduced by the Senator from Texas, and if my recollection is correct, it was about the year 1916 or 1917. In that year it provided that the money should be used for the eradication of "ground squirrels, wolves, and coyotes."

I tried to have the word "coyote" cut out, because I knew perfectly well that every ranchman in America knew how to go after them and eliminate them if he wanted to do so. It is the easiest thing in the world.

The item started at $20,000, if my memory is correct, and I see it has now grown to $600,000.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. WHITE. The gentleman's experience has been quite different from the experience I have, because I know from my experience that they are very hard to catch, and if you want to trap them you have got to set your traps at least 40 feet apart, so that in circling around you may catch one of them.

Mr. WADSWORTH. I think I shall have to go back to the panhandle of Texas and find a dozen 12-year-old boys and send them to the State of the gentleman.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. SOUTH. Is it not a fact that the coyotes are much scarcer now than they were when the gentleman was in the Panhandle, and that they are much more difficult to trap than they were then?

Mr. WADSWORTH. I am not sure whether they are scarcer now or not, but I venture the observation that the scarcer the coyotes the more numerous the jackrabbits.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. BANKHEAD. The gentleman seems to qualify as an expert on predatory animals——

Mr. WADSWORTH. Only on the coyote.

Mr. BANKHEAD. The gentleman has not said anything about the amendment. What is the gentleman's view of the wisdom of the pending amendment?

Mr. WADSWORTH. I am supporting the amendment, because, as I understand, the Biological Survey uses poison to eliminate coyotes. They can be easily trapped and shot, and the use of poison is dangerous to other animals in the neighborhood.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 13 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PIERCE. Mr. Chairman, the gentleman from New York [Mr. WADSWORTH] certainly has seen a different kind of coyote from what we of the West have seen. I second all that the gentleman from Montana [Mr. AYERS] has said in regard to the shrewdness of this animal; it takes experts to carry out a trapping program successfully. The coyotes do great carnage to livestock and game. In a single night I have known one coyote to kill 24 sheep out of one band. They are difficult to control. Our trappers in Oregon took 150 in January this year and 4,469 during 1935.

Before talking more about the coyote I want to say just a word about this appropriation bill. I voted twice against the committee yesterday and I did not sleep very well last night on account of it. From now on there is going to be some really convincing argument to make me vote against the committee. They are the people who sit week in and week out studying these problems; they call before their meetings the various heads of departments, who know more about the matter than we do; and why should we try to defeat what the committee has taken days and weeks to prepare for our consideration?

I think we should not do that for light or trifling reasons, and I am for staying by the committee in this bill as well as appropriation bills generally, unless there is something different from the situation before us on this occasion.

In regard to the amendment of my friend from Virginia [Mr. ROBERTSON], I voted against it, and I am voting to sustain the committee on this amendment. I would like to have supported that amendment to increase the funds for research units, for I know the value of the Biological Survey. I know what it has done for our country. Years ago I was the author of a coyote bill that we put through the Oregon Legislature to pay a bounty. We paid it for years, and we did not reach the solution of the problem until the Government of the United States came in with the Biological Survey, and then we began to get some real benefits. About that time a young man came into our State and taught us how to control the coyote and how to poison squirrels and other rodents. That man, a scientific and trained biologist, did a wonderful work on the west coast, and he is today at the head of the Biological Survey. If we will let him point the way we will have a department of government that we will all be proud of. Do not cut or change or modify what he is trying to do in his Nation-wide program.

It has been stated here in this debate that this is a poison program. It is also a hunting and trapping program. There are occasions where you have to use poison, but many hunters are now paid and kept in the field by the Government. The State of Oregon contributes and the sheepmen contribute.

During the fiscal year 1935 the Federal and cooperative hunters in the Western States took less than 15 percent of all predatory animals with poison; the balance of more than 85 percent were taken by other means and principally by means of traps. A total of 66,662 predatory animals was taken during 1935, including 59,289 coyotes, 5,387 bobcats, 1,332 wolves, 349 mountain lions, and 305 predatory bear.

Rodent control was carried on over 32,751,372 acres of public, State, and private lands in cooperation with States, counties, and individuals. For this entire program the Federal Government provided $418,305, while States and other cooperative units provided $989,306, or more than two dollars for every dollar appropriated by the Federal Government.

I want to make it clear that the appropriation requested this year is part of a 10-year program for the control of predatory animals and rodents adopted by the Seventy-first Congress, which authorized a total expenditure of a million dollars annually for the control of injurious animals. The amount authorized has never been used, the totals actually budgeted through congressional appropriation varying from $608,243 in 1931 to the low point of $418,314 in 1934. The Budget recommendation for 1937 is $600,000, the same amount which was allowed for 1936.

Mr. LEA of California. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes.

Mr. LEA of California. I presume the gentleman is aware that the Biological Survey has gone to great length to provide selective poisons so as to inflict the least possible injury on animals not injurious.

Mr. PIERCE. Yes; I thank the gentleman.

Mr. LEA of California. Also, from my own experience, not to qualify as an expert about coyotes, although I can act as a witness. When I was a young man a large part of my section of the country had to go out of the sheep business because of coyotes, and finally the Biological Survey came in and the industry was reestablished and is in a fairly flourishing condition today.

Mr. PIERCE. And the money spent by the Biological Survey for poisoning gophers and squirrels is money well spent. Let us stay by the committee. I am sorry I could not vote to increase the committee's recommendation for the wildlife research program, increasing the units.

For the first time an attempt is being made to gear a wildlife conservation and restoration program into the existing agencies for development of land use and agencies for taking the information and practice out to the people in usable form, and approaching the whole problem from the standpoint of the man who has to operate on the land.

The money paid to trappers annually, mostly farmers and farm boys, runs into millions of dollars, yet little has been done to help develop this industry. An opportunity to increase the scope of the cooperative research program would afford opportunity in this field.

It is the ultimate hope that this work may result in some definite recommendations for practical land use and supplementary farm income, which same will not be competitive with present production.

The expansion of this cooperative wildlife economic study would be one of the soundest basic efforts that could be made toward a solution of the enigma of an intensifying demand for a more abundant wildlife crop and a willingness to pay for it, on the one hand, and a gradually sinking supply, on the other hand, at the same time that we are trying to find new economic uses for land areas which are noncompetitive with our major crop productions, and with no basic economic study being made of the possibilities.

The wildlife industry is worth many millions of dollars. The fur industry yields annually over $65,000,000 to trappers, the large percentage of whom are farmers and farm boys. Approximately $275,000,000 are spent annually in the pursuit of game. Some $12,000,000 are invested each year in hunting and fishing licenses. The annual meat value of wildlife crops is estimated at $150,000,000, a total of over a half billion dollars.

In spite of this value, the fur-trapping industry is disorganized and local prices paid trappers are too much under the control of itinerant and local fur buyers. Game available for hunting is largely on private land. State and Federal Governments have little hope of providing enough land to accommodate all those who wish to hunt. If adequate wildlife resources are to be maintained, they must be developed on private lands. Yet to date so little attention has been given to possibilities of wildlife as a crop that the landowner sees nothing in it to encourage him.

There is no surplus of game, and probably never will be. People who enjoy the recreation of hunting are more and more willing to pay for their recreation in some form or other. Yet the crop value and possibility of wildlife is unknown.

All over the country there are springing up plans and schemes to encourage wildlife production. Some have promise; many are theoretical and dangerous. But no one is making a basic study of them to determine their economic soundness or with a view to giving them guidance. One wonders how far the return from wildlife crops would have gone during the past few years in bridging over the depression for thousands of farmers if the teachers of agricultural practices, farm managers, and farm economists would have had at their disposal for wildlife utilization as carefully developed information as was at hand for hog raising, cotton farming, and wheat growing.

I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CARTER. Mr. Chairman, it has been said that in order to trap a coyote the trapper must be smarter than the coyote. That might account for the ease with which the people of New York catch their coyotes and the difficulties that we of the West have in catching the same animal.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. CARTER. No, I cannot yield; I have not the time. I regret the distinguished gentleman from New York [Mr. WADSWORTH], who made the coyote speech, is not here, because his remarks are not applicable to the western coyote. That is absolutely certain. The coyote is a sly, crafty, cunning animal. We who have lived there and have had to contend with these coyotes know that. The gentleman from New York [Mr. WADSWORTH] said he paid the boys of New York 12½ cents for catching coyotes. The great State of California will give those same boys $5 for every scalp they bring in, and the State of Montana will do likewise, as will

a number of the Western States. The Biological Survey is organized for the purpose of protecting and propagating the game of this country. Do not be alarmed about any indiscriminate use of poison by this body that is organized for such a purpose.

Mr. BERLIN. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I regret I have not the time to yield. They are going about this matter in a safe and sane way. If it is necessary for them to poison the coyotes of the West and the other sections of the country, I believe they should have that discretion. They should not be placed in a position where they cannot use that means. I might say that a distinguished Member from the State of California just informed me that he operated, with the assistance of an Indian from California, a line of traps in California for 3 years, and during that 3-year period, although these traps were set in a skillful way, he captured just two coyotes.

We need your assistance in this matter, and I trust the membership of this Committee will leave this appropriation in exactly the same condition it is at the present time and not impose the conditions asked by the amendment.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FADDIS].

The amendment was rejected.

The Clerk read as follows:

Protection of migratory birds: For all necessary expenses for enforcing the provisions of the Migratory Bird Treaty Act of July 3, 1918 (U. S. C., title 16, secs. 703–711), to carry into effect the treaty with Great Britain for the protection of birds migrating between the United States and Canada (39 Stat., pt. 2, p. 1702), and for cooperation with local authorities in the protection of migratory birds, and for necessary investigations connected therewith, $279,978: *Provided*, That of this sum not more than $29,000 may be used for the enforcement of sections 241, 242, 243, and 244 of the act approved March 4, 1909 (U. S. C., title 18, secs. 391–394), entitled "An act to codify, revise, and amend the penal laws of the United States", as amended by title II of the act approved June 15, 1935 (49 Stat. 380–381), and for the enforcement of section 1 of the act approved May 25, 1900 (U. S. C., title 16, sec. 701), entitled "An act to enlarge the powers of the Department of Agriculture, prohibit the transportation by interstate commerce of game killed in violation of local laws, and for other purposes", including all necessary investigations in connection therewith.

Mr. BLANTON. Mr. Chairman, on page 65, line 18, I move to strike out the word "agriculture", which is merely pro forma, to give me the floor.

Mr. Chairman, there is no better friend of agriculture in the United States than our chairman of this subcommittee, the gentleman from Missouri [Mr. CANNON]. The farmers do not have a better friend in the world than the gentleman from Missouri. There is not a man in the House who during all his years of valuable service has tried to do more for agriculture and for the farmers than has the distinguished gentleman from Missouri [Mr. CANNON]. He has the absolute confidence and respect of every farmer in Missouri. He is about the only man that I know of in the House who does not have opposition for reelection. He stands so well with the people of Missouri that they are for him to a man, because they know they can depend upon him.

Now, he has here the annual supply bill for the Department of Agriculture. He cannot put in this bill just everything he would like to put in personally. He cannot put in it all the things his colleagues want. He is restricted by the financial program of the President. He is restricted in many ways by the Budget that his President sends here. I know how it must hurt him if colleagues gang up here and put $27,000,000 in his bill that exceeds the Budget estimates. I know just exactly the position it places him in with the administration.

I hope, as one of his colleagues who know his splendid work and his value, who know how hard he has worked for the farmers of the country, who know how zealously he has worked for the benefit of agriculture, that the membership of this House will stand behind him when we vote on this bill in the House and vote down these amendments adding increases and help him to keep this bill within the limitations that the President has requested on agricultural appropriations; he has given us a good bill, and unless you do that you will disrupt the President's financial program. You Democrats see these Republicans sniping at us across the aisle every day about expenses. The President wants the Budget kept in balance, but how is he going to do it if the membership here continues to put in great big items of millions here and millions there that are against his program?

Show me a President of the United States who has done more for the farmers than Franklin D. Roosevelt. Show me one who has had down deep in his heart any more sympathetic interest for the farmers of America. He is the only President that I know of in 60 years who has had a farm program that has been worth anything to the farmers. He is the only one who has given great thought to means of relieving the condition of the farmers.

The farmer has more enemies than anybody in the United States. He has the grasshopper, the boll weevil, the boll worm, the corn borer, the rust, hail, too much rain, too much drought. It seems that everything is against the farmer. The President of the United States has been down there in that White House thinking over their problems, trying to devise a way to bring them out of the morass of discouragement in which they have been for many years. They have been getting poorer and poorer, and he has been trying to help them. I want to plead with my colleagues here to stand by our chairman of this subcommittee. Let us vote with him and stop this raid on the Treasury. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas [Mr. BLANTON] has expired.

The pro-forma amendment was withdrawn.

The Clerk read as follows:

For necessary expenses of the Bureau of Public Roads, including salaries and the employment of labor in the city of Washington and elsewhere, supplies, office and laboratory fixtures and apparatus, traveling, and other necessary expenses; for conducting research and investigational studies, either independently or in cooperation with State highway departments, or other agencies, including studies of highway administration, legislation, finance, economics, transport, construction, operation, maintenance, utilization, and safety, and of street and highway traffic control; investigations and experiments in the best methods of road making, especially by the use of local materials; studies of types of mechanical plants and appliances used for road building and maintenance and of methods of road repair and maintenance suited to the needs of different localities; and maintenance and repairs of experimental highways, including the purchase of materials and equipment; for furnishing expert advice on these subjects; for collating, reporting, and illustrating the results of same; and for preparing, publishing, and distributing bulletins and reports; to be paid from any moneys available from the administrative funds provided under the act of July 11, 1916 (39 Stat., pp. 355–359), as amended, or as otherwise provided.

Mr. JONES. Mr. Chairman, I move to strike out the last word. I do this, Mr. Chairman, for the purpose of calling to the attention of the Commitee a situation which it seems to me should have consideration.

Under section 6 of the Highway Authorizing Act passed in 1916, as amended, it is provided that in approving projects to receive Federal aid under the provisions of this act the Secretary of Agriculture shall give preference to such projects as will expedite the completion of an adequate, connected system of highways, interstate in character. As a practical matter, in working out these programs under the terms of the law amounts are allocated to each State.

Programs are submitted by those States, the Bureau of Public Roads having the veto power on any project or system of projects that may be submitted. Because of this peculiar method of approach there are a number of transcontinental highways that run across the corner of certain States, sometimes across the corners of two or three different States that have unclosed gaps. Naturally the different highway commissions are inclined to approve their own system of highways. The pressure on them is not for these transcontinental lines that may cut across the corner of the State, but on a system that the State as a whole is interested in. I am not criticizing the highway commissions. They have tremendous pressure and naturally they are like all the rest of us. They listen to those in whom they are interested and whom they represent. There is a provision in the law itself that preference shall be given to the completion of a connected system of highways, interstate in character. In order to protect commissions and in order to enable these gaps to

be closed in these transcontinental highways, I have drafted an amendment which definitely allocates a portion of the new funds to the grading and surfacing of those gaps in the transcontinental highways. I submitted that to the subcommittee. The subcommittee did not seem to prefer that it first be taken up with the legislative committee, although I have drafted it in such a way that it is germane to this bill. I have it here, but because of that situation, and out of deference to the subcommittee, I am not going to offer it at this time. I do feel, however, that in any future funds a definite allocation of a portion of those funds should be made available only for the closing of those gaps. Otherwise it is going to be a long time before we get the gaps closed.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. THURSTON. The gentleman's thought, then, is that the discretion now vested in the respective highway departments of the several States should be eliminated and vested in the Federal Government.

Mr. JONES. No; I do not want to do that. I think the discretion should remain in the different highway commissions of the different States.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES. I would leave the present system and the present discretion undisturbed. I know the highway commission in my State has done good work, and I am sure the highway commissions of other States have likewise done good work. As a protection to them as much as anything else, I believe that a certain portion of these funds should be definitely allocated for the closing of these gaps. I believe it would be a protection to the highway commissions. I am sure they want to do it; and I should like to have an expression from some of the gentlemen on the subcommittee as to whether they do not think provision should be made for closing these gaps.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. TARVER. I may say to the gentleman that the subcommittee was entirely sympathetic with the gentleman's desire. The amount carried in this bill of $60,000,000 is in the main to take care of the Government's obligations under contracts already entered into. These should not be limited by the provision the gentleman has in mind. He desires to attach this requirement to future contracts, as I understand it. The bill insofar as it appropriates money under this item relates almost entirely to contracts where obligations have already been incurred. It therefore seemed to the subcommittee that it would be necessary to amend the basic legislation in order to accomplish what the gentleman has in mind.

Mr. JONES. Mr. Chairman, I may state to the gentleman that, of course, probably the better way would be to amend the basic act, and I expect to offer such an amendment to that committee. That will take longer and I wanted to call this matter to the attention of the appropriating committee as well. I see the chairman of the Committee on Roads is here. I hope he may see fit to take this matter up and I submit it to him for this purpose.

Now, on the question of these funds, I find on inquiry from the Bureau of Roads that of the $40,000,000 made available for this year and the $60,000,000 to be made available for the ensuing year, about $65,000,000 has been obligated on contracts outstanding, leaving about $35,000,000 unobligated. So part of these funds are available for the purpose I have in mind. I want to afford an opportunity for its being done in the regular way, however, and I am simply calling it to the attention of the House. I want to file the amendment which I drafted because I undertook, after talking with the chairman and with the gentleman from Georgia, and other members of the committee, the gentleman from Iowa [Mr. THURSTON], and others, to modify the amendment in such a way as to cover the object sought.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. WHITTINGTON. I would remind the gentleman that this appropriation deals with Federal aid and that the States are required to contribute one-half the amount. The expenditure of half the funds, at least, is directly a State matter, and I think it would be exceedingly unwise to undertake to vest in a department at Washington final discretion as to the expenditure of funds contributed by States.

Mr. CANNON of Missouri. The gentleman is getting into an entirely different field. This amendment undertakes to direct that only a limited percentage—25 percent—be spent on closing gaps. Certainly, if the Federal Government is making these great expenditures, it is interested at least partially in closing the gaps and should have a voice to that extent. As a matter of fact, I think at least 50 percent should be so expended until these gaps are closed. I am sure the subcommittee which has made a study of these matters will agree with me.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that for the information of the Committee and without being taken out of the time allotted to the discussion of this paragraph that an amendment I have prepared be offered simply for information and read from the Clerk's desk.

The CHAIRMAN (Mr. COOPER of Tennessee). Without objection, the amendment will be read for information.

The Clerk read as follows:

Amendment offered by Mr. JONES for information: Page 72, line 20, after the word "roads", strike out the period, insert a comma, and add the following: *"Provided further,* That not less than 25 percent, or so much thereof as may be necessary for such purpose, of the funds made available by this paragraph and allotted to any State shall be used for the purpose of grading and surfacing gaps in the regularly designated Federal highways as authorized by section 6 of the act entitled 'An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes", approved July 11, 1916, as amended and supplemented, and for other purposes.' This proviso, however, shall not be construed so as to interfere with projects heretofore approved by the Bureau of Roads."

Mr. CANNON of Missouri. Mr. Chairman, supplementing the remarks of the gentleman from Iowa [Mr. THURSTON] and the remarks of the gentleman from Georgia [Mr. TARVER], the committee has considered this amendment and is in heartiest accord with its purpose and with the proposition as outlined by the gentleman from Texas [Mr. JONES]. Beyond any question these missing links, these gaps in the national highways, ought to be closed, and this is about the only practical way of closing them. However, the committee after consideration deemed it inexpedient to include a legislative provision in this bill, and suggested that it be submitted to the legislative committee having jurisdiction.

I earnestly recommend to the distinguished gentleman from Oklahoma [Mr. CARTWRIGHT], chairman of the Committee on Roads, that at some time in the future, when this class of legislation is being considered by his committee, they give careful thought to the suggestion made by the gentleman from Texas [Mr. JONES].

Mr. CARTWRIGHT. As chairman of the Committee on Roads, may I say that we shall be glad to consider this matter at a not too far distant date. We expect to have up for consideration a regular road bill shortly, and the Committee on Roads, I am sure, will be delighted to give this matter consideration. Personally, I see no harm in it.

The pro-forma amendment was withdrawn.

The Clerk read as follows:

FEDERAL-AID HIGHWAY SYSTEM

For carrying out the provisions of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes", approved July 11, 1916 (39 Stat., pp. 355–359), and all acts amendatory thereof and supplementary thereto, to be expended in accordance with the provisions of said act, as amended, including not to exceed $556,000 for departmental personal services in the District of Columbia, $60,000,000, to be immediately available and to remain available until expended, which sum is part of the sum of $125,000,000 authorized to be appropriated for the fiscal year 1936, by section 4 of the act approved June 18, 1934 (48 Stat. 994): *Provided*, That none of the money herein appropriated shall be paid to any State on account of any project on which convict labor shall be employed, except this provision shall not apply to convict labor performed by convicts on parole or probation: *Provided further*, That not to exceed $45,000 of the funds provided for carrying out the provisions of the Federal Highway Act of November 9, 1921 (U. S. C., title 23, secs. 21 and 23), shall be available for the purchase of motor-propelled passenger-carrying vehicles necessary for carrying out the provisions of said act, including the replacement of not to exceed one such vehicle for use in the administrative work of the Bureau of Public Roads in the District of Columbia: *Provided further*, That, during the fiscal year 1937, whenever performing authorized engineering or other services in connection with the survey, construction, and maintenance, or improvement of roads for other Government agencies the charge for such services may include depreciation on engineering and road-building equipment used, and the amounts received on account of such charges shall be credited to the appropriation concerned: *Provided further*, That during the fiscal year 1937 the appropriations for the work of the Bureau of Public Roads shall be available for meeting the expenses of warehouse maintenance and the procurement, care, and handling of supplies, materials, and equipment stored therein for distribution to projects under the supervision of the Bureau of Public Roads, and for sale and distribution to other Government activities, the cost of such supplies and materials or the value of such equipment (including the cost of transportation and handling), to be reimbursed to appropriations current at the time additional supplies, materials, or equipment are procured, from the appropriation chargeable with the cost or value of such supplies, materials, or equipment: *Provided further*, That not to exceed $500,000 from the administrative funds authorized by the act approved November 9, 1921, and acts amendatory thereof or supplemental thereto, in addition to the amount remaining available under the authorizations contained in the Agricultural Appropriation Acts approved May 27, 1930, and May 17, 1935, shall be available for the construction of a laboratory, on a site already acquired, for permanent quarters for the testing and research work of the Bureau of Public Roads.

Mr. TABER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 70, line 24, after "$60,000,000", insert the following: "of the unobligated balances of funds allocated for other purposes than roads and grade-crossing eliminations appropriated by Public Resolution No. 11, Seventy-fourth Congress, approved April 8, 1935."

Mr. WHITTINGTON. Mr. Chairman, I make a point of order that it is legislation upon an appropriation. These funds in the pending bill have nothing to do with the grade-crossing proposition and the elimination of grade crossings referred to in the amendment, which are authorized by the Relief and Emergency Act of 1935. Therefore, the amendment is not germane to an appropriation which involves regular Federal-aid funds. This appropriation provides for Federal-aid funds, and the gentleman in his amendment is undertaking to deal with emergency highway and grade-crossing funds.

Mr. TABER. Mr. Chairman, the gentleman is clearly in error, because this is a pure reappropriation of funds that were appropriated under the act of April 8, 1935, out of unobligated balances other than those providing for the elimination of grade crossings and roads. It involves a reappropriation only.

Mr. WHITTINGTON. Mr. Chairman, may I remind the gentleman that he is in error? It is not a reappropriation. I am doubtful about the matter. I am afraid that under the language of the amendment a reappropriation might not result. The funds are expended under entirely different laws and very greatly different rules and regulations. The Relief and Emergency Act of 1935 combined both legislation and appropriation. Laws governing expenditures cannot be changed by undertaking to reappropriate. This is not the case of an ordinary reappropriation. This is not an appropriation under the Emergency Act of 1935, but, on the contrary, it is an appropriation under an authorization of June 18, 1934, and has nothing whatsoever to do with grade crossings. This is Federal-aid legislation alone and has nothing to do with the fund to which the gentleman refers.

Mr. TABER. I am afraid the gentleman does not understand the amendment.

Mr. WHITTINGTON. I think I understand the amendment, although it was difficult on account of the noise for me to hear the amendment as read.

Mr. TABER. I have attempted to reappropriate certain funds which have heretofore been appropriated for other purposes instead of taking the funds out of the General Treasury.

Mr. WHITTINGTON. Not at all, Mr. Chairman. The gentleman's amendment deals with grade-crossing funds, while this item involves Federal-aid highway funds and has nothing to do with emergency grade-crossing funds, covered by his amendment.

The CHAIRMAN (Mr. COOPER of Tennessee). The Chair is ready to rule.

The amendment offered by the gentleman from New York [Mr. TABER] seeks to reappropriate certain unobligated funds heretofore appropriated. The Chair has before him a syllabus which is directly applicable to the point raised. It may be found in Cannon's Precedents, section 1158, and is as follows:

The reappropriation of unexpended balances for purposes authorized by law is in order, even though for different purposes than those for which originally appropriated.

The Chair thinks, therefore, that the amendment is in order, and overrules the point of order.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the amendment offered by the gentleman from New York [Mr. TABER] may be again read by the Clerk.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the Taber amendment.

Mr. TABER. Mr. Chairman, I offer this amendment in order that we may cut down the amounts that are available for expenditure to a point somewhere near the real needs. Let me call attention to the fact that day before yesterday, if I recall correctly, the President of the United States sent to the Senate a veto message saying to the Congress, in effect, "You cannot take money out of the Treasury for seed loans without providing the taxes with which to pay it, but I can, and I have plenty of money available in the relief fund to take care of this job. I am going to do it that way."

Mr. Chairman, it is perfectly evident from this veto message and from the report with reference to the expenditures under the $4,880,000,000 fund that there is plenty of money available for this particular purpose out of that appropriation which has not been obligated. May I say to the membership of the House that on the 1st of January 1936 there was in unobligated allotments of the Rural Rehabilitation outfit the sum of $120,000,000. All the way through the list there were unobligated allotments, totaling upward of a billion and a half dollars. A very small portion of this amount has been since obligated. There is unexpended under such an item as the resettlement operations at this time $187,000,000.

Mr. Chairman, why should we not stop such operations as Under Secretary of Agriculture Tugwell sending boys from Arkansas up to North Dakota to kill jack rabbits, when the farmers up there would kill these rabbits themselves if we would provide the cartridges? We should use this money for the construction of roads instead of permitting such ridiculous operations to continue. I want to reduce the direct appropriation out of the Treasury by $60,000,000 and take the money out of these fool operations which everyone with intelligence knows should not be performed.

Mr. Chairman, I do not want to interfere with the road operations. I have specifically provided in my amendment that none of the fund allocated to roads or to the elimination

of grade crossings shall be touched. I provide that it shall be done out of that money that is not needed for things that the Government ought to do.

I hope that the membership of the House will adopt my amendment, which will cut down the amount of money that may be wasted from the Treasury of the United States, just as the President cut it down when he vetoed the measure providing seed loans and provided this money out of another fund. I hope as a result of the operation this bill can, through this reappropriation, be brought $60,000,000 more below the Budget.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, the amendment proposed by the gentleman from New York, if adopted, in my judgment, would defeat the very purpose the gentleman states he has in mind. The gentleman's idea is that the $60,000,000 here appropriated for Federal aid could well be taken out of the unobligated emergency funds. The difficulty, however, with this proposition is twofold. In the first place, Mr. Chairman, if this amendment is adopted, it will disrupt every contract made in the 48 States of the Union based upon Federal aid. Secondly, no Federal-aid funds at all might appropriate, for Members of Congress are repeatedly advised that all emergency funds have been obligated.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. In just a moment.

Mr. TABER. The gentleman is not correct, because my amendment does not apply to road allocation.

Mr. WHITTINGTON. The contracts covered by the pending appropriation have been made and the rules and regulations for the expenditure of Federal-aid funds are entirely different from the rules and regulations for the expenditure of emergency funds. No matter what the gentleman's intention might be, with all due deference, if he stopped by simply saying that this $60,000,000 covering contracts already approved and already allocated shall be taken out of the emergency fund, then it might be taken subject to the rules and regulations which have really prevented the construction of paving and permanent parts of highway road building, or emergency funds have been used for dumps and foundations because of the regulations respecting relief labor.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. In a moment. I understand the gentleman's view. Practically all of the $200,000,000 expended for highway construction and all of the $200,000,000 expended for grade-crossing elimination has been used because of the rules and regulations in building the foundations of roads, and because of those rules and regulations the States that have been doing the work have been unable to put any tops or pavements on those foundations. Now, Federal aid is not subject to those rules and regulations, and I may say to the gentleman that I am in entire sympathy with his view, and I believe that relief and emergency funds could be better used in highway construction than they have been in many other projects to which they have been devoted; but I insist that the adoption of this amendment, which would restrict the expenditure of Federal-aid funds on contracts already made, where the State of New York and the State of Mississippi have matched Federal aid with the understanding that those projects would be carried out under rules and regulations applicable only to Federal aid, to entirely different rules and regulations respecting relief labor, especially in connection with relief and emergency funds, would destroy the purpose the gentleman has in mind.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. TABER. The fact is, my amendment would do nothing of the kind, because my amendment simply provides for taking this money out of emergency funds, other than the roads and the elimination of grade crossings, and letting it be used just as this bill provides.

Mr. WHITTINGTON. Yes; but the gentleman is a good lawyer, and the gentleman knows that his amendment does not go far enough; because when you take any part of the relief funds, then the funds can only be expended under the rules and regulations and Executive orders issued by the President of the United States, provided by the legislation in the Emergency Relief Act, unless there is legislation repealing in part the provisions of the Relief Act.

Mr. TABER. That is not correct.

Mr. WHITTINGTON. And could not be expended as provided by the contracts that practically all the States of the Union have made. If the gentleman's amendment went further and if in his amendment he undertook to reform or repeal the rules and regulations governing the expenditure of relief funds so as to give the States that have matched this Federal aid the privileges they are entitled to in order to use the money they have matched, the situation would be entirely different. At least there is so much doubt that an amendment proposed on the floor that might interfere with the contracts approved should not be adopted.

I may say to the gentleman that if he wants to propose legislation that will take $60,000,000 or $100,000,000 or $200,000,000 of the unobligated and unexpended relief and emergency money and put it on the highways of the Nation, I am for that; but I do not want him to hamstring Federal aid by undertaking to couple Federal aid with the restrictions on the expenditure of relief and emergency funds.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. In other words, in employing labor under relief funds such money can only be expended by employing those on relief. No such restriction applies to Federal aid.

Mr. TABER. Mr. Chairman, will the gentleman yield there?

Mr. WHITTINGTON. I shall be pleased to yield.

Mr. TABER. If this amendment be adopted, all regulations and all rules with reference to the act of April 8, 1935, that the President has promulgated would cease to apply to this $60,000,000. It would be absolutely in the hands of the Bureau of Public Roads just the same as if it were a direct appropriation.

Mr. WHITTINGTON. Not at all, Mr. Chairman.

Mr. TABER. Oh, yes.

Mr. WHITTINGTON. That is the gentleman's statement, but I beg leave to differ with him. The gentleman simply states in his amendment that this $60,000,000 shall be taken out of those funds for road purposes, and there he stops. There is nothing in the amendment that would undertake to repeal the law with respect to the disbursement of those funds. It is not the ordinary case of reappropriation of unexpended funds.

Mr. TABER. That is not necessary.

Mr. WHITTINGTON. The amendment does not modify in any wise any of the rules and regulations issued by the Executive.

Mr. TABER. The money is reappropriated, and when it is reappropriated the act of April 8, 1935, ceases to apply to it at all.

Mr. WHITTINGTON. Of course, if the gentleman has in mind that he wants to disrupt the relief program of the administration——

Mr. TABER. It would not be disrupted.

Mr. WHITTINGTON. If you want to disrupt the relief program then put in your amendment the language that these funds reappropriated shall only be expended as provided by the act of June 18, 1934, instead of the Relief Act of April 1935.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. MICHENER. If the gentleman had made his speech at the time he made the point of order, in my judgment, he would have shown that the amendment was subject to a point of order.

Mr. WHITTINGTON. The gentleman is not asking a question. Moreover, I did call attention that it was legislation on an appropriation and was not germane.

Mr. MICHENER. Because this does change existing legislation.

Mr. WHITTINGTON. I agree that it does, and for that reason made the point of order against the amendment. I do not yield unless the gentleman wishes to ask a question.

The long and short of it is just this: If you are going to take the agricultural appropriations for some $190,000,000, including Federal-aid highway purposes, out of the relief and emergency funds, all right; but I say to the gentleman, favoring, as he does, highway construction, unless he means to cripple such construction, then the amendment should be defeated, because, in my judgment, the States that have matched these funds and the contracts that have been made will be discriminated against and will be treated unfairly and unjustly by now applying restrictions that govern the expenditure of relief funds to Federal-aid contracts already made. There is another aspect of the amendment that might cause complications. The language of the amendment is, and I quote, "of the unobligated balances of funds allocated for other purposes." We are constantly reminded that all funds have been obligated or allocated. The word is "unobligated" and not "unexpended." Large amounts of the relief funds have not been expended, but the Administration advises that substantially all funds have been allocated or obligated. If obligated, the amendment if adopted would prevent Federal aid. There is no occasion to take chances on the floor with an amendment, not considered by the committee, that might prevent any Federal-aid appropriation. The safe course is to defeat the amendment.

Mr. TABER. Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. TABER. Mr. Chairman, I am certain that the gentleman from Mississippi [Mr. WHITTINGTON] misunderstands the parliamentary situation and the legislative situation. If my amendment should be adopted, no rules which are adopted by the President under the act of April 8, 1935, would apply to this $60,000,000, but it would go into the Bureau of Highways to be administered in the regular way, just the same as if it were a regular appropriation out of the Treasury. Nothing relating to the act of 1935 would apply to it at all. There are no such regulations that would have any bearing upon it at all.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. WHITTINGTON. If it be the gentleman's idea that these relief funds could be better expended for highways, let me suggest that he offer an amendment to provide an additional appropriation independent of Federal aid, but do not destroy Federal aid for highways by insisting on the amendment which he has proposed. I emphasize that it is not the ordinary case of reappropriation. The result might be either no appropriation or one that would hamper Federal-aid highway construction. There is no occasion to take any chances.

Mr. JOHNSON of Oklahoma. Mr. Chairman, in my judgment, the gentleman from New York [Mr. TABER] is wrong, as usual. Let me assure the gentleman that there is no misunderstanding as to the parliamentary situation at this time. The gentleman from Mississippi [Mr. WHITTINGTON] has clearly and accurately stated the situation with reference to this very important item. If Members of this Congress desire to keep faith with the several respective States that have heretofore made allocations and contracts under the Hayden-Cartwright bill, there is only one course to pursue at this time, and that is to stay with this committee and vote down the Taber amendment. I feel sure that the members of the committee understand the situation clearly and will not be led astray or have their minds befuddled by the distinguished gentleman from New York. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 30, noes 77.

So the amendment was rejected.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word. My purpose in doing so is to ask the chairman of the subcommittee a question: In the annual appropriation bill for Federal highway legislation, at the appropriate place, which would be line 3, page 71, of the pending bill, in the appropriation for the fiscal year 1936, the following proviso occurs:

Provided, That the Secretary of Agriculture shall act upon projects submitted to him under his apportionment of the $125,000,000 authorized to be appropriated for the fiscal year ending June 30, 1936, by section 4 of the act approved June 18, 1934 (Public, No. 393, 73d Cong., 48 Stat. 994), and his approval of any such project shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution thereto.

The proviso to which I have directed attention does not occur in the pending bill for the fiscal year 1937, and I ask the chairman if it is not true that the proviso is eliminated because the committee is and was of the opinion that the matter is covered by substantive law?

Mr. CANNON of Missouri. That is the view of the committee.

Mr. WHITTINGTON. And in that connection, Mr. Chairman, if I may detain the Committee for just a moment, let me call attention to the fact that I agree with the views of the committee.

I think this language was wholly unnecessary in the Appropriation Act for the fiscal year 1936, and I believe that it is provided for in substantive law that occurs in the act of February 12, 1925, which act not only provides for the apportionment and the obligation of the Federal Government for the two authorizations in that act but for all future authorizations, and the provisions are really more liberal as to the time for the allotment, which may be in 3 years. The Secretary of Agriculture, under the substantive law and without the proviso, has authority to approve projects, which thereby become contractual obligations of the Government.

Mr. CANNON of Missouri. That was the opinion of the committee, and acting on that assumption we eliminated the provision from the bill.

Mr. WHITTINGTON. In other words, the Secretary would have the same authority now that he has been exercising for the last 10 years, and since the act of February 12, 1925, providing for the apportionment of appropriations thereby authorized, and in the language of the act from which I quote, "or which may hereafter be authorized."

The CHAIRMAN. Without objection, the pro-forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

Agricultural engineering: For investigations, experiments, and demonstrations involving the application of engineering principles to agriculture, independently or in cooperation with Federal, State, county, or other public agencies, or with farm bureaus, organizations, or individuals; for investigating and reporting upon the utilization of water in farm irrigation and the best methods to apply in practice; the different kinds of power and appliances; the flow of water in ditches, pipes, and other conduits; the duty, apportionment, and measurement of irrigation water; the customs, regulations, and laws affecting irrigation; snow surveys and forecasts of irrigation water supplies, and the drainage of farms and of swamps and other wet lands which may be made available for agricultural purposes; for preparing plans for the removal of surplus water by drainage; for developing equipment for farm irrigation and drainage; for investigating and reporting upon farm domestic water supply and drainage disposal, upon the design and construction of farm buildings and their appurtenances and of buildings for processing and storing farm products; upon farm power and mechanical farm equipment; upon the engineering problems relating to the processing, transportation, and storage of perishable and other agricultural products; and upon the engineering problems involved in adapting physical characteristics of farm land to the use of modern farm machinery; for investigations of cotton ginning under the

act approved April 10, 1930 (U. S. C., title 7, secs. 424, 425); for giving expert advice and assistance in agricultural engineering; for collating, reporting, and illustrating the results of investigations and preparing, publishing, and distributing bulletins, plans, and reports; and for other necessary expenses, including travel, rent, repairs, and not to exceed $5,000 for construction of buildings, $385,669.

Mr. WHITTINGTON. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: Page 74, line 12, strike out "$385,669" and insert in lieu thereof "$404,669."

Mr. WHITTINGTON. Mr. Chairman, I am in entire sympathy with the program of the committee and of the administration to curtail and to reduce expenditures wherever possible, and for that reason I maintain that appropriations in this bill should be limited to the matters and projects authorized by law and recommended by the Budget. The amendment that I propose involves an increase of only $19,000 in the pending item, and it is intended to provide for what is known as the experimental gin plant, located in the State of Mississippi but for the benefit of the entire Cotton Belt. May I say in this connection that the purpose of the agricultural appropriation bill is to provide for scientific investigations and experiments for the benefit of agriculture. The experimental gin plant was established some 6 years ago for the benefit of cotton, both the producer and the manufacturer being benefited.

That plant has resulted in great good. Bulletins have been issued and circulars have been distributed that have been of material value both to the textile manufacturers and to the producers of cotton. In that plant the very best grades of ginning machinery are utilized and experiments are conducted by the plant for the utilization of existing machinery. It may be said that the manufacturers of gin plants should undertake to improve the machinery. They have done so; but that same observation might be applied to all other scientific experimental operations conducted under the authorization of this bill. It may be argued that these experiments should be made by others than farmers. I refer to some of the results of these experiments.

I emphasize that in the proper preparation of cotton for ginning there is something for the farmers to do. The cotton should be ginned when it is dry. There has been perfected a dryer that is of benefit to the cotton growers throughout the cotton area. Cotton is one of the greatest agricultural crops of the Nation and comprises our chief export products and the large percentage of our foreign trade.

Again, the experiments conducted by this plant resulted in the farmers getting a better price for their cotton and in the manufacturer getting a better grade. Instead of being napped, instead of being cut, the cotton is smoother as a result of the experiments conducted by this plant. So it is that much of the highest appreciation of the work of this plant is from the manufacturers of cotton. The cotton growers get a better price because, as a result of the experiments, the ginners, for the benefit of the cotton growers, are using what is called a loose roll rather than a tight roll.

They are ginning more slowly. Where formerly the aim was quantity of bales ginned, it is now quality.

To give you a concrete illustration of the reduction of the cost made, as a result of an experiment that could not be made by the manufacturers and that cannot be made by the farmers in the type and installation of fan machinery in the gin plants, there was a saving in the territory in many cases during the past season of from 12 to 15 cents a bale in the cost of power in ginning. I trust the Committee will accept the amendment in the interest of both the cotton farmers and the manufacturers of cotton machinery in the United States.

Under leave to revise and extend my remarks, I should like to say that an experimental gin plant to improve the grade and quality of cotton ginned was established at Stoneville, Miss., under act approved April 19, 1930. It was contemplated than an annual appropriation of $75,000 would be required. The appropriation for the fiscal year 1936 and the amount carried in the bill for the fiscal year 1937 is $36,000. The Department of Agriculture and the Budget recommended an increase of $19,000 for the fiscal year 1937, which the committee refused, and which my amendment proposes.

An excellent plant has been established, and the Department reports and recommends that additional assistance is needed if full advantage is to be taken of the facilities. The investigations made have been most useful to cotton growers and to cotton ginners. They have been beneficial to the manufacturers of cotton. There is urgent need for at least two more well-trained men in connection with the engineering phases of the work, and there is constant need to replace equipment and keep it abreast of modern practices. Other phases of the cotton program were given considerable increases for 1936, and if improvement in cotton ginning is to keep abreast of the work of the Department on cotton, the increase recommended by the Budget is essential. The amendment proposed by me provides for an increase of $19,000, to be used for additional personnel in the field, new machine tools, and replacement of obsolete machinery.

It is urged that the manufacturers of gin machinery should invent better machinery. Improved machinery will not solve the problem. There is a responsibility on the farmers. Prior to the establishment of the experimental gin plant there was no scientific approach or facilities for improving ginning processes. The cotton farmer was partly to blame. It was impossible for the grower to know in what condition to bring his cotton to the gin. Damp cotton, rough cotton, reduced his income.

There was a responsibility with the ginners. The proper use of machinery has much to do with the quality of the lint. The tight roll and the loose roll influence the grade of the cotton.

The ginner is interested primarily in quantity. The farmer is interested in quality; so are the manufacturers. Roughly, ginned cotton and cut cotton are difficult to handle by the manufacturers of lint cotton.

The wisdom of the establishment of the experimental gin plant has been vindicated. The manufacturers of gin machinery, in adopting improved machinery, are benefiting the growers and the consumers. As a result of the experiments there has been better ginning. This means a better price for cotton. Again, the experiments have aided in reducing the costs of ginning and thus the cost of cotton production is reduced.

The plant is rendering excellent service as a result of its experiments in testing the fans of gins. The growers have thus been saved from 15 cents to 20 cents per bale in the cost of ginning.

Replacements in machinery are necessary. The price of cotton is largely determined by the grade. The experiments as to how machinery is to be operated—whether with a loose roll or with a tight roll, whether the proper operation of the saws and ribs, fast ginning, and slow ginning, the reduction of the costs of power or fuel are greatly advantageous to the grower.

The manufacturers complain and lose because cotton is improperly ginned, because the fiber is cut. The producers and the manufacturers, therefore, have greatly benefited from the operation of the experimental gin plant. The plant should be maintained.

The results of the experiments are available to cotton growers, and bulletins and pamphlets giving the results of the experiments have been issued and distributed for the benefit of cotton growers and manufacturers from time to time since the plant was established.

I repeat, I am in sympathy with the program not to increase expenditures. I am not asking for an increase over the recommendation of the Budget. The expenditures on this plant have been curtailed. The increase of $19,000 carried in my amendment and recommended by the Budget will be most beneficial. I trust the amendment will be adopted. I am advised that members of the committee from cotton districts say they know of no benefits to cotton growers or others as a result of the experiments of the cotton-ginning plant. I have already pointed out that the development of a process of drying seed cotton, the ginning with a loose

instead of a tight seed roll, results in a better quality of cotton. Surely these are benefits. Moreover, I have pointed out that the experiments respecting the type of fans had resulted in the reduction in the cost of fuel. I emphasize, as a practical cotton grower, that the plant has been of benefit to the cotton growers. Its location is in Mississippi, but the experiments are for the benefit of the entire cotton area. They are available to the gentleman from Georgia; they are available to his farmers. It strikes me that the recommendation of the Budget and the recommendations of the Department of Agriculture demonstrate the value of the plant, both to the growers and manufacturers.

It is said manufacturers can perfect machinery. The experiments are for the benefit of the cotton growers primarily. It increases the value of the cotton. It is of benefit to the manufacturers. If experiments and scientific investigations are in order respecting other agricultural commodities, it is passing strange that a Representative of a cotton area would oppose investigations and experiments respecting cotton. The results of the experiments can only be made available by an inspection of the plant and by bulletins. Such bulletins have been issued by the Department of Agriculture. I call attention to Farmers' Bulletin 1748, prepared by Mr. Charles A. Bennett, who has supervision of the cotton-ginning plant. I call attention to Miscellaneous Publication No. 149, by Charles A. Bennett. The Bulletin No. 5012, issued by the Bureau of Agricultural Engineering, is most valuable. Other bulletins have been prepared by Mr. Bennett. He has addressed agricultural meetings and associations of ginners from time to time. The results of his investigations are carried in agricultural publications. I refer to an article in Agricultural Engineering of March 1933 by Mr. Bennett, and to a recent article in Agricultural Engineering of October 1935. In the Employer for May 1934 there is an address he made before the Ginners' Association of Oklahoma. Articles by Mr. Bennett, in charge of the plant, have appeared from time to time in the American Ginners and the Cotton Ginners' Journal. I am advised that a bulletin giving the results of the experiments at the plant will be published in the near future.

Information is available. The results of the plant are available to cotton growers, gin manufacturers, and to cotton manufacturers. It is to be kept in mind, however, that the plant has only been in operation some 4 years. While the experiments are valuable, scientific investigations take time.

Improper ginning of cotton results in losses of from $5 to $10 per bale. Surely experiments in the use of machinery, and in the improvement of machinery for cotton ginning, are valuable to the growers if they result in better ginning and in better prices.

It is most unfortunate that a Representative of a cotton district opposes an appropriation in behalf of cotton when the facts and the hearings disclosed that cotton growers, as well as manufacturers, have already greatly benefited as a result of the experiments.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment. I come from a cotton-growing section. It is but natural to assume that if I felt this amendment would be of any substantial benefit to the cotton growers of the South I would be earnestly in favor of it. I have heard the gentleman from Mississippi [Mr. WHITTINGTON] speak in glowing terms of the work accomplished at this station located in his State. I sorrowfully confess that if any benefit has ever been derived by any cotton farmer in my State or anywhere else from the operations of this plant, the fact has never been called to my attention.

Why should the Government engage in experiments for the perfection of cotton-ginning machinery or farm mechanical equipment? Why is that not a proper activity for the corporations which manufacture such machinery, and on what account should the Government undertake to do work for cotton gin manufacturing companies which other manufacturing companies manufacturing all other kinds of manufactured goods do for themselves?

It is natural for any gentleman to desire that a work of this character located in his State should be expanded. Remember, we have provided the same appropriation that this station had last year. If it is accomplishing anything, it can go ahead and proceed with its work in the same volume that it has proceeded heretofore. If we grant this appropriation, of course, it is in addition to that of last year, and they will hire more employees and will go to a great deal of additional expense in carrying out work which I regretfully believe has been of very little, if any, benefit to the cotton farmers.

Mr. Chairman, every activity of any department of the Government or any new activity authorized by Congress grows like a mushroom. It is first established, and then at every session of the Congress the departmental authorities come in and ask for large additional sums of money to expand it. That is the reason we have this tremendous bill, which, even though we cut $11,000,000 under the Budget, was still $12,000,000 above the appropriation bill for last year. With the two amendments adopted on yesterday, if they are concurred in by the House, it will be $39,000,000, even if you adopt no additional increase, above the agricultural appropriation bill for the year 1936.

Now, this is a small item. As I said, coming as I do from a cotton country, if it meant anything to the cotton farmers of my country whom I represent, I would be in favor of it; but believing as I do, that it does not mean anything to them, and that it would be an abnormal and unnecessary expansion of an activity which has not been very much worth while, I certainly hope that the amendment of the gentleman from Mississippi will be voted down.

Mr. CRAWFORD. Will the gentleman yield?

Mr. TARVER. I yield.

Mr. CRAWFORD. I just wanted to make this observation: That in the sugar business, where similar experiments have been carried on and where the Department of Agriculture has performed such outstanding, beneficial work, the sugar people have spent their own money in designing new machinery and in installing it, making it work in accordance with the recommendations of the Department.

Mr. TARVER. Who ever heard of a cotton farmer who used any machinery based upon experiments conducted at this station? If these experiments have benefited anybody, the attention of the subcommittee was not called to it. If they have benefited anybody, it is only the machinery manufacturers.

Mr. WHITTINGTON. Does it not provide for only two additional employees?

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment of the gentleman from Mississippi.

The amendment was rejected.

The Clerk read as follows:

Crop and livestock estimates: For collecting, compiling, abstracting, analyzing, summarizing, interpreting, and publishing data relating to agriculture, including crop and livestock estimates, acreage, yield, grades, staples of cotton, stocks, and value of farm crops, and numbers, grades, and value of livestock and livestock products on farms, in cooperation with the Extension Service and other Federal, State, and local agencies, $661,289: *Provided*, That no part of the funds herein appropriated shall be available for any expense incident to ascertaining, collating, or publishing a report stating the intention of farmers as to the acreage to be planted in cotton.

Mr. HEALEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HEALEY: Page 76, line 24, after the word "agencies", strike out "$661,289" and insert in lieu thereof "$686,289."

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HEALEY. Mr. Chairman, my purpose in offering this amendment is to increase the amount of the appropriation by $25,000 for the purpose of establishing a definite and permanent service for reporting statistical information concerning the poultry business.

The income derived from poultry and egg products in this country during the last 5 years ranks this endeavor second in importance in agriculture. The farm census of 1930 showed that there were chickens on 85 percent of the farms in this country. So this is a matter that affects every section of our country and is one of great economic importance.

The Division of Crop and Livestock Estimates has never had available any particular funds for this purpose; and, although during the past few years they have attempted to supply the necessary information concerning the output and developments in this industry, they have had to do this as a mere incident in connection with other projects that are undertaken by this division of the Department of Agriculture.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. HEALEY. I yield.

Mr. MICHENER. Just what kind of statistics would this cover in connection with poultry?

Mr. HEALEY. It covers statistics concerning the status and output of this huge industry.

Mr. MICHENER. The gentleman means the number of eggs the hens lay?

Mr. HEALEY. Yes; among other things; and, furthermore, information concerning marketing and scientific developments made in the business of the production of poultry and eggs.

Mr. MICHENER. I should like to help the gentleman, but I should like to know just what information he expects to get from poultry yards.

Mr. HEALEY. I merely desire to extend to the poultry industry the same service that is furnished to other agricultural products. I think this is a very reasonable amendment. It was requested by the Bureau of the Budget, was estimated for, but the committee struck the Budget estimate from the bill.

I wish to call the Committee's attention to the fact that this is a very vital matter; that it really involves vital information that is necessary to the poultry industry. In this connection I read the following paragraph from a letter I received from the Massachusetts Federation of Poultry Associations:

> This additional $25,000 would give to the poultry industry of the country the much-needed information that they have been under a handicap for years in not having. Practically all of the other agricultural enterprises in the State have the proper statistical information published concerning their respective industries; and, as poultry is the second largest agricultural enterprise in the country, we strongly feel that they should be accorded this information which is so vital.

The amount and importance of this work done for the benefit of the poultry industry has fallen far short of the service required by the industry.

If this amount of $25,000, which has been recommended by the Budget, is restored, the industry will have the benefit of a service of vital interest to it. I feel that this amendment merits your support, and I urge its adoption.

Mr. CITRON. Mr. Chairman, the amendment proposed by the gentleman from Massachusetts carries out the desire of the Department of Agriculture, as set forth in its Budget estimate.

In answer to the gentleman from Michigan as to what this $25,000 could be used for, I call the Committee's attention to page 645 of the hearings, particularly to the following statement in explanation of the desire of the Department to increase the allotment for this year:

> The increase will provide for annual estimates of the total number of chickens and monthly reports on hens and pullets, frequent periodic reports on young chickens on hand, and on production of eggs. Special studies will be made of commercial flocks, eggs produced, rate of laying, breeds of chickens produced, estimates of sales and of farm consumption of eggs and poultry, farm prices, and much additional information of vital interest to the poultry industry. Analyses will be made of the data gathered in order to forecast probable future production.

I come from an industrial State, but it, too, has an extensive poultry and egg business. To grant this small amount and add it to this appropriation bill will help the Department of Agriculture in formulating and sending out poultry statistics. It lacks facilities to do this extensively at the present time. The issuance of such statistics and information will mean much to this industry all over the country, including the poultrymen of my section of the country.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. CITRON. I yield.

Mr. HEALEY. The gentleman does not mean to say that this affects New England only, does he?

Mr. CITRON. This affects not only New England but all sections of our country. Eighty-five percent of the farms of this country raise poultry, among other things, and are interested in this subject.

I further call attention to the following portion of the hearings appearing at page 648 of the printed hearings:

> Mr. CANNON. You are asking under this item an increase of $25,000. In what way are you extending the work to justify that increase?
>
> Dr. BLACK. That increase was intended to give us better statistical service for the poultry industry. Under the appropriation for crop and livestock estimates our work on poultry is perhaps the least satisfactory, insofar as major agricultural products are concerned. Poultry is, in reality, a major agricultural commodity.

I have received numerous letters and telegrams from my State asking that this amount be reinstated in the appropriation. I am not asking that it be restored simply because I have received these letters and telegrams, but because a study of the hearings and a study of the subject convince me that the Department is entitled to this extra $25,000 to afford them an opportunity to study and set out the various statistics regarding this whole subject.

Mr. KENNEY. Will the gentleman yield?

Mr. CITRON. I yield to the gentleman from New Jersey.

Mr. KENNEY. Will this appropriation enable monthly reports to be made?

Mr. CITRON. Yes.

Mr. KENNEY. Annual reports only are now being prepared?

Mr. CITRON. Yes.

[Here the gavel fell.]

Mr. TOBEY. Mr. Chairman, this amendment seeks to add $25,000 to the crop and livestock appropriation in the bill now before the House for consideration, for the purpose of making the supply of poultry statistics more inclusive and helpful to poultry producers over the entire Nation. These funds would make possible the beginning of a monthly reporting service, which would give the poultrymen the same type of information the Government now provides through the Department of Agriculture to every other branch of production of agriculture.

Mr. Chairman, the poultry business is now a billion-dollar industry and is the second largest industry in the country in point of livestock production. Existing facilities for research and survey only cover small-farm flocks of less than 200 birds. Forty percent of the poultry production in this country comes from flocks of 200 birds up to many thousands. A worth-while agricultural economy should provide for the protection of all classes of poultrymen by furnishing them complete, adequate statistical data on the trends and facts concerning large flocks, which represent 40 percent of the market supply.

The poultry industry has grown rapidly from 1929 to the present day, but the reportorial facilities and the supply of statistics needed have not kept pace with the growth of the business. There exists at the present time a big gap in the Department of Agriculture's information service.

Mr. Chairman, should this sum be granted, as I hope it will, the Department plans, and will be able to give, monthly service of trends and market information to the poultrymen of the Nation. There is a provision in the amendment, or

should be, to utilize $7,500 of this amount to compile data from the last agricultural census.

The amount requested is small, being less than the price of one airplane, but it would aid and encourage the poultry growers the Nation over. It has the endorsement of not only the Department of Agriculture but of many poultry associations in the country.

Mr. Chairman, the poultry industry has never had a fair chance. It has always been up against material handicaps. China, that far-away country in the old world, is flooding this country with eggs and egg powder, the result of production from farmers using cheap labor and living far below our American standards. They are competing and injuring our American poultry farmers. There is a bill to put a crimp in them now pending in the Ways and Means Committee, introduced by the gentleman from California [Mr. LEA], but we who are friends of the poultry industry cannot get a hearing for this bill. I ask for common justice to the farmers who deal in poultry. I ask that the Members of this House do not turn a deaf ear to this request for $25,000.

Mr. McCORMACK. Will the gentleman yield?

Mr. TOBEY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Is it my understanding that the Department of Agriculture recommended $40,000 for this purpose?

Mr. TOBEY. I cannot say as to that.

Mr. McCORMACK. The Director of the Budget recommended $25,000?

Mr. TOBEY. Yes.

Mr. McCORMACK. This is simply an attempt to get $25,000 back in the bill which the Director of the Budget recommended to the Appropriations Committee?

Mr. TOBEY. The gentleman is entirely correct, and the gains to come from this additional $25,000 are far more important than the $25,000 expenditure.

[Here the gavel fell.]

Mr. THURSTON. Mr. Chairman, I am sure that the subcommittee is informed as to the importance of the poultry industry in the United States, and in nowise shall I attempt to deprecate or lessen the importance assigned to this topic. However, the committee learned that last year a census of poultry was taken by another branch of the Government, and at this time in the Bureau of the Census, Department of Commerce, figures are now being compiled of the poultry census that was taken in 1925. All the figures are now available for New England and the northeastern portion of the United States. The Director of that Bureau stated the entire work would be compiled within a period of 3 or 4 months. With this information available to the committee, we thought it would be unwise to allot additional public funds to take a census on the same subject so shortly after one had just been completed. We all know that the amount of poultry production in the country may be increased rapidly because of the short time involved to produce poultry. While the future may logically require additional information in regard to statistics concerning poultry, surely at this time we ought not to spend additional funds when we already have information of recent origin that will be available within the next 3 or 4 months.

Mr. HEALEY. Will the gentleman yield?

Mr. THURSTON. I yield to the gentleman from Massachusetts.

Mr. HEALEY. The purpose of this appropriation, as recommended by the Budget, was not merely to take a census all over the country. As I understood, it was to extend to this industry the same services as are extended to other livestock and agricultural industries.

Mr. THURSTON. We have research work in relation to diseases of poultry carried in other items of this bill.

Mr. HEALEY. This would include that sort of information.

Mr. THURSTON. But this item is confined to statistics. We are now considering the title "Bureau of Agricultural Economics."

Mr. TOBEY. Mr. Chairman, will the gentleman yield?

Mr. THURSTON. I yield.

Mr. TOBEY. Does not the gentleman appreciate the fact that under this amendment, if adopted, we will set up, not a general yearly census, but institute a monthly service, reporting on these various details and trends? The cotton and wheat and tobacco people already have this knowledge available to them, and the poultrymen are asking for the same thing. They want monthly bulletins showing trends and prices to be sent out all over the country, which will be invaluable to them. It is not a yearly census we are interested in.

Mr. THURSTON. I may say to my friend that many of those engaged in the different branches of agriculture referred to are rather hostile to such reports, because they claim they are inimical and harmful to their line of industry.

Mr. TOBEY. Then let their appropriations be withdrawn, but grant this small sum to the poultrymen who are asking for this helpful information.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. THURSTON. I yield.

Mr. KENNEY. Do I understand that at the present time there is no specific appropriation of any kind for furnishing any information or statistics about poultry, but that the Department is spending about $5,000 a year, but that such work is not being conducted with a view to giving specific poultry information, but whatever work is done is incidental to the other work of the Department?

Mr. THURSTON. I may say it is incidental insofar as it is not touched by a complete survey made by other governmental agencies that was made last year.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. HEALEY and Mr. TOBEY) there were—ayes 32, noes 55.

So the amendment was rejected.

The Clerk read as follows:

Enforcement of the Insecticide Act: For enabling the Secretary of Agriculture to carry into effect the provisions of the act of April 26, 1910 (U. S. C., title 7, secs. 121–134), entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded paris greens, lead arsenates, other insecticides, and also fungicides, and for regulating traffic therein, and for other purposes", $208,180.

Mr. COLMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLMER: On page 86, at line 20, after the period, insert a new paragraph, as follows:

"Enforcement of the Sea Food Inspectors Act: For personal services of sea-food inspectors designated to examine and inspect sea food and the production, packing, and labeling thereof upon the application of any packer of any sea food for shipment or sale within the jurisdiction of the Federal Food and Drugs Act, in accordance with the provisions of an act entitled 'An act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended', approved August 27, 1935 (49 Stat., p. 871), $80,000."

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COLMER. Mr. Chairman, there is no one who has more sympathy with the desire of the committee to keep this bill within the estimates of the Budget than I have, and if I did not have the approval of the Budget for this item, I would not offer the amendment at this time, but we have in many sections of this country, in addition to my own section, a big sea-food industry. There is a prevalent opinion among many people in this country to the effect that canned sea foods will poison them and kill them. This same opinion prevailed with reference to the meat-packing industry of this country until the Government stepped in and furnished inspection for the meat-packing plants.

We have an authorization by the Congress for sea-food inspectors to inspect the sea foods that are canned just as meat is inspected by the Government where it is packed.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I will be pleased to yield to my friend from Michigan.

Mr. DONDERO. I know the gentleman's great interest in the seafood industry, and I am wondering whether the amendment of the gentleman is broad enough to cover inspection of seafood from the Great Lakes or just seafood from salt water.

Mr. COLMER. I would say unquestionably it is, in my opinion.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. KENNEY. Can the gentleman tell us how many inspectors there are all over the country?

Mr. COLMER. I am sorry I cannot answer that question specifically.

Mr. KENNEY. I understand there are 72 to cover the 48 States.

Mr. COLMER. I could not say about that, but I should say, for the gentleman's information, that there was not any provision made for seafood inspection until the Seventy-third Congress, when this law that I refer to was passed, and last year it was amended by adding the provision under which we are now seeking this appropriation.

Mr. CANNON of Missouri. In answer to the inquiry of the gentleman from California, I believe the gentleman stated his amendment would cover seafood products from the Great Lakes.

Mr. COLMER. In my opinion.

Mr. CANNON of Missouri. But it would not cover them so far as the appropriation is concerned. The gentleman is asking an appropriation for his specific industry in Mississippi only.

Mr. COLMER. I would say to the gentleman that the estimate is made by the Director of the Pure Food and Drugs Bureau.

Mr. CANNON of Missouri. But if they propose to extend this service to the Great Lakes, it would be necessary to increase the amount provided in the amendment.

Mr. COLMER. I assume that is true. I would not undertake to say that $80,000, which is requested in the amendment and which the Budget recommended, would cover all of the sea-food industry.

Mr. DONDERO. Mr. Chairman, will the gentleman yield further?

Mr. COLMER. I yield.

Mr. DONDERO. But the gentleman would be willing to accept an amendment to include the Great Lakes, if not expressly provided for in the amendment?

Mr. COLMER. I shall be glad to do that, although I do not think an amendment of that sort would be either germane or necessary.

Mr. DONDERO. The sea-food industry on the Great Lakes is quite a large one.

Mr. COLMER. I may say to the gentleman that the language is broad enough to cover it, but the appropriation might not be.

Mr. Chairman, I am asking that this amendment be accepted for the purpose of giving this important industry this inspection service. I am asking that the people who eat the sea foods be given that additional protection.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. CANNON of Missouri. Mr. Chairman, the question involved here is not the immediate issue suggested by the gentleman but a national policy of such far-reaching importance the end of which it would be impossible to foretell. The question involved is whether or not the Government will supply this service to packing industries.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. Yes.

Mr. THURSTON. Has the gentleman any idea of the cost to the United States Treasury if we should adopt the policy of inspecting all of the canned goods packed in the United States?

Mr. CANNON of Missouri. It would be impossible to estimate. It is stupendous. The Government never has provided this service for the packer. The meat inspection is not a parallel case. That is provided for the protection of the consumer. If we should provide this protection for shrimp, then we should provide it for salmon and for vegetables and everything else sold in tin or glass. If we provide it for the Gulf of Mexico, we should provide it for the Atlantic and Pacific coasts and the Great Lakes. It is impossible to envision the gigantic scope of this policy once adopted.

The history of this proposition is interesting. The industry came before Congress 2 years ago and said, "Gentlemen, if you will merely authorize this service, we will pay the expense, we will pay the salaries of all the inspectors." We said, "All right; if you pay the expenses, we will certify the inspectors." Now they come in and say, "Oh, you authorized the inspectors, and you ought now to pay their salaries." In other words, the industry is going back on its contract with the United States Government. We not only provide the inspectors but they now insist that we pay their salaries. Is not that true?

Mr. COLMER. I am going to answer that question.

Mr. CANNON of Missouri. Is it not true that you agreed to pay the salaries of these inspectors?

Mr. COLMER. When this bill was first passed——

Mr. CANNON of Missouri. Did you not agree to pay the salaries?

Mr. COLMER. I am sure that my good friend is asking questions and then answering them himself.

Mr. CANNON of Missouri. You told us you would pay the salaries of these inspectors if we would agree to provide the inspectors.

Mr. COLMER. The original act was passed with that condition.

Mr. CANNON of Missouri. Are you keeping that contract when you come in now and ask us to pay their salaries?

Mr. COLMER. We certainly are attempting to keep that contract. We found when this law was enacted that the large packers could afford the inspectors and the small packers could not, and it was driving the small packers out of business.

Mr. CANNON of Missouri. We have nothing to do with that. You agreed that if we would provide the inspectors you would pay their salaries. Now you want us to pay their salaries. The industry is welching on its agreement.

Mr. COLMER. I think that is a matter of opinion.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Mississippi.

The amendment was rejected.

Mr. DIMOND. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point on the subject just under discussion.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DIMOND. Mr. Chairman, it is perhaps well known that the Territory of Alaska supplies more than one-half, and on occasion as much as five-eighths, of all of the salmon produced in the world. In addition to salmon, considerable quantities of halibut, herring, and other fish are taken in the waters of Alaska and shipped to the United States. The records covering the fisheries of Alaska show that the average value of those fisheries for the past 15 years has been in excess of $33,000,000 per year.

In my opinion, it is highly important that Federal inspection be extended to Alaska fish products, and particularly to canned salmon, at the earliest possible date. The same reasons which impelled Congress to pass the laws compelling inspection of beef, pork, and other products will sustain an act providing for an inspection of fisheries. Perhaps there is more reason for requiring an inspection of fish products than there is for meat products, because fish deteriorates upon being taken from the water in a comparatively short time as compared with meat.

At the present time there is no inspection at the time of packing of canned salmon in Alaska. After reaching the United States, the canned product is inspected by the selec-

tion of sample cans from the various packs and in the event any fish is found unfit for human consumption the whole pack of that particular day, and sometimes the pack of several days, is seized and held for condemnation. Under the procedure followed by the Department, none of the fish so seized which is unfit for consumption is again placed on the market. Some time ago I was asked whether the salmon seized as being unfit for human consumption was reconditioned. The answer is, of course, that it is not and it cannot be. No attempt is made to recondition any food which is unfit for human consumption, but sometimes one or two or three or four bad fish will get into a day's pack, and the inspector who inspects the pack will get a can of that bad fish. Upon each can is stamped a certain code number, showing it was packed between certain hours of a certain day in a certain month. Then, instead of seizing only the salmon that is unfit for human consumption, the inspector seizes all of the salmon in that lot, which may cover the pack of several days. Sometimes as much as 20,000 cases of a pack is so seized.

The packer has two courses of action: He can fight the case and probably spend more money than he can make in 2 years in packing or he can plead guilty and have the Government release to the packer the entire amount that is seized. If the latter course is followed, the Government agent then designates the code numbers of the pack where the impure fish has been found. The rest of the seized pack can be sold; it is good fish; nothing has been found in it that is deleterious to human life or health or to make it unfit for human consumption. Then the Government condemns the cases embracing the code numbers in which the bad fish has been found, packed during a specified period, and every can of that code number must be opened. As every can is opened it can be discerned in a moment whether the contents are good or bad. The bad fish are rejected and thrown away. There may be only a few bad cans in thousands of cases, but the packer must, under the regulations, open every can of that code. He will perhaps find only a few bad cans in the whole lot. Those few cans are thrown overbroad, but the rest of the salmon, which is good salmon, must be reconditioned; that is, it is processed and canned and then goes on the market. But this salmon is and always was a perfectly good product.

I wish as strongly as I can to disabuse the minds of the people of the idea that any salmon unfit for human consumption ever seized by the Government is again made any use of at all. It is thrown away.

But in my judgment the whole procedure is wrong. The inspection should be had, as in the case of meat products, at the time the pack is put up, and I believe that eventually this will unquestionably be done. That procedure cannot be instituted too soon.

Moreover, it seems certain that inspection at the time of packing would in the long run work to the advantage of the packer, because then there would be no danger of a seizure of a large part of his pack, most of which may be good food, because a few cans are found to be bad or spoiled. An inspection at the time of the packing would prevent all this and would insure that only a good product goes to the public.

In spite of the lack of inspection at the time of packing, I believe that canned salmon is probably as good and pure a food as any that is put in cans, but the method of inspection after packing is certainly unscientific and uneconomical. The stamp on a can of salmon that it is Government inspected and passed certainly ought to be worth something on the market to the salmon packers.

I am informed that inspection of seafood products has already been largely given to the sardine-packing industry. Surely the salmon products are entitled to the same protection.

The Clerk read as follows:

Soil and moisture conservation and land-use investigations: For research and investigations into the character, cause, extent, history, and effects of erosion and soil and moisture depletion and methods for soil and moisture conservation, including construction, operation, and maintenance of experimental watersheds, stations, laboratories, plots, and installations, and other necessary expenses, $1,540,780.

Mr. JOHNSON of Texas. Mr. Chairman, I move to strike out the last word, and I do that not for the purpose of offering an amendment, for I am very anxious to keep this bill within the limits of the Budget Bureau and in accordance with the recommendations of the commitee. I desire to ask the chairman of the committee a question with reference to the subject of the republication of two important public documents which I have found in the past very valuable in diffusing useful information concerning agriculture. I refer to two books, one known as Diseases of Cattle and the other known as Diseases of the Horse. These publications have been out of print for a number of years. I know from experience that they are very valuable, and almost daily I receive requests from parties in my district desiring these publications. I have also talked with farmers and stock raisers and have heard them tell of the value of these publications in giving information by which they saved valuable cattle and horses both from disease and death. I think the Government spends a great deal of money that would not be nearly as useful or as valuable to the farmers as these two publications. I do not know whether an amendment authorizing a reprint of these books should be carried in this bill or not, but I should like to hear from the chairman of the committee with reference to the value of publications, and also as to whether the appropriation therefor should be in this or some other bill.

Mr. CANNON of Missouri. I am glad the gentleman from Texas [Mr. JOHNSON] has raised that question. It is a matter of particular interest to every Member who represents an agricultural district. Of all the publications that have been issued by the Department of Agriculture none is more practicable or more valuable to the average farmer as those two books, Diseases of the Horse and Diseases of Cattle. I have heard of numbers of instances in which farmers have credited these publications with saving them the price of a valuable animal. Unfortunately provision for reprinting these books does not come within the purview of this bill. It is provided for in an item in the legislative appropriation bill.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. CANNON of Missouri. I yield.

Mr. JOHNSON of Texas. The legislative appropriation bill has not yet been passed, has it?

Mr. CANNON of Missouri. No; it has not yet been reported to the House.

Mr. JOHNSON of Texas. Have the hearings been concluded?

Mr. CANNON of Missouri. The hearings have been concluded, as I understand it, but I hardly think the bill has been marked up. However, I will say that for the last 2 or 3 years the Department of Agriculture, in response to requests from the committee, has supplied data bringing those two publications down to date preparatory to their publication when the Congress should order them reprinted. Apparently the Congress has been a little dilatory, and as yet funds have not been provided for the purpose. It is to be hoped that the matter will have the earnest attention of the committee.

The pro-forma amendment was withdrawn.

The Clerk read as follows:

Soil and moisture conservation operations, demonstrations, and information: For carrying out preventive measures to conserve soil and moisture; including such special measures as may be necessary to prevent floods and the siltation of reservoirs, the establishment and operation of erosion nurseries, the making of conservation plans and surveys, the dissemination of information, and other necessary expenses, $20,453,485.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 89, beginning in line 22, strike out the paragraph ending on page 90, line 5.

Mr. TABER. Mr. Chairman, this is an opportunity to save $20,453,485. It is in connection with this soil operation. We have already passed a law, under which $500,000,000 is authorized to be spent. The Senate passed something like $440,000,000. We ought not to be spending any more than that.

I have not attempted to touch the experimental features of this nor the investigating features of the Soil Conservation Service. I do feel, however, that this new service should confine itself specifically and particularly to the operations of experiment and instruction to farmers and leave the rest to the statute that was passed last week.

I hope the House will adopt this amendment and save twenty and a half million dollars.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 15 minutes; 10 minutes to be used by the gentleman from North Carolina [Mr. UMSTEAD] and 5 minutes by the gentleman from Minnesota [Mr. LUNDEEN].

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. SECREST. Reserving the right to object, I should like 5 minutes.

Mr. CANNON of Missouri. I amend my request; that all debate on this paragraph and all amendments thereto close in 20 minutes, 5 minutes to be used by the gentleman from Ohio [Mr. SECREST].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. UMSTEAD. Mr. Chairman, I think the gentleman from New York [Mr. TABER] unquestionably has this appropriation for soil conservation confused with the funds providing for the general agricultural program under the amendment to the Soil Conservation Act, which amendment was finally passed this week, and known as the farm-relief bill. The Soil Conservation Service, for which this appropriation is provided, was established in September 1933 under the office of the Secretary of the Interior to administer a grant of $5,000,000 made by the Public Works Administration. Later additional grants were made for this purpose in 1933 and 1934. The original plan for the Soil Conservation Service involved three distinct fields of operation, namely, erosion-control projects, investigations and surveys, and cooperation with State and Federal agencies. The work was carried on with the funds above mentioned until July 1935. In the meantime, by an act of Congress, the Soil Conservation Service was created as a regular bureau of the Government and placed under the Department of Agriculture.

Mr. Chairman, the item for the Soil Conservation Service appears in this bill this year for the first time. Heretofore it has operated with funds provided from emergency appropriations. The Bureau of the Budget submitted to the subcommittee estimates amounting to $27,500,000 for the fiscal year 1937. The subcommittee after very careful and studious consideration of every item has recommended to the House a total of $22,469,265.

In addition to projects on watersheds largely owned by the Government, the Soil Conservation Service now has in operation 141 demonstration projects located in 41 States, which projects embrace an area of approximately 7,516,329 acres. Some of these projects have been under way for more than 2 years and are operated for the purpose of providing farmers with a concrete, practical demonstration of effective soil-conservation measures. Many methods of soil and moisture conservation are used on said projects, such as terracing, the restoration of grasses, the use of strip cropping, the proper crop rotation, the planting of shrubs and trees, and the retirement from cultivation of excessively eroded land. In addition to the above projects, the Soil Conservation Service is now conducting investigations with reference to soil moisture and land use and is operating a large number of experiment stations. This work is essential at this time. Conservation surveys are also being made, and the Service is cooperating with conservancy districts and other Federal and State agencies.

Mr. Chairman, in my judgment, no part of the relief money which has heretofore been appropriated by Congress has been spent for a purpose which will ultimately do more good or bring greater returns to the people of the United States than the money which has been spent for the control of soil erosion. I do not now have the time to discuss in detail the disastrous results of soil erosion throughout this Nation, and I do not have time to discuss soil erosion and soil conservation in other countries. I feel that Members of this House understand the importance of this work and that it ought not to be disturbed at this time.

Mr. DUNN of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield.

Mr. DUNN of Mississippi. If the amendment of the gentleman from New York were adopted, it would mean the total elimination of the appropriation that is now asked, and none of these meritorious projects the gentleman has been talking about would be continued.

Mr. UMSTEAD. That is correct; and more than that, it would mean that the Bureau of Soil Conservation would be absolutely destroyed.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield.

Mr. TABER. I did not attempt to strike out that part which related to their experimental and development work. I was attempting to strike out their operations. I believe there is a decided distinction between the two.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield.

Mr. BIERMANN. I thoroughly agree with what the gentleman has been saying. Is it not true that this $20,000,000 came out of relief money?

Mr. UMSTEAD. I made the statement a moment ago, which I repeat, that up until this time all funds which have been expended by the Soil Conservation Service have come from relief allocations.

Mr. BIERMANN. Now it is put under one of the regular appropriations, and this is one of the reasons why the regular appropriations are increasing—they are taking over some of the relief work. Is that right?

Mr. UMSTEAD. That is correct.

Mr. Chairman, your subcommittee felt that the friends of soil conservation ought to join with us in agreeing to the reasonable cuts which were applied to this appropriation in order that this service may be placed upon an economical and efficient basis.

Mr. JOHNSON of Oklahoma. As a matter of fact, the committee, as I understand it, has already cut out more than $5,000,000 from the estimate submitted by the Bureau of the Budget.

Mr. UMSTEAD. The gentleman is correct. The total deductions recommended by your subcommittee amount to $5,030,735. No further reductions, in my judgment, can be sustained without seriously impairing the splendid work of the soil-conservation service, which has grown to be exceedingly popular throughout the country.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield.

Mr. LUNDEEN. I would like to restore the items which were stricken out and bring the total back to the Budget estimate.

Mr. UMSTEAD. I thoroughly appreciate the enthusiasm of the gentleman, and I, too, am an ardent supporter of the soil-conservation service. I have been actively interested in it since September 1933. In my judgment, the work provided for under this appropriation must be continued. It will not only aid the farmers of this country, but it will also inure to the benefit of the entire citizenship of this Nation. I would not want to see any cut made in the appropriation for this service except such cuts as are necessary to produce an economical and efficient administration. I believe that the cuts which have been made by this committee will ultimately render a service to soil conservation. The amendment offered by the gentleman from New York [Mr. TABER] should not prevail. The splendid work of soil conservation must go on.

[Here the gavel fell.]

Mr. SECREST. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein one chart.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SECREST. Mr. Chairman, I think without question the pending amendment should be defeated. There are many interesting facts with regard to soil conservation which have come to light within recent years.

Recently there came to my desk a small volume on conservation, the best, in fact, that I have ever seen. I opened it casually and my eyes fell upon a most startling bit of information. I read that recent studies indicate that the Sahara and Gobi Deserts were once occupied by prosperous peoples. I could hardly believe that these two greatest and most desolate deserts in the world ever boasted of a fertile topsoil capable of producing in abundance the products of ancient agriculture.

How long will it be, I wondered, with our present unconcern and waste, until this "desert disease" shall destroy for agricultural purposes the lands of my district and the Nation. Will the cities of our country ever stand deserted looking for hundreds of miles on barren acres that once were the source of their greatness, their wealth, their very life? Is this a nation of unlimited resources, from which we can draw forever, or is it possible that future generations will die for want of the things we waste today?

Nations of the ancient world grew where the soil was fertile. For generation after generation this Nation was strictly agricultural, growing in power and wealth as new lands were opened to cultivation. As our Nation grew, conservation seemed a foolish waste of time. When the old farm became unproductive new land could be had for little or nothing. Our good fortune made us a nation of destroyers. We cleared and burned our forests. When the new land became exhausted by cultivation and erosion we moved to a new location and repeated the process.

We have broken the orderly laws of nature and nature has struck back to exact her penalties. In this case the cost of the operation must be paid by the surgeon instead of the patient. To his own sorrow man has changed the face of our Nation.

In 1492, when Columbus came to America, eight-fourteenths of our whole land, or considerably more than half, was covered with virgin forests. The soil under these trees was perfectly preserved. Today only half of our forest lands remain. Five-fourteenths of our land was covered with abundant grass and other vegetation, wholly protecting the soil beneath. The other one-fourteenth was desert and mountainous waste.

Thus only 500 years ago thirteen-fourteenths, or 93 percent, of our whole Nation was covered with a deep rich topsoil, adequately protected by forests and vegetation. Nature not only guarded her treasure by covering it with the proper plant life but added to its value with each falling leaf or dying blade of grass.

Today we face a crisis not as well understood as many through which the Nation has passed, but certainly just as serious to our future welfare.

The soil-erosion specialists tell us that the dust storm of May 11, 1934, swept 300,000,000 tons of fertile topsoil off the great wheat plains, enough to spread a layer of soil 8 inches deep over every foot of Noble County, in which I live. This was only one of many dust storms, and a short time ago we read in the paper that another dust storm was sweeping great clouds of soil from the Texas Panhandle to the distant State of Nebraska.

Where our forefathers saw the skies darkened by great flocks of wildfowl, we see the sun made hazy because man plowed under the grassy plains and exposed a dry soil to the sun and wind.

The hills and rolling sections of the country have been farmed in most cases without plan or reason. Today streams that the pioneers found clear and well stocked with fish are clouded with the soil from millions of farms. Four hundred million tons of soil material, gathered from my district and other sections of the Middle West, are swept annually into the Gulf of Mexico by the Mississippi River. Every year wind and water erosion remove beyond use 3,000,000,000 tons of soil worth not less than $400,000,000. The most conservative estimates show that at least $10,000,000,000 worth of soil has forever gone since the first farmer began cultivation. If the farmers of the Nation had to replace at present prices the nitrates, phosphates, and potash washed away in this soil, the cost would be many times the $10,000,000,000. Erosion has already destroyed for profitable farming 100,000,000 acres which were once fertile—an area almost four times as large as the whole State of Ohio. Another 125,000,000 acres are seriously damaged. One hundred million acres more are threatened with damage. Our problem is magnified by the fact that these acres belong to the best farm lands of the United States.

Within 50 years another $20,000,000,000 worth of soil will be gone unless this Nation and its farmers cooperate to prevent it. Our only hope lies in saving the soil we have, for it would take nature centuries to restore a topsoil that has been swept away.

The problem is not alone for the farmer. It is just as much the concern of city, village, and hamlet. Destroy any city, and fertile lands and natural resources will build it again. Destroy the soil, and no city will survive.

My own State is one of the leading agricultural States in the Nation, yet the soil survey made in every county shows that one-half of Ohio is subject to erosion.

Unfortunately, the worst eroded area in Ohio covers the whole of my district. Only 10 percent of my district, located principally along streams and rivers, is relatively free from erosion. More than three-fourths of the topsoil and much of the subsoil has been washed completely away from no less than one-fourth of my six counties.

The balance of my district has suffered so seriously from erosion that only the greatest effort can save us. Farms that once yielded in abundance, making their owners well-to-do and contributing to the growth of every city and the wealth of every merchant, today will produce only a poor living at twice the effort. Those of us that have spent our lives in southeastern Ohio can hardly believe the indisputable facts.

The forces of Nature have stolen our soil so gradually and quietly that we did not even realize that it was gone. Of course, we observed barren hillsides and deep gullies. On many a county road and at the end of many a country lane we found deserted farmhouses. More and more our young people journey to distant States and cities. The population of our small counties declined, while that of the Nation rapidly increased.

We deluded ourselves by thinking our children and neighbors were going to fields of greater opportunity. That greater luxuries, more conveniences could be found elsewhere was accepted as the cause of all we observed.

Today I hope we understand. Today I hope we know. Our soil was going, washing away so fast that we could not believe the figures if we did not know them to be true.

My district contains approximately 1,960,000 acres. One inch of topsoil on an acre of ground weighs about 143 tons. From much of my six counties at least 6 inches of topsoil has been completely washed away since the forests were first removed from the hills. No one can dispute the fact that an average of 2 inches of topsoil is gone from the entire district, and studies of the soil-conservation service show that the loss far exceeds this figure.

A loss of 2 inches of soil means that 566,000,000 tons of good rich earth have been lost forever to my people. Scrape the remaining soil from 653,000 acres, and this 566,000,000 tons would cover them again with 6 inches of rich earth. From this acreage, composed entirely of soil washed from my district alone, could be grown enough corn to bring $23,523,000 at present market prices.

In an acre of original Muskingum topsoil there was about 3,000 pounds of nitrogen. Thus, at 12 cents per pound, $21,549,000 worth of nitrates have been washed from the farms of my district.

In an acre of original Muskingum topsoil there was about 800 pounds of phosphorus. The value of the phosphates that have been lost exceeds $3,066,000.

The loss in potash amounts to $100,086,000. These losses are from erosion alone and do not calculate the loss in the remaining soil caused by constant removal of crops.

Think of the opportunity this would offer if by some miracle we could get it back. Think of the radios, the automobiles, and home conveniences it would buy. Think how many of our young people could find their happiness at home. How many people would rush with joy to their deserted farms? How many businessmen would share this abundant prosperity? Muddy streams and yellow rivers have meant little to us in the past. We watched them flow toward the ocean as a matter of natural course. Never again can we enjoy such complacency.

The future must be different. Every time we see a stream that is not clear we must shudder at the wealth we are losing. We must see our hopes, our heritage, our very life, flowing away with the current.

The problem is ours, and I can perform no greater service than to make all of my people conscious of the great loss that is continually taking place. Not only must we understand our problem but we must learn to properly apply the remedy.

Near Zanesville is a soil-erosion station, where many facts have been established and many remedies proven. We cannot get back the soil that is lost, but we can save that which remains on our farms.

First, let us understand the course of water, for water causes practically all erosion in my section. Water comes to the earth in the form of sleet, snow, fog, dew, and rain. Rain, because a large part of it rushes off immediately, is the most damaging to our lands. Our problem is to prevent the quick run-off of water. This can be accomplished best on steep hills by reforestation. On slopes too steep to cultivate, grass or sod is most effective. The only hope for large areas where the soil is practically gone is the planting of trees. If we can make water move slowly, we accomplish two necessary ends. We allow more of it to infiltrate into the ground as a source of needed moisture and we check erosion.

Many of our farms are hill farms, and we must continue to cultivate them. Nevertheless, there are many things we can do. The first step is to plan how we shall use every acre of our farm to conserve the most soil. In our own phrase, we should study "the lay of the land" and plant accordingly. In addition, some soils erode more easily than others. The character of the soil must be considered before we can determine the best crop for a given acre of land.

Studies at the Soil Erosion Experiment Station near Zanesville show that on a normal 12-percent slope 36.2 tons of soil will wash away each year if the field is planted year after year in corn. Such a field planted in corn for 28 consecutive years would lose 7 inches of topsoil. If the same field is planted in corn one year, wheat, and then grass, a normal crop rotation in my district, it would take 189 years for the elements to destroy the same 7 inches of soil. If the same field were covered every year with grass, timothy, or native sod, it would take 15,000 years to wash it away. Many of our hills are far more than a 12-percent slope, and no change by man can protect them with the same effectiveness as did Nature when she covered them with grass and forests. The degree of slope has much effect on the amount of erosion.

Where a 12-percent slope in continuous corn will lose 36.2 tons of earth per acre, an 8-percent slope will lose only 31.4 tons. Rotation for most farms in southeastern Ohio is not only advantageous but it is positively necessary if our soil is to be preserved.

In addition to crop rotation contour planting is absolutely essential to soil conservation in my district. Thus, when we plow with the contour of the land, the furrows are always at right angles to the direction of the flow of surface water. Each furrow then checks the water, permits it to infiltrate better, and causes it to drop behind each furrow much of the soil it is carrying.

Strip cropping also should be more generally practiced, especially on farms where hay is a needed crop. A long strip of land on a hillside may be planted in corn. A strip below may be planted in grass or other dense crops. The soil washing from the cornfield will then be caught and held by the dense growth of the lower crop. On large fields several strips of alternating crops may be necessary to check erosion with the maximum effect.

Erosion on some of our land has reached the stage where gullies have developed. Some of these can be restored to cultivation in a few years if the farmer will construct proper check dams at intervals in each gully. A small line of posts may be placed across the wash, and logs, brush, rocks, straw, old wire, and other materials may be thrown behind them.

The growth of vegetation, grass, trees, and so forth, should be encouraged. These dams retard the water and will often be filled or entirely covered by soil washed from above.

Every farmer in my district may go to the soil-conservation service in Zanesville and see in actual operation the many things he can do to preserve and improve the farm upon which he and our district must depend in the future. The future of all our 200,000 people will depend on our willingness to learn about conservation.

The value of wildlife in America is $1,000,000,000, and the future of game and fowl depends upon the shelter we give them by a wise program of conservation. This wildlife produces $190,000,000 worth of fur and meat alone each year. Forests and vegetation will protect and restore game as well as check erosion.

Stop the waste of soil, clear our streams of silt, mine acids, and factory pollution. Nature will then join hands with the sportsmen of the Nation in filling our streams with fish.

Seven million of our people belong to fish and game clubs and other sportsmen's organizations. Each year 13,000,000 of our people buy licenses to hunt and fish. All these are vitally interested in conservation.

While soil is our basic natural resource, we have two other resources in my district from which we derive great revenue and upon which this Nation depends for economic strength. These are coal and oil, and the conservation of both cannot longer be neglected.

Coal is absolutely necessary to our present and future economic existence. It is our greatest source of heat and power, both of which are indispensable to life and industry.

Our very civilization and well-being demand that we preserve this great natural resource for which a suitable substitute is extremely unlikely. Low wages and cutthroat competition have made it impossible to secure the maximum amount of coal from any given mine. That which was most accessible and could be mined most cheaply was taken from the vein. The rest was left in the mine. In fact, the report of the Natural Resources Board shows that 35 percent of our soft coal has been lost forever under conditions that have existed in the coal industry. In Europe, where efforts have been made toward stabilization, the loss in mining is only 5 percent.

When we realize that under present consumption and present conditions the greater part of all coal east of the Mississippi River will be practically gone within 100 years, the situation is appalling. Concern for future generations, as well as concern for those now engaged in mining, demand that action be taken to stabilize the industry at the earliest possible moment, and to insure sufficient wages and profits to make it possible to mine all the coal instead of a part.

Coal has been, coal is, and coal will continue to be the chief cornerstone upon which the progress and prosperity of industrial America must rest. The problems of those engaged in its production are the problems of all. Upon the men who mine coal depends the welfare of the steel worker and the worker in practically every factory in the Nation.

Vitally concerned is the farmer, who must depend upon the earnings of all labor to purchase the products of his farm.

For several generations the miners of the Nation waged a ceaseless struggle to secure in the form of wages a fair share of the wealth they produce. Year after year, by the greatest sacrifice and effort, working conditions steadily improved.

The depression, with its consequent loss of markets, swept away temporarily the progress of years. Collective bargaining was not recognized and conditions of labor and rates of pay were arbitrarily established by the owners of the mines. Many operators bid far below their competitors and then proceeded to pay starvation wages in an effort to realize a

profit. Other operators who desired to be fair were forced to cut wages in order to retain markets for their coal. This system of underbidding and wage slashing continued until the life of a miner in many cases was little better than that of the galley slaves of ancient Rome. Miners were forced to lay their own track, do their own timbering, and handle great quantities of slate and waste without one cent of pay. Some of them did almost as much work without pay as they did with it. In some fields conditions were better, but in general the industry was never in a more deplorable condition.

At this point the National Industrial Recovery Act was passed by Congress. It gave the miners the right to collective bargaining and it gave the operators an opportunity to cease cutting each other's throats. The 5-day week, long a dream of the miner, became a reality. Wages were increased and, generally, employment was greater and work was steadier than it had been for years. A sick industry was far on the road to recovery when the N. R. A. was declared unconstitutional.

The operators desire and are entitled to no more nor no less than a fair return on their investment.

The miner who turns a God-given, natural resource into wealth certainly has every moral right to a fair share of the wealth he produces. He hopes for and deserves a wage that will feed his family with wholesome food, clothe them respectably, allow them to enjoy a reasonable share of the conveniences and luxuries his labor makes possible, and permit his children to secure the same educational advantages as are given to the children of those for whom he works. By every rule of justice he is entitled to good wages for his hazardous work; he is deserving of good working conditions and the maximum guaranties of safety.

The Guffey bill has done much to stabilize the industry and permit him to reap a harvest from his toil commensurate with the great public service he renders the Nation.

Conservation of coal is now possible for the first time in American history.

I hope this and other wise legislation will preserve the coal industry of my district for many years to come. I am convinced that some similar legislation should be passed to protect the oil industry from possible chaos and certain waste. This industry ranks third in the United States and stands second only to cotton in our national exports. It is a great natural resource which we must conserve.

For generations we wasted the timber resources of our Nation, and today we are spending great sums to restore that which we so foolishly destroyed.

Unlike trees, oil cannot be replaced. Conditions should be such that no well will be abandoned from which it is possible to produce a reasonable supply of oil.

The question of conserving our natural resources is not only the concern of Government; it is the concern of every citizen. Upon land, coal, and oil we depend for food, heat, clothing, and power. All must be conserved. Every man must understand his part. This generation must act quickly and wisely before it is too late. [Applause.]

Mr. LUNDEEN. Will the gentleman yield?

Mr. SECREST. I yield to the gentleman from Minnesota.

Mr. LUNDEEN. Will not the gentleman say that instead of reducing appropriations when things are as serious as he states we ought to increase them and intensify our efforts to save American soil?

Mr. SECREST. I had an amendment prepared for that very purpose.

Mr. WHITE. Will the gentleman yield?

Mr. SECREST. I yield to the gentleman from Idaho.

Mr. WHITE. If the farm land of the United States is deteriorating at such a rapid rate, how does the gentleman account for the low price of good farm land?

Mr. SECREST. General business conditions, I would say, are responsible for that.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that the gentleman from Oklahoma [Mr. JOHNSON] may proceed for 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I cannot believe that my good friend the gentleman from New York is serious in offering this amendment, that, if adopted, would practically destroy the soil-conservation service.

Mr. TABER. I can assure the gentleman that I am very serious in offering the amendment.

Mr. JOHNSON of Oklahoma. Since the gentleman from New York says he is serious in offering his amendment, I shall accept his word. Therefore we will assume that he is serious in wanting to eliminate all of this technical information that the soil-conservation service, and that service only, has——

Mr. TABER. That is not what the amendment would accomplish.

Mr. JOHNSON of Oklahoma. I disagree with the gentleman. The pending amendment, as I stated at the outset, practically destroys the soil-conservation service. It strikes at the very heart of the service. This is the first regular appropriation ever made for this particular department. Emergency funds were allocated last year for the soil-conservation service, and from all sources it received, as I recall, about $36,000,000. This service was established by an act of Congress in 1935, and may I say that it has done a marvelous job in the short time it has been in operation.

Bear in mind that although during its first year of operation the Soil Conservation Service has used some $36,000,000 and could advantageously use more than that next year, considering the big job it has undertaken, the Bureau of the Budget came along and cut the Department to $27,500,000. Then the Appropriations Committee made another cut of $5,000,000. In fact, the cut already taken by this Department is so severe that I gave notice in the committee, and at least intimated on the floor of the House a day or two ago, that I might, when this item was reached, offer an amendment increasing it to the amount allowed by the Budget. I am sincere in saying I feel very deeply that it ought to be done. However, after a conference with Members of this as well as another body at the other end of this Capitol Building, I shall not do so now. Frankly I have reason to believe that this item will be taken care of in the Senate.

Mr. LUNDEEN. Will the gentleman offer that amendment? I should like to vote for it.

Mr. JOHNSON of Oklahoma. I shall not offer the amendment under the circumstances, although I feel confident that such an amendment would prevail. Many other Members, I am glad to say, have so expressed themselves, and the statement made a few minutes ago by the gentleman from North Carolina [Mr. UMSTEAD] would indicate that the committee feels kindly to the Soil Conservation Service. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was rejected.

The Clerk read as follows:

For carrying into effect the provisions of section 37 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (49 Stat., pp. 750–793), $17,500,000 of the unobligated balance of the funds appropriated by Public Resolution No. 27, Seventy-third Congress, and reappropriated by said section 37 of the act approved August 24, 1935, together with any unobligated balance of the appropriation made for the same purposes for the fiscal year 1936 by said section 37, which balances are hereby continued available for obligation during the fiscal year 1937, for the elimination of diseased dairy and beef cattle, including cattle suffering from tuberculosis or Bang's disease, for payments to owners with respect thereto, and for other purposes, as authorized by said section 37, including the employment of persons and means in the District of Columbia and elsewhere, printing and binding, the purchase, maintenance, operation, and repair of passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia, and other necessary expenses.

Mr. WITHROW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WITHROW: Page 93, line 4, strike out "$17,500,000" and insert "$29,150,000."

Mr. WITHROW. Mr. Chairman, I can assure you that most of the Representatives from dairy districts, as well as the dairy producers' organizations of the country, are very

much interested in this particular amendment. My amendment would raise the amount of $17,500,000 which is made available under this particular paragraph to $29,150,000, or an increase of $11,650,000.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. WITHROW. I yield.

Mr. TARVER. The gentleman will notice that this is a reappropriation of money which has heretofore been appropriated and which the Department was unable to use, and the evidence before the subcommittee indicates it will not be able to use any more than the amount here appropriated for the next fiscal year. So why appropriate the money if they cannot make use of it. They have about $32,000,000 under the Jones-Connally Act which they have been unable to use, and this is a reappropriation of $17,500,000, and if more were needed the committee would have recommended it.

Mr. WITHROW. I should like to be heard on that.

Mr. TARVER. Of course, the Committee will hear the gentleman.

Mr. WITHROW. I would increase the amount $11,650,000. I realize there is carried in this paragraph an additional reappropriation of $3,000,000. Even with this $3,000,000 additional, the maximum possible program under this paragraph would be $20,500,000. Under my amendment the possible maximum program would be $32,150,000. Under the breakdown of the Department as shown in the testimony before the Appropriations Committee, a maximum of $11,350,000 for Bang's disease is contemplated, notwithstanding the fact that during the fiscal year ending June 30, 1936, we will have spent more than $18,000,000 for Bang's disease. If the work did not increase any over the present rate, the provision made in this paragraph would be $7,000,000 short of the amount necessary to carry on the same program for Bang's disease for the next fiscal year. In addition, both Dr. Barnes, of the Pennsylvania Bureau of Animal Industry, and Mr. Moscrip, president of the Twin City Milk Producers' Association, indicated that the work would go forward with much greater rapidity in the next year than heretofore; and, therefore, estimated that $6,000,000 additional would be needed if one-third more cows were tested next year than were tested during the same period last year.

Certainly the $11,350,000 should be increased to at least $18,000,000, the amount necessary to carry on Bang's disease work, based on the present program of the Bureau of Animal Industry.

The Department includes in their program $1,500,000 for bovine tuberculosis during the next fiscal year. We must add to this an additional $1,500,000 carried in the regular United States Department of Agriculture funds, making a total of $3,000,000 for the next fiscal year.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOILEAU. Mr. Chairman, I believe I am one of those entitled to 5 minutes of the time, and I should like to give my 5 minutes to my colleague from Wisconsin to finish his remarks on this subject.

The CHAIRMAN. Without objection, the gentleman from Wisconsin [Mr. WITHROW] is recognized for 5 minutes.

There was no objection.

Mr. WITHROW. In the fiscal year ending June 30, 1935, we spent $9,500,000 for bovine tuberculosis, and in the fiscal year ending June 30, 1936, $6,750,000. The Department recommends reducing the amount to be spent during the next fiscal year approximately 60 percent.

There is no contemplated plan for spending any money for mastitis work, notwithstanding the fact that in 1935 we spent $390,000, and will have spent during the fiscal year ending June 30, 1936, an additional $610,000. There is a general and widespread demand throughout the United States for the continuance of mastitis work. The committee entirely disregarded the testimony of Dr. Mohler, who testified that mastitis was not under control and that it was only secondary in economic importance to Bang's disease; that it was more important than tuberculosis.

In addition, only $7,500,000 is to be available for the purchase of surplus dairy products, whereas at least $15,000,000 will be necessary because of the increase in production of dairy products which it is anticipated will occur from natural sources and the additional increase that we anticipate will arise due to the taking out of land used for the production of cotton, wheat, corn, and tobacco and putting it into dairying under the Soil Conservation Act.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. WITHROW. Yes; I yield.

Mr. REED of New York. Does this call for the appropriation of any more money?

Mr. WITHROW. No; there is no additional appropriation involved whatsoever. These are unexpended balances. They have not been expended, and in their reappropriation lies the only safety valve the dairy producer will have during the next fiscal year. If they are not needed, they will not be spent. The testimony before the committee was that of June 30, 1936, there will be more than $32,000,000 in unexpended balances.

Even you who are the most optimistic must realize that the program proposed by the Agricultural Department relative to diseased animals and the purchase of dairy surpluses is liable to be entirely inadequate. We from the dairy States are very much concerned. We are fearful that the dairy surpluses during the next fiscal year will reach their peak because of the passage of certain pieces of legislation the effects of which we are fearful of. Whether we are right in this fear remains to be seen, but during the interim we feel it is no more than fair and proper that the interests of our constituents should be protected.

Gentlemen, do not fool yourselves. This is the only opportunity you will have to perfect legislation that will safeguard your people against anticipated surpluses. By reason of the difficulty of administration of a production-control program for dairying we have not been able to participate in the benefits that have accrued to some by reason of the passage of the A. A. A.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. WITHROW. Yes; I yield.

Mr. REED of New York. I have not any time, and I cannot get any time. I represent a dairy section. Is not this of deep concern, not only to dairymen themselves but to the consumers of diseased milk?

Mr. WITHROW. It is.

Mr. REED of New York. I wish the gentleman would enlarge on that for a moment.

Mr. WITHROW. It is not only desirable but necessary that milk be produced from healthy animals, or at least animals which are free from diseases communicable to human beings, so that people have no fear of drinking it in large quantities. [Applause.]

[Here the gavel fell.]

Mr. PIERCE. Mr. Chairman, when I made my remarks earlier in the afternoon in regard to this bill, about standing by the committee, I did not know that Bess, the old milk cow, was coming in later on. I cannot forget old Bess. There are two or three things in this that I think we should bear in mind. First, we have spent millions of dollars on the control of tuberculosis and Bang's disease. If we let up in our intensive campaign, much of that work will be lost. The work that we have done is of little value if the disease comes back again into these herds. We must wipe it out entirely. It is true that under the Triple A the dairy interests have not received the benefits that other agricultural lines have received. That is due largely to the fact that they could not get together on any definite program of cooperation with the Department.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes.

Mr. BIERMANN. The price of dairy products is two or three times as high as they were 2 or 3 years ago.

Mr. PIERCE. Not two or three times as high, but somewhat higher, about 50 percent, but the dairy interests have not received anything like the benefits the hog men or the wheat men obtained, nor have they received an increase comparable with the general prosperity of the country.

Mr. BIERMANN. They have certainly received a large benefit.

Mr. PIERCE. The Administration, under the able management of Secretary Wallace, would have been glad to extend the help of the A. A. A. to the dairy interests had they been able to get together, but the difficulty has been to follow the milk from the farm on into the city and get for the man who produced the milk anything like his proportion of the money that the dairy products cost the ultimate consumer.

Mr. ANDRESEN. Will the gentleman yield?

Mr. PIERCE. I yield.

Mr. ANDRESEN. The gentleman is one of the fine experienced farmers that we have in the House. Is it his opinion that the Bang's disease can be eradicated if the program is carried on?

Mr. PIERCE. I believe it can be. I am so informed by those who ought to know. I am much taken with the argument that this amendment should pass because these are simply reappropriations.

Mr. BOILEAU. Will the gentleman yield?

Mr. PIERCE. I yield.

Mr. BOILEAU. In view of the fact that we are spending about $500,000,000 to conserve the soil, does not the gentleman think it is well to spend a little more money to conserve the dairy cattle and to eliminate the undesirable and diseased cattle and enable a person to get wholesome milk by keeping the best cows?

Mr. PIERCE. I surely do. In the State of Oregon we have practically wiped out tuberculosis, but Bang's disease is still with us. It is a serious problem with the dairymen, especially the small dairyman, who cannot handle it himself.

Mr. O'MALLEY. Will the gentleman yield?

Mr. PIERCE. I yield.

Mr. O'MALLEY. Does not the gentleman think it is strange that, with all the money we have spent in this country to eliminate tuberculosis, in all our reciprocal-tariff agreements, this country has let in milk and milk products from Canadian cattle that are not tuberculin tested?

Mr. PIERCE. I have no defense to make for letting in from Canada products that come in competition with the dairy cow.

Mr. ANDRESEN. The gentleman admits, then, he is hurt and the dairy farmers are hurt because of the importations of dairy products from Canada and other countries?

Mr. BIERMANN. Oh, that is ridiculous. The markets opened up for dairy products and farm products are much greater than the little bunch of territory they have given in return.

Mr. ANDRESEN. I am only stating what the gentleman from Oregon has stated, and he is one of the leading Democrats of this House.

Mr. BIERMANN. The gentleman has not said that, and I do not believe he will say it.

Mr. PIERCE. I am going to vote for this amendment.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. CULKIN. Mr. Chairman, the dairyman is truly the forgotten man in the farm situation. I am not going to make any political inferences from that. I am more concerned about getting this additional money to aid the dairyman's present difficult condition.

I have made some rough figures, and I find that since this administration came into power approximately $2,300,000,000 have been spent on the farm situation. There was $1,321,000,000 from the A. A. A., $500,000,000 heretofore voted on the soil-conservation measure, and approximately $500,000,000 on departmental appropriation bills. Out of this vast sum the dairying group has had practically nothing. It is true that they are not as vocal as some other groups. The amendment offered by the gentleman from Wisconsin simply extends an appropriation. It does not add to it. In that connection I have no criticism of this committee. We simply say that, perhaps, the facts were not placed fully before them. Perhaps the Department of Agriculture was not militant enough in this situation; but we do know that in order to carry out this program of disease eradication, of which the dairyman himself pays the greater part, it is necessary to have these additional funds. The case is fully stated in a letter from the National Milk Producers Federation, which, with your permission, I will insert at this point in my discussion of this question:

THE NATIONAL COOPERATIVE MILK PRODUCERS' FEDERATION,
Washington, D. C., February 27, 1936.

Hon. FRANCIS D. CULKIN,
Washington, D. C.

DEAR MR. CULKIN: The appropriation bill for the Department of Agriculture for the year 1937 now being considered by the House has provided totally inadequate funds for the continuation of the Federal program for the control of bovine diseases in dairy cows and cattle in this country.

The bill provides a total appropriation of $20,500,000, of which amount $7,500,000 is provided for the purchase of surplus dairy products for distribution in relief channels, and the remaining $13,000,000 is to be divided as follows: $11,350,000 for the eradication of Bang's disease, $1,500,000 for the eradication of bovine tuberculosis, and $150,000 for experimental work in connection with bovine diseases.

The appropriation of $11,350,000 for Bang's disease is hardly more than half of the amount now being spent for that purpose. The Bureau of Animal Industry is now spending an average of $1,500,000 a month on the eradication of Bang's disease. This makes a total of $18,000,000 necessary for this work, while the appropriation bill provides only $11,350,000.

The bill provides no funds whatsoever for the eradication of mastitis, although Dr. Mohler, Chief of the Bureau of Animal Industry, in testifying before the Agricultural Subcommittee, stated that this disease is secondary in economic importance only to Bang's disease.

Mr. WITHROW, of Wisconsin, will propose an amendment today, on page 93 of the bill, at line 24, to change the amount of the appropriation from $17,500,000 to $29,150,000. This will mean an addition of $11,650,000, of which $6,650,000 is necessary to bring the funds for Bang's disease up to the sum of $18,000,000 necessary to continue the work at its present level, and $5,000,000 is necessary to carry out a program for the eradication of mastitis.

This program of disease control and the purchase of surplus dairy products for relief purposes is the only assistance the dairy farmers have had from this administration. Congress, in the Jones-Connally Act and in the A. A. A. amendments of last year, indicated its desire to carry out this policy as regards dairy farmers. At the beginning of the fiscal year 1937 there will be approximately $32,000,000 in the Treasury of the United States which has already been appropriated and which has not been used. The Withrow amendment will not require any new funds, and thus will not increase the total Budget, but will only make available for use during the next fiscal year part of the Jones-Connally funds already appropriated.

I trust that we may have your active support in favor of this amendment.

Very truly yours,

CHAS. W. HOLMAN,
Secretary, The National Cooperative Milk Producers' Federation.

This amendment involves an added authorization of $11,000,000. It includes $5,000,000 for mastitis, for which nothing is carried. That is a disease that goes into the milk and is communicable to human beings. An additional amount for Bang's disease of a little over $6,000,000. That adds to the appropriation $11,000,000, and will carry on the program of disease eradication at the present pace. It does not accelerate it.

May I say for the information of the House that my own State regards this as so important that the State itself is putting into this program this year $3,500,000. We do not criticize the committee. The committee was perhaps badly advised. They must rely on their technicians. The technicians of the dairying group in America now tell us that this additional money is necessary; first, in order to conserve the dairyman's situation; and second, to conserve public health. You do no violence to the cause of worth-while legislation when you vote the sum of $30,000,000 for good milk. The cow is the foster mother of the human race. American childhood depends on milk. American invalids and American middle life depend on good milk. Milk has now come to be the favorite beverage of all ages and all walks of life. This added sum of money is essential to the carrying out of this dis-

ease-eradication program as it is viewed by the technicians in the dairy field.

It is the unanimous voice of the dairying group in America that in the interests of a proper supply of milk this sum should be added to this bill. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, there is no man in the House who has more cause to dread Bang's disease than I have. I have lost two herds by this malady. One of them I spent 15 years building up, and then had to send it to the abattoir. I was the first man to move a specific appropriation for the control of Bang's disease, so I believe I can speak with some personal interest on the subject. We have made more than ample provision for this item.

We provided last year, Mr. Chairman, only $4,000,000. This year we are giving three times the amount had last year.

Mr. Chairman, if we appropriated more they would not have the personnel to spend it. I ask for a vote on the amendment.

[Here the gavel fell.]

The CHAIRMAN. All time for debate on this paragraph has expired.

The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. TARVER) there were—ayes 39, noes 90.

So the amendment was rejected.

The Clerk read as follows:

FOREST ROADS AND TRAILS

For carrying out the provisions of section 23 of the Federal Highway Act approved November 9, 1921 (U. S. C., title 23, sec. 23), including not to exceed $95,240 for departmental personal services in the District of Columbia, $7,082,600, which sum is composed of $3,500,000, the balance of the amount authorized to be appropriated for the fiscal year 1936, by the act approved June 18, 1934, and $3,582,600, part of the sum of $10,000,000 authorized to be appropriated for the fiscal year 1937 by the act approved June 18, 1934: *Provided*, That the Secretary of Agriculture shall, upon the approval of this act, apportion, and prorate among the several States, Alaska, and Puerto Rico, as provided in section 23 of said Federal Highway Act, the sum of $10,000,000 authorized to be appropriated for the fiscal year ending June 30, 1937, by the act approved June 18, 1934: *Provided further*, That the Secretary of Agriculture shall incur obligations, approve projects, or enter into contracts under his apportionment and prorating of this authorization, and his action in so doing shall be deemed a contractual obligation on the part of the Federal Government for the payment of the cost thereof: *Provided further*, That total expenditures on account of any State or Territory shall at no time exceed its authorized apportionment: *Provided further*, That this appropriation shall be available for the rental, purchase, or construction of buildings necessary for the storage of equipment and supplies used for road and trail construction and maintenance, but the total cost of any such building purchased or constructed under this authorization shall not exceed $2,500: *Provided further*, That during the fiscal year ending June 30, 1937, the expenditures on forest highways in Alaska from the amount herein appropriated shall not exceed $250,000.

Mr. WHITE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE: Page 94, line 21, after the word "Columbia", strike out "$7,082,600" and insert in lieu therof "$8,000,000."

Mr. WHITE. Mr. Chairman, this is a very important matter. I ask unanimous consent that I may speak for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WITHROW. Mr. Chairman, I should like 5 minutes on this amendment.

Mr. CANNON of Missouri. The Committee would like to reserve 5 minutes.

Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WHITE. Mr. Chairman, by this amendment I am seeking to restore the figures to the amount recommended by the Budget. Turning to page 16 of the report on the bill, you will see that for forest roads and trails the Budget recommended $8,000,000.

If there is anything important for the development of industry in this section of the country, it is the development of roads by the Federal Government.

Mr. TARVER. Mr. Chairman, may I interrupt the gentleman simply to point out that the amount recommended by the committee is identical with the sum which was appropriated last year.

Mr. WHITE. But it was not recommended by the Budget. The Budget recommended $8,000,000.

Mr. Chairman, I want to point out to the committee by the use of this map that in the district of central Idaho we have the greatest concentration of forest reserves in the United States. This topographical map of Idaho, showing the mountain ranges and valleys, indicates that it is one of the most rugged districts of the United States.

When the forest reserve was set aside it just so happened that they found in this great rugged, mountainous section unclaimed, unappropriated lands; and in this district we have what is said by Dr. Finch, the head of the Bureau of Mines, to be one of the greatest undeveloped gold areas in the United States. We last year increased the price of gold from $20.63 to $35 an ounce. By this legislation we put an annual premium on gold mined under the British flag to the extent of $225,000,000, yet we are leaving our gold properties in the national forests locked up for the want of sufficient roads. This is a matter the President has taken an interest in.

Mr. Chairman, I read an excerpt from a paper written by Dr. Francis Thomson, at one time the head of our Bureau of Mines but now the head of the Montana School of Mines. He has this to say about the great gold fields of central Idaho:

The Idaho batholith is probably one of the best-known geologic features of the Pacific Northwest. * * * "From gold veins in the batholith and in its roof were derived the placers of Boise Basin, in south-central Idaho, and Elk City, Florence, Pierce City, and other camps of north-central Idaho, all of which were so abundantly productive in the 60's and 70's." * * * (Accredited by the United States Geological Survey with a gold production of $250,000,000.)

The principal ore deposits of the country are steeply dipping fissure veins carrying principally gold and silver in a quartz gangue. * * *

Such veins compare favorably, so far as size is concerned, with the gold veins of Australia, California, and Cripple Creek. The so-called dike deposits are purposely omitted from the tabulation given above. * * *

The lack of suitable highways is such that, under existing transportation conditions, only placer mining and the working of bonanza gold veins could be expected to show a profit.

Mr. Chairman, I went into that district and was amazed at its extent. It extends from Orofino clear down to the great Boise Basin, a distance of 300 miles. All through these mountainous regions are old camps on big veins of ore that could not be worked by the old-fashioned amalgamation process, due to the refractory nature of the ore and distance from transportation. The miners and prospectors have made mining locations on these low-grade gold-bearing veins and conformed to the Government's requirements to retain title to these properties, many doing annual assessment work year after year, waiting for the day when the Government will build the necessary roads to give them an outlet.

Mining experts agree that in a country that has produced so much gold from its placers, the lodes and veins will produce as much or more than has been produced in the past.

It takes expensive machinery and a continual supply of diesel fuel oil to operate the machinery. Until we build roads into that great country we cannot bring these properties into production.

Mr. LUNDEEN. Will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Minnesota.

Mr. LUNDEEN. What is that six hundred million tag up at the top?

Mr. WHITE. That tag represents the production of the great Coeur d'Alene lead-silver field, one of the biggest

silver-lead fields in the United States. South of that district we have the great Idaho gold-producing country. There are a large number of mines to be opened up out there, and right now the miners are struggling to bring in their machinery. In some places they are snubbing it down the hills with ropes on account of the ruggedness of the country and the lack of roads. There may be three or four mountain ranges between the main road and the place where the ore deposit is located.

Mr. Chairman, the President of the United States has expressed an interest in this matter, and I am going to read an extract from a letter signed by the President, dated August 13, 1935:

I think we all recognize the need for specially active measures toward reducing the forest-fire losses in the particularly hazardous country in Idaho and that roads for this purpose naturally have first call on our resources.

Further on he said:

I understand that most of these roads are being built to improve the facilities for protection of the forests against fire, and for this purpose they are logically located along the ridges, whereas roads to be of most use in mining development would be along the valley bottoms.

Due to the policy followed by the Forest Service in building these roads for fire protection, the roads are built to the top of the hill; then along the top of the ridge over high mountain ranges in some places that are five and six thousand feet high. The road traverses the summit and stays there. Of course, that is very convenient in fighting fires but does not help the miners.

Mr. Chairman, I want to call the attention of the Members of the Committee to the further fact that these miners and their properties are entirely dependent on the Federal Government and the Forest Service for the construction of roads, because the State and county governments cannot go into the forest and build these roads. Only the main trunk roads are built by the States and counties, and these with Federal aid.

Mr. ANDRESEN. Will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Minnesota.

Mr. ANDRESEN. I have heard of a great many instances where private companies have gone out West and built roads for many, many miles, putting in pipe lines, moving machinery in there, and so forth, at an enormous expense. If it is so profitable to mine gold at the present time, why do not the companies build their own roads?

Mr. WHITE. May I call the gentleman's attention to the fact we are interested in developing an industry? Those mines have not yet reached the developing stage. They are faced with the expense of building camps, in equipping their property, prospecting, installing machinery, and bringing in diesel oil, and so forth. May I call the attention of the gentleman to the further fact that once these mines are brought into production the Government steps in and through the capital tax, income tax, and all the other taxes, it is estimated the Government gets a profit of 30 percent in the production of the mines.

[Here the gavel fell.]

Mr. WITHROW. Mr. Chairman, I have asked for time, not to speak on this particular amendment, but for the purpose of addressing my remarks to the chairman of the Subcommittee on Appropriations, who stated that last year there was spent but $4,000,000 for Bang's disease in the United States by the Department of Agriculture.

Mr. CANNON of Missouri. Out of this bill.

Mr. ANDRESEN. That might be true.

Mr. WITHROW. No; it is not true. First, we will take the fiscal year ending June 30, 1935. There was spent in that year $10,687,175. The year to which the chairman addressed his remarks, namely, the fiscal year ending June 30, 1936. There was spent out of the Jones-Connally fund, involved in this paragraph, $14,467,825, and the fund under section 37 of the act of August 24, 1935, an additional $4,000,000, making a total of $18,467,825 for Bang's disease.

Mr. CANNON of Missouri. Will the gentleman yield?

Mr. WITHROW. I yield to the gentleman from Missouri.

Mr. CANNON of Missouri. The gentleman recalls that the original Jones-Connally Act authorized the appropriation of $250,000,000.

Mr. WITHROW. Yes.

Mr. CANNON of Missouri. Two hundred million dollars for the control of agricultural surpluses and $50,000,000 for the purchase of excess products to be given under relief. Of that sum, the bill passed appropriated $100,000,000.

Mr. WITHROW. Of the $200,000,000.

Mr. CANNON of Missouri. Of the $200,000,000 and $50,000,000. We have left about $29,000,000 unexpended balance or surplus in the Jones-Connally fund.

We are appropriating out of the unexpended balance $17,500,000, but, as provided by this bill last year, there was expended only $4,000,000.

Mr. WITHROW. The gentleman is absolutely wrong. Over $18,000,000 was spent for Bang's disease last year.

Mr. CANNON of Missouri. The gentleman from Missouri is absolutely right. That was out of the Jones-Connally fund.

Mr. WITHROW. That is the fund involved in this particular paragraph.

Mr. CANNON of Missouri. That was not out of the agricultural bill for 1936, which is the companion to this bill for 1937. That bill provided only $4,000,000.

Mr. WITHROW. The gentleman inferred to the House——

Mr. CANNON of Missouri. I did not infer at all. I made a statement.

Mr. WITHROW. The gentleman inferred that $4,000,000 was spent for Bang's disease, when, as a matter of fact, more than $18,000,000 was spent for Bang's disease, and the gentleman knows that is the fact.

Mr. CANNON of Missouri. We are not considering emergency funds. We are considering the bill before the House. This bill last year appropriated $4,000,000 for Bang's disease. This year we are providing $13,350,000.

Mr. WITHROW. I do not yield further to the gentleman.

Mr. CANNON of Missouri. The gentleman asks me a question. I have answered it.

Mr. WITHROW. The gentleman said there was $4,000,000 spent, when, as a matter of fact, $18,000,000 was spent.

Mr. CANNON of Missouri. If the gentleman says this bill carried $18,000,000 last year, he is sadly misinformed. It carried $4,000,000. This year it carries more than three times as much as it carried last year.

Mr. TARVER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TARVER. The gentleman from Wisconsin [Mr. WITHROW] should address his remarks to the pending amendment. The amendment covering Bang's disease has been disposed of by the Committee; therefore the remarks of the gentleman are not addressed to the pending amendment.

Mr. WITHROW. Mr. Chairman, I realize I am not addressing my remarks to the pending amendment, but I thought in all fairness to myself and the Committee, inasmuch as we were arguing upon the premise that $18,000,000 was spent for Bang's disease last year, I should have the right to be heard on the matter, and I want to say that this is just in keeping with the way the dairy producer has been treated during the past few sessions of the Congress. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I ask for a vote on the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. WHITE].

The amendment was rejected.

Mr. CULKIN. Mr. Chairman, I offer a preferential motion

The Clerk read as follows:

Mr. CULKIN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. CULKIN. Mr. Chairman——

Mr. CANNON of Missouri. Mr. Chairman, I would like to ask the gentleman if he is opposed to the bill?

Mr. CULKIN. Yes; in its present form.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. CULKIN. Mr. Chairman, the colloquy between the distinguished chairman of the subcommittee and my friend, the gentleman from Wisconsin, indicated that the members of this committee on the other side of the aisle got a mistaken impression from the distinguished chairman of the subcommittee as to the amount of money that was spent last year on Bang's disease.

I have fairly average hearing and can claim at least not to be subnormal and my understanding from what the gentleman said was that only $4,000,000 had been spent on Bang's disease in the year 1935. Now, there was spent on Bang's disease in the year 1935 a sum amounting to more than $18,000,000. Under this bill that amount is reduced to $11,000,000, $7,000,000 less than is necessary for the carrying on of this program.

It occurs to me that in view of this misunderstanding that the gentlemen on the other side of the aisle voted under a misapprehension. It would therefore be due to legislative propriety to return to that amendment anew.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. Yes.

Mr. TARVER. It occurs to me that the essential question involved is whether the Department needs and can use in this work for the next fiscal year more money than has been recommended in this bill. According to the estimates before us, they cannot use more.

Mr. CULKIN. I am familiar with that situation. Dr. Mohler testified, or at least I so inferred, that this is all that is necessary; but the dairy group in America do not agree with Dr. Mohler. They think he is slowing down this program, and every day that this program is slowed down creates a greater menace to the dairy herds of America and a greater menace to the welfare of the people of America, because, as I stated a moment ago, these diseases are, in fact, communicable.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York to strike out the enacting clause.

The motion was rejected.

The Clerk concluded the reading of the bill.

Mr. KENNEY. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed out of order for 5 minutes.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri.

There was no objection.

The CHAIRMAN. The gentleman from New Jersey asks unanimous consent to proceed out of order. Is there objection?

There was no objection.

Mr. KENNEY. Mr. Chairman, the gentleman from Massachusetts [Mr. TREADWAY] on Monday last addressed the House shortly after remarks made by me. During my remarks the gentleman from Massachusetts endeavored to interrupt, as appears on page 2693 of the RECORD, after I had made reference to the gentleman.

As soon as he obtained the floor in his own time he complained because he was not yielded to and immediately set himself up as an arbiter of courtesy, choosing to call names and hurl an epithet. Of course, I prefer that the gentleman do that in his own time, of which he always seems to have plenty.

Evidently the gentleman from Massachusetts does not like arch high priests, because in his first breath he hurled the epithet "arch high priest", which, of course, we must assume to be a part of his tenets of courtesy. The very courteous gentleman would have it appear that he desired to make a correction. But the gentleman made no correction in his own time, so that on that score he should have no complaint. The gentleman from Massachusetts attempted the following as his correction:

> He said that the gentleman from Massachusetts [Mr. TREADWAY] seemed worried about a tax bill. He was absolutely in error about that. I have not the slightest worry about a possible tax bill * * *.

It will be observed that according to the very words of the gentleman from Massachusetts I did not say he had the slightest worry about a possible tax bill. What I did say was, "He seems to be worried about the new tax plan that is coming into being." The gentleman must know that things are not always what they seem. However, I insist he had a worried look about him and seemed to me to be worried. In point of fact, therefore, the gentleman made no correction in the course of his statement.

The gentleman from Massachusetts further dwelt on the subject of a course of courtesy in a great institution of learning. May I say to the gentleman that there was no such course in my time. None was necessary, not even for me. Neither was there any course in discourtesy.

My main purpose in making this comment is not because of any feeling that the gentleman from Massachusetts can deprive anyone of the quality of courtesy, but rather to clear up a doubt which he expressed when he said:

> On the other hand, I doubt very much whether the course of training in that splendid institution had any leaning toward advocating gambling or lotteries * * *.

I wish to say to the gentleman that he need have no doubt whatever. The courses of training in the institution he referred to have no leaning whatever toward advocating gambling or lotteries in the sense that the gentleman from Massachusetts implies. As a matter of plain fact, they frown upon gambling and lotteries of that character.

I wish to state, however, that that is not the kind of lottery to which I directed the gentleman's attention through an editorial appearing in a leading newspaper circulating in his congressional district, the Springfield Republican. Rather was it the kind of lottery that evidently saved the individuality of Williams College.

The gentleman from Massachusetts is a graduate of Amherst College. He perhaps knows, as history records it, that Amherst College at its beginning came out of the loins of Williams. What is more, the establishment of Amherst brought on a concerted movement to merge Williams with Amherst, the merged institution to have its seat at Amherst.

Williams College did not, however, merge with Amherst. It retained its individuality. It is a great college. To the credit of the gentleman he said, "I have a very high regard for the institution of learning situated in my district from which that gentleman graduated." There can probably be no regret on the part of the gentleman that Williams is still Williams.

What enabled the college to retain its individuality? One of the main reasons was that the people of the district now represented by the gentleman had previously made their contributions to a lottery conducted by the Williamstown Free School, out of which grew Williams College, pursuant to authority vested in it by the senate and house of representatives in general court assembled in the Commonwealth of Massachusetts.

It is a matter of history that Charles A. Dewey, a native of Williamstown, Mass., and an alumnus of Williams of the class of 1811, appeared before the Massachusetts Legislature in 1819 and presented strong argument against removal of the college from Williamstown. He referred to the fact that funds had been realized by the college from a lottery in which the residents of Williamstown and the surrounding towns, now constituting the gentleman's congressional district, participated. Mr. Dewey argued that the sale of the tickets was made in that region of the Berkshire Hills and that the lottery in its practical operation proved to be a tax upon the local inhabitants and that the good people of the neighborhood should not be deprived of the institution for which they were taxed, although the tax was voluntary. The legislature did not order its removal. The college was preserved.

I would hesitate to call the people in the neighborhood of the institution advocates of gambling or lotteries for having

saved the institution for Williamstown, nor would I reflect upon their descendants now inhabiting the First Congressional District of the State of Massachusetts.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all Members who have spoken on this bill during its consideration have 5 legislative days within which to extend their remarks in the RECORD on the bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WHITE. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain letters.

The CHAIRMAN. Is there objection?

Mr. TABER. Mr. Chairman, I object.

Mr. CANNON of Missouri. Mr. Chairman, on page 32 the Committee adopted two amendments correcting supposed typographical errors. It now develops that those amendments were unnecessary, and I ask unanimous consent to vacate the proceedings by which those amendments were agreed to.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes concerning a very important item in this bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Chairman, yesterday while we were in rather a hilarious mood, feeling liberal, even more than liberal, the members of this Committee voted a $25,000,000 increase for the Forest Service, to buy certain lands in various sections of the country that no doubt constituents of certain Members of Congress desire to unload on the great, magnanimous Government of the United States. I understand the Chairman of this Committee will ask for a separate vote upon this amendment, and I cannot conceive of so large an item as this $25,000,000 increase remaining in this bill.

Mr. PARSONS. Mr. Chairman, I make the point of order that the gentleman is not addressing himself to any amendment.

Mr. JOHNSON of Oklahoma. Now, of course, Mr. Chairman, the gentleman from Illinois, who is author of this $25,000,000, cannot be serious in his point of order. I am talking too much to the point to suit him. I obtained unanimous consent to speak, Mr. Chairman, and I hope the gentleman will not object to a brief discussion of his amendment nor to a record vote on it that I understand will be demanded within a few minutes. Let me call the gentleman's attention, as well as the attention of other Members, to the fact that since 1932 there has been expended for the same purpose as proposed in my good friend's amendment, outside of the money expended for slum clearance by P. W. A. and other agencies, the enormous sum of $106,442,856. Therefore, it is only fair to say that Congress has been liberal, if not magnanimous, in this respect.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. Yes.

Mr. ANDRESEN. Mr. Chairman, the gentleman said that constituents of certain Members of Congress wanted to unload some land on the Government. Can the gentleman name those Members of Congress?

Mr. JOHNSON of Oklahoma. Let me assure the gentleman that I meant no reflection on Members of Congress personally or otherwise. But the fact remains, and no one will deny, that there are constituents of several Members who are extremely anxious to unload a lot of land, worthless and otherwise, on the Federal Government. Let us not cloud the issue. Let us not talk economy at home and vote for $25,000,000 increases as if it were 25 cents. Here is an opportunity to make a real record for economy in government. Your vote today on this item will speak louder than loud speakers on rigid economy at home. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise and report the bill, with the amendments, back to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, and had directed him to report the same back with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded upon any amendment?

Mr. TABER. Mr. Speaker, I ask for a separate vote on the Fulmer amendment adding $2,000,000 and on the Parsons amendment adding $25,000,000.

The SPEAKER. The Clerk will report the Fulmer amendment.

The Clerk read as follows:

Page 50, after line 3, insert the following:

"COOPERATION IN FOREST-LAND MANAGEMENT

"For carrying out the purposes of the act entitled 'An act to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and coordinating Federal and State activities in carrying out a national program of forest-land management, and for other purposes', approved August 29, 1935 (49 Stat. 963), $2,000,000."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. FULMER) there were—ayes 48, noes 101.

So the amendment was rejected.

The SPEAKER. The Clerk will report the Parsons amendment.

The Clerk read as follows:

Page 50, line 13, strike out the period, insert a semicolon, and add the following language: "For the acquisition of forest lands under the provisions of the act approved March 1, 1911 (36 Stat., p. 961), as amended, United States Code, title 16, sections 500, 513, 515, 516, 517, 518, 519, 521, 552, 563, $25,000,000, of which amount the sum of $10,000,000 shall be available for expenditure immediately upon approval of this act."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. PARSONS) there were—ayes 47, noes 113.

So the amendment was rejected.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

CONFEDERATED BANDS OF UTE INDIANS LOCATED IN UTAH, COLORADO, AND NEW MEXICO

Mr. ROGERS of Oklahoma submitted the following conference report on the bill (S. 381) for the relief of the Confederated Bands of Ute Indians located in Utah, Colorado, and New Mexico:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 381) for the relief of the Confederated Bands of Ute Indians located in Utah, Colorado, and New Mexico, having met, after full and free

conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered (2) two to the said bill.

That the Senate recede from its disagreement to the amendment of the House numbered (1) one to the said bill, and agree to the same.

WILL ROGERS,
ABE MURDOCK,
USHER L. BURDICK,
Managers on the part of the House.
ELMER THOMAS,
LYNN J. FRAZIER,
W. J. BULOW,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 381) for the relief of the Confederated Bands of Ute Indians located in Utah, Colorado, and New Mexico report as follows:

This bill provides for the payment of $161,400 to the Ute Indians for 64,560 acres of land in western Colorado taken from said Indians by the United States by Executive orders dated December 6, 1916, and September 27, 1924. The lands concerned are oil-shale lands, and were taken in the first instance by the United States during the late World War as a naval oil reserve. The bill provides for the payment to the Indians at the rate of $2.50 per acre—the minimum set by existing statutes as the price to be paid for oil-shale land.

The bill as passed by the Senate provided that the payment of this sum should be "without prejudice to the claim of said Indians for 4-percent interest on said sums from the date of said Executive orders."

The House, by amendment no. 1, struck out this provision. The conferees from the Senate receded from its disagreement to this amendment, it being the opinion of the conferees that the words struck out are immaterial and that the language of the agreement of June 15, 1880, should govern the payment of interest.

The House, by amendment no. 2, also amended the bill so as to provide: "*Provided*, That from the amounts authorized to be appropriated for the foregoing purposes shall be deducted all gratuities granted to said tribe as defined in the Second Deficiency Appropriation Act for 1935."

With respect to this amendment, the conferees had communications from the Comptroller General stating that it was not the function of the Comptroller to determine what is a gratuity. Moreover, the conferees ascertained that these same Indians obtained a large judgment against the United States in 1912, at which time all back claims of the Indians and the United States were adjusted against each other, and that all disbursements made by the United States for the benefit of said Indians up to 1933 have been paid out of the sum awarded to the Indians in 1911. There are, therefore, few, if any, gratuities that have been expended for the benefit of these Indians.

Further, it was ascertained by the conferees that the United States is still trustee for said Indians of the proceeds received or to be received from the sale of over 7,000,000 acres of land, which, under an existing treaty with said Indians, has either been or is to be sold by the United States for the benefit of said Indians at not less than $1.25 per acre. (See CONGRESSIONAL RECORD, 64th Cong., 1st sess., vol. 53, pt. 3, p. 2294.) If any gratuities have therefore been expended for said Indians, these gratuities may be set off against any claim that the Indians have relating to the millions of acres of land or proceeds thereof still held in trust for them.

The United States is amply protected. The conferees from the Senate consequently insisted that the aforesaid amendment of the House relating to the setting off of gratuities be struck from the bill, and your managers consented thereto.

WILL ROGERS,
ABE MURDOCK,
USHER L. BURDICK,
Managers on the part of the House.

PERMISSION TO ADDRESS THE HOUSE

Mr. HARLAN. Mr. Speaker, I ask unanimous consent that after the reading of the Journal and completion of matters on the Speaker's desk on next Tuesday morning I may be permitted to address the House for 15 minutes concerning a petition now on the Speaker's desk.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. SNELL. Reserving the right to object, what is the petition about which the gentleman is going to speak?

Mr. HARLAN. A petition which was filed this afternoon, changing the tariff rates on dairy products.

Mr. BIERMANN. Reserving the right to object, Tuesday is the day set apart for the consideration of the Private Calendar. The Private Calendar has had very much the worst of it this session and last session. I do not like to object to the request of the gentleman, and I shall not object if he makes it for any other day, but on Tuesday I am constrained to object.

The SPEAKER. Objection is heard.

EXTENSION OF REMARKS

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include a short letter from the Milk Producers Confederation.

The SPEAKER. Is there objection?

There was no objection.

THE UNFAIRNESS OF RECIPROCAL-TRADE AGREEMENTS TO AMERICAN INDUSTRY AND LABOR

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. CROWTHER] may have permission to extend his own remarks by printing an address he made last night over the radio.

The SPEAKER. Is there objection?

There was no objection.

Mr. CROWTHER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech which I made over the radio on February 27:

There are two fundamental reasons for the failure of industry to resume its normal activities. First, the fact that this administration's monetary policy, including the devaluation of the dollar by reduction of its gold content, has undermined confidence in the business world and has developed reprisals in foreign countries exemplified by their depreciated currencies. If the dollar is to remain at the point of 59.6 cents, then industry and capital will adjust themselves to that level. But just so long as we have no definite plan as to this procedure, capital will remain in the banks and industry will mark time. Those who have money to invest in industrial enterprises will not enter that field with the possibility of the dollar being reduced to say 49 cents at a date of which nobody has knowledge.

The second reason for the slowing up of industry is the doubt and uncertainty that exists during the star chamber proceedings out of which finally emerge the so-called trade agreements with foreign countries. Manufacturers in the United States find themselves confronted with tariff reductions which may measure the difference between success and failure of their respective industries. They are permitted a brief 5 or 10 monutes for an oral presentation of their cases, and in addition to this the State Department magnanimously permits them to file a brief. That completes the program so far as the American manufacturer is concerned. During the period of consideration by the Hull-Sayre-Grady forum, the American manufacturer and his employees, who are vitally interested in continued employment, must mark time and sweat blood until notice is served that the agreement has been completed and is about to be signed, sealed, and delivered.

Under these circumstances what incentive is there for industry to expand its activities? The net result is that American manufacturers will purchase raw materials from hand to mouth. They will produce on the same basis. In other words, they are compelled to play safe. Hand-to-mouth purchase of raw materials, and the same method of production, is not conducive to a restoration or increase of employment; and if there is any one thing we need more than jobs for American workers, the "brain trust" has not yet discovered it.

These trade agreements are in a sense a revival of the reciprocity policy to which the Republican Party was committed in 1911, when the Canadian reciprocity bill was being considered. But the Republican notion of reciprocity differed very materially from the policy now being adopted by the New Deal administration. Just what the Republican policy was is best determined by quoting from the spokesman of that period. The Honorable Charles Emory Smith had this to say: "The principle is axiomatic. Brazil grows coffee and makes no machinery. We make machinery, but grow no coffee. Brazil needs fabrics of our factories and forges and we need the fruits of her tropical soil. We agree to concessions for her coffee and she agrees to concessions for our machinery. That is reciprocity."

Our Democratic friends refer frequently to the late President McKinley and his advocacy of reciprocity. Now is a good time to quote exactly what McKinley said in his inaugural address on the subject. In speaking of reciprocal relations with other countries he made this clear and convincing statement: "The end in view always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves, and which do not involve any loss of labor to our own people, but tend rather to increase their employment."

That is the type of reciprocity that I stand for and it is what the Republican Party stands for. Granting tariff concessions on such materials and commodities as are not raised or produced in our own country, and that will not jeopardize our workers' pay envelopes, has all the earmarks of a common-sense policy.

The distinguished Secretary of State insists, however, that the policy must be broader than that and that in addition the most-favored-nations agreement must prevail, thus gradually bringing about a complete reduction in the tariff rates not only to the nation with whom the agreement is made but making these reduced rates

available to all other nations with whom we have signed treaties on that basis. At the present moment the reduced rates are not available to Germany and the Cuban rates are not applicable to other countries.

Mr. Samuel Crowther, in a recent study of the Cuban trade agreement, finds that we had an increase in Cuban trade amounting to 80 percent in 1934, and he proceeds to analyze the facts in the case. I quote:

"Now let us look at the other side of the ledger and discover how much the American people had to dig out of their pockets in order to make a $20,000,000 sale. Neither the State Department nor the Department of Commerce presents any figures on the cost of getting the business. They are concerned only with gross sales and not at all with the cost of making sales. Here is what the new business cost:

The President, by an order effective June 8, 1934, reduced the duty on Cuban raw sugar from 2 to 1.5 cents per pound. The trade agreement made a further reduction of 0.9 cent. In return for this concession, Cuba reduced duties on a number of American products. In 1933 we sold goods to Cuba in the amount of $25,093,000, and in 1934 we sold goods to the amount of $45,355,000—and of this, we sold $17,614,000 between September, when the treaty took effect, and the end of the year. A considerable portion of the Cuban exports of sugar—that is, 1,100,000 tons of raw and about 200,000 tons of refined—was held until after the treaty went into effect and paid duty at the new rate. This involved a loss of duties as between the new and the old tariff rates amounting to $32,323,000.

When the treaty went into effect about half a million tons were in American bonded warehouses and presumably had been bought at world prices. But another factor entered. The A. A. A. in its wisdom had fixed quotas for both domestic and foreign producers of sugar and the Cubans had cannily held off most of their exports to this country, not only until after the treaty date, but also until the other quotas were exhausted.

Therefore, they found themselves, not at all by accident, with a monopoly right to supply this country with sugar. Their average price to the world during the September–December 1934 period was 0.8 cent per pound f. o. b. Cuba. Their price to the United States under the monopoly given them by the A. A. A. was 1.97 cents per pound f. o. b. Cuba.

They engineered for themselves a present of 1.17 cents per pound, or more than $15,000,000. Adding this donation to the amount lost in duties makes a total of more than $47,000,000.

This is the sum that the American people paid in order to promote an additional gross export business of not over $20,000,000.

Taking the loss of duties and the additional price of sugar, the new tax laid upon the American people for the privilege of doing business with Cuba in the present year, therefore, will amount to more than $30,000,000.

This may be Yankee horse trading, but if it is, the Yankees are speaking Spanish.

The public is led to believe, as the result of widely distributed propaganda, that we must permit the entry of foreign merchandise in order that European nations may be enabled to pay us what they owe. I hope the American people will not be deceived by this implication. There is no relativity between these trade agreements and the vast sums that we loaned to these foreign nations. They still owe us the money we loaned them in the war period and they still refuse to liquidate that debt. The New Deal trade agreements have not changed that situation.

May I call your attention to the fact that under the existing law the President issued an order very recently making the reduced rates in the several trade agreements so far entered into available to all other countries, 77 of them. "Count 'em"—77. So you see that many nations with whom we have no agreements or treaties will benefit by these reductions and are giving us nothing in return. At this point I desire to state that in my opinion the Reciprocal Tariff Act is unconstitutional. No such unfettered delegation of legislative powers appears in any of the tariff acts, and upon the principles repeatedly declared by the Supreme Court of the United States the statute appears to me to be more vulnerable than N. R. A.

In the recently adopted trade agreement with Switzerland material reductions were made on dyestuffs and on watches and clocks. In view of the fact that Switzerland now supplies 55 percent of our watch requirements, a reduction of the tariff was entirely unwarranted. We had at one time 40 watch factories in the United States, employing several thousand people making high-grade watches. Today we have but three left—the Elgin, Waltham, and Hamilton.

The pottery industry is another victim of excessive imports, especially from Japan. For a long period of years the American pottery and tableware industry has struggled to hold one-half of the business here in our own country. Japan is dumping into the American market millions of dozens of pottery cups, saucers, plates, etc., without the slightest hindrance by the administration or any of its agencies. It seems that the idea is furthered that somehow or other Japan is a blessing in disguise.

During 1934 Japan sent to our shores 8,624,958 dozen pieces of ware competing with domestic production. The American potters' output for that year was 23,000,000 dozens. Japanese imports, you see, were 38 percent of our total production, and the figures for 1935 will be approximately the same. Japanese cotton floor rugs are imported in tremendous quantities, and they displace the use of thousands of square yards of fine wool rugs that can be made in this country and that are equal in design and wearing qualities to the widely advertised orientals.

The recent Canadian trade agreement will create havoc and loss, especially to our dairy farmers who are located in the northern border States. These so-called trade agreements may well be classified among the fantastic experiments of the New Deal.

The New Deal administration browbeats industry because they are not absorbing the prevalent unemployment, and then they proceed by this iniquitous tariff-reduction policy to cripple domestic producers by permitting their market to be sacrificed to cheap foreign producers. What a travesty on common sense.

I wonder if any of my listeners believe that you can restore employment to American workmen by making it easier for European manufactured goods to come into the country?—goods made by low-priced labor, peon labor, and child labor. This administration shouts from the hilltops its good-neighbor policy with the world. Why not begin the good-neighbor policy at home, help some of the jobless 10 millions by encouraging American industry to expand and go forward, rather than hamstring it by increasing competition of the orientals and Europeans who are boring in day and night to secure the finest market in the world? There is a way for us all to help the good-neighbor policy. Let's buy goods made in the United States of America. You not only secure fine merchandise but you are helping to buy a job for an American workman. Think it over.

THE LATE COL. HENRY LATROBE ROOSEVELT

Mr. HANCOCK of New York. Mr. Speaker, I ask unanimous consent that I may address the House for 2 minutes to pay a tribute to a great American, Col. Henry Latrobe Roosevelt.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HANCOCK of New York. Mr. Speaker, the whole Nation was saddened by the news of the death of Col. Henry Latrobe Roosevelt last Saturday evening. Nowhere was his death more sincerely mourned than in the beautiful little village of Skaneateles, where he made his home.

His fellow townsmen knew him as a kindly, genial, and generous friend and neighbor. They took pride in his distinguished career.

A member of an illustrious family, Colonel Roosevelt added luster to his family name. His first love was the Navy, and it was his last. As a boy he attended the Naval Academy, and when the Spanish-American War broke out he became an officer in the marines. He served with the Marine Corps during two wars and in several foreign expeditions with filedity and distinction.

After the World War the requirements of his growing family made it necessary for him to enter the more lucrative field of business, but when he was tendered the position of Assistant Secretary of the Navy he gladly accepted. I have heard him say there is no position he would rather hold. He served happily, joyously, for his heart was in his work.

During much of the past 3 years he has been Acting Secretary of the Navy, and the strain of the double burden doubtless hastened his death.

If he could speak to us now, I am sure he would comfort us by assuring us that he has no regrets, that he does not begrudge a moment of the service and devotion he gave so freely to the country he loved.

Mrs. KAHN. Mr. Speaker, I ask unanimous consent to proceed for one-half minute to add my personal tribute to what has been said by the gentleman from New York [Mr. HANCOCK].

The SPEAKER. Is there objection?

There was no objection.

Mrs. KAHN. Mr. Speaker, Colonel Roosevelt, whom I have known for many, many years, was an ideal gentleman, a great soldier, an outstanding public servant, and, above all, a loyal friend. He lived up to his high principles and to his ideals. He was kind, just, noble. What more can one say of a friend?

EXTENSION OF REMARKS

Mr. WHITE. Mr. Speaker, I ask unanimous consent that the correspondence with the President and the Secretary of the Interior, referred to by me in my remarks on the forest and trails provision of the Department of Agriculture appropriation bill, may be included with my remarks and appear at that point.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

Mr. TABER. Mr. Speaker, I object.

THE LATE JOSHUA W. ALEXANDER

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes to make an announcement with reference to the death of a former Member of this House.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Speaker, the Honorable Joshua W. Alexander, in his eighty-fifth year, died at his home in Gallatin, Mo., last night. He was a courageous public servant who entered public life in 1876, and those of us who were fortunate to know him are deeply affected by his passing.

While my acquaintance with him dates back 25 years, still, Mr. Speaker, as you served side by side with him for 12 years in this body you no doubt had a more intimate acquaintance with him than did I. That he was a man of outstanding intellect, devoted to his duty, everyone will agree. He started at the bottom of the ladder and ended his public career in the President's Cabinet.

Judge Alexander was twice elected mayor of Gallatin, and while holding other elective offices was for 21 years a member of the board of education of the Gallatin school district. In 1876 he was elected public administrator and was reelected to that position. Two years later found him a member of the Missouri Legislature. He was made chairman of the appropriations committee in 1882 and in 1884 was elected speaker of the house. From 1901 until 1907 he was a circuit judge, resigning that position to accept his seat in the Sixtieth Congress. He served in succeeding Congresses, including the Sixty-sixth, and then was named Secretary of Commerce by President Wilson. He had long been a member of the Committee on Merchant Marine and Fisheries, was its chairman for 10 years, handling all the important legislation that came from that committee during the period of the World War. Judge Alexander was the representative of this House, named by President Wilson, on the United States Commission to the International Conference on Safety of Life at Sea, being chairman of the United States commission that sat in London, England, during 1913 and 1914.

Judge Alexander was born in Cincinnati in 1852. His father died when he was but 7 years of age. His mother brought him to Missouri at the age of 10 and, with the exception of the period he was in Washington, he remained there until his death. He was married to the daughter of the late Judge Samuel A. Richardson in 1876 and to this union were born four sons and three daughters. Four surviving children were with him at the time of his death; two others, Federal Judge George Alexander, of Alaska, and Preston Alexander, of this city, were on the way to their father's bedside. On February 3 the Judge and Mrs. Alexander celebrated their sixtieth wedding anniversary and her seventy-seventh birthday.

A long and honorable career was brought to a close with the passing of our friend. No history of my State will be complete without a chapter of the public service of the deceased. His loss is irreparable, especially to the family that he loved so well.

Mr. Speaker, we have lost a friend and the Nation has lost an able, honest, and courageous public servant.

SUBCOMMITTEE ON EDUCATION OF THE COMMITTEE ON THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that the Subcommittee on Education of the Committee on the District of Columbia may sit during the sessions of the House on Monday next.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HARLAN. Mr. Speaker, after conference with the gentleman from Iowa, I ask unanimous consent that on Wednesday next, after the reading of the Journal and the disposition of business on the Speaker's table, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

Mr. WHITE. Mr. Speaker, I object.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. LAMBETH, for Monday, March 2, on account of public business.

THE FEDERAL LAND-BANK SYSTEM CANNOT BE OF ANY USE TO THE 2,000,000 FARM HOMES NOW SUBJECT TO FORECLOSURE

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BURDICK. Mr. Speaker, going into more detail here than I did in my speech on the floor of the House on February 27, 1936, I desire to assert and submit the proof that the Federal land-bank system of the country has broken down, so far as being able to help the 2,000,000 farm homes in America now subject to foreclosure.

There are two principal reasons for this failure: First, the values of farms have shrunken so greatly since the mortgages were executed that under the rules, regulations, and the law, commitments cannot now be made that can anywhere near grant a loan to pay off the old loan. Regarding the shrinkage in the value of farm lands, I desire to submit herewith the following tables:

Value of farm lands

1919	$79,000,000,000
1920	66,316,000,000
1929	58,000,000,000
1930	47,880,000,000
1932	37,027,000,000
1933	30,151,000,000
1934	31,655,000,000

Farm-land values, by States, showing percentage of value today as compared to the values in the pre-war period 1912–14.

The States are arranged in accordance with the lowest percentage of values, the first State named having the lowest percentage of value of farm lands as compared to the pre-war period:

	1935	Value in 1920
	Percent	*Percent*
1. South Dakota	54	181
2. Missouri	58	167
3. Indiana	61	161
4. Illinois	61	160
5. Ohio	66	159
6. Iowa	67	213
7. North Dakota	67	145
8. Nebraska	72	179
9. Georgia	72	217
10. Kansas	73	151
11. South Carolina	76	230
12. West Virginia	78	154
13. Pennsylvania	79	140
14. Wisconsin	82	171
15. Delaware	82	159
16. New York	82	133
17. Minnesota	83	213
18. Michigan	83	154

From the above tables it should be apparent to anyone that when a debt was contracted on a farm in 1920 or 1925—when the amount of farm mortgages reached the peak point—those farms were valued at 170 percent, average, of the pre-war period values. Today we are trying to make loans on the same farms using a value of 70 percent of the pre-war values.

A farm valued in pre-war period at $5,000 had a value of $8,500 when the loan was contracted. When we come now to make a new loan to refinance the old, we discover that

the value of the same farm is fixed at $3,500. On a valuation of $8,500, 1920–25, a loan was made for 50 percent of the value, or $4,250. The loan is past due, and we try to refinance it through the Federal land bank. The appraisal shows a value of only $3,500, or actually $1,000 less than the face of the loan. On this new value we can make a loan—if we are lucky—of 75 percent of the value, or $2,625. This new loan lacks just $1,625 of being enough to pay the old principal. Usually there is a large amount of unpaid taxes and accumulated interest to be added to the principal. Result—the loan is turned down.

The second reason why the land banks fail to relieve the farmer is because of the attitude of the Farm Credit Administration and of the land banks themselves.

There is not any question but what the Farm Credit Administration exercises absolute control over the policy and the operation of the Federal land banks. Here is the testimony of Governor Myers given before the Committee on Agriculture of the House, 1936:

We have an examination division to be sure that their accounts are in proper order and that everything is handled in the best businesslike manner.

We also assist the Federal land banks in solving various other problems that they have. For instance, as the volume of business has gone down they have reduced the number of their employees. And our personnel division has assisted them in working out the best personnel procedure in order to keep the most competent employees in the organization.

We do not make the loans, but if we thought a mistake had been made we would ask them to review it, and if we thought their policies were unsound we would ask them to review those policies. (P. 938, hearings.)

With the authority over these land banks fixed in the Farm Credit Administration let us see what the attitude of the Farm Credit Administration is with respect to the relief of the distressed farmer. Governor Myers says:

With the passing of the emergency, the Federal land banks are not required to place as much stress on the making of loans and are, therefore, enabled to give greater attention to collections and real-estate operations.

The Federal land banks are giving special attention to the problem of disposing of acquired real estate in an orderly and efficient manner. (P. 970, hearings.)

Asked in the committee if the amount in loans was being reduced, Governor Myers stated:

They have been declining somewhat through the year. You will see that it is about one-third of the amount of loans made in 1934.

Questioned by Mr. TARVER, Governor Myers made the following response to the following question:

Mr. TARVER. I presume it is the purpose of the Farm Credit Administration to have the Federal land banks to meet that legitimate demand (for loans).

Mr. MYERS. Yes, sir (p. 940, hearings).

From this testimony it is evident that the Governor of the Farm Credit Administration thinks the emergency for farm loans has passed. Is it no emergency for the 2,000,000 farmers who cannot be refinanced? Has the emergency passed with them? Does Governor Myers take the position that 10,000,000 people living on these 2,000,000 farm homes are to be abandoned?

Answering TARVER, Myers said it was the intention of the Farm Credit Administration to have the Federal land banks meet all legitimate demands. Does Governor Myers take the position that these 2,000,000 farmer mortgages are not legitimate?

No; the evidence is fixed and certain that the policy of the Federal bank system has been properly announced by Governor Myers when he said:

The Federal land banks are giving special attention to the problem of disposing acquired real estate in an orderly and efficient manner.

What real estate does he mean? He means the real estate which the Federal land banks have acquired through foreclosure, deed, and otherwise. The year 1935 was the banner year in farm foreclosures for the Federal land-bank system, and this happened because of the policy announced by Governor Myers. Here is the record of those foreclosures:

Foreclosures and acquisitions of properties by the Federal land banks

Year	Number of outright foreclosures	Number of acquisitions by voluntary deed	Other acquisitions	Total number of properties acquired
1930	4,645	----------	71	4,716
1931	7,396	----------	413	7,799
1932	10,039	----------	1,369	11,408
1933	5,577	1,039	952	7,568
1934	5,024	756	1,095	5,875
1935	9,964	1,488	1,576	13,028

The amount loaned by the Federal land banks in 1934 and 1935 are given in the following table. This huge reduction came, no doubt, from the announced policy of the Federal land banks given by Governor Myers and hereinbefore quoted.

Farm Credit Administration—loans and discounts advanced and outstanding by institutions under the Farm Credit Administration for the years ended Dec. 31, 1934, and Dec. 31, 1935

Type of loan and institution	Loans and discount outstanding Dec. 31, 1933	Loans and discount closed 1934	Loans and discount closed 1935	Loans and discount outstanding Dec. 31, 1935
Farm mortgage loans:				
Federal land banks	$1,232,706,802	$739,256,321	$252,997,255	$2,071,924,721
Land bank commissioner	70,738,462	553,136,316	196,415,449	794,723,418
Total	1,303,445,264	1,292,392,637	449,412,704	2,866,651,139

In the field the same attitude of the Federal land banks is carried out to the letter. The attitude is to find some excuse for not making a loan. I now report a case from North Dakota where a farmer had retired 40 percent of the mortgage and then asked for help. The Farm Credit Administration wrote in connection with this particular case the following, among other things:

While there has been a large reduction in the mortgage indebtedness since the property was acquired, it is our understanding that the money used for this purpose was derived from an inheritance and not from the farm income.

Letter dated Washington, January 9, 1936.

If this farmer had in fact been honest enough to pay his inheritance on this mortgage he therefore was a bad risk, and so far as any assistance from the Federal land bank was concerned he would have to get out and shift for himself. He did this, and now his farm is under foreclosure. How do you Members of Congress like this attitude?

Listen to these letters from North Dakota:

I received an approval of $1,400 in April 1934 after waiting for several months. Before I could secure an agreement from the lien holders to accept bonds in lieu of cash they canceled my application. This action was a surprise to me after I had made my plans for liquidating my debts. I had been put to considerable expense in making my plans and securing consideration of my application. I immediately asked for a reconsideration, but the loan was rejected. If the loan had been granted, I could have paid up all my indebtedness and would have been in a position to make a living for myself and family and my father and mother. As it is, my husband had to go to Montana to get work. If he had remained here and gone on relief, I am sure the loan would have been made. We will soon lose this home now, and then what?

Yes; I repeat, "Then what?"

Another letter:

I received notice of intention to foreclose from the Federal land bank in St. Paul February 6. I have 30 days to either pay or make a settlement. I haven't any money and don't know where to get any. Haven't had a crop for 6 years. I want to pay up when I can and stay. I have lived here for 44 years, and I have a son 22 years old who is willing to stay with me on the farm. I don't want relief, and my son is getting discouraged. What would you advise me to do?

What could I say to this old farmer? There was not much I could say. I did, however, write him the following letter:

WASHINGTON, *February 18, 1936.*

I received your letter of February 14 in regard to the fact that they are about to foreclose on your land, and I'll do whatever I

can with the Farm Credit Administration here to stop this unwarranted procedure. I do not understand for the life of me how they expect to get out of this depression if they throw self-respecting farmers off their lands—men who don't want relief and don't ask for it—and compel them to join the ranks of the unemployed and the hungry. If this is the New Deal, I have had enough of it.

There is no use quoting these letters further. I have them here in stacks, and those above quoted are samples of them all.

It should now be established beyond any reasonable doubt that the Federal land banks have no intention of relieving the millions of farms now in distress because of their inability to be refinanced. I submit that this position has been established.

Can this Congress adjourn and go home and leave these millions defenseless? If you do not want to let us consider the Frazier-Lemke bill for the sake of millions of distressed people, consider some other bill—do anything—consider any bill now before Congress or bring in a new bill; but do something except to listen to Governor Myers philosophize on the policies of the Farm Credit Administration. Last year on the floor of this House I exposed this Federal land-bank system, and since then the situation has grown worse instead of better. The following is what I said at that time:

HOW THE FEDERAL LAND BANK AT ST. LOUIS OPERATES WITH FARMERS OF THE NORTHWEST AND HOW THE PRESENT SYSTEM CANNOT RELIEVE THE FARMERS

Monday, March 18, 1935

Mr. BURDICK. Mr. Speaker:

FEDERAL LAND BANK, ST. PAUL, ESTABLISHED IN 1920

Present officers

Roy A. Nelson, president. Republican. South Dakota banker formerly connected with Northwest National Bank of Minneapolis, member Northwest Bank Corporation, former receiver Southern Minneapolis Joint Stock Land Bank.

Frank G. Wanek, vice president and secretary. Republican; Hoover appointee. Secretary from 1928 to 1933. Now vice president. Chain banker.

G. S. Gordhamer, vice president and treasurer. Banker; Republican. Chain banker.

F. H. Klawon was director and president from 1928 to 1934, but on the demands of thousands of complaints coming from North Dakota, Klawon was removed as president, and Roy A. Nelson took his place. Klawon was a banker connected with the Minneapolis and St. Paul chain-bank ring. A Republican.

Being requested to resign, we lost sight of Klawon for about 24 hours. When the smoke of complaint cleared, we find him complacently sitting behind the desk of the president of the intermediate credit bank, just across the street, where he still remains, entrenched through the power of the Twin City chain-bank ring.

There were, of course, other directors, but they were scattered around the country. All bankers and all Republicans, but who were not actively engaged in the business.

The complaints against the bank still come in and the main complaint is that, no matter what the interest rate is, even if it were as low as the rate in the Frazier-Lemke bill, still the Federal land bank would not serve the farmers generally. It is manned by too many bankers, and by those whose reactionary tendencies render them quite incapable of rendering a service that is imperative and necessary.

I have not made an investigation of the countless army of field men, attorneys, and appraisers, but this I do know, that a great many of these men are "busted bankers" of the Northwest.

In the period from May 1, 1933, to December 31, 1934, the number of farm-loan applications from North Dakota alone to this bank was 41,759. Of this number only 13,377 land-bank loans were made, or 32 percent.

Seventeen thousand two hundred and sixty loans were converted into commissioners' loans, which required chattel security and crop security. Eleven thousand one hundred and twenty-two farmers from North Dakota were turned away, not receiving any help from either the bank or the commissioner.

In addition to this it must be remembered that of the loans actually made, all on an average were reduced 26 percent. In other words, of the original land-loan applications made by farmers only 74 percent of them were not reduced, and of this 74 percent considered only 32 percent were made by the bank. This leaves the percentage of loans made on the original applications only 26.88 percent.

In all, only $73,567,000 was loaned in North Dakota by both the Federal land bank and the commissioners. The farm indebtedness on land in North Dakota is three hundred million, nearly, if not all, of which is due. There is still needed two hundred and twenty-seven million to take up the debt. It cannot be had, and that is the reason why we have had to resort to holiday-association activity and secure State-wide moratoriums against foreclosures.

The financing of farms under the present Federal land-bank plan means in North Dakota, if all loans were made by the bank, an annual interest charge of $18,000,000. Under the Frazier-Lemke plan the annual interest charge would be on $4,500,000 and principal payments of $4,500,000, or a saving of $9,000,000 per year, and with the further security that as the annual payments were made, the whole debt would be wiped out at the end of the loan period. In 47 years—the loan period under the Frazier-Lemke bill—the farmers would make a saving of $423,000,000, and besides, the debt would be fully paid at the end of the period. Under the Federal land-bank plan in 47 years the farmers in North Dakota would have paid in interest alone $846,000,000, and they would still owe the debt of $300,000,000 besides.

The net difference would be, for North Dakota alone, $723,000,000, or nearly two and one-half times the amount of the present indebtedness.

Could the farmers of North Dakota buy anything with this seven hundred and twenty-three million? Would they become customers again in the trade channels? Would they buy manufactured products from the East and South? Would men who have no work find work?

Let each Congressman apply these figures to his own State and thus determine what can be done by a change in our system of farm loans.

Any Congressman, who knowing the situation these distressed farmers are in, will agree to adjourn this Congress and leave them at the mercy of the mortgagees who demand their "pound of flesh", under the Constitution, is guilty of neglect of duty.

Just how do you expect to thin the ranks of the unemployed if you drive a farm population of 10,000,000 into the cities and villages to swell the number of those who cannot now find employment? Will relief end? I submit to you that we are "fiddling while Rome burns."

ADJOURNMENT OVER

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3780. An act to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 9062. An act authorizing a preliminary examination of the Esopus Creek and its tributaries of Birch, Bushnelville, Woodland, Warner Bushkill, and Beaverkill Creeks; Sawkill, Rondout, and Neversink Creeks, Ulster County; Schoharie and Catskill Creeks, Greene County; Neversink, Beaverkill, East Branch of Delaware, Willowemoc, and Lackawack Rivers, Sullivan County; Schoharie Creek and its tributaries, Schoharie County, all located in the State of New York, with a view to the controlling of floods.

ADJOURNMENT

Mr. O'CONNOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 35 minutes p. m.) the House, pursuant to its previous order, adjourned until Monday, March 2, 1936, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SOMERS of New York: Committee on Coinage, Weights, and Measures. H. R. 11323. A bill to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y.; without amendment (Rept. No. 2108). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREEVER: Committee on the Public Lands. S. 3761. An act authorizing the Secretary of the Interior to patent

certain land to the town of Wamsutter, Wyo.; without amendment (Rept. No. 2109). Referred to the Committee of the Whole House on the state of the Union.

Mr. GOLDSBOROUGH: Committee on Banking and Currency. S. 3998. An act to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpulses from season to season; without amendment (Rept. No. 2110). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BEITER: Committee on War Claims. S. 2268. An act for the relief of Bausch & Lomb Optical Co.; without amendment (Rept. No. 2111). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 11013) granting a pension to Fannie Conrad, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BREWSTER: A bill (H. R. 11522) to amend the charter of the National Union Insurance Co. of Washington in the District of Columbia; to the Committee on the District of Columbia.

By Mr. DEMPSEY: A bill (H. R. 11523) to further extend the period of time during which final proof may be offered by homestead and desert-land entrymen; to the Committee on the Public Lands.

By Mr. DIRKSEN: A bill (H. R. 11524) to provide for the refund of interest paid by veterans on loans secured by adjusted-service certificates, and for other purposes; to the Committee on Ways and Means.

By Mr. McGROARTY: A bill (H. R. 11525) to provide retirement pay to former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty in the service of the United States during the World War; to the Committee on World War Veterans' Legislation.

By Mr. RAYBURN: A bill (H. R. 11526) to provide for the continuation of trading in unlisted securities upon national securities exchanges; to the Committee on Interstate and Foreign Commerce.

By Mr. RANKIN (by request): A bill (H. R. 11527) to amend paragraph V of part I, Veterans' Regulations No. 2 (a), Public Law No. 2, Seventy-third Congress; to the Committee on World War Veterans' Legislation.

Also (by request), a bill (H. R. 11528) providing time for the filing of suit in cases where claims under a contract of yearly renewable term insurance has been disallowed by the Administrator of Veterans' Affairs, and for other purposes; to the Committee on World War Veterans' Legislation.

Also (by request), a bill (H. R. 11529) to define the term "widow" under the Veterans' Regulations, and for other purposes; to the Committee on World War Veterans' Legislation.

Also (by request), a bill (H. R. 11530) providing for the payment of compensation due to disappeared veterans; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 11531) to amend subparagraph (f) of paragraph I, Veterans' Regulation No. 11, Public Law No. 2, Seventy-third Congress; to the Committee on World War Veterans' Legislation.

By Mr. MITCHELL of Tennessee: A bill (H. R. 11532) to amend the Tennessee Valley Authority Act of 1933 by including the Cumberland River and its basin within the provisions of the act, and for other purposes; to the Committee on Military Affairs.

By Mr. HAINES: A bill (H. R. 11533) to authorize the coinage of 50-cent pieces in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg; to the Committee on Coinage, Weights, and Measures.

By Mr. GILLETTE: A bill (H. R. 11534) declaring processing taxes on basic agricultural commodities collected by processors under the provisions of the Agricultural Adjustment Act, as amended, and proclamations issued thereunder, and not paid into the United States Treasury, to be trust funds, and providing for reporting and paying same into the Treasury of the United States, and providing certain rules of evidence with reference to such trust funds, their collection, and disposition, and for other purposes; to the Committee on Agriculture.

By Mr. BUCKLER of Minnesota: A bill (H. R. 11535) to enable consumers and farmers to recover from processors the amounts of processing taxes which were passed on by the processors to such consumers and farmers but which have now been turned over to the processors by the courts; to the Committee on Agriculture.

By Mr. MOTT: A bill (H. R. 11536) to provide $25,000 for the restoring and preserving of the home of Dr. John McLoughlin at Oregon City, Oreg.; to the Committee on the Public Lands.

By Mr. PETERSON of Florida: A bill (H. R. 11537) for the improvement of St. Petersburg Harbor, Fla.; to the Committee on Rivers and Harbors.

By Mr. LEA of California: A bill (H. R. 11538) for the relief of the Orland reclamation project, California; to the Committee on Irrigation and Reclamation.

By Mr. McGROARTY: Joint resolution (H. J. Res. 506) to abolish the Bureau of Indian Affairs, to abolish the Office of Commissioner of Indian Affairs, to create an Indian Emancipation Commission, and for other purposes; to the Committee on Indian Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON of Wisconsin: A bill (H. R. 11539) granting an increase of pension to Martin O. Larsen; to the Committee on Pensions.

By Mr. CRAVENS: A bill (H. R. 11540) for the relief of Enoch F. Liles; to the Committee on Claims.

By Mr. DIES: A bill (H. R. 11541) granting an increase of pension to John H. Hardy; to the Committee on Pensions.

By Mr. GOLDSBOROUGH: A bill (H. R. 11542) for the relief of Cecil Lodge, No. 125, Ancient Free and Accepted Masons; to the Committee on Claims.

By Mr. GUYER: A bill (H. R. 11543) granting an increase of pension to Elizabeth J. Winklepleck; to the Committee on Invalid Pensions.

By Mr. HOPE: A bill (H. R. 11544) granting an increase of pension to Mary E. Stout; to the Committee on Invalid Pensions.

By Mr. JACOBSEN: A bill (H. R. 11545) for the relief of Ada Mary Tornau; to the Committee on Claims.

By Mr. KLOEB: A bill (H. R. 11546) granting a pension to Effie P. Chiles; to the Committee on Invalid Pensions.

By Mr. MALONEY: A bill (H. R. 11547) granting a pension to Rose Anderson; to the Committee on Invalid Pensions.

By Mr. MITCHELL of Illinois: A bill (H. R. 11548) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Clarence Q. Pair; to the Committee on the District of Columbia.

By Mr. MOTT: A bill (H. R. 11549) authorizing and directing the Secretary of the Treasury to reimburse Malinda J. Mast and William Lee Mast for the losses sustained by them by reason of the negligence of an employee of the Civilian Conservation Corps; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 11550) for the relief of Frank Stirk Hailey; to the Committee on Claims.

By Mr. THOMAS: A bill (H. R. 11551) granting a pension to Helen E. Broughton; to the Committee on Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 11552) granting a pension to Lettie Creed; to the Commitee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10323. By Mr. CRAWFORD: Petition of 20 residents of Shiawassee County, relative to the issuance of currency; to the Committee on Ways and Means.

10324. By Mr. GOODWIN: Petition of Schwenk's Bakery, Kingston, N. Y., protesting against substitute taxes in lieu of the processing tax; to the Committee on Ways and Means.

10325. By Mr. HALLECK: Petition of the Ladies' Auxiliary of the Young Men's Christian Association, Lafayette, Ind., requesting early hearings on bills now pending in Congress relating to the motion-picture industry and the distribution of motion-picture films; to the Committee on Interstate and Foreign Commerce.

10326. By Mr. HAINES: Resolution adopted by the Woman's Christian Temperance Union, of Franklin County, Pa., and containing 37 signers, urging enactment of House bill 8739; to the Committee on the District of Columbia.

10327. By Mr. PFEIFER: Petition of William Moran, president, National Union for Social Justice, Third Congressional District, New York, concerning the Frazier-Lemke bill; to the Committee on Agriculture.

10328. Also, petition of Towns & James, Inc., Brooklyn, N. Y., concerning the Patman-Robinson bill; to the Committee on Interstate and Foreign Commerce.

10329. By Mr. WERNER: Petition of patrons of star route no. 59161, from Whitewood to Spearfish, S. Dak., favoring the enactment of legislation to indefinitely extend existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committtee on the Post Office and Post Roads.

10330. Also, petition of patrons of star route no. 59124, from Meadow to Athboy, S. Dak., favoring the enactment of legislation to indefinitely extend existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10331. By Mr. WOOD: Petition of 30 citizens of Greene and Polk Counties, Mo., requesting enactment of legislation to extend all existing star-route contracts and increase the compensation thereon; to the Committee on the Post Office and Post Roads.

10332. By the SPEAKER: Petition of the Tennessee Lumber, Millwork & Supply Dealers' Association; to the Committee on Banking and Currency.

10333. Also, petition of Club No. 1, of Pensacola, Fla.; to the Committee on Rules.

10334. Also, petition of the Nebraska Home Owners' Association; to the Committee on Labor.

SENATE

MONDAY, MARCH 2, 1936

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, February 27, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 7147) authorizing a preliminary examination of the San Gabriel and Los Angeles Rivers and their tributaries; to include both drainage basins and their outlets, in Los Angeles County, Los Angeles, Calif., with a view to the controlling of floods, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Radcliffe
Ashurst	Coolidge	King	Reynolds
Austin	Costigan	Lewis	Robinson
Bachman	Couzens	Logan	Russell
Bailey	Dickinson	Lonergan	Schwellenbach
Barbour	Dieterich	McAdoo	Sheppard
Barkley	Donahey	McGill	Smith
Benson	Duffy	McKellar	Steiwer
Bilbo	Fletcher	McNary	Thomas, Okla.
Black	Frazier	Maloney	Thomas, Utah
Borah	George	Metcalf	Townsend
Brown	Gerry	Minton	Trammell
Bulkley	Gibson	Moore	Truman
Bulow	Glass	Murphy	Tydings
Burke	Gore	Murray	Vandenberg
Byrd	Guffey	Neely	Van Nuys
Byrnes	Hale	Norbeck	Wagner
Capper	Harrison	Norris	Walsh
Caraway	Hastings	O'Mahoney	Wheeler
Carey	Hatch	Overton	White
Chavez	Hayden	Pittman	
Clark	Johnson	Pope	

Mr. DIETERICH. I announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is unavoidably detained from the Senate.

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD] is absent because of illness, and that the Senator from Nevada [Mr. MCCARRAN], the Senator from Washington [Mr. BONE], the Senator from West Virginia [Mr. HOLT], and the Senator from Louisiana [Mrs. LONG] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] and the Senator from Minnesota [Mr. SHIPSTEAD] are necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

SIGNING OF AN ENROLLED BILL DURING RECESS

The VICE PRESIDENT. Eighty-six Senators have angranted by the Senate on the 27th ultimo, he signed, on Friday, February 28, 1936, the enrolled bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes, said bill having previously been signed by the Speaker of the House of Representatives.

COMMITTEE REPORT FILED DURING RECESS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Senate, which was read and ordered to lie on the table, as follows:

UNITED STATES SENATE,
Washington, March 2, 1936.

To the PRESIDENT OF THE SENATE:

Under the order of the Senate of the 27th ultimo, Mr. HAYDEN, from the Committee on Appropriations, filed with me, as Secretary of the Senate, on February 29, 1936, the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes, with amendments and an accompanying report (no. 1615).

Very truly yours,

EDWIN A. HALSEY, *Secretary.*

PRICE DISCRIMINATION—NOTICE BY SENATOR LOGAN

Mr. LOGAN. Mr. President, I should like to give notice that tomorrow, as soon as I can obtain recognition after the Senate convenes, I wish to discuss for a while the provisions of Senate bill 3154, known as the Robinson price-discrimination bill.

LOANS FOR CROP PRODUCTION—VETO MESSAGE

Mr. SMITH. Mr. President, I desire to make a statement. The Committee on Agriculture met and discussed this morning the veto message of the President on what is known as the seed-loan bill, being Senate bill 3612, and also his Executive order. I was instructed by the committee to inquire of the district managers of the seed-loan agency how much, in their opinion, would be needed this year. Pending the replies to the telegrams sent to the district managers, it was agreed that action upon the message would be deferred and it would still be retained in the committee.

I wanted to take this occasion to make that statement, because I gave notice on Thursday last that today I would call it up if the committee reported it, and, if it did not, I would ask that it be discharged from the further consideration of the matter in order that the Senate might have a vote on the veto message; but I will not do that until replies are received from the district managers, and then it will be determined by the committee what action they will take. Of course, that will not bind me.

CANCELATION OF AIR-MAIL CONTRACTS—RISTINE REPORT

Mr. AUSTIN. Mr. President, I rise to present a request for unanimous consent to place an article in the RECORD. During the recess the press of the country carried the announcement that Col. Carl L. Ristine, who was appointed special assistant to the Attorney General to conduct a legal investigation into the subject of the cancelation of air-mail contracts, has made his report and that it would be forthcoming before long.

I am interested in it because of the status of the legislation relating to the air mail. I express the hope that the report will be made available before the present session of Congress shall adjourn. I ask unanimous consent to have printed in connection with what I now say one of these announcements, which I have taken from the Christian Science Monitor of February 29, 1936.

The VICE PRESIDENT. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

By a staff correspondent of the Christian Science Monitor

FARLEY FOUND TO ERR IN AIR-MAIL DEBACLE—LEGAL REPORT FREES LINES OF ALL LIABILITY ON CANCELED CONTRACTS—BURDEN ON NEW DEAL

(By a staff correspondent of the Christian Science Monitor)

WASHINGTON, February 29.—A figurative bombshell burst in the politically charged atmosphere of the Capital here today with word of a 2-year Department of Justice investigation resulting in the conclusion that the grounds on which the Roosevelt administration based its cancelation of air-mail contracts of all major domestic air lines contain nothing which would justify either criminal or civil prosecution against the air lines.

While official silence was maintained on the subject, the Monitor was able to confirm, from responsible Government sources, the fact that such a legal investigation has been concluded; that a formal report on it will shortly be submitted to the Attorney General and subsequently to the White House; and that, in the meantime, a consciousness of its political implications is causing grave concern to publicity chiefs of the administration.

ON DELICATE GROUND

It was also learned on unquestioned authority that the report itself has the effect of clearing the air lines of any actual violation of law in the negotiation of the contracts during the Hoover administration, and leaves the Roosevelt-Farley cancelation maneuver nothing better to stand on than "irregularities" and the appearance of impropriety.

In view of the fact that the cancelation of the mail contracts produced an adverse public reaction, it has been considered extremely important to the administration to be able to justify what it did on a strictly legal basis. If such justification can be shown to be nonexistent, it automatically provides the political opposition with a diamond-studded issue on a solid gold platter. Republicans have already charged that the cancelation was a political move.

SUPPORT FOR CHARGE

If they can support their charge with a report prepared within the Department of Justice itself they have something better than they ever dared hope for.

While the report is still, of course, secret, it is learned that it confines itself strictly to evidence admissible in court. On the basis of such evidence it finds that while there were certain "irregularities" in the formulation of the mail contracts, there was nothing which, strictly speaking, would warrant prosecution of the companies under either criminal or civil law.

The investigation was made by Col. Carl L. Ristine, who was made a special assistant to the Attorney General for the purpose. It was undertaken at the insistence of Senator BENNETT CHAMP CLARK, Democrat, of Missouri, that an impartial legal study be made into the whole history of the air-mail contracts culminating in the sensational order which canceled them and put the carrying of the air mail for a brief interim period into the hands of the Army.

QUESTION

It has only recently been completed. The question was immediately raised then whether it should be kept where it is until a more propitious political moment, or started on a journey through Government red tape which must eventually bring it out into publication.

It is understood that this question was submitted to the White House itself, and that orders were issued from there "to let it come." It is expected to be made public on the ground that no matter how politically damaging, it will be easier to face the report itself than another storm of criticism for suppressing something adverse to the New Deal.

This latest development follows closely on the heels of several incidents which have laid the administration open to the charge of attempting to suppress politically dangerous or critical material. There was the incident of naval officers forbidden to speak at a patriotic rally which had been the sounding board for an attack by Bainbridge Colby, Secretary of State in the Wilson administration. Next came word of suppression of an N. R. A. report on the Schechter decision's effect on wages and hours.

More recently two high officials of the Bureau of Navigation and Steamboat Inspection were dismissed after an investigation of the publication of a confidential report on safety-at-sea conditions. Finally came the removal from command of Maj. Gen. Johnson Hagood after remarks critical of New Deal spending policies.

ANOTHER SIDE

There is, of course, another side to the air-mail-contract story. One permanent Government official whose position dates from the Hoover administration, and who has no interest in the political aspects of the controversy, stated to the writer that whatever the legal merits of the cancelation the plain fact is that American civil aviation has advanced enormously since and largely because of the cancelation.

He pointed out that previous to that time the industry was controlled largely by stock promoters whose interest was in profits, not in the development of aviation. At the present time, he asserted, the industry is in the hands of young, able, energetic men to whom aviation is a life career and who are giving all their energies toward development of a safe, efficient, and useful transportation system.

BEFORE AND AFTER

He added that before the cancelation air-line officials, in his opinion, sat back in easy chairs and collected the Government contract payments, letting their lines operate themselves in a more or less haphazard manner. They seemed to feel that they owned a private doorway into the Treasury and behaved here in Washington as though the Government existed to provide them with a comfortable living, he said.

All this has now changed, according to this officer, whose position it is to watch the standards of operation of the lines. He finds them today to be bona-fide transportation systems which maintain standards of efficiency and safety equal or superior to the best to be found in any other country in the world.

In other words, he considers that the cancelations may or may not have been legal, but certainly has been a boon both to the industry and to the public by forcing out of it the element which was allegedly interested primarily in stock promotion and profits.

Such a point of view does not, however, alter the politically damaging potentialities of a report which tends to sweep the legal justification out from under the cancelation.

JANUARY REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation reporting, pursuant to law, on the activities and expenditures of the Corporation for January 1936, including statements of authorizations made during that month, showing the name, amount, and rate of interest or dividend in each case, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

LANDS OF MEMBERS OF THE FIVE CIVILIZED TRIBES

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read and ordered to lie on the table, as follows:

To the Senate:

In compliance with the request contained in the resolution of the Senate of February 25, 1936 (the House of Representatives concurring), I return herewith S. 3227, "An act to amend section 3 of the act approved May 10, 1923, entitled 'An act to extend the period of restriction in lands of certain

members of the Five Civilized Tribes, and for other purposes', as amended February 14, 1931."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 27, 1936.*

Mr. THOMAS of Oklahoma. Mr. President, early in the present session Congress passed Senate bill 3227. The bill was sent to the President for his consideration, and it was discovered by the Chief Executive that in enrolling the bill an error had been made in one word. The word "materials" was inserted instead of the word "minerals." I now submit a concurrent resolution for the purpose of correcting this error and ask for its immediate consideration.

There being no objection, the Senate, by unanimous consent, proceeded to consider the concurrent resolution (S. Con. Res. 33), which was read and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the action of the Speaker of the House of Representatives and the President of the Senate in signing the enrolled bill (S. 3227) to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931, be, and the same is hereby, rescinded, and that in the reenrollment of the bill the Secretary of the Senate be, and he is hereby, authorized and directed to strike out, on page 1, line 8, of the engrossed bill the word "materials" and insert in lieu thereof the word "minerals."

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of Virginia, which was referred to the Committee on Foreign Relations:

Joint resolution memorializing the Congress of the United States to make provision for the colonization of persons of African descent, with their own consent, in Liberia, or at any other place or places on the African Continent

Whereas there is valuable land sparsely populated in the Republic of Liberia, a portion of which land is reserved for American Negro colonists, and many of our Negroes evidence a desire to live in an independent nation of Negroes and strive to achieve a high and honorable race destiny: Therefore be it

Resolved by the House of Delegates (the Senate concurring), That the General Assembly of Virginia memorialize the Congress of the United States to make provision for the colonization of persons of African descent, with their own consent, in Liberia, or at any other place or places on the African Continent.

The VICE PRESIDENT also laid before the Senate a cablegram in the nature of a petition from Logia Caballeros de la Noche, No. 48, San Juan, P. R., praying for the confirmation of Benigno Fernandez Garcia to be attorney general of Puerto Rico, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by Randolph County (Ill.) Council of the American Legion, favoring making provision for the burial of the remains of Maj. Gen. William A. Mitchell in Arlington National Cemetery, which was referred to the Committee on Military Affairs.

He also laid before the Senate a letter in the nature of a memorial from Mrs. Harold Prest, of St. Clair Shores, Mich., remonstrating against the enactment of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes, which was ordered to lie on the table.

He also laid before the Senate a letter in the nature of a memorial from members of Laurel Grange, No. 1678, Patrons of Husbandry, of Caldwell, Ohio, remonstrating against the enactment of the bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, which was ordered to lie on the table.

Mr. TYDINGS presented a resolution adopted by a special meeting of the Steamship Trade Association of Baltimore, Md., protesting against the enactment of the so-called Pettengill bill, being House bill 3263, to amend the fourth section of the Interstate Commerce Act, which was referred to the Committee on Interstate Commerce.

Mr. WALSH presented a letter in the nature of a petition from the Gloucester (Mass.) Maritime Association, praying for the enactment of legislation providing for the construction of 12 new ice-breaking boats for the Coast Guard, which was referred to the Committee on Commerce.

He also presented a letter in the nature of a petition from William J. Denver Chapter, No. 20, Telephone Pioneers of America, of Springfield, Mass., praying for inclusion of the so-called Clark amendment in Federal social-security legislation, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Charles P. Hurley, secretary of the Massachusetts and Rhode Island Rectifiers' Association, Boston, Mass., praying for the prompt enactment of legislation extending the effective date of the bottling regulations under the Federal Alcohol Administration law from March 1 to August 15, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from the executive secretary of the Massachusetts Laundryowners' Association, the Laundryowners' Bureau of Boston, the New England Linen Supply Association, and the Boston Linen Club, all in the State of Massachusetts, praying for the enactment of the so-called Guffey-Dockweiler bill, eliminating the excise tax on coconut oil imported for soap-making purposes, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Frances E. Fiske, of Brookline, Mass., praying for the enactment of Senate bill 3102, relative to so-called block-booking in the motion-picture industry, which was referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a petition from the Boston (Mass.) Council of Social Agencies, praying for the enactment of legislation providing for the establishment of a national planning board, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the Heating, Piping, and Air Conditioning Contractors Association of New York City, N. Y., favoring the enactment of the so-called Duffey bill, being House bill 10501, relative to Federal housing operations, which was referred to the Committee on Banking and Currency.

He also presented a resolution of the League of Neighborhood Clubs, of New York City, N. Y., favoring the enactment of workers' social-insurance legislation, which was referred to the Committee on Finance.

He also presented papers in the nature of petitions from branches of the Glass Bottle Blowers Association at Buffalo, Olean, and Rochester, in the State of New York, praying for the application of the provisions of the Antidumping Act of 1921 to importation of glassware, which were referred to the Committee on Finance.

He also presented a resolution of Woodside (N. Y.) Branch of the American League Against War and Fascism, protesting against the enactment of the so-called Dies bill, being House bill 5921, relative to the deportation of aliens, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Association of the Bar of the City of New York, favoring the enactment of the joint resolution (H. J. Res. 237) for the establishment of a trust fund to be known as the Oliver Wendell Holmes Memorial Fund, which was referred to the Committee on the Library.

He also presented a resolution of the Hunts Point Branch, American League Against War and Fascism, of Bronx, N. Y., protesting against the enactment of legislation abridging the freedom of speech, which was ordered to lie on the table.

He also presented a resolution of Branch No. 3045, International Workers' Order, Russian Section, New York City, N. Y., protesting against the deportation of aliens and discriminations against them, which was ordered to lie on the table.

He also presented a letter in the nature of a petition from the Insular League of Parent-Teacher Associations of Puerto Rico, favoring the enactment of legislation extending the benefits of the Federal Social Security Act to Puerto

Rico, which was referred to the Committee on Territories and Insular Affairs.

C. C. C. AND SOIL-CONSERVATION CAMPS—PETITIONS

Mr. BENSON. Mr. President, I am in receipt of individually signed petitions from 3,570 farmers, independent merchants, workers, and professional men living in eight counties of southwestern Minnesota, who protest the present trend toward abandonment of Civilian Conservation Corps camps and soil-conservation camps.

In view of the fact that we are embarking on a program of pronounced soil conservation while still having before us almost undiminished the employment problem, and that an expansion rather than a contraction of C. C. C. camps and soil-erosion camp projects would therefore appear to be the more consistent policy, I request that the number of names signed to the petitions be noted and that the letter of Alfred A. Burkhardt, secretary of the Southern Minnesota Soil Conservation Association, together with the attached petition, be printed in the RECORD:

There being no objection, the petitions from 3,570 citizens of the State of Minnesota were referred to the Committee on Agriculture and Forestry, and the letter and body of one of the petitions were also referred to that committee and ordered to be printed in the RECORD, as follows:

[Southeastern Minnesota Soil Conservation Association. Officers and executive board. O. U. Habberstad, president, Lanesboro, Minn.; Jerome Speltz, vice president and treasurer, Rollingstone, Minn.; Alfred A. Burkhardt, secretary, Plainview, Minn.; W. H. Nelson, Red Wing; Elmer Tabor, Spring Valley]

Hon. ELMER A. BENSON,
Senator, Washington, D. C.

DEAR SENATOR: I am enclosing herewith petitions of the people of southeastern Minnesota relative to the continuation and expansion of the Soil Conservation Service and the C. C. C. camps. In addition to these we advocate the development of supplemental labor units, the thought being that the unemployed might possibly be used in this work.

The signers of these petitions reside in the counties of Houston, Fillmore, Olmstead, Wabasha, Winona, Goodhue, Rice, and LeSueur.

Please consider carefully the contents of these petitions. Thanking you in advance for any consideration that you may give this association and its members, I am,

Very truly yours,

ALFRED A. BURKHARDT, *Secretary.*

Whereas sheet and gully erosion, if not checked, will render useless and cause the abandonment of a majority of farms in southeastern Minnesota within a generation; and

Whereas, within the same period of time the silt from these eroded farms will inevitably fill the pools of the 9-foot channel of the Mississippi River in this area, rendering the 9-foot channel ineffective; and

Whereas the only possible means and manner of saving this great investment in farm improvements, road, city property, and 9-foot channel development to the American public is through the work of the Soil Conservation Service and C. C. C. camps operating in this area; and

Whereas the present number of camps in southeastern Minnesota are inadequate to care for the present needs;

We, the undersigned, voters of southeastern Minnesota, do respectfully petition:

1. That all soil-erosion camps now established in southeastern Minnesota be continued without diminution of personnel or powers, and that suitable additions in camps or labor units be provided to meet the needs of the area.

2. That the Soil Conservation Service, together with the C. C. C. units, be made a part of a definite service to the people of the United States of the same type, character, and nature as the Forestry Service, United States Bureau of Fisheries, and similar departments.

3. That adequate annual appropriations be made to carry on both the Soil Conservation Service and C. C. C. units engaged in soil conservation.

REPORTS OF COMMITTEES

Mr. DUFFY, from the Committee on Military Affairs, to which was referred the bill (H. R. 3912) to amend an act for the relief of Clarence R. Killion, reported it with amendments and submitted a report (No. 1616) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 3885) to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak., reported it with an amendment and submitted a report (No. 1617) thereon.

He also, from the same committee, to which was referred the bill (H. R. 10185) to amend the act approved June 18, 1934, authorizing the city of Port Arthur, Tex., or the Commission thereby created and its successors, to construct, maintain, and operate a bridge over Lake Sabine, at or near Port Arthur, Tex., and to extend the times for commencing and completing the said bridge, reported it without amendment and submitted a report (No. 1618) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2041. A bill for the relief of Charles E. Wilson (Rept. No. 1619); and

S. 3659. A bill to promote the efficiency of the Judge Advocate General's Department of the Army (Rept. No. 1620).

Mr. CAREY, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3726. A bill to provide suitable rank for the Deputy Chief of Staff, United States Army (Rept. No. 1624); and

S. 3859. A bill to authorize the procurement, without advertising, of certain War Department property, and for other purposes (Rept. No. 1621).

Mr. CAREY also, from the Committee on Military Affairs, to which was referred the bill (S. 2158) for the relief of Franz J. Feinler, reported it with an amendment and submitted a report (No. 1622) thereon.

He also, from the same committee, to which was referred the bill (S. 3692) for the relief of William T. J. Ryan, reported it with amendments and submitted a report (No. 1623) thereon.

Mr. ASHURST, from the Committee on Indian Affairs, to which was referred the joint resolution (H. J. Res. 215) to amend Public Act No. 435, Seventy-second Congress, reported it with an amendment and submitted a report (No. 1625) thereon.

Mr. HATCH, from the Committee on Indian Affairs, to which was referred the bill (S. 3460) to authorize the Secretary of the Interior to ascertain the persons entitled to compensation on account of private claim 111, parcel 1, Nambe Pueblo grant, reported it without amendment and submitted a report (No. 1626) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3747. A bill for the relief of Maizee Hamley (Rept. No. 1627);

H. R. 7788. A bill for the relief of Mrs. Earl H. Smith (Rept. No. 1628); and

H. R. 8032. A bill for the relief of the Ward Funeral Home (Rept. No. 1629).

Mr. THOMAS of Oklahoma, also, from the Committee on Indian Affairs, to which was referred the bill (H. R. 8588) to authorize the deposit and investment of Indian funds, reported it with amendments and submitted a report (No. 1630) thereon.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bill and joint resolution:

On February 27, 1936:

S. J. Res. 217. Joint resolution postponing the effective date of certain permit and labeling provisions of the Federal Alcohol Administration Act.

On February 28, 1936:

S. 3780. An act to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HAYDEN:

A bill (S. 4117) for the relief of Phoenix-Tempe Stone Co.; to the Committee on Claims.

By Mr. ASHURST:

A bill (S. 4118) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases; to the Committee on the Judiciary.

By Mr. BYRD:

A bill (S. 4119) for the relief of Bernard F. Hickey; to the Committee on Naval Affairs.

By Mr. RUSSELL:

A bill (S. 4120) for the relief of Sam Kinzey; to the Committee on Claims.

By Mr. GEORGE:

A bill (S. 4121) providing for continuing retirement pay, under certain conditions, of officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability while in the service of the United States during the World War; to the Committee on Finance.

By Mr. BARBOUR and Mr. MOORE:

A bill (S. 4122) to amend the act entitled "An act for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey", approved August 19, 1935; to the Committee on Claims.

By Mr. LONERGAN:

A bill (S. 4123) granting a pension to Capt. William S. Kenyon; to the Committee on Pensions.

A bill (S. 4124) for the relief of the State of Connecticut; to the Committee on the Judiciary.

By Mr. NEELY:

A bill (S. 4125) to correct the military record of Nathaniel W. Jones; to the Committee on Military Affairs.

A bill (S. 4126) granting a pension to Luther R. Drum; and

A bill (S. 4127) granting an increase of pension to William Clark; to the Committee on Pensions.

By Mr. DICKINSON:

A bill (S. 4128) to amend the act of May 25, 1933 (48 Stat. 73); to the Committee on Military Affairs.

By Mr. BARKLEY:

A bill (S. 4129) granting a pension to John C. Bishop; to the Committee on Pensions.

By Mr. MURRAY:

A bill (S. 4130) granting retirement privileges to Reserve officers of the Army, Navy, and Marine Corps, and officers of the National Guard, disabled as a result of injuries received in line of duty in active service of the United States; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 4131) for the relief of Houston Foundry & Machine Co.; to the Committee on Claims.

A bill (S. 4132) to amend section 4b of the National Defense Act, as amended, relating to certain enlisted men of the Army; and

A bill (S. 4133) to prohibit bands of the United States Army, Navy, Marine Corps, and Coast Guard from furnishing music on occasions beyond the scope of their service duty; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 4134) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y.; to the Committee on Banking and Currency.

A bill (S. 4135) for the relief of Helen Curtis; to the Committee on Foreign Relations.

A bill (S. 4136) to authorize the appointment of official reporters in the courts of the United States and to fix their duties and compensation; to the Committee on the Judiciary.

A bill (S. 4137) granting a pension to Fannie J. Mann; to the Committee on Pensions.

By Mr. HATCH:

A bill (S. 4138) for the relief of the estate of Juan Martinez y Sanchez; and

A bill (S. 4139) for the relief of Karl R. Warrick; to the Committee on Claims.

By Mr. PITTMAN:

A bill (S. 4140) for the relief of Homer Brett, Esq., American consul at Rotterdam, Netherlands, as a result of money stolen from the same of the American consulate; to the Committee on Foreign Relations.

HOUSE BILL REFERRED

The bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

TRIENNIAL CONVENTION OF THE WORLD'S W. C. T. U.—AMENDMENT

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (S. 3950) to aid in defraying the expenses of the Fourteenth Triennial Convention of the World's Woman's Christian Temperance Union to be held in this country in June 1937, which was referred to the Committee on Foreign Relations and ordered to be printed.

AMENDMENT OF ANTITRUST LAW—AMENDMENT

Mr. TYDINGS submitted an amendment intended to be proposed by him to the bill (S. 3822) to amend the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890, which was referred to the Committee on the Judiciary and ordered to be printed.

INVESTIGATION OF HEALTH CONDITIONS IN METAL MINING

Mr. MURRAY submitted the following concurrent resolution (S. Con. Res. 34), which was referred to the Committee on Education and Labor:

Whereas the metal miners' occupation, under present conditions, exposes them to rock dust, powder fumes, foul air, and extreme heat, which conditions make it certain that, sooner or later, they will contract silicosis or tuberculosis, or both, complicated with heart and stomach trouble; and

Whereas it is well known that the average useful and total lifetime of metal miners is far shorter than that of persons engaged in other occupations, and that the latter days of such miners are generally spent in terrible agony from the above-mentioned diseases and complications of diseases as a result of the prevailing conditions of their employment; and

Whereas the conditions which bring about this shortening of life and awful suffering can be in part eliminated; and

Whereas the corporations which control metalliferous mining have not made an earnest and concerted effort to eliminate and alleviate such conditions in the metal mines of this Nation: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a joint congressional committee to be composed of five Senators, of whom three shall be from the majority political party and two shall be from the minority political party, to be appointed by the President of the Senate, and five Members of the House of Representatives, of whom three shall be from the majority political party and two shall be from the minority political party, to be appointed by the Speaker of the House of Representatives. The committee is authorized and directed to make a full and complete investigation of the conditions in such mines and to report to the Congress, as soon as practicable, the results of its investigations, together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings; to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate and House of Representatives; to employ such experts, and clerical, stenographic, and other assistants; to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; and to take such testimony and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per 100 words. The expenses of the committee, which shall not exceed $———, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers approved by the chairman of the committee.

"THE WILLARD HOTEL INCIDENT"

Mr. COUZENS. I submit a resolution, which I ask to have read and lie on the table.

There being no objection, the resolution (S. Res. 240) was read and ordered to lie on the table, as follows:

Whereas the Federal Communications Commission, on January 9, 1936, appointed a subcommittee from its membership to inves-

tigate what was known and described by the Commission as "The Willard Hotel Incident"; and

Whereas on February 14, 1936, the Commission issued a report of its findings on that investigation; and

Whereas it would be helpful to the Committee on Interstate Commerce of the United States Senate to have all memoranda, statements, testimony, and reports made to or obtained by the Commission and by the Department of Justice for the Commission during the investigation herein referred to: Therefore be it

Resolved, That the Federal Communications Commission shall forward to the United States Senate all of the memoranda, documents, statements, testimony, reports made to or obtained by the Commission and by the Department of Justice for the Commission in relation to and as part of that investigation.

INVESTIGATION OF UNEMPLOYMENT AND RELIEF

Mr. HATCH submitted the following resolution (S. Res. 241), which was referred to the Committee on the Judiciary:

Resolved, That a special committee consisting of five Senators, to be appointed by the Vice President, is hereby authorized and directed to study, survey, and investigate the unemployment and relief situation, obtaining all facts possible in relation thereto and which would not only be of public interest but which would aid the Senate in enacting remedial legislation. The committee shall report to the Senate, with recommendations for legislation.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate, during the Seventy-fourth and succeeding Congresses; to employ such experts and clerical, stenographic, and other assistants; to require, by subpena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; and to take such testimony and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per 100 words. The expenses of the committee, which shall not exceed ———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

THE PRESIDENCY AND RECOVERY—ADDRESS BY SENATOR MURRAY

Mr. WHEELER. Mr. President, on Friday, February 24, 1936, my colleague the junior Senator from Montana [Mr. MURRAY] delivered an address at Washington, D. C., over the National Broadcasting Co.'s network, under the program, Congress Speaks. I ask leave to have his address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We are already in the midst of a great campaign. Commotion and excitement is apparent on every side. I wish to speak today on a phase of this excitement which I think should be discussed and considered with calmness. I refer to the appeal to angry passions that is being made by a political faction against the personality of the President of the United States.

I realize that I am entering on a field in which there will be inevitable controversy. I shall be frank and try to be fair and judicious, for the question as to what constitutes good manners and civilized morals is one upon which nations have waged interminable discussions and even bloody war.

The question I present is this: Are these personal attacks, this abuse and vituperation, which reactionary Republicans are now engaged in carrying on, evidence of the fact that the extreme right has lost all its good manners as well as its good sense? Are we to understand that politeness and good breeding have entirely passed away from those who once assumed that it was their particular characteristic and that now the line of demarcation between themselves and so-called radicals and extremists has been wholly eradicated?

Now, this decline or decay in good manners of those who are described as the "upper crust", or the "400", as they are known along the Atlantic seaboard, would not be important if it were not for the fact that it has a most serious aspect in its relation to the welfare of the entire American people.

It is this class, the class described a few days ago as the "safeguard" of civilization, that is indulging in the most unbridled vituperation and scandalously insulting the President of the United States.

We hear a great deal about the danger of setting class against class, but no one seems to realize the revolutionary quality of the extraordinary statement made here in the Capitol a short time ago by America's great financier. He claims that it is the leisure class which constitutes the safeguard of our American civilization. Could there be any bolder demand for special privilege than that? In other words, we are now to believe that those who toil in the field, sweat in the factories, risk their lives in the mines, or engage in other methods of toil, and ungrudgingly devote their lives for the benefit of their kith and kin and produce the wealth of this country, are to be regarded as inferior not only socially but as factors in our civilization.

But apparently we find that it is the leisure class that is writing anonymous notes, threatening and abusive letters, and engaging in all manner of unrestricted and violent attacks against the President of the United States.

Only a few days ago a retired business man, living on Park Avenue, New York City, a member of one of New York's exclusive clubs, was sentenced to 90 days in jail because he had written threatening letters to the President of the United States.

No plea was made in court that this man was insane. No defense was offered that the President ever, in any way, affronted him; and yet, despite the fact that he has been sentenced to jail where he belongs, the exclusive clubs of which he is a member still continue to carry him on their lists, and not one member of the social set to which he belongs has raised his voice in protest against his dastardly conduct.

Now, the point I wish to make is that these name-calling contests are not settling any of our national questions. They have become tiresome and irritating to citizens who have regard for the seriousness of the situation confronting our country. This is an economic matter. Bitter personalities constitute no answer. Confidence in the Government, in Congress, and in American institutions is not encouraged by this vulgar competition in rough phrases.

Among other things, the President of the United States has been accused of being a Socialist, also of being a Communist. He is denounced as a Fascist, who has a longing and insatiable lust for pomp and power and is planning to set up a dictatorship in our country. He is accused by some of placing inexperienced, untrained, and incompetent men in high places and is criticized by others for putting highly trained specialists and college professors in other high positions. In other words, he is "damned if he does and damned if he doesn't." It remained, however, for a former President and candidate in this campaign to cap the climax of this tirade of nonsensical attacks by charging him with being a Tory, trying to fasten a Tory government on us. Now, there is nothing new in all this welter of libel and slander which we hear every day. History is simply repeating itself. In every crucial stage of our history we have had similar manifestations. In Washington's time he was attacked by bitter opponents and fiery partisan publications, and his character, his integrity, and his reputation were sought to be destroyed. In that period Washington was charged with being a hypocrite in public life, and it was stated, "The world will be puzzled to decide whether you are an apostate or an imposter." These utterances were hurled at him from all sides by fanatical, idiotic, and yet frantically sincere partisan political opponents.

In Washington's case, time has erased all these unkind allusions to him, and "like the ever-changing tempest of the deep, they lashed, they raged, they subsided, they shifted, and departing, left behind them only a calm and tranquil sea."

There is a hidden motive behind all this bitterness. What is it that causes this singular commotion and excitement? My fellow citizens, it is all very simple. Every piece of constructive legislation that deprives special interests of unjust privileges or advantages, is always denounced as socialistic, communistic, or unconstitutional.

During the Hoover administration, when big business was being aided by the Government in extricating itself from the destructive conditions created by its own folly in the so-called "new era", everything was satisfactory. No voices from these same interests were then heard denouncing that regime. The Hoover administration came most generously to the rescue of all the prime ministers of big business and finance. It aided the banks, the railroads, the insurance companies, and even the international financiers. It did nothing, however, for the small-business man, the farmer, or the laborer, or the growing ranks of the hungry and unemployed.

In contrast to this attitude, President Roosevelt was prompted to consider the country as a whole. He has taken the wise view that it is dangerous and utterly wrong to confer benefits and give protection to one class only and let the balance of the people shift for themselves.

The Republican administration followed the theory that by being over generous to those on top, some of the prosperity thus created would trickle down to the masses underneath and thus do some good. President Roosevelt's theory was to prime the pump by public works and by relief measures to save citizens from starvation. It was his plan to render necessary financial aid to the farmer, the small-home owner, and the small-business man. It was his plan to improve conditions from the bottom, and restore confidence in our banks by guaranteeing deposits. He sought to allay fear and get hoarded money back into circulation, and by appropriate monetary action offset the deflation which was rapidly ruining the country and pauperizing our population.

When President Roosevelt took office 14,000,000 jobless Americans challenged his imagination, his wisdom, and his conscience. They were the victims of a soulless and profit-greedy financial boom, permitted to run riot by three reactionary administrations unresponsive to the American people and guilty of lulling them into a false sense of security. The consequent crash and wholesale disaster reduced multitudes to enforced idleness and despair.

Time will not permit me to pursue this comparison and point out all the salutary measures taken by the Roosevelt administration to stem the tide of depression and restore prosperity. Acting in close unity of purpose with a new Congress, the Roosevelt administration embarked upon the wise course of using the public credit in this crisis to protect business enterprises, to rehabilitate agriculture, victimized by special legislation on behalf of the industrial interests, and to restore the purchasing power of the masses. That policy has been successful to a degree unparalleled in the history of modern economics.

Recovery is here. It is only necessary to take advantage of the existing conditions. It only needs the genuine cooperation of capital and labor, of business and agriculture. It only requires national honesty and integrity, and our country would soon find itself on a wave of prosperity that would startle the world. What astonishes the average man on the street is the fact that our great captains of industry and the spokesmen for the reactionary interests, who are so active today, do not realize the danger they are creating by spreading the gospel of fear and by encouraging this conspiracy to withhold cooperation at this juncture. Apparently these reactionary interects do not want prosperity now. They seek to first recover control of the Government so that they may again fatten on special privilege.

I am sure that in this great emergency, the people's conscience, the people's judgment, and the people's wisdom will reenforce our great President and defeat this attempt to betray. Our country is at the parting of the ways. Either it must take, through the support of Roosevelt and the sane, progressive policies of his administration, the path leading upward to a prosperity of the whole people which will be immeasurable, or else, through efforts to reestablish an unsound, antiquated system of special privilege, it must sink through confusion and disaster to a ruin which will be irretrievable.

POLITICAL ISSUES AND ECONOMIC CONDITIONS—ADDRESS BY SENATOR DUFFY

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an able, interesting, and timely address delivered by the junior Senator from Wisconson [Mr. DUFFY] at the annual Jefferson-Jackson banquet at York, Pa., on February 29, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It gives me a great deal of pleasure to be here with you in Pennsylvania tonight. I am very happy that I was able to accept the invitation which you so kindly extended to me. For a great many years we, out in the Middle West, thought that Pennsylvania was sort of forbidden ground as far as Democrats were concerned, and I cannot begin to tell you how pleased we are to note that, in the last few years at least, many people of Pennsylvania have changed their habits. And so, it is a genuine pleasure to come into the congressional district, which is and has been so ably represented by your friend, HARRY HAINES, in the three terms he has served in the House of Representatives. We in Washington are very fond of him.

And we in the Senate are mighty pleased to have JOE GUFFEY with us. Joe really has caused me considerable trouble. After he was elected and before he took office, nearly every unemployed person in Pennsylvania who was looking for a Government job, who either got to Washington or used the long-distance phone, seemed to be referred to my office—GUFFEY and DUFFY sounded so much alike. I told Joe that I was very glad when he arrived so he could take care of this deluge himself. A day or so after the session started he came to me and said, "Well, I may have been a bother to you, but at 2 o'clock this morning, the telephone rang and I had to get out of bed and walk across a cold floor with my bare feet to answer a long-distance call, only to find upon doing so that it was somebody from Wisconsin calling to ask me who was going to be appointed postmaster at Fond du Lac, Wis." And so, although we have each caused the other one some trouble, we are the best of friends, and I, personally, think that JOE GUFFEY is doing a fine job in ably and intelligently representing this great State.

But one thing that particularly impresses me here is the splendid activity and leadership that has been displayed by the Young Democrats of Pennsylvania. It is a mighty fine omen for the future of Democracy in this State.

And I know that the people in Washington, who have been observing the affairs of government in this State, take off their hats to that hustling, energetic, capable, liberal Governor of yours, George H. Earle. He could almost be qualified as a Young Democrat himself, and yet he has displayed the wisdom of mature years.

This is the first opportunity I have had of visiting in this fine city of York, and yet the name is not at all unfamiliar. I come from the greatest dairy State in the Union, and for some years I have heard about the splendid herd of dairy cattle owned by your friend and neighbor, Mr. Forry Laucks. The only complaint I have to make is that he has been winning prizes and awards at some of the national shows that might otherwise go to Wisconsin herds. But I feel better about it now, as I learn he purchased most of his cows in my home county in Wisconsin.

We are on the threshold of a great political campaign. Many charges and countercharges will undoubtedly be made during the course of that contest. Many claims and contentions will be brought forward that will have no foundation in fact. We can even see evidences that a whispering campaign may again be indulged in. It therefore behooves good citizens everywhere to make a sincere effort to ascertain the facts. I have no fear of the outcome, if the people of this country are not misled. I recognize, of course, that our Republican friends will have very large sums of money at their disposal in this campaign, and after the conventions I look for the air to be full of radio messages which will seek to discredit the accomplishments of the Democratic Party.

In this campaign, however, the Democrats have the good fortune to have a record of accomplishments to which they can point. This is true not only in the Nation but also in your own State of Pennsylvania. Because I am more familiar with the accomplishments of the national administration, I shall confine my remarks to the national program. I am very sure, however, that I could very well spend my entire time here tonight in voicing approval of the record that your State administration has made in spite of political opposition in your State senate.

Just about 3 years have passed since President Roosevelt commenced his term of office with a Democratic national administration to back him up. From a national standpoint, the question before the American people is just this: "Does the record of accomplishments made by President Roosevelt and his administration entitle him to an endorsement by reelection?"

I will not take up your time tonight in recounting in detail the sad situation that confronted our country when President Roosevelt and the Democratic national administration assumed direction of the affairs of this country. The bitter experiences of our people are seared too deeply into their memories and their very souls for them to have forgotten.

Agriculture had been fighting a losing battle from the time of Harding, and it was practically prostrate in March of 1933. Business and industry were not only discouraged and disheartened but were on the verge of bankruptcy. The people had lost confidence in our banking institutions and the banks in large numbers were closing day by day. Over 13,000,000 unemployed walked our streets and nobody had been doing very much to relieve their distress.

I want to say to you that the credit of our Government and of our financial institutions was so low when March 4, 1933, arrived that we were on the brink of financial chaos. I recall that on March 2, 1933, just 2 days before the Hoover administration went out of office, it was necessary for our Government to do some short-time borrowing. When the credit of our Government was good, we had been able to obtain loans at a rate as low as one-eighth of 1 percent on what is known as 91-day bills; but at that time the Government's credit had become so shaky that interest at the rate of 4¼ percent was demanded. In terms of percentage, this meant a jump of nearly 3,000-percent increase, and any further movement in that direction would have meant that the Government's credit would have been shattered. This shows the really dangerous situation that we were in, because when a people begin to lose confidence in their government, then that government and that nation are in real, immediate danger.

The people of this country were thoroughly disgusted with the "do-nothing policy" of the Hoover administration. They demanded an end to that aimless policy of drifting; they demanded action, and you recall that President Roosevelt promised them that they would have action. He frankly took the people into his confidence at the very beginning of his administration and said that he did not expect to make a hit every time he got up to bat; and, of course, he hasn't. Not every part of his program has worked out as well as we may have hoped, but so much of it has been successful that I say, when we are talking of batting averages, that Roosevelt and his administration lead in all leagues.

Well, let us look at the record, as a certain gentleman who now walks for exercise once said. Let us examine briefly the accomplishments of this Democratic national administration.

On the first day of this new session the President challenged the critics of his administration to point out that part of our program which they would now say should be repealed or should never have been enacted into law. I have never heard any answer to that challenge.

Even his most severe critics admit that his courageous action in closing the tottering banks of this country when he declared the bank holiday saved the depositors hundreds of millions of dollars.

Will our detractors say that we should not have passed the Home Owners' Loan Act, which has saved nearly 1,000,000 modest homes in this country to their owners? What did it mean here to you in Pennsylvania? It meant 58,181 citizens of Pennsylvania of very moderate means who were about to lose their homes had their mortgages refinanced over a longer period of time at a smaller rate of interest, the total of these loans being $165,261,998. Of this amount $3,361,018 went for repairs and reconditioning purposes. Many millions more went to the various taxing bodies in the payment of delinquent taxes. Who is there that will complain of such a program?

Will our Republican friends say that it was a mistake to pass the Farm Credit Act that has saved nearly a million farm homes to people in our agricultural areas, and which has enabled them to get crop loans and seed loans, and other kinds of assistance? While Pennsylvania is considered an industrial State, I am sure you will be interested in loans made by institutions under the Farm Credit Administration in your State from May 1, 1933, to December 31, 1935, and this does not include loans made by the Federal intermediate credit banks and regional agricultural credit corporations, but the figures show that the Federal land bank and the land bank commissioner, the Production Credit Association, and for the emergency crop loans, there was a total of $21,107,623 in your State.

Will they complain about the guarantee of bank deposits? Ninety-eight percent of all bank deposits in this country are $5,000 or less, and now our good citizens who have saved a little for a rainy day can sleep soundly at night, because they know when the morning comes, if anything should happen to these insured banks, Uncle Sam will see to it that the depositors are paid off in full. Even one of the Republican "dark horses", Senator VANDENBERG, of Michigan, testified on the floor of the Senate as to the marvelous accomplishments of the Federal Deposit Insurance Corporation.

Well, with what will they find fault? Oh, I remember when we had up the bill to regulate the stock exchanges, what bitter opposition there was from the Republican side of the Chamber. We were told we would obstruct the return of prosperity and that we would ruin business. Yet, men who have seats on the New York Stock Exchange have told me confidentially they would not go back to the old order of things even if they could. Furthermore, due to the enactment of this great piece of legislation, neither Insull, nor his kind in this country, no unscrupulous foreign bankers, will ever again be able to foist their rotten securities upon our unsuspecting people.

What will they say about the C. C. C. camps? I challenge any of them to say that this was not a great law. It not only is building for the future of Pennsylvania and other States, with their forest lands, but it is a great character-building program which has taken hundreds of thousands of idle young men off the streets of the cities and saved many of them from a life of crime. The population of the Green Bay Reformatory of my State, to which institution wayward boys of that age are sent, has been cut nearly in half, due to nothing else but this great program.

This relief and reforestation program has supplied direct employment to an aggregate of 102,270 Pennsylvania men.

The enrollees allotted home to their dependents $14,573,000 of their earnings.

There are 108 C. C. C. camps in operation in Pennsylvania.

And how about the Federal Housing Administration, which has done so much to get the construction industry functioning once more? In the last 7 months of 1935 over 31 percent of all of the one- and two-family houses constructed in this Nation, in cities of 10,000 or over, carried mortgages insured by the F. H. A. Under this program over $27,000,000 a month in modernization and repairs were undertaken. In Pennsylvania, under title I of the F. H. A., which has to do with modernization and repairs, $14,886,922 has been insured, while under title II, nearly $16,000,000 of mortgages have been selected for appraisal, and nearly $12,000,000 of mortgages have already been accepted for insurance. Right here in York County more than $150,000 has been approved in the modernization credit plan. You can see how helpful this program has been to your building industry.

Oh, my friends, I have not the time tonight to go through the whole record of accomplishments. You can well be proud of them. A great, humane program has been undertaken. Laborers and workers have been accorded rights never given to them before. The common man has at last found a champion in the White House at Washington.

A system providing for old-age pensions, unemployment insurance, assistance for the blind, etc., has been inaugurated. The check Pennsylvania received for February and March to assist in taking care of the blind people in your State was in the amount of $277,200.

On every side we see evidences of a returning prosperity due to the wise, helpful, humane program that has been undertaken. Just the other day we learned that the 5,392 active national banks in the United States have deposits of almost $25,000,000,000, which is $500,000,000 more than ever before in our history, even including that time when we had over some 7,600 active banks. In the 2½ years of the Roosevelt administration the bank deposits have increased over $8,000,000,000.

I have before me a table that was printed 2 or 3 weeks ago in the New York Post. It compares a period under the Republican administration of Herbert Hoover from April 1, 1930, to April 1, 1933, when the new administration actually began to function with a period of 2 years and 8 months; that is, from April 1, 1933, to December 1, 1935, under the New Deal, the comparison being made on a number of articles and items. I am not going to give all the figures that appear in this table except to read the percentages, which tell their own story in a graphic way. The first item is unemployment. On April 1, 1930, under Hoover there were slightly more than 3,000,000 unemployed, and by April 1, 1933, there were 13,000,000. In other words, under the old deal, in that 3-year period unemployment had increased 313 percent, while under the New Deal unemployment had declined 30 percent.

Let us consider agriculture. During that period under Hoover the price of cotton declined 61 percent, and under Roosevelt it has advanced 92 percent. Wheat, under the deal that provided "two chickens in every pot", declined 59 percent, while wheat under Roosevelt and his administration has advanced 111 percent. Corn, under this period of the Old Deal, declined 73 percent, and under the New Deal the price of corn has advanced 152 percent. Will agriculture forget what has been done for them? Will the farmers of America forget that last year they had $2,000,000,000 more in their pockets than they had in the last year of the Republican administration?

Well, let us see what is listed under the heading of "Industry." Under that period of the Old Deal, industrial production declined 44 percent; under the New Deal it has increased 51 percent. Steel production under that period of "good old times" declined 70 percent, but under Roosevelt and the Democratic administration it has advanced 257 percent. Auto registration under that period of the Old Deal declined 66 percent, and under the Democratic administration in Washington it has increased 326 percent.

Let us look into the security market. From March 1, 1930, and, mind you, this was nearly 6 months after the stock market crash of 1929, the average listed stocks declined by March 1, 1933, 75 percent, but under Roosevelt they have advanced 134 percent. During that same period under Hoover, listed bonds declined 22 percent, while under Roosevelt they have increased 22 percent.

Power production from January 1, 1930, to January 1, 1933, declined 9 percent, and under Roosevelt it has increased 19 percent.

Do not these cold figures tell a story that no amount of argument and camouflage can hide? Oh, but our Republican friends say, "Yes; there may have been some bettering of conditions, but you have deficits now, while under our administration we had surpluses." But what are the facts? It amuses me very much when Mr. Hoover speaks of balancing the Budget. During the fiscal year ending June 30, 1931, was there a surplus? No, indeed; there was a deficit of $902,716,845. For the fiscal year ending June 30, 1932, under Herbert Hoover there was a deficit of $3,153,097,507, and for the 8 months of the fiscal year up to March 3, 1933, there was a deficit of $2,163,760,084. All during that period of 2 years and 8 months under Hoover, up to the time Roosevelt took charge, a deficit of $6,219,574,436, or about $1,000,000,000 more than this administration has spent on relief to January 1, was incurred by Herbert Hoover.

It has been said many times that comparisons are odious. I should think they would be to our Republican friends, when they must contrast and compare what the Republican national administration did to this country alongside of the record of what Roosevelt and the Democratic administration has done for this country.

I gave you some figures as to steel, which is such an important item in your State and which is a dependable barometer of the economic welfare of every industrial nation. The publication known as the Iron Age, the official organ for the Iron and Steel Institute, shows that in 1932 the world production of steel ingots was 50,000,000 gross tons, of which the United States produced 27.3 percent. In 1935 the world production was 96,000,000 tons, but the United States, instead of producing 27.3 percent, produced 35.3 per cent. While our percentage increased approximately 25 percent, what about Great Britain? In 1935, instead of increasing her percentage as we did, she produced 10.4 percent, or two-tenths of 1 percent below the lowest year on record. And yet, my friends, we hear so much as to how much better off Great Britain and France are, and how they are coming out of the depression in better shape than we.

Several months ago I noted that Mr. Henry P. Fletcher, chairman of the Republican National Committee, had appointed a group of industrialists and businessmen to raise funds in order to defeat Roosevelt and his administration. Mr. Fletcher stated that most of these men had not mixed into politics before, but that they were sore at the way Roosevelt had "hurt business, harassed the propertied class, particularly security holders."

I believe Mr. William B. Bell is the chairman of this committee; he is also president of the American Cyanamid Co., which wanted Muscle Shoals. Well, let's see how that company has been ruined by the New Deal. On March 4, 1933, the common stock of American Cyanamid was 3½; yesterday it was 37⅝. Can't you imagine how indignant the stockholders of that company are when the price of their holdings has gone up 11 times?

Another of the committee is Mr. Ernest H. Weir, who, I believe, is head of the National Steel Corporation. On March 4, 1933, the stock of that company was selling for 15½; now it is 68. In 1932 the net income of that corporation was $1,662,920; for the first 9 months of 1935 it was $8,603,752, or nearly six times what it was in the last year of the Hoover administration.

Another member of the committee is Mr. Sewell L. Avery, president of Montgomery Ward & Co. On March 4, 1933, the common stock of that company was 8⅞. I looked in the paper yesterday and saw it quoted at 41¼. For the 13 months ending January 1, 1933, Montgomery Ward had a deficit of over $5,000,000. For the 12 months ending January 31, 1935, the profits of that company were over $10,800,000. Why shouldn't the shareholders of Montgomery Ward be angry? For that year they were only about $16,000,000 better off than during the last year of the Hoover administration.

And then the chairman of the board of Westinghouse Electric & Manufacturing Co. is also on the committee; his name is Mr. A. W. Robertson. The stock of that company since the Roosevelt administration came in has increased from 19⅜ to 117.

For the year 1932 Westinghouse was nearly $9,000,000 in the red; for the first 9 months of 1935 Westinghouse showed profits of nearly $9,000,000. Think how the New Deal has destroyed that company!

But our Republican friends say, "You have not carried out the pledges of your 1932 platform." Of course, we all know that that platform was written in June and that in the 8 or 9 months that intervened before the inauguration of President Roosevelt many conditions were drastically changed. Things moved very rapidly in those perilous months. We were going downhill so rapidly and at such a terrific pace that when March 4 came around there were certain aspects of the national situation that were entirely different. However, I think that the Democratic administration did very well in attempting to carry out that platform.

Did any of you folks around here ever hear of the eighteenth amendment? I quote from our platform, as follows: "We advocate the repeal of the eighteenth amendment." Was that pledge carried out?

I quote further:

"We advocate the extension of Federal credit to the States to provide unemployment relief whenever the diminishing resources of the States make it impossible for them to provide for the needy.

"We advocate the planning of public works.

"We advocate unemployment and old-age insurance under State laws.

"We favor the restoration of agriculture, the Nation's basic industry; better financing of farm mortgages through recognized farm-bank agencies at low rates of interest on an amortization plan, giving preference to credits for the redemption of farms and homes sold under foreclosure.

"Extension and development of farm-cooperative movement and effective control of crop surpluses so that our farmers may have the full benefit of the domestic market.

"The conservation, development, and use of the Nation's water power in the public interest."

You will recall the plank advocating the regulation, and applying restrictions on the sale of foreign and domestic stocks and bonds.

You will recall the plank that called for "regulation to the full extent of Federal power of: (a) Holding companies which sell securities in interstate commerce; (b) rates of utility companies operating across State lines; (c) exchange in securities and commodities."

And do you recall this plank: "We advocate quicker methods of realizing on assets for the relief of depositors of suspended banks and a more rigid supervision of national banks for the protection of depositors and the prevention of the use of their moneys in speculation to the detriment of local credits"?

Oh, yes; and here is another; and certainly an important plank: "We advocate continuous responsibility of Government for human welfare, especially for the protection of children."

I have already mentioned the allotment of money to assist the blind in your State of Pennsylvania. Oh, it is true that the great emergency that faced the new administration required the expenditure of much money—far more than was anticipated at the time of the convention—but in carrying out our plank "to be interested in general welfare" this expenditure of money was necessary, and I, for one, shall never apologize because the Federal Government stepped in and spent money for the relief of hungry men, women, and children and provided them with food and clothing and kept roofs over their heads by preventing foreclosures and kept little families together that otherwise would have been scattered.

I have here an interesting quotation from one of the monthly statements that was issued about a year ago by the Bank of Canada. It says:

"In the United States the depression became more acute than in other countries. If capacity to survive unprecedented shocks constitutes a basis for confidence in the future—the future of the United States is assured. The Government has spent and is spending money freely, but alarm concerning such expenditures would seem to be somewhat exaggerated when it is considered that if the United States and individual States were to maintain the recent scale of expenditure for 20 years the resultant debt load would bear no heavier proportion to normal predepression national income than does the present debt load in Great Britain. Further, if the Government, State, county, and municipal debts are combined, the total amounts to less than $50,000,000,000 as compared with a normal income that amounted to between $75,000,000,000 and $80,000,000,000 per year at the price level which prevailed under the old gold standard. With a depreciation of 40 percent, it seems probable that national income may easily exceed $100,000,000,000. The public debt of Great Britain is a sum equal to twice the national annual income, and when the debt of local government bodies is added it comes to a sum more than two and one-third times as large as the British national income."

The economic advisers of the Canadian bank predicted at that time that the business barometer in the United States would continue to rise. It is a matter of common knowledge that that prophecy has been fulfilled.

So, when you hear people telling how we are so hopelessly in debt and how well off France and Great Britain are, remember that the per-capita debt of this country is $239.14, while that of France is $510.52 and that of Britain $871.09.

As another little illustration of the businesslike manner in which we have tried to conduct the affairs of this country, although the public debt is 20 percent greater than it was in 1920, yet we have completed refunding operations so that the total interest that we now pay is lower than it was in the year 1920.

Oh, I know, my friends, that figures are usually uninteresting, but what we need to do in this campaign is to let the people know the facts, and these figures show the facts. They paint a glorious picture of the progress that this great country of ours has made out of the morass of fear and despair in which we found ourselves at the end of the Hoover administration.

After the conventions next June I predict our opponents will spend nearly a million dollars in the purchase of radio time, and there will be many charges that somebody has lost his liberty—and they are going to blame that on to the Democrats. What liberty are they talking about? Yes; they will tell you that the American people should oust Roosevelt and the Democrats if they want to get back their liberty. I suppose they mean the liberty to have bank runs, the liberty to have the credit of the Nation destroyed, the liberty to have people lose faith in their Government, the liberty to have the small-home owners and farmers thrown out on the streets and highways and have their homes broken up. Oh, yes; and the liberty to have people go hungry and starve!

But they will not be successful. The average man and woman realize that there has been a sincere effort to improve their condition. Most of our people are aware that for the first time in many years, in the Roosevelt administration there has been an honest, determined effort to make the lot of the common man and woman a little easier to bear, and that the New Deal has brought much of happiness and contentment to the firesides of hundreds of thousands of American homes.

No, my friends, the great mass of our people will not forget. Industrialists and bankers who in 1933 were crying in anguished voices to be saved, and who now feel secure, may forget; but the formerly "forgotten man" will not.

My prediction is that President Roosevelt will be reelected this fall by a handsome majority.

ECONOMIC ASPECTS OF NEUTRALITY—ADDRESS BY SENATOR THOMAS OF UTAH

Mr. TRUMAN. Mr. President, I ask leave to have printed in the RECORD an able address delivered by the junior Senator from Utah [Mr. THOMAS], at the Academy of World Economics, in the city of Washington, on Friday, the 28th ultimo.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Aristotle tells us of an incident concerning the philosopher Thales, who was chided because he liked to be a philosopher instead of doing something useful. Thales always maintained that anyone could learn how to do useful things, but only to a few had the gods given the blessings which go with an appreciation of philosophy. Finally, chafed at the criticism, Thales thought he would teach the advocates of utility a lesson. At the end of the olive-pressing season Thales went to one farmer after another and reminded him of the fact that he would not need the press for another year and that probably he would like to sell it, pointing out that the money could be used all year while the press was only used but once a year. The farmers succumbed to his buyer technique and Thales purchased all the presses in the neighborhood. At the next harvest time the farmers attempted to buy presses, but the press makers had manufactured only the usual number in anticipation of the usual demand, therefore the price of presses had gone up, and Thales had a corner on them. He sold out at a great profit. Chuckling over what he had done, he said, "You see, the philosopher can easily turn into a utilitarian, but the utilitarian, who understands only the technique of business, is lost when he has to turn philosopher or teacher."

Tonight our task is to turn use-loving economists into philosophers. My interest for this evening, you may rest assured, is only that interest which has to do with theory. The practical question of neutrality has been settled for us for the present. The historical and philosophical aspect of neutrality is, therefore, our field of discussion.

When our Government was set up, the first 2 weeks of the Senate's time was given, under the leadership of Vice President John Adams, over to the discussion of what the President of the United States should be called. Should we call him "His Excellency" or "His Honor" or "His August Excellency." As you know, the first meetings were held in New York and many Members came late. In time Madison, I believe it was, arrived and ended the discussion. He suggested that the President should be called what the Constitution calls him, "The President of the United States."

We cannot turn to the Constitution and find "neutrality." That is, I do not think we will find it mentioned there, but the Father of our Country did mention it, and that properly places it among our fundamental concepts, but in passing I deem it in place to remark that the American people now have impulsively pounced upon this concept, not with a desire to understand it, its history and its real purposes in the world of law and international relations, but they have selected it as a medium to keep us out of war. The enthusiastic emotionalism resulted in a lack of appreciation of the problem in hand rather than an opportunity for sober appreciation of the task before us. We attempted to cure single-handedly by a domestic act the evil of war without realizing that war is a matter of universal concern and can never be anything else in our modern world.

The zeal of some of us to cure the war evil by mere law has about as much reason behind it as the present momentary zeal of a given newspaper to cure the parking and traffic evils of the District of Columbia by publicizing the careless parking of a few Members of Congress who do not think they can be arrested. Probably a study of Washington's traffic and parking problems should start with a study of streets and their purposes and after that work out specific problems. The cure for traffic ills will be found only after laws are built upon the broad fundamentals growing out of proper customary use, not on a law aimed at the punishment of a flagrant but, comparatively speaking, insignificant abuse. If a street belongs to everybody, just how much of it can a particular person take for his own use? The answer depends upon the place and the number of other people who wish to use the street. Neutrality is a complex subject. One phase of it has to do with the use of the sea and the theory in connection with its use. Now, if the sea belongs to nobody how much of it may a nation call its own? We may renounce our claim to any use, but that will not cause all other users of the sea to renounce their claims. The problem is larger than a domestic one. We cannot cure traffic problems by putting up signs with nobody paying any attention to them. Our notice posted that we will keep off the sea would be a sign which others would not even read. We can fall off a cliff, but it takes some planning and some thoughtfulness to climb back. Nations can

rush into war without thought, but peace can be built only upon a plan of concerted action and upon understanding.

Neutrality may keep us out of war, but it has not done so in the past. Embargoes may prevent war, but they have not done so in the past. The changes we have made in our neutrality law have, in my opinion, been good changes and necessary changes, and they will, if they are lived up to, cure certain ills that have helped to lead us into war. The changes which we have made in regard to shipment of arms, ammunition, and implements of war and loans to belligerents have all been made positive international law by action of the League. The great changes bid fair to become permanent changes universally accepted. If that proves true the actions we took last August and on February 18 will be epochal.

The action taken here and abroad should be made into positive international law by international agreement, and each nation accepting the new theories should be urged to make them domestic law as we have done. Then, too, we must remember this: No matter how broad the law and no matter how noble the intent behind that law, once the law is carried into the courts it becomes a lawyers' law and anything then may happen. But even if international approval is obtained, we have not the real key to overcoming war. We must first find the purposes of war and then get the substitute. To use a psychological expression, if war gives a nation certain satisfactions, we must recognize war for what it has become, a national habit, and supply this substitute which will satisfy this 6,000-year-old habit. The neutrality discussion has convinced the American people of one thing, and that is that war does not pay. Our slogan now is, "We want no war and we want no wealth gained from war." But that is an emotional reaction. We have not cured the War habit. We have merely expressed a desire to do so. That is the way we feel today. But how shall we feel tomorrow? We must find the substitutes that satisfy. Passing a law will not bring them. War is a product of misunderstanding. Peace is attainable only through understanding.

The economic aspects of neutrality are very simple if neutrality means not going to war. We all know that war does not pay. We know from statistics and study that the neutral period from 1914 to 1917 paid our businessmen better than the war period from 1917 to 1918, but upon what foolish economics was our neutrality business built! War, during the neutral period, seemed to pay, because men were active and business was brisk, but these are the figures: We lent Europe $2,000,000,000 in excess of our ordinary lending during our neutrality period. We sold Europe $2,000,000,000 worth of goods in excess of our ordinary business. These are round numbers, but they illustrate the point. Another approach to the economics of neutrality may be illustrated in this incidental way: America stood upon her neutral rights. We went to war to defend them. We lost billions of dollars and hundreds of thousands of men proving a right.

Small neutral countries which maintained their rights by peaceful processes instead of the warlike process, instead of fighting, brought a lawsuit for damages when their citizens were killed and their property was destroyed. We, too, have since brought suit, and some of our claims have been adjusted, but so have many of the claims of the small neutral countries. Now, the adjusted claim can never be as great as the loss, and lawsuits, like war, are uneconomical, but the economics of our neutrality compared with the economics of a small country's neutrality were all in the small country's favor. Therefore, our neutrality, which rested upon the theory of stressing of rights even to the extent of enforcing those rights in war, did not pay economically. To get an individual claim satisfied, we had to do all that these little countries did, and, in addition, we wasted our manhood and our substance.

The old neutrality was not economical because we set out to make profits out of the distress and suffering of others. This love of profit led us to accept the same suffering and distress in an attempt to maintain a right to profit from the distress of others. The new neutrality has at least cured that. Economically it will prove itself as much a gain in dollars and cents as it is in morality.

In stressing our trade during our neutral period please do not assume that I am losing sight of the hundred and one other factors relating to our going into the war, but my subject confines me to the economics of neutrality. In the past neutrality has not been an economic asset any more than has war. Neither war nor neutrality can be justified from an economic standpoint. At the present-day cost of war, trading with a belligerent means trading with a potential bankrupt. Not to trade will appear a loss, but it is better not to sell than to sell to one who cannot pay. But, says someone, we can trade on a cash-and-carry basis. I still maintain that it does not pay to trade with a waster, and a nation at war is the world's greatest waster. Cash and carry invites overproduction at high costs. Forced overproduction creates high cost surpluses. Surpluses eat up profits. He who serves a potential bankrupt who is also a waster cannot help but bring bankruptcy and waste to himself. (There, I have said all that without mentioning the vicious circle or the law of supply and demand! I might as well give up. I cannot pose as an economist any longer.) Nor did neutrality keep us from the baneful economic effects of war, excepting during those wars which were confined to short duration and limited to small place.

Neutrality as a legal concept developed, of course, out of actual conditions. Wherever there has been wide unity in fact or universality in theory there had been no place for the neutral and no reason for the neutral concept. Ancient China during the period of conflicting states should have given birth to the concept, but it did not. The reason is a simple one: China accepted the checkerboard theory of maintaining the peace. She invented the balance-of-power and the alliance ideas. Logically, under such a theory, there was no place for a neutral. Ancient India developed the political concept of preponderance—that is, the use of the weight of the collective whole against an erring part. That is the League of Nations theory today. Logically, under the League theory, there is no place for neutrality. The Hindus called the theory of preponderance the "theory of the big fish." But India was seldom united in fact, so the neutral became a possibility and the theory of the neutral there had its origin.

The ancient Hindus held that when two kings were at war a third might remain at peace and continue his commerce, but he should not furnish one belligerent supplies useful in war. Thus the impartial idea is as old as the neutral idea itself. In the Hellenic world a Greek state remained at peace while other states were at war by maintaining an intermediate position, but such a state had to refrain from assisting one belligerent and it could not grant favors within its own territory to one if those favors were denied to the other. If a warring state interfered with the trade of a neutral, that was a breach and might have brought protest if not war. In Rome there was no middle way recognized. The Romans accepted the theory found in the New Testament that all were either for them or against them; or, to use the words as Livy so plainly put it, "They were either allies or enemies."

During Europe's period when either the theory of the universal empire or the Petrine theory of universal control from Rome held sway, there was no place for neutrality. Wherever moral or religious thought have been the basis for political theory, neutrality could not be accepted. With Grotius and his near contemporaries we find the essence of modern neutrality theories. With the rise of the nationalistic states a neutral state again attained a place in the scheme of things. But the moral urge still remained, for Grotius points out that the state which remains aloof from war must first of all determine the just side and render aid to him who is fighting the just war. By 1793, when Washington issued our first neutrality proclamation, the moral and the religious element ceased to be factors, and our neutrality throughout our history has been maintained on the basis of legal right. With the evolution of the League theory and the acceptance of the universal-control notion by collective action, it is of interest to note that morality has again found a place in the theory, for in the selection of the aggressor state the world definitely takes action against the unjust one. The American neutrality theory is still not based upon morality but upon law.

In condemning our old neutrality as uneconomic, you may say that I am not fair, because when we went into the war we ceased to be neutral. Or you may even say that we were never neutral. I agree; our Ambassador to Great Britain was unneutral, our Secretary of State was unneutral, and the American people, in spite of our great President's attempt to keep us neutral in thought and in action, were not neutral. The commonest vaudeville "gag", heard on every stage of the country, was, "I'm neutral. I don't give a hang who licks Germany."

That brings us to a consideration of this simple conclusion: Aside from its narrow legal international and national aspects, neutrality is utterly impossible. It would be an unneutral act today to pray for rain in Ethiopia. Neutrality based upon the theory of impartiality is based upon a fallacy. There are too many factors which enter into any given conflict even to justify a stand on the simple basis of impartial intent. Not taking sides or nonaction will always aid the stronger party, because treating both alike merely adds equally to each. Thus, if the consequences of doing in an impartial way do not have impartial results, and the consequences of not doing do not have impartial results, either doing or not doing destroys the purpose of the neutral stand. This is theory. The historical consideration of neutrality will prove that the facts justify the theory.

The history of our own neutrality will prove that neutrality did not keep us from war. Yet morality has entered into our concept. War is condemned as bad per se. We made it bad in the sense that it was prohibited when we accepted the Kellogg-Briand pact. Our law passes no judgment on the belligerents; but due to the circumstance of world organization which now exists but which did not exist in 1914–17, our neutrality law, while not punitive in nature, is punitive in effect. Having said that, that is as far as we may go. The Johnson Act was punitive in spirit; as its theory was put in the present neutrality act and made applicable to all belligerents, it was in no sense punitive; it was solely self-restraining. It aimed to correct what proved to be unprofitable economics. The morality of war is not part of our neutrality thinking. It may, though, soon find a place with us as the logic of the Briand-Kellogg pact evolves. If this theory becomes universal, moral theory is bound to follow.

War is futile economically, because all that nations attempt to accomplish by war must be accomplished by peaceful endeavor after the war. Complete neutrality in the sense of remaining aloof and staying off the seas is economically indefensible, because governments will not deprive, and, what is more, cannot deprive, their own people of the necessities of life when those necessities are available. To attempt it means disaster to any government. We thought last August that we really wanted to be neutral in the United States. Italy was far off. Ethiopia was far off. We all liked the temporary neutrality law, but as soon as someone said, "Do we in America want to be neutral if a non-American nation should go to war against an American state?" we discovered that we did not want to be neutral. Analyze the economic aspects of the Monroe Doctrine amendment to our neutrality law and you will find that it is bigger than just the political and the senti-

mental aspects of our Monroe Doctrine. It is economic in its basis. Our breakfasts come from tropical American states. Also you may rest assured that the American people will not remain neutral very long if some state attempts to interfere with our getting all the rubber we need. We are not going to be neutral about coffee, sugar, tea, silk, to say nothing of the problems connected with our own surpluses. Thus if we are to satisfy our desire for remaining out of war, we must find something in addition to neutrality, even in its present modified form.

Now, I appear to be getting sordid. Economists always end with the sordid notion that man will fight to eat, that he will fight to gain. That seems terribly selfish, and I am compelled to grant it. But I am not going to be sordid. There is a way out; it is the economic way, too, and if man will fight to get food, man can be made satisfied when he has plenty of food. If man will fight to get and to own, man should get plenty of satisfaction out of having and getting.

The realization of the fact that war does not pay even if it is far away from us must have its economic aspect. Thomas Jefferson stressed neutral duties in defense of the economic rights of American people. He also pointed out the fact that American business men and American commerce would wax strong as a result of Europe's fighting foolishness. But Jefferson was wrong. Our commerce collapsed when Europe's ability to carry on commercial relations became exhausted. The economic instinct is strong, and Americans have been taught, so long, that success depends upon individual economic sufficiency, that the approach to a better, a more useful world, through an economic consideration of a war substitute and peaceful process may be the key to the solution of our ills. The experiment attempted now in Europe of using collective economic pressure may result in discovering a number of things. The danger in using a new instrument is to overuse it. Collective economic pressure can only work as far as those who are using the instrument have faith that it will work. To overwork it is to invite destruction of the very instrument itself.

A failure through overdoing means the destruction of the experiment and probably the death of the theory. We did not provide in our Constitution against the possibility of our Federal Government's taking drastic action against a State, yet we guaranteed a republican form of government to each of the States. We set up an ideal which probably could not be enforced without destroying the Union. World cooperative action wherein the medium of economic pressure is used at a time when economic competition is the goal of every nation that is a party to the economic pressure agreement seems logically utterly impossible, but such world cooperative action may work. If it does, the world is better off. See what a revolutionary thing the countries are attempting to do from an economic standpoint, when, of the fifty-odd nations that are applying the pressure, there are a number of them competing with each other in an attempt to gain economic advantage. The problem, you see, is one of restraint, of self-control. Each idea is absolutely contrary to the nationalistic aim heretofore, of each one of those fifty-odd nations. Yet, I repeat that it may work. If it does, we can build a world upon restraint and self control rather than upon the "up and at 'em" efficiency of competing endeavor.

Now, you will expect me to say something about our part in the development of this collective economic pressure concept. Personally I am a believer in the ultimate success of the theories underlying the League of Nations. Personally I accept the theory as a possible substitute for war. Personally, too, I am in favor of putting war, neutrality, international law, and international behavior on a moral basis and not on a purely statutory plane, yet the morality must be based upon the theory of legal and orderly processes. In the present case, therefore, in the enactment of our neutrality law last August we took a lawful, high-motivated stand, and we did so while the world was at peace. No one can question either our right so to do, our honesty of purpose, or the likelihood that we will maintain that stand through whatever may come. The act of February 17 remained on the same high plane of complete respect for the rights of all nations and extended merely our own self-restraint.

This is the best way to develop peace in the earth. Being completely lawful in spirit and action both as to our own law and the law of nations is the primary essential in developing respect for orderly and peaceful processes; for peace can come only through institutional development. There are many who feel that we ought to act with the other nations in supporting their sanctions. Indirectly we have done so, but as we were not a party in the selection of an aggressor, and as we were not a party in the determination of the collective sanctions, we should not go farther than we have gone. If the time ever comes when we shall be a party to collective action, then I trust we may live up to every obligation we so assume. But for us to assume an obligation which is not legally ours would be to destroy the legal and the lawful processes which we would like to see substituted for the illegal and unlawful process used in War. If we are going to stand for a world of law we must remember that even the condemned has rights before the law.

Let us get the big fundamental accepted and build on them in an international way just as I suggested that we cure Washington's traffic problems in some other way than by debating the question as to whether a Congressman can be arrested or not. In urging that this be done I am about as unpopular as Thales was, but maybe if some congressional committee would investigate the question as to how much money can be made out of peace instead of indirectly honoring men who are wise enough to make a lot of money out of the war which brought almost universal economic destruction, we might get farther. Then we sordid men, economists that stress utility and hate philosophy, who worship at the shrines of use and the masters of circumstance, will contribute to the welfare of man and of this world that man is either building or destroying.

Man in the last 6,000 years has done a pretty complete job of exploiting peoples, destroying customs, killing resistants, and making deserts by exhaustion of the soil. Maybe in the next 6,000 years we can realize a dream of the present age, a dream of men, women, and children happy, contented, free from worry, and at peace. I am in favor of starting on the next 6,000 years' experiment.

On finishing a play the Roman actors always invited the audience to applaud. At the end of my little party, now having finished with an idealistic hope, I step forward and invite from you three Bronx cheers in anticipation of the editorial scoring I might receive if the news should leak out that an idealist suggested in the assembly hall of the go-getting "knock 'em dead" United States Chamber of Commerce that fair dealing, restraint, and a decent appreciation of the peaceful processes would pay.

FEDERAL FARM-LOAN SYSTEM—STATEMENT BY SENATOR DICKINSON

Mr. DICKINSON. Mr. President, I have gathered together certain facts and data with reference to the Federal farm-loan system. I ask unanimous consent to have the statement printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Federal farm-loan system was created by Congress in 1916. It was founded upon three principles—nonpartisanship, farmer owned, and farmer controlled.

The maintenance of the first principle was safeguarded by the provision in the Federal Farm Loan Act that of the supervisory Farm Loan Board of four no more than two could be appointed from one political party. Until 1933, through Democratic and Republican administrations, the nonpartisan principle was adhered to.

The second principle was assured by the provision that the farmer borrowers must subscribe for 5 percent of the amounts of their loans in stock for the ultimate retirement of the original Government stock subscription of $9,000,000 for the total capitalization of the 12 Federal land banks. Practically all the stock was retired and the banks entirely owned by the farmers by 1931. However, because of the agricultural depression, Congress in January of 1932 provided for the Government purchase of $125,000,000 of additional capital. The farmers now own about 48 percent of the capital, but the 5-percent retirement fund I have previously mentioned will ultimately pay off this additional Government subscription.

The third principle was made effective by permitting national farm-loan associations, which are the local cooperative units of borrowing farmers, to elect a majority of the directors in each Federal land-bank district and in giving such associations broad powers in the selection of their officers and management of their affairs.

Two of these principles have now been ruthlessly destroyed. However, farmers are still required to buy stock. They own the bonds, but the ordinary rights of stock owners have been taken away. I shall at an early date claim the attention of the Senate to discuss these matters more freely. Let it suffice for the present to say that the Federal land banks and national farm-loan associations are completely dominated by a Washington bureau.

At this time I wish to challenge the attention of the Senate to one phase of this autocratic program which has cost the farmers millions of dollars.

There are 5,000 national farm-loan associations in the United States, with 650,000 members, who own all the stock of these associations, which have, in turn, invested about $110,000,000 in the stock of the Federal land banks. These associations own stock in some of the middle western banks, as follows: Louisville, 60 percent of the total capital; St. Louis, 55 percent; Omaha, 75 percent; Wichita, 58 percent; and Houston, 60 percent. Yet national farm-loan associations are permitted to elect only one of a Federal land-bank board of seven directors.

These associations are interested in the practical, economical administration of the banks, so that they may receive dividends upon the stock and that the farmers may be restored to the right to full credit for their stock subscriptions when they pay off their loans as the Farm Loan Act provides.

Through no fault of the executives of the Federal land banks, many with years of practical and successful experience in administering the Federal land banks before the cooperative plan was destroyed by theorists in 1933, the expenses of all the banks have been enormously increased out of all proportion to the added volume of business. Theoretical, inexperienced personnel have been imposed by Washington upon the banks and the farmer stockholders have been forced to carry this burden.

I shall, at an early date, present the figures on this.

With all voice in the administration of the banks taken away from National farm-loan associations, they and executives of Fed-

eral land banks of their selection, have been helpless, either to hold expenses down or to finance their operations to the advantage of the farmer stockholders.

An issue of 4½-percent Federal farm-loan bonds in the amount of $185,217,140 was callable May 1, 1935, when other Federal farm-loan bonds were selling upon a 3¼-percent basis. These bonds are callable in 6-month periods and therefore became callable again November 1, 1935, when Federal farm-loan bonds were selling on a 3-percent basis.

The refunding of these 4½-percent bonds with a 3-percent issue would have effected an annual interest saving to the farmers of over $2,775,000.

Every Senator knows the excellence of the bond market during the whole of 1935. Autocratic control of the farmers' own cooperative credit system has cost the stockholders a heavy price.

But I do not rise to speak merely to criticize a glaring financial blunder.

I challenge your attention to the fact that the issue I have mentioned again becomes callable May 1, 1936; also that an issue of $83,130,840 of 4¼-percent bonds becomes callable July 1. Will you not join with me in insisting that the Farm Credit Administration refund both these issues at the earliest possible date? This action at prevailing interest rates will effect an annual saving to the farmer stockholders of the Federal land banks of about $4,000,000.

These 5,000 National Farm Loan Associations are entitled to this protection of their investments. Yes; and they are also entitled to a restoration of the fundamental principles of the Federal Farm Loan Act which provided the contract terms upon which, from 1916 to 1933, their members mortgaged their farms to the Federal land banks.

We must not permit these associations to be regimented. We must restore their powers as cooperative associations. We must keep faith with those who purchased stock on the invitation of the Government.

THE WORKS PROGRAM

Mr. BYRNES. Mr. President, statements have been issued by the Director of the Works Progress Administration and the Director of the Federal Administration of Public Works as to the works program. I ask that they may be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

HOPKINS REPORTS BULK OF W. P. A. PROJECTS INVOLVE PUBLIC PROPERTY IMPROVEMENT—SPONSORS' CONTRIBUTIONS CITED

Additions and improvements to public property constitute 86 percent of all the projects on which funds of the Works Progress Administration are being spent, according to a year-end tabulation made public today by Administrator Harry L. Hopkins. The tabulation represents the projects selected for actual operation by the various State W. P. A. administrators.

Highways, roads, and streets, as a classification, lead all other types of projects selected, with 39.5 percent of the funds being devoted to this purpose. Parks and playgrounds, public buildings, and water-supply and sewer systems follow respectively, with 11.6, 9.9, and 9.6 percent each.

Only 14 percent of the W. P. A. budget for projects, Mr. Hopkins pointed out, is being devoted to work not strictly connected with public property improvement. In this category are the white-collar group of recreational, educational, and professional projects and the sewing rooms and other production centers in which goods are made for free distribution to the unemployed.

The tabulation showed further that 19 percent of the total cost of projects is being contributed by sponsors, either in actual funds or in the form of supervision, materials, and equipment. Out of a total project cost of $1,169,650,880, the report stated, $221,918,153 is being put up by the States and communities.

"I think this is an excellent showing of the degree of cooperation which local governing bodies are giving to their W. P. A. administrators," Mr. Hopkins commented.

"Certain critics would have the public believe that W. P. A. projects are thought up in Washington and imposed upon the communities without any regard to local needs and wishes.

"On the contrary, each and every project approved, with the exception of a few federally sponsored undertakings operated on a Nation-wide scale, originate with some responsible body in the community. That they have more than a moral interest in these projects is shown by the fact that they have laid good, hard cash, or its equivalent, on the line in order to get the work done."

The report showed that sponsor support was greatest in those projects requiring a considerable amount of material and equipment.

Sponsors put up, on an average, 35.4 percent of the cost of electrical generating plants, for example, as against only 12.6 percent for projects involving irrigation and flood control. The two extremes from which the 19-percent average is drawn are represented by erosion-control and land-utilization projects, with 42.6 percent of sponsor contribution, and art, literary, and recreational projects with only 3.9 percent.

A break-down by types of work follows, showing the number of projects selected for operation as of December 31, 1935, the percent of total cost in W. P. A. funds, sponsors' contribution, and percent of total cost contributed by sponsor:

Works Progress Administration projects selected for operation through Dec. 31, 1935

(Preliminary; subject to revision)

Type of work	Number of projects	Total approved cost estimate			
		Total	Works Progress Administration funds	Sponsors' contribution	Total cost contributed by sponsors
		Percent			*Percent*
Grand total	69,152	100.0	$947,732,727	$221,918,153	19.0
Highways, roads, and streets, total	23,105	39.5	362,421,202	99,212,135	21.5
Highways	330	.8	6,476,712	2,757,072	29.9
Farm to market and other secondary roads	9,820	13.6	116,417,063	42,336,667	26.7
Streets and alleys	4,955	10.4	99,509,335	21,849,286	18.0
Bridges and viaducts	997	1.0	8,310,461	2,861,005	25.6
Grade crossing elimination	28	.0	204,676	40,952	16.7
Other [1]	6,975	13.7	131,502,955	29,367,153	18.3
Public buildings, total	9,508	9.9	87,219,588	28,004,515	24.7
Educational buildings	5,266	4.2	34,767,775	13,720,407	28.3
Federal Government buildings	222	.5	5,566,907	556,863	9.1
Other [1]	4,020	5.2	46,884,906	14,327,245	23.4
Housing	56	.2	2,009,234	153,704	7.1
Parks and playgrounds	4,892	11.6	118,721,210	17,487,072	12.8
Flood control and other conservation, total	2,989	5.6	55,087,025	9,944,880	15.4
Forestation	252	.3	2,627,461	256,101	8.9
Erosion control and land utilization	283	.5	3,447,174	2,555,018	42.6
Irrigation and water conservation	1,725	3.6	36,986,809	5,320,619	12.6
Other [1]	729	1.2	12,025,581	1,863,142	13.4
Water supply and sewer systems, total	6,256	9.6	86,187,741	26,690,397	23.6
Water purification and supply	1,990	2.6	21,015,104	9,321,044	30.7
Sewer systems	3,988	6.6	61,526,236	16,064,871	20.7
Other [1]	278	.4	3,646,401	1,304,482	26.3
Electric utilities, total	130	.2	1,568,739	466,962	22.9
Generating plant and equipment	16	.0	72,617	39,800	35.4
Transmission and distribution lines	52	.1	825,707	234,515	22.1
Other [1]	62	.1	670,415	192,647	22.3
Transportation, total	470	2.4	23,888,285	4,308,120	15.3
Airports and airways	328	1.9	19,323,401	3,246,749	14.4
Other [1]	142	.5	4,564,884	1,061,371	18.9
Educational, professional, and clerical, total	10,109	7.3	76,897,446	7,931,860	9.4
Education	2,201	1.3	13,138,421	2,299,088	14.9
Clerical	1,731	.6	6,002,434	840,368	12.3
Professional and technical	3,037	1.8	18,298,094	2,427,834	11.7
Research and statistical surveys	1,068	1.2	12,849,122	1,082,072	7.8
Art, literary, and recreational	1,672	2.0	22,712,200	916,630	3.9
Other [1]	400	.4	3,897,175	365,868	8.6
Goods projects, total	4,828	6.6	68,892,447	8,363,794	10.8
Sewing	3,592	5.2	55,859,035	4,969,501	8.2
Other	1,236	1.4	13,033,412	3,394,293	20.7
Sanitation and health	2,309	3.4	29,624,586	10,206,966	25.6
Miscellaneous	4,500	3.7	35,215,224	8,497,748	19.4

[1] Includes projects classifiable under more than 1 of the headings above.

FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS

More than 60 percent of the Public Works money thus far spent has gone for material manufacture that has blanketed the country with indirect and industrial employment far exceeding the direct employment given on construction sites where the materials were used, it was reported today by P. W. A. statisticians to Public Works Administrator Harold L. Ickes.

In some instances the indirect and industrial employment provided by material manufacture and transportation has been several times greater than the employment given by putting the materials in place on construction sites. This was true of much of P. W. A.'s $200,000,000 railroad-improvement program, which has been completed. With some other types of P. W. A. construction, notably

road building, the amount of indirect labor resulting does not so far exceed the direct site construction.

Approximately $2,000,000,000 worth of stone, steel, cement, lumber, and hundreds of other types of building materials will be required to complete the 24,000 projects now on the P. W. A. books.

A total of $1,223,500,000 was spent for materials up to February 1, P. W. A. statisticians reported to the Administrator.

These expenditures have been a major factor in the revival of the heavy industries, where unemployment was greater than anywhere else during the depression. Manufacture of the materials required to complete unfinished projects will help to sustain the heavy industries at their present high level of operation.

Latest available reports from the Bureau of Labor Statistics of the Department of Labor show that $581,629,000 worth of iron and steel products, including machinery and transportation equipment, have been purchased for P. W. A. projects.

Industries furnishing cement, brick, stone, glass, sand, gravel, and similar materials for P. W. A. jobs have received orders amounting to $328,566,000, while more than $59,000,000 worth of lumber and forest products have been purchased.

The chemical industry, which embraces manufacture of explosives for blasting on P. W. A. jobs, has had orders for $9,714,000 worth of materials. Even the textile industry has participated in the indirect employment benefits of the P. W. A. program, with orders for nearly $1,500,000 worth of materials.

The theory of public financing of construction work as a means of national industrial recovery in times of depression is that by providing a market for the products of the heavy industries their idle employees will be called back to work and their purchasing power restored.

Expenditures for materials used on P. W. A. construction sites have put more money into the pockets of more men at work producing such materials than has direct employment on the sites, the P. W. A. statisticians reported to Administrator Ickes.

At least 70 percent of the $1,223,500,000 spent for materials up to February 1 went directly into the pockets of many hundreds of thousands of men employed in mines, mills, and factories in every section of the country.

The expenditures for materials to February 1 were nearly twice the amount paid in wages to men employed directly on construction sites, which was reported as $639,900,000 by the P. W. A. statisticians.

Besides putting more money into the pockets of more men at work, material production has furnished a much wider spread of employment than is provided by construction-site work.

Direct employment on construction sites is limited, with few exceptions, to men living in the vicinity of each of the 24,000 P. W. A. projects and to limited classes of construction workers. Both the public-works law and P. W. A. regulations require men given direct employment on a P. W. A. construction site to be residents of the political subdivision in which the project is located.

But the materials used on each project originate, almost without exception, in many distant localities, and it is men working in industries in those localities who benefit from indirect employment.

The Fort Peck Dam, now being built across the Missouri River in Montana with P. W. A. funds, is cited as a typical illustration of the widespread benefits of indirect and industrial employment afforded by expenditures for public-works construction.

The thousands of men who have been working on the site of the Fort Peck Dam, which will cost $86,000,000 when completed, are residents of that section of the Northwest. But indirect and industrial employment has been given to many more thousands of men in the East and other far-distant industrial centers through production of basic commodities, finished materials, machinery, and equipment that have been manufactured for use at Fort Peck.

When completed the Fort Peck Dam will impound the spring flood waters of the Missouri River and allow them to be released during the summer for the benefit of river navigation.

SOLICITATION OF CAMPAIGN FUNDS FROM RELIEF WORKERS

Mr. VANDENBERG. Mr. President, I ask unanimous consent to have printed in the RECORD certain correspondence with Administrator Hopkins with respect to relief administration.

There being no objection, the correspondence was ordered to be printed in the RECORD as follows:

FEBRUARY 28, 1936.

Hon. HARRY HOPKINS,
Federal Emergency Relief Administrator, Washington, D. C.

MY DEAR MR. HOPKINS: My attention is directed to a full-page reproduction in the Butler (Pa.) Eagle of a letter purporting to show Democratic solicitation of campaign funds from relief workers on penalty of blacklist in the event of refusal. The letter is dated December 4, 1935, at Indiana, Pa., on the letterhead of the Indiana County Democratic committee. It is signed by Harry W. Fee, chairman of the Indiana County Democratic committee. It is addressed to Mary C. Shearer, of the Emergency Relief Area, at the Community Center Building, of Indiana, Pa. It reads as follows:

"I am very much surprised that you have not responded to our previous letter requesting your contribution in the amount of $27 to Indiana County Democratic campaign committee, as I was sure that you appreciated your position to such an extent that you would make this contribution willingly and promptly. I must, however, now advise you that unless your contribution in the above amount is received promptly, it will be necessary to place your name on the list of those who will not be given consideration for any other appointment after the termination of the emergency relief work, which, as you know, will terminate in the near future. Please make your check payable to A. Lucille Baun, treasurer, and mail the same to her at 402 Indiana Theater Building, Indiana, Pa."

Inasmuch as the amount of contribution is filled in to what otherwise is obviously a form letter, it would appear a reasonable deduction that this pillage is a general practice.

It occurs to me that you will wish, in the name of political decency and in behalf of an unpartisan administration of relief for human misery, to investigate this matter; and, in any event, to make it clear, so far as you can, to all relief workers and relief clients that they need not surrender to this sort of sordid exploitation.

Cordially and faithfully,

A. H. VANDENBERG.

WORKS PROGRESS ADMINISTRATION,
Washington, D. C., February 29, 1936.

Hon. A. H. VANDENBERG,
United States Senate, Washington, D. C.

DEAR SENATOR: I have your letter of February 28 and wish to assure you that I am having an investigation started immediately regarding the charges you make.

Sincerely yours,

HARRY L. HOPKINS,
Administrator.

RESTRICTION OF IMMIGRATION

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the RECORD an editorial from the Daily Post, of Palm Beach, Fla., under date of Monday, February 3, 1936, entitled "Getting at the Fault." It deals very ably with the question of restriction of immigration and compulsory registration of all aliens within the borders of the United States.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

[From the Palm Beach (Fla.) Post, Feb. 3, 1936]

GETTING AT THE FAULT

Almost 3,000 aliens will be deported on March 1 unless there is congressional intervention. And here are some of the reasons given by those disfavoring deportation:

Many of these aliens have wives or children who are American citizens.

They will leave behind them some 6,000 relatives, mostly American citizens, of whom some 4,000 are dependents, who will become public charges.

Some 59 percent of the 3,000 have lived here for 10 years, 34 percent for 5 years. Family separations would ensue in 98 percent of the cases.

Now let it be asked, just whose fault is it that these aliens find themselves in such a predicament? All entered the United States illegally. Therefore their first act in turning to America was one of law violation.

No one can blame the Government for having laws and abiding by them. Government did not invite these illegal entries, but did all it could to prevent and abort them. The plea of family separation and creation of dependents can be made in each instance where a husband is sent to the penitentiary or the chair—but such men know before they violate law exactly what the consequences will be if they are apprehended and convicted, which rather precludes any excitement of sympathy for them and nothing but pity for those relatives who must suffer.

An alien who comes here to live and does not declare his intention to be a citizen at the first opportunity, or within a reasonable time, has not the fundamental principles of good citizenship in him from the American standpoint. One who enters illegally lacks honesty at the start.

Yet those who weep about such deportations seem to believe that government is at fault for enforcing its immigration laws, when in fact nobody is at fault save those who sneaked into the country, knowing when they did it exactly what would happen if they were apprehended.

We are reminded that St. John declared that he that entereth not by the straight and narrow way into the sheepfold, "but climbeth up some other way, the same is a thief and a robber."

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. HAYDEN. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of the Interior Department appropriation bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona?

There being no objection, the Senate proceeded to consider the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June

30, 1937, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. HAYDEN. I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The clerk will state the first amendment reported by the committee.

The first amendment of the Committee on Appropriations was, on page 4, after the comma, in line 21, to insert the following: "payments for the cost of packing, crating, and transportation (including drayage) of personal effects of employees upon permanent change of station, under regulations to be prescribed by the Secretary of the Interior", so as to read:

DIVISION OF GRAZING CONTROL

For carrying out the provisions of the act entitled "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes", approved June 28, 1934 (48 Stat. 1269), including traveling and other necessary expenses, payments for the cost of packing, crating, and transportation (including drayage) of personal effects of employees upon permanent change of station, under regulations to be prescribed by the Secretary of the Interior, not to exceed $55,000 for personal services in the District of Columbia, not to exceed $20,000 for the purchase, exchange, operation, and maintenance of motor-propelled passenger-carrying vehicles, and not to exceed $150,000 for examination and classification of lands with respect to agriculture and agricultural utility as required by the public-land laws and for related administrative operations and for the preparation and publication of land classification maps and reports, $300,000.

Mr. NORRIS. Mr. President, I desire to be heard on the amendment.

The VICE PRESIDENT. The Senator from Nebraska is recognized.

INVESTIGATION OF PUBLIC UTILITIES IN NEW YORK

Mr. NORRIS. Mr. President, about 2 years ago the Legislature of the State of New York appointed a committee to investigate the activities of the public-utility corporations in the State of New York. After an investigation extending over nearly 2 years the committee has made its final report. I have not as yet seen the report, but in the last issue of Labor, of date March 3, 1936, is an editorial commenting on the report. As is usual with editorials in this newspaper, the story is told very concisely, but emphatically, without the use of any superfluous language. I desire to read the editorial based on that report.

The title of the editorial is "Utility crookedness again exposed." The editorial reads:

A committee of the New York Legislature has been probing the public utilities of that State for 22 months and last week submitted its final report. The committee found:

That public-utility companies "regarded as a joke" the State's efforts at regulation.

That at least $225,000,000 of "water" had been added to the capital structure of the utilities operating in New York.

That holding companies are a distinct liability, doing more harm than good.

That utility companies deliberately inflate their valuations in order to justify exorbitant rates.

That the cost of "goodwill campaigns" and other utility propaganda comes out of the pockets of the consumer.

That municipal ownership is an excellent way to make private enterprise behave, but not necessarily a panacea.

And, finally, in reply to the protests of investors who said that the committee's revelations had injured the value of their securities:

"If stockholders do not clean their own houses, they must not complain of the existence of filth."

Of course all these facts have been uncovered heretofore by a dozen official inquiries, but nevertheless the New York committee is to be congratulated on its fine job.

It is true, as stated in the editorial, that all these facts from time to time during the last several years have been reported in various forms by public officials investigating utilities. They have been reported over and over again; yet we found in Congress when we undertook to do away with the evils of the holding companies, and notwithstanding all these exposés, that there was a lobby on the part of the public utilities expending more money than had ever been spent before in the history of the United States to defeat one bill, the holding-company bill; and that lobby has been engaged ever since in trying to convince the people of the United States that holding companies are necessary and should be permitted to continue to rob two classes of people, from one or the other or both of which they acquire every cent of the money they are so lavishly spending, either the consumer of electricity or the honest investor in the common and preferred stocks and bonds of private-utility companies. The findings of the committee of the Legislature of the State of New York only add further publicity to the sins that have been committed during the past 25 years by the holding companies; and I am wondering if from time to time additional publicity is going to be required to convince the Congress and the country at large that it is unnecessary to perpetuate this evil upon our body politic.

About 100 injunction suits have been commenced in the courts in different places in the United States to restrain the enforcement of the holding-company law on the ground that it is unconstitutional; so in time, I suppose, the case will reach the Supreme Court, and after the expenditure of millions of the taxpayers' money we shall finally learn what that last great tribunal, the greatest of any in the United States, is going to do with this law.

INTERIOR DEPARTMENT APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee on page 4, beginning in line 21.

Mr. ROBINSON. Mr. President, I think an explanation and justification for this amendment should be given to the Senate. It appears that the amendment provides for paying the expenses of packing, crating, and transportation of personal effects of employees upon permanent change of station. May I inquire of the Senator in charge of the bill what are the circumstances which show the necessity and justification for the amendment?

Mr. HAYDEN. Mr. President, this is a mere repetition of the same authority which appears in the bill at page 65, under the Bureau of Indian Affairs; page 67, under the Bureau of Reclamation; and page 84, under the Geological Survey. It is the customary practice of the Department of the Interior to pay the cost of packing and transporting the personal effects of employees upon change of station. The matter was brought to the attention of the committee by the Chief of the Division of Grazing Control, who stated that he felt employees of that Service should have the same privileges which the bill itself grants to the employees of other branches of the Interior Department. It is the usual and customary procedure.

Mr. ROBINSON. What amount will be required to meet the appropriation?

Mr. HAYDEN. This Division of Grazing Control has at the present time only 32 employees in the field; the expense could not amount to very much, and it is to be incurred only in case of change of station.

Mr. ROBINSON. Very well.

Mr. KING. Mr. President, my understanding is that substantially all those who come within the category referred to are persons who are now in the civil service, and are employees of the Interior Department. I was wondering what changes would be made, and what transfers would be made, and what is the necessity for those transfers.

Mr. HAYDEN. If, in the course of the administration of the Grazing Division, a civil-service employee stationed in Salt Lake City should resign, and it should be necessary to transfer an employee from Helena, Mont., to Salt Lake City to take his place, the cost of moving his personal effects would be cared for in this manner. It is merely a routine provision. As I say, the same authority is found at several other places in the bill, which I will read to the Senator if desired.

Mr. KING. Let me ask the Senator another question. Does the amendment mean that all the employee's household effects will be transported at Government expense? Suppose an employee in Helena, Mont., had a large home, and extensive household effects: Does the amendment mean that the Government of the United States would have to pay for the transportation of all his household effects?

Mr. HAYDEN. I desire to be perfectly frank with the Senator. I do not know what the total cost will be. I know that in the military and naval services there is a limit as to tonnage of personal effects which may be moved at Government expense from one station to another. I imagine the same rule would apply in the Interior Department. I have pointed out to the Senator that at three other places in the bill, in the ordinary and regular manner, the same authority is granted. As to what it will actually cost, I do not know.

Mr. KING. In view of the fact that there have been so many transfers in the various departments of the Government from the Atlantic to the Pacific and vice versa, from interior points to coastal points and vice versa, may I ask the Senator whether any information has been furnished the committee as to the amount of money which is expended annually to pay the expenses incident to these transfers and the packing, crating, and transportation of the employees' personal effects?

Mr. HAYDEN. The commitee has not that information. It could have been readily obtained at the time of the hearing if we had thought it was important. As I stated to the Senator, this is a customary provision. The same thing is done in the case of all other bureaus of the Interior Department and is common to all departments of the Government. This being a new division, it merely is given the same privilege.

Mr. KING. While I have the floor, I should like to ask the Senator's understanding as to the amount, if any, which will be received from the stockmen who obtain permits. Is it supposed that the amount received for permits and licenses will equal the expenses of administration of this part of the bill?

Mr. HAYDEN. Mr. President, the only information I have on that subject is that about 6 weeks ago a conference was held in the Senator's home city of Salt Lake between representative stockmen from the entire West and officials of the Division of Grazing Control to determine just exactly what the rates should be. Whether or not such rates have been promulgated, and how much money they will produce, I do not know.

As the Senator understands, this is a very new service, just being established. I may say frankly that, so far as the Forest Service is concerned, the appropriations for which are carried in the Agricultural Department bill, the total income from that source is not as great as the Federal appropriations made to support the Forest Service, and I think properly so.

In other words, the users of the forests should not be charged with the entire cost of administering the forests, when the purpose of establishing the forests is to conserve timber for centuries to come, and therefore the cost of administration is in part a national obligation.

Mr. KING. I see on page 5 of the bill rather large appropriations, aggregating $400,000, for the examination and classification of lands, and making maps and reports, and for the advisory committees of local stockmen. Then lower down, on line 20, I notice an appropriation of $250,000 additional for construction, purchase, and maintenance of range improvements, and so forth. I was wondering if the committee made any investigation to ascertain whether it was understood that when this organization functions properly it will be self-supporting or whether we shall have to make appropriations every year for these purposes.

Mr. HAYDEN. The items to which the Senator refers were adopted by the House of Representatives. The Committee on Appropriations of that body is very careful in scrutinizing estimates of appropriations of that type; but let me point out to the Senator from Utah the fundamental reason for the creation of the Division of Grazing Control. That new service was primarily established to regulate grazing on the public domain, in order to control erosion and the tremendous losses which are now taking place of valuable topsoils on our ranges.

That is a national public purpose. Congress has decided in a manner to subordinate grazing to that superior purpose and is going to require contributions from those who heretofore have freely used the public domain without paying anything. Something of value will be obtained from them to help pay the cost of the erosion-control program.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 5, line 9, after the words "payment of", to strike out "$5 per diem while actually employed in lieu of subsistence and for payment of 5 cents per mile for actual necessary travel expenses" and insert "a salary of $5 per diem while actually employed and for the payment of necessary travel expenses, exclusive of subsistence", so as to read:

For payment of a salary of $5 per diem while actually employed and for the payment of necessary travel expenses, exclusive of subsistence, of members of advisory committees of local stockmen, $100,000; in all, $400,000.

The amendment was agreed to.

The next amendment was, under the head "Mount Rushmore National Memorial Commission", on page 9, line 19, after the word "which", to strike out "$50,000" and insert "$30,000", and in line 22, after "1936", to strike out "*Provided*, That no part of this appropriation shall be expended for work on any figure upon which work has not commenced as of the date of enactment of this act", so as to make the paragraph read:

Mount Rushmore National Memorial Commission: For carrying into effect the provisions of the act creating the Mount Rushmore National Memorial Commission, approved February 25, 1929 (45 Stat., p. 1300), as amended by the act approved June 26, 1934 (48 Stat., p. 1223), and the act approved August 29, 1935 (Public, No. 393, 74th Cong.), $100,000, of which $50,000 shall be immediately available, together with the unexpended balance of the appropriation for this purpose for the fiscal year 1936.

The amendment was agreed to.

The next amendment was, under the head of "General Land Office", on page 12, line 17, before the word "including", to strike out "$577,700" and insert "$600,000", so as to make the paragraph read:

SALARIES

For Commissioner of the General Land Office and other personal services in the District of Columbia, $600,000, including one clerk, who shall be designated by the President, to sign land patents.

The amendment was agreed to.

The next amendment was, on page 14, line 1, after the word "Interior", to strike out "600,000" and insert "$700,000"; and in line 16, after the word "deposit", to insert "*Provided further*, That of the unexpended balance of moneys appropriated to carry out the provisions of title II of the National Industrial Recovery Act of June 16, 1933, such amount, not exceeding $750,000, as the Federal Emergency Administrator of Public Works may deem necessary is hereby made available for surveys and resurveys of public lands during the fiscal years 1936 and 1937, to be expended under the supervision of the Commissioner of the General Land Office in accordance with regulations prescribed by the Federal Emergency Administrator of Public Works", so as to make the paragraph read:

Surveying public lands: For surveys and resurveys of public lands, examination of surveys heretofore made and reported to be defective or fraudulent, inspecting mineral deposits, coal fields, and timber districts, making fragmentary surveys, and such other surveys or examinations as may be required for identification of lands for purposes of evidence in any suit or proceeding in behalf of the United States, under the supervision of the Commissioner of the General Land Office and direction of the Secretary of the Interior, $700,000, including not to exceed $5,000 for the purchase, exchange, operation, and maintenance of motor-propelled passenger-carrying vehicles: *Provided*, That not to exceed $5,000 of this appropriation may be expended for salaries of employees of the field surveying service temporarily detailed to the General Land Office: *Provided further*, That not to exceed $10,000 of this appro-

priation may be used for the survey, classification, and sale of the lands and timber of the so-called Oregon & California Railroad lands and the Coos Bay Wagon Road lands: *Provided further*, That this appropriation may be expended for surveys made under the supervision of the Commissioner of the General Land Office, but when expended for surveys that would not otherwise be chargeable hereto it shall be reimbursed from the applicable appropriation fund, or special deposit: *Provided further*, That of the unexpended balance of moneys appropriated to carry out the provisions of title II of the National Industrial Recovery Act of June 16, 1933, such amount, not exceeding $750,000, as the Federal Emergency Administrator of Public Works may deem necessary is hereby made available for surveys and resurveys of public lands during the fiscal years 1936 and 1937, to be expended under the supervision of the Commissioner of the General Land Office in accordance with regulations prescribed by the Federal Emergency Administrator of Public Works.

ANNIVERSARY OF THE TEXAS DECLARATION OF INDEPENDENCE

Mr. CONNALLY. Mr. President, a century ago today, at a village on the Brazos River in Texas, there assembled a band of devoted men who gave to the world the Declaration of Texas Independence.

The Federal Government has responded generously to the request of our State in providing a fitting and appropriate commemoration of the one hundredth anniversary of the erection of the Texas Republic.

I desire today to submit a few remarks to the Senate and to the country regarding the significance in history of this stirring and thrilling event.

It will be remembered that Texas was a part of the Republic of Mexico. It was incorporated into the Mexican Republic as the Mexican State of Coahuila and Texas. It had been settled principally by Americans from practically every State in the American Union of that time. From Virginia, New England, the Carolinas, Georgia, and other States of the Union, daring spirits had gone out to colonize a new territory.

On April 21, 1835, after many difficulties with the ruling authorities in Mexico, the Legislature of the State of Coahuila and Texas was dispersed by order of Santa Anna, who was then the military dictator of Mexico. In September, General Cos threatened to drive out of Texas all Americans who had settled there since 1830, and he landed at Matagorda with a force to overrun the country. The committee of safety met at San Felipe, and Stephen F. Austin, the son of Moses Austin, who was an immigrant from the State of Missouri, but who was born in New England, was chairman. He advised the people that war was their only recourse.

Here it must be set down that the Texans were not in rebellion. They had been claiming their rights as citizens of Mexico under the constitution of 1824—they had embraced the cause of Santa Anna in his overthrow of Bustamente, on his promise to restore the constitution of 1824—a constitution which the despot now spurned and despised.

It will be remembered that the American colonists were in arms against George III, asserting their rights as Englishmen at Lexington and Concord and Bunker Hill, more than a year before the Continental Congress, in Jefferson's thrilling words, decreed the independence of the Colonies from the Crown.

And now we see the great, patient, sacrificing, and suffering Austin, despairing of securing the rights by peaceful means, as a last recourse, urging the colonists to take up arms, to defend the constitution of 1824.

The British troops in 1775 seeking to disarm the settlers of their means of defense, provoked the battles of Lexington and Concord, where in the splendid phrase of Emerson:

> By the rude bridge that arched the flood,
> Their flag to April's breeze unfurled,
> Here once the embattled farmers stood,
> And fired the shot heard round the world.

How strikingly similar was the first armed collision in the Texan struggle that was to give to Anglo-Saxon institutions, and to bring ultimately under the flag of the American Union a dominion broader than that of the Original Thirteen Colonies, and as rich in resources, and as fair in promise as any other land between the oceans.

The first conflict occurred near Gonzales on October 2, 1835. Mexican troops demanded the surrender of a small cannon that had been furnished the town for its defense. The settlers gathered and repulsed the Mexicans. The news spread speedily and public meetings appointed committees of public safety. Sam Houston participated in a meeting at San Augustine.

Texas had no political capital, but by common consent San Felipe was regarded as a center of action and Austin was looked to for leadership. The people of San Augustine and Nacogdoches nominated Sam Houston as commander in chief of the troops in east Texas and authorized him to raise forces in Texas and the United States. Thomas J. Rusk organized a company at Nacogdoches. One member from each committee of public safety was appointed to repair to San Felipe and form a permanent civil council. Volunteers gathered at Gonzales, and in October Austin was elected commander in chief of the forces.

The general consultation met at San Felipe on October 16. Austin had sent an invitation for the members to join the army and many members accepted. On October 28, 1835, in the Battle of Conception Mission near San Antonio, divisions under Fannin and Bowie repulsed a Mexican attack. On November 7 the consultation adopted a declaration of causes for which Texans had taken up arms. It was not one of independence but of adherence to the constitution of 1824. It also established a provisional government, electing Henry Smith president. Austin was appointed as commissioner to the United States. Sam Houston was selected as commander in chief of all the forces. Upon Austin's selection he resigned as commander and Edward Burleson succeeded to the command of the army before San Antonio. On December 5, 301 volunteers under the lead of Ben Milam, who had rallied them with the cry, "Who will go with old Ben Milam into San Antonio", attacked General Cos. On the 7th Milam was killed. On the 9th General Cos surrendered. He had a total force of 1,400.

A quarrel between President Smith and the council seriously embarrassed the situation and was reflected in the military forces. After the capture of San Antonio many of the soldiers returned to their homes, leaving a comparatively small force as a garrison.

Colonel Fannin with a small force repaired to Goliad and garrisoned the fortress at that point. A Mexican army under General Urrea was on its way to Goliad, and General Santa Anna with a well-equipped army of probably 3,000 was making his way toward the walls of Bexar. At this juncture, on January 5, 1836, Davy Crockett arrived at Nacogdoches on his way to join the Texan Army. A famous frontiersman, he had served three terms in Congress, but disagreeing with President Jackson, he quitted Tennessee and left for Texas. When he took the oath of allegiance at Nacogdoches to "bear allegiance to the provisional government of Texas or any other future government that might be thereafter declared", he declined signing until it was so interlined as to make it read, "any future republican government."

With a military dictator in control of Mexico, with the constitution overthrown, it became evident that the colonists could not realize their hopes for government under a written constitution under Mexican rule. Amidst disturbed and unsettled conditions the Texan convention, which was to make the declaration of independence, met on the 1st day of March at Washington on the Brazos. Sam Houston was a delegate from Refugio. On the 2d day of March the delegates solemnly adopted the historic declaration which severed all political connection of Texas with Mexico forever and constituted her a sovereign, independent Republic.

Mr. President, fivescore years ago this devoted little band flung into the face of a tyrant that thrilling declaration which established the Republic of Texas, later to become a State in this great Union.

Let me set down here for those who may pause to read the RECORD the fact that among the causes set forth in that declaration was the failure of the Mexican Government to maintain its pledged word to accord to the Anglo-American colonists' government under a written constitution; the overthrow by Santa Anna of civil government and the insti-

tution of the rule of the sword; the subordination of the interests of Texas to those of the State of Coahuila; the imprisonment of Austin; the failure to guarantee the right of trial by jury and to provide guaranties to life, liberty, and property; the failure to provide a system of public education.

Mr. President, for the first time in the history of constitutional government, from the days of Magna Carta to that moment, the Declaration of Texas Independence was the first great charter ever to assign as one of the causes for revolt the failure of the Government to provide a system of public education in order that the masses who were to exercise the power of the suffrage might approach public problems in an intelligent and informed fashion.

Among the other causes were the dissolution of the Congress of Coahuila and Texas; the seizure and confiscation of property; the denial of religious freedom by requiring support of the established religion; the disarming of citizens; the invasion by sea and land of military forces to carry on a war of extermination; the incitement of the savages to make war upon the colonists. The declaration then in solemn and stately phrase declared the political independence of Texas, and assumed for her all the rights and attributes which properly belong to independent nations, and submitted the issue to the decision of the Supreme Arbiter of the destinies of nations. The convention then issued to the people of the United States a stirring address appealing for sympathy and aid.

The convention adopted a constitution, being in form a combination of the principles of the Federal and State constitutions of the United States. David G. Burnet was chosen president ad interim, Thomas J. Rusk, secretary of war, and Gen. Sam Houston, who was present at the convention, was selected as commander in chief.

The country was agitated and filled with gloomy apprehension. Travis at the Alamo and Fannin at Goliad were in need of reinforcements, which did not come. Those sitting at the convention did not know what was transpiring in San Antonio, nor did the defenders of the Alamo know what was taking place at Washington on the Brazos, where the declaration of independence was being formed. On February 23, 1836, Santa Anna arrived before the walls of the Alamo with an army of 3,000 cavalry, infantry, and artillery well equipped and supplied with munitions. Travis on the same day sent a message from the fortress that he had 150 men and was determined to defend it to the last. James Bowie and Travis were in joint command, but Bowie was stricken with pneumonia, and command devolved upon Travis. On the 24th Travis sent a despatch begging for reinforcement and supplies, in which was contained this heroic and sublime paragraph. Listen to the words of Travis:

> The enemy have demanded a surrender at discretion, or the garrison will be put to the sword when taken. I have answered the summons with a cannon shot, and our flag still waves proudly from the wall. I shall never surrender or retreat.

The gallant Bonham was sent with a message to Fannin at Goliad. Unable to procure aid he resolved to return to the fort and die with his companions. On the morning of March 3 he dashed through the Mexican lines and entered the Alamo. Gonzales sent 31 volunteers to aid the defenders, and they on the morning of March 1, cut their way through the Mexican lines and entered the fort, which was to be their tomb.

On March 6 Santa Anna stormed the Alamo between midnight and daylight. The defending force was insufficient to man the works, and the brave defenders were overwhelmed. Every soldier perished. The body of Travis lay near a cannon whose fire he had directed. Davy Crockett was pointed out to Santa Anna surrounded by heaps of dead Mexicans. The sick and weakened Bowie lay upon his bed where he had been bayoneted, but not until he had with the last flickering spark of vitality killed with his pistol more than one of the enemy.

The only persons who escaped slaughter were the wife of Lieutenant Dickinson, her infant daughter, a Negro servant of Travis, and two women, Mrs. Alsbury and Mrs. Milton. Santa Anna, in a letter to a Texan on March 19, 1874, many years after the battle, said:

> The obstinacy of Travis and his soldiers was the cause of the death of the whole of them, for not one would surrender.

From the pen of the despot whose tyranny they resisted and whose hands were bloody with their butchery came this acknowledgment of their desperate courage and deathless fame. Four days after the Declaration of Texas Independence there was sacrificed upon liberty's altar as gallant a band as ever defied a tyrant, and the smoking funeral pyre of the Alamo fanned to flame the spirit that was thenceforth to inspire the people of Texas to triumph at San Jacinto and with their swords to establish forever the independence of Texas.

Leaving the convention at Washington on the Brazos, Sam Houston, on March 11, reached Gonzales, where was encamped an army of 374 men. He began its organization. Tidings of the fall of the Alamo soon reached him. Drilling and recruiting his army as he marched, General Houston began the retreat which was to end at San Jacinto. Fannin was at Goliad. On March 19, learning that a large force of Mexicans was approaching, Fannin decided to retreat to Victoria. The enemy followed and an engagement took place at Coleta Creek. The Mexicans numbered about a thousand. The Texans had about 270 men. On the following day the Mexicans had completely surrounded the Texan forces. Resistance being useless, with practical unanimity it was decided to surrender. A capitulation was agreed upon and the Mexican general agreed that if the Texans should surrender as prisoners of war, they should be treated as such, according to the usages of civilized nations. On Sunday, March 27, the disarmed prisoners were brutally butchered by the Mexican soldiers. The treachery and savagery of this bloody crime astounded civilized men everywhere and sealed the doom of the monsters who had conceived it.

Santa Anna swept eastward from San Antonio. Before his march the families of the settlers had fled in terror toward the Sabine. Panic and chaos and despair seized them in their mad pursuit of safety. During the retreat came the crushing news of Fannin's fate at Goliad. Houston, believing his force inadequate for successful resistance, continued the retreat, in expectation of securing additional reinforcements. There was bitter complaint at Houston's failure to make a stand—to check the enemy's advance, but Houston was biding his time and preparing his army for a decisive blow. He was sharpening his sword and drying his powder.

When the Texan Army crossed the Brazos above San Felipe it was reinforced by two cannon, the "Twin Sisters." They were a gift of citizens of Cincinnati and reached Texas by way of New Orleans and the Gulf. Santa Anna crossed near Fort Bend. Santa Anna arrived at Harrisburg on April 15. Sam Houston put his army on the road to Harrisburg. The eagle was no longer in flight. With the light of battle in his eye, he had turned to fight. The Mexican President was now the pursued and the Texas general the pursuer. On April 18 Houston's army reached Buffalo Bayou, opposite Harrisburg. The Texas Government had fled before the Mexican Army to Galveston Island. From spies it was learned that Santa Anna, leaving Harrisburg, had crossed Vinces Bridge and had passed down in the direction of the bay. Houston's army on the 19th of April was assembled and addressed by General Houston. He stirred his troops with that deathless battle cry, "And remember the Alamo—Remember Goliad." The Texan Army set out to meet Santa Anna. Leaving the sick and wagons with a guard, after a swift march, Houston crossed Buffalo Bayou. The column lay concealed in the woods until dark, and then, advancing cautiously, crossed Vinces Bridge, where their footsteps pressed the cold ashes of Santa Anna's campfires. At 2 a. m. on the morning of the 20th the army slept in the grass beside their arms. At daybreak they were formed in a patch of timber. Scouts reported that Santa Anna was approaching Lynchs Ferry from the south, with 5 miles to go. Houston's army set out for Lynchs Ferry, 3

miles to the east, on the San Jacinto, near its junction with Buffalo Bayou. Houston chose his position in a wood of giant oaks. He posted his infantry and cavalry in order of battle and placed the "Twin Sisters" on the edge of the wood to command the prairie in front, across which Santa Anna must pass if he was to gain the ferry. Skirmishing ensued on the 20th, in which Mirabeau B. Lamar distinguished himself and was promoted from private to command the cavalry.

Thursday, the 21st of April, dawns. The Texas Army was eager for battle. Deaf Smith reported that General Cos, with 540 men, had joined Santa Anna. Another Mexican army was on the march and delay might bring it on the field. Houston secretly ordered Deaf Smith to cut Vince's Bridge and burn it, the reason being that he knew his situation well enough to know that there would be no escape in the event of defeat, but that they must triumph on the battlefield. At noon a council of war was held. General Houston formed his plan of battle. It was now 3:30 o'clock in the afternoon, and the troops were ordered to parade and form in order of battle. Burleson, a relative of the former Postmaster General of the United States, was in the center, Sherman on the left, and the artillery under Hockley on the right of Burleson, the infantry under Millard on the right of the artillery, and the cavalry under Lamar, a cousin of former Associate Justice Lamar, of the Supreme Court, on the extreme right. General Houston directed General Rusk to take command of the left wing. The Commander in chief on a white stallion rode up and down the front. The whole force advanced, Houston commanding them to hold their fire. From the Mexican lines a bugle sounds an alarm. Musketry from behind a barricade of camp baggage sputtered at the Texans. The white charger went down and Houston remounted a cavalryman's horse. Deaf Smith, riding at full speed down the front, announced that Vince's Bridge was destroyed and admonished the Texans to fight for their lives, since there was no retreat. The entire Texan line now advanced at the double-quick with cries of "Remember the Alamo", "Remember Goliad", bursting from their throats like bugle blasts. The "Twin Sisters" belched fire and iron. No halt was made—on and yet on they charged. The infantry volleyed, and in close quarters drew their hunting knives. The left, the center, and the right struck the Mexican Army, and that army in 18 minutes was destroyed. Breastworks were stormed and all Mexicans who were not killed or wounded fled in terror. The strength of the Texan Army was 783; that of the enemy twice that number. General's Houston's report stated the Mexican loss was 630 killed, 208 wounded, and 730 prisoners, besides large quantities of arms and equipment. The Texan loss was 6 killed and 24 wounded.

Sam Houston on his third mount rode over the field and at the close of day fainted from loss of blood from a wound that shattered his leg near the ankle. This romantic figure that had as a youth served with Andrew Jackson and shed his blood in the Battle of Horse Shoe Bend had now, with the warm tide from his veins reddened a field, obscure for the moment, but for the ages far transcending in significance Jackson's triumph. Here the man that quietly relinquished the governorship of a State to find asylum for his troubled spirit among the Indians had emerged from his seclusion to become the captain of a great cause that was to erect a new republic and place him in a seat of power radiant through the centuries with greater luster than the station he had surrendered.

On the 22d Santa Anna, the Mexican general and President, was captured while in hiding, and in the disguise of a private soldier.

On the banks of San Jacinto, Goliad and the Alamo had been remembered; Fannin and Travis had not died in vain; their gallant spirits rode with the Texans; and the ringing cry for vengeance on their slayers that throbbed above the smoke and carnage of that field sent the blood of battle with a new thrill into every nerve and muscle of every Texan; and like the stroke of doom filled the affrighted souls of the enemy with dread and fear. The triumph of Texas was complete. The annihilation of the Mexican Army and the capture of Santa Anna brought an acknowledgment of the independence of Texas. The organization of a government for the Republic was completed. Houston was elected President, and a congress and courts were established. At the same election the constitution was adopted and officers were elected. President Jackson recognized the new Republic on March 3, 1837.

Texas was now a nation, independent and sovereign. It maintained its place among the nations of the world until December 1845, when it became a State of the American Union. Then followed the war between the United States and Mexico, in which the sons of Texas played a large and heroic part. As a result of the Mexican War of 1846 there was added to the territory of the Union that vast territory that reaches to the Pacific and along its coast to the Columbia.

It has been well said that San Jacinto was one of the decisive battles of the world. Measured by its consequences, that is true. The Battle of Chalons halted the blighting march of Attila and decreed that the Huns from the deserts of Asia should not dominate Europe. At Tours Charles Martel denied the mastery of western Europe to the scimitar and the Koran. In the English Channel British navies broke and scattered Philip's Spanish Armada and turned the tide of commerce and conquest. Wolf, on the heights of Quebec, vanquished Montcalm and ended French power in the north. Washington's ragged battalions at Yorktown drove royal armies from our shores and established the independence of the American Colonies. At Waterloo Wellington sent down in the gloom of defeat the inordinate ambition of Napoleon and freed Europe from the rule of an imperial master. On the Battle of San Jacinto hinged mighty issues. The spirit of the Anglo-Saxon was grappling with that of the Latin. Six hundred years of struggle for liberty and self-government—600 years that flowed in Anglo-Saxon veins—were challenged on the plain of San Jacinto by another civilization, by another conception of government. Above the smoke and the tumult of battle there grappled two mighty spirits—one that reached back to Runnymede, the other coming down from the Crown of Charles V.

The Battle of San Jacinto not alone gave to Texas her independence. It assured the marvelous development that has made a mighty, rich, and progressive Commonwealth of nearly 6,000,000 souls. It gave to the Anglo-Saxon the mighty territory of the Southwest; brought the gold fields and the orange groves of California within the boundaries of the Union; it secured to millions whose footsteps are not yet heard upon a mighty domain the blessings of American institutions; it turned the course of Anglo-Saxon civilization into the Southwest; and, stretching it to the distant sea, at once enriched the United States with its marvelous resources and made secure the national safety.

How great is the poverty of phrase and the feebleness of tongue to bring to you a message of the majesty of San Jacinto. Where is bronze stout enough; where is granite firm enough; where is marble white enough in chiseled figure or molded form to portray its grandeur? Where can literature find a pen powerful enough; where can oratory find a tongue eloquent enough; where can the poet find lines lofty enough; where can history find a page bright enough to tell the story of the heroic declaration of independence at Washington on the Brazos, March 2, 1836, and the titanic triumph of Houston and his hardy and gallant army on the banks of the San Jacinto.

MAJ. GEN. JOHNSON HAGOOD

Mr. SMITH. Mr. President, I wish to address myself for a minute or two to what I consider to be perhaps the greatest instance of ingratitude which has ever been evidenced in the case of a faithful servant and officer of this Government. I am speaking of the humiliation of one of South Carolina's sons.

Mr. President, I have refrained until now from expressing myself about what I consider the outrage which has been perpetrated upon Gen. Johnson Hagood. I shall not go into details of the case; but this great American soldier, this typical son of the best of South Carolina, who has made for himself a record that each and every one of us here might envy, who has offered his life and dedicated his life to the defense

of his country, is humiliated before the world. No one has ever dared to cast any reflection or aspersion upon his conduct as a citizen or as a soldier; he has maintained the best traditions of South Carolina and of the Nation; and yet, after his long record of splendid citizenship and courage and bravery and ability as a soldier, because in a meeting of a committee of the House of Representatives where he was invited to express himself, his record went for nothing; his long years of toil and devotion to duty went for naught; and now, in the evening of his life, when his record was clean, not a blot on it, we see him stripped of his command and sent, if it were possible to do so, into disgrace to his home.

What possible inducement is there for the youth of this country to enter upon the career of a soldier if he knows that in a moment perhaps of indiscretion, a casual temporary expression, not detrimental to the Army, may ruin his career? General Hagood was pleading for better quarters for those who, like him, were attempting to serve their country in its defense. There was no treason on his part; there was no evidence that he was in any way lacking in the qualities of a soldier or incompetent in the command of his troops or faltering in his love for his country. He was not court-martialed for doing that which did not become a soldier; but he is disgraced and humiliated because, in the cloister of a committee room, he expressed a desire, which every officer who has at heart the welfare of those under him should express, for better quarters for those who were serving with him. Here he is, stripped of his command and sent to his home.

Mr. President, I know that discipline is necessary, but is there a man in this body who believes that such a splendid record should be wrecked and the officer humiliated in the eyes of his fellows because he expressed an opinion every one of us knows to be true, because of a casual indiscretion—let us put it that way—in the room of a committee that had invited him to come up before it and tell the truth? He would not have told anything else, for he does not come of the breed, thank God, that—

> Crook the pregnant hinges of the knee
> Where thrift may follow fawning.

Personally and officially, I do not know who caused the order to be issued; but we who formulate the laws of this Nation ought to rise up and demand the restoration of this splendid officer to his command. It is as little as we can do to defend the good name of a great man who has discharged his duty on the battlefield and discharged it in the committee room.

General Hagood needs no defense at my hands. No! I have never known my State to be so unanimous in its resentment as it is today with reference to what has been done to Gen. Johnson Hagood. He comes of the proper breed in my State. His forbears were of the same blood and courage.

Mr. President, I had refrained from saying anything, hoping that the outrage would be appreciated in all its monstrous effects and that restoration would be made without my being called upon to express myself. Johnson Hagood is above reproach in character, in courage, and in his love for and devotion to America and her institutions. He is infinitely greater than some who have humiliated him. I presume the rules and regulations of our Military Establishments provide that one must not go contrary thereto. As I have said, I believe in discipline; the Army could not exist without it; but there is quite a difference between discipline in our military institutions as such and discipline as applied to a general officer of the Army who appears before a congressional committee and is given carte blanche to express himself. In expressing himself he was fighting, as I said, for better quarters for his soldiers and used, I presume, the unfortunate and "insulting" term "stage money" or "easy money." He thought the money was being paid out pretty liberally. Of course we do not think so—oh, no! I mean the Senate does not think so! But he thought so and said, "Let us salt it down in permanent benefits."

Mr. President, I think there is not a man in this body; indeed, I think there is not an American citizen who will endorse this action of the Military Establishment under the circumstances. It does make us have a higher appreciation for a man and less appreciation for certain things that are done officially, and for certain military bureaucrats, as to most of whom it may be said that the nearest they ever got to smelling gunpowder was perhaps sachet powder, and whose spurs, as a former member of another body once said, were worn largely to keep their heels from slipping off their desks.

Mr. President, this is a matter involving the manhood of America. Has it come to pass that to think is unpatriotic and to express a thought is treason? Have we arrived at that stage? General Hagood may be demoted by the gentlemen who are in power, but he is promoted, thank God, in the hearts and affections of every South Carolinian and every true American citizen!

INTERIOR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment beginning in line 1, page 14, relative to surveying public lands.

Mr. KING. Mr. President, I invite the attention of the Senator in charge of the bill [Mr. HAYDEN] to page 14, and particularly to the amendment beginning in line 16. I desire to inquire if the fund there referred to is still available, and the disposition which is to be made of it so far as the committee has ascertained.

Mr. HAYDEN. Mr. President, I cannot answer the Senator's question as to what disposition has been made of the entire appropriation of $3,300,000,000. As to the $750,000 herein mentioned, I will state to the Senator that in the first year of the operation of the National Recovery Administration an allotment of the same amount was made for public land surveys and approved by the Comptroller General. It is an excellent method of providing work for unemployed young men, because practically no material is required except the metal posts used in marking the section corners.

When a second allotment to carry on the work for another year was requested by the General Land Office it was approved by the Public Works Administration and all other control agencies but when it came to the Comptroller General he ruled that surveying the public lands was not a public work. A check was prepared to make the transfer on the books of the Treasury of this $750,000, when it was held up by the Comptroller General. I took up the matter with the Comptroller General and suggested that it is highly desirable to carry on this work, and inquired of him how to overcome his decision. This language accomplishes that purpose. That sum of money is now set aside awaiting approval of the purpose expressed by this proviso.

Mr. KING. May I ask the Senator whether the Secretary of the Interior approves of the appropriation?

Mr. HAYDEN. Yes; he approved it. The National Emergency Council approved it, and the President approved it. Everything required has been done in the regular way.

Mr. KING. I am not objecting to the $750,000 appropriation. Indeed, I most heartily approve of it. I am anxious to find out whether any more of that fund is still available and, if so, what disposition is to be made of it. May the Secretary of the Interior, under the authority given by the prior act, go forward with public projects which have been approved and some of which have been entered upon but not completed?

Mr. HAYDEN. I am not in a position to give the Senator a specific answer. It is my understanding that the available balances in the public-works fund fluctuate. For example, where a loan has been made, and bonds have been issued by a municipality, the bonds are often turned over to the Reconstruction Finance Corporation and sold, thereby restoring the fund for public-works purposes, so that the available balances vary from time to time.

Mr. KING. I have in mind the fact that a number of inquiries have come to me from municipalities and school districts stating that they had made application for funds

for the completion of schoolhouses and what not, and their applications had been approved, and they understood there was a large amount still available in the $3,300,000,000 appropriation.

Mr. HAYDEN. A few days ago the Senate passed a resolution which I drafted, calling upon the Public Works Administration to submit a list of all approved projects of the kind the Senator mentions. When that report is submitted, I shall endeavor to ascertain the further facts as to what funds are available, and shall be glad to furnish the Senator the information he desires.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 14, beginning in line 1. The amendment was agreed to.

The next amendment was, on page 15, line 4, to increase the appropriation for salaries and commissions of registers of district land offices from $75,000 to $80,000.

The amendment was agreed to.

The next amendment was, on page 15, line 12, after the word "another", to strike out "$150,000" and insert "$175,000", so as to read:

Contingent expenses of land offices: For clerk hire, rent, and other incidental expenses of the district land offices, including the expenses of depositing public money; traveling expenses of clerks detailed to examine the books and management of district land offices and to assist in the operation of said offices, and for traveling expenses of clerks transferred in the interest of the public service from one district land office to another, $175,000:

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Indian Affairs—General expenses", on page 18, line 18, after the name "Indians", to strike out "$55,880" and insert "$100,000", so as to read:

For the suppression of the traffic in intoxicating liquors, marihuana, and deleterious drugs among Indians, $100,000.

The amendment was agreed to.

The next amendment was, on page 18, line 24, after the word "therewith", to strike out "$144,200" and insert "$164,200, of which amount $20,000 shall be immediately available", so as to read:

For lease, purchase, repair, and improvement of agency buildings, exclusive of hospital buildings, including the purchase of necessary lands and the installation, repair, and improvement of heating, lighting, power, and sewerage and water systems in connection therewith, $134,200, of which amount $20,000 shall be immediately available.

The amendment was agreed to.

Mr. KING. Mr. President, in connection with these appropriations for Indian schools, may I ask the Senator whether the policy which was determined upon several years ago of reducing the number of private Indian schools is being carried out, and whether the pupils are being transferred to the public schools?

Mr. HAYDEN. This bill actually carriers about $1,000,000 less than was appropriated when Congress was maintaining the Indian boarding schools at their full capacity. The reason for that reduction in appropriations is that it costs so much less to maintain an Indian child in the public schools than it costs to maintain one in a nonreservation Indian boarding school.

Mr. KING. Were there not also moral benefits, social benefits, to be derived from the abolition of the boarding schools and the transfer of the Indian children to public schools?

Mr. HAYDEN. It is the universal experience that an Indian child admitted to the public schools learns the English language very much quicker, not only by what he acquires in the schoolroom but by associating with the white children upon the playground.

The PRESIDENT pro tempore. The clerk will continue the reading of the bill.

The next amendment of the Committee on Appropriations was under the subhead "Indian lands", on page 22, line 1, after the word "expended", to strike out the colon and the following proviso: "*Provided*, That not to exceed 5 percent of the total recovery on each individual claim shall be paid any attorney or attorneys who, in the opinion of the Secretary of the Interior, have rendered services of value in connection with the settlement of such claims." so as to read:

Payment to Sioux Indians for failure to receive allotments: For payment to various Sioux Indians, or their heirs, on account of allotments of land to which they were entitled but did not receive, and for compensation to attorneys for services performed, all as authorized by the act of June 14, 1935 (49 Stat., p. 340), $81,540.49, to remain available until expended.

The amendment was agreed to.

Mr. McNARY. Mr. President, what reason did the committee have for eliminating the very wise provision placing a limitation on attorneys' fees?

Mr. HAYDEN. The action taken by the committee was at the suggestion of the Senator from South Dakota [Mr. NORBECK], who pointed out to the committee that the act authorizing this appropriation to be made provided for attorneys' fees of not to exceed 10 percent. The Senator insisted that it was unfair to the attorneys to reduce their fee after they had completed their work. So the action taken is in strict conformity with the authority of law under which the appropriation is made.

The PRESIDENT pro tempore. The clerk will state the next amendment of the committee.

The next amendment was, under the subhead "Industrial assistance and advancement", on page 25, line 12, after the word "lands", to strike out "$255,000" and insert "$280,000", so as to read:

For the preservation of timber on Indian reservations and allotments other than the Menominee Indian Reservation in Wisconsin, the education of Indians in the proper care of forests, and the general administration of forestry and grazing work, including fire prevention and payment of reasonable rewards for information leading to arrest and conviction of a person or persons setting forest fires, or taking or otherwise destroying timber, in contravention of law on Indian lands, $280,000.

The amendment was agreed to.

The next amendment was, on page 26, after line 15, to insert:

During the fiscal years 1936 and 1937 not to exceed $12,500 of funds available for emergency conservation work on Indian reservations may be expended under the direction of the Commissioner of Indian Affairs, and with the approval of the Secretary of the Interior, to defray traveling and all other expenses, including the salary of an executive secretary and such clerical help as may be necessary, of the Quetico-Superior Committee created by Executive order of June 30, 1934.

The amendment was agreed to.

The next amendment was, on page 29, line 9, before the word "for", to strike out "and"; in line 12, after the word "thereof", to insert a semicolon and "and for establishment and prosecution of tribal enterprises, when proposed by Indian tribes and approved by the Secretary of the Interior"; in line 15, before the word "payable", to strike out "$350,000" and insert "$431,000"; in line 25, after the name "Washington", to strike out "$25,000" and insert "$100,000"; on page 30, line 2, after the figures "$20,000", to insert "Spokane, Wash., $6,000"; and on page 31, line 2, after the word "paragraph", to insert a colon and the following additional proviso: "*Provided further*, That revenues derived from tribal enterprises established and operated under this authorization shall be available, upon request of the tribe, and with the approval of the Secretary of the Interior, for the continued operation of such enterprises, and any surplus of income over expenditures shall be deposited in the Treasury to the trust-fund account of the appropriate tribe and shall be available for future appropriation by Congress", so as to read:

Industrial assistance (tribal funds): For the construction of homes for individual members of the tribes; the purchase for sale to them of seed, animals, machinery, tools, implements, building material, and other equipment and supplies; for advances to old, disabled, or indigent Indians for their support, and Indians having irrigable allotments to assist them in the development and cultivation thereof; and for establishment and prosecution of tribal enterprises, when proposed by Indian tribes and approved by the Secretary of the Interior, to be immediately available, $431,000, payable from tribal funds as follows: Fort Yuma, Calif., $10,000; Fort Hull, Idaho, $25,000; Blackfeet, Mont., $5,000; Flathead, Mont., $15,000; Rocky Boy, Mont., $8,000; Tongue River, Mont., $10,000; Omaha, Nebr., $8,000; Summit Lake, Nev., $4,000; Western Shoshone, Nev., $15,000; Mescalero, N. Mex., $10,000; Standing Rock,

N. Dak., $20,000; Klamath, Oreg., $25,000; Cheyenne River, S. Dak., $50,000; Pine Ridge, S. Dak., $10,000; Rosebud, S. Dak., $10,000; Colville, Wash., $100,000; Puyallup, Wash., $10,000; Quinaielt, Wash., $25,000; Neah Bay, Wash., $20,000; Spokane, Wash., $6,000; Yakima, Wash., $25,000; Bad River, Wis., $5,000; Lac du Flambeau, Wis., $15,000; and the unexpended balances of funds available under this head in the Interior Department Appropriation Act for the fiscal year 1936, and the act of June 27, 1932 (47 Stat., p. 335), are hereby continued available during the fiscal year 1937: *Provided*, That the expenditures for the purposes above set forth shall be under conditions to be prescribed by the Secretary of the Interior for repayment to the United States on or before June 30, 1942, except in the case of loans on irrigable lands for permanent improvement of said lands in which the period for repayment may run for not exceeding 20 years, in the discretion of the Secretary of the Interior, and advances to old, disabled, or indigent Indians for their support, which shall remain a charge and lien against their land until paid: *Provided further*, That advances may be made to worthy Indian youths to enable them to take educational courses, including courses in nursing, home economics, forestry, and other industrial subjects in colleges, universities, or other institutions and advances so made shall be reimbursed in not to exceed 8 years under such rules and regulations as the Secretary of the Interior may prescribe: *Provided further*, That all moneys reimbursed during the fiscal year 1937 shall be credited to the respective appropriations and be available for the purposes of this paragraph: *Provided further*, That revenues derived from tribal enterprises established and operated under this authorization shall be available, upon request of the tribe, and with the approval of the Secretary of the Interior, for the continued operation of such enterprises, and any surplus of income over expenditures shall be deposited in the Treasury to the trust-fund account of the appropriate tribe, and shall be available for future appropriation by Congress.

The amendment was agreed to.

The next amendment was, on page 31, line 17, after the word "exceed", to strike out "$50,000" and insert "$65,000", so as to read:

For an additional amount to be added to the appropriation of $2,500,000 contained in the Interior Department Appropriation Act, fiscal year 1936, for the establishment of a revolving fund for the purpose of making loans to Indian chartered corporations, in accordance with the act of June 18, 1934 (48 Stat., p. 986), $980,000, of which amount not to exceed $65,000 shall be available for personal services in the District of Columbia and in the field, for purchase of equipment and supplies, and for other necessary expenses of administering such loans.

The amendment was agreed to.

The next amendment was, on page 32, line 1, after the word "exceed", to strike out "$15,000" and insert "$18,000", so as to read:

For the development of Indian arts and crafts, as authorized by the act of August 27, 1935 (49 Stat., p. 891), including personal services, purchase of equipment and supplies, not to exceed $2,500 for printing and binding, and other necessary expenses, to be immediately available, $42,500, of which not to exceed $18,000 shall be available for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Irrigation and drainage", on page 40, after line 23, to insert:

For the construction, repair, and rehabilitation of irrigation systems on Indian reservations; for the purchase or rental of equipment, tools, and appliances; for the acquisition of rights-of-way, and payment of damages in connection with such irrigation systems; for the development of domestic and stock water and water for subsistence gardens; for the purchase of water rights, ditches, and lands needed for such projects; and for drainage and protection of irrigable lands from damage by floods or loss of water rights, as follows:

Arizona: Colorado River, as authorized by section 2 of the Rivers and Harbors Act, approved August 30, 1935, $1,000,000; Havasupai, $5,000; Hopi, $50,000; Navajo, $70,000; Ak Chin, $3,000; Navajo and Hopi (domestic and stock water), $45,000; Chiu Chui, $5,000; Papago (domestic and stock water), $26,400; San Xavier, $30,000; Salt River, $55,000; San Carlos, $25,000; Fort Apache, $10,000;

Colorado: Consolidated Ute, $65,000, reimbursable; Pine River, $1,000,000, reimbursable;

Montana: Crow, $100,000, reimbursable; Fort Belknap, $12,000; Fort Peck, $125,000, reimbursable;

Nevada: Fort McDermitt, $2,000; Moapa, $5,000; Summit Lake, $5,000; Walker River, $5,000; miscellaneous (garden tracts), $5,000;

New Mexico: Navajo, $69,500; Pueblo, $240,100; Jicarilla, $13,000; Navajo and Pueblo (domestic and stock water), $60,000;

North Dakota: Miscellaneous (domestic and stock water and garden tracts), $15,000;

Oklahoma: Miscellaneous (garden tracts), $16,000;

Oregon: Warm Springs, $10,000; miscellaneous (garden tracts), $5,000;

South Dakota: Miscellaneous (domestic and stock water), $10,000;

Utah: Uncompahgre, $10,000; Ojeto and Montezuma Creeks, $3,500; miscellaneous (garden tracts), $5,000;

Washington: Lummi, $20,000; Makah (dikes and flood gates), $5,000; Wapato, $100,000, reimbursable; Klickitat, $50,000; miscellaneous (domestic and stock water and garden tracts), $20,000;

Wisconsin: Miscellaneous (garden tracts), $5,000;

Wyoming: Wind River, $105,000, reimbursable:

For miscellaneous small irrigation developments, $200,000;

For administrative expenses, including personal services in the District of Columbia and elsewhere, $100,000;

In all, $3,710,500, to be immediately available: *Provided*, That the foregoing amounts may be used interchangeably, in the discretion of the Secretary of the Interior, but not more than 10 percent of any specific amount shall be transferred to any other amount, and no appropriation shall be increased by more than 15 percent: *Provided further*, That when necessary the foregoing amounts may be used for subjugating lands for which irrigation facilities are being developed.

Mr. KING. Mr. President, the Senator from Arizona will recall that a number of years ago data were brought to the attention of the Senate and of the Indian Affairs Committee, as I recall, showing the waste and extravagance in connection with Indian reclamation projects; and there was a great deal of evidence tending to show that if those projects had been under the control of the Reclamation Service the results would have been very different, and the expenses would have been very much less.

May I ask the Senator from Arizona whether or not the committee made an investigation to determine whether, I was about to say, the same reckless or unwise policy pursued for a number of years in connection with irrigation projects upon Indian reservations is still being adhered to, or whether there has been any change or transfer to the Reclamation Service of the execution of the laws in connection with these projects?

Mr. HAYDEN. I may state to the Senator from Utah that the personnel which was in charge of Indian irrigation projects at the time he mentions has been entirely changed. At the present time the Indian Irrigation Service is headed by a very able engineer, Mr. Wathen, who, to my personal knowledge, has conducted his operations in a most economical manner. I am sure the Senate Committee on Indian Affairs, which has a subcommittee that travels about the country and has been examining into these matters, has found by actual examinations in the field that the conditions to which the Senator refers as occurring some years ago no longer exist.

Mr. KING. The Senator will recall that in Montana, in connection with the Fort Peck and other irrigation projects, the evidence showed upon a very careful investigation which had been made that a number of those projects had to be abandoned because they could not be completed. They were located at places where they ought not to have been located, and the result was that several million dollars had been wasted.

Mr. HAYDEN. That whole situation was thoroughly examined into by the Committees on Indian Affairs of both the House and the Senate, and legislation was enacted which entirely liquidated it and started Indian irrigation projects on a new basis.

Mr. KING. I should like to ask the Senator from Oklahoma [Mr. THOMAS], the chairman of the Committee on Indian Affairs, whether he has made an investigation of these Indian irrigation projects with a view to determining whether there have been material changes for the aid of the Indians.

Mr. THOMAS of Oklahoma. Mr. President, the investigation disclosed that the items carried in this bill are necessary to improve and protect and develop irrigation projects already in existence. If I remember correctly, there is no new project in this appropriation.

Mr. HAYDEN. There are some new projects, but they are very well justified. Let me state to the Senator from Utah that the Secretary of the Interior in person appeared before our committee to recommend these particular appropriations, and stated that the future of the Indian is in agriculture; that farming is the best way whereby the Indian may be aided in obtaining a home upon and a living from the land. He further stated that the great majority of the Indians live in the arid region, and for that reason the Secretary recommended the program which the committee has adopted.

Mr. KING. I am not complaining about the program, if the evils which were so patent a number of years ago have been eliminated and a different system has been inaugurated.

Mr. THOMAS of Oklahoma. I am sure the investigations to which the Senator referred have had that effect.

Mr. KING. I will say very frankly that I have approved of the selection of Mr. Collier as Commissioner of Indian Affairs, and I believe that under him and under Mr. Ickes many reforms have been brought about.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, under the subhead "Education", on page 43, line 10, after the word "schools", to strike out "$5,304,820" and insert "$5,379,820", so as to read:

For the support of Indian schools not otherwise provided for, and other educational and industrial purposes in connection therewith, including educational facilities authorized by treaty provisions, care of children of school age attending private schools, and tuition for Indian pupils attending public schools, $5,379,820.

The amendment was agreed to.

The next amendment was, on page 45, line 10, after the word "For", to insert "construction,", and in line 15, after the word "therewith", to strike out "$345,000" and insert "$420,000", so as to read:

For construction, lease, purchase, repair, and improvement of buildings at Indian schools not otherwise provided for, including the purchase of necessary lands and the installation, repair, and improvement of heating, lighting, power, and sewerage and water systems in connection therewith, $420,000.

The amendment was agreed to.

The next amendment was, on page 50, line 7, after the figures "$112,750", to insert a colon and the following proviso: *"Provided,* That not more than $1,000 of the foregoing amount may be used for the acquisition of lands adjacent to this school", so as to read:

Pierre, S. Dak.: For 300 pupils, $97,750; for pay of superintendent, drayage, and general repairs and improvements, $15,000; in all, $112,750: *Provided,* That not more that $1,000 of the foregoing amount may be used for the acquisition of lands adjacent to this school.

The amendment was agreed to.

The next amendment was, on page 52, line 6, after the word "light", to insert "$25,000 for relief of destitution,"; in line 10, after the words "in all", to strike out "$641,880" and insert "$666,880"; in the same line, after the word "available", to insert "and to remain available until June 30, 1938"; and in line 18, after the word "Interior", to insert a colon and the following additional proviso: *"Provided further,* That a report shall be made to Congress covering expenditures from the amount herein provided for relief of destitution", so as to read:

Natives in Alaska: To enable the Secretary of the Interior, in his discretion and under his direction, to provide for support and education of the Eskimos, Aleuts, Indians, and other natives of Alaska, including necessary traveling expenses of pupils to and from industrial boarding schools in Alaska; purchase, repair, and rental of school buildings, including purchase of necessary lands; textbooks and industrial apparatus; pay and necessary traveling expenses of superintendents, teachers, physicians, and other employees; repair, equipment, maintenance, and operation of vessels; and all other necessary, miscellaneous expenses which are not included under the above special heads, including $338,380 for salaries, $19,500 for traveling expenses, $191,000 for equipment, supplies, fuel, and light, $25,000 for relief of destitution, $25,000 for repairs of buildings, $65,000 for freight and operation and repair of vessels, $1,000 for rentals, and $2,000 for telephone and telegraph; in all, $666,880, to be immediately available and to remain available until June 30, 1938: *Provided,* That not to exceed 10 percent of the amounts appropriated for the various items in this paragraph shall be available interchangeably for expenditures on the objects included in this paragraph, but not more than 10 percent shall be added to any one item of appropriation except in cases of extraordinary emergency and then only upon the written order of the Secretary of the Interior: *Provided further,* That a report shall be made to Congress covering expenditures from the amount herein provided for relief of destitution.

The amendment was agreed to.

The next amendment was, under the subhead "Conservation of health", on page 56, after line 3, to insert:

Sioux Sanatorium and employees' quarters, South Dakota: That in addition to the $337,500 made available by the Second Deficiency Appropriation Act, fiscal year 1935, for the construction of an Indian sanatorium and employees' quarters in South Dakota, a further sum of $29,875, representing the remainder of the original appropriation of $375,000 contained in the Interior Department Appropriation Act, fiscal year 1932, and not reappropriated by the Second Deficiency Appropriation Act, fiscal year 1935, is hereby reappropriated and made available until June 30, 1937, for the construction of such sanatorium and employees' quarters.

The amendment was agreed to.

The next amendment was, on page 56, line 18, after the name "Indians", to strike out "$15,000" and insert "$20,000", so as to read.

For clinical surveys and general medical research in connection with tuberculosis, trachoma, and venereal and other disease conditions among Indians, $20,000.

The amendment was agreed to.

The next amendment was, on page 57, line 17, after the word "immediately", to insert "and to remain available until June 30, 1938", so as to read:

Medical relief in Alaska: To enable the Secretary of the Interior, in his discretion and under his direction through the Bureau of Indian Affairs, with the advice and cooperation of the Public Health Service, to provide for the medical and sanitary relief of the Eskimos, Aleuts, Indians, and other natives of Alaska; purchase, repair, rental, and equipment of hospital buildings; books and surgical apparatus; pay and necessary traveling expenses of physicians, nurses, and other employees, and all other necessary miscellaneous expenses which are not included under the above special heads, $340,000, to be available immediately and to remain available until June 30, 1938.

The amendment was agreed to.

The next amendment was, under the subhead "General support and administration", on page 57, line 22, after the word "provisions", to strike out "$2,360,000" and insert "$2,385,000, of which amount $25,000 shall be immediately available", so as to read:

For general support of Indians and administration of Indian property, including pay of employees authorized by continuing or permanent treaty provisions, $2,385,000, of which amount $25,000 shall be immediately available.

The amendment was agreed to.

The next amendment was, on page 58, line 20, after the figures "$16,000", to insert "Rocky Boy, $800; in all $16,800", so as to read:

Montana: Flathead, $16,000; Rocky Boy, $800; in all $16,800.

The amendment was agreed to.

The next amendment was, on page 58, line 22, after the name "Cherokee", to strike out "$18,000" and insert "$25,000", so as to read:

North Carolina: Cherokee, $25,000, together with the unexpended balance under this head for the fiscal year 1936.

The amendment was agreed to.

The next amendment was, on page 59, line 3, after the name "Klamath", to strike out "$55,000" and insert "$69,000, of which $4,000 shall be available only for traveling and other expenses of members of the tribal council, or representatives of the tribe engaged on business of the tribe at the seat of government, and $10,000 shall be available in a permanent revolving fund for loans to cover burial expenses of members of the tribe, and payments in liquidation of such loans shall be credited to the revolving fund and shall be available for loans for similar purposes under regulations to be prescribed by the Secretary of the Interior", so as to read:

Oregon: Klamath, $69,000, of which $4,000 shall be available only for traveling and other expenses of members of the tribal council, or representatives of the tribe engaged on business of the tribe at the seat of government, and $10,000 shall be available in a permanent revolving fund for loans to cover burial expenses of members of the tribe, and payments in liquidation of such loans shall be credited to the revolving fund and shall be available for loans for similar purposes under regulations to be prescribed by the Secretary of the Interior.

The amendment was agreed to.

The next amendment was, on page 59, line 13, after the figures "$42,500" and the semicolon, to insert "Yankton, $1,200, which amount shall be available for fees and expenses of attorneys; in all, $43,700", so as to read:

South Dakota: Cherokee River, $42,500; Yankton, $1,200, which amount shall be available for fees and expenses of attorneys; in all, $43,700.

The amendment was agreed to.

The next amendment was, on page 59, line 18, after "Taholah (Quinaielt)", to strike out "$12,500" and insert "$20,000"; in line 19, after "(Neah Bay)", to strike out "$22,500" and insert "$26,000"; in line 21, after the name "Indians", to insert "$3,500 for development of a cemetery site"; in line 22, after the figures "$2,000" and the semicolon, to insert "(Hoh), $500"; and in line 23, after the words "in all", to strike out "$38,400" and insert "$49,900", so as to read:

Washington: Puyallup, $1,000 for upkeep of the Puyallup Indian cemetery; Taholah (Quinaielt), $20,000; (Neah Bay), $26,000 ($4,000 for monthly allowances for care of old and indigent Indians, $3,500 for development of a cemetery site, and $1,000 for burial expenses); (Quileute), $2,000; (Hoh), $500; Yakima, $400; in all, $49,900.

The amendment was agreed to.

The next amendment was, on page 60, at the end of line 4, to increase the appropriation for general support and administration from $399,000 to $433,500.

The amendment was agreed to.

The next amendment was, on page 61, line 2, after the name "Chickasaw", to strike out "Creek"; in line 9, after the word "and", to strike out "$4,000" and insert "$3,000"; and in line 10, after the figures "$600", to insert "for the current fiscal year to be expended from the tribal funds of the Creek Nation", so as to read:

Expenses of tribal officers, Five Civilized Tribes, Oklahoma (tribal funds): For the current fiscal year money may be expended from the tribal funds of the Choctaw, Chickasaw, and Seminole Tribes for equalization of allotments, per capita, and other payments authorized by law to individual members of the respective tribes, salaries and contingent expenses of the governor of the Chickasaw Nation and chief of the Choctaw Nation, one mining trustee for the Choctaw and Chickasaw Nations, at salaries at the rate heretofore paid for the said governor and said chief and $3,000 for the said mining trustee, chief of the Creek Nation at $600 for the current fiscal year to be expended from the tribal funds of the Creek Nation, and one attorney each for the Choctaw and Chickasaw Tribes employed under contract approved by the President under existing law.

The amendment was agreed to.

The next amendment was, on page 61, after line 17, to insert:

For acquisition, rehabilitation, and preservation of the Tuskahoma Council House, in Pushmataha County, Choctaw Nation, Oklahoma, $7,500, or so much thereof as may be necessary, to be immediately available, payable from the fund "Fulfilling Treaties with Choctaws, Oklahoma", now to the credit of the Choctaw Indians of Oklahoma.

The amendment was agreed to.

The next amendment was, on page 62, line 17, after the name "Indian Affairs", to strike out "$50,000" and insert "$75,000", so as to read:

Expenses of tribal councils or committees thereof (tribal funds): For traveling and other expenses of members of tribal councils, business committees, or other tribal organizations, when engaged on business of the tribes, including visits to Washington, D. C., when duly authorized or approved in advance by the Commissioner of Indian Affairs, $75,000, payable from funds on deposit to the credit of the particular tribe interested.

The amendment was agreed to.

The next amendment was, on page 65, after line 2, to insert:

The Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States $105,000 of any funds on deposit to the credit of the Menominee Indians in Wisconsin (except the Menominee Log Fund), and to expend said sum, or so much thereof as may be necessary, for an immediate per-capita payment of $50 to each enrolled member of the Menominee Tribe.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Reclamation", on page 74, after line 9, to insert:

For continuation of the following projects in not to exceed the following amounts, respectively, to be expended in the same manner and for the same objects of expenditure as specified for projects included in the Interior Department Appropriation Act for the fiscal year 1937 under the caption "Bureau of Reclamation", and to be reimbursable under the reclamation law:

Gila project, Arizona, $2,500,000;
Salt River project, Arizona, $2,300,000;
Central Valley project, California, $16,000,000;
Grand Valley project, Colorado, $200,000;
Boise project, Idaho, Payette division, $1,800,000;
Boise project, Idaho, drainage, $160,000;
Carlsbad project, New Mexico, $900,000;
Deschutes project, Oregon, $450,000;
Owyhee project, Oregon, $400,000;
Grand Coulee Dam project, Washington, $20,000,000;
Columbia Basin project, Washington, economic surveys and investigations, $250,000;
Yakima project, Washington, Roza division, $2,500,000;
Provo River project, Utah, $1,750,000;
Casper-Alcova project, Wyoming, $4,000,000;
Riverton project, Wyoming, $900,000;
Shoshone project, Wyoming, Heart Mountain division, $1,000,000;
For administrative expenses on account of the above projects, including personal services and other expenses in the District of Columbia and in the field, $2,500,000; in all, $57,610,000, to be immediately available: *Provided*, That this appropriation shall be available for the employment of personal services without regard to the civil-service laws and the Classification Act of 1923, as amended: *Provided further*, That of this amount not to exceed $160,000 may be expended for personal services in the District of Columbia.

Mr. VANDENBERG. Mr. President, I should like to ask the able Senator from Arizona whether the various projects included in the amendment just stated are reclamation projects?

Mr. HAYDEN. They are.

Mr. VANDENBERG. Can the Senator tell me whether all of these projects have been authorized by acts of Congress?

Mr. HAYDEN. No; they have not all been authorized by acts of Congress. All the new ones have been established by funds allocated by the President out of the appropriations made by Congress, first of $3,300,000,000, and later of $4,800,000,000.

Mr. VANDENBERG. Mr. President, I desire to submit an observation at this point respecting this method of committing the Government and the Treasury to these enormous expenditures.

Without reference to the intrinsic merit which may or may not exist in connection with these projects it seems to me it is becoming progressively dangerous to use work-relief funds for the purpose of committing the Government to great undertakings which Congress must ultimately finance without any freedom of action in respect to a decision regarding them. What I mean is that after one of these projects is started under a work-relief allocation, it permits the obvious argument to Congress that we must not waste that which already has been spent by failing to continue the enterprise. We are always coroners at a post mortem.

This amendment apparently contains many projects which have been instituted in this fashion. In other words, the work-relief appropriation is used as a springboard from which we are flung into subsequent commitments on a vast scale. I suppose the two largest demonstrations of this iniquity, so far as processes of representative government are concerned, are not contained in this particular amendment, but shortly the War Department appropriation bill will be before us, and it will include, for example, an item for the trans-Florida canal. Without at present discussing the merits of the trans-Florida canal, the thing I am asserting is that we find a canal started by a $5,000,000 allocation from work-relief funds upon a project which has never been approved by an enabling act of Congress, and which has never had a conclusive report by the Board of Rivers and Harbors Engineers; but that $5,000,000 taken by the President out of the work-relief funds starts the undertaking, and leaves Congress with a subsequent obligation, which may amount to as much as $200,000,000 in that single instance, and without any freedom of action on the part of Congress to determine in an unprejudiced and untrammeled fashion whether it thinks the project is worth while.

The same thing could be said, of course, of the Passamaquoddy project, to which I hope to refer in a few days in greater detail.

The same vice is apparent in numerous of the projects included in the pending amendment, and I am drawing attention to the matter, not with the thought that any of the projects can be stopped—I do not know whether any of them should be stopped—I am simply referring to what I conceive to be an utterly dangerous method of committing

the Government to large and often extravagant expenditures through the agency of a comparatively small preliminary allocation from work-relief funds by Executive order.

Let us look at two or three of the projects contained in the pending amendment. The amendment includes $20,000,000 for the Grand Coulee Dam project in Washington.

Mr. HAYDEN. Mr. President, will the Senator permit an interruption?

Mr. VANDENBERG. I yield.

Mr. HAYDEN. Congress authorized the construction of the Grand Coulee project at the past session.

Mr. VANDENBERG. I fully understand that, and, as I am about to indicate, it exactly illustrates the thing I am saying. Grand Coulee did not start with that legislation, in which Congress directed action specifically to it; that is not where the undertaking found its genesis. Grand Coulee started with $15,000,000 allocated by Executive order from work-relief funds; and after it was well under way with this $15,000,000 from the first relief act, it got $20,000,000 more from the President by Executive order under the second relief act, so that we had $35,000,000 invested in the undertaking before Congress ever got a chance to decide whether it wanted to build the Grand Coulee Dam or not.

Mr. HAYDEN. Mr. President, will the Senator yield again?

Mr. VANDENBERG. I yield.

Mr. HAYDEN. I think the Senator is mistaken with respect to the second allocation, which I am quite sure was made after Congress had passed the act authorizing the construction of the dam.

Mr. VANDENBERG. Very well; I am not mistaken respecting the first allocation, am I?

Mr. HAYDEN. But a comparatively small part of the first allocation had been actually expended at the time Congress authorized the construction of the Grand Coulee Dam.

Mr. VANDENBERG. The first allocation of $15,000,000 was made before Congress ever passed upon the thing at all. I suspect there is no challenge to that.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. SCHWELLENBACH. I think the fact is that about $5,000,000 had been expended prior to the congressional authorization.

Mr. VANDENBERG. Very well; the amount of money involved is beside the point; that is only incidental to the principle involved. If it was only $5,000,000 or any other sum that was actually invested, I submit that under this method of procedure by Executive order it is impossible for Congress to have a free hand subsequently in determining whether or not it is willing to commit the Treasury to these great and costly enterprises. The taxpayer, in other words, never gets an unprejudiced day in court.

The amendment also covers the Gila project in Arizona. How did that get started? They got $75,000,000 from the President under the first relief act, and then got $2,000,000 from the President under the second relief act, and, so far as I know; it has not been validated even yet by any act of Congress; but, of course, with $77,000,000 already sunk in the undertaking, Congress cannot be expected to withdraw, and, to all intents and purposes, we are committed under our legislative responsibility to a thing which was originally undertaken on the basis and strength solely of an Executive order. This is not representative government under the American system. It is a prodigal paraphrase under which Congress can only rubber stamp a decision originally made by the Executive on his own responsibility. Mr. President, either this process stops pretty soon or we are headed for disaster.

I do not desire to labor the point. The same thing is true of practically every one of these reclamation projects in the amendment. If we are to be launched upon a great program of reclamation—and certainly the appropriations included within this particular amendment do contemplate a great reclamation program, probably the biggest single reclamation program ever embraced within two pages of legislation—it does seem to me that it is a matter of public policy which requires Congress to answer upon its legislative responsibility whether or not this is the time to launch great reclamation projects, whether or not it is logical and consistent to undertake to reclaim millions and millions of new farming acres, at tremendous expense to the Public Treasury, simultaneously with the Government retiring millions and millions of acres of farm land from production and retiring it at the expense of the Public Treasury. We go pell-mell in opposite directions simultaneously.

It seems to me this is utterly and completely and absolutely inconsistent, and it seems to me that in the orderly processes of representative government it should have been the duty and function of the Congress of the United States to determine whether any such burden should be put upon the empty Treasury of the United States. We should not be operating under a system which transfers the primary responsibility of these decisions to the President of the United States, acting through Executive order. The Constitution holds Congress responsible for the public purse. We drift far from these moorings.

I am not at all questioning the good faith of the Executive in these respects. I assume that he has acted in good faith. I am questioning only the method involved, and I am suggesting that, except as we rather promptly change the method, we may be leading ourselves into an exceedingly serious jeopardy.

Mr. President, this particular contemplation is no better illustrated in any way I know of than by the President's veto message a few days ago of the seed loan and crop-production loan appropriation made by Congress. I had supposed that that veto was to come to the floor of the Senate today, and I have wanted to discuss it briefly because of what I believe to be its bearing upon the big tax bill which is in the offing, and inasmuch as the philosophy of action involved in the President's veto of the seed- and crop-loan appropriation is precisely the philosophy of action to which I am taking exception in respect to these amendments, I want to take the liberty of saying to the Senate what I have contemplated saying in respect to the Presidential veto. It is all a commonly related subject. It involves the precise challenge which I have been discussing.

The President asserts that seed and crop-production loans continue to be essential, and that they will continue to be made, but that they will be made out of his Presidential reservoirs, and that they should not be made by Congress in the regular and traditional routine. Then he indicates that if these loans shall be made by him no new revenues are required, but if made by Congress we must also produce new taxes to pay the new bills.

This is the most candid expression I have yet seen of the strange and often amazing notion that unchecked power may safely flow into the hands of the Executive, and that untaxed expenditures may safely flow out of the hands of the Executive, whereas comparable power and expenditure through legislative authority is the open door to disaster and bankruptcy. Both things cannot be true. The probabilities are that neither is true.

First, this raises the issue of legislative appropriations versus executive allocations. It is the basic issue of government by legislative action versus government by executive decree. We have been progressively drifting in the latter direction, the climax being the new and recent farm bill which permits an unelected bureaucrat to do what he pleases with $500,000,000 and with American agriculture, and to do it as he pleases, if he pleases, when he pleases, and how he pleases. Precisely the same proposition is exemplified by his veto, which demonstrates how an initial surrender of the legislative prerogative ultimately leaves Congress in a situation where, in logic, it is powerless not to continue its surrender.

In the beginning we give the President an enormous blanket appropriation without any semblance of real limitations. He can do just about whatever suits his fancy with it. Nobody, promoting the arrangement, least of all the executive, suggests that we must put into the Treasury a sum comparable with that which we thus take out and put in his hands to spend as he pleases. There seems to be some-

thing about this sort of an appropriation which, when it comes from the White House, promptly sheds any necessity for taxes which otherwise must be raised to pay any bill which Congress happens to incur.

This big, blanket appropriation—or rather a series of three of them—sufficiently exhausts the public credit so that the President may subsequently protest, as in the present instance, that we must leave to him and to his discretion any subsequent details which congressional wisdom may approve. He may do things—and that is what the message says—he may do things that are foreclosed to us. The tragic part about it is that he is right, the tragedy being that Congress should make the initial mistake of thus delegating its powers and thus circumscribing its own subsequent liberty of action. This formula, in its lengthened shadow, leads straight to a type of concentrated Executive power which I dislike either to contemplate or to characterize. To say the least, it is not the American system.

This comes straight to the second untoward implication—namely, that the President's executive emergency funds may be used to suit his discretion, without tax compensation, whereas congressional expenditures represent bills that must be concurrently paid. I think he is right in the latter attitude, but wrong in the former. I think, with great respect, that it is a species of expedient sophistry. There is nothing about these gigantic lump-sum emergency appropriations, out of which these great projects in the pending amendment were originally born—there is nothing about those gigantic lump-sum emergency appropriations, so-called, which immunizes them against sound rules of Budget-balancing finance. There is nothing about Christmas which makes its bills any less real than those obligated upon other less benevolent days. In the present typical instance, seed and crop-production loans are no less a burden on the taxpayer because the President spends the money than they would be if Congress spent the money. Yet the veto message invites us to dream otherwise. It is just such dreams as these which put the public credit in jeopardy.

So far as this immediate veto is concerned, if it were an isolated issue apart from any related considerations, I think the Senate would be clearly justified in overriding it and asserting its refusal to sanction these fictitious distinctions. I can fully understand the attitude of any Senator who takes this view. Personally, I should like a clean-cut opportunity thus to register my own dissent from what I believe to be our major folly for the past 3 years.

But, for myself, I cannot treat it as an isolated issue. I cannot separate it from the sum-total of our related problems which will come to a sharp reckoning in a few days with another enormous tax measure. Since I do not believe in an expedient double-budget system under which you smugly balance one by omitting from it any bill you cannot pay, and then leave the other at loose ends; since I do not believe in either executive or legislative expenditures without a definitive plan to produce compensating revenues; since I believe the President is right in that portion of his message defining our legislative duty, even though wrong in declining a kindred rule for himself; I shall vote reluctantly to sustain the veto.

The farmers will get their loans either way; but if we follow the veto, the farmers will get their loans out of the Presidential grab bag. Thus at least Congress will escape the justified Presidential condemnation for spending without taxing in this particular and comparatively inconsequential instance. Thus, too, the taxpayer will be saved a duplication of this burden. But the President will still be spending without taxing; and, in the larger sense, Congress will still be responsible for the original, blanket delegation of power and purse to the Executive, the larger, original offense still paradoxically continuing to enjoy the Presidential benediction. A second wrong, however, would not validate the first one; and, since I opposed the first, I must oppose the second.

If we have learned anything from this experience, it will not be a total loss. The opportunity to profit from the lesson, at any rate, will shortly be at hand. We are to be asked to vote new taxes covering expenditures growing out of recent legislative actions, such as the soldiers' bonus and the new farm bill, but we still hear nothing about taxes to cover expenditures which continue to flow from Executive allocations. One Budget, which includes whatever the Executive wishes it to include, must be balanced. The other Budget continues "to float through the air with the greatest of ease, like the daring young man on the flying trapeze." Whether or not both could be immediately balanced is frankly a matter of doubt; but it is my position that one field of spending cannot be separated from the other so far as the effect upon the public credit is concerned, and, therefore, that the problem must be considered as a whole. A tax dollar is a tax dollar, no matter who spends it or what for. It is paid no less in the sweat of man's brow because it is routed through the White House for an alleged altruistic aim.

If rational and courageous economy which eliminates waste, extravagance, doubtful experimentation, delegated authority, and political exploitation shall cut the sum total of all our Budgets to the irreducible minimum, I think the American people are prepared to pay whatever it costs to recapture a sound public credit; and I am prepared to tax accordingly. But I earnestly submit that in connection with any new tax program we owe it to the people and to our own responsibilities, first, to know all the Executive expects to ask of us this year, including the new relief appropriation, which, according to the present plan, apparently will not be disclosed until after we shall have gone through the idle form of intermittently "balancing a budget" which shortly thereafter is again to be thrown out of balance.

I submit that, preliminary to any such new tax assessment, Congress should require the return to its jurisdiction of the unexpended balances of all the stupendous funds already resting in Executive hands for disbursement solely on the basis of Executive discretion. I submit that only in this fashion may we face our problem as a whole and intelligently determine whether a redistribution of existing resources and a retrenchment in existing programs could, on the one hand, eliminate some of the need for new revenues, or, on the other hand, buy a more complete solvency for the public credit in return for the sacrifices which we are told we must demand of our people.

Mr. President, what I have been saying about the tax bill and the veto is, I repeat, in conclusion, beautifully exemplified by the pending amendment, because the amendment includes commitments which the Congress never had an original opportunity to pass upon at all; it includes commitments of a far-reaching and tremendous investment value which Congress only in a secondary opportunity has ever had a chance to survey at all.

It is this precise method of appropriation against which I protest—a method of appropriation which in reality takes from Congress the appropriating power and lodges it almost exclusively in the hands of the Executive. When you take from Congress the power over the purse and lodge it in the hands of the Executive, I care not how nobly meditated your purpose and action may have been at the moment, you have launched the formula for dictatorship upon our country.

The PRESIDING OFFICER (Mr. MOORE in the chair). The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, on page 76, line 9, after the name "District of Columbia", to insert "(not to exceed $25,000)", so as to read:

Boulder Canyon project: For the continuation of construction of the Boulder Canyon Dam and incidental works in the main stream of the Colorado River at Black Canyon, to create a storage reservoir, and of a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from such reservoir; to acquire by proceedings in eminent domain or otherwise, all lands, rights-of-way, and other property necessary for such purposes; and for incidental operations, as authorized by the Boulder Canyon Project Act, approved December 21, 1928 (U. S. C., title 43, ch. 12A); $9,600,000, to be immediately

available and to remain available until advanced to the Colorado River Dam fund, which amount shall be available for personal services in the District of Columbia (not to exceed $25,000) and in the field without regard to the civil-service laws and the Classification Act of 1923, as amended, and for all other objects of expenditure that are specified for projects included in the Interior Department Appropriation Act for the fiscal year 1937, under the caption "Bureau of Reclamation."

The amendment was agreed to.

The next amendment was, on page 77, line 4, after the figures "$6,500,000", to insert "which amount shall be available for personal services in the District of Columbia (not to exceed $15,000) and in the field without regard to the civil-service laws and the Classification Act of 1923, as amended", so as to read:

Boulder Canyon project (All-American Canal): For continuation of construction of a diversion dam, and main canal (and appurtenant structures) located entirely within the United States connecting the diversion dam with the Imperial and Coachella Valleys in California; to acquire by proceedings in eminent domain, or otherwise, all lands, rights-of-way, and other property necessary for such purposes; and for incidental operations, as authorized by the Boulder Canyon Project Act, approved December 21, 1928 (U. S. C., title 43, ch. 12A); to be immediately available and to remain available until advanced to the Colorado River Dam fund, $6,500,000, which amount shall be available for personal services in the District of Columbia (not to exceed $15,000) and in the field without regard to the civil-service laws and the Classification Act of 1923, as amended, and for all other objects of expenditure that are specified for projects included in the Interior Department Appropriation Act for the fiscal year 1937 under the caption "Bureau of Reclamation."

The amendment was agreed to.

The next amendment was, on page 77, line 19, after the name "District of Columbia", to change the appropriation for salaries for the Director of the Geological Survey and other personal services in the District of Columbia, from $128,060 to $150,000.

The amendment was agreed to.

The next amendment was, under the subhead "General expenses", on page 78, line 17, after the name "United States", to strike out "$440,000" and insert "$650,000"; in line 18, after the word "exceed", to strike out "$175,000" and insert "$250,000"; and, on page 79, line 4, after the word "municipalities", to insert a colon and the following proviso: "*Provided*, That the Secretary of the Interior shall submit to Congress at the next session a program for expediting the topographic mapping of the United States in an economical manner within a period of years and the estimated total and annual cost thereof both in the field and in the District of Columbia", so as to read:

Topographic surveys: For topographic surveys in various portions of the United States, $650,000, of which amount not to exceed $250,000 may be expended for personal services in the District of Columbia: *Provided*, That no part of this appropriation shall be expended in cooperation with States or municipalities except upon the basis of the State or municipality bearing all of the expense incident thereto in excess of such an amount as is necessary for the Geological Survey to perform its share of standard topographic surveys, such share of the Geological Survey in no case exceeding 50 percent of the cost of the survey: *Provided further*, That $217,000 of this amount shall be available only for such cooperation with States or municipalities: *Provided*, That the Secretary of the Interior shall submit to Congress at the next session a program for expediting the topographic mapping of the United States in an economical manner within a period of years and the estimated total and annual cost thereof both in the field and in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 79, line 12, after the word "thereto", to strike out "$488,000" and insert "$500,000"; in line 13, after the word "exceed", to strike out "$300,000" and insert "$315,000"; and in line 15, after the word "That", to strike out "not less than" and insert "so much as may be necessary but not to exceed", so as to read:

Geologic surveys: For geologic surveys in the various portions of the United States and chemical and physical researches relative thereto, $500,000, of which not to exceed $315,000 may be expended for personal services in the District of Columbia: *Provided*, That so much as may be necessary but not to exceed $10,000 of this appropriation shall be available for a survey of the occurrence and uses of granite in the Northeastern States.

The amendment was agreed to.

The next amendment was, on page 79, line 20, after the name "Alaska", to strike out "$60,000" and insert "$70,000"; and in line 22, after the word "exceed", to strike out "$20,000" and insert "$34,000", so as to read:

Mineral resources of Alaska: For continuation of the investigation of the mineral resources of Alaska, $70,000, to be available immediately, of which amount not to exceed $34,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 80, line 3, after the word "resources", to strike out "$660,000" and insert "$791,317"; and in line 13, after the word "That", to strike out "$458,000" and insert "$589,317", so as to read:

Gaging streams: For gaging streams and determining the water supply of the United States, the investigation of underground currents and artesian wells, and the preparation of reports upon the best methods of utilizing the water resources, $791,317, of which amount not to exceed $130,000 may be expended for personal services in the District of Columbia: *Provided*, That no part of this appropriation shall be expended in cooperation with States or municipalities except upon the basis of the State or municipality bearing all of the expense incident thereto in excess of such an amount as is necessary for the Geological Survey to perform its share of general water resource investigations, such share of the Geological Survey in no case exceeding 50 percent of the cost of the investigation: *Provided further*, That $589,317 of this amount shall be available only for such cooperation with States or municipalities.

The amendment was agreed to.

The next amendment was, on page 81, line 17, after the word "thereto", to strike out "$225,000" and insert "$315,000"; in line 18, after the word "amount", to insert "$30,000 shall be immediately available and"; and in line 19, after the word "exceed", to strike out "$56,000" and insert "$120,000", so as to read:

Mineral leasing: For the enforcement of the provisions of the acts of October 20, 1914 (U. S. C., title 48, sec. 435), October 2, 1917 (U. S. C., title 30, sec. 141), February 25, 1920 (U. S. C., title 30, sec. 181), as amended, and March 4, 1921 (U. S. C., title 48, sec. 444), and other acts relating to the mining and recovery of minerals on Indian and public lands and naval petroleum reserves; and for every other expense incident thereto, including supplies, equipment, expenses of travel and subsistence, the construction, maintenance, and repair of necessary camp buildings and appurtenances thereto $315,000, of which amount $30,000 shall be immediately available and not to exceed $120,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 84, line 6, to change the total appropriation for the United States Geological Survey from $2,352,560 to $2,827,817.

The amendment was agreed to.

The next amendment was, on page 85, line 24, after the name "District of Columbia", to change the appropriation for operating mine rescue cars and stations and investigation of mine accidents, under the Bureau of Mines, from $583,215 to $609,365.

The amendment was agreed to.

The next amendment was, on page 86, line 14, before the word "of", to strike out "$165,400" and insert "$185,400", so as to read:

Testing fuel: To conduct inquiries and scientific and technologic investigations concerning the mining, preparation, treatment, and use of mineral fuels, and for investigation of mineral fuels belonging to or for the use of the United States, with a view to their most efficient utilization; to recommend to various departments such changes in selection and use of fuel as may result in greater economy, and upon request of the Director of the Bureau of the Budget, to investigate the fuel-burning equipment in use by or proposed for any of the departments, establishments, or institutions of the United States in the District of Columbia, $185,400, of which amount not to exceed $29,400 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 88, line 1, after the word "aprons", to strike out "$250,366" and insert "$265,866", so as to read:

Oil and gas investigations: For inquiries and investigations and dissemination of information concerning the mining, preparation, treatment, and utilization of petroleum and natural gas, including economic conditions affecting the industry, with a view to economic development and conserving resources through the prevention of waste; for the purchase of newspapers relating to the oil, gas, and allied industries: *Provided*, That section 192 of the Revised Statutes (U. S. C., title 5, sec. 102) shall not apply to such purchase of newspapers from this appropria-

tion; and for every other expense incident thereto, including supplies, equipment, expenses of travel and subsistence, purchase, not to exceed $6,000, exchange as part payment for, maintenance, and operation of motor-propelled passenger-carrying vehicles for official use in field work, purchase of laboratory gloves, goggles, rubber boots, and aprons, $265,866, of which amount not to exceed $22,600 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 89, line 23, after the word "foregoing", to strike out "$300,490" and insert "$339,990", and in line 24, before the word "may", to strike out "$220,000" and insert "$255,700"; so as to read:

Economics of mineral industries: For inquiries and investigations, and the dissemination of information concerning the economic problems of the mining, quarrying, metallurgical, and other mineral industries, with a view to assuring ample supplies and efficient distribution of the mineral products of the mines and quarries, including studies and reports relating to uses, reserves, production, distribution, stocks, consumption, prices, and marketing of mineral commodities and primary products thereof; preparation of the reports of the mineral resources of the United States, including special statistical inquiries; and including personal services in the District of Columbia and elsewhere; purchase of furniture and equipment; stationery and supplies; typewriting, adding and computing machines, accessories and repairs; newspapers; traveling expenses; purchase, not exceeding $1,200, exchange as part payment for, operation, maintenance, and repair of motor-propelled passenger-carrying vehicles for official use in field work; and for all other necessary expenses not included in the foregoing, $339,990, of which amount not to exceed $255,700 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 90, line 23, after the figures "1934", to strike out the colon and the following additional proviso: *"Provided further,* That for the treatment of disease the Bureau of Mines may sell helium at not less than cost to hospitals and members of the medical profession, subject to the approval of the United States Public Health Service", so as to read:

Gas production for helium plants: For production of natural gas for helium plants, including construction, repair, maintenance, and operation of wells, pipe lines, and other facilities therefor, and including purchase, not to exceed $750, and exchange as part payment for, maintenance, operation, and repair of motor-propelled passenger-carrying vehicles for official use in field work, $9,179: *Provided,* That expenditures hereunder shall not exceed the aggregate receipts covered into the Treasury in accordance with section 4 of the Permanent Appropriation Repeal Act, 1934.

The amendment was agreed to.

The next amendment was, on page 91, after line 2, to insert:

Repair of gas well: For repair of the Bush A–1 gas well, helium properties, Bureau of Mines, near Amarillo, Tex., $20,000.

The amendment was agreed to.

The next amendment was, on page 93, line 14, to change the total appropriation for the Bureau of Mines from $1,992,050 to $2,113,200.

The amendment was agreed to.

The next amendment was, under the heading "National Park Service", on page 99, line 23, before the word "Shenandoah", to strike out "proposed", and on page 100, line 4, after the figures "$39,800", to strike out the colon and the following proviso: *"Provided,* That no part of this appropriation shall be available for expenditure in advance of the acceptance on behalf of the United States of title to a minimum area of 160,000 acres of land within the proposed Shenandoah National Park, as prescribed in the act approved February 4, 1932 (U. S. C., title 16, sec. 403b)", so as to read:

Shenandoah National Park, Va.: For administration, protection, and maintenance, including not exceeding $2,000 for the purchase, maintenance, operation, and repair of motor-driven passenger-carrying vehicles for the use of the superintendent and employees in connection with general park work, $39,800.

The amendment was agreed to.

The next amendment was, on page 102, after line 7, to insert:

Appomattox Court House National Historical Monument, Va.: For development and improvement in accordance with the provisions of the act approved August 13, 1935 (49 Stat. 613), to remain available until expended, $100,000: *Provided,* That no part of this appropriation shall be available for expenditure until title to the land is acquired by the United States.

The amendment was agreed to.

The next amendment was, on page 104, after line 21, to insert:

Appropriations herein made for the Department of the Interior shall be available for the purchase, maintenance, operation, and repair of vehicles generally known as quarter-ton or half-ton pick-up trucks without such trucks being considered as passenger-carrying vehicles and without the cost of purchase, maintenance, operation, and repair being included in the limitation in the various appropriation items for the purchase, maintenance, operation, and repair of motor-driven passenger-carrying vehicles.

The amendment was agreed to.

The next amendment was, on page 109, at the end of line 4, to change the appropriation for the Commissioner of Education and other personal services in the District of Columbia, under the Office of Education, from $261,180 to $262,980.

The amendment was agreed to.

The next amendment was, under the subhead "General expenses", on page 109, line 17, to strike out "$17,700" and insert "$20,000", so as to read:

For necessary traveling expenses of the Commissioner and employees acting under his direction, including attendance at meetings of educational associations, societies, and other organizations; for compensation, not to exceed $500, of employees in field service; for purchase, distribution, and exchange of educational documents, motion-picture films, and lantern slides; collection, exchange, and cataloging of educational apparatus and appliances, articles of school furniture and models of school buildings illustrative of foreign and domestic systems and methods of education, and repairing the same; and other expenses not herein provided for, $20,000.

The amendment was agreed to.

The next amendment was, under the heading "St. Elizabeths Hospital", on page 122, line 25, after the word "requisition", to strike out "by the disbursing agent of St. Elizabeths Hospital," so as to read:

For support, clothing, and treatment in St. Elizabeths Hospital for the Insane of insane persons from the Army, Navy, Marine Corps, and Coast Guard, insane inmates of the National Home for Disabled Volunter Soldiers, persons charged with or convicted of crimes against the United States who are insane, all persons who have become insane since their entry into the military and naval service of the United States, insane civilians in the quartermaster service of the Army, insane persons transferred from the Canal Zone who have been admitted to the hospital and who are indigent, American citizens legally adjudged insane in the Dominion of Canada whose legal residence in one of the States, Territories, or the District of Columbia it has been impossible to establish, insane beneficiaries of the United States Employees' Compensation, insane beneficiaries of the United States Veterans' Administration, and insane Indian beneficiaries of the Bureau of Indian Affairs, including not exceeding $27,000 for the purchase, exchange, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles for the use of the superintendent, purchasing agent, and general hospital business, and including not to exceed $185,000 for repairs and improvements to buildings and grounds, $1,185,840, including maintenance and operation of necessary facilities for feeding employees and others (at not less than cost), and the proceeds therefrom shall reimburse the appropriation for the institution; and not exceeding $1,500 of this sum may be expended in the removal of patients to their friends; not exceeding $1,500 in the purchase of such books, periodicals, and newspapers as may be required for the purposes of the hospital and for the medical library, and not exceeding $1,500 for the actual and necessary expenses incurred in the apprehension and return to the hospital of escaped patients: *Provided,* That so much of this sum as may be required shall be available for all necessary expenses in ascertaining the residence of inmates who are not or who cease to be properly chargeable to Federal maintenance in the institution and in returning them to such places of residence: *Provided further,* That no part of this appropriation shall be expended for the purchase of oleomargarine or butter substitutes except for cooking purposes: *Provided further,* That during the fiscal year 1937 the District of Columbia, or any branch of the Government requiring St. Elizabeths Hospital to care for patients for which they are responsible shall pay by check to the Superintendent, upon his written request, either in advance or at the end of each month, all or part of the estimated or actual cost of such maintenance, as the case may be, and bills rendered by the Superintendent of St. Elizabeths Hospital in accordance herewith shall not be subject to audit or certification in advance of payment; proper adjustments on the basis of the actual cost of the care of patients paid for in advance shall be made monthly or quarterly, as may be agreed upon between the Superintendent of St. Elizabeths Hospital and the District of Columbia government, department, or establishments concerned. All sums paid to the Superintendent of St. Elizabeths Hospital for the care of patients that he is authorized by law to receive shall be deposited to the credit on the books of the Treasury Department of the appropriation made for the care and maintenance of the patients at St. Elizabeths Hospital for the year in which the

support, clothing, and treatment is provided, and be subject to requisition upon the approval of the Secretary of the Interior.

The amendment was agreed to.

The next amendment was, on page 123, line 1, after the word "of", to strike out "a continuous-treatment building" and insert "two continuous-treatment buildings", and in line 4, after the word "construction", to strike out "$250,000" and insert "$500,000", so as to read:

For construction and equipment of two continuous-treatment buildings, including preparation of plans and specifications, advertising, and supervision of construction, $500,000.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. HAYDEN. Mr. President, by direction of the Committee on Appropriations I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 74, after line 9, it is proposed to insert the following:

The following-named reclamation projects are hereby authorized to be constructed, the cost thereof to be reimbursable under the reclamation law:

Central Valley project, Calif.: For flood control improving and in aid of navigation and to provide for the general welfare in cooperation with the State of California and for incidental purposes, including irrigation, drainage, and power production.

Grand Lake-Big Thompson transmountain diversion project Colo.: To irrigate public lands of the United States and to provide for the general welfare in cooperation with the State of Colorado and for incidental purposes, including the irrigation of patented land, power production, and flood control: *Provided*, That said project shall include the construction, and the permanent maintenance, of adequate compensatory or replacement reservoirs, necessary feeder canals, and other incidental works, at the most suitable sites within said State; the water impounded by said reservoirs to be used within the Colorado River basin, and the cost of constructing and maintaining such reservoirs, feeder canals, and incidental works shall be included in the cost of said project and be repaid by the beneficiaries of the water so diverted from said basin: *Provided further*, That said project shall be constructed and operated in such manner as to continuously maintain the normal levels of the waters of said Grand Lake.

Carlsbad project, N. Mex.: To provide for the general welfare in cooperation with the State of New Mexico and for incidental purposes, including irrigation and flood control.

Deschutes project, Oreg.: To provide for the general welfare in cooperation with the State of Oregon and for incidental purposes, including irrigation and flood control.

Provo River project, Utah: To provide for the general welfare in cooperation with the State of Utah and for incidental purposes, including irrigation and flood control.

Yakima project, Wash., Roza division: To provide for the general welfare in cooperation with the State of Washington and for incidental purposes, including irrigation and flood control.

Casper-Alcova project, Wyo.: To irrigate public lands of the United States and to provide for the general welfare in cooperation with the State of Wyoming and for incidental purposes, including the irrigation of patented lands, power production, and flood control.

Mr. HAYDEN. Mr. President, the appropriations carried in this bill for continuing the construction of a number of irrigation projects are the first appropriations made by Congress for such purpose; the projects have been initiated, as the Senator from Michigan [Mr. VANDENBERG] has said, by the President.

The Committee on Appropriations decided that the right and proper thing to do was not only to make an appropriation to continue the work for the next fiscal year but that Congress should affirmatively authorize the construction of such of these projects as have heretofore not received congressional approval. I made inquiry of the Commissioner of Reclamation, and the projects in the amendment I have offered are those for the construction of which there has heretofore been no affirmative action or authority of law.

I deem it proper to make this explanation so that the Senate may pass upon the entire question and answer the objection the Senator from Michigan has raised that Congress has abdicated its authority with respect to such projects.

Mr. GEORGE. Mr. President, I should like to ask the Senator from Arizona a question.

Mr. HAYDEN. I yield.

Mr. GEORGE. Are these initial appropriations or will the appropriations complete these projects?

Mr. HAYDEN. The appropriations contained in this bill will not complete all of the projects. The projects were initiated under authority granted the President by the National Industry Recovery Act and the Emergency Relief Act.

Mr. GEORGE. The Senator means under the Relief Act—the Public Works Act?

Mr. HAYDEN. Primarily under the Public Works Act.

Mr. GEORGE. Yes. May I say to the Senator that in my candid judgment the provisions of the amendment not only do not cure the situation of the very vital defects that have been so pertinently pointed out by the Senator from Michigan but they emphasize them, for we are now, as I understand, ratifying by wholesale a number of projects that have been passed on only by the Appropriations Committee of the Senate.

Mr. HAYDEN. Mr. President, the Senator from Georgia misunderstands the situation. The President in his annual Budget message estimated for all of these reclamation projects.

Mr. GEORGE. I understand that the President did that, and he initiated the projects under the public-works program.

Mr. HAYDEN. There is a difference, if I may point it out to the Senator, in the situation in this respect: Heretofore the money to begin work on these projects and to carry them on has been derived from public-works funds. Now, for the first time, Congress is to appropriate money to continue their construction, which was initiated with public-works funds. It seemed to the committee that in the circumstances Congress should either authorize them by law and make the appropriations or not make any appropriations at all. So we are trying to do all that is required at one time and make it entirely regular.

Mr. GEORGE. Yes, by ratification; but the point that the Senator from Michigan made—and I beg my colleagues to give some heed to it—is that through the power to initiate a long-term program, which ordinarily and properly is a matter of congressional discretion and judgment, these projects have been commenced out of relief funds, and now the Congress proposes to ratify a whole page or two of reclamation projects after they have been commenced and to make additional appropriations for them.

I do not think the amendment cures; it seems to me it emphasizes the very vital defect in this whole procedure that has been pointed out by the Senator from Michigan, and it is a practice that cannot result in any possible good to representative government, because, beyond any question of doubt, it is a placing of the legislative function into the hands of the Executive.

I wish to say that, so far as I know, as the Senator from Michigan has said, the projects are proper; they probably are all meritorious; but I cannot grasp the idea of tying the hands of the Congress by initial allocations of money for vast programs that always come within the discretion of the Congress itself, and then coming back to Congress and having it go through the form of ratifying two pages of reclamation projects without having given any further consideration to the matter than the necessity of ratifying it in order to make it regular.

Mr. COUZENS. Mr. President, may I ask the Senator from Arizona what information the Appropriations Committee had with respect to the Grand Coulee Dam in Washington? I do not ask the Senator for a detailed explanation at this time, but I should like to know if he could refer me to any evidence that sustains an appropriation of $20,000,000 in addition to what has already been spent on that dam?

Mr. HAYDEN. The construction of the Grand Coulee Dam was authorized by Congress last year. There is authority of law to carry on the work. The authorization contemplates only a dam for the production of hydroelectric power. The original authorization and the appropriation in this bill are to carry on that work, the total cost of which will be $69,000,000. Heretofore an allotment was made by the President of $15,000,000, and later a second allotment of $20,000,000 from the Public Works funds, Congress is now to appropriate $20,000,000 more. The project will require

next year enough money to finish out the total expenditure of $69,000,000. That is all the Grand Coulee program contemplates.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, the Senator from Michigan [Mr. VANDENBERG] made reference to the fact that there is a general impression that the production of crops on Government reclamation projects is undesirable because of competition with crops grown elsewhere in the United States. I should like to have printed in the RECORD excerpts from reports made by F. E. Schmitt, editor of the Engineering News-Record, of New York City, and Mr. John W. Haw, director of the agricultural development department of the Northern Pacific Railway Co., who were appointed by the Secretary of the Interior to make investigation of reclamation projects throughout the United States. Their report contains these words:

> We have found no reason for believing that reclamation aggravates the overproduction conditions now in process of correction by the agricultural adjustment program.

I ask permission to print in the RECORD the excerpts from the report to which I have referred.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

RESULTS OF RECLAMATION

Any comparison of the West of today with that of 30 years ago, giving due consideration to how the West has been made a component part of the Nation's industrial and commercial life through the direct and indirect influence of reclamation, confirms the wisdom of the principle of public interest laid down by Congress in the Reclamation Act.

The prosperity of a domain more than a thousand miles in breadth, stretching from the Great Plains westward to the Sierras, came about because of the extension of irrigation, largely during the past 4 decades. Since 1902 this growth has been dominated and inspired by Federal reclamation. Without the spread of population through the deserts and the production of wealth which resulted from it, balanced growth of the Nation as a whole could not have been achieved. In broadening the base of the country's food supply, in strengthening its industry and transportation, in extending its home opportunities, reclamation has been a fundamental agency of public welfare.

To state the bearing of irrigation development on the Nation more specifically:

In respect to spread of population: Reclamation created many thousands of new farm opportunities, and, in addition, rescued from threat of distress other thousands of farmers and their investment under canals that delivered inadequate and undependable water supplies. Through them it gave opportunities for existence to the yet larger number of those who supply the needs of the farms and transport and process their products; each irrigation farmer supports, besides his own, also from one to two other families in the towns and in the agricultural industries.

In the matter of food supply: The reclamation projects furnish the major part of the supply of staples to the intermountain and coast cities, whose growth depends on supplies near at hand and low in price. They contribute substantially to the specialty-food requirements of the whole country. They constitute the essential supply sources of lumbering and mining and livestock industries in adjacent regions.

As to stimulation of industry and commerce: The reclamation projects create new markets for manufactures, in a volume approaching or exceeding three-fourths of the crop production of the projects. They also are buyers and consumers of agricultural products which they cannot grow effectively and must obtain from other regions, such as corn and hogs. They also are the secure foundation on which alone the industrial possibilities of the West can be built up.

Further, they are the essential means through which readjustment of agriculture and population becomes possible. When the dryiander is forced to abandon the insecure existence upon which he ventured in mistaken enthusiasm, he seeks to discover a place where his farm existence will be reasonably secure; without the irrigated projects many farmers driven out by drought and crop failure would be compelled to turn back to the industrial cities; and the younger generations from existing irrigated areas also demand places where they may settle—and every sound reason of population distribution dictates that they should remain in the West. Reclamation has provided the means for these adjustments; it should continue to do so.

Finally, contributions of value have been made by the projects to healthy civic development. Reclamation has sprinkled the western third of our country with flourishing communities. It makes possible the existence of cities that are centers of cultural progress in broad regions. It supports and maintains the political subdivisions that are the foundation of stable government of State and Nation, and thus it knits together this otherwise geographically divided country. Reclamation further binds the Nation together by providing through its projects the piers on which modern transportation and communication bridge the western country; the produce of reclamation pays toll to rail and highway carriers and helps to reduce the costs of transport as a whole.

The aggregate of these values is not readily translated into a dollar equivalent. A few items, such as railroad-traffic gains, town-valuation increases, or addition to volume of trade in manufactured products, might be found amenable to rough estimate, but they are only part (and possibly the minor part) of reclamation's beneficial influence. In any case the social-improvement effects must be accorded a prominent place among the gains realized. In these the State and the Nation are chiefly concerned.

* * * * * * *

RECLAMATION VERSUS FARM CURTAILMENT

Much discussion has centered during the past 2 years on the relation between agricultural land improvement under reclamation and agricultural curtailment. The connection between overproduction of certain staples and their low price level has caused many people to see in the activities of the Agricultural Adjustment Administration an unanswerable challenge to continued reclamation.

Current reclamation work is very largely occupied with providing needed supplemental water to farm communities that are in distress and danger of extinction because of insufficient water supply. This work does not bring new land into cultivation; and, while its purpose is to increase (or, more strictly stated, stabilize) the production on the areas involved, the committee does not believe it necessary to discuss whether it is wise to allow these communities to languish under excessively severe physical conditions while other farmers are paid to produce their too-flourishing production. The only challenge that need be noticed is that directed against such projects as the Casper-Alcova, which are planned to irrigate new lands.

Reclamation lands are used mainly for the production of specialty crops; these are not involved in overproduction. Of the staples affected by curtailment or quota assignments, the amounts produced on the reclamation projects are insufficient even for local supply, with the exception of cotton and sugar. Moreover (and this is probably true even of sugar and cotton), the increase of consumptive demand in the West directly chargeable to reclamation development is more than enough to absorb their production.

An appended chart, figure 34, showing the contribution of farm products by reclamation projects, reveals the fact that project production has a negligible relation to both total and surplus farm production. Its chief addition is to those livestock feeds and human foodstuffs in which there is room for expansion to meet real needs.

Also the project production develops a substantial agricultural exchange trade between the Grain Belt and the West, which enlarges the market of the humid farm regions. Beet sugar exhibits this relation instructively. The United States is a large importer of sugar, and it is frequently said that as we replace Cuban sugar imports with our own production we destroy the trade balance which permits Cuba to buy our pork. The fact is that irrigation projects engaged in sugar-beet production with their supporting communities are heavier and more certain importers of hogs and pork products. Central California and southern Idaho, heavy beet-growing sections, are large pork importers. Reduced to simple language, the Corn and Hog Belt has the choice between a pork customer in Cuba or one in the Western States. This is but part of the story, however, for sugar-beet growing in this country brings a cycle of industrial, commercial, and transportation activities that produce wide domestic benefits and add to buying power.

INCREASED AGRICULTURAL COMPETITION

A secondary phase of the overproduction argument advanced against agriculture is the charge that, even though a given crop be not classed as overproduced, the existing producers are exposed to increased competition when the reclamation farmer raises the same crop, and their chance for profitable operation is therefore threatened. Consideration of actual facts indicates that the charge is groundless, as the assumed competition does not in fact exist. Idaho potatoes supply the market with a high-grade baking potato independent of that of the quite different eastern or mid-West potato; and, more broadly, the irrigation farmer is compelled to time his production so as to supply the eastern market when nearby areas are out of the market. There may be a temporary clash of interests while the adjustment is being made, but it is relatively unimportant. From the consumers' standpoint irrigation is advantageous in providing a welcome year-round supply of vegetables, fruits, and berries.

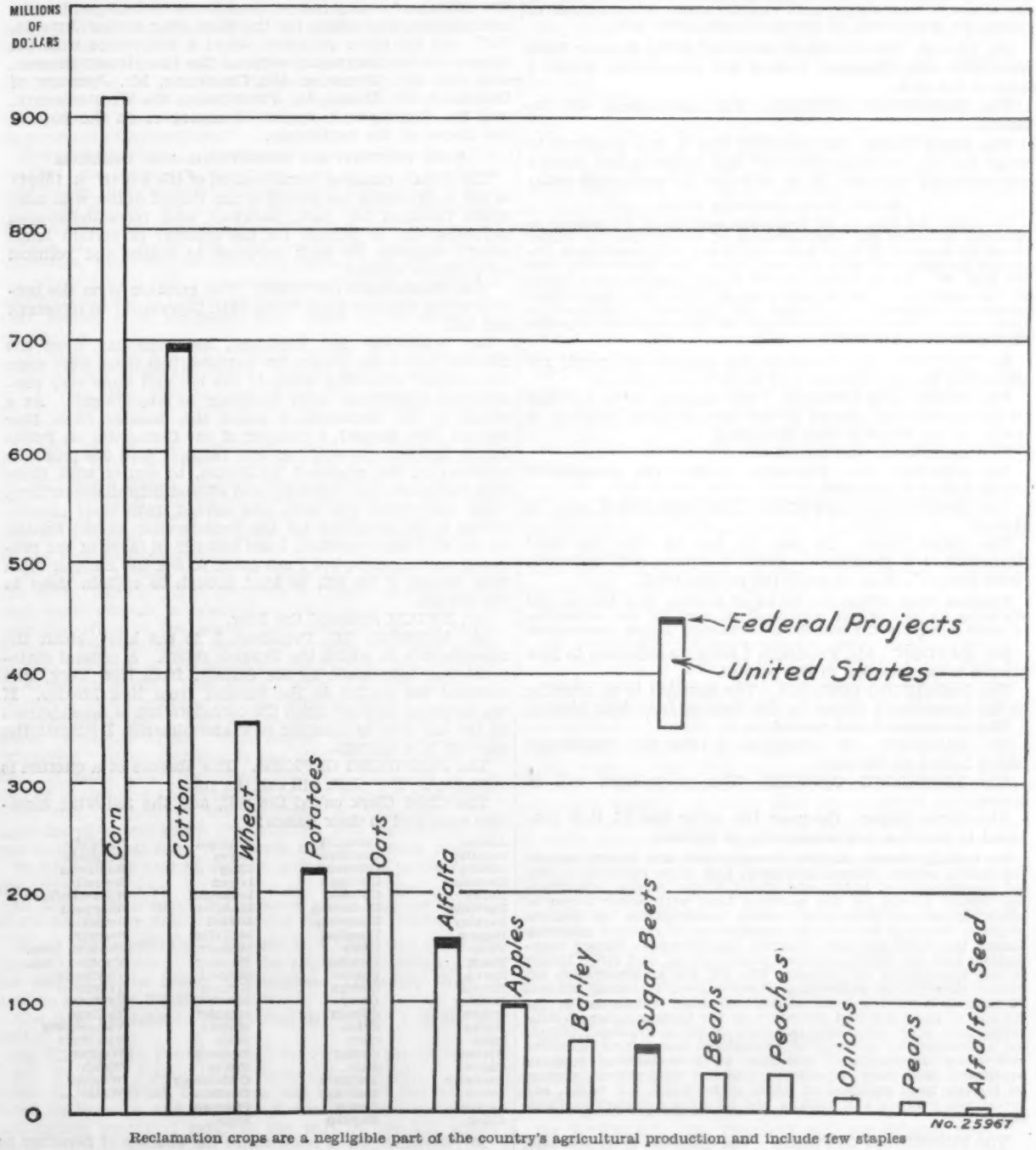
Finally, it has been observed that developing additional land by irrigation may decrease rather than increase the farmed area of the region concerned. Agricultural economists of the University of California stated to the committee: "Increase of irrigation in California does not mean the bringing in of additional land. There are fewer acres of land cultivated in California now than 30 years ago." In short, marginal farming areas shrink as the more profitable irrigated lands are developed.

Such readjustment and shifting of agricultural production within the Nation, to achieve greatest economy and the use of land for highest purpose, is in the interests of a sound national economy and harmonizes with the aims of land-use planning. Desirable and natural shifting of population should not be hindered by an attempt to hold farm population to its old locations. The past expansion of reclamation facilitated (though it did not invite) such shifting, and the results show that it has been desir-

VALUE OF PRINCIPAL CROPS FOR THE ENTIRE UNITED STATES AND FOR FEDERAL PROJECTS

ONLY IN THE CASE OF COTTON, WHEAT, POTATOES, ALFALFA, APPLES, AND SUGAR BEETS IS THE PRODUCTION OF FEDERAL PROJECTS LARGE ENOUGH TO SHOW ON THIS CHART

FIGURES TAKEN FROM 1933 CROP REPORTS



Reclamation crops are a negligible part of the country's agricultural production and include few staples

able and beneficial in this respect. Its reasonable further expansion in accordance with population readjustment trends is believed to be advantageous and in no way out of accord with the present program for aiding the industry of agriculture.

RECLAMATION A SUCCESSFUL POLICY

1. Reclamation by irrigation of lands in the arid and semiarid western half of the United States is shown by its results to be a sound and desirable national undertaking. It represents a constructive policy of social development.

2. Reclamation should be continued by the Federal Government as available means may permit. It has little relation to the problems of surplus agricultural production, while on the other hand, by reason of its high degree of stability, it aids in making the country's food supply more regular, which in turn tends to reduce the fluctuations of the agricultural price level.

Mr. GLASS. Mr. President, in behalf of the Senator from Maryland [Mr. TYDINGS] I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 120, line 7, it is proposed to strike out the numerals "$17,740" and insert in lieu thereof the numerals "$25,000", so as to make the paragraph read:

PUERTO RICAN HURRICANE RELIEF

To enable the Division of Territories and Island Possessions to continue collection and administration of moneys due the United States on account of loans made under the joint resolutions approved December 21, 1928 (45 Stat. 1067), and January 22, 1930 (46 Stat. 57), not to exceed $25,000 of any unobligated balances of appropriations made by authority of those joint resolutions, including repayment of principal and payments of interest on such loans, is hereby made available for administrative expenses during the fiscal year 1937.

Mr. HAYDEN. Mr. President, the amendment merely restores the Budget estimate and there is no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia in behalf of the Senator from Maryland.

The amendment was agreed to.

Mr. CHAVEZ. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 24, line 15, after the word "Arizona", it is proposed to insert a comma and the words "New Mexico", so as to make the proviso read:

Provided, That within the States of Arizona, New Mexico, and Wyoming no part of said sum shall be used for the acquisition of lands outside of the boundaries of existing Indian reservations.

Mr. HAYDEN. Mr. President, I have no objection to New Mexico being included in the proviso.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 109, after line 17, it is proposed to insert a new paragraph, as follows:

For making surveys, studies, investigations, and reports regarding public, school, college, university, and other libraries; fostering coordination of public and school library service; coordinating library service on the national level with other forms of adult education; developing library participation in Federal projects; fostering Nation-wide coordination of research materials among the more scholarly libraries and interstate library cooperation, and the development of public, school, and other library service throughout the country, and for the administrative expenses incident to performing these duties, including salaries of such assistants, experts, clerks, and other employees in the District of Columbia and elsewhere, as the Commissioner of Education may deem necessary, necessary traveling expenses, including attendance at meetings of educational associations, societies, and other organizations, purchase of miscellaneous supplies, equipment, stationery, typewriters, and exchange thereof, postage on foreign mail, purchase of books of reference, law books, and periodicals, printing and binding, and all other necessary expenses, $40,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY].

The amendment was agreed to.

The PRESIDING OFFICER. The question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WOODRUM, Mr. GRANFIELD, Mr. JOHNSON of Oklahoma, Mr. MORAN, Mr. FITZPATRICK, Mr. WIGGLESWORTH, and Mr. BOLTON were appointed managers on the part of the House at the conference.

PARK, PARKWAY, AND RECREATIONAL-AREA FACILITIES

The Senate resumed consideration of the bill (H. R. 10104) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas [Mr. CONNALLY] to recommit the bill.

Mr. WAGNER. Mr. President, last Thursday when the bill was before the Senate for consideration there were some very urgent objections made to the bill and some very constructive suggestions with reference to amendments. As a result of the discussion I asked the Senator from New Mexico [Mr. HATCH], a member of the Committee on Public Lands and Surveys and one very familiar with the problems involved in the proposed legislation, to confer with those who had made the criticisms and offered helpful suggestions. That conference was held, and agreed upon some amendments to be submitted for the consideration of the Senate. So far as I am concerned, I am heartily in favor of the proposed amendments, but I am going to ask the Senator from New Mexico if he will be kind enough to explain them to the Senate.

Mr. HATCH obtained the floor.

Mr. McNARY. Mr. President, I do not know about the amendments to which the Senator refers. A general statement has been made by the Senator from New York, who referred the matter to the Senator from New Mexico. If we are going to enter upon the consideration of amendments to the bill and to consider new amendments, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Radcliffe
Ashurst	Coolidge	Keyes	Reynolds
Austin	Copeland	King	Robinson
Bachman	Costigan	Logan	Russell
Bailey	Couzens	Lonergan	Schwellenbach
Barbour	Dickinson	McAdoo	Sheppard
Barkley	Dieterich	McGill	Smith
Benson	Donahey	McKellar	Steiwer
Bilbo	Duffy	McNary	Thomas, Okla.
Black	Fletcher	Maloney	Thomas, Utah
Borah	Frazier	Metcalf	Townsend
Brown	George	Minton	Trammell
Bulkley	Gerry	Moore	Truman
Bulow	Gibson	Murphy	Tydings
Burke	Glass	Murray	Vandenberg
Byrd	Gore	Neely	Van Nuys
Byrnes	Guffey	Norbeck	Wagner
Capper	Hale	Norris	Walsh
Caraway	Harrison	O'Mahoney	Wheeler
Carey	Hastings	Overton	White
Chavez	Hatch	Pittman	
Clark	Hayden	Pope	

Mr. ROBINSON. I reannounce the absence of Senators as announced by me on the previous roll call.

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. A quorum is present. The ques-

tion before the Senate is on the motion of the Senator from Texas [Mr. CONNALLY] to recommit House bill 10104 to the Committee on Public Lands and Surveys.

Mr. HATCH. Mr. President, before action is taken on the motion now pending, I desire to say, as stated by the Senator from New York, that objections and suggestions were made last week, and some who were interested in the bill and desired to perfect it conferred over the week end, and have agreed upon certain amendments which, if adopted, would do away with the necessity of recommitting the bill for further consideration.

Therefore, before any action is taken on the motion, it seems best to explain somewhat the amendments which will be proposed.

If Senators who are interested will take House bill 10104, I shall briefly state just what the proposed amendments are.

On page 1, lines 5, 6, and 7, it is proposed to strike out the words "other than on lands under the jurisdiction of the Department of Agriculture."

The purpose of that amendment is simply this: As will be recalled, the suggestion was made that section 3 should be changed so that the words "President of the United States" should be stricken out and the word "Congress" be inserted. That amendment places back in the hands of Congress the control of the entire bill and everything done under it. Therefore, the Congress retaining jurisdiction and control, the words I have just read would, in effect, be a limitation which should not be placed upon the powers of Congress. For that reason it is suggested that those words should be eliminated.

On page 2, line 4, after the word "areas", it is proposed to strike out the period and insert a comma and the words:

but no such study shall be made in any State without the consent and approval of the State official, board, or department having jurisdiction over State lands in park areas.

I may say in that connection, since the Senator from Utah [Mr. KING] is present, that this was a suggestion which he very much desired to have incorporated in the bill. He wanted the State officials to retain some control over even the studies and surveys to be made by the Secretary. The rest of us concur in the thought and see no objection to it. It is a very good suggestion.

In section 2, page 2, line 25, after the comma following the word "therein", it is proposed to insert "in cooperating with State officials in establishing such areas." That is to take the place of the words "and establishing", to which Senators objected last week on the ground that they might involve the duty or obligation on the part of the Secretary to establish parks. This merely gives him the power to cooperate with the States in their establishment.

In section 3, line 7, page 3, it is proposed to strike out the words "President of the United States" and insert the word "Congress." This probably is the vital amendment to the bill. It takes away the power from the President of the United States and the Secretary of the Interior and makes everything subject to the approval of Congress. That amendment is one which the Senators who objected to the bill in its original form very much desired to have made.

In lines 13, 14, and 15, page 3, it is proposed to strike out the words:

No lands shall be transferred, however, except with the approval of the head of the department having jurisdiction thereof.

Those words would also amount to a limitation upon the powers of Congress in view of the amendment which places the control in the hands of Congress. Therefore, there is now no necessity for those words.

The next amendment is to strike out section 5 in its entirety.

Mr. KING. Mr. President, will the Senator pardon me?

Mr. HATCH. I yield to the Senator from Utah.

Mr. KING. What disposition was made of the amendment on lines 16 and 17, page 3, inserting the words "or jurisdiction over"? I refer to the part of the bill which reads:

In the event that title to or juridiction over any land eligible for transfer described in section 4 hereof—

And so forth.

Mr. HATCH. Nothing was done with that particular language. Frankly, I do not see how the bill would be benefited by leaving it in, or injured by taking it out. It is merely a matter of procedure. It confers no power.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. HATCH. I yield to the Senator from New York.

Mr. WAGNER. I think that amendment was to take care of the situation where a public corporation, organized under the laws of the United States and owned by the Government of the United States, might have some land in its name. The amendment is to authorize such a corporation to transfer the land as provided in the bill.

Mr. HATCH. Those words still are modified by the general power, such as "with the approval of Congress."

Mr. WAGNER. Of course, the whole thing is modified in that way.

Mr. HATCH. And they do no injury at all, so far as I can see.

Mr. WAGNER. No; no harm is done either way.

Mr. KING. With that explanation, I have no objection.

Mr. HATCH. Striking out section 5 and changing the section numbers to correspond with that change, I believe, are the only further amendments which have been suggested or are desired by anyone. I do not know of any others.

As a parliamentary question, it seems that the motion to recommit would have to be disposed of before these amendments could be taken up.

Mr. KING. Mr. President, will the Senator yield?

Mr. HATCH. I yield to the Senator from Utah.

Mr. KING. Does the Senator regard section 4 as needing any amendment?

Mr. HATCH. At first I thought so, but after reading the section I doubt it. In view of the modification that everything must be subject to the approval of Congress, I do not think section 4 needs any particular amendment.

Mr. KING. May I ask the Senator for his view of these words:

And the head of the agency having administrative jurisdiction thereof finds that transfer of the land will not adversely affect the management of adjoining or related public properties or otherwise diminish the public value and service of such properties.

Mr. HATCH. It occurred to me that those words also might be a limitation on the power of Congress. I should have no objection to striking them out.

Mr. KING. It seems to me those words should be stricken out.

Mr. BARKLEY. What words are they, Mr. President?

Mr. HATCH. The words, beginning in line 11, on page 4:

And the head of the agency having administrative jurisdiction thereof finds that transfer of the land will not adversely affect the management of adjoining or related public properties or otherwise diminish the public value and service of such properties.

Mr. O'MAHONEY. Mr. President, I desire to point out to the Senator from Utah and the Senator from New Mexico that if the amendment the Senator from Utah now suggests were adopted, it would have the result of giving the entire jurisdiction to the Secretary of the Interior, whereas it would seem desirable that where the land is under the jurisdiction of another department the head of that department or agency ought to be consulted before any recommendations is made to Congress. I feel that the amendment the Senator suggests is one which should not now be adopted.

Mr. KING. Mr. President, in hastily reading the provision I was not sure but that it would conflict with the view expressed that full authority rested in Congress to make disposition of the lands, and so forth; but I have no objection to the provision.

Mr. HATCH. The point raised by the Senator from Wyoming did occur to me—that in view of certain peculiar conditions, it might not be harmful to leave that language in the bill. However, I think it does amount to a limitation on the powers of Congress.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. BARKLEY. I do not observe among the amendments suggested by the Senator the elimination of the sentence on page 3, beginning in line 13, and ending with the word

"thereof" in line 15. That sentence was necessary because, if the Secretary should be authorized to transfer any of the public lands or public property, he ought not to do it without the consent of the head of the department; but, inasmuch as that has been changed to "Congress", I see no need for that sentence.

Mr. HATCH. I have suggested that the sentence be eliminated. One of the amendments is that it be eliminated.

Mr. BARKLEY. I beg the Senator's pardon; I did not catch it.

Mr. O'MAHONEY. Mr. President, adverting again to the subject of the discussion a moment ago, I may say that the language in lines 12 to 15 on page 4 is really not a limitation upon Congress, because if Congress should decide that the land should be transferred that decision would be a repealer of this provision, if it did constitute any limitation.

Mr. HATCH. I have no objection to the position of the Senator from Wyoming. I am perfectly willing to leave the words just as they are written.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. CONNALLY. Does the Senator from New Mexico think this bill can be worked out here on the floor?

Mr. HATCH. I think we have practically agreed on every controversial point. I do not believe it is at all necessary to recommit the bill. I think the Senator from New York [Mr. WAGNER], the chairman of the committee, agrees to practically the validity of every objection which has been made, and is willing to reframe the bill to meet such objections.

Mr. WAGNER. Mr. President, in answer to the Senator I will state that I am very confident that the amendments which have been proposed by the Senator from New Mexico, or which will be proposed, answer all the helpful criticisms which were made on Thursday.

Mr. CONNALLY. What about the unhelpful criticisms? [Laughter.]

Mr. WAGNER. The Senator from Texas makes only helpful suggestions.

Mr. KING. Mr. President, may I ask the Senator from New Mexico and the Senator from Wyoming whether there is an attempt to limit in the future the power of Congress to alienate lands within the national parks by the words "*Provided, however,* That no land which is a part of a national park shall be subject to patent or lease as authorized in this act"? I understand that acts of Congress do not bind succeeding Congresses, and I do not see the necessity for these words.

Mr. O'MAHONEY. Mr. President, if the Senator from New Mexico will yield to me, I may say to the Senator from Utah that that language was inserted at the time when the bill provided that the Secretary of the Interior should have the authority to make the transfers, and it was intended as a limitation upon the power of the Secretary of the Interior. Now that it is proposed to amend the bill so as to reserve to Congress the right which it has under the Constitution to dispose of the public lands, the language is probably surplusage; but the effect of it will be that the Secretary of the Interior will not make a recommendation to Congress for the transfer or alienation of any lands now within the national parks, and I feel that for that reason it is a perfectly proper clause in the bill. No provision in this bill could operate as a limitation upon any future Congress.

Mr. KING. Undoubtedly.

Mr. O'MAHONEY. It would operate only as a limitation upon the Secretary.

Mr. KING. It seemed to me that the provision was surplusage and unnecessary.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. CONNALLY] that the bill be recommitted.

Mr. CONNALLY. Mr. President, on Thursday I made a motion to recommit the bill on account of certain very apparent and glaring and unpardonable errors in the bill as it was drafted. Senators who are interested, however, assure me that those errors have been all corrected, and I therefore do not press my motion.

The PRESIDING OFFICER. Then the question will be on the first committee amendment.

Mr. WAGNER. Mr. President, if there is no objection, I suggest that the Senate proceed to consider all amendments to each particular section of the bill as it is reached instead of disposing of all committee amendments first.

Mr. KING. Mr. President, did the Senator from New Mexico state that section 5 was to be stricken out?

Mr. HATCH. Yes; I did.

Mr. WAGNER. Mr. President, I suggest that the amendments proposed by the committee and any amendments to be proposed by the Senator from New Mexico be acted upon as each section is reached before proceeding to the next section, instead of considering all committee amendments first.

The PRESIDING OFFICER. If there be no objection, that course will be followed.

Mr. HATCH. Mr. President, I propose an amendment, first, beginning on line 5, page 1, after the comma, to strike out the words "other than on lands under the jurisdiction of the Department of Agriculture."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HATCH. On page 2, line 4, I propose that the period following the word "areas" be changed to a comma and that there be inserted the words—

> But no such study shall be made in any State without the consent and approval of the State officials, boards, or departments having jurisdiction over said lands and park areas.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HATCH. Mr. President, there is a committee amendment in that section, which should now be acted on.

The PRESIDING OFFICER. The clerk will state the first amendment of the committee.

The first amendment of the committee was, on page 2, line 17, after the word "them", to strike out the words "and may accept unconditional donations and gifts from private agencies, instrumentalities, and individuals", so as to make the section read:

> That the Secretary of the Interior (herein called "the Secretary") is authorized and directed to cause the National Park Service to make a comprehensive study of the public park, parkway, and recreational-area programs of the United States, and of the several States and political subdivisions thereof, and of the lands throughout the United States which are or may be chiefly valuable as such areas, but no such study shall be made in any State without the consent and approval of the State officials, boards, or departments having jurisdiction over said lands and park areas. The said study shall be such as, in the judgment of the Secretary, will provide data helpful in developing a plan for coordinated and adequate public park, parkway, and recreational-area facilities for the people of the United States. In making the said study and in accomplishing any of the purposes of this act, the Secretary is authorized and directed, through the National Park Service, to seek and accept the cooperation and assistance of Federal departments or agencies having jurisdiction of lands belonging to the United States and may cooperate and make agreements with and seek and accept the assistance of other Federal agencies and instrumentalities, and of States, political subdivisions thereof, and the agencies and instrumentalities of either of them.

The amendment was agreed to.

Mr. ROBINSON. Mr. President, may I ask the reason for this amendment? The words proposed to be stricken out are "and may accept unconditional donations and gifts from private agencies, instrumentalities, and individuals." What is the objection to that provision?

Mr. WAGNER. Mr. President, I will state that that matter came before the Senate on Thursday. The committee thought it an unwise policy to permit a private agency or private individual to finance a survey of recreational facilities throughout the country by private funds, on the theory that if the survey were made by appropriations from private institutions such institutions would perhaps desire to participate in some way in the survey, or they might have a definite point of view which they would try to inject into the conduct of the survey. It was thought a much wiser policy for the Government itself to pay for its own survey. That,

of course, does not include the donation of properties. We have always accepted donations of properties. This refers merely to the paying of the expenses of public officials who are to conduct a public survey.

Mr. ROBINSON. The language stricken out by the amendment is "and may accept unconditional donations", and so forth.

Mr. WAGNER. But it relates only to money to pay the salaries of public officials. That is all that is affected, I can assure the Senator. I think that is a wise policy for the Government to pursue.

Mr. NORBECK. Mr. President, I desire to add that I agreed to the amendment, but I could never see any good reason for agreeing to it. I am in favor of the Government's accepting unconditional donations to the Treasury at any time we can get them, whether they come from Justice Holmes or any other person. There was the case of an Englishman who had never seen America, and who died in England and left half a million dollars to build up a great institution in Washington, D. C. Congress said, "Beware of the Greek bearing gifts", and for 20 years the gift was not accepted for fear of some hidden motive behind it. At the end of 20 years the gift was accepted, and as a result we now have the Smithsonian Institution.

Mr. WAGNER. Mr. President, I do not think that is quite an accurate analogy. I do not think it is a wise policy for Government officials to have their services paid for by any private agency.

Mr. ROBINSON. Mr. President, I do not care very much about the amendment, but I agree with the Senator from South Dakota [Mr. NORBECK]. The amendment does not seem to me to be well established in sound argument. The Secretary is authorized to accept unconditional donations and gifts from private agencies, instrumentalities, and individuals, by the language of the bill as it came from the House. I do not see how that could constitute any grave menace to the service. Private individuals do not pay the salaries. If they desire to make gifts to the service through the Secretary of the Interior, it is difficult for me to understand how that would impair the service or endanger the Government. I do not, however, care to take a position in antagonism to the committee. I did desire to know the reason for the amendment, and I still am not satisfied.

Mr. HATCH. Mr. President, the amendment on page 2, line 17, was agreed to, was it not?

The PRESIDING OFFICER. The amendment was agreed to.

Mr. HATCH. There is a committee amendment proposed to section 2 which I think should be disposed of before we proceed with the other amendments.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed, on page 2, in section 2, line 24, after the word "in", to strike out the words "planning, establishing, improving, and maintaining" and to insert in lieu thereof the words "planning and establishing", so as to make the section read:

SEC. 2. For the purpose of developing coordinated and adequate public park, parkway, and recreational-area facilities for the people of the United States, the Secretary is authorized to aid the several States and political subdivisions thereof in planning and establishing such areas therein, and in cooperating with one another to accomplish these ends. Such aid shall be made available through the National Park Service acting in cooperation with such appropriate regional interstate or State agencies or the agencies of subdivisions thereof as the Secretary deems best.

Mr. McKELLAR. Mr. President, I thought the committee agreed to strike out the words "and establishing."

Mr. WAGNER. An amendment to the amendment is to be offered.

Mr. CONNALLY. This is the time to offer it.

Mr. WAGNER. Very well. The Senator from New Mexico has charge of it.

Mr. HATCH. Mr. President, I propose in line 24, page 2, after the word "in", in lieu of the committee amendment, to insert the words "planning such areas therein and in cooperating with State officials in establishing such areas and." I move that the words I just read be inserted in lieu of the committee amendment.

Mr. CONNALLY. Mr. President, will the Senator yield to me?

Mr. HATCH. I yield.

Mr. CONNALLY. That does not help the matter, because it just changes the words around a little, and leaves the same meaning. The Secretary is authorized to plan and cooperate with State agencies in establishing park areas. That is what I have been objecting to.

Mr. HATCH. The Secretary is authorized to plan in cooperation with the States. The way it read before, as I understood it, the provision might give the Secretary power to plan and establish the park areas.

Mr. CONNALLY. I desire to renew the motion to recommit the bill. Is that motion debatable, Mr. President?

The PRESIDING OFFICER. The Senator from New Mexico [Mr. HATCH] has the floor.

Mr. HATCH. I gladly yield to the Senator from Texas.

Mr. CONNALLY. I do not desire to take the floor away from the Senator. I wish to speak on my motion.

Mr. President, I have no hostility to the purposes of the bill. If the bill in a tangible and intelligible form were placed before the Senate, I should have no objection to proceeding with it. It has become progressively more difficult to know what has been done with the bill. It seems to me that if the bill were to go back to the committee to be reconsidered for a little while, and the committee were to bring it back to the Senate in some tangible form, we could pass it. I am not hostile to the bill, but I am hostile to authorizing anything more than making the proposed survey. I have no objection to the Secretary of the Interior making a survey of the park possibilities, and mapping out a program and a plan for cooperating with the States, but I am not going to vote to approve something until I know what it is.

I am not going to vote to give the Secretary of the Interior authority to alienate a single square inch of territory of the United States until I know what he is going to do with it. If other Senators desire to vote for the bill simply on faith and trust, let them do so; but the Senator from Texas is not going to do so. The Senator from Texas thinks the Senate can maintain its integrity better by having bills thoroughly considered in committee rather than on the floor of the Senate. If the Committee on Public Lands and Surveys knows what it wants to do and knows how to do it, it can bring a bill into the Senate after one sitting of the committee, and have it printed, so that we will know what is in it. The bill now has been mutilated, and several sections have been taken out of it.

Mr. President, I renew the motion to recommit. The committee, by taking out three or four sections of the bill, admits that it has not had proper consideration. The committee admits that the bill has not been deliberately studied. So I, for one, am going to vote to recommit the bill. Let the committee bring back to the Senate a bill which we can read and know what is in it.

Mr. WAGNER. Mr. President, the committee has had more than one session on this particular subject of legislation. It was before the committee for some months; and after extended consideration a subcommittee was appointed which finally drafted the bill as it came before the Senate.

Of course, if the Senator from Texas desires to have the proposed legislation defeated in this indirect way, he may press his motion, and the responsibility will rest with the Senate. My responsibility will end when the matter is submitted to the Senate.

The Senator from Texas insists upon saying that the bill gives authority to the Secretary of the Interior to transfer property from the Federal Government to a State. I beg to assure the Senator that it does not do anything of the kind. All the bill permits is the making of a survey of the recreational facilities of the States to ascertain whether there are any Federal properties located in any of those States which can be transferred to the States so as to coordinate such facilities of the States and the Federal Govern-

ment. After such areas are established, as the result of the survey, not a thing can be done until the report or the survey or the plan comes before Congress, and Congress approves it.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. McKELLAR. My objection to the bill is that it does not end with the survey, but it directs the Secretary to cooperate with the States and to do many other things wholly outside the survey. If the bill simply provided for a survey of the parks, I should be delighted to go along with the Senator from New York. That is all the bill should provide for at this time. There should be a survey, and a survey only. When the survey is brought before the Congress, the Congress can determine what kind of bill it ought to pass. We cannot do it now, not knowing what the survey will show.

Mr. WAGNER. Mr. President, I do not object to the Senator's voting against the bill. That is his privilege, of course. I make no criticism of that. However, I think the Senator does not accurately state the provisions of the bill.

We know that the transfer of Federal property to which the Senator refers cannot be made until after an act is passed by Congress authorizing the particular transfer. Constant assertion is made that the bill gives property from the Federal Government to the States; but as the bill is now amended, such action cannot be taken until the proposal is laid before Congress and Congress approves it.

Mr. McKELLAR. Mr. President, if the Senator will look at section 7 he will find that much more is provided for than that. It reads:

SEC. 7. Consent of Congress is hereby given to each of the several States to negotiate and enter into any compact or agreement with one another with reference to planning, establishing, developing, improving, and maintaining any park, parkway, or recreational area. Such consent is given upon condition that a representative of the United States from the National Park Service and a representative from each of the several Federal departments and agencies having jurisdiction of lands involved in any such compact or agreement shall be appointed by the President to participate in any negotiations and shall make report to Congress of the proceeding and of any compact or agreement entered into. No compact or agreement shall be effective until approved by the legislatures of the several States which are parties thereto, and by the Congress of the United States.

Mr. WAGNER. That is what I say.

Mr. McKELLAR. That is true. But the bill authorizes agreements to be made, and when a bill is presented to the Congress providing for the ratification of an agreement already made, we must uphold the agreement. So it seems to me we are dealing with a "cat in the bag." We do not know what kind of an agreement is to be made. What we desire to do is to make surveys of the parks. That is all right. I think such surveys will be very valuable. They will secure information upon which the Congress may act. But surely we ought not to ratify any action in advance or put ourselves in such position that we shall be morally bound to uphold what may be done.

Mr. WAGNER. Mr. President, the Congress is not morally bound to do anything, because notice is given in this bill that no such agreements are effective. The language is as plain as can possibly be placed in any legislation, that an agreement is not to be effective until, first, the State legislature approves and, second, the Congress of the United States approves.

Mr. McKELLAR. Mr. President, that was not the intention of those who framed the bill. Look at section 5.

Mr. WAGNER. That is eliminated.

Mr. McKELLAR. I understand that; but there was some continuity to the bill. There was some prevailing idea. Section 5 provides that the contracts will be upheld simply as a result of the failure of Congress to do anything. That was the purpose of the section to which I refer. That is the purpose of the other section. It seems to me the only fair and just thing for the Congress to do at this time is to have surveys made, and have them reported upon to the Congress so that we may act intelligently.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. O'MAHONEY. I may say that I am very much impressed with what the Senator from Tennessee [Mr. McKELLAR] has said; but, at the same time, I feel that it is of great importance that the bill should be passed, and that it should not go back to the committee, because of the obvious dangers there would be in recommitting it. So I ask the Senator from Tennessee and the Senator from Texas if it would be acceptable to them that section 2 should be amended, not in the manner proposed by the Senator from New Mexico [Mr. HATCH], but in this manner:

On page 2, in lines 24 and 25, strike out the words "planning, establishing, improving, and maintaining" and insert in lieu thereof the word "planning"; so that, if amended, it would read:

The Secretary is authorized to aid the several States and political subdivisions thereof in planning such areas therein—

And so forth. Then there would be no reference whatsoever to establishment or maintenance, and therefore there would be no moral obligation at all upon Congress.

Mr. McKELLAR. The elimination of the words suggested would help that section, I am perfectly frank to say; but the latter part of it—

Such aid shall be made available through the National Park Service acting in cooperation with such appropriate regional interstate or State agencies or the agencies of subdivisions thereof as the Secretary deems best—

Should be stricken out. That language has no place in the bill.

Mr. O'MAHONEY. Mr. President, does not the Senator believe that in planning with the States it would be necessary to operate through some agency? That is why we make provision there for the National Park Service. In view of the fact that what is proposed is confined absolutely to planning, I rather imagine that the amendment now suggested would eliminate the difficulty.

Mr. McADOO. Mr. President, I think the difficulty could be cured by making the clause read "in surveying and planning such areas."

Mr. WAGNER. Where would that amendment come in?

Mr. McADOO. I suggest that there be inserted, on page 2, before the word "planning", in line 25, the words "surveying and" and striking out in line 25 the words "and establishing."

Mr. O'MAHONEY. I shall be very glad to accept that suggestion as part of my amendment.

Mr. McADOO. Then I think that the remainder of the paragraph is proper, because the "cooperation" there referred to would, of course, be necessary in order to survey and to plan the areas.

Mr. WAGNER. I do not object to that amendment.

Mr. HATCH. Mr. President, in order to meet the situation—and I am quite agreeable to what the chairman of the committee says—I suggest that the amendment as offered be withdrawn, and in lieu of that amendment and in lieu of the committee amendment in lines 24 and 25 that the words "surveying and planning", as proposed by the Senator from Wyoming and the Senator from California, be inserted, after the word "in", in line 24, and that the words "planning, establishing, improving" be stricken out, so that the clause would read, beginning in line 22:

The Secretary is authorized to aid the several States and political subdivisions thereof in surveying and planning such areas therein.

I offer that amendment in lieu of the amendment which has been offered.

Mr. McKELLAR. Mr. President, what will become of lines 2, 3, 4, and 5 on page 3, reading as follows:

Such aid shall be made available through the National Park Service acting in cooperation with such appropriate regional interstate or State agencies or the agencies of subdivisions thereof as the Secretary deems best.

I call the Senator's attention to the fact that there is an authorization for an appropriation in section 9; and there is no telling how much money it will cost if those words shall remain in the bill.

Mr. BARKLEY. Mr. President, if the Senator will yield, I think those words relate back to the language on page 2 where it reads:

> The Secretary is authorized to aid the several States and political subdivisions in surveying and planning such areas.

That is the aid referred to on the following page. It is in no way an appropriation of money.

Mr. McKELLAR. Under the words "in cooperation with such appropriate regional, interstate, or State agencies, or the agencies of subdivisions thereof", there will be created one of the largest bureaus in the Government in order to effectuate the provision, and it will cost the Government millions of dollars. I have seen on many occasions authorizations made for appropriations, following which requests for millions and millions of dollars have come before the Appropriations Committee with Budget estimates.

Mr. CHAVEZ. Mr. President, from what I have heard this afternoon, it appears to me that the pending project is being approached from the wrong angle. We are trying now to decide on a way to dispose of newly acquired lands From the debate, as it has developed, it appears that there is quite a difference of opinion as to how to arrive at a method of disposing of such lands, and I wish to beg the indulgence of the Senate while I make a few brief remarks which I think will be helpful to the situation as a whole and perhaps aid in arriving at a correct conclusion.

Mr. President, it is with reluctance that I rise this day to address this august body concerning House bill 10104. I am aware of and fully appreciate the salutary unwritten rule of the Senate that newcomers should be seen and not heard. However, I consider the general policy, as I understand it, of the bill in question of sufficient importance to justify the remarks I am about to submit.

Let it be strictly understood, at the start, that it is not personal or official antagonism on my part toward the National Park Service or the bill itself that leads me to make these observations. There is not a Senator in this body who more keenly appreciates than does the junior Senator from New Mexico the wonderful pioneer work done on behalf of the national parks and the people of the country by the late S. T. Mather. I congratulate Horace Albright, late Director of the National Park Service, in carrying on where Mr. Mather left off, and I know that both these public-minded persons have a worthy successor in the present Director, Mr. Cammerer.

It is not in the spirit of idle criticism of the intelligent, common-sense service rendered to the country by the National Park Service that I address myself to the pending question. In my opinion, there is not a bureau of the Government that has given better service to the country or endeared itself more to the people of the Nation than has the National Park Service.

On Thursday last the Senate was privileged to listen to the wonderful discourse of the junior Senator from North Carolina [Mr. REYNOLDS] wherein he so vividly described the wonders of the national parks he visited last summer. As I listened to the Senator, I could see before me the actual area or park he was describing—the wonders of the Carlsbad Caverns in my State, which are actually beyond word description; the caves of Kentucky and Virginia; the incomparable Grand Canyon; the beautiful trails, waterfalls, and scenes of the Yosemite; the awe-inspiring panoramas of Yellowstone, and many others as only the junior Senator from North Carolina can adequately depict them.

But in thinking about or contemplating our national parks it is imperative for the average serious-minded person, who is especially trying to do his conscientious duty in these hectic times, to realize that the most priceless wonders that the United States possesses are the human beings that live within the country. For the last 3 years the major effort of a most humanitarian administration and of the Congress of the country and of the thinking people of the Nation has been directed to meeting the problems, economic, social, and political, of these priceless possessions. It is stated on good authority that there are today some twelve, or possibly more, million people out of work; so is it not correct, is it not moral, is it not good public policy that, while fully appreciating the natural beauties of the country, in considering the disposal of, as the bill states, "any land heretofore or hereinafter acquired by the United States or any agency or instrumentality thereof", we should have vividly before us the economic needs of our people?

It is my opinion, in these times of hardship, of depression, and of hunger, when self-respecting citizens are begging for work, that it is more essential that we should look after their interests than that additional areas should be acquired for park purposes.

The natural grandeur of newly acquired lands can best be kept intact, conserved, and saved for the future by having at the same time the lands themselves put to multiple uses which would help in getting us out of the depression. It is preferable that a family be allowed to make its living on a 40-acre tract than to use that particular tract for the sole purpose of looking at it. The beauties of these areas, especially those of the West, the mountains, lakes, and streams, have been preserved in the past through the sound policy of the United States Forest Service. Thousands, yes, millions, of acres of verdant and primitive forests that can be used chiefly for park purposes have been preserved and at the same time made to be of tremendous value to the people of the country by their multiple uses—uses that have in no way interfered with or impaired the recreational value or the scenic attractions of these areas.

In my humble opinion, it would be better if newly acquired areas, whose value, in whole or in part, is economic, and the use of which in such manner in no way destroys their recreational attraction, should be administered under a policy such as has characterized that of the Forest Service in carrying out a well-reasoned conservation policy. Let these areas be used for park purposes and at the same time let them be utilized in solving our economic problems.

To me it appears unsound that, in these times especially, the Congress of the United States should say that Government lands should be set apart for the limited recreational uses when they could be put to many uses that would help in solving the very problems of existence.

The Government has acquired in my State thousands of acres of land, many of which could, if circumstances permitted, be used for park purposes, but within some of these areas thousands of families are now living and depending upon the lands therein for their support. Thousands of persons depend for their very existence on the grazing of a few head of stock or the farming of small areas, or probably as employees of the lumber industry. I know that conditions in New Mexico represent a very fair cross section of conditions in those States of the West where the Government has acquired land.

At first glance the bill would seem to provide for a survey which would have for its ultimate purpose the turning over of some areas to the individual States. If the Interior Department is so liberal and so anxious to turn over some of these lands to the States for park purposes, the liberality would be more appreciated if it would turn over the public domain to the States.

There is now pending before the Congress a bill introduced by my colleague, the senior Senator from New Mexico [Mr. HATCH], that has for its purpose the turning over of the public domain to the States, but, notwithstanding the soundness of that proposed legislation, I do not see any particular encouragement coming from the Interior Department on behalf of the measure. If some of the newly acquired lands should be given to the States for park purposes it would appear to be just as sound and just as reasonable that some of the present areas under the jurisdiction of the National Park Service could answer the same purpose; but Senators will notice in section 4 of the bill, wherein there is classified the land that shall be subject to a patent or to a lease under section 3, that there is a proviso specifically excepting any land which is part of a national park.

Mr. President, I am fearful that in this instance the practical suggestion of Vergil to be careful of "gift-bearing Greeks" should be borne in mind.

Mr. President, it appears to me, under the conditions that prevail at this time, when we are discussing lands which the Government has acquired, lands that have been acquired, in many instances, by money from relief funds, that, instead of worrying as to whether or not such lands may be utilized for park purposes we should be more interested in knowing whether they may not be used in order to provide livings for families.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas [Mr. CONNALLY] that the bill be recommitted to the Committee on Public Lands and Surveys.

On a division, the motion was agreed to.

INDEPENDENT OFFICES APPROPRIATION BILL

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BYRNES. I move that the Senate insist on its amendments, agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. GLASS, Mr. BYRNES, and Mr. HALE conferees on the part of the Senate.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

Mr. GORE. Mr. President, I move that the Senate proceed to the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. COUZENS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Radcliffe
Ashurst	Coolidge	Keyes	Reynolds
Austin	Copeland	King	Robinson
Bachman	Costigan	Logan	Russell
Bailey	Couzens	Lonergan	Schwellenbach
Barbour	Dickinson	McAdoo	Sheppard
Barkley	Dieterich	McGill	Smith
Benson	Donahey	McKellar	Steiwer
Bilbo	Duffy	McNary	Thomas, Okla.
Black	Fletcher	Maloney	Thomas, Utah
Borah	Frazier	Metcalf	Townsend
Brown	George	Minton	Trammell
Bulkley	Gerry	Moore	Truman
Bulow	Gibson	Murphy	Tydings
Burke	Glass	Murray	Vandenberg
Byrd	Gore	Neely	Van Nuys
Byrnes	Guffey	Norbeck	Wagner
Capper	Hale	Norris	Walsh
Caraway	Harrison	O'Mahoney	Wheeler
Carey	Hastings	Overton	White
Chavez	Hatch	Pittman	
Clark	Hayden	Pope	

The PRESIDENT pro tempore. Eighty-six Senators have answered to their names. A quorum is present. The question is on agreeing to the motion of the Senator from Oklahoma [Mr. GORE] to proceed to the consideration of Senate bill 2288.

Mr. McNARY. Mr. President, within a month the measure now referred to by the Senator from Oklahoma was before the Senate and was recommitted to the committee which has jurisdiction of the subject matter. Later the bill was reported and placed upon the calendar somewhat modified, if not improved. I have been advised, since I entered the Chamber a moment ago, that the Senator from Oklahoma has moved to proceed to the consideration of the bill.

The PRESIDENT pro tempore. That is the pending question.

Mr. McNARY. Whatever one's views may be on that motion, I should like to have an expression from the Senator from Oklahoma if it is his desire to proceed with consideration of the bill today.

Mr. GORE. Mr. President, if no Senator desires to be heard today, I should be willing to lay aside the bill, but I do wish to keep it before the Senate until final disposition is made of the issue. I may say to the Senator that report no. 1565 on the bill is rather an exhaustive and elaborate report, and I hope Senators will take occasion to consult it before a final vote is had on the bill.

Mr. McNARY. Of course the Senator from Oklahoma will recall that the unfinished business of the Senate, which has been temporarily laid aside, is a bill sponsored by the Senator from Nebraska [Mr. NORRIS] which will automatically come before the Senate next Wednesday noon. If the measure of the Senator from Oklahoma shall be made the unfinished business for the time being, then the Senate may consider it between this time and Wednesday noon. However, I do not wish any consideration to be given the bill today. If it should be made the pending unfinished business, I should like to have an understanding with the Senator from Oklahoma that we shall not today consider amendments or the bill itself, other than any statement he may desire to make with regard to the difference between the bill as it is now on the calendar and as it was originally reported by the committee.

Mr. GORE. If any Senator desires to be heard on the bill today, I should not want to enter into an agreement that would prevent his proceeding, because all the progress we can make ought to be made at this time. I am not advised whether any Senator is ready to proceed or not. I have no particular statement to make, because the reasons for the changes in the bill as now reported are fully set forth in the report.

Mr. McNARY. I am sure the Senator will explain the changes which have been made in the bill which was sent back to the committee and which now appear in the bill as it has been reported again. If the Senator will do that and proceed no further, I shall have no objection at this time to making his bill the unfinished business for the time being until the bill of the Senator from Nebraska, which is the real unfinished business of the Senate, shall be laid before the Senate Wednesday noon.

Mr. GORE. The changes, as I suggested a moment ago, have been elaborated in the report, and I hope Senators will consult the report, because I do not wish to detain the Senate by an exhaustive presentation of what has been better done in the report itself.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from New York?

Mr. McNARY. Certainly.

Mr. COPELAND. It seems to me quite unfair to take the time of the Senate to give further consideration to the bill. I opposed the bill when it was before the Senate a month ago. As a matter of fact, when the final vote came on recommitting the bill, there were only 12 or 15 Senators voting in favor of keeping the bill before the Senate.

I cannot see how the bill as it has been brought back to us is any improvement whatever on the original. As a matter of fact, to me it is much more defective than the original bill because the second section, which provided for a study in order that some fair method of determining the measurement of vessels going through the Canal might be made, has been eliminated from the bill.

The only change I can see is that a 10-cent additional toll is put upon oil tankers, but the defects of the original bill are still in it. The increased charge is upon the common carriers. All the decreases that would be made apply to commercial carriers. The bill is just as bad today as it was before, and in my opinion twice as bad, because of the elimination of the second section, which provided that the President might appoint a commission to make a study of the matter.

So far as I am concerned, I am quite opposed to giving further consideration to the bill. When the time comes to vote upon the question of making it the unfinished business, I shall vote against the motion, because I cannot see why, at this late period in the session, we should beat over the same ground as we did before, without any hope of ultimate pas-

sage of a bill which, if it should pass, would be to the detriment of the American merchant marine.

Mr. GORE. Mr. President, heretofore it has been argued that the bill was rather premature at this session. It is now argued that it is so late in the session that the bill ought not to be taken up at this juncture.

I do not expect the bill in any form to commend itself to the favor of the Senator from New York; but I do think, and I believe the report abundantly demonstrates that the criticisms made here when the bill was pending before have been met.

The Senate then, I believe, was under a misapprehension. The report will correct the misapprehension there referred to. I have here a brief statement from the Governor of the Canal Zone, Governor Schley, which I shall presently ask to have read into the RECORD. As I have said repeatedly before, every Governor of the Canal Zone since 1914, since the unfortunate decision of the Attorney General which brought this chaos upon us, has urged the enactment of this measure. Every Secretary of War from that unfortunate ruling of the Attorney General until this day has urged the enactment of this measure. I believe Secretary Weeks urged it as often as five times, possibly six times. President Wilson urged the enactment of this measure as soon as the decision of the Attorney General came down in 1914. President Roosevelt has repeatedly urged its enactment.

I think we ought at least to take up the question and act on it once and for all. I think a good many misapprehensions were spread abroad here while the debate was pending before—apprehensions which are not founded upon the facts.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from New York.

Mr. WAGNER. Why was the provision eliminated providing for a study of this whole subject?

Mr. GORE. That was section 2 of the original bill, which was recommitted. That section was inserted in the bill originally as a concession to the shipping interests of this country, who for years have stubbornly resisted the enactment of this bill, have stubbornly resisted any legislation which would oblige them to pay the Government the tolls they ought to pay. They have been escaping the payment of those tolls in the past. They are escaping the payment of those tolls now. They desire to escape in the future the payment of the tolls they ought to pay.

Section 2 was inserted in the bill in the hope of moderating the opposition of the Shipping Trust, which haunts the corridors of the Capitol. There is no need for section 2. There never was any need for section 2. It was inserted in the hope that we might get action. Personally I have never favored it.

When the original tolls act was passed, back in 1913, a most exhaustive report on the subject had been made by Dr. Emory Johnson, an expert, then a professor in the University of Pennsylvania. Congress took every precaution. It created a special commission and authorized an investigation to be made. Here is one volume of the commissioner's report. One volume relates to the rules of measurement which ought to be applied to vessels transiting the Canal. The other volume relates to the tolls which ought to be charged upon vessels passing through the Canal. These are the two volumes of the report. The Commissioner of Navigation said these volumes constitute the most exhaustive, the most thoroughgoing report ever made upon this subject in any language. The subject was covered. The subject was exhausted. There is no occasion for another report; yet whenever this measure comes up the shipping concerns come here and ask for a further study, for another survey, for additional data.

I may state with confidence here on the floor that an investigation will be made by the Canal authorities with a view to bringing the measurements into line with any changes in the construction of ships which have been adopted since the original reports were promulgated. That task will be performed. Not only did the Secretary of War agree to the investigation provided for in the original bill recommitted some time since, but the Secretary of War has indicated—and I do not think he ought to have done it—that if the pending bill passes, fixing the maximum rate at $1 per ton, he will fix the actual rate at 90 cents per ton.

Concession after concession has been made to the shipping interests in an effort to placate them and bring them to a point where they would consent that Congress might enact this needed legislation. Concession after concession has been made, but nothing seems to placate their opposition. They still desire to continue to pay less tolls than they ought to pay. The main object of this legislation is to establish one uniform set of rules of measurement based on the earning capacity of the ships measured. This would have the effect of requiring all commercial ships to pay tolls at the same rate per measured ton and stop the payment of tolls at the caprice or, rather, by the ingenuity of the shipowner.

I desire to have read at this point a brief statement from Governor Schley.

The PRESIDENT pro tempore. Without objection, the statement will be read.

The legislative clerk read as follows:

[Radiogram received 9 a. m., Mar. 2]

BALBOA HEIGHTS, *February 29, 1936.*

PANAMA CANAL,
Washington, D. C.:

Please say to Senator GORE that Panama Canal Administration considers his draft of report on tolls bill received with your letter of 17th instant to be best committee report ever submitted on subject.

Senate bill 2288, as favorably reported to the Senate, if enacted (1) will establish a single system for the measurement of vessels transiting the Canal in lieu of the present dual measurement system; (2) will result in no material change in the amount of revenue collected in tolls from shipping.

The Canal Administration favors the passage of Senate bill 2288 for the following reasons:

(1) The Panama Canal rules of measurement provide a fair and just basis for the determination of tonnage and tolls.

(2) The Panama Canal rules of measurement can readily be adjusted to the developments in ship construction and other requisite factors which have developed since the rules were promulgated in 1913 or which may develop in the future.

(3) On the basis of Panama Canal net tonnage, tolls per net ton are being progressively lowered year by year through structural changes which do not appreciably affect the earning capacity of vessels using the Canal. The enactment of this legislation will definitely prevent further reduction in the rate of tolls per net ton, Panama Canal measurement.

(4) Under the present dual-measurement system some ships pay tolls at the rate of 72 cents a net ton, Panama Canal measurement, whether transiting the Canal laden or in ballast. This, and other inconsistencies, will be eliminated.

(5) The enactment of this legislation will establish the collection of tolls on the fundamentally sound principles that toll payment shall be in direct ratio to the closed-in space available for the carrying of cargo and passengers.

(6) Will definitely eliminate tolls on any cargo carried on the unsheltered decks of a vessel.

(7) The only unsatisfactory feature of Canal administration and operation will be removed.

(8) It will bring about a solution once for all of this controversial subject which will be satisfactory to all fair-minded men.

SCHLEY,
Governor of the Panama Canal.

Mr. GORE. Mr. President, the paramount purpose of the proposed legislation is to get rid of the dual system of measuring ships passing through the Canal, to get rid of the confusion, to base the tolls upon the actual earning capacity of the ship instead of upon the caprice and the whim of the shipowners. Since the Attorney General's decision in 1914, a bill on the subject has been introduced in every Congress from that time until this. There have been 11 different hearings on the question as to whether this legislation should pass, running up into hundreds of pages. Every time the question has been presented the shipping interests have been here trying to protect themselves against the payment of just and reasonable tolls.

The only purpose of the proposed legislation is to establish a sound, scientific system for measuring vessels passing through the Canal, and to lay a reasonable toll upon those vessels for that service rendered by and at the expense of the United States.

Mr. McNARY. Mr. President, I do not wish to suppress debate. I think every Senator is entitled to a proper consideration of the bill and an opportunity to be heard. I simply desire to come to an understanding, because of the absence of several Senators, that we shall not proceed today

beyond the statement of the Senator from Oklahoma or any other Senator who wishes to speak today.

I do not wish to go into the consideration of the bill on its merits today. That is my purpose in making this mild protest against immediately going forward. I have asked the Senator from Oklahoma if he is willing to accede to that reasonable request.

Mr. GORE. Mr. President, I have tried to be reasonable about this matter. The bill was reported some 10 days or 2 weeks ago. It was laid over at the time because of the absence of the senior Senator from North Carolina [Mr. BAILEY]. About the time he was ready to return, the senior Senator from New York [Mr. COPELAND] desired to be absent for a few days, and I agreed with him not to have the measure taken up in his absence. He has now returned, and I should like now to take up the measure. If any Senator desires to be heard this afternoon, I should not like to foreclose that privilege. If the measure is taken up, I do not anticipate final disposition of it today.

Mr. McNARY. I do not care to go to final disposition of the bill today. I think the Senator will agree that there has been some disarrangement of the legislative program. Everyone thought we would go forward with the bill which the Senator from Nebraska [Mr. NORRIS] had before us. We all know that under the rules appropriation bills have a preference, and the appropriation bill was taken up and disposed of. Then we had the addition of the bill presented by the Senator from New York [Mr. WAGNER], which was to be modified and passed. Consequently, in my judgment, there is no one in this body who thought the bill of the Senator from Oklahoma would come up today. It was not expected that it would be brought up at this time.

Mr. GORE. Very well. Let us proceed with the motion, and I will agree to lay the unfinished business aside. But I desire to give notice to Senators now to be present, and let us press this matter to a decision one way or the other. The Senate is sovereign, after all. I desire to do my duty, and to have this measure disposed of, whether it be voted up or voted down, on its merits.

Mr. McNARY. I think the Senator has that right, and it is a reasonable request; but I am trying to impress upon the Senator that no one thought the Senate would have nothing to do on Monday, and that the Senator's bill would be brought up. I am merely asking that it go over until another day, and then the Senator may continue to press his motion. The bill of the Senator from Nebraska is the real unfinished business, and will be brought before the Senate on Wednesday.

Mr. ROBINSON. Mr. President, I may state that it is my purpose, after the vote to proceed to the consideration of the bill shall have been taken, to move an executive session, at which I understand some controversial matters will be discussed, and then to move a recess until tomorrow. If the Senator from Oklahoma has concluded, I will make the motion now.

Mr. GORE. Very well. I should like to have the motion voted on.

Mr. COPELAND. Mr. President, the motion made by the Senator from Oklahoma is debatable, I assume?

The PRESIDING OFFICER. It is.

Mr. COPELAND. I wish to say just a word or two on the motion.

It seems to be a common practice to throw bricks at the shipping interests. I do not know any reason why we should do that and not treat in like manner the oil interests and the steel interests.

The bill which the Senator from Oklahoma desires to have considered will not increase the revenues of the Government. He will not contend that it will. It will, however, place a new burden upon the common carriers which operate through the Panama Canal, which carry the products of the Pacific coast through the Canal to the Atlantic, carriers which take the cotton of the country through the Canal. It will mean an increase in the burden upon the common carriers, necessarily involving a higher freight rate, which will mean an added burden to cotton, to fruits, and other products of the Pacific coast, and to the fruits of my section of the country. It will result in a lower rate to the commercial carriers, the oil carriers and the steel carriers, because if the revenues are to be continued they will be continued by reason of the fact that when the commercial carriers are given a lower rate the common carriers must be given a higher rate.

Mr. President, the Senate has heretofore considered this matter, and it was discussed at great length. There is now nothing at all in the bill that could be considered as a sop to those of us who opposed it, unless it is that tankers are to pay 10 cents a ton more; but they will have to come back in ballast, and therefore in the long run there will be the same decrease in canal tolls, less the 10 percent, that there would have been under the other bill. The steel carriers will have all the benefits of the original bill, and the common carriers, transporting the products which go into the homes and households of our country, must have their rates increased because of the additional toll levied on them when passing through the Canal.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. COUZENS. The Senator from New York has made a study of this matter, and I wonder how he can account for the fact that the Canal Zone authorities have for 22 years been asking for this legislation. Am I to interpret that to mean that they are in favor of the oil carriers and the steel carriers?

Mr. COPELAND. I do not so think.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. WHITE. The question of the Senator from Michigan was not directed to me, and perhaps I should not intrude myself, but I think the fact is that with respect to the recommendations by the War Department, the Department has been just as constant in advocating some measure as it has been inconstant in the proposals which have come to the Congress over 22 years, or whatever the number of years has been, because there has been a different proposal here with almost every change of the moon during the last 15 or 20 years. We are told that this is the final work of wisdom with respect to this subject matter, that there is no necessity for investigation by an impartial committee. Yet year after year changes have appeared in the proposals, and there is no certainty. On the contrary, there is every evidence, if we are to judge the future by the past, that further study of this matter would bring a further and different suggestion to the Congress. It seems to me that what has happened in the past is an incontrovertible argument for the making of a study by an impartial board of this whole subject matter. We should not blindly follow the suggestions of the War Department and the Canal authorities. So far as I know, there is no other interest in all the United States that is advocating this proposal.

Mr. COPELAND. Mr. President, I thank the Senator from Maine. He knows more about this subject than do most of us because of his long experience as chairman of the Merchant Marine and Fisheries Committee of the House of Representatives, and his membership on the Commerce Committee of the Senate.

A long time ago a Governor in the Canal Zone developed a theory as to how vessels ought to be measured. I have seen in my profession how such an idea would get possession of a man. I used to practice medicine. A doctor would formulate a theory, a hypothesis, and everything must conform to it. He could not get it out of his head by any process of reasoning. A Governor on the Canal Zone a long time ago figured out how vessels ought to be measured. He passed that legend on to the successive Governors, and they have come here, but every time, as the Senator from Maine has said, with a different reason.

I served as a member of the subcommittee to the Committee on Commerce, which considered the subject 7 or 8 years ago, and all the argument brought forth then from the Canal Zone was that the deck loads must be dealt with, as they would be through this new system. This year the argument is that holes are cut and certain space utilized as it should not be, according to the Senator from Oklahoma.

In this particular measure, in order to keep us quiet as to the deck loads, the Senator specifically omitted reference to such loads. But it is an old, moss-covered theory that has been brought here year after year and session after session. There is nothing new about it. The only possible new thing about it is the new argument produced. We had the pictures of the tubs on the Senate wall when the measure was before us the last time. They were new; that was different from the argument that was used 7 or 8 years ago.

If we defeat this bill, when its proponents come here next year, or 3 or 4 years from now, they will have some other reasons why that antiquated, fossilized scheme which was worked out 20 years ago on the Canal should be put into operation.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. DUFFY. The Senator has stated that the bill would not bring any additional money into the United States Treasury. I call his attention to the fact that while that is approximately correct, if the present system continues there will be less and less money coming in in the shape of tolls, for the reasons I gave at the time of the last argument. I presented a list of 22 Japanese vessels the structure of which is now being changed. Their owners are putting holes in the decks of those vessels, which will come through the Canal, after these superficial changes, which do not hurt their ordinary capacity at all, on the payment of a thousand or fifteen hundred or eighteen hundred dollars each time they go through the Canal. So, if some action is taken, while we may not get any more money, we will stop the decrease of revenues at this point; otherwise the loss of revenue will continue.

Mr. COPELAND. Mr. President, I should like to say that if it would help in bringing revenues from the Canal, I would be for the bill; but the Senator from Wisconsin does not contend that there would be any increase in revenue. He refers to 15 or 20 years from now. When that time comes, and he appears before the Senate with a bill on this subject—for he will be in the Senate 15 or 20 years from now, and will be even more experienced and able than he is today—he can use his argument. But in the meantime we are simply wasting our time, and I apologize for taking any time whatever.

Mr. DUFFY. Mr. President, I take it the Senator would be willing to consider the bill about the time to which he refers, 15 or 20 years from now.

Mr. COPELAND. So far as I am concerned, it will not be of much concern to me 15 or 20 years from now; but the Senator from Wisconsin is a young, vigorous man, and he will be here contending for the measure with all the force and energy which he possesses.

Mr. DUFFY. Seriously, if the Senator will yield further, I think he will admit that the bills which have been before us have not been fundamentally different. The object is to do away with the dual measurement at the Canal, so that the ships will pay toll on their capacity, not on the inconsistent basis on which they now pay. All of the legislation proposed has been for that purpose, even though couched in different language.

Mr. COPELAND. If the Senator were entirely consistent in talking about earning capacity, why was not the toll increased on the oil tankers and on the steel carriers, instead of being increased on the common carriers so that cotton and fruit and vegetables and all the other products which go back and forth through the Canal will be increased in cost by reason of the additional freight charge?

Mr. DUFFY. I think the Senator refers to the ships which go through the Canal loaded one way, and necessarily must return the other way empty.

Mr. COPELAND. I do.

Mr. DUFFY. I think that is exactly what the bill seeks to do.

Mr. WHITE. Mr. President, will the Senator yield for a question?

Mr. DUFFY. I do not have the floor, but with the permission of the Senator from New York——

Mr. COPELAND. I yield.

Mr. WHITE. I wonder whether after the recommittal of this bill further hearings were held by the committee at which the committee received suggestions as to the changes made in the proposed legislation. Were there further hearings by the committee?

Mr. GORE. Mr. President, in answer to the Senator's question, I will say there was not. I have assembled all the hearings and can, in a few moments, have them laid upon my desk, all which have been held in the last 22 years on this subject.

Mr. WHITE. May I interrupt there?

Mr. GORE. Yes.

Mr. WHITE. I take it, then, that the first bill was based upon those hearings covering a period of 22 years. What I am interested to know is why it was changed in the respect in which it is now changed?

Mr. GORE. No. A hearing was held upon the bill before it was originally reported during the present Congress. An elaborate hearing was held and the shipowners appeared and presented their case. No hearing was held after the bill was recommitted.

Mr. WHITE. Then, if I may pursue the inquiry, there was no further information made available to the committee which would justify the changes it has made?

Mr. GORE. Mr. President, when the debate was in progress in the Senate 4 or 5 weeks ago the excuse under which this bill was contested and recommitted was that it would save the tank ships tolls; that they would go through with the payment of smaller tolls than they pay now. That was the excuse. I do not think it was the reason. The reason was that certain ships which had tinkered and tampered with their decks are now going through the Canal and paying less tolls than they ought to pay. It is true that if this bill passes, certain ships will pay higher tolls than they are paying today. Those which are paying too little tolls now will then pay what they ought to pay. It is equally true that certain ships transiting the Canal now are paying more tolls than they ought to pay, and they will pay less tolls if this bill shall be passed.

When this bill was pending before, I think the reason for the objection was that certain Senators did not want certain ships to be required to pay tolls on their full earning capacity. That was the reason. The excuse was that tankers would get a reduction. Tankers go back west in ballast, and it would not be unreasonable if they got a reduction on that account. They earn no revenues on the return trip. There was no occasion to have a hearing on that point, because the commitee has reported the bill levying a surcharge or a differential of 10 cents a ton on tankers, notwithstanding they make the return trip in ballast. Notwithstanding they earn revenue only on the voyage eastward, they go back empty, and yet they pay 72 cents a ton for going through the Canal in ballast.

On every hand Senators who had not listened to the debate would come in and stand up with apparent surprise—I do not mean to be critical—saying, "Am I to understand that if this bill passes it will reduce the tolls paid by tankers?" If the bill had passed at that time in the form it was then drawn it presumably would have had that effect, because the tankers make the return trip in ballast, and they would have had a cheaper rate coming east. At present tankers pay on the average more than commercial ships—approximately 10 cents per ton. In order to remove that reason—if you please to call it such—in order to remove that excuse and eliminate tankers from this discussion, the committee had them subjected in the new bill to a discriminatory toll, a toll against them, a surcharge against them, a differential against them, of 10 cents a ton, so that Senators cannot now say that they oppose the passage of this bill because tankers will enjoy a reduction in their tolls. The point was to unmask the position of the opponents of this measure and compel them to admit that they are opposed to this legislation because it will compel ships that are paying less tolls than they should pay to pay the tolls they ought to pay. That is the only point involved in this question now.

As suggested by the Senator from Wisconsin [Mr. DUFFY], the Japanese launched four new vessels which transited the

Canal during the last fiscal year. They took advantage of all the devices permitted under this dual and bewildering system, and those ships were constructed so as to take advantage of the United States rules of measurements, as distinguished from the Panama Canal rules of measurement, and when they passed through the Canal their tonnage ascertained by the United States rules of measurement is only 68 percent of their tonnage ascertained under the Panama Canal rules of measurement. The construction of those Japanese ships has been carried to a point of refinement where they now pass through the Canal paying exactly the same toll when loaded as they pay when they go through in ballast. We are keeping the door wide open to let foreign ships avail themselves of this dual system and underpay the Government of the United States.

In 1931 ships passing through the Canal saved the payment of toll on 7,000,000 tons, owing to their taking advantage of these devices. Three million of those tons were on American ships and 4,000,000 were on foreign ships. As long as we persist in the present system we are paying a subsidy to foreign ships to compete with our own ships. In 1931 they did that to the extent of 4,000,000 tons. During the 16 years ending with the last fiscal year ships of all countries passing through the Canal have paid tolls on 84,000,000 tons less than they ought to have paid on, and 37,000,000 of those tons were American tonnage and 47,000,000 were foreign tonnage.

We are seeking to eliminate that discrimination and stop giving this concealed subsidy to foreign ships. Those of our shipping concerns which have been availing themselves of this device, not to say trick, do not want to pay as much as they ought to pay, and that is the source of the agitation outside of this Chamber against this legislation.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Oklahoma [Mr. GORE]. (Putting the question.) The Chair is in doubt.

On a division, the motion was agreed to and the Senate proceeded to consider the bill (S. 2288), to provide for the measurement of vessels using the Panama Canal, and for other purposes, which had been reported from the Committee on Interoceanic Canals with an amendment.

Mr. GORE. Mr. President, for the benefit of Senators interested in the shipment of cotton through the Panama Canal Zone, emphasized by the Senator from New York, I wish to say that if this bill be passed it will, if the increase be equally distributed over all cargoes, impose an additional freight charge on cotton amounting to one-half of 1 cent per bale. One-half a cent per bale of cotton will be imposed on cotton if this bill be passed, and one-half mill on each box of apples coming from the west coast, and 1 mill on each bag of potatoes. Cotton does not universally enjoy the benefits of these devices in these ships because of insurance requirements which compel the bulkheads to be closed, notwithstanding the tonnage openings in the deck.

Mr. COPELAND. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. COPELAND. How much would be the percentage of the decline in oil and steel?

Mr. GORE. The oil will not have so much of a decline.

Mr. COPELAND. But it will have some, will it not? The Senator has figured it out so closely on cotton and fruit, I thought he figured it out on oil and steel.

Mr. GORE. I can answer the question, I think. Ships of commerce now on the average pay about 86 cents per ton, including ships in ballast. Excluding ships in ballast, it is a little higher—around 88 cents. Tankers pay a little more. Tankers pay about $1.02 now, because tankers cannot avail themselves of the devices described in the former debate. So they pay about $1.02, and they will get a 10-percent surcharge, which will be about the same as they pay now. I think, on the whole, that will involve something like $80,000 in a year.

Mr. President, I ask unanimous consent to have inserted at this point in the RECORD, following my remarks, a memorandum regarding the tolls bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The memorandum referred to is as follows:

MEMORANDUM REGARDING TOLLS BILL

Many of the points raised in the recent debate on the tolls bill and in correspondence concerning the measure are not relevant to the legislation, which aims solely to provide a fair and equitable measure, an honest yardstick by which to determine the size of a vessel, its earning capacity in tons of 100 cubic feet; in short, its Panama Canal net tonnage.

They would be pertinent to the rate per ton to be set after the Panama Canal rules have been established as the basis and would be given due consideration, together with the views of those in interest, in establishing such rates within the limits prescribed.

The Panama Canal rules were devised for the purpose after extensive study.

In 1932 the Bureau of Efficiency made a thorough impartial study of the tolls question, and submitted a report (85 pages) strongly recommending the adoption of the Panama Canal rules of measurement as the sole basis of tolls charges.

Each vessel transiting the Panama Canal is measured under the Panama Canal rules and given a certificate showing in detail its Panama Canal net tonnage, but the operation of the dual system has made the Panama Canal rules ineffective for laden vessels. Experience in their application, however, over the 21 years of Canal operation has proved them entirely suited for the purpose, minor changes only being necessary to make them reflect accurately and equitably the earning capacity of all types of vessels using the Canal, especially those which have been developed since the rules were formulated. This can be accomplished administratively without further legislation. The study such as provided for in section 2 of the recommitted bill would be ineffective unless the Panama Canal rules were put in active operation as the sole basis for charges, as this bill provides.

Tonnages under the national rules of the several maritime nations are used for port charges, harbor dues, etc., in ports of the world. Every effort is made by each nation to keep its tonnage as low as possible in order to minimize such charges to the vessels of its own nationals in competition with others. They are not suitable for canal purposes. An attempt to use national tonnages at Suez was abandoned. By international agreement Suez has her own registered tonnage. The United States rules have kept pace with the rules of other nations in minimizing national tonnage. Vessels, both United States and foreign, which have been able to reduce their net tonnage through technicalities in the United States rules by installation of tonnage openings in order to evade proper tolls charges are not bearing their share of the tolls burden as has been claimed.

These so-called tonnage openings serve no useful purpose except to reduce the tonnage to evade payment of tolls. They do not make the vessel more safe, but less safe, and might become a potential danger in an emergency. Inequalities do exist not alone in charges between vessels, but between different transits of the same vessel. Theoretically the net tonnage of a vessel represents the space, in tons of 100 cubic feet, available for the stowage of cargo and the accommodation of passengers. It does not represent weight-carrying capacity. Cargo is accepted by a vessel either by weight or measurement (space of 40 cubic feet being considered a cargo ton) at vessel's option; that is, whichever is most advantageous to the ship. Commodities of great weight, such as copper ingots, machinery, and structural steel are taken by weight, while lighter cargo such as cotton, canned goods, and produce are taken by measurement. The operation of the load-line law regulates the depth to which a vessel may be safely loaded and restricts its weight-carrying capacity to that extent. It does not restrict or reduce the space available for the carrying of cargo or passengers, the pay space on which tolls are assessable.

The statement that the reductions secured should be regarded as an indirect subsidy, which up to now has accrued to foreign vessels in greater proportion than to United States vessels, has been questioned.

In the report of the Bureau of Efficiency, following their study of the toll question in 1932, it was pointed out that in the year 1931, through the operation of the dual system, toll charges were reduced $7,000,000, of which $4,000,000 went to foreign vessels, while $3,000,000 went to United States vessels. In the 17 years of operation up to the time the report was made, United States vessels had been relieved of approximately $27,000,000, while foreign vessels saved $32,000,000. It was pointed out that for every dollar saved to United States vessels it had been necessary to forfeit more than a dollar in legitimate revenue from foreign vessels. Up to the end of the fiscal year 1935, the reduction in toll charges from the established rate has amounted to $84,000,000 of which $37,250,000 has gone to United States vessels, while $46,750,000 in legitimate revenue has been forfeited to foreign vessels. As pointed out by the Bureau of Efficiency, it would be good business administration to collect the full amount from all vessels and return the saving to United States vessels in some other form of direct subsidy. If the present canal dual system is to be permitted to continue on the theory that all American vessels must be protected from any increase in tolls, it constitutes one of the most costly forms of indirect subsidy which could well be devised.

It is not intimated that any vessel can continually further reduce its tonnage, but that more and more vessels will take advantage of the present system to reduce their tonnage and vessels unable to avail themselves of such reduction will be re-

placed with new construction, both United States and foreign, which has taken full advantage of the rules to minimize their toll charges. The percentage of earning space on which it has been possible to collect tolls has been reduced from 84.78 percent in 1919 to less than 70 percent in 1935, a reduction of 15 percent in 16 years, as pointed out in the report on the bill.

The adoption of the Panama Canal rules as the sole basis of tolls charges as provided in this legislation would not increase the revenue at the Canal but it would prevent further reductions. In 1935 the total tonnage of Japanese vessels increased, while the actual tolls charged were decreased, which would not be possible under a single system proposed.

It is hoped that revenue from the Canal will be sufficient to return 3 percent on the capital investment after paying operating expenses. This capital investment includes only the actual cost of the Canal itself and the structures necessary for its maintenance and operation. The costs of fortifications of all kinds, including the cost of military and naval posts, have never at any time been incorporated as a part of the cost of the Panama Canal as a commercial enterprise.

At one time a commission recommended that a portion of the cost of the Canal be written off as in some way representing the military value of the Canal itself. This recommendation has not been carried out, but included in the capital cost are no amounts which have been expended for the defense of the Canal.

The Canal authorities and the War Department have been most consistent in their arguments in favor of this legislation. The only changes made in the form of the legislation have been in the nature of concessions to the steamship interests in an endeavor to secure enactment. The question of eliminating charges on deck loads was disposed of many years ago. The maximum limit was reduced from $1.25 to $1 to insure that the rate proclaimed would not be excessive or result in appreciable increases to any vessels. A rate not to exceed 90 cents, as proposed by the Secretary of War, if carried out, would insure a return not in excess of that now paid by the whole industry. Any increases or decreases to individual vessels are incident to a change from a system that is obviously and admittedly unfair to one that would be equitable to all concerned. The proposed revision in the rules contemplates only such changes as are in the interest of shipping and would especially benefit the large type of passenger vessels by eliminating charges on public rooms and accommodations for the crew serving passengers, a benefit accruing to the United States passenger vessels to a greater extent than to foreign passenger vessels.

The specific need for this legislation is and always has been to provide for the use of the Panama Canal rules as the sole basis of tolls charges, thereby providing a single system of measurement and abolishing the dual system.

That the installation of tonnage openings greatly reduces the tonnage under United States rules of measurement has always been advanced as the reason for their being unsuitable as a basis for tolls charges or as a limiting factor. In that the proponents of the legislation have been most consistent.

The need for this legislation at this time is well set forth in the report submitted by your committee. Its enactment will permit the Canal administration to conduct this Government enterprise in a straightforward, businesslike manner, and remove the only feature of Canal operation not based on equity, merit, and efficiency.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the Committee on Appropriations, reported favorably the nomination of Henry H. Ferguson, of Oklahoma, to be State engineer inspector for the Public Works Administration in Oklahoma.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nomination of Benjamin Reath Riggs, of Pennsylvania, now a Foreign Service officer of class 4 and a secretary in the Diplomatic Service, to be also a consul.

Mr. NEELY, from the Committee on the Judiciary, reported favorably the nomination of Arthur F. Lederle, to be United States district judge, eastern district of Michigan, vice Charles C. Simons, appointed circuit judge.

Mr. McGILL, from the Committee on the Judiciary, reported favorably the nomination of George E. Miller, of Iowa, to be United States marshal, southern district of Iowa, vice Fred S. Hird, term expired.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Brig. Gen. John Aloysius O'Keefe, Adjutant General's Department, Mississippi National Guard, to be brigadier general, Adjutant General's Department, National Guard of the United States.

He also, from the same committee, reported favorably the nominations of sundry officers for appointment in the Regular Army.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first business in order on the calendar.

IN THE ARMY—DUNCAN K. MAJOR

The Chief Clerk read the nomination of Col. Duncan Kennedy Major, Jr., to be brigadier general.

Mr. WALSH. Mr. President, I desire to make a brief statement in opposition to the confirmation of the nomination of Colonel Major to be a brigadier general in the Regular Army.

In 1922 the President of the United States sent to the United States Senate the nomination of Lt. Col. Duncan K. Major, Jr., to be a colonel. A protest against the confirmation of this nomination was made to the Committee on Military Affairs, and extensive hearings were held between April 25 and May 6 in 1922 by the Committee on Military Affairs. Many witnesses, including Members of Congress who had served under Lt. Col. Duncan K. Major, Jr., while he was chief of staff with the Twenty-sixth Division in France during the World War, appeared in opposition to confirmation; brigadier generals, colonels, officers of all ranks, and privates also appeared in opposition, practically all of whom had been former members of the National Guard before being enlisted into the Twenty-sixth Division of the Regular Army during the World War and who served under Lt. Col. Duncan K. Major, Jr., in France. There was also testimony from high-ranking Regular Army officers, newspapermen, and others who had observed Lieutenant Major's activities in France. Petitions and memorials from various military units and organizations of the Twenty-sixth Division also were filed in protest. The opinions expressed by some enlisted men are expressed in the following quotation from testimony presented:

> His attitude toward the enlisted personnel of the division was regarded by them almost unanimously so vicious that he was despised and loathed by every man in the Twenty-sixth Division. It was the attitude of men like him that has made our citizenry disgusted with our Military Establishment; and, although the war is now over, the bitterness of our experience with Colonel Major still survives; and it is my hope that he be removed from the military service of the United States, which he has harmed rather than helped by his presence.

The opposition presented in the following manner their grounds of opposition:

One. His incompetency.

Two. His insubordination.

Three. His disloyalty.

Four. His untruthfulness.

Five. His temperamental unfitness to command men.

Six. His deep-seated, deeply rooted prejudice exhibited on so many occasions against the citizen soldiery, both officers and men.

In my judgment, the evidence was mostly directed toward establishing the fact that he was temperamentally unfit to command men and his prejudice against the citizen soldiery and preference and favoritism for the Regular Army officers and soldiers.

His disloyalty was alleged to be directed toward his commanding officer in France, General Edwards—now dead—who was opposed to the confirmation of the promotion to colonel, and whose staff officers of the regiment he commanded appeared in opposition. Lieutenant Colonel Major was assigned during the last weeks of the war as chief of staff of the Twenty-sixth Division, which General Edwards commanded.

In regard to the charge of hostility to the citizen soldiery, I present at this point the presentation made in the brief filed by those opposing at that time the promotion of Lt. Col. Duncan K. Major, Jr.

HIS HOSTILITY TO THE CITIZEN SOLDIERY

In the passage of the act of June 4, 1920, a definite military policy was laid down by the Congress of the United States. This act popularly bears among the people of the United States the name of the chairman of this committee and represents what we believe to be a well-founded, well-ordered military policy, suitable to the people of the United States. It provides, as I recall its terms, an Army composed substantially as follows: One-sixth Regular Army; two-sixths National Guard; and three-sixths Organized Reserves. An examination of this act therefore will show at a glance that it contemplated an organization, which would be composed to a numerical extent five-sixths of the citizen soldiery. Its officer personnel must be almost entirely from our nonprofessional soldier, its ranks filled with the people of America of the nonprofessional soldier class; its organizations are planned and made in time of peace, prepared to function as so planned and made in time of war. It contemplates, therefore, that the officer personnel of this Army shall enter the war as originally constituted. It recognizes the National Guard; it provides liberally for its instruction and training. It is planned that it shall be ready for instant use. The citizen soldier is the backbone, therefore, of our military policy, and in the next war, as in past wars, he will be in numerical superiority. Within this plan of national defense by reason of his membership in the United States Army high in rank would stand Colonel Major. He is hostile to this system—a prejudiced disbeliever in the ability of the citizen soldiery properly to function—and so unfit for service in peace, which necessarily implies his uselessness in time of war. The evidence in this case is replete with his hostility to the citizen soldier both personally and professionally.

It is shown in his conversations at Tours with Colonel Anderson, when he criticized civilian officers because they were unwilling, so he said, to make vicious sacrifices of their men; in his speech to the officers of the One Hundred and Fourth Infantry when he said that the "efficiency of a regiment was rated by its casualties", and, "There are plenty of replacements."

From the very moment that he came to the division we have the evidence of Major Pendleton that Colonel Major called him to his room, criticized the National Guard characteristics of the Twenty-sixth Division, and told of his determination to get rid of National Guard officers; and this sentiment with which he entered the division he devoutly and vigorously maintained during his service with it until the armistice. It is reflected in his every act; in his contemptuous attitude toward its National Guard officers and enlisted men; in the superior, supercilious manner in which he either failed to recognize them or constantly addressed them; in his failure to tender to General Cole, his superior officer, the recognition which his rank demanded; in the finger-shaking exhibition which he gave to Colonel Stevens, a National Guard officer who called Colonel Major's attention to a violation of the order of G. H. Q., which he, Colonel Major, was directing; in his recommendations to General Edwards to rid the division of National Guard officers and thereby secure in substitution for them officers of the Regular Army; in his recommendations for removal of officers, as is instanced in the case of General Cole, of Colonel Hume, and of Colonel Logan, of two of whom, General Cole and Colonel Logan, Colonel Anderson has testified, Colonel Major said to him at Tours that "They were men of ability, but if they had been trained in the Regular Army they would have been less regardless of the lives of their men"; in his readiness to order men with whom he was peevishly dissatisfied to the front line, where, according to the testimony, he is reported to have said, "They would get what was coming to them"; and in his repeated acts of harshness and viciousness in which he signally failed to appreciate that the men who were under him were human beings and were entitled at least to courteous and decent treatment.

No man, and certainly no officer, so out of step with the minds and souls of the youth of America can safely and efficiently work with the great militant citizenry of this country in time of war with any degree of value to the country. On the contrary, his service is destructive, his efforts futile; his worth worse than valueless. Such a man, we believe, from a year's experience in that test which makes all men comrades, has no place in our military system. He is not a help; he is a detriment. He is not an asset; he is a liability. Instead of encouraging men he discourages them. Instead of helping them he hurts them.

The men who have been here testifying before you are not the product of a locality; they come from North and South. They are not alone the products of the National Guard; they are from both the National Guard and the Organized Reserve Corps; they are not merely representatives of the citizen soldiery; they come likewise from the Regular Army of the United States; and all—all urge you strongly to refuse confirmation to Colonel Major.

It is only fair to state that many Regular Army officers appeared and testified as to his efficiency, his capacity as an Army officer, and highly recommended him for his peacetime as well as his wartime service as an Army officer.

The hearings were conducted in executive session. In my opinion, had they and the executive session of the Senate been held in open session, Lt. Col. Duncan K. Major, Jr., would never have been confirmed. As it was, several prominent members of the Military Affairs Committee opposed the confirmation. The case finally reached the floor of the Senate in February 1924, the Senate then being in closed executive session, and Col. Duncan K. Major, Jr., was confirmed after an animated debate, with charges made that the Army and social leaders of Washington were actively supporting Lieutenant Colonel Major; the confirmation vote made public was—yeas 43, nays 24, not voting 29.

The same officers and enlisted men of the Twenty-sixth Division have now presented themselves in opposition to the nomination of Col. Duncan K. Major, Jr., to brigadier general. Consultations have been held with various Senators in regard to the wisdom of holding hearings and carrying the protests to the floor of the Senate. The officers and veterans who made these protests are now scattered all over the country. Most of them are without funds to come to Washington to present their cases and cannot incur the large expense of protracted committee hearings in Washington. They have, however, made it clear to the chairman of the Committee on Military Affairs that their opposition is just as strong as during and at the end of the World War to Col. Duncan K. Major, Jr. They still think that his treatment of the National Guard officers and civilian soldiers during the war was what they called "brutal and contemptuous." Furthermore, they appreciate the difficulties in preventing the confirmation of an Army officer after these long years. On that account they have requested me and my colleague to enter a protest in order that the record may be clear as to the fact that they are still unutterably opposed to his promotion and consider him unsuitable and unfit for the military service.

I will conclude my observations on the pending question by repeating the reasons I gave in 1922 and 1924 for opposing the nomination of Lt. Col. Duncan K. Major, Jr., which at that time were concurred in by my then colleague, Senator Lodge, and are now concurred in by my present colleague, the junior Senator from Massachusetts [Mr. COOLIDGE].

The reasons for opposing this nomination are as follows:

(a) To prevent putting into higher and more effective command a man now lieutenant colonel in the United States Army and thus endorse the record he has made.

(b) To impress upon the Regular Army officers that they must respect, cooperate with, and have a proper understanding of the limitations and point of view of the citizen soldiers.

(c) To assure the National Guard and future citizen soldiers that the Government does not approve of that type of Army officer that is intolerant, autocratic, or callous and cruel.

(d) To give notice to the Army that qualities other than military knowledge are essential for leadership; that an Army officer commanding troops in time of war must be manly, sympathetic, cooperative, and tolerant.

(e) That conservation of human life is not to be disregarded by Army officers in the full performance of military duties in time of war.

Mr. President, wars are fought not by the Regular Army, but by the citizen soldiery. Even our National Defense Act provides for the Army of the United States being composed of five-sixths of citizen soldiers, and anybody who knows anything about military service knows that the soldiers and officers of the next war must come directly from the people, and their confidence must not only be maintained in our military institutions, but they must have the respect for them as well; and if they are going to permit their sons to engage in war, they must be assured that not only officers of ability but of humanity as well are going to command them.

If Duncan K. Major were of that type, no protest would be made in the Senate today, and if made by men actuated by any purpose other than this, their protest would not be worthy of a word of discussion in the Senate.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

Mr. WALSH. I yield to the Senator from Nebraska.

Mr. NORRIS. Did the incident which the Senator has related take place after Colonel Major's promotion, something over a year ago?

Mr. WALSH. Oh, no! All I am describing took place during the World War.

Mr. NORRIS. Can the Senator give us any idea what the conduct of this officer has been since he was promoted?

Mr. WALSH. In my judgment, the Army records would indicate that he has been a good officer.

Mr. NORRIS. It may be that the long hearing had at the time of the objection to his promotion has had an effect for good upon him.

Mr. WALSH. I hope so. I am now expressing these views because these protestants do not want this promotion to take place without repeating the objections they formerly made and because they want their objections made a public record. It could not be at the time of the former promotion because of the secret executive sessions of the Senate in 1924.

The protestants are not asking for a hearing now. First of all, they have not the money and they realize the difficulties because of the fact that the case has been tried once in the Senate. They are scattered all over the country, in every part of the country. They were here at great personal sacrifice for nearly a month in 1922. When the case came before the Senate—I do not know whether the Senator from Nebraska recalls it or not—the claim was made that many in the social life of Washington had interested themselves in Colonel Major's promotion, and that the military forces here in Washington were likewise interested.

The very able and gracious and patient chairman of the Military Affairs Committee has talked with those who represent the opposition; and after his conferences with them they have reached the conclusion that it would be of little avail to press their protests further, in view of the record of the Senate in confirming Major in 1924.

I am making this protest so that this man and other officers of his type and character will know that they cannot be confirmed here without a protest, at least, if their treatment of civilian soldiers is of the character and kind alleged in the hearings of 1922 by these National Guard officers and enlisted men. They know what the outcome of protracted hearings would be; but, at any rate, the record is now being made, and in the name of these aggrieved veterans I am now protesting against the confirmation of this nomination, and also I am doing it in the name of my colleague [Mr. COOLIDGE].

Mr. President, it is only fair to say, and I desire to repeat it now, that Colonel Major is considered by his Army chiefs an able, efficient officer who rendered very creditable service during the World War. The complaint against him is one of temperament, that he has the Prussianized system and method of leadership; that he has prejudices against the National Guard; that he treated its members and civilians with ignomity and contempt. The former testimony tends to prove that. However, ffiustice compels me to say what I am sure the chairman of the Military Affairs Committee will say, that many officers of the Regular Army praise his military knowledge, his qualities of military leadership, and all military reports are most commendable from that standpoint.

It is an unfortunate incident. The war is over, but these brave war veterans have not forgotten the treatment they received, and the many letters which have come to me clearly emphasize this fact.

Mr. NORRIS. Mr. President——

Mr. WALSH. I yield to the Senator from Nebraska.

Mr. NORRIS. I think it would be very helpful if we had some information as to whether the protests which were made have had any effect, not only upon this officer but upon other officers who are very often charged at least with having the same defect, as I may call it, in their treatment of anyone who does not happen to come from the same educational institution from which the officers graduated. I have a great deal of sympathy with the kind of protest the Senator from Massachusetts is making, but I am wondering whether the condition exists now as it did then.

Mr. WALSH. I should be sorry to think it did, and personally I do not think it does, because no National Guard officers or National Guard troops are now under Colonel Major's jurisdiction, the country now being in a period of peace.

Mr. President, I do not care to say any more in connection with this matter. I have stated my opposition.

Mr. WHITE. Mr. President, I desire to express in just a word my complete concurrence in all the senior Senator from Massachusetts [Mr. WALSH] has said.

I do not wish to go into the record. I simply desire to make it known to Senators that from my section of the country there have come many protests against the confirmation of this nomination. I believe the senior Senator from Massachusetts has correctly stated the reasons for those protests; but, like him, I have no pleasure in attempting to take part in a futility. I think the nomination is to be confirmed, but I desire my protest to be a matter of record.

Mr. SHEPPARD. Mr. President, every opportunity has been given for a hearing on the present promotion. The leading representative of those opposed to the promotion of Colonel Major came here and said he would content himself with filing a protest, and having the ground for protest stated upon the floor of the Senate. All the matters referred to by the Senator from Massachusetts [Mr. WALSH] were thoroughly debated in the Senate in 1922. The Military Affairs Committee of the Senate held thorough and comprehensive hearings. As a result, the Senate committee made a favorable report, and the Senate confirmed the nomination.

There was testimony on both sides in the controversy to which the Senator from Massachusetts alludes; and it will be fair to Colonel Major to give some of the testimony in his behalf at that time.

That testimony was to the following effect:

When the United States entered the war Colonel Major, then a captain of Infantry, was on duty with the Fifteenth Infantry in China. He was promoted to the grade of major May 15, 1917, and to the grade of temporary lieutenant colonel August 5, 1917.

At the request of Maj. Gen. Clarence R. Edwards, who took the Twenty-sixth Division overseas and commanded it until a few days before the signing of the armistice, Colonel Major was sent to France and assigned to duty as chief of staff of that division, in which capacity he served with distinction until hostilities were ended.

In the various reports made by General Edwards during the war, he repeatedly characterized Colonel Major as a highly efficient chief of staff, and recommended his promotion, first to colonel, and later to brigadier general.

In August 1918 Lt. Gen. Hunter Liggett, commanding the First Army Corps, in his report on the Aisne-Marne offensive, said of Colonel Major:

> The conduct of Colonel Major was most creditable, as almost without rest this officer bore the burden of staff duty at headquarters, and then proceeded to take command of advance units to further the repeated insistence that orders be carried out.

Brigadier General Bamford, who succeeded General Edwards in command of the Twenty-sixth Division, said that Colonel Major "was an exceptionally good chief of staff."

Maj. Gen. Harry C. Hale, who succeeded General Bamford, reported Colonel Major as an "excellent chief of staff; also highly efficient with troops. Would command a brigade with success."

For his service as chief of staff of the Twenty-sixth Division, Colonel Major was awarded the Distinguished Service Medal by the President, with the following citation:

> For exceptionally meritorious and distinguished services, as chief of staff of the Twenty-sixth Division he proved to be a capable and energetic staff officer of marked executive ability. At all times he exhibited rare qualities of military leadership. He rendered invaluable services to the American Expeditionary Forces.

It is a notable fact that Colonel Major has served with distinction in every commissioned grade of the United States

Army from second lieutenant to brigadier general, covering a period of 37 years in war and peace, approximately 16 years of which have been with troops. His war service, nearly all with troops, includes the Philippine Insurrection, the Boxer uprising, and the World War. He has never been the subject of disciplinary action of any kind.

Whatever foundation there may have been for the charges of prejudice against National Guard troops on the part of Colonel Major I am sure has been wiped out during his splendid service since 1922, an exceptionally efficient service. He was chosen as the War Department representative on the board to conduct the Civilian Conservation Corps camps, showing a special sympathy for the proper organization of young men in these camps.

I believe that the debates in the Senate served as a salutary lesson to him and probably other officers. There were several controversies of this character growing out of the World War, as Senators will remember.

Let me say that during the past 6 years Colonel Major's name has been included in the list of colonels selected annually by a board of general officers as eligible for promotion to brigadier general. He has been specifically recommended for such promotion by no less than 10 individual general officers.

Inasmuch as these charges were once tried, resulting in a favorable verdict for Colonel Major, and inasmuch as Colonel Major's conduct as colonel has been of an exceptionally efficient nature, the committee believes he should be confirmed.

Mr. CLARK. Mr. President, I do not desire to delay the Senate at this hour in opposing a confirmation which apparently has already been agreed upon. I do desire, however, to make some brief observations on the conduct of Col. Duncan Major.

I had opportunity to know something of Col. Duncan Major during my service as an Army officer of Colonel Major's service with the Twenty-sixth Division, one of the best divisions that served with the Army in France, in my opinion. My opportunity for familiarity with his activities came perhaps by reason of the fact that the Twenty-sixth Division and the Thirty-fifth Division, of which latter division I was originally a member, might fairly have been called twin divisions, twin divisions only in the sense that they were both excellent, both efficient divisions, which gave an excellent account of themselves in warfare, that they were both National Guard divisions, and that they shared in a peculiar degree, apparently, the peculiar animosity of the high command of the A. E. F.

My particular acquaintanceship with the activities of Col. Duncan Major came from the fact that my division headquarters at one time was at Gondrecourt, in France, and I had been preparing myself to defend three of the National Guard officers who had been sent from the Twenty-sixth Division, on charges of inefficiency preferred by Colonel Major, to the replacement camp, which also happened to be at Gondrecourt. I was only prevented from representing them as counsel in those hearings by the fact that an order came down from above preventing an officer on active duty from appearing as counsel for an officer being tried before an inefficiency board. Before that order came down I had had an opportunity to examine in very great detail the records of the three officers, one of whom was afterward a major general in the Massachusetts National Guard, who had been relieved from command of a splendid regiment on charges of inefficiency by the then Colonel Major.

I do not at this time desire to rehash what has already been tried in the Senate. I merely desire to say that my own personal investigation leads me to the inescapable conclusion that when Colonel Major was assigned to the Twenty-sixth Division as chief of staff he proceeded at once to be most disloyal to his chief, the division commander, in whose name and in whose name only he could act, and pursued a ruthless, bitter policy toward all of the National Guard officers remaining in the division.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. WALSH. A chief of staff is what might be termed, in laymen's language, the private secretary to the general commanding, is he not?

Mr. CLARK. I will say to the Senator from Massachusetts that the chief of staff of an Army division can only act in the name of his commander. He is entrusted with great authority, to be exercised in the name of the commander. It is as confidential a relationship as can possibly exist on the face of the earth, and I make the charge, without fear of successful contradiction, that the record of Duncan Major as chief of staff of the Twenty-sixth Division of the American Expeditionary Forces will show that he was absolutely disloyal to his chief, Gen. Clarence Edwards, from the day of his assignment as chief of staff of the Twenty-sixth Division.

Moreover, I charge, without fear of successful contradiction, that it was the purpose of Colonel Major, on the day he arrived in the Twenty-sixth Division, and every other day thereafter during his stay there, to bring about the relief, for one cause or another, of every National Guard officer in the division holding rank above the grade of major.

I charge further, Mr. President, that he brought about the relief of such eminent soldiers as General Cole, Colonel Logan, afterward General Logan, and every other National Guard officer in the division whom his influence could reach.

I charge further, that he brought about the relief, through his influence at general headquarters, of every Regular Army officer who had been fair to the National Guard troops under his command, notable in this category was Gen. Peter Traub. The records which I have had the opportunity of examining, to my mind, conclusively prove that.

I stated to the Senator from Massachusetts a few days ago that if he wanted to make a fight on the confirmation of Colonel Major I would be very glad indeed to lend any aid I possibly could in the fight. I think the Senator from Massachusetts and the other people in New England who feel as they do as to the promotion of Colonel Major have wisely made up their minds that they will not delay the confirmation of the lineal list of the Army, inasmuch as the proposition has once been tried out on this floor, at a time when the opposition to the promotion of Colonel Major had the support of such eminent Senators as the senior Senator from Texas [Mr. SHEPPARD], who is now the chairman of the Committee on Military Affairs of the Senate, the senior Senator from Florida [Mr. FLETCHER], who at that time was the ranking Democrat on the committee, and many other Senators.

Mr. President, I was a member of a division which was once very much outraged by a Regular Army officer. I was not then a Member of the Senate, but by the presentation of our case we held up the confirmation of the lineal list of the Army for nearly 2 years in an effort to defeat the promotion of this officer. Finally, and inevitably, the pressure became so great that this man, whom we considered to be absolutely unfit for his promotional status, was finally confirmed by the Senate.

I understand the position of the Senator from Massachusetts, and other New England Senators from States represented by the Twenty-sixth Division, in feeling that they cannot longer hold up the lineal promotion list, inasmuch as this matter has once been tried out by the Senate. I do, however, express the hope that Colonel Major may have the same sensibilities exhibited by Major Peck, who, after he received his promotion, immediately resigned from the Army.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. WALSH. Is it not a fact, I think a regrettable fact, that of the limited number of strong protests made of discrimination and unfair treatment, and in this case a charge of a disregard of the conservation of human life, even as serious a charge as that, the Senate has not in a single case heeded the protests of civilian veterans by refusing to promote Regular Army officers when nominated?

Mr. CLARK. Mr. President, what the Senator from Massachusetts has said is entirely true. If it were otherwise, and if there were any hope of defeating the confirmation

of Colonel Major to the rank of brigadier general, I should be willing to stand on this floor until I dropped in order to defeat his confirmation. But, isasmuch as the matter has once been tried out on the floor of the Senate, and Colonel Major's promotion has once been confirmed by a decisive vote, I agree with the Senator from Massachusetts and the Senator from Texas that there is no point to be served now except to enter individual objections to the confirmation. I do desire it to be entered upon the RECORD that I voted "no" upon the confirmation.

Mr. President, I will not ask for a roll call, but I should like to have it made a matter of record that on this confirmation I vote in the negative.

The PRESIDENT pro tempore. The question is, Shall the Senate advise and consent to the appointment of Col. Duncan Kennedy Major, Jr., to be brigadier general in the Army?

The nomination was confirmed.

IN THE ARMY

The legislative clerk read the nomination of Col. Walter Campbell Sweeney to be brigadier general in the Army.

The PRESIDENT pro tempore. Without objection the nomination is confirmed.

The legislative clerk read the nomination of Col. Edwin Simpson Hartshorn to be brigadier general in the Army.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask that the remaining nominations in the Army be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the remaining nominations in the Army are confirmed en bloc.

EARL D. CLINE

The legislative clerk read the nomination of Earl D. Cline to be postmaster at North Los Angeles, Calif.

The PRESIDENT pro tempore. On request of the Senator from Tennessee [Mr. MCKELLAR], the nomination will be passed over.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask that the remaining nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the remaining nominations of postmasters are confirmed en bloc.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 31 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 3, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 2 (legislative day of Feb. 24), 1936

UNITED STATES ATTORNEY

Steve M. King, of Texas, to be United States attorney, eastern district of Texas, vice S. D. Bennett, whose term expires June 16, 1936.

COLLECTOR OF INTERNAL REVENUE

William H. Kelly, of East Orange, N. J., to be collector of internal revenue for the fifth district of New Jersey, to fill an existing vacancy.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO ORDNANCE DEPARTMENT

First Lt. James Stewart Neary, Field Artillery, with rank from March 31, 1934.

TO FIELD ARTILLERY

First Lt. Logan Clarke, Infantry, with rank from December 1, 1934, effective June 25, 1936.

Second Lt. Robert Nabors Tyson, Infantry, with rank from June 12, 1934.

PROMOTIONS IN THE REGULAR ARMY

DENTAL CORPS

To be lieutenant colonels

Maj. Lee Stanley Fountain, Dental Corps, from February 23, 1936.

Maj. John Lloyd Schock, Dental Corps, from February 24, 1936.

Maj. Charles Walter Lewis, Dental Corps, from February 25, 1936.

PROMOTIONS IN THE NAVY

MARINE CORPS

Col. John C. Beaumont to be a brigadier general in the Marine Corps from the 27th day of July 1935.

Lt. Col. Albert E. Randall to be a colonel in the Marine Corps from the 1st day of March 1936.

Maj. Charles A. Wynn to be a lieutenant colonel in the Marine Corps from the 1st day of September 1935.

Capt. Merritt A. Edson to be a major in the Marine Corps from the 9th day of February 1936.

Capt. Curtis W. LeGette to be a major in the Marine Corps from the 1st day of March 1936.

First Lt. Homer L. Litzenberg, Jr., to be a captain in the Marine Corps from the 1st day of December 1935.

First Lt. Floyd A. Stephenson to be a captain in the Marine Corps from the 1st day of December 1935.

First Lt. Robert E. Hogaboom to be a captain in the Marine Corps from the 9th day of February 1936.

First Lt. Francis H. Brink to be a captain in the Marine Corps from the 1st day of March 1936.

The following-named pay clerks to be chief pay clerks in the Marine Corps, to rank with but after second lieutenant, from the 18th day of February 1936:

David R. Porter.

James U. Meyer.

POSTMASTERS

ALABAMA

Agnes Bonds to be postmaster at Adamsville, Ala. Office became Presidential July 1, 1935.

Violet A. Yeend to be postmaster at Chickasaw, Ala., in place of V. A. Yeend. Incumbent's commission expired February 17, 1936.

Hosea F. Downs to be postmaster at Clanton, Ala., in place of W. M. Bean, removed.

William E. P. Lakeman to be postmaster at Haleyville, Ala., in place of F. M. Johnson, resigned.

Louie Glenn Collier to be postmaster at Huntsville, Ala., in place of S. H. Murphy, retired.

William B. Hardegree to be postmaster at Talladega, Ala., in place of R. S. Bingham. Incumbent's commission expired March 1, 1936.

Minnie L. Garrett to be postmaster at Uriah, Ala., in place of M. L. Garrett. Incumbent's commission expired February 17, 1936.

ALASKA

Brigham Y. Grant to be postmaster at Wrangell, Alaska, in place of B. Y. Grant. Incumbent's commission expired February 19, 1936.

ARIZONA

Leonard D. Redfield to be postmaster at Benson, Ariz., in place of L. D. Redfield. Incumbent's commission expired January 7, 1936.

ARKANSAS

Belle M. Westbrook to be postmaster at Beebe, Ark., in place of T. T. West. Incumbent's commission expired January 11, 1936.

William D. Fowler to be postmaster at Brinkley, Ark., in place of M. R. Stimson. Incumbent's commission expired January 11, 1936.

James Thweatt to be postmaster at De Valls Bluff, Ark., in place of E. M. Cook. Incumbent's commission expired January 11, 1936.

CALIFORNIA

Lois E. Walton to be postmaster at Monte Rio, Calif., in place of E. M. Sheridan, deceased.

Marshall E. Walden to be postmaster at Newman, Calif., in place of J. J. Shroy. Incumbent's commission expired January 9, 1936.

FLORIDA

Joe Sidney Savary to be postmaster at Inverness, Fla., in place of S. E. Sweat. Incumbent's commission expired January 13, 1936.

GEORGIA

Clyde W. Hill to be postmaster at Blairsville, Ga., in place of J. A. Brackett. Incumbent's commission expired January 7, 1936.

Joseph D. Long to be postmaster at Bremen, Ga., in place of J. D. Long. Incumbent's commission expired January 7, 1936.

Mary L. Burch to be postmaster at Eastman, Ga., in place of M. L. Burch. Incumbent's commission expired February 17, 1936.

Robert A. Fowler to be postmaster at Fort Gaines, Ga., in place of W. C. Chambers. Incumbent's commission expired January 7, 1936.

Arthur G. Williams to be postmaster at Jesup, Ga., in place of A. G. Williams. Incumbent's commission expired February 17, 1936.

Jesse W. Mundy to be postmaster at Jonesboro, Ga., in place of C. F. Duffee. Incumbent's commission expired January 25, 1936.

Kenneth E. Stapleton to be postmaster at Lakeland, Ga., in place of K. E. Stapleton. Incumbent's commission expired February 17, 1936.

Thomas M. Carson to be postmaster at Lavonia, Ga., in place of V. M. Jones. Incumbent's commission expired January 7, 1936.

Augustus H. Flake to be postmaster at Lithonia, Ga., in place of T. E. Watson. Incumbent's commission expired January 7, 1936.

Morine Allgood to be postmaster at Temple, Ga. Office became Presidential July 1, 1935.

Charlie B. Short to be postmaster at Thomaston, Ga., in place of H. L. Dayton. Incumbent's commission expired January 7, 1936.

Minnie E. Giddens to be postmaster at Willacoochee, Ga., in place of M. E. Giddens. Incumbents commission expired February 17, 1936.

IDAHO

Elsie H. Welker to be postmaster at Cambridge, Idaho, in place of E. H. Welker. Incumbent's commission expired February 5, 1936.

ILLINOIS

Benjamin F. Price to be postmaster at Allendale, Ill., in place of W. M. Rentschler, removed.

Harry O. Johnson to be postmaster at White Hall, Ill., in place of L. R. Winn. Incumbent's commission expired January 7, 1936.

INDIANA

Clarence H. Andres to be postmaster at Batesville, Ind., in place of N. D. McCallum. Incumbent's commission expired January 9, 1936.

Edward H. Scales to be postmaster at Petersburg, Ind., in place of Lloyd Burch. Incumbent's commission expired January 9, 1936.

Roy Beck to be postmaster at Tipton, Ind., in place of W. J. Zehner, removed.

Perry R. Moore to be postmaster at Zionsville, Ind., in place of J. C. Hodge. Incumbent's commission expired February 4, 1935.

IOWA

Hiram L. Mann to be postmaster at Adel, Iowa, in place of H. H. Thornton, removed.

Laurence E. Kucheman to be postmaster at Bellevue, Iowa, in place of G. L. Beeler. Incumbent's commission expired January 12, 1936.

Allen Wise to be postmaster at Decorah, Iowa, in place of William Linnevold. Incumbent's commission expired February 19, 1936.

Mabel J. Arnold to be postmaster at Garden Grove, Iowa, in place of J. O. Vail, removed.

John Vanderwicken to be postmaster at Grundy Center, Iowa, in place of H. L. Nickerson. Incumbent's commission expired January 12, 1936.

Otis H. O. Nelson to be postmaster at Humboldt, Iowa, in place of J. G. Devine. Incumbent's commission expired January 12, 1936.

Wallace H. Blair to be postmaster at Lamoni, Iowa, in place of L. G. Kelley. Incumbent's commission expires March 17, 1936.

Ernest H. Ross to be postmaster at Logan, Iowa, in place of B. W. Stearns, removed.

Kathryn D. Eden to be postmaster at Manning, Iowa, in place of G. E. Holmberg. Incumbent's commission expired January 12, 1936.

William B. Perkins to be postmaster at Seymour, Iowa, in place of H. K. Evans, Jr. Incumbent's commission expired January 12, 1936.

KANSAS

Jay F. Higbee to be postmaster at Formoso, Kans., in place of D. A. Nywall. Incumbent's commission expired January 8, 1936.

Anna M. Bryan to be postmaster at Mullinville, Kans., in place of A. M. Bryan. Incumbent's commission expires March 10, 1936.

Edwin W. Coldren to be postmaster at Oberlin, Kans., in place of C. P. Stevenson. Incumbent's commission expired January 8, 1936.

Leo P. Gallagher to be postmaster at Osborne, Kans., in place of H. H. Glidden. Incumbent's commission expired December 20, 1932.

Paul J. Voran to be postmaster at Pretty Prairie, Kans., in place of Charlie Gray. Incumbent's commission expired January 8, 1936.

James E. Gay to be postmaster at Spring Hill, Kans., in place of S. M. Simmons. Incumbent's commission expired January 25, 1936.

Grover Miller to be postmaster at Syracuse, Kans., in place of J. B. Pratt. Incumbent's commission expires March 10, 1936.

KENTUCKY

Mattie Blackwell to be postmaster at Dixon, Ky., in place of B. W. Mauzy. Incumbent's commission expired January 27, 1936.

Davis N. Thomas to be postmaster at McKee, Ky. Office became Presidential July 1, 1935.

Joseph B. Ellington to be postmaster at Nortonville, Ky., in place of J. N. Oates. Incumbent's commission expired January 23, 1935.

Lucy W. Dyer to be postmaster at Sturgis, Ky., in place of I. M. Christian. Incumbent's commission expired January 27, 1936.

LOUISIANA

William F. Roy, Jr., to be postmaster at Arabi, La., in place of R. E. Bynum, retired.

William L. Galloway to be postmaster at Arcadia, La., in place of W. L. Galloway. Incumbent's commission expired December 20, 1934.

Jesse D. McBride to be postmaster at Bastrop, La., in place of I. C. Fife, removed.

Herman E. Hebert to be postmaster at Berwick, La., in place of C. E. Jolley, deceased.

Clarence L. Black to be postmaster at Bogalusa, La., in place of L. O. Taylor, removed.

Reynald J. Patin to be postmaster at Breaux Bridge, La., in place of R. J. Patin. Incumbent's commission expired May 20, 1934.

Joseph C. Ballay to be postmaster at Buras, La. Office became Presidential July 1, 1935.

Robert B. Matthews to be postmaster at Castor, La., in place of R. B. Matthews. Incumbent's commission expired January 9, 1936.

John Freiler to be postmaster at Clinton, La., in place of R. A. Dilly, removed.

Joseph W. Stegall to be postmaster at Delhi, La., in place of E. I. Montgomery. Incumbent's commission expired December 20, 1934.

John Allen to be postmaster at Denham Springs, La., in place of E. B. Miller, removed.

George H. Richard, Jr., to be postmaster at Donaldsonville, La., in place of P. T. Thibodaux. Incumbent's commission expired December 16, 1934.

William O. Woodward to be postmaster at Dubach, La., in place of H. G. Allen, resigned.

Clement Bourgeois to be postmaster at Erath, La., in place of Clement Bourgeois. Incumbent's commission expired June 26, 1934.

Claude C. Badeaux to be postmaster at Garden City, La. Office became Presidential July 1, 1935.

Will W. Colbert to be postmaster at Gibsland, La., in place of M. L. Tatum. Incumbent's commission expired February 1, 1934.

Claude R. Moncrief to be postmaster at Golden Meadow, La. Office became Presidential July 1, 1935.

Albert B. Coroy to be postmaster at Gonzales, La., in place of J. A. Marchand. Incumbent's commission expired May 17, 1932.

Joseph M. Sitman to be postmaster at Greensburg, La., in place of M. C. Phillips, removed.

Elizabeth Crawford to be postmaster at Gretna, La., in place of Elizabeth Crawford. Incumbent's commission expired January 9, 1936.

John J. Martin to be postmaster at Gueydan, La., in place of Bernard Isaacs. Incumbent's commission expired January 28, 1934.

Henry Buller to be postmaster at Iowa, La. Office became Presidential July 1, 1934.

Marion A. Tolusso to be postmaster at Istrouma, La., in place of Leona Palmer. Incumbent's commission expired December 16, 1933.

James C. Howell to be postmaster at Jackson, La., in place of M. S. Kiblinger. Incumbent's commission expired December 18, 1933.

Edgar L. Chaney to be postmaster at Jeanerette, La., in place of E. E. Steckler. Incumbent's commission expired February 28, 1933.

H. Ernest Benefiel to be postmaster at Kenner, La., in place of H. E. Benefiel. Incumbent's commission expired January 28, 1936.

Jesse M. Hutchinson to be postmaster at Kentwood, La., in place of J. M. Hutchinson. Incumbent's commission expired January 9, 1936.

Alvin C. Brunson to be postmaster at Mangham, La., in place of A. C. Brunson. Incumbent's commission expired January 9, 1936.

Charles J. Slack to be postmaster at Maringouin, La., in place of C. J. Slack. Incumbent's commission expired June 6, 1934.

Mary K. Roark to be postmaster at Marion, La., in place of M. K. Roark. Incumbent's commission expired June 10, 1934.

Frank Warren to be postmaster at Merryville, La., in place of Frank Warren. Incumbent's commission expired January 9, 1936.

Theophile P. Talbot to be postmaster at Napoleonville, La., in place of T. P. Talbot. Incumbent's commission expired February 21, 1935.

Silvio Broussard to be postmaster at New Iberia, La., in place of Silvio Broussard. Incumbent's commission expired February 21, 1935.

Kate P. McDonnell to be postmaster at Pelican, La., in place of K. P. McDonnell. Incumbent's commission expired December 20, 1934.

Agnes Champagne to be postmaster at Raceland, La., in place of Agnes Champagne. Incumbent's commission expired June 10, 1934.

J. Clyde Arceneaux to be postmaster at Rayne, La., in place of B. A. Chappuis. Incumbent's commission expired June 6, 1934.

Hubert A. Duhe to be postmaster at Reserve, La., in place of H. A. Donaldson. Incumbent's commission expired May 20, 1934.

Howard J. Durand to be postmaster at Saint Martinville, La., in place of L. J. Bonin. Incumbent's commission expired February 1, 1934.

Lucille B. Germany to be postmaster at Scotlandville, La., in place of F. G. Rieger. Incumbent's commission expired June 13, 1933.

Albert G. Boudreaux to be postmaster at Thibodaux, La., in place of A. G. Boudreaux. Incumbent's commission expired February 21, 1935.

Stanislaus J. Waguespack, Jr. to be postmaster at Vacherie, La., in place of Otis Waguespack. Incumbent's commission expired June 28, 1934.

Allan F. Hebert to be postmaster at White Castle, La., in place of Louis Hebert, resigned.

Robert E. Loudon to be postmaster at Zachary, La., in place of R. E. Loudon. Incumbent's commission expired December 16, 1934.

MAINE

Delta F. Smith to be postmaster at Mapleton, Maine. Office became Presidential July 1, 1935.

Hiram Ricker, Jr., to be postmaster at South Poland, Maine, in place of Hiram Ricker, Jr. Incumbent's commission expired March 10, 1936.

Lester E. Goud to be postmaster at Topsham, Maine, in place of L. E. Goud. Incumbent's commission expired February 17, 1936.

Edward C. Bridges to be postmaster at York Village, Maine, in place of E. C. Bridges. Incumbent's commission expired February 17, 1936.

MARYLAND

Evelyn B. McBride to be postmaster at Street, Md. Office became Presidential July 1, 1935.

MASSACHUSETTS

Charles E. Morrison to be postmaster at Falmouth, Mass., in place of W. J. Lockhart. Incumbent's commission expired February 25, 1935.

Thomas F. Donahue to be postmaster at Groton, Mass., in place of L. E. Johnson. Incumbent's commission expired January 27, 1936.

Nelson J. Buckwheat to be postmaster at Huntington, Mass., in place of C. E. Hamblin. Incumbent's commission expired January 9, 1936.

John H. Gavin to be postmaster at Manchester, Mass., in place of E. H. Wilcox. Incumbent's commission expired January 27, 1936. (Removed without prejudice.)

Thomas A. O'Connor to be postmaster at North Easton, Mass., in place of A. K. Briggs. Incumbent's commission expired February 9, 1936.

Margaret E. Rourke to be postmaster at Prides Crossing, Mass., in place of M. E. Rourke. Incumbent's commission expired January 27, 1936.

MICHIGAN

Max P. Ladwig to be postmaster at Baroda, Mich., in place of W. C. Casselman. Incumbent's commission expired April 8, 1934. (Removed without prejudice.)

Claar M. Bedinger to be postmaster at Berrien Springs, Mich., in place of L. E. Kephart, removed.

William M. Story to be postmaster at Bloomfield Hills, Mich., in place of F. M. Stoll. Incumbent's commission expired July 3, 1934.

Gustav H. Knaak, Jr., to be postmaster at Bridgman, Mich., in place of B. W. Klackle, removed.

A. Glenn Haslett to be postmaster at Buchanan, Mich., in place of G. H. Batchelor, removed.

Thomas R. Bradford to be postmaster at Burr Oak, Mich., in place of M. G. Lewis. Incumbent's commission expired January 15, 1933.

Frank Mandigo to be postmaster at Centerville, Mich., in place of G. A. Grinnell, resigned.

Harry C. DeField to be postmaster at Coloma, Mich., in place of M. C. Kilmark, removed.

George W. Pidgeon to be postmaster at Constantine, Mich., in place of B. A. Dickerson, removed.

Herbert H. Creagan to be postmaster at Decatur, Mich., in place of F. G. Rafter, resigned.

Gladys E. Gaskill to be postmaster at Delton, Mich., in place of G. E. Gaskill. Incumbent's commission expired February 5, 1935.

George C. Du Vall to be postmaster at Fennville, Mich., in place of C. E. Bassett. Incumbent's commission expired April 28, 1934.

Clara Woodruff to be postmaster at Freeland, Mich., in place of Clara Woodruff. Incumbent's commission expired February 5, 1936.

Bernard R. Micks to postmaster at Gladstone, Mich., in place of F. A. Miller. Incumbent's commission expired February 20, 1935.

Nina May Chapman to be postmaster at Kenton, Mich. Office became Presidential July 1, 1935.

Lydia E. Wilkinson to be postmaster at Lakeside, Mich., in place of E. J. Glidden. Incumbent's commission expired December 18, 1934.

Irwell Brody to be postmaster at Lawton, Mich., in place of F. R. Gibson, removed.

Gerald P. Riley to be postmaster at Mendon, Mich., in place of I. J. Stephens. Incumbent's commission expired January 22, 1935.

Clifford A. Gardner to be postmaster at Middleville, Mich., in place of E. F. Blake, resigned.

Fred C. Franz to be postmaster at Niles, Mich., in place of A. G. Stone, retired.

William F. Murphy to be postmaster at St. Joseph, Mich., in place of E. A. Gast, deceased.

Archie G. O'Neal to be postmaster at Saugatuck, Mich., in place of R. W. Clapp. Incumbent's commission expired January 9, 1934.

Harold E. Merritt to be postmaster at South Haven, Mich., in place of Curtis Van Prentice. Incumbent's commission expired January 8, 1933. (Removed without prejudice.)

John E. Bommerscheim to be postmaster at Three Oaks, Mich., in place of F. M. Watson, removed.

John F. Cross to be postmaster at Three Rivers, Mich., in place of W. W. Walter, retired.

Wilbur E. Davis to be postmaster at Vandalia, Mich., in place of F. E. Wagner. Incumbent's commission expired April 22, 1933.

John R. Crumb to be postmaster at Watervliet, Mich., in place of J. M. Klipp. Incumbent's commission expired April 16, 1934.

MINNESOTA

Thomas J. Murphy to be postmaster at Adrian, Minn., in place of S. E. Nelson. Incumbent's commission expired December 20, 1934.

James J. Daly to be postmaster at Frazee, Minn., in place of G. H. Baer, removed.

George J. Andrews to be postmaster at Paynesville, Minn., in place of P. J. Hartigan, removed.

Thomas G. Schaefer to be postmaster at Sauk Rapids, Minn., in place of O. C. H. Heinzel. Incumbent's commission expired February 25, 1935.

MISSISSIPPI

Cecil W. Tinnin to be postmaster at Isola, Miss., in place of C. W. Tinnin. Incumbent's commission expired February 17, 1936.

Isaac M. Jackson to be postmaster at Iuka, Miss., in place of W. L. Goodman. Incumbent's commission expired January 10, 1935.

Roy S. Burroughs to be postmaster at Kosciusko, Miss., in place of J. S. Niles. Incumbent's commission expired February 17, 1936.

Robert H. Redus to be postmaster at Starkville, Miss., in place of R. H. Redus. Incumbent's commission expired February 17, 1936.

Charles M. Jaco to be postmaster at Winona, Miss., in place of C. M. Jaco. Incumbent's commission expired February 17, 1936.

MISSOURI

Birdie Lee See to be postmaster at Corder, Mo., in place of A. B. Thomas. Incumbent's commission expired February 9, 1936.

Earl L. Smithson to be postmaster at Exeter, Mo., in place of M. M. Meador, removed.

Roy Carter Hendren to be postmaster at Hamilton, Mo., in place of H. C. Shively. Incumbent's commission expired February 9, 1936.

John Earle Lyons to be postmaster at Higginsville, Mo., in place of George Scott. Incumbent's commission expired February 9, 1936.

Elton C. Cook to be postmaster at Lathrop, Mo., in place of E. D. Seaton. Incumbent's commission expired January 9, 1936.

Kathryn Barry to be postmaster at Mendon, Mo., in place of B. S. Littrell. Incumbent's commission expired February 24, 1936.

John P. Martin to be postmaster at Monett, Mo., in place of S. A. Chapell. Incumbent's commission expired February 25, 1935.

Lula Young to be postmaster at Niangua, Mo., in place of G. C. Young, deceased.

Max L. Kelley to be postmaster at Steele, Mo., in place of R. R. Marshall. Incumbent's commission expired January 9, 1936.

MONTANA

Leslie L. Like to be postmaster at Drummond, Mont., in place of L. L. Like. Incumbent's commission expired February 17, 1936.

Mary B. Bacon to be postmaster at Ismay, Mont., in place of R. W. Broman. Incumbent's commission expired February 27, 1935.

Thomas Butler to be postmaster at Miles City, Mont., in place of R. H. Michaels. Incumbent's commission expired January 22, 1935.

Ralph Drew to be postmaster at Somers, Mont., in place of L. E. Ferry. Incumbent's commission expired December 9, 1934.

Albert Hole to be postmaster at Wheeler, Mont. Office became Presidential January 1, 1936.

NEBRASKA

Mary L. Simmons to be postmaster at Bloomfield, Nebr., in place of M. L. Simmons. Incumbent's commission expired February 24, 1936.

Roger M. Closs to be postmaster at Wymore, Nebr., in place of F. E. Crawford. Incumbent's commission expired January 25, 1936.

NEW HAMPSHIRE

John W. Prescott to be postmaster at Raymond, N. H., in place of E. F. Stevens. Incumbent's commission expired March 22, 1934.

NEW JERSEY

William P. Kern to be postmaster at Jersey City, N. J., in place of G. H. Russell. Incumbent's commission expired January 9, 1936.

Walter F. Hoagland to be postmaster at Kenilworth, N. J., in place of W. F. Hoagland. Incumbent's commission expired February 19, 1936.

Walter E. Riddle to be postmaster at Sayreville, N. J., in place of A. E. Holmes. Incumbent's commission expired January 22, 1935.

Frank T. Callahan to be postmaster at Swedesboro, N. J., in place of C. H. Wilson, removed.

NEW MEXICO

Ruth L. Thomas to be postmaster at Corona, N. Mex., in place of M. C. DuBois. Incumbent's commission expired March 22, 1934.

NEW YORK

Charles W. Dunn to be postmaster at Calcium, N. Y., in place of C. W. Dunn. Incumbent s commission expired February 17, 1936.

Albert Werner to be postmaster at Gardenville, N. Y., in place of R. H. Ferrand. Incumbent's commission expired May 2, 1934.

Truman E. Brown to be postmaster at Wells, N. Y., in place of T. E. Brown. Incumbent's commission expired February 24, 1936.

NORTH CAROLINA

Joseph A. Leigh to be postmaster at Belhaven, N. C., in place of Jed Shepardson. Incumbent's commission expired January 18, 1936.

Fred M. Bradley to be postmaster at Old Fort, N. C., in place of D. H. Gosorn. Incumbent's commission expired February 25, 1935.

James H. McKenzie to be postmaster at Salisbury, N. C., in place of P. N. Peacock. Incumbent's commission expired February 24, 1936.

Fred M. Pearce to be postmaster at Wendell, N. C., in place of G. H. Wright, Jr. Incumbent's commission expired January 18, 1936.

Arthur T. Newsome to be postmaster at Winton, N. C., in place of I. L. Jordan. Incumbent's commission expired January 18, 1936.

NORTH DAKOTA

Oscar J. Haner to be postmaster at Douglas, N. Dak., in place of O. J. Haner. Incumbent's commission expires March 10, 1936.

Orna F. Leedy to be postmaster at Goodrich, N. Dak., in place of O. F. Leedy. Incumbent's commission expired February 9, 1936.

Harold J. Rock to be postmaster at Hamilton, N. Dak. Office became Presidential July 1, 1935.

John C. Black to be postmaster at Plaza, N. Dak., in place of J. C. Black. Incumbent's commission expires March 10, 1936.

Seth E. Garland to be postmaster at Tioga, N. Dak., in place of S. E. Garland. Incumbent's commission expires March 10, 1936.

OHIO

Thomas H. Mulvey to be postmaster at Girard, Ohio, in place of J. G. Lewis. Incumbent's commission expired January 7, 1936.

Noah H. Overturf to be postmaster at Granville, Ohio, in place of E. L. Jones. Incumbent's commission expired January 7, 1936.

Orville C. Frantz to be postmaster at Martins Ferry, Ohio, in place of Heyward Long. Incumbent's commission expired February 5, 1936.

John H. H. Welsch to be postmaster at Port Washington, Ohio. Office became presidential July 1, 1935.

Frank W. Feist to be postmaster at Steubenville, Ohio, in place of E. M. Gilson. Incumbent's commission expired February 5, 1936.

Glen C. Rine to be postmaster at Utica, Ohio in place of Mayme Bell. Incumbent's commission expired February 5, 1936.

OKLAHOMA

Melvin L. Clow to be postmaster at Holdenville, Okla., in place of J. C. Buell. Incumbent's commission expired February 5, 1936.

Vera L. Moreland to be postmaster at Hominy, Okla., in place of J. P. Rookstool. Incumbent's commission expired February 21, 1935.

OREGON

John Howard Fuller to be postmaster at Ashland, Oreg., in place of F. D. Wagner. Incumbent's commission expired January 22, 1936.

Henry J. Atlee to be postmaster at Banks, Oreg., in place of A. C. Wahl, resigned.

Walter R. Powell to be postmaster at Burns, Oreg., in place of W. P. Skiens, removed.

George W. Leslie to be postmaster at Marshfield, Oreg., in place of D. E. Douglas. Incumbent's commission expired January 22, 1936.

George A. McCulloch to be postmaster at Reedsport, Oreg., in place of R. G. Cairns. Incumbent's commission expired February 20, 1935.

PENNSYLVANIA

Frank L. Allen to be postmaster at Allenwood, Pa., in place of Fred Ungard. Incumbent's commission expired June 24, 1934.

James L. Schmonsky to be postmaster at Clarendon, Pa., in place of D. E. Trone, removed.

Peter V. Abel to be postmaster at Graterford, Pa., in place of E. S. Lawrence. Incumbent's commission expired January 9, 1935.

John H. Shields to be postmaster at New Alexandria, Pa., in place of J. G. Cook. Incumbent's commission expired December 18, 1933.

Lina E. Williams to be postmaster at Reno, Pa., in place of L. E. Williams. Incumbent's commission expired January 27, 1936.

Harold G. Freeman to be postmaster at Sinking Spring, Pa., in place of R. L. Harpel. Incumbent's commission expired February 10, 1936.

Wave Ledrew Blakeslee to be postmaster at Spartansburg, Pa., in place of F. G. Jones, resigned.

SOUTH CAROLINA

Katie Lee McIntyre to be postmaster at Clio, S. C., in place of R. F. Smith. Incumbent's commission expired June 4, 1934.

Fred L. Timmerman to be postmaster at Graniteville, S. C., in place of F. L. Timmerman. Incumbent's commission expires March 10, 1936.

Dixon D. Davis to be postmaster at Greenville, S. C., in place of C. C. Withington, resigned.

Oleda H. Garrett to be postmaster at North Charleston, S. C., in place of O. H. Garrett. Incumbent's commission expired February 26, 1936.

TENNESSEE

Myrtis F. Ramer to be postmaster at Bethel Springs, Tenn. Office became Presidential July 1, 1935.

Richard M. Austin to be postmaster at Decherd, Tenn., in place of S. W. Ingersoll, deceased.

TEXAS

Maggie P. Rhew to be postmaster at Anderson, Tex., in place of M. P. Rhew. Incumbent's commission expires March 10, 1936.

Ella Bartlett to be postmaster at George West, Tex., in place of M. A. Wilder. Incumbent's commission expired February 25, 1935.

Ira S. Koon to be postmaster at Hallsville, Tex., in place of I. S. Koon. Incumbent's commission expires March 10, 1936.

Nellie Magowan to be postmaster at Mathis, Tex., in place of A. C. Koepsel, removed.

Alfred C. Finley to be postmaster at Meadow, Tex., in place of A. J. Nelson. Incumbent's commission expired February 20, 1935.

Otto V. Hightower to be postmaster at Odem, Tex., in place of A. C. Wahl, resigned.

Grover C. Stephens to be postmaster at Sierra Blanca, Tex., in place of G. C. Stephens. Incumbent's commission expired February 19, 1936.

Thomas C. Murray to be postmaster at Sonora, Tex., in place of T. C. Murray. Incumbent's commission expired January 8, 1936.

Clara M. Bean to be postmaster at Van Horn, Tex., in place of C. M. Bean. Incumbent's commission expired February 5, 1936.

James Mitchell Pittillo to be postmaster at Waco, Tex., in place of C. V. McMahan. Incumbent's commission expires April 4, 1936.

UTAH

Raymond F. Walters to be postmaster at Price, Utah, in place of C. W. Empey, removed.

VERMONT

Edward J. Owens to be postmaster at Barre, Vt., in place of F. E. Robinson, retired.

Isabel Neary to be postmaster at Shelburne, Vt., in place of Isabel Neary. Incumbent's commission expires March 10, 1936.

VIRGINIA

William N. Guill to be postmaster at Halifax, Va., in place of F. B. Rice, deceased.

William R. Rogers to be postmaster at Hilton Village, Va., in place of W. R. Rogers. Incumbent's commission expires March 10, 1936.

Clarence W. Bradford to be postmaster at Keller, Va., in place of J. W. Stockley, removed.

Lena Campbell to be postmaster at Madison Heights, Va., in place of Lena Campbell. Incumbent's commission expires March 10, 1936.

WASHINGTON

Andrew H. Byram to be postmaster at Millwood, Wash., in place of A. H. Byram. Incumbent's commission expired February 19, 1936.

WEST VIRGINIA

Howard E. West to be postmaster at St. Marys, W. Va., in place of S. V. Riggs. Incumbent's commission expired January 7, 1936.

WISCONSIN

Maxwell Jenks to be postmaster at Abbotsford, Wis., in place of H. T. Ketcham. Incumbent's commission expired February 25, 1935.

L. Paul Mundschau to be postmaster at Dousman, Wis., in place of H. J. Gramling, Jr., removed.

Lila E. Town to be postmaster at Nashotah, Wis., in place of E. S. Bartlett. Incumbent's commission expired January 18, 1936.

Kathryn C. Meisner to be postmaster at Wittenberg, Wis., in place of M. H. Schlytter. Incumbent's commission expired February 10, 1936.

WYOMING

Edmund P. Landers to be postmaster at Casper, Wyo., in place of V. W. Mokler. Incumbent's commission expired January 9, 1936.

Orcemas O. Davis to be postmaster at Green River, Wyo., in place of R. A. Hoover, deceased.

Ann D. Keenan to be postmaster at Pine Bluffs, Wyo., in place of Conrad Johnson. Incumbent's commission expired January 22, 1936.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 2 (legislative day of Feb. 24), 1936

APPOINTMENTS IN THE REGULAR ARMY

Col. Daniel Van Voorhis, Cavalry, to be brigadier general.

Col. Walter Schuyler Grant, Cavalry, to be brigadier general.

Col. Ben Lear, Cavalry, to be brigadier general.

Col. George Redfield Spalding, to be brigadier general.

Col. Duncan Kennedy Major, Jr., to be brigadier general.

Col. Walter Campbell Sweeney to be brigadier general.

Col. Edwin Simpson Hartshorn to be brigadier general.

Harrison Schermerhorn Markham to be second lieutenant of Infantry.

Henry Irving Riley to be first lieutenant in the Air Corps.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

Maj. Alfred Schrieber Balsam to Quartermaster Corps.

Second Lt. John Hicks Anderson to Corps of Engineers.

Second Lt. Robert Butler Warren to Corps of Engineers.

First Lt. William Lewis Bell, Jr., to Ordnance Department.

First Lt. Robert George Butler, Jr., to Ordnance Department.

First Lt. Ralph Bishop Strader to Chemical Warfare Service.

First Lt. Daniel Turner Workizer to Field Artillery.

First Lt. Alexander Johnston Sutherland to Coast Artillery Corps.

First Lt. Richard Byington Carhart to Quartermaster Corps.

PROMOTIONS IN THE REGULAR ARMY

Harry Hall Pritchett to be colonel, Infantry.

Jere Baxter to be colonel, Infantry.

Frank Kirby Chapin to be colonel, Cavalry.

Lloyd Ralston Fredendall to be colonel, Infantry.

Rowan Palmer Lemly to be colonel, Infantry.

Leroy Pierce Collins to be colonel, Field Artillery.

Ballard Lyerly to be colonel, Field Artillery.

George Albert Wildrick to be colonel, Coast Artillery Corps.

Allen Kimberly to be colonel, Coast Artillery Corps.

Thomas Aquila Clark to be colonel, Ordnance Department.

Phillip Woodfin Booker to be colonel, Field Artillery.

James Alexander O'Connor to be colonel, Corps of Engineers.

Lewis Hayes Watkins to be colonel, Corps of Engineers.

Richard Park to be colonel, Corps of Engineers.

Daniel Isom Sultan to be colonel, Corps of Engineers.

John Boursiquat Rose to be colonel, Ordnance Department.

Charles Tillman Harris, Jr., to be colonel, Ordnance Department.

Maxwell Murray to be colonel, Field Artillery.

William Edgar Shedd, Jr., to be colonel, Coast Artillery.

Howard Kendall Loughry to be colonel, Coast Artillery.

Robert Price Glassburn to be colonel, Coast Artillery.

Harry Keneth Rutherford to be colonel, Ordnance Department.

Fred Taylor Cruse to be colonel, Field Artillery.

James Preston Marley to be colonel, Field Artillery.

Robert Arthur to be colonel, Coast Artillery Corps.

Lucian Dent Booth to be colonel, Ordnance Department.

Waldo Charles Potter to be colonel, Field Artillery.

Henry Henderson Pfeil to be colonel, Adjutant General's Department.

Clyde Leslie Eastman to be colonel, Signal Corps.

James Macdonald Lockett to be colonel, Infantry.

Jesse Cyrus Drain to be colonel, Infantry.

Charles Henry Rice to be colonel, Infantry.

Melvin Guy Faris to be colonel, Infantry.

William Jackson McCaughey to be colonel, Infantry.

Eugene Ross Householder to be colonel, Adjutant General's Department.

Eugene Santschi, Jr., to be colonel, Infantry.

William Addleman Ganoe to be colonel, Infantry.

Lester Leland Lampert to be lieutenant colonel, Infantry.

Charles Harrison Corlett to be lieutenant colonel, Infantry.

Louis Alexander Falligant to be lieutenant colonel, Infantry.

William Ord Ryan to be lieutenant colonel, Air Corps.

William Francis Maher to be lieutenant colonel, Field Artillery.

John Kennard to be lieutenant colonel, Cavalry.

John Bellinger Thompson to be lieutenant colonel, Cavalry.

Hamner Huston to be lieutenant colonel, Signal Corps.

Jens Anderson Doe to be lieutenant colonel, Infantry.

Willis James Tack to be lieutenant colonel, Infantry.

Edward Leuffer N. Glass to be lieutenant colonel, Cavalry.

William Edward Burr to be lieutenant colonel, Field Artillery.

Eugene Villaret to be lieutenant colonel, Coast Artillery Corps.

Cuyler Llewellyn Clark to be lieutenant colonel, Field Artillery.

Reiff Hesser Hannum to be lieutenant colonel, Ordnance Department.

Clarence Corinth Benson to be lieutenant colonel, Cavalry.

Thomas Henry Rees, Jr., to be lieutenant colonel, Cavalry.

Floyd Randall Waltz to be lieutenant colonel, Infantry.

John Henry Woodberry to be lieutenant colonel, Ordnance Department.

Harold Francis Loomis to be lieutenant colonel, Coast Artillery Corps.

Leland Harold Stanford to be lieutenant colonel, Signal Corps.

Fred Hayes Gallup to be lieutenant colonel, Field Artillery.

Carl Spatz to be lieutenant colonel, Air Corps.

Harold Roe Bull to be lieutenant colonel, Infantry.

James Byron Haskell to be lieutenant colonel, Signal Corps.

Charles Morton Milliken to be lieutenant colonel, Signal Corps.

James Fred Byrom to be lieutenant colonel, Infantry.
Woodfin Grady Jones to be lieutenant colonel, Infantry.
James Patrick Hogan to be lieutenant colonel, Coast Artillery Corps.
Paul Clarence Paschal to be lieutenant colonel, Infantry.
John Leo Parkinson to be lieutenant colonel, Infantry.
Gooding Packard to be lieutenant colonel, Coast Artillery Corps.
Walter Gullion to be lieutenant colonel, Adjutant General's Department.
Francis Marion Brannan to be lieutenant colonel, Infantry.
Adam Empie Potts to be lieutenant colonel, Coast Artillery Corps.
William Rutledge Orton to be lieutenant colonel, Infantry.
Rufus Sumter Bratton to be lieutenant colonel, Infantry.
Sylvester DeWitt Downs, Jr., to be lieutenant colonel, Field Artillery.
Orlando Ward to be lieutenant colonel, Field Artillery.
Benjamin Grant Weir to be lieutenant colonel, Air Corps.
Ralph Royce to be lieutenant colonel, Air Corps.
Thomas Huntington Monroe to be lieutenant colonel, Infantry.
Roger Burnett Harrison to be lieutenant colonel, Infantry.
Benjamin Fiery Hoge to be lieutenant colonel, Cavalry.
Frederick Herr to be lieutenant colonel, Cavalry.
Clifford James Mathews to be lieutenant colonel, Infantry.
Frank William Milburn to be lieutenant colonel, Infantry.
Isaac Gill, Jr., to be lieutenant colonel, Infantry.
John Curtis Newton to be major, Infantry.
Graeme Gordon Parks to be major, Infantry.
Edwin Paull Ketchum to be major, Corps of Engineers.
Frank Lee McCoy to be major, Infantry.
Cyril Clifton Chandler to be major, Infantry.
James Francis Clark Hyde to be major, Corps of Engineers.
Robert James Kirk, Jr., to be major, Infantry.
Leo Alexander Bessette to be major, Infantry.
James Wellington Younger to be major, Quartermaster Corps.
Amory Vivion Eliot to be major, Signal Corps.
James Clarence Reed to be major, Infantry.
Benjamin Mills Crenshaw to be major, Infantry.
Alexander Garrett Olsen to be major, Cavalry.
Robert Kauch to be major, Air Corps.
Arthur Riehl Wilson to be major, Field Artillery.
John Major Reynolds to be major, Field Artillery.
Bickford Edward Sawyer to be major, Finance Department.
Irwin Samuel Dierking to be major, Quartermaster Corps.
Donald Boyer Rogers to be major, Field Artillery.
Joseph Bartholomew Conmy to be major, Infantry.
William Randolph Watson to be major, Infantry.
George Curtis McFarland to be major, Coast Artillery Corps.
Collin Stafford Myers to be major, Infantry.
William Herschel Middleswart to be major, Quartermaster Corps.
Frank Sims Mansfield to be major, Infantry.
Ralph C. G. Nemo to be major, Infantry.
Ross Franklin Cole to be major, Air Corps.
Kenneth Smith Anderson to be major, Infantry.
John Pinnix Lake to be major, Infantry.
Heston Rarick Cole to be major, Corps of Engineers.
Russel Burton Reynolds to be major, Infantry.
Paul Clarence Boylan to be major, Field Artillery.
Ralph Floyd Love to be major, Infantry.
William Irving Sherwood to be major, Infantry.
Charles Wilkes Christenberry to be major, Infantry.
Charles Andrew Beaucond to be major, Field Artillery.
Stewart Franklin Miller to be major, Field Artillery.
Hugh Campbell Parker to be major, Infantry.
Loyal Moyer Haynes to be major, Field Artillery.
Floyd Marshall to be major, Infantry.
William Carey Lee to be major, Infantry.
Cecil John Gridley to be major, Infantry.
Leonard Henderson Sims to be major, Infantry.

John Edwin Ray to be major, Field Artillery.
Clyde Lloyd Hyssong to be major, Adjutant General's Department.
Raymond Jay Williamson to be major, Infantry.
Vere Painter to be major, Quartermaster Corps.
Walter Julius Ungethuem to be major, Chemical Warfare Service.
Albert Edgar Billing to be major, Field Artillery.
Robert Oney Wright to be major, Cavalry.
Edwin Todd Wheatley to be major, Infantry.
John Winthrop Mott to be major, Infantry.
Jess Garnett Boykin to be major, Cavalry.
John Charles Macdonald to be major, Cavalry.
Harvey Shelton to major, Infantry.
Thomas Robert Gibson to be major, Infantry.
Harold Edwards Stow to be major, Infantry.
William Burl Johnson to be major, Quartermaster Corps.
Wilfred Hill Steward to be major, Coast Artillery Corps.
Merl Louis Broderick to be major, Infantry.
Lester Austin Webb, to be major, Infantry.
Samuel Lewis Buracker to be major, Infantry.
Arthur Edwin Burnap to be major, Infantry.
James Harrison Donahue, to be major, Infantry.
Thomas Patrick Walsh to be major, Finance Department.
William Robert Hamby to be major, Cavalry.
Henry Winter Borntraeger to be major, Infantry.
Horace Benjamin Smith to be major, Infantry.
Barlow Winston to be major, Quartermaster Corps.
Maurice Rose to be major, Cavalry.
Chester Morse Willingham to be major, Infantry.
Gene Russell Mauger to be major, Cavalry.
Joseph Jerome Fraser to be major, Infantry.
Frank L. Burns to be major, Infantry.
Hugh Bryan Hester to be major, Field Artillery.
James Mahan Roamer to be major, Infantry.
Maylon Edward Scott to be major, Field Artillery.
James Dallace Bender to be major, Infantry.
Louis Howard Thompson to be major, Coast Artillery Corps.
Ellis Bates to be major, Infantry.
George Pryor Johnson to be Major, Air Corps.
Clyde Virginius Finter to be major, Air Corps.
Michael Condon Shea to be major, Field Artillery.
Paul Dillard Carter to be major, Infantry.
Paul Henry Weiland to be major, Field Artillery.
Marvin Wade Marsh to be major, Infantry.
Holland Spencer Chamness to be major, Infantry.
Julian Horace George to be major, Infantry.
William Camillus Kabrich to be major, Chemical Warfare Service.
Frank Upton Greer to be major, Infantry.
Laurin Lyman Williams to be major, Infantry.
Henry Christopher Harrison, Jr., to be major, Field Artillery.
Hanford Nichols Lockwood, Jr., to be major, Field Artillery.
John Markham Ferguson to be major, Infantry.
John Calvin Sandlin to be major, Infantry.
Clarence Eugene Brand to be major, Judge Advocate General's Department.
Leslie Eugene Bowman to be major, Quartermaster Corps.
Alonzo Patrick Fox to be major, Infantry.
Hugh Joseph Gaffey to be major, Field Artillery.
Clifford Christopher Wagner to be first lieutenant, Quartermaster Corps.

PROMOTION IN THE PHILIPPINE SCOUTS

Vicente Lim to be lieutenant colonel, Philippine Scouts.

POSTMASTERS

FLORIDA

Arthur W. Newett, Leesburg.
Edward R. McKenna, Palm Beach.

VERMONT

Douglas C. Montgomery, East Arlington.

WEST VIRGINIA

Roscoe B. Holmes, Raleigh.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 2, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Draw near by Thy Holy Spirit, Heavenly Father, and make Thyself known unto us. To Thee belong all praise and glory, world without end. Chide us for our indifference and our failures. Breathe upon us, and may we realize that we are blest in a conscious strength from Thee. The problems of the day are many, blessed Lord. We pray that their cares, trials, and burdens may make us better and nobler men. As sons of God, children of immortality, may we live out our days as benefactors, inspiring peace, justice, and sweet harmony among our fellows. O lead us on in the moral forces of the world toward a blessed consummation. Hold Thy word forever in our breasts: "Blessed is the man who walketh not in the counsel of the ungodly, but his delight is in the law of the Lord, and in His law doth he meditate day and night." We pray in the name of our Savior. Amen.

The Journal of the proceedings of Friday, February 28, 1936, was read and approved.

TEXAS CENTENNIAL

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LANHAM. Mr. Speaker, this is the centennial anniversary of a most important event in American history. One hundred years ago today in the little village of Washington on the Brazos some intrepid Americans met in a rude, unfinished building, and under circumstances most trying declared the independence of Texas from Mexico.

The independence then declared was established on the 21st of April following at the Battle of San Jacinto. The establishment of that independence led to the formation of a republic which endured for 9 years until the Lone Star became one of the galaxy in the American flag.

That history is most entrancing. It is peculiarly American in that it was made by citizens of this country who hailed from every State of the American Union as the Union then existed.

This year the State of Texas is appropriately celebrating this centennial anniversary and the record of accomplishment which has marked our progress for a century. The opening date is the 6th of June, and the exposition and celebrations will continue for several months. I feel that we should not pass this day, which in its importance not only led a sovereign State into the American Union but resulted also in the final acquisition of more territory than came within our borders through the Louisiana Purchase, without making patriotic reference to it and extending an invitation to each and every one of you and your constituents as Americans to come and participate in this distinctly American celebration. [Applause.]

REPORT OF THE BUREAU OF AGRICULTURAL ECONOMICS IN RE COTTON-REDUCTION PROGRAM

Mr. JONES. Mr. Speaker, I call up a privileged resolution, which I send to the Clerk's desk and ask unanimous consent that the committee report may be read.

The Clerk read the resolution, as follows:

House Resolution 430

Resolved, That the Secretary of Agriculture be, and he is hereby, directed to transmit to the House of Representatives forthwith a complete and unexpurgated copy of the report of the Bureau of Agricultural Economics relative to the cotton-reduction program, as submitted to him during the month of September 1935, prior to being made public with certain deletions and alterations on February 4, 1936, together with a statement setting forth in detail such deletions and alterations.

There being no objection, the Clerk read the committee report, as follows:

REPORT

(To accompany H. Res. 430)

The Committee on Agriculture, to which was referred the resolution (H. Res. 430) directing the Secretary of Agriculture to transmit to the House of Representatives a complete and unexpurgated copy of the report of the Bureau of Agricultural Economics relative to the cotton reduction program, having had the same under consideration, reports it back to the House without amendment and recommends that the resolution do pass.

Mr. JONES. Mr. Speaker, this simply calls for information. The committee makes a favorable report, and I do not see any occasion for discussion. Therefore, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SECRETARY OF AGRICULTURE

Mr. JONES. Mr. Speaker, I call up House Resolution 426 and ask unanimous consent that the committee report may be read.

The Clerk read the resolution, as follows:

House Resolution 426

Resolved, That the Secretary of Agriculture be, and he is hereby, directed to furnish the House of Representatives forthwith with the name and address and the amount paid to each producer, exceeding $2,000, in each calendar year pursuant to the Agricultural Adjustment Act, as amended.

There being no objection, the Clerk read the committee report, as follows:

REPORT

(To accompany H. Res. 426)

The Committee on Agriculture, to which was referred the resolution (H. Res. 426) directing the Secretary of Agriculture to furnish certain information concerning producers to the House of Representatives, having had the same under consideration, reports it back to the House with the recommendation that the resolution do not pass.

Attached hereto is a copy of a letter setting forth the views of the Agricultural Adjustment Administration with respect to this resolution.

UNITED STATES DEPARTMENT OF AGRICULTURE,
AGRICULTURAL ADJUSTMENT ADMINISTRATION,
Washington, D. C.

Hon. MARVIN JONES,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. JONES: This is in reply to your letter of February 24 requesting comment on House Resolution 426, submitted by Mr. TABER, of New York.

The information which the Secretary would be asked to furnish under this resolution is not now available. Assembling the data suggested would be an enormous job. It would require a statistical survey of the several million contracts which were in effect during the various years of the adjustment programs. And this survey would require much more than simply checking through the contracts once. A separate contract was entered into for each farming unit. Accordingly, several contracts were often made with the same individual, covering farming units which might not even be in the same county or State. Contracts for each county were filed in that county in alphabetical order, with serial numbers affixed by which the contracts were thereafter identified and filed in the Washington offices. The tremendous job of checking and cross checking these millions of contracts to find the amount paid to each producer is apparent.

Our Comptroller estimates that it would take more than 6 weeks, working his staff in two shifts, to get these data. During this time about 80 percent of the machine equipment of the Comptroller's division would be tied up. This would mean a practical stop in getting out checks to farmers on payments not yet made in connection with 1935 programs. The expense, of course, would be great.

We also doubt whether any really useful purpose could be served by gathering these data. The records, of course, show the amount of payments made by commodities, by States, and by counties. They also show the number of contracts in force for each commodity, each year, and by States and counties. This information gives the practical picture.

In addition to the fact that the suggested material is not now available, and that assembling it would be an enormous and an expensive task, may we call attention to the consistent policy of the Adjustment Administration with regard to giving out information on the detail of individual contracts. The Adjustment Administration has attempted to protect the interests of individual contract signers by withholding public announcements on individual contract figures. These contracts were an agreement between the Secretary of Agriculture and the individual contract signer. It has been held that the individual producer was entitled to confidential treatment of the contract information. It is apparent that unethical use might be made of this contract information if it were

made public and fell into the hands of those who might wish to exploit the contract signers commercially or otherwise.

Sincerely yours,

CHESTER C. DAVIS.

Mr. JONES. Mr. Speaker, I move that the resolution be laid on the table.

Mr. TABER. Mr. Speaker——

The SPEAKER. The motion is not debatable, the Chair will state to the gentleman.

Mr. TABER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

Mr. TABER. Mr. Speaker, I demand tellers.

The SPEAKER. The gentleman from New York demands tellers. All in favor of taking this vote by tellers will rise and stand until counted. [After counting.] Thirty-eight Members have risen, not a sufficient number.

Mr. TABER. Mr. Speaker, I demand a division.

The House divided; and there were—ayes 117, noes 52.

Mr. SNELL. Mr. Speaker, I make the point there is not a quorum present, and object to the vote on that ground.

The SPEAKER. The Chair will count. [After counting.] One hundred and seventy-two Members present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 244, nays 101, not voting 85, as follows:

[Roll No. 26]

YEAS—244

Ashbrook	Driver	Lamneck	Rayburn
Ayers	Duffy, N. Y.	Lanham	Richards
Bankhead	Duncan	Larrabee	Richardson
Barden	Dunn, Miss.	Lea, Calif.	Robertson
Barry	Eagle	Lee, Okla.	Robinson, Utah
Beiter	Eckert	Lesinski	Rogers, Okla.
Berlin	Edmiston	Lewis, Colo.	Romjue
Biermann	Eicher	Lewis, Md.	Rudd
Bland	Ellenbogen	Lucas	Russell
Blanton	Evans	Luckey	Sabath
Bloom	Faddis	Ludlow	Sanders, La.
Boehne	Farley	McAndrews	Sanders, Tex.
Boland	Ferguson	McClellan	Schuetz
Boykin	Fernandez	McCormack	Schulte
Boylan	Fiesinger	McFarlane	Scott
Brown, Ga.	Fitzpatrick	McGehee	Scrugham
Buck	Fletcher	McGrath	Sears
Burch	Ford, Calif.	McKeough	Shanley
Caldwell	Ford, Miss.	McLaughlin	Shannon
Cannon, Mo.	Frey	McMillan	Sirovich
Carmichael	Fuller	McReynolds	Smith, Conn.
Carpenter	Gambrill	Mahon	Smith, Va.
Cartwright	Gassaway	Maloney	Smith, Wash.
Cary	Gavagan	Mansfield	Smith, W. Va.
Castellow	Gildea	Martin, Colo.	Snyder, Pa.
Celler	Gillette	Mason	Somers, N. Y.
Chandler	Gingery	Massingale	South
Citron	Granfield	Maverick	Spence
Cochran	Gray, Pa.	Mead	Stack
Coffee	Green	Meeks	Stubbs
Colden	Greenwood	Merritt, N. Y.	Sullivan
Cole, Md.	Greever	Miller	Sumners, Tex.
Colmer	Gregory	Mitchell, Ill.	Sutphin
Connery	Griswold	Mitchell, Tenn.	Sweeney
Cooley	Haines	Montet	Tarver
Cooper, Tenn.	Hamlin	Moran	Terry
Costello	Harlan	Nelson	Thom
Cox	Hart	O'Brien	Thomason
Cravens	Harter	O'Connor	Tolan
Cross, Tex.	Healey	O'Day	Tonry
Crosser, Ohio	Higgins, Mass.	O'Leary	Turner
Crowe	Hildebrandt	O'Neal	Umstead
Cullen	Hill, Ala.	Owen	Utterback
Cummings	Hill, Knute	Parks	Vinson, Ga.
Curley	Hobbs	Parsons	Vinson, Ky.
Daly	Houston	Patterson	Wallgren
Darden	Huddleston	Patton	Walter
Deen	Imhoff	Pearson	Warren
Delaney	Jacobsen	Peterson, Fla.	Weaver
Dempsey	Johnson, Okla.	Peterson, Ga.	Werner
DeRouen	Johnson, Tex.	Pettengill	West
Dickstein	Johnson, W. Va.	Peyser	Whelchel
Dies	Jones	Pfeifer	White
Dietrich	Keller	Pierce	Whittington
Dingell	Kennedy, Md.	Polk	Wilcox
Disney	Kennedy, N. Y.	Quinn	Williams
Dobbins	Kenney	Rabaut	Wood
Dorsey	Kloeb	Ramsay	Woodrum
Doughton	Kocialkowski	Ramspeck	Young
Doxey	Kopplemann	Randolph	Zimmerman
Driscoll	Kramer	Rankin	Zioncheck

NAYS—101

Allen	Andrews, N. Y.	Bacon	Bolleau
Amlie	Arends	Beam	Bolton
Andrew, Mass.	Bacharach	Blackney	Burdick
Carter	Guyer	Mapes	Schneider, Wis.
Cavicchia	Gwynne	Marcantonio	Secrest
Christianson	Halleck	Marshall	Short
Church	Hancock, N. Y.	Martin, Mass.	Snell
Cole, N. Y.	Hess	Merritt, Conn.	Stefan
Collins	Higgins, Conn.	Michener	Stewart
Cooper, Ohio	Hoffman	Millard	Taber
Crawford	Hollister	Moritz	Taylor, Tenn.
Dirksen	Holmes	Mott	Thurston
Ditter	Hope	O'Malley	Tinkham
Dondero	Hull	Perkins	Treadway
Doutrich	Jenkins, Ohio	Pittenger	Turpin
Dunn, Pa.	Kahn	Powers	Wadsworth
Eaton	Kelly	Ransley	Welch
Ekwall	Knutson	Reece	Wigglesworth
Engel	Lehlbach	Reed, Ill.	Wilson, Pa.
Englebright	Lemke	Reed, N. Y.	Wolcott
Fish	Lord	Rich	Wolfenden
Focht	Lundeen	Risk	Wolverton
Gearhart	McLean	Robsion, Ky.	Woodruff
Gifford	McLeod	Rogers, Mass.	
Gilchrist	Maas	Ryan	
Goodwin	Main	Sauthoff	

NOT VOTING—85

Adair	Creal	Hook	Plumley
Andresen	Crosby	Jenckes, Ind.	Reilly
Bell	Crowther	Kee	Rogers, N. H.
Binderup	Culkin	Kerr	Sadowski
Brennan	Darrow	Kinzer	Sandlin
Brewster	Dear	Kleberg	Schaefer
Brooks	Dockweiler	Kniffin	Seger
Brown, Mich.	Drewry	Kvale	Sisson
Buchanan	Duffey, Ohio	Lambertson	Starnes
Buckbee	Fenerty	Lambeth	Steagall
Buckler, Minn.	Flannagan	McGroarty	Taylor, Colo.
Buckley, N. Y.	Fulmer	McSwain	Taylor, S. C.
Bulwinkle	Gasque	May	Thomas
Burnham	Gehrmann	Monaghan	Thompson
Cannon, Wis.	Goldsborough	Montague	Tobey
Carlson	Gray, Ind.	Murdock	Underwood
Casey	Greenway	Nichols	Wearin
Chapman	Hancock, N. C.	Norton	Wilson, La.
Claiborne	Hartley	O'Connell	Withrow
Clark, Idaho	Hennings	Oliver	
Clark, N. C.	Hill, Samuel B.	Palmisano	
Corning	Hoeppel	Patman	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Drewry (for) with Mr. Tobey (against).
Mr. Buchanan (for) with Mr. Darrow (against).
Mr. Oliver (for) with Mr. Buckbee (against).
Mr. McSwain (for) with Mr. Gehrmann (against).
Mr. Monaghan (for) with Mr. Withrow (against).
Mrs. Norton (for) with Mr. Carlson (against).
Mr. Samuel B. Hill (for) with Mr. Burnham (against).
Mr. Clark of North Carolina (for) with Mr. Fenerty (against).
Mr. Kerr (for) with Mr. Crowther (against).
Mr. Patman (for) with Mr. Hartley (against).
Mr. Reilly (for) with Mr. Kinzer (against).
Mr. Steagall (for) with Mr. Lambertson (against).
Mr. Taylor of Colorado (for) with Mr. Culkin (against).
Mr. Sandlin (for) with Mr. Plumley (against).
Mr. Hancock of North Carolina (for) with Mr. Seger (against).
Mr. Schaefer (for) with Mr. Thomas (against).

Until further notice:

Mr. Corning with Mr. Andresen.
Mr. Flanagan with Mr. Brewster.
Mr. Bulwinkle with Mr. Buckler of Minnesota.
Mr. Fulmer with Mr. Kvale.
Mr. Kleberg with Mr. Creal.
Mr. Sisson with Mr. Duffey of Ohio.
Mr. O'Connell with Mr. Binderup.
Mr. Adair with Mr. Starnes.
Mr. Crosby with Mr. Wilson of Louisiana.
Mr. May with Mrs. Jenckes.
Mr. Taylor of South Carolina with Mr. Buckley of New York.
Mr. Dear with Mr. Wearin.
Mr. Rogers of New Hampshire with Mr. Bell.
Mrs. Greenway with Mr. Cannon of Wisconsin.
Mr. Brennan with Mr. Hennings.
Mr. Kniffin with Mr. Hook.
Mr. Gray of Indiana with Mr. Brooks.
Mr. Gasque with Mr. Palmisano.
Mr. Casey with Mr. Kee.
Mr. Claiborne with Mr. Dockweiler.
Mr. Nichols with Mr. Montague.
Mr. Lambeth with Mr. Chapman.
Mr. Brown of Michigan with Mr. Goldsborough.
Mr. Clark of Idaho with Mr. McGroarty.
Mr. Murdock with Mr. Sadowski.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

ORDER OF BUSINESS

Mr. SUMNERS of Texas. Mr. Speaker, I understand the Chair is to recognize a Member of the House to take up a matter which will require but a short time. Immediately

after the disposition of this matter, the Committee on the Judiciary will call up the resolution known as the Ritter impeachment matter. This is a very important resolution, and in order to save another roll call I have asked the Chair for the privilege of making this announcement now in order that the Members of the House may understand that the impeachment resolution will follow immediately upon the disposition of the matter for which the Chair is to recognize one of the Members.

INDEPENDENT OFFICES APPROPRIATION BILL, 1937

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1937, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. WOODRUM, Mr. GRANFIELD, Mr. JOHNSON of Oklahoma, Mr. MORAN, Mr. FITZPATRICK, Mr. WIGGLESWORTH, and Mr. BOLTON.

PERMISSION TO ADDRESS THE HOUSE

Mr. CELLER. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the reading of the Journal and disposition of matters on the Speaker's table, following the special order already granted, I may address the House for 15 minutes.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, Wednesday, of course, is Calendar Wednesday. I do not know what procedure will be taken by the House with reference to that day, but it is not usual for these special orders to be set on Calendar Wednesday. Will not the gentleman withdraw his request for the present so we may look into the matter? The gentleman can renew it later in the day.

Mr. CELLER. I have made this request several times and have always withdrawn it at the gentleman's request. I should like to have this opportunity next Wednesday. I have held this off for almost 3 weeks, and I would appreciate it if the gentleman would accede to the request.

Mr. BANKHEAD. Could not the gentleman make the request for tomorrow?

Mr. CELLER. Yes; I will do that.

Mr. BLANTON. Mr. Speaker, there will probably be an appropriation bill up tomorrow, with general debate in order, and I am sure 15 minutes could be granted to the gentleman at that time.

Mr. CELLER. Mr. Speaker, I modify my request by making it Tuesday instead of Wednesday.

Mr. BIERMANN. Mr. Speaker, I shall have to object to that, as tomorrow is Private Calendar day.

Mr. SNELL. Mr. Speaker, reserving the right to object, I should like to ask the majority leader a question. I was just informed, as the gentleman from Texas has stated, that there would be general debate on the District of Columbia appropriation bill beginning tomorrow and running for probably 2 days. If we are going to agree to unanimous-consent requests to speak out of order before we go into Committee, I have two requests to submit. If such requests are going to be denied everybody on both sides, it is satisfactory to me to have the Members speak in general debate.

Mr. BANKHEAD. In answer to the inquiry of the gentleman from New York, I may say that the calendar for tomorrow is rather brief, and we hope to dispose of it shortly and to begin general debate on the District of Columbia appropriation bill.

I may say further to the gentleman it is our hope not only to dispose of that bill this week but possibly another appropriation bill.

Mr. SUMNERS of Texas. Mr. Speaker, reserving the right to object, I may say to the House that it is going to take at least 4½ or 5 hours to dispose of the resolution I have referred to, and unless we can begin its consideration very shortly we cannot finish today. It is a matter of very high privilege, and I hope these preliminary requests may be suspended until we get through with the matter.

Mr. CELLER. Mr. Speaker, in view of the objection of the gentleman from Iowa, I submit my requests for Wednesday next.

The SPEAKER. The gentleman from New York asks unanimous consent that on Wednesday next, immediately after the reading of the Journal and disposition of matters on the Speaker's table, following the special order already granted, he may address the House for 15 minutes. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, the majority leader did not answer my question. I shall have to object unless I get an answer.

Mr. BANKHEAD. The gentleman can object, if he desires to do so.

Mr. SNELL. All right, Mr. Speaker; for the present I object.

HALSTED L. RITTER

Mr. SUMNERS of Texas. Mr. Speaker, I call up for immediate consideration the resolution H. Res. 422.

The SPEAKER. The gentleman from Texas calls up a resolution, which the Clerk will report.

The Clerk read as follows:

[H. Res. 422, 74th Cong., 2d sess. (Rept. No. 2025)]

Resolution

Resolved, That Halsted L. Ritter, who is a United States district judge for the southern district of Florida, be impeached for misbehavior, and for high crimes and misdemeanors; and that the evidence heretofore taken by the subcommittee of the Committee on the Judiciary of the House of Representatives under House Resolution 163 of the Seventy-third Congress sustains articles of impeachment, which are hereinafter set out; and that the said articles be, and they are hereby, adopted by the House of Representatives, and that the same shall be exhibited to the Senate in the following words and figures, to wit:

Articles of impeachment of the House of Representatives of the United States of America in the name of themselves and of all of the people of the United States of America against Halsted L. Ritter, who was appointed, duly qualified, and commissioned to serve, during good behavior in office, as United States district judge for the southern district of Florida, on February 15, 1929.

ARTICLE I

That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and while acting as a United States district judge for the southern district of Florida, was and is guilty of misbehavior and of a high crime and misdemeanor in office in manner and form as follows, to wit: On or about October 11, 1929, A. L. Rankin (who had been a law partner of said judge immediately before said judge's appointment as judge), as solicitor for the plaintiff, filed in the court of the said Judge Ritter a certain foreclosure suit and receivership proceeding, the same being styled "Bert E. Holland and others against Whitehall Building & Operating Co. and others" (No. 678–M–Eq.). On or about May 15, 1930, the said Judge Ritter allowed the said Rankin an advance of $2,500 on his fee for his services in said case. On or about July 2, 1930, the said Judge Ritter by letter requested another judge of the United States district court for the southern district of Florida, to wit, Hon. Alexander Akerman, to fix and determine the total allowance for the said Rankin for his services in said case for the reason as stated by Judge Ritter in said letter, that the said Rankin had formerly been the law partner of the said Judge Ritter, and he did not feel that he should pass upon the total allowance made said Rankin in that case and that if Judge Akerman would fix the allowance it would relieve the writer, Judge Ritter, from any embarrassment if thereafter any question should arise as to his, Judge Ritter's favoring said Rankin with an exorbitant fee.

Thereafterward, notwithstanding the said Judge Akerman, in compliance with Judge Ritter's request, allowed the said Rankin a fee of $15,000 for his services in said case, from which sum the said $2,500 theretofore allowed the said Rankin by Judge Ritter as an advance on his fee was deducted, the said Judge Ritter, well knowing that at his request compensation had been fixed by Judge Akerman for the said Rankin's services in said case, and notwithstanding the restraint of propriety expressed in his said letter to Judge Akerman, and ignoring the danger of embarrassment mentioned in said letter, did fix an additional and exorbitant fee for the said Rankin in said case. On or about December 24, 1930, when the final decree in said case was signed, the said Judge Ritter allowed the said Rankin, additional to the total allowance of $15,000 theretofore allowed by Judge Akerman, a fee of $75,000 for his services in said case, out of which allowance the said Judge Ritter directly profited. On the same day, December 24, 1930, the receiver in said case paid the said Rankin, as part of his said additional fee, the sum of $25,000, and the said Rankin on the same day privately paid and delivered to the said Judge Ritter the sum of $2,500 in cash; $2,000 of said $2,500 was deposited in bank by Judge Ritter on, to wit, December 29,

1930, the remaining $500 being kept by Judge Ritter and not deposited in bank until, to wit, July 10, 1931. Between the time of such initial payment on said additional fee and April 6, 1931, the said receiver paid said Rankin thereon $5,000. On or about April 6, 1931, the said Rankin received the balance of the said additional fee allowed him by Judge Ritter, said balance amounting to $45,000. Shortly thereafter, on or about April 14, 1931, the said Rankin paid and delivered to the said Judge Ritter, privately, in cash, an additional sum of $2,000. The said Judge Halsted L. Ritter corruptly and unlawfully accepted and received for his own use and benefit from the said A. L. Rankin the aforesaid sums of money, amounting to $4,500.

Wherefore, the said Judge Halsted L. Ritter was and is guilty of misbehavior and was and is guilty of a high crime and misdemeanor.

ARTICLE II

That the said Halsted L. Ritter, while holding the office of United States district judge for the southern district of Florida, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and while acting as a United States district judge for the southern district of Florida, was and is guilty of misbehavior and of high crimes and misdemeanors in office in manner and form as follows, to wit:

On the 15th day of February 1929 the said Halsted L. Ritter, having been appointed as United States district judge for the southern district of Florida, was duly qualified and commissioned to serve as such during good behavior in office. Immediately prior thereto and for several years the said Halsted L. Ritter had practiced law in said district in partnership with one A. L. Rankin, which partnership was dissolved upon the appointment of said Ritter as said United States district judge.

On the 18th day of July 1928 one Walter S. Richardson was elected trustee in bankruptcy of the Whitehall Building & Operating Co., which company had been adjudicated in said district as a bankrupt, and as such trustee took charge of the assets of said Whitehall Building & Operating Co., which consisted of a hotel property located in Palm Beach in said district. That the said Richardson as such trustee operated said hotel property from the time of his said appointment until its sale on the 3d of January 1929, under the foreclosure of a third mortgage thereon. On the 1st of November and the 13th of December 1929, the said Judge Ritter made orders in said bankruptcy proceedings allowing the said Walter S. Richardson as trustee the sum of $16,500 as compensation for his services as trustee. That before the discharge of said Walter S. Richardson as such trustee, said Richardson, together with said A. L. Rankin, one Ernest Metcalf, one Martin Sweeney, and the said Halsted L. Ritter, entered into an arrangement to secure permission of the holder or holders of at least $50,000 of first-mortgage bonds on said hotel property for the purpose of filing a bill to foreclose the first mortgage on said premises in the court of said Halsted L. Ritter, by which means the said Richardson, Rankin, Metcalf, Sweeney, and Ritter were to continue said property in litigation before said Ritter. On the 30th day of August 1929 the said Walter S. Richardson, in furtherance of said arrangement and understanding, wrote a letter to the said Martin Sweeney, in New York, suggesting the desirability of contacting as many first-mortgage bondholders as possible in order that their cooperation might be secured, directing special attention to Mr. Bert E. Holland, an attorney, whose address was in the Tremont Building in Boston, and who, as cotrustee, was the holder of $50,000 of first-mortgage bonds, the amount of bonds required to institute the contemplated proceedings in Judge Ritter's court.

On October 3, 1929, the said Bert E. Holland, being solicited by the said Sweeney, requested the said Rankin and Metcalf to prepare a complaint to file in said Judge Ritter's court for foreclosure of said first mortgage and the appointment of a receiver. At this time Judge Ritter was holding court in Brooklyn, N. Y., and the said Rankin and Richardson went from West Palm Beach, Fla., to Brooklyn, N. Y., and called upon said Judge Ritter a short time previous to filing the bill for foreclosure and appointment of a receiver of said hotel property.

On October 10, 1929, and before the filing of said bill for foreclosure and receiver, the said Holland withdrew his authority to said Rankin and Metcalf to file said bill and notified the said Rankin not to file the said bill. Notwithstanding the said instructions to said Rankin not to file said bill, said Rankin, on the 11th day of October 1929, filed said bill with the clerk of the United States District Court for the Southern District of Florida but with the specific request to said clerk to lock up the said bill as soon as it was filed and hold until Judge Ritter's return so that there would be no newspaper publicity before the matter was heard by Judge Ritter for the appointment of a receiver, which request on the part of the said Rankin was complied with by the said clerk.

On October 16, 1929, the said Holland telegraphed to the said Rankin, referring to his previous wire requesting him to refrain from filing the bill and insisting that the matter remain in its then status until further instruction was given; and on October 17, 1929, the said Rankin wired to Holland that he would not make an application on his behalf for the appointment of a receiver. On October 28, 1929, a hearing on the complaint and petition for receivership was heard before Judge Halsted L. Ritter at Miami, at which hearing the said Bert E. Holland appeared in person before said Judge Ritter and advised the judge that he wished to withdraw the suit and asked for dismissal of the bill of complaint on the ground that the bill was filed without his authority.

But the said Judge Ritter, fully advised of the facts and circumstances hereinbefore recited, wrongfully and oppressively exercised the powers of his office to carry into execution said plan and agreement theretofore arrived at, and refused to grant the request of the said Holland and made effective the champterous undertaking of the said Richardson and Rankin and appointed the said Richardson receiver of the said hotel property, notwithstanding that objection was made to Judge Ritter that said Richardson had been active in fomenting this litigation and was not a proper person to act as receiver.

On October 15, 1929, said Rankin made oath to each of the bills for intervenors which were filed the next day.

On October 16, 1929, bills for intervention in said foreclosure suit were filed by said Rankin and Metcalf in the names of holders of approximately $5,000 of said first-mortgage bonds, which intervenors did not possess the said requisite $50,000 in bonds required by said first mortgage to bring foreclosure proceedings on the part of the bondholders.

The said Rankin and Metcalf appeared as attorneys for complainants and intervenors, and in response to a suggestion of the said Judge Ritter, the said Metcalf withdrew as attorney for complainants and intervenors and said Judge Ritter thereupon appointed said Metcalf as attorney for the said Richardson, the receiver.

And in the further carrying out of said arrangement and understanding, the said Richardson employed the said Martin Sweeney and one Bemis, together with Ed Sweeney, as managers of said property, for which they were paid the sum of $60,000 for the management of said hotel for two seasons the property remained in the custody of said Richardson as receiver.

On or about the 15th day of May 1930 the said Judge Ritter allowed the said Rankin an advance on his fee of $2,500 for his services in said case.

On or about July 2, 1930, the said Judge Ritter requested Judge Alexander Akerman, also a judge of the United States District Court for the Southern District of Florida, to fix the total allowance for the said Rankin for his services in said case, said request and the reasons therefor being set forth in a letter by the said Judge Ritter, in words and figures as follows, to wit:

JULY 2, 1930.

Hon. ALEXANDER AKERMAN,
United States District Judge, Tampa, Fla.

MY DEAR JUDGE: In the case of *Holland et al.* v. *Whitehall Building & Operating Co.* (No. 678–M–Eq.), pending in my division, my former law partner, Judge A. L. Rankin, of West Palm Beach, has filed a petition for an order allowing compensation for his services on behalf of the plaintiff.

I do not feel that I should pass, under the circumstances, upon the total allowance to be made Judge Rankin in this matter. I did issue an order, which Judge Rankin will exhibit to you, approving an advance of $2,500 on his claim, which was approved by all attorneys.

You will appreciate my position in the matter, and I request you to pass upon the total allowance which should be made Judge Rankin in the premises as an accommodation to me. This will relieve me from any embarrassment hereafter if the question should arise as to my favoring Judge Rankin in this matter by an exorbitant allowance.

Appreciating very much your kindness in this matter, I am,

Yours sincerely,

HALSTED L. RITTER.

In compliance with said request the said Judge Akerman allowed the said Rankin $12,500, in addition to the $2,500 theretofore allowed by Judge Ritter, making a total of $15,000 as the fee of the said Rankin in the said case.

But, notwithstanding the said request on the part of said Ritter and the compliance by the said Judge Akerman and the reasons for the making of said request by said Judge Ritter of Judge Akerman, the said Judge Ritter, on the 24th day of December 1930, allowed the said Rankin an additional fee of $75,000.

And on the same date when the receiver in said case paid to the said Rankin as a part of said additional fee the sum of $25,000, said Rankin privately paid and delivered to said Judge Ritter, out of the said $25,000, the sum of $2,500 in cash, $2,000 of which the said Judge Ritter deposited in a bank and $500 of which was put in a tin box and not deposited until the 10th day of July 1931, when it was deposited in a bank with an additional sum of $600.

On or about the 6th day of April 1931, the said Rankin received as a part of the $75,000 additional fee the sum of $45,000, and shortly thereafter, on or before the 14th day of April 1931, the said Rankin paid and delivered to said Judge Ritter, privately and in cash, out of said $45,000, the sum of $2,000.

The said Judge Halsted L. Ritter corruptly and unlawfully accepted and received for his own use and benefit from the said Rankin the aforesaid sums of $2,500 in cash and $2,000 in cash, amounting in all to $4,500.

Of the total allowance made to said A. L. Rankin in said foreclosure suit, amounting in all to $90,000, the following sums were paid out by said Rankin with the knowledge and consent of said Judge Ritter, to wit: To said Walter S. Richardson, the sum of $5,000; to said Metcalf, the sum of $10,000; to Shutts & Bowen, also attorneys for the receiver, the sum of $25,000; and to said Halsted L. Ritter, the sum of $4,500.

In addition to the said sum of $5,000 received by the said Richardson as aforesaid, said Ritter by order in said proceedings allowed said Richardson a fee of $30,000 for services as such receiver.

The said fees allowed by said Judge Ritter to A. L. Rankin (who had been a law partner of said judge immediately before said judge's appointment as judge) as solicitor for the plaintiff in said case were excessive and unwarranted, and said judge profited personally thereby in that out of the money so allowed said solicitor he received personally, privately, and in cash $4,500 for his own use and benefit.

While the Whitehall Hotel was being operated in receivership under said proceeding pending in said court (and in which proceeding the receiver in charge of said hotel by appointment of said judge was allowed large compensation by said judge) the said judge stayed at said hotel from time to time without cost to himself and received free rooms, free meals, and free valet service, and, with the knowledge and consent of said judge, members of his family, including his wife, his son, Thurston Ritter, his daughter, Mrs. M. R. Walker, his secretary, Mrs. Lloyd C. Hooks, and her husband, Lloyd C. Hooks, each likewise on various occasions stayed at said hotel without cost to themselves or to said judge, and received free rooms, and some or all of them received from said hotel free meals and free valet service; all of which expenses were borne by the said receivership to the loss and damage of the creditors whose interests were involved therein.

The said judge willfully failed and neglected to perform his duty to conserve the assets of the Whitehall Building & Operating Co. in receivership in his court, but to the contrary, permitted waste and dissipation of its assets, to the loss and damage of the creditors of said corporation, and was a party to the waste and dissipation of such assets while under the control of his said court, and personally profited thereby, in the manner and form hereinabove specifically set out.

Wherefore, the said Judge Halsted L. Ritter was and is guilty of misbehavior, and was and is guilty of a high crime and misdemeanor in office.

ARTICLE III

That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and while acting as a United States district judge for the southern district of Florida, was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

That the said Halsted L. Ritter, while such judge, was guilty of a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373) making it unlawful for any judge appointed under the authority of the United States to exercise the profession or employment of counsel or attorney, or to be engaged in the practice of the law, in that after the employment of the law firm of Ritter & Rankin (which, at the time of the appointment of Halsted L. Ritter to be judge of the United States District Court for the Southern District of Florida, was composed of Halsted L. Ritter and A. L. Rankin) in the case of Trust Co. of Georgia and Robert G. Stephens, trustees, against Brazilian Court Building Corporation, and others, no. 5704, in the Circuit Court of the Fifteenth Judicial Circuit of Florida, and after the final decree had been entered in said cause, and after the fee of $4,000 which had been agreed upon at the outset of said employment had been fully paid to the firm of Ritter & Rankin, and after Halsted L. Ritter had on, to wit, February 15, 1929, become judge of the United States District Court for the Southern District of Florida, Judge Ritter, on, to wit, March 11, 1929, wrote a letter to Charles A. Brodek, of counsel for Mulford Realty Corporation (the client which his former law firm had been representing in said litigation), stating that there had been much extra and unanticipated work in the case, that he was then a Federal judge; that his partner, A. L. Rankin, would carry through further proceedings in the case, but that he, Judge Ritter, would be consulted about the matter until the case was all closed up; and that "this matter is one among very few which I am assuming to continue my interest in until finally closed up", and stating specifically in said letter: "I do not know whether any appeal will be taken in the case or not, but if so, we hope to get Mr. Howard Paschal or some other person as receiver who will be amenable to our directions, and the hotel can be operated at a profit, of course, pending the appeal. We shall demand a very heavy supersedeas bond, which I doubt whether D'Esterre can give"; and further that he was "of course, primarily interested in getting some money in the case", and that he thought "$2,000 more by way of attorneys' fees should be allowed"; and asked that he be communicated with direct about the matter, giving his postoffice box number. On, to wit, March 13, 1929, said Brodek replied favorably, and on March 30, 1929, a check of Brodek, Raphael, & Eisner, a law firm of New York City, representing Mulford Realty Corporation, in which Charles A. Brodek, senior member of the firm of Brodek, Raphael & Eisner, was one of the directors, was drawn, payable to the order of "Hon. Halsted L. Rittel" for $2,000 and which was duly endorsed "Hon. Halsted L. Ritter. H. L. Ritter" and was paid on, to wit, April 4, 1929, and the proceeds thereof were received and appropriated by Judge Ritter to his own individual use and benefit, without advising his said former partner that said $2,000 had been received, without consulting with his said former partner thereabout, and without the knowledge or consent of his said former partner, appropriated the entire amount thus solicited and received to the use and benefit of himself, the said Judge Ritter.

At the time said letter was written by Judge Ritter and said $2,000 received by him, Mulford Realty Corporation held and owned large interests in Florida real estate and citrus groves, and a large amount of securities of the Olympia Improvement Corporation, which was a company organized to develop and promote Olympia, Fla., said holdings being within the territorial jurisdiction of the United States district court, of which Judge Ritter was a judge from February 15, 1929.

Which acts of said judge were calculated to bring his office into disrepute, constitute a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373), and constitute a high crime and misdemeanor within the meaning and intent of section 4 of article II of the Constitution of the United States.

Wherefore, the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office.

ARTICLE IV

That the said Halsted L. Ritter, while holding the office of United States district judge for the southern district of Florida, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and while acting as a United States district judge for the southern district of Florida, was and is guilty of misbehavior and of high crimes and misdemeanors in office in manner and form as follows, to wit:

The said Judge Ritter by his actions and conduct, as an individual and as such judge, has brought his court into scandal and disrepute, to the prejudice of said court and public confidence in the administration of justice in his said court, and to the prejudice of public respect for and confidence in the Federal judiciary:

1. In that in the Florida Power Co. case (*Florida Power & Light Co.* v. *City of Miami et al.*, no. 1183–M–Eq.) which was a case wherein said judge had granted the complainant power company a temporary injunction restraining the enforcement of an ordinance of the city of Miami, which ordinance prescribed a reduction in the rates for electric current being charged in said city, said judge improperly appointed one Cary T. Hutchinson, who had long been associated with and employed by power and utility interests, special master in chancery in said suit, and refused to revoke his order so appointing said Hutchinson. Thereafter, when criticism of such action had become current in the city of Miami, and within 2 weeks after a resolution (H. Res. 163, 73d Cong.) had been agreed to in the House of Representatives of the Congress of the United States, authorizing and directing the Judiciary Committee thereof to investigate the official conduct of said judge and to make a report concerning said conduct to said House of Representatives, an arrangement was entered into with the city commissioners of the city of Miami or with the city attorney of said city by which the said city commissioners were to pass a resolution expressing faith and confidence in the integrity of said judge, and the said judge recuse himself as judge in said power suit. The said agreement was carried out by the parties thereto, and said judge, after the passage of such resolution, recused himself from sitting as judge in said power suit, thereby bartering his judicial authority in said case for a vote of confidence. Nevertheless, the succeeding judge allowed said Hutchinson as special master in chancery in said case a fee of $5,000, although he performed little, if any, service as such, and in the order making such allowance recited: "And it appearing to the court that a minimum fee of $5,000 was approved by the court for the said Cary T. Hutchinson, special master in this cause."

2. In that in the Trust Co. of Florida cases (*Illick* v. *Trust Co. of Florida et al.*, no. 1043–M–Eq., and *Edmunds Committee et al.* v. *Marion Mortgage Co. et al.*, no. 1124–M–Eq.) after the State banking department of Florida, through its comptroller, Hon. Ernest Amos, had closed the doors of the Trust Co. of Florida and appointed J. H. Therrell liquidator for said Trust Co. and had intervened in the said Illick case, said Judge Ritter wrongfully and erroneously refused to recognize the right of said State authority to administer the affairs of the said trust company and appointed Julian S. Eaton and Clark D. Stearns as receivers of the property of said trust company. On appeal the United States Circuit Court of Appeals for the Fifth Circuit reversed the said order or decree of Judge Ritter and ordered the said property surrendered to the State liquidator. Thereafter, on, to wit, September 12, 1932, there was filed in the United States District Court for the Southern District of Florida the *Edmunds Committee case*, supra. Marion Mortgage Co. was a subsidiary of the Trust Co. of Florida. Judge Ritter being absent from his district at the time of the filing of said case, an application for the appointment of receivers therein was presented to another judge of said district, namely, Hon. Alexander Akerman. Judge Ritter, however, prior to the appointment of such receivers, telegraphed Judge Akerman requesting him to appoint the aforesaid Eaton and Stearns as receivers in said case, which appointments were made by Judge Akerman. Thereafter the United States Circuit Court of Appeals for the Fifth Circuit reversed the order of Judge Akerman appointing said Eaton and Stearns as receivers in said case. In November 1932 J. H. Therrell, as liquidator, filed a bill of complaint in the circuit court of Dade County, Fla.—a court of the State of Florida—alleging that the various trust properties of the Trust Co. of Florida were burdensome to the liquidator to keep and asking that the court appoint a succeeding trustee. Upon petition for removal of said cause from said State court into the United States District Court for the Southern District of Florida, Judge Ritter took jurisdiction, notwithstanding the previous rulings of the United States circuit court of appeals above referred to, and again appointed the said Eaton and Stearns as the receivers of the said trust properties. In December 1932 the said Therrell surrendered all of the trust properties to said Eaton and Stearns as receivers, together with all records of the Trust Co.

of Florida pertaining thereto. During the time said Eaton and Stearns, as such receivers, were in control of said trust properties, Judge Ritter wrongfully and improperly approved their accounts without notice or opportunity for objection thereto to be heard. With the knowledge of Judge Ritter, said receivers appointed the sister-in-law of Judge Ritter, namely Mrs. G. M. Wickard, who had had no previous hotel-management experience, to be manager of the Julia Tuttle Hotel and Apartment Building, one of said trust properties. On, to wit, January 1, 1933, Hon. J. M. Lee succeeded Hon. Ernest Amos as comptroller of the State of Florida and appointed M. A. Smith liquidator in said Trust Co. of Florida cases to succeed J. H. Therrell. An appeal was again taken to the United States Circuit Court of Appeals for the Fifth Circuit from the then latest order or decree of Judge Ritter, and again the order or decree of Judge Ritter appealed from was reversed by the said circuit court of appeals, which held that Judge Ritter, or the court in which he presided, had been without jurisdiction in the matter of the appointment of said Eaton and Stearns as receivers. Thereafter, and with the knowledge of the decision of the said circuit court of appeals, Judge Ritter wrongfully and improperly allowed said Eaton and Stearns and their attorneys some $26,000 as fees out of said trust-estate properties, and endeavored to require as a condition precedent to releasing said trust properties from the control of his court a promise from counsel for the said State liquidator not to appeal from his order allowing the said fees to said Eaton and Stearns and their attorneys.

3. In that the said Halsted L. Ritter, while such Federal judge, accepted, in addition to $4,500 from his former law partner as alleged in article I hereof, other large fees or gratuities, to wit, $7,500 from J. R. Francis, on or about April 19, 1929, J. R. Francis at this said time having large property interests within the territorial jurisdiction of the court of which Judge Ritter was a judge. On, to wit, the 4th day of April 1929 the said Judge Ritter accepted the sum of $2,000 from said Brodek, Raphael, and Eisner, representing Mulford Realty Corporation, through his attorney, Charles A. Brodek, as a fee or gratuity, at which time the said Mulford Realty Corporation held and owned large interests in Florida real estate and citrus groves, and a large amount of securities of the Olympia Improvement Corporation, which was a company organized to develop and promote Olympia, Fla., said holdings being within the territorial jurisdiction of the United States district court of which Judge Ritter was a judge from February 15, 1929.

4. By his conduct as detailed in articles I and II hereof.

Wherefore the said Judge Halsted L. Ritter was and is guilty of misbehavior and was and is guilty of high crimes and misdemeanors in office.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the time for debate on this resolution be continued for 4½ hours, 2½ hours to be controlled by myself and 2 hours by the gentleman from New York [Mr. HANCOCK].

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BANKHEAD. Reserving the right to object, I want to ask the gentleman from Texas a question. Is it the gentleman's intention to conclude the proceedings today and have a vote on it before adjournment?

Mr. SUMNERS of Texas. We hope to do that.

Mr. BANKHEAD. I shall not object.

Mr. SUMNERS of Texas. Mr. Speaker, I would like to add to that request that at the expiration of the 4½ hours, of debate the previous question shall be considered as ordered.

The SPEAKER. The gentleman from Texas asks unanimous consent that debate on this resolution be continued for 4½ hours, 2½ hours to be controlled by himself and 2 hours by the gentleman from New York [Mr. HANCOCK]; and at the expiration of the time the previous question shall be considered as ordered. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to make a brief statement.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, I realize that there is a full membership of the House here today, and properly so, because impeachment proceedings are a matter of grave importance.

The proceedings are inquisitorial, and in order that we may arrive at a correct judgment with reference to the matter and form an intelligent opinion as to how we shall vote, it is absolutely necessary and essential that we have order in the Chamber during the proceedings.

I know it is difficult at all times to get gentlemen to refrain from conversation, but I make a special appeal to the membership of the House on this occasion, in view of the serious importance of the proceedings, that they will be quiet and listen to the speakers so that we may vote intelligently on this matter. [Applause.]

The SPEAKER. The Chair wishes to emphasize what the gentleman from Alabama has said. There is but one way to maintain order, and that is for Members to cease conversation, because a little conversation here and a little there creates confusion that makes it difficult for speakers to be heard.

Mr. HANCOCK of New York. Mr. Speaker, I yield 15 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Speaker, a friend of mine, discussing this case, said to me: "Why should you care what happens? The defendant is a Republican."

I hope my partisanship is not as hide-bound as the partisanship of my friend. I hope my sympathies are broader and more catholic than his are. I believe in Jeffersonian democratic principles, and I do not want to see injustice done to any Democrat. Neither do I want to see injustice done to any Republican. In cases as solemn and as serious as an impeachment proceeding, in which are involved the possibilities of despoiling the fair name and blasting the life of the defendant, inflicting damage on him and his flesh and blood that can never be recalled or repaired, we Members of this House are not worthy of our high station if we allow political considerations to enter our minds, and we should be extremely careful to see that injustice is not done to any man. I am proud to think that the great Democratic Party, to which I belong and in which I believe, stands for justice, and I hope it will stand for justice in this case.

I feel there is imposed upon me today a duty and a responsibility to raise my voice in this case if for no other purpose than to present myself as a character witness—a duty which I could not conscientiously avoid and which I am very glad to perform. Judge Ritter was born in Indianapolis, Ind. He springs from a long and honored Hoosier ancestry, rooted in the pioneer life of our Commonwealth. There are no better people than those who comprised his ancestral train. People do not come any better anywhere on this globe. Rugged honesty, outspoken truthfulness, and high ideals are characteristics of his family. His father, Col. Eli F. Ritter, was a man of outstanding character and personality, one of the most public-spirited men I ever have known, a lawyer of distinction, ranking high in a bar of great brilliancy that included such stellar lights as Thomas A. Hendricks, Joseph E. McDonald, and Benjamin Harrison, an unofficial advocate of the people's cause in many a fight against vice and privilege, for whom even those who felt his steel had a wholesome respect because of his militant ardor on the side of right and civic virtue.

Mr. TARVER. Mr. Speaker, I rise to a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. TARVER. The gentleman is endeavoring to read into the RECORD a statement with regard to the progenitors of the gentleman against whom these impeachment proceedings are pending. He is referring to something that should not affect the judgment of the House one way or the other, and, in my judgment, it is highly improper, and the gentleman should not be allowed to continue.

The SPEAKER pro tempore. The chairman understands the gentleman is proceeding under the order of the House, which provided for two hours and a half on one side and 2 hours on the other. Of course, the Chair cannot dictate to the gentleman just how he shall proceed in his discussion of this resolution.

Mr. TARVER. It is then the ruling of the Speaker that during the time for general debate Members may address themselves to whatever subject they desire.

The SPEAKER. Members must address themselves to the resolution.

Mr. LUDLOW. That is what I am trying to do, Mr. Speaker.

The SPEAKER. The gentleman will proceed in order.

Mr. LUDLOW. As a young newspaper reporter in Indianapolis I called on Colonel Ritter often, because he was such an excellent source of news. His fearlessness and righteousness were proverbial. He had a passion for public service in the highest and best sense, free from all selfishness. Judge Halsted Ritter, the defendant in this impeachment case, left Indianapolis in 1895 at the age of 27 and went to Denver to practice law and thence to Florida, so that he is not well-known to our younger Indiana generation, but the older members of our Indianapolis bar remember him and esteem him highly, and they were astounded when they learned that impeachment proceedings had been brought against him. Remembering him and his family background they declare that it is inconceivable that he should knowingly be guilty of any unethical or improper conduct.

I have read and pondered on as much of the evidence in this case as it was possible for a busy Member of Congress to assimilate, and when I finished reading it I said, "Well, what is there to it?" And to save my life I could not think of anything in the evidence that seemed to me to have any substance or value in making a case of impeachment. It is true that there is a lot of innuendo and there are many inferences and circumstantial convolutions that would not have any standing in any court of justice on earth.

Let me touch for a moment on what I believe is regarded as the gravamen of the charges against Judge Ritter. He and A. L. Rankin were practicing law as partners when Mr. Ritter was appointed by President Coolidge in 1929 to the Federal bench. At that time about 40 unfinished cases on which Mr. Ritter had labored were being handled by the partnership, most of which had come to the firm on account of confidence in Mr. Ritter. There was also some office property—desks, law books, and so forth. It was agreed between Mr. Rankin and Mr. Ritter that instead of going through a long and tedious process of bookkeeping and accounting, the partnership business would be liquidated by a short cut, by Mr. Rankin's paying to Mr. Ritter the sum of $5,000 in full settlement. Later Rankin was allowed by the court a fee as attorney in a receivership case—a reasonable fee for services rendered—and Rankin then paid to Judge Ritter $4,500 on this partnership account. What is wrong about that? He owed the judge a perfectly honest debt and he had earned the fee to pay it.

Innuendo is sometimes overworked in zeal to make a case. I wonder that more of us do not get caught in the innuendo mill. In fact, I think I shall relate an incident at this point showing how I myself might have got trapped recently.

The roll was being called on an important vote in the House and the gentleman in charge of the bill, whom we all know and love, was keenly interested in its passage, as every one knew. Just before my name was reached he approached me in the well of the House where I was standing and in the sight of at least 100 Members he handed me, not 30 pieces of silver, but one piece of silver. When my name was called I voted "aye." Was that not proof positive that I was corrupted? Well, if you go in strong enough for innuendo you might think so, but the fact is I was not.

Let me explain. This incident occurred on the day after the big Jackson banquet at the Mayflower Hotel, where the plates cost $50 per. The Member of Congress to whom I refer and I frequently eat breakfast together at a restaurant on Capitol Hill at an early hour in the morning, both of us being products of the farm and not yet entirely city broke. On this particular morning my friend paused several times while pushing his platter along the cafeteria rail as various viands tempted him and it was well loaded with edibles when he reached the cashier. At that moment an awful recollection overcame him. He had attended the Jackson banquet the night before and Andrew Jackson and Jim Farley had cleared him, leaving him temporarily without financial resources for eating purposes. Naturally, he turned to me for financial support which I cheerfully gave him. Later in the day when he handed me the piece of silver in the House well he was not buying my vote for his bill—I assure you he was not—but he was paying me back for the grubstake.

Now, I think this case is about on all fours with the charge that there was something crooked when Mr. Rankin used part of a fee he had honestly earned to pay a debt that he honestly owed. Oh, innuendo, what crimes have been committed in thy name!

And on running through the voluminous testimony in this case I find that Judge Ritter apparently committed another horrible crime. He sometimes ate a meal at a hotel that was operated under direction of the court without paying for it. If Members of Congress were subject to impeachment and that sort of offense were impeachable, I wonder how many of us would be here today to act on Judge Ritter's case. And again I point an accusing finger at myself. I belong to the legislative subcommittee of the Appropriations Committee, and—shall I lay bare the awful details?—almost every year Dr. Herbert Putnam, the scholarly Librarian of Congress, invites the members of that subcommittee over to the Library to have luncheon with him. Such invitation, I take it, serves the double purpose of a gesture of hospitality and a vehicle of convenience, for around the lunch table we have an opportunity to discuss the needs of the doctor's establishment. I am sure it never occurred to Dr. Putnam, who holds more scholastic degrees than you can shake a stick at, and who is the soul of honor as well as the pink of propriety, that there was anything improper about these invitations, and I am equally certain that we members of the subcommittee saw nothing wrong in foregathering on these infrequent occasions, but it now appears that we were all wet—in other words, all very culpable. It is sad, indeed.

Now, I am not going to attempt a detailed analysis of the testimony in this case or dwell very much upon it. I am not impressed by any part of it, and when I say that I do not believe Judge Ritter is guilty of any wrongful intent I think I but echo the views of a vast majority of the people of Florida and all of the people of Indianapolis, the city where Judge Ritter was born—at least, all who know anything about the judge or the case. I do not think the people of the great State of Florida, among whom he has lived since 1925, and whom he has sought to serve, at heart believe he is guilty of any wrongful acts or motives, and in that connection I desire to read at this time a testimonial I have received in his behalf in the form of a telegram from Frank B. Shutts, the outstanding citizen of Miami, head of the law firm of Shutts & Bowen and publisher of the Miami Herald. It is as follows:

MIAMI, FLA., *February 27, 1936.*

Hon. LOUIS LUDLOW,
Washington, D. C.

DEAR LOUIS: I am greatly interested in the outcome of the Judge Ritter impeachment matter. I have known him more than 40 years. I have great confidence in his integrity. I doubt the justice of the proceeding and I hope before you decide you will give the matter more than cursory consideration. You have all my good wishes.

FRANK B. SHUTTS.

I repeat, that in my opinion, judging from information that comes to me, the people of Florida do not want Judge Ritter impeached. In my opinion they do not believe he has done anything to merit such drastic punishment. It is true there is some hostility toward him among members of the bar, due to little causes and perhaps a more or less inflexible judicial attitude. When he took over the court he presented himself in judicial robes and he issued an order that attorneys who had been appearing in free and easy negligee attire should thereafter wear their coats when court was in session. From such little acorns some oaks of hostility have grown among members of the bar, but I do not believe for an instant that the general attitude of Floridians toward Judge Ritter is anything but friendly and favorable.

Not being a lawyer, and having all my life earned my living by my humble abilities as a writer, I shall quote as my authority in this matter, not the United States Code, but Shakespeare. In Othello, the Moor of Venice, Iago says:

> Who steals my purse steals trash,
> But he that filches from me my good name
> Robs me of that which not enriches him
> Makes me poor, indeed.

Let us not, on the basis of innuendo and sinister inferences, steal the good name of Judge Halsted Ritter. Let us not, at least, steal his good name unless we can find something more on him than is contained in this record. The people of Florida are a sincere, whole-souled, generous people. Among them the precious flower of hospitality grows and blooms in all of its perfection. Many Hoosiers have gone down there, attracted by the wonderful climate and the generous attitude of the people. They have been received with open arms and have been absorbed into the splendid society of the State as if they were to the manner born. The people of Florida are not demanding that this son of Indiana—Judge Halsted Ritter—shall be crucified. The demand does not come from them.

I have said that I am not a lawyer, but in my parting remarks I want to quote an excellent lawyer—Representative JOHN E. MILLER, of Arkansas. Mr. MILLER is not only a lawyer of great ability, but he is a gentleman of the highest rectitude who has the confidence, I believe, of every Member of this House. Although he is a Democrat he is held in great respect on the Republican side of the Chamber. Mr. MILLER prepared the report of the subcommittee of the Judiciary Committee that went to Florida and investigated these charges against Judge Ritter, and I quote the closing paragraph of his report, as follows:

> After seeing the witnesses and hearing them testify, and after giving careful consideration to all of the evidence and to the problems with which the court had to deal, in each particular instance the subcommittee is of the opinion that sufficient facts have not been presented and adduced to warrant the interposition of the constitutional powers of impeachment by the House.

I would wager all that I have, and all that I ever expect to have, that if we adopt this resolution the Senate, sitting as a court of impeachment, will follow the findings and the sound logic of Mr. Miller's report, and will throw this case out of the window. I do not believe there is 1 lawyer in 10 in the House who thinks the Senate will ever convict on the evidence presented. I hope the House will not, by adopting this resolution, put a stain on a good Indiana family, whose history from pioneer times has been distinguished by devotion and service to the State, and from the practical viewpoint of what is almost certain to occur when this impeachment case reaches the other end of the Capitol, I would sincerely wish that the proponents of this resolution, who are my personal friends and for whom I have the highest respect, might withdraw it rather than subject the membership of this House to the fiasco of adopting an impeachment resolution which I verily believe can have no standing in the trial court. [Applause.]

Mr. HANCOCK of New York. Mr. Speaker, I yield 20 minutes to the gentleman from Arkansas [Mr. MILLER].

Mr. MILLER. Mr. Speaker, I realize that it is utterly impossible to discuss the issues that are involved in these articles of impeachment in 20 minutes, but I have some very pronounced views upon the facts in the case, as disclosed by the record. I regret exceedingly that I find myself in disagreement with the beloved chairman of the Committee on the Judiciary, as well as other members of that committee, but I feel I would be derelict in my duty if I did not give to the House the benefit of my individual views of this record. It is absolutely immaterial to me what disposition is made of these articles of impeachment.

I care little, as far as I am individually concerned, what you may do. The only thing that has ever given me concern, as far as the judiciary of our Nation is concerned, is that lawmakers, men in places of responsibility, will sometimes permit themselves to be influenced and their judgment swayed by a deep-seated prejudice that lurks in the mind and heart of a great many men at this time against the judiciary of this Nation. It is not my purpose to refer to the remarks of the distinguished gentleman from Texas [Mr. SUMNERS] in his indictment of this judge or in his indictment of the Congress and the legislative bodies of this Nation in permitting conditions to develop so that there is a prejudice existing against the judiciary in general. I believe it is incumbent upon us—I do not care whether this man is from Colorado, whether he is from Indiana, or where he is from—to get at the facts.

I was a member of the subcommittee, together with Judge Tarver, Judge Sumners, Mr. Weaver, and Mr. Hooper, who is now deceased. I think I heard every witness testify. It never occurred to me to ascertain where Judge Ritter came from or what his politics may be. I do not care, very frankly, what his politics are. I do not care from whence he came. The only thing I was seeking was to ascertain whether or not he is a corrupt member of the judiciary and whether or not he has done anything that would bring the judiciary into disrepute. With that end in mind I should like to consider the testimony. I am going to make a remarkable statement about this testimony. There is no disagreement about the provable facts in this case. There is no chance for a disagreement as to the facts in the case. The only disagreement that exists is in the inferences that may be drawn from the facts.

When the subcommittee went to Florida we were assisted by able attorneys who were interested, not in the impeachment of Judge Ritter but who were interested in securing the facts. Likewise, Judge Ritter was present and represented by able attorneys, who convinced me that they were interested in developing the facts. The subcommittee went into this case thoroughly and exhaustively. We summoned and brought before the committee every man that we thought could shed any light on the question. Those people were questioned, cross-examined, and cross-questioned, and the facts were developed.

Now we come to the four principal charges. The first involved the Whitehall case. Another the J. R. Francis case, which, I believe, has been dropped. Another is the payment of the $5,000 in money by Mr. Rankin, a former law partner; and the other involves the Trust Co. of Florida. I should like to discuss these charges, if I may and if I have time.

I want to call your attention now to the resolution. Mr. Speaker, we are lawyers—some of us. I am not able, and I would not undertake it even if I had the power, to sway any man's judgment on a matter of this kind by appealing to your prejudice against the Federal judiciary. It has often been said by men—I expect you have said it, and I probably have said it—that we should do something to curb the power of the Federal judiciary; that they are too arrogant; that they are mean; that they are hard to get along with; that they are czars. Let us grant all that. That can be corrected by congressional legislation.

Impeachment proceedings are not criminal proceedings, but this resolution is the vehicle upon which he is to be brought to trial. What are the charges? The charge is, first, that he corruptly received $4,500 from A. L. Rankin, a former law partner, which Rankin had received from a fee that was corruptly allowed by Judge Ritter; that he corruptly connived in the filing of that law suit. That is the main charge against him. What are the facts about it? I tell you frankly there is not any dispute. I mean dispute on the facts. Now, some of you have tried law suits. I have tried a few justice of the peace court cases myself. [Laughter.] Facts can only be established by testimony. What are the facts? It has been charged that this judge corruptly connived in the bringing of this foreclosure suit against the Whitehall Hotel. Did he? It is very easy for me to say that, but I want somebody to point out to me the testimony, a single, solitary word of testimony in this record, where he ever had any conference or knew any more about the filing of that suit than you did.

Mr. TARVER. Will the gentleman yield?

Mr. MILLER. No; not yet. The gentleman has plenty of time.

Now, that is the testimony. It is true that Mr. Rankin and Mr. Richardson and someone else went to New York at a time when Judge Ritter was holding court in Brooklyn, but the testimony is also undisputed that no conversation was had with Judge Ritter about anything other than the fact that Rankin himself, and not the other man, went to him to get an order signed in a drainage case. Now, that is

the record. They say, "Oh, you know they talked the matter over." Well, how do you know it? Tell me how you know it. How do you know they talked it over?

Anyway, the suit was filed, and I am going to have to omit a lot of the details. Let us get down to the payment of the money, the $5,000. This resolution charges him with receiving $4,500. He did not receive $4,500. He received $5,000. That is what he received. I will give you the dates when he received it from Rankin, his former law partner. He received $2,500 on December 24, 1930, in cash. On April 14, 1931, he received $2,000 in cash. In September 1931 he received $200 by check. In January 1932 he received $300 by check and Rankin took a receipt from Judge Ritter for $5,000. Now they say that money was corruptly received. It might have been, Mr. Speaker.

I do not know what those men had in their minds, but I do know what the testimony is. The only two men who know are Ritter and Rankin. The testimony is that this money was paid in settlement of an obligation. "Oh," they say, "the library, fixtures, and so forth and so on, constituting the obligation, were not worth $5,000." This is a question of dispute. I might not think it was worth $5,000. I do not know what it was worth, but the testimony is that $5,000 was agreed upon by the parties. The $5,000 was paid. Rankin later told about it. It did not seem to be any secret that the $5,000 was paid. This $5,000 came out of money that had been received by Rankin in this lawsuit.

Let us now see about the corruptness of the fee. The Whitehall Hotel had a $3,500,000 mortgage against it in the form of three different deeds of trust; and I said in my report to the Committee on the Judiciary that the proof was ample in my opinion that Richardson, Rankin, Metcalf, and others entered into a conspiracy to keep this property in court for the purpose of obtaining the fees from the operation of the property. But at no time was the judge connected with it. Under the Florida law when a receiver is appointed a fee is allowed for conserving the assets of the mortgagee under the mortgage. An advance of $2,500 was allowed by Judge Ritter and then it was sent to Judge Akerman under a letter asking him to fix the total fee. I think the letter written by Judge Ritter to Judge Akerman was true at the time, and I think that was what was intended at that time. I do not think there is the slightest doubt in the world about that. I think it was thought that $15,000 would be the total fee.

What happened? I want to tell you what happened. Practically every firm of lawyers in Miami and around about had clients whose interests were involved. Here was a $3,500,000 property involved in foreclosure, and it was very necessary that they file interventions if they were to protect the interests of their clients. Intervention after intervenion was filed and it became a race between attorneys as to who would control that litigation. Right at that particular point Judge Ritter rendered one of the most signal services to the bondholders and the owners of the property any judge ever rendered. Those attorneys, Shutts & Bowen, Rankin, Richardson, and the rest of them, had agreed upon a decree in which no upset price was fixed. Judge Ritter said that before that property was sold there had to be an upset price. "Here you have $3,500,000 worth of bonds. We have undertaken to protect the equity of these bonds; we have undertaken to fix the rights of the bondholders. I am not going to see this property sacrificed, so you fix an upset price of $1,500,000." It was done. It was sold for $1,500,000.

The attorneys got together in an agreement. The decree is a lengthy document that would intimidate a country lawyer to look at [laughter], but I glanced through it. I found this, that it was a decree in which the various rights and the equities of the various bonds and bondholders and interveners were settled. It provided a fee of $75,000 to be charged as part of the costs to go to the attorneys for the complainants. The attorney of record was Rankin, but in the agreement this amount was to be divided amongst the various lawyers. Shutts and Bowen received $25,000 and others received lesser amounts until finally Rankin received $30,000 of the $75,000. That is what he got out of it. The $15,000 that he had previously received made a total of $45,000 he received out of this case. It is charged that the allowance of this fee was corrupt on the part of the judge. It is further charged that he allowed excessive fees, but the record is silent.

I want to call your attention to something else in the report I filed with the committee about this case. I said I did not approve of all the things Judge Ritter did, and I do not approve of them. The greatest objection that can be urged against Judge Ritter is that prior to his going on the bench he had not had the experience necessary to cope with the situation then confronting him in Miami, Fla., when all those intervenors came in and with the many conflicting interests between various bondholders.

In charging fraudulent procurement by Richardson of large fees he is talked about as being the tool of the court. He was the trustee in bankruptcy. How is a trustee in bankruptcy appointed? He is not appointed by the judge at all but is elected by the creditors. You might just as well charge me with being responsible for Richardson as to charge Ritter. Now, let us brush aside all this falderal and look at the facts.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. MILLER. I yield.

Mr. LUCAS. Referring again to the $75,000 fee, is there any evidence in this record outside of that of attorneys in the case as to the reasonableness of the fee?

Mr. MILLER. I do not believe there is.

Mr. SUMNERS of Texas. I think there is.

Mr. MILLER. Yes; there was. Some affidavits were filed showing the reasonableness of the $75,000 fee.

There is another case involved here, about which I want to speak in just a moment. If you will go down there and examine the 7,000 cases of various kinds and character, you will find that Judge Ritter did not have an easy job in administering the affairs of that court. I started to tell you a while ago about the trustees' fees.

[Here the gavel fell.]

Mr. HESS. Mr. Speaker, I yield the gentleman 10 additional minutes.

Mr. MILLER. Mr. Speaker, it is true he did allow what to my mind might be considered an exorbitant fee. But here is the way that happened: Three hundred thousand dollars had come into the hands of Richardson, the trustee, by reason of his operation as trustee in bankruptcy and the creditors got together and set aside $50,000 to pay the cost of the bankruptcy. Ritter said: "No; $50,000 is too much. I will not allow it." He rejected that petition.

Later, all of the creditors and the attorneys got together, came to him, and presented proof that the trustee alone, if entitled to a fee, would receive more than $50,000, and upon those terms and on those terms only did he allow that fee.

Going back to the bonding committees and before the $75,000 fee was allowed: I do not know whether the $75,000 fee was exorbitant or not.

Mr. DIES. May I ask the gentleman a question? What was the extent of the necessery service rendered by Rankin?

Mr. MILLER. Well, I do not know. I never did handle a three and a half million dollar lawsuit. But, just looking at the record and the interventions and considering the trouble that was being poured on him, the fellow did well to stay in court at all, and keep his head above water, and protect a single bondholder in the case. If Rankin was in any way instrumental in holding that case in court and getting one and a half million dollars out of the property, he was well worth $75,000.

Let us go back for just a minute. There were two bond committees down there, the Edmonds committee and the Arthur committee. They got into an argument and dispute. Before that decree was signed the judge required the attorneys to call the representatives of both of those committees and inquire whether or not they would agree. I wish I could talk more about that, but my time is limited.

Mr. TARVER. Will the gentleman yield at that point?

Mr. MILLER. I yield to the gentleman from Georgia.

Mr. TARVER. The gentleman is not talking now about the Whitehall case. He has gone to the Florida Trust Co. case.

Mr. MILLER. Oh, no.

Mr. TARVER. The Arthur committee and the Edmonds committee were in the Florida Trust Co. case.

Mr. MILLER. That is true, but there were plenty of committees also in the Whitehall case.

Mr. TARVER. Only one.

Mr. MILLER. If I made a mistake in the name I certainly did not intend to mislead the House, and I shall not do so if I can help it.

Mr. McCORMACK. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. There is about $90,000 involved in the first case.

Mr. MILLER. Yes.

Mr. McCORMACK. It seems to me if a man was involved in a transaction like that he would want to get more than a $5,000 rake-off for doing it.

Mr. MILLER. Well, that is a question of opinion.

Mr. McCORMACK. There is one more question that interests me greatly. I notice here that Judge Ritter was asked for a $15,000 allowance, and when that matter came up, another judge was asked to sit, which was a very ethical course to pursue. Now, was that $15,000 for the handling of all the legal aspects?

Mr. MILLER. I think it was in the contemplation of Judge Ritter, Rankin, and everybody else that the $15,000 was to cover the whole thing at that time. I do not think there is any dispute about that, and it would have covered everything if they had not gotten into these continued arguments, which prolonged the litigation.

Mr. DIES. How does the gentleman explain the letter that was written in reference to his continuation in service in that case after Judge Ritter got on the bench?

Mr. MILLER. That is another case entirely. The gentleman refers to the Mulford case, which was appealed to the Supreme Court of Florida. That has nothing to do with this matter.

Mr. Speaker, when this situation is analyzed and the wheat is separated from the chaff and laying aside our prejudices, we will find there is nothing to this matter. I want the Members to lay aside their prejudices.

Mr. GREEN. I wonder if the gentleman still has the same views on this case that he had when he left Miami?

Mr. MILLER. Yes; I have the same view I always had.

Mr. BANKHEAD. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Alabama.

Mr. BANKHEAD. I should like to get the gentleman's interpretation in reference to one matter. He sat on the committee with these other Members. The ordinary Members listening to these arguments would like to get the gentleman's opinion as to what should be the measure of proof to be submitted in the argument here, and upon what facts would a Member of the House be justified in voting for impeachment of this judge? Does it raise the question of reasonable doubt or probability of guilt, or what is the measure of proof, in the gentleman's opinion?

Mr. MILLER. Here is my opinion, may I say to the distinguished majority leader. If the proof submitted to me as an individual Member of this House was sufficient to create in my mind a probable belief of the guilt of the judge, or the truth of the charges, then I would vote for impeachment. That is what I do, and I think it is the correct rule.

Mr. LAMNECK. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Ohio.

Mr. LAMNECK. There is an important point as I see it in this case, and I should like to understand the gentleman's viewpoint a little better. I understood him to say that Rankin paid the judge $5,000.

Mr. MILLER. That is right.

Mr. LAMNECK. The first speaker in this matter, the Chairman of the Judiciary Committee, indicated that was a bribe, or a part of the fee that the judge was to receive for allowing this fee.

Mr. MILLER. That is right.

Mr. LAMNECK. I also understood the gentleman to say that there were only two people who knew anything about the transaction, that is, Ritter and Rankin.

Mr. MILLER. That is right.

Mr. LAMNECK. And that this payment was made by Rankin to Ritter in order to pay an obligation which was the result of an original partnership?

Mr. MILLER. Yes.

Mr. LAMNECK. Was there any testimony offered by the opposition to show that that was not the fact?

Mr. MILLER. No; and there is not any testimony on that point. Let me clarify that issue.

Mr. HANCOCK of New York. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from New York.

Mr. HANCOCK of New York. I call the gentleman's attention to the testimony of a lawyer named Salisbury.

Mr. MILLER. Yes; it is the contention of those asking for the impeachment that this money was paid as a bribe. Here are the facts about it. Rankin was appointed attorney and allowed this money. Judge Ritter later received $5,000, which they charge as being $4,500, but the proof is only by Ritter and Rankin themselves that the money was paid in settlement of an obligation in the winding up of their partnership affairs.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. MILLER. I yield.

Mr. DIES. The gentleman said something about a receipt. Did Ritter give a receipt to Rankin?

Mr. MILLER. Yes; Ritter gave Rankin a receipt.

Mr. DIES. In writing?

Mr. MILLER. Yes.

Mr. DIES. Dated back as of that date?

Mr. MILLER. No; dated on the day the last payment was made.

Mr. HEALEY. Mr. Speaker, will the gentleman yield?

Mr. MILLER. I yield.

Mr. HEALEY. I think the gentleman is now talking about the real, crucial point of this case.

Mr. MILLER. I think so.

Mr. HEALEY. In view of the fact the gentleman made a very close investigation of all the facts, will the gentleman state to the Members of the House whether or not he is personally satisfied with the judge's explanation of the receipt of the $5,000 from the man whom he appointed as receiver in this case?

Mr. MILLER. Regardless of what I may personally think about the method of handling it, here is the proposition involved, and let us look at it from the standpoint of what the proof is and I think we are all agreed upon what the proof is. He did receive the money. Did he receive it corruptly? Can you say he received it corruptly in view of the testimony?

Mr. SCOTT. Mr. Speaker, will the gentleman yield?

Mr. MILLER. I yield to the gentleman from California.

Mr. SCOTT. Did the testimony show any attempt on the part of the judge to conceal the fact he had received this money?

Mr. MILLER. Not unless that might be construed from the fact he kept $2,000 of that money out of the bank for 5 or 6 days.

Mr. SCOTT. Did he report it in his income-tax return?

Mr. MILLER. I do not know.

Mr. DIES. Was not part of it paid in cash?

Mr. MILLER. Yes.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. MILLER. Yes.

Mr. MURDOCK. As I understand, this $5,000 was paid in installments. As Mr. Rankin paid these installments to Ritter, were receipts given for each installment?

Mr. MILLER. No.

Mr. MURDOCK. The receipt was dated on the date the last installment was paid.

Mr. MILLER. Yes.

Mr. MURDOCK. Is not that very significant to the gentleman?

Mr. MILLER. I do not know that it is. There were two former partners dealing.

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. MILLER. I yield.

Mr. COLDEN. Was there any evidence to show the nature of the contract between these two men, the judge and Mr. Rankin, as to what their settlement was to be?

Mr. MILLER. No; only their word.

Mr. WILCOX. Mr. Speaker, will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Florida.

Mr. WILCOX. There seems to be considerable confusion in the minds of the Members of the House as to what was intended by Judge Ritter in the letter which the gentleman from Texas [Mr. SUMNERS], the chairman of the committee, read at the conclusion of his speech. A great many Members seem to have the idea that Judge Ritter wrote a letter relative to a case pending in his own court.

Mr. MILLER. Oh, no.

Mr. WILCOX. I should like for the gentleman to explain to the House what the case was about which Judge Ritter was writing and where that case was pending.

Mr. MILLER. Very frankly, I want to say this, Mr. Speaker, that incident never registered in the mind of myself or Judge TARVER when we were taking this testimony.

[Here the gavel fell.]

Mr. HANCOCK of New York. Mr. Speaker, I yield the gentleman 5 minutes more.

Mr. TARVER. Will not the gentleman yield, in view of his statement and the statement in my report, which is in the RECORD of January 14, wherein I criticized that?

Mr. MILLER. Let me finish my statement, and then I shall yield to the gentleman.

Mr. TARVER. The gentleman undertook to state what was in my mind, and I am pointing out the report that set that out as one of the bases of impeachment.

Mr. MILLER. In the report I made at the beginning of the Seventy-fourth Congress, and in the report that was made by the gentlemen from Georgia [Mr. TARVER] to the entire committee on that date or along about the same time, that particular point was not stressed by either of us as being grounds for impeachment.

Mr. TARVER. Mr. Speaker, will the gentleman yield at this point?

Mr. MILLER. Let me finish my statement and then I shall yield.

This letter that was written by the judge on March 1, or March 10, after he had gone on the bench on the 25th day of February; in other words, about 15 days after he went on the bench. It referred to the Mulford Realty Co. litigation which the firm of Rankin & Ritter had carried on and which Ritter had personally handled, and for which the firm had been paid $4,000.

Mr. KLOEB. In what court?

Mr. MILLER. In the State court. I may be mistaken about this, but as I remember, it was on appeal to the Supreme Court of Florida at that time. I could be mistaken about that, but that is what that letter was about, and nothing else.

Mr. DIES. Mr. Speaker, will the gentleman yield for a question?

Mr. MILLER. I yield.

Mr. DIES. There is one point that has not been cleared up. As I understood the gentleman from Texas [Mr. SUMNERS] $2,500 of this $5,000 was paid in cash.

Mr. MILLER. That is right.

Mr. DIES. Is there any explanation of why the judge received cash?

Mr. MILLER. No; Rankin simply said he had a check cashed and went up there and paid him.

Mr. DIES. Does the gentleman mean that Rankin went to the bank and got $2,500 in cash?

Mr. MILLER. No; he got more than that. He got about $5,000.

Mr. DIES. And then went to the judge's chambers and gave him $2,500, and at that time there was no receipt given for that $2,500?

Mr. MILLER. No; I do not think so.

Mr. BOILEAU. Will the gentleman yield?

Mr. MILLER. I yield.

Mr. BOILEAU. I understood the proposal made to Judge Ritter was on Christmas Eve, and along the spring following, whether or not there appears in the hearings any evidence that Judge Ritter ever reported those transactions in his income-tax return for 2 years?

Mr. MILLER. We investigated that, and I do not know what the proof shows. I think I do remember it was shown in Judge Ritter's testimony, but I am not certain about that.

Mr. BOILEAU. There is no evidence in the hearing that it was in Judge Ritter's.

Mr. FULLER. Will the gentleman yield?

Mr. MILLER. I yield.

Mr. FULLER. The evidence shows that Judge Ritter was paid $2,000 in cash.

Mr. MILLER. Yes.

Mr. FULLER. And the judge kept it for 3 or 4 days before he deposited it.

Mr. MILLER. I think he kept it 4 or 5 days before he deposited it in the bank.

Mr. FULLER. He did deposit it in the bank?

Mr. MILLER. Yes; he kept it in a lockbox 4 or 5 days, and I think he kept $500 all the time.

Mr. FULLER. Was there any secrecy about the matter as to the payment that had been made?

Mr. MILLER. Apparently not.

Mr. FULLER. Where did you get the information in the first place about the matter?

Mr. MILLER. From Mr. Rankin.

Mr. FULLER. Did the judge deny it?

Mr. MILLER. No; they told the whole story. The facts are not disputed.

Mr. LUDLOW. Will the gentleman yield?

Mr. MILLER. I yield.

Mr. LUDLOW. Was there not some evidence in the hearings that the judge did not desire to deposit the money on account of fear of some bank trouble?

Mr. MILLER. Yes; and that was literally true.

Mr. O'MALLEY. Will the gentleman yield?

Mr. MILLER. I yield.

Mr. O'MALLEY. If the judge and his law partner were in a conspiracy to divide the income—if the judge was a partner to that conspiracy, would not he have insisted on more than $5,000 out of the $90,000? [Laughter.]

Mr. MILLER. Well, I do not know about that.

Mr. KNUTSON. Will the gentleman yield?

Mr. MILLER. I yield.

Mr. KNUTSON. Was there any testimony showing that about that time there had been any bank failure?

(The time of Mr. MILLER having expired, Mr. SUMNERS of Texas yielded him 3 minutes more.)

Mr. MILLER. Now, gentlemen, I want to say in conclusion, as I stated a while ago, that it is immaterial to me as to what you may do in this case. I do not think that I would have been doing my duty to the Members of the House had I not given you the benefit of my own individual ideas about it.

You may disagree entirely with me about the trial of an impeachment case. You may disagree with the Senate as to the procedure that ought to be followed; but, gentlemen, we are facing a condition and not a theory. All I ask of the membership of the House is that if you as men have a reasonable belief that this man is guilty, you ought to vote for articles of impeachment.

If on the other hand you do not feel that they could be sustained—and that is my opinion and my belief—it is your duty to vote against them. If you have that belief, I say frankly that it is just as much your duty to vote against these articles as it would be to vote for them.

Mr. CALDWELL. Mr. Speaker, will the gentleman yield?

Mr. MILLER. Yes.

Mr. CALDWELL. I am not entirely clear. I believe the gentleman said he did not think the testimony was strong enough to warrant a conviction?

Mr. MILLER. I do not think the testimony is strong enough to warrant the finding of articles of impeachment, much less a conviction.

Mr. CALDWELL. Is it the gentleman's belief that the judge in question conducted himself as a Federal judge should have?

Mr. MILLER. In all respects, no; but do not confuse my position. Do not get the idea, in other words, that I think he was corrupt in some respects, because I do not think he was corrupt and I do not think the testimony shows he was corrupt.

Mr. CALDWELL. Then the gentleman implies no corruption?

Mr. MILLER. Absolutely no corruption.

Mr. CALDWELL. But perhaps a mistake in judgment?

Mr. MILLER. Yes; I think he made some mistakes.

The SPEAKER. The time of the gentleman from Arkansas has again expired.

Mr. SUMNERS of Texas. Mr. Speaker, I yield 20 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, on account of the very high regard I have for the opinion of my distinguished colleague from Arkansas [Mr. MILLER], I am deeply regretful that I am unable to accord with his judgment either as to what is shown by the facts in the case or as to the conclusion to be drawn therefrom. It is manifestly impossible to discuss this case in all its items in 20, 30 minutes, or an hour or 2 hours. Two of the most important parts of the charges made against Judge Ritter have not yet been touched upon by anybody who has spoken in the case, except that Judge SUMNERS made some brief reference to the Trust Co. of Florida cases. The Florida Light & Power case has not been discussed by anybody, and is in itself, in my judgment, of sufficient importance to merit impeachment action by this House.

The gentleman from Arkansas [Mr. MILLER] stated to you that in his judgment a conspiracy has been shown by the evidence to have existed between Richardson, Metcalf, and Sweeney for the purpose of throwing the Whitehall Hotel property into receivership, to benefit themselves financially thereby. He insists, however, that the evidence is not sufficient to show that Judge Ritter had knowledge of this conspiracy, or that he participated therein either before or after its execution. In view of his admission with regard to the existence of a conspiracy, I shall not discuss the evidence which undoubtedly points to that conclusion, but I shall discuss briefly the evidence which, in my judgment, justifies the House in coming to the conclusion that Judge Ritter himself participated in that conspiracy, and both before and after its execution was aware of it and aided in bringing it to a successful consummation. Briefly, why do I say that? To begin with—and you must view this case as an entirety, and not the evidence in detached portions—it is shown here that Mr. Richardson incurred so much expense in bringing about the institution of the Whitehall case that Mr. Rankin felt obligated to pay him $4,500, after he received the last $75,000 fee, partly in consideration of the expenses incurred by Mr. Richardson in bringing about the institution of the receivership action. Why should Richardson have gone to considerable expense in bringing about the institution of the receivership action unless he had reasonable grounds to believe that if he did bring it about he himself would be appointed as receiver, which was subsequently done by Judge Ritter, and would benefit therefrom?

Is there any man who would come to the conclusion that an astute businessman such as Mr. Richardson is shown to have been would have incurred heavy expenses in instigating the action and in procuring the acquiescence of clients in whose behalf that action might be brought under the Florida law, without having had some assurance from somebody that he would in some way benefit through the institution of the action? Who could have given him that assurance except the presiding judge? From whom could information have come as to who would serve as receiver in that case in the event it should be instituted unless the information came from the presiding judge himself? Not only did Richardson have information as to his own pending appointment as receiver in the event this action should be instituted, but it appears from written and indisputable evidence in this case that his attorney, or the nominal attorney for the client but really Richardson's attorney, A. L. Rankin, knew 10 days before a receiver was appointed, not only who would serve as receiver, but who would be selected by the receiver to have charge of the management of the hotel. I invite your attention to page 25 of the exhibits in this case, to a telegram at the bottom of that page signed by A. L. Rankin on October 18, 1929, to Bert D. Holland, who is the client who, together with two cotrustees, owned $50,000 worth of these bonds as trustee, and whose cooperation was necessary before a receivership could be brought, because under the terms of the bonds themselves, an action of that sort, if brought by anyone other than the trustee, had to be brought by the holder of at least $50,000 worth of bonds. Without Holland they could not proceed. Holland had advised him not to proceed. He was insisting in an interchange of telegrams with Holland that he should withdraw this demand that he not proceed and permit him to go on. Here is one he sent on October 18, 1929:

BERT E. HOLLAND,
387 Tremont Building, Boston, Mass.:

Other first-mortgage bondholders Whitehall have intervened and will apply to court tomorrow 10:30 a. m. for appointment receiver. If receiver appointed this assures operation hotel coming season by Bemis and Sweeney, which will be very advantageous to all first-mortgage bondholders.

A. L. RANKIN.

You will find, if you have time to read this evidence—and I hope you will read at least a portion of it—that Judge Ritter testified that until the date of the hearing on the 28th day of October 1929, he had no idea whom he would appoint as receiver; that on that date, because of the services which had been rendered by Richardson in connection with the preceding bankruptcy proceedings, he arrived at the conclusion that he would appoint him.

Yet we have in the record a telegram from Rankin, a former law partner of the judge, transmitted 10 days before that hearing was had, in which it incontrovertibly appears that Rankin knew not only who would be appointed receiver, but he knew that Bemis & Sweeney would be appointed by the receiver to have charge of the management of the hotel property during the coming season. I submit to you that that is evidence of the fact that Judge Ritter must have been in communication with Rankin, or he could not possibly have been in possession of information of that character in advance of the appointment of a receiver.

I must hasten along. I think the evidence in this case discloses clearly the receipt not of $5,000 but of $4,500, as stated by the gentleman from Texas [Mr. SUMNERS], by Judge Ritter from Mr. Rankin, out of the proceeds of this fee which had been allowed him by Judge Ritter; $2,500 at one time, $2,000 at another time. While an additional $500 was paid, as stated by the gentleman from Arkansas [Mr. MILLER], that $500 was paid some 2 or 3 months after the second payment of $2,000, and was paid by check, and there was endorsed on the check the purposes for which it was given.

I believe the gentleman from Arkansas [Mr. MILLER] stated that no explanation appears in the record as to why Mr. Rankin delivered to Judge Ritter $2,500 in cash instead of by check. There is an explanation in the record. I invite you to look at the evidence of Mr. A. L. Rankin himself, who offers an explanation for this secret delivery in cash and not by check, that he was afraid that some criticism would occur if the people generally knew of the payment of this sum of money by him to the judge out of the proceeds of the fee which had been allowed in this receivership case.

It is said by some that this payment was a matter of general information. Oh, no. Examine the record. You will find that the Department of Justice assigned to the aid of the committee a very competent investigator, Mr. Mulherin, who examined the bank records in Miami, and who came

across the record of a deposit by Judge Ritter in July 1931, about 7 months after this receivership fee had been paid. He went to Judge Ritter and asked him for an explanation of the $1,100 deposit which appeared as of that date.

It further appears in the record that Judge Ritter offered three different explanations of the sources from which that $1,100 had come, the first explanation being, as I recall, that it had been paid to him by Rankin from money derived from the profits of the business; the second explanation having been that it was the proceeds of some insurance dividends; and the third explanation being the one which is insisted upon at the present time.

If you will look at page 425 of these hearings you will find there a statement by Judge Ritter in which he admits, or at least does not call in question, the correctness of the testimoney which had been delivered by Mr. Mulherin.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. TARVER. I yield.

Mr. MARTIN of Colorado. How was the other $2,000 paid?

Mr. TARVER. That was likewise paid in cash, privately, and not a scratch of a pen taken in receipt therefor. Was it on account of a mythical interest in a partnership which had been dissolved 2 years before? Why, Rankin had received during the 2 years, I think, in excess of $30,000 from his professional business, prior to the time when he received this fee in the Whitehall case. Had he paid one penny on the partnership business prior to that time, or at least on this alleged item of $5,000? Not one cent. The truth of the business is that the record discloses that while he collected fees from the partnership business he paid over to Judge Ritter in other payments which were made by check his half of most of the fees so collected. Judge Ritter himself collected some of the fees which were due the partnership at the time of its dissolution, after he went on the bench, and made no accounting therefor to Mr. Rankin, his collection of this $2,000 fee from the Mulford Realty Co. being one of the instances in which he made a collection of that sort. I have not in my report absolved him from responsibility in connection with the Mulford Realty Co. fee, as my colleague from Arkansas [Mr. MILLER] has stated. I do not see how it can be done.

In my report, which was published in the proceedings of the House on January 14, I call attention to the Brodek incident. Brodeck was acting for the Mulford Realty Co. I have at all times felt, and still feel, that that incident alone, if nothing else could be shown in the case, would be sufficient to show the unworthiness of Judge Ritter to hold the position which he now fills. According to the evidence of Brodek, which you will find in the hearings—I do not believe you will find the letter that Judge SUMNERS read to you—but according to the evidence of Brodek, which you can find of record by referring to the index, Judge Ritter and his firm, Ritter & Rankin, had represented the Mulford Realty Co. in transactions prior to the time he went on the bench.

After he went on the bench, although he admitted that he had been paid in full, he wrote to Brodek, who was acting for the Mulford Realty Co., and said, in substance, according to Mr. Brodek's evidence, that in certain cases "I have rendered you competent service; I have saved you money. It is true you have paid me in full. Nevertheless, I feel that my services were worth more than I received. I am now on the bench, and I feel that you ought to send me an additional $2,000." The witness said he sent it to him for psychological reasons. What were the psychological reasons? They must have been, as disclosed by the evidence, that the Mulford Realty Co. owned large property interests in the southern district of Florida and felt that the investment of $2,000 in response to the demands from this judge not based upon any valid claim he had against them was yet an investment which would be justified under the circumstances. Suppose you were elected as judge of the superior courts in your State and that prior to your election you had represented a railroad. Suppose, after having gone on the bench, you wrote to your former railroad client and said: "I am not representing you any more; I am on the bench now; but I performed good service for you when I was your attorney, and I feel that you ought to send me an additional $2,000." That railroad company knowing it would have cases pending before you as judge, through its officers or its general attorney, sends you a check for $2,000 for psychological reasons; is there a Member of this House who would feel that the conduct of a judge asking for and receiving money under such circumstances is in accord with the conduct of a righteous, an upright, and an honest judge?

Mr. COX. If the gentleman will yield, it is the case of asking for a bribe with one hand and taking the bribe with the other hand.

Mr. TARVER. I think there is no question about it. But this is not all. My God, gentlemen! Surely you are not going to vote on this case until you familiarize yourselves with everything that appears in this record. You ought not to do it. If it is necessary in order for you to read the record, you ought to postpone deciding the case until you have an opportunity to read it. I do not ask you to vote on the ground of prejudice. No Member of this House should vote against a Federal judge or for his impeachment simply because he happens to be a Republican or happens to be a Democrat. I am not interested in that. I am interested in protecting, if possible, the purity, the honesty, and the integrity of the Federal judiciary. [Applause.]

You will find in this record the Trust Co. of Florida case, which has hardly been discussed as yet, wherein a man named Gibson, a former United States district attorney named Cisco, and a man named "Tub" Palmer spent weeks and months trying to stir up a receivership against the Trust Co. of Florida, which handled some 69 trust estates. In this case you will find they went to an insurance man, as the evidence of the witness, Stembler, will show. You will find they went to Stembler prior to the receivership proceeding and asked him if he would lend them $1,000 to help get this proceeding started and promised they would give him the insurance business on the receivership property. Stembler said:

> Why, you do not even know who is going to be appointed receiver. How can you assure me that I will get the insurance business?

They said:

> Yes; Stearns and Eaton are going to be receivers, and we will guarantee you, if you will lend us this $1,000 to help get this case started, you are going to get the insurance from the receiver.

This took place before the action ever was filed. They knew who would be appointed receivers for the Trust Co. of Florida case. How could they get that information from anybody except the judge who was thereafter to appoint the receivers? He did appoint them and confirmed the judgment of these men as expressed by them when trying to borrow money in an effort to work up this case.

The case was carried to the Circuit Court of Appeals at New Orleans and a judgment was rendered to the effect that Judge Ritter had no jurisdiction. The case came back. He did not abandon his efforts to continue to administer on this property; not at all. On the contrary, statements quoted from him appear in the record, saying that he would like to have another crack at the Trust Co. of Florida and that he himself rendered assistance by suggestion and otherwise in the preparation of a second suit filed by what is known as the Edmunds Committee.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Speaker, I yield 10 additional minutes to the gentleman from Georgia.

Mr. TARVER. My colleague the gentleman from Arkansas got the Edmunds Committee and the Arthur Committee mixed up in the Whitehall case. They had nothing to do with it. The first suit in the Trust Co. of Florida case was filed in the name of a man named Illick, filed by what is known as the Arthur Committee, and a second suit was filed by what is known as the Edmunds Committee.

I think I may say I know something about the facts in this case, for I have studied them many nights and days, and, as I stated, I rendered a report in the case in which I undertook to point out for every statement I made the

pages on which evidence might be found in the printed record to substantiate it. You will find that in the RECORD of January 14.

It is perfectly apparent from the evidence that has come before the committee that in the Trust Co. of Florida case, as in the Whitehall case, there was a conspiracy to loot a great property, and to place men in charge of it for the purpose of according them huge fees for services as receivers and as attorneys. As I recall, in that case there was a tremendous sum in fees that accrued before the circuit court of appeals held that Judge Ritter had no jurisdiction in the action.

What did the judge do? Did he promptly dismiss the action? He did not. Finally, after another action had been brought, and after the comptroller of Florida had undertaken to shed six trusts as to which responsibility rested on him under Florida law by going into Judge Ritter's court and seeking to invoke his jurisdiction, the question came up, "What are you going to do with the Trust Co. of Florida cases in which the circuit court of appeals said, 'You have no jurisdiction'?" He said, "I will allow certain fees, considerable in amount, to these officials." The attorneys replied, "No. You have no authority to allow fees. You have no jurisdiction in the matter, and the circuit court of appeals has so held." He said, "I am going to allow the fees; and if you will not appeal from my judgment allowing these fees, then I will dismiss these actions." He was holding over them the bludgeon of his judicial power. "I have no right to do this", is the effect of what he said. "I have no jurisdiction in the matter. The circuit court of appeals has so held, and the Supreme Court of the United States has refused to sanction a writ of certiorari from their judgment, but I intend to protect my friends. I shall hold I have jurisdiction, and I will allow fees and will dismiss these cases only in the event you are willing to accede to my judgment, erroneous though it may be."

Let me pass now to the Florida Light & Power Co. case, which is the one that started this whole thing. The city of Miami, Fla., had the highest power rate, as shown by the evidence, of any city in the entire United States, or at least it had one of the very highest. There is no public service commission in the State of Florida. The commissioners of Miami, who had jurisdiction, undertook to reduce the rates of the Florida Light & Power Co. by approximately 30 percent. The Florida Light & Power Co. brought an injunction against the city authorities to prevent their putting these reduced rates into effect.

Judge Ritter, before the issues were joined in that case and at a time when he had not authority to do it under the rules of court, called counsel before him and stated, "I intend to appoint a special master in this case." He suggested to them the name of one Cary T. Hutchinson. None of them, it seemed, knew anything about Mr. Hutchinson. The judge asked them to investigate and let him know whether or not they had any objection to this man Hutchinson. The city of Miami had really not employed the counsel upon whom they proposed to rely in the power-company case. They had only their own city attorneys who were not experienced in this sort of litigation. They afterwards employed Charles A. Russell, of Washington, D. C., to look after their interests.

Judge Ritter waited 3 or 4 days. Then, without calling any further meeting of counsel, he signed an order in which he recited that all members of counsel had found Mr. Hutchinson satisfactory, and he was therefore appointing him special master. Subsequently, upon a hearing had for the purpose of determining whether or not that order should be vacated, these attorneys whom he had recited in his previous order had stated the appointment of Hutchinson was satisfactory, rose one by one in their places in his courtroom and denied they had made any such statement to him, except that John Watson, one of the city attorneys of Miami, did say that he was engaged in another hearing when a young man with spectacles came to him and asked whether or not he had found anything against Mr. Hutchinson, and the city attorney told him he had not.

Who was Hutchinson? For many years, and ever since 1922, he was connected with the firm of Sanderson & Porter; therefore, connected with what we commonly refer to as the Power Trust in this country.

As soon as Mr. Russell was employed in the case, he, of course, wanted to secure the removal of Mr. Hutchinson. He submitted to Judge Ritter a motion to vacate the order appointing Hutchinson as special master and also submitted evidence showing beyond any controversy the absolute unfitness of the man to render an impartial service in a case of that character. One of the affidavits submitted was an affidavit of Morris L. Cooke, now head of the Rural Electrification Administration. Cooke testified as to the unworthiness of Hutchinson as demonstrated by certain shipping contracts he handled during the World War.

No matter how innocent Judge Ritter may have been in connection with the original appointment of his special master in the case, it was apparent he would be incapable of rendering impartial judgment as special master, and he certainly became advised upon a hearing that was had to vacate his order that Hutchinson was an unfit person for that place. However, the judge persisted in his appointment and refused to vacate the order.

Mr. Russell thereupon had prepared affidavits intended to be submitted for the purpose of disqualifying Judge Ritter from further procedure in this matter and sent them to Mr. G. A. Worley, one of the city attorneys of Miami. In June 1933 he received a letter from Mr. Worley. But before I get to that may I point out to you that this impeachment proceeding was started in the spring of 1933 through introduction of a resolution by our colleague the gentleman from Florida [Mr. WILCOX], and it was the direct result of the complaint made by the people of Miami and its city attorney against the conduct of Judge Ritter in this case. Congressman WILCOX and Congressman SEARS, of Florida, received telegrams from the authorities of the city of Miami, urging the institution of this proceeding or the careful investigation of the conduct of Judge Ritter.

Now, Judge Ritter felt that this impeachment proceeding which is pending here now had been started at the instigation of the city commission of Miami, and what was the agreement that he worked out with Mr. Worley, according to Mr. Worley's letter to Mr. Russell and according to the evidence of Mr. Worley, which you will find reported in the hearings? Why, it was that "If the city of Miami will abandon its antagonism toward me, if it will pass a resolution vouching for my good character and my integrity, I will disqualify myself in this case and permit the assumption of jurisdiction by another judge." Not an agreement in so many words, but an agreement clearly disclosed by the evidence.

Is this an honest, fair agreement, or is this a corrupt agreement? Is there any greater odium to be attached to a judge for trading his judicial power for money than trading his judicial power for a resolution of commendation which, in his judgment, would be worth more to him even than money? He felt that the city commission was behind his impeachment, and he said to Worley, in effect, not in so many words, but you read the record, and you will come to the same conclusion I did, "If the city of Miami will abandon its attitude toward me in this impeachment proceeding, although I am not disqualified, I will certify that I am disqualified, and I will get out of the way and allow another judge to assume jurisdiction in this case."

They passed the resolution, and the city attorney himself testified that the judge did not disqualify himself immediately because so much criticism arose publicly about the matter that he thought it was best to defer it for a while, and he did defer it until, I think, the early part of 1934, when he finally issued an order disqualifying himself in the case, and jurisdiction was assumed by Judge Sheppard.

Judge Sheppard decided to ignore the appointment of any special master in the case, because the appointment was made at a time when it should not have been made under the rules of the court, since issue had not been joined, and Judge Sheppard proceeded to appoint a special master,

named Hudson, of his own volition, who thereafter proceeded with the consideration of the case.

I have not undertaken to discuss all of the details of this matter. I do want to say to you that from my study of the evidence in this case, and without any personal feeling whatever against Judge Ritter, whom I never heard of until I was appointed chairman of the subcommittee to go down there and investigate this matter, I feel that justice in the southern district of Florida has been sold into Egypt by the man whose conduct is under investigation here.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. TARVER. I feel his conduct not only in the Whitehall case, not only in the Trust Co. of Florida cases, not only in the Florida Light & Power case, not only in the Brodek and Mulford Realty Corporation matter, but in various and sundry other matters that I do not have time to call to your attention, is amply sufficient to justify taking action in the direction of impeachment.

Why, there is one place here where $7,500 was given him by J. R. Francis after he went on the bench. Why? Nobody knows. We could not disclose it by the evidence. Francis is dead. But there is one thing you will find shown in this evidence, Mr. Speaker, and that is that whenever anybody for any reason offered any money to Judge Ritter, it was promptly and cordially accepted. [Applause.]

Mr. HANCOCK of New York. Mr. Speaker, I yield 20 minutes to the gentleman from Florida [Mr. WILCOX].

Mr. WILCOX. Mr. Speaker, ladies, and gentlemen of the House, I hope I can have your strict attention for a number of reasons. First, not only because of the great importance of this matter, but also because of the fact that contrary to my custom I expect to read most of what I have to say.

This is a matter of tremendous importance, not only to my congressional district but to the entire Union as well.

For the information of the House, let me say that the judicial district presided over by Judge Ritter is exactly the limits of my present congressional district. My new congressional district has the same territorial limits as Judge Ritter's judicial district, and the matter is, therefore, one of tremendous and vital importance to me.

Being a matter of such far-reaching effect I did not want hereafter that there should be any doubt as to exactly what I have said, and for that reason, with your indulgence, I expect to read most of my remarks.

I hold no brief for or against Judge Ritter. I am neither a prosecutor of the judge nor an advocate for him. I have but one interest in this proceeding, and that is to see that all of the facts are made known, that both sides of the question are fairly presented and that the truth is made to prevail.

I am not interested in what shall become of Judge Ritter, nor in creating a vacancy in the office which he holds. I do not want his job and I have no candidate for the position in the event of a vacancy.

My concern is the same as yours, and that is to condemn a corrupt judge if the evidence shows him to be corrupt, or to exonerate him if the evidence fails to show corruption.

You and I are here, in a capacity similar to that of grand jurors, considering the question of whether we shall return an indictment against this man and charge him with crime. We are not concerned with his politics nor his political affiliations. It makes no difference to us whether some of our colleagues may want him removed, nor are we concerned with whether others may want him retained in office. Only one question is, or can be involved, and that is whether the testimony and the inferences reasonably and legitimately to be drawn therefrom convinces us that the man has been guilty of the crimes with which he stands charged.

It is not my purpose to express any personal wish as to whether the judge should be impeached or whether the charges should be dismissed. If I should appeal to you to vote either way because of my own desire, this would constitute conduct not in keeping with my duty or yours. And if you should vote to impeach him or dismiss him because of the wishes or desire of any Member or group of Members of this House, then in my opinion such action would not be in keeping with your plain duty.

Now, in order that we may give fair consideration to all of the facts and consider both sides of the issue, I wish, with your indulgence to briefly review the history of this investigation and the charges here pending.

Judge Ritter was appointed to the district court bench in 1929, after a residence of about 4 years in Florida. He moved to Florida from Denver, Colo., where I understand he had practiced law for many years. Now, Florida is a common-law State. That is to say, except for such changes as have been made by statute, the old common-law pleading prevails in our court procedure. It is my understanding that Colorado is a code State, and their pleading is therefore quite different from that which we have in Florida.

Being elevated to the bench within 4 years after his removal to Florida, the judge was ill-equipped to preside over a court where common-law pleading obtains. Many lawyers believe that his knowledge of substantive law was insufficient to equip him for the position, and they cite in support of this contention the high percentage of his decisions which have been reversed by the circuit court of appeals.

Whatever his knowledge of basic and fundmental law may have been, it is undoubtedly true that his lack of familiarity with the highly technical rules of common-law pleading was a great handicap.

In addition to the talk among the lawyers which naturally resulted from the judge's unfamiliarity with common-law pleading and the reversal of his decisions by the appellate court, there also arose a general resentment to the manner in which he conducted his court. He was rather austere in his attitude, impatient with lawyers, at times dictatorial, and it is said that at times he threatened to put attorneys in jail for insisting upon pressing their arguments.

All of this tended to, and did, create a general feeling of resentment.

May I digress at this point to say that it seems to be a common failing with Federal judges to become tyrants as soon as they assume the black robe of the judiciary. [Applause.] There are notable exceptions to this rule, such, for example, as that able and distinguished jurist who resides in Jacksonville, in the northern part of my district, and who is the same lovable, democratic, and yet dignified man that he was when he was appointed to his present high position. But it has been my observation that most of them develop an autocratic attitude toward everybody when they become Federal judges. In this respect Ritter was no better and no worse than other Federal judges whom I have known.

From what I have said I think the House will not be surprised to learn that the judge became unpopular very soon after he assumed the duties of his office. And in due course there were stories and rumors of misconduct.

As is not unusual, these rumors grew with repetition, until they reached a point where, in my judgment, they were seriously affecting the standing of the court.

In my opinion, there is nothing more essential in a government such as ours than that the judiciary shall be free from suspicion. Anything which destroys the public confidence in the courts tends to destroy the very foundations of our whole social order.

And so, Mr. Speaker, during the first session of the Seventy-third Congress, in 1933, I introduced a resolution asking for an investigation of Judge Ritter's conduct. I made no charges, because I had no knowledge of any misconduct. I sought a fair and impartial investigation of the judge's conduct, with a report as to what, if any, misconduct he may have been guilty of.

In fairness to Judge Ritter, I think I ought to recite the fact that on the same day that I introduced the resolution the judge sent me a telegram in which he suggested that such an investigation should be made, in order that these rumors might be set at rest.

A subcommittee of the Committee on the Judiciary was appointed and testimony was taken in 1933 and again in 1934. It was my understanding that the committee would make a report to Congress advising us as to the facts, and

that upon this report we could act. Accordingly on many occasions I made the statement that I expected to follow the report of the committee.

The subcommittee, however, has never made a report upon their investigation. The gentleman from Georgia [Mr. TARVER] filed with the committee a report giving his personal views upon the evidence and in which he reaches the conclusion that Judge Ritter has been guilty of conduct which warrants his impeachment. The gentleman from Arkansas [Mr. MILLER], on the other hand, filed a report giving his views on the evidence, and in this report he reaches the conclusion that the evidence does not show conduct warranting an impeachment charge. The other members of the subcommittee did not join in either the Miller report or the Tarver report, and the matter stood in that condition throughout the year 1935.

When Congress convened at this session in 1936 the Judiciary Committee met and discussed the case and voted to adopt the Miller report and drop the charges. They met again a few days later and, without having any new evidence before them, voted to bring in the impeachment resolution. Those Members of the House, therefore, who may wish to follow the committee may vote either for impeachment or for dismissal of the charges, and either vote will be justified. You may read the Tarver report, on which the impeachment resolution is based, and be justified in voting for impeachment. On the other hand, you may read the Miller report, which was adopted by the committee, and be justified in voting for dismissal of the charges and against impeachment.

Upon this state of the record I reached the conclusion that since I could not vote both ways, and, therefore, not being able to follow the committee, I should examine the testimony for myself. I hope that every Member of the House has read the testimony, because only in that way may a clear understanding of the case be had. The fact that two such able and distinguished Members of this House as the gentleman from Georgia [Mr. TARVER] and the gentleman from Arkansas [Mr. MILLER], after having heard the testimony, reached opposite conclusions; and the fact that the Committee on the Judiciary decided the case one way one week and exactly the opposite way 2 weeks later, and based both decisions on exactly the same testimony, should be ample proof to you and me that at least there are two sides to this question. It should also demonstrate the fact that we cannot afford to take anybody's word for the matter, but that if we would reach an intelligent conclusion we must examine the record and the testimony for ourselves.

Now, let us examine the indictment and see what the charges are and just what the facts are upon which these charges are based. We are now sitting as a grand jury, and let us discuss the case just as honest and impartial grand jurors would discuss a case under consideration.

I have given you the background that existed when the original resolution was introduced. I have mentioned the fact of Ritter's unfamiliarity with common-law pleading and Florida laws. I have mentioned his rather autocratic attitude during the early days of his tenure in office. These things were undoubtedly responsible for his unpopularity, and very probably these things were the cause of most of his trouble. An examination of the articles of impeachment, however, shows that he is not charged either with incompetency or tyranny. The impeachment resolution charges him with certain definite and specific crimes, and you and I by our votes must say that the testimony shows him to be guilty of these specific crimes or that it fails to show his guilt of these specific crimes.

There are four articles of impeachment set forth in the resolution. If given sufficient time to do so, I should like to discuss these four articles in the order in which they are set forth in the resolution and discuss the evidence upon which they are based.

Article I, when stripped of all surplus and unnecessary language, charges that Judge Ritter unlawfully and corruptly received $4,500 from his former law partner, A. L. Rankin, out of a fee which Judge Ritter had awarded him in a case pending in Judge Ritter's court.

Article 2 of the resolution deals with the same case referred to in article 1. Under article 2 the charge that Judge Ritter received $4,500 unlawfully and corruptly is repeated. In addition to this charge, however, article 2 charges conspiracy between Judge Ritter, A. L. Rankin, his former law partner, Ernest Metcalf, Martin Sweeney, and Walter S. Richardson to gain jurisdiction of a foreclosure proceeding. This article further charges that Judge Ritter awarded to his former law partner, A. L. Rankin, a fee for his services in this case, which fee, it is claimed and charged, was excessive and unconscionable.

In view of the fact that these two articles all deal with one case, I think they may properly be discussed together. The financial transaction involved charges that Judge Ritter, after having disqualified himself, allowed Rankin an unreasonable fee of $75,000 in addition to a previous allowance made by another judge, and that Rankin paid over $4,500 of this fee to Ritter in an unlawful, unconscionable, and corrupt manner.

An examination of the evidence in this case discloses the fact that Ritter did allow Rankin the $75,000 fee. The evidence further discloses the fact that within a day or two after receiving a portion of this fee Rankin paid to Ritter the sum of $2,500 in cash, and that within a few days after receiving the balance of his fee he turned over to Ritter $2,000 in cash.

The only evidence in the record of this case to the effect that $4,500 was paid by Rankin to Ritter is the testimony of Rankin and Ritter himself. Rankin testified that he gave the money to Ritter and Ritter testified that he received the money. There can be no dispute that the money was paid over, therefore, but in considering this case it is well to recall the fact that the only people who testified about this transaction are A. L. Rankin and Halsted L. Ritter.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. WILCOX. I prefer not to yield now, but the gentleman has been so kind to me that I will yield.

Mr. SUMNERS of Texas. I merely wanted to make the statement that a member of the committee has just made the statement to me that when the Miller report was made the committee decided that the matter had passed beyond its jurisdiction.

Mr. WILCOX. I do not quite understand what the gentleman is talking about, but I have no doubt what the gentleman says is true.

Mr. SUMNERS of Texas. The committee did not vote both ways, as I understand it.

Mr. WILCOX. It is a fact that the committee met and adopted the Miller report, is it not?

Mr. SUMNERS of Texas. It met and decided that it was beyond the jurisdiction of the committee. Is not that true?

Mr. WILCOX. I do not want to take issue with the gentleman, but I think the gentleman told me in his office that the committee had met and adopted the report. Then the committee met later and voted to impeach.

They testified that the money was paid, and they say that it was paid in extinguishment of a debt. The question which arises is whether or not the House of Representatives will believe that Ritter and Rankin both told the truth when they said the money was paid, but that they lied when they said that it was paid in a certain way and for a certain debt. In other words, if Ritter and Rankin were telling the truth when they testified the money was paid, then by what authority are we to say that they were lying when they said it was paid in settlement of a debt? Can we take their testimony and believe that part of it which may suit the purposes of the impeachment resolution and disregard that portion of it which shows innocence of any corrupt intent?

There is no dispute of the fact that Ritter and Rankin were partners before Ritter was elevated to the bench. There is no dispute of the fact that fees were due to the firm. There is no dispute of the fact that half of these fees belonged to Ritter. There is no dispute of the fact that Ritter was entitled to receive his half of the fees if and

when they were collected. There is no dispute of the fact that Rankin collected the fees, and there is no dispute of the fact that he had turned over to Ritter his half of the fees so collected.

Now, the evidence shows that Rankin collected in all more than $9,000 of fees due the firm and that he was, therefore, indebted to Ritter in a sum in excess of $4,500 of the fees so collected, and in addition to this he was indebted to Ritter for his half of whatever the value of the office equipment may have been.

It was undoubtedly unwise for Rankin to pay Ritter what he owed the judge immediately after having received his fee in a case pending in the judge's court. The judge should not have permitted him to pay it out of the fee. It probably was unwise for him to pay it in cash instead of by check. The judge should not have permitted it to be paid in cash and in his office. But the only evidence in the record is the evidence of Ritter and of Rankin and the testimony of these two men is positive as to the purposes for which this money was paid.

Suppose we disregard the testimony of Ritter and Rankin altogether. In that case, there is no evidence concerning this transaction. Suppose we accept the word of Ritter and Rankin that the money was paid and then disregard their testimony as to the purpose for which it was paid. Then, in that case, there is no evidence in the record which shows any purpose for which the money was paid.

One point which has been stressed considerably is the fact that Ritter kept a part of this money in a safety box in his office and did not immediately deposit it in the bank. It is argued that this is evidence of criminal knowledge and is evidence of a guilty conscience. It might be well to examine the record on this point. The evidence shows that out of the $2,500 payment Ritter deposited $2,000 of it in the bank and retained $500 of it in cash. His explanation of why he retained $500 in his office is the fact that the banking situation in south Florida at that time was very uncertain. Banks were failing on every hand. And it is a fact which the House should know that the City National Bank, one of the largest institutions in that section, had just closed its doors 2 or 3 days prior to this transaction. Only one banking institution remained in the county. That bank, it is true, is now and always has been one of the strongest financial institutions in the country. At the same time there was a condition of hysteria existing at that time, when people were not discriminating between good institutions and bad ones. I may even call the attention of the House to the fact that during this period of bank failures, the hysteria in my home city of West Palm Beach reached such a point that a definite and determined run was made on the United States post office. People had even lost confidence in the stability and solvency of the United States Government. In this state of the public mind almost every person who had any cash at all was retaining a part of it in his office, or in his home, or in his pocket, so that if the worst came to the worst, he would at least have enough cash on hand to finance himself. It is not an unreasonable statement, therefore, for Judge Ritter to make, when he said that he retained $500 in cash and kept it available for immediate use because of the uncertain banking situation which existed at that time.

Another fact which should be borne in mind is the fact that the judge deposited $2,000 out of the $2,500 immediately. A deposit of $2,500 would not have excited any more curiosity than the deposit of the $2,000. Would a man with a guilty conscience who was afraid of being detected in the receipt of $2,500 retain $500 of it in his possession but deposit $2,000 in the bank? These are questions which reasonable and fair-minded jurors must settle in arriving at a conclusion.

One other fact which the record discloses is that Judge Ritter reported the entire $4,500 on his income-tax return. This likewise is a matter for your consideration in determining whether or not it was graft or was received in a corrupt and unlawful manner. A question for you to settle is whether or not a corrupt judge receiving $4,500 as a pay-off would boldly report it in his annual income-tax return.

It is true that as shown by the record Judge Ritter asked another judge to fix Mr. Rankin's fee. It is true that the other judge fixed a fee of $15,000. It is a fair inference from the record that everyone at that time believed that this $15,000 was intended as Mr. Rankin's full fee. It is also true as shown by the record that Judge Ritter afterward allowed Rankin $75,000 additional fee.

The contention is made that this was an unreasonable, excessive, and unconscionable fee.

I think that in passing upon this question the House should consider not only the facts which I have just repeated but that you should also consider the other side of the question, wherein Judge Ritter explains that in awarding the final fee in the case he simply approved a final decree which had been consented to by all parties at interest. He took the position that this was private litigation involving private-property rights; that all parties to the litigation were present and represented by counsel; that counsel had prepared a consent decree fixing and awarding the fees to all parties involved; that since it was private litigation involving no public interests the court should give effect to the consent decree which had been agreed to by all parties at interest.

Personally, I have never felt that a court could discharge its duty by permitting attorneys for the various litigants to agree on fees and then simply award the fees which had been agreed to by the attorneys at interest. I have personally always felt that the court should fix the fees regardless of what the attorneys might agree to. Nevertheless, it is unquestionably true that the vast majority of courts approve consent decrees without question. Where all parties at interest have agreed upon a disposition of property and the awarding of fees, the great majority of the courts throughout the country will approve the decree as agreed to. This is done upon the theory that the parties at interest have a right to dispose of the property as they see fit. I do not subscribe entirely to this plan. But if every court is to be impeached for having approved consent decrees, then I am afraid that we would have a great many vacancies, both in our Federal and our State judiciaries.

There is one other fact which it might be well for the House to consider in connection with this particular fee and that is the fact that no party at interest in the litigation has ever objected to the fee. So far as the record discloses no interested party in this litigation has ever raised any question as to the size of any of these fees. If the fees are agreeable to the parties at interest and if they were willing to have the money disposed of in that way, then the question arises as to whether or not the United States Congress should undertake to go behind the judgment of the court and determine what was or was not a fair distribution of the funds.

A fair statement of the facts on this transaction, without adding argument or color, is this: Judge Ritter signed a consent decree by the terms of which his former partner was awarded a fee of $75,000 for services in a foreclosure upon property where the upset price was a million and a half; the fee was agreed to by all parties at interest in the litigation and has never been objected to. Rankin paid Ritter, probably out of money he received on this fee, $4,500; Rankin was indebted to Ritter and the two of them say the money was paid in settlement of the debt; this is not denied and there is no evidence to the contrary. Ritter returned the item for taxation in his annual income-tax return; the money was paid in cash in Ritter's office. Ritter deposited all of the money in the bank except $500, which he retained because of his fear of the banking situation—a large bank had just closed in the city a few days before. These are the facts as shown. They are stated without coloration. They show a slovenly method of doing business. They may show that the judge is subject to criticism. But do they show a corrupt act? Are they sufficient for you and me to brand this man as a thief? That is the question which we must decide.

The SPEAKER pro tempore. The time of the gentleman from Florida has expired.

Mr. HANCOCK of New York. Mr. Speaker, I yield 5 minutes more to the gentleman.

Mr. WILCOX. It is very evident that I shall not be able to discuss the other grounds of this impeachment resolution in the remaining 2 or 3 minutes at my disposal. Let me say this to you in conclusion. There has always been in my mind serious doubt as to the wisdom of our policy of requiring that a man should be impeached and charged with crime involving moral turpitude in order to get rid of a judge that you do not like. The gentleman from Texas [Mr. SUMNERS] very correctly and very truly said that this is not a criminal proceeding. This man is not charged with crime, and your conviction of him does not subject him to penal servitude, but let me call the attention of the House to the fact that in order to find this resolution true you have to brand this man as a thief, you have to take a man in high position and brand him and his posterity with being a thief, if you find that this indictment should be returned and that this man should be placed upon trial. I hold no brief for him. I do not care what becomes of him. I have no interest in him, but I am frank to say to you gentlemen that after a careful and painstaking and thorough examination of this record I am convinced that if Judge Ritter were being charged with being a consummate fool, this House would be justified in returning the indictment, and I should vote with you cheerfully, but I cannot bring myself under the testimony which has been adduced in this case to brand the man as a thief and place upon the brow of his posterity that stain merely in order that we may get rid of an unsatisfactory judge. [Applause.]

I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

Mr. HEALEY. Mr. Speaker, will the gentleman yield?

Mr. WILCOX. Yes.

Mr. HEALEY. The gentleman introduced the resolution out of which this investigation came.

Mr. WILCOX. Yes; I did.

Mr. HEALEY. And certainly a gentleman as sane as the gentleman from Florida would not introduce such a resolution based only upon rumors?

Mr. WILCOX. Yet I did.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. WILCOX. Yes.

Mr. McFARLANE. I want to clear up a rumor that I have heard and I want to ask the gentleman a question about it. Is it true or not that the gentleman had offices in the same building with Judge Ritter before the gentleman came to Congress, and was he a law partner associated with the gentleman?

Mr. WILCOX. I expected that question to be asked. Judge Ritter worked for me for 9 months as associate in my office, and I think if the gentleman would ask Judge Ritter about it, it would confirm him in the belief that there never has been a very pleasant feeling between Judge Ritter and myself since that time.

Mr. McFARLANE. And then I want to ask this additional question: What was in the gentleman's mind at the time he offered the resolution in 1933?

Mr. WILCOX. It was in my mind that there had been rumors of misconduct, and I wanted the matter cleared; I wanted to discover what the truth was, and if this man was corrupt I wanted to be able to prove it, and I introduced the resolution for that purpose, and told the committee that I would follow the finding of the committee upon that.

Mr. COLE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. WILCOX. Yes.

Mr. COLE of Maryland. Knowing the firm of Rankin & Ritter, as the gentleman has in the past, is he prepared to tell the House whether, in his judgment, for the office set-up which they had and the good will and other items, which could be capitalized upon dissolution of such a firm, $5,000 was a reasonable amount to pay?

Mr. WILCOX. I would not attempt to testify. As I recall it, I was never in the office of Ritter & Rankin in my life. All I know about what business they had on hand is what appears in this testimony, except that I do know of one case, the Brazilian court case, about which Judge SUMNERS read a letter, and I represented the other side of that case. I do know about that one case.

Mr. COX. Will the gentleman yield?

Mr. WILCOX. I yield.

Mr. COX. From the gentleman's knowledge of the record in this case, is he now prepared to say that Ritter has the moral integrity that a judge ought to possess?

Mr. WILCOX. I said the evidence did not convince me that the man has been guilty of a crime involving moral turpitude, as charged in this indictment.

Mr. COX. But is the gentleman prepared to say that he has the moral integrity that a judge ought to possess?

Mr. WILCOX. I have answered the gentleman as best I can.

Mr. DRISCOLL. Will the gentleman yield?

Mr. WILCOX. I yield.

Mr. DRISCOLL. It appears from the statement that he received $2,500 and that he deposited $2,000 in the bank and kept $500 from the 6th day of April until the 10th day of August because of the precarious condition of the banks at that time?

Mr. WILCOX. That is correct.

Mr. DRISCOLL. Did not the same precarious and disturbing condition of the banks exist as to the $2,000 that he deposited, the same as the $500 in cash which he kept?

Mr. WILCOX. I should think so, but if the gentleman is going to ask me a question he should leave me enough of my time to answer it. I said that I did not want to argue anything outside of the record, because I am not appearing to argue this case on either side. However, inasmuch as the gentleman has brought up that question, I may say to the gentleman that it was not anything uncommon in south Florida at that time for every businessman and professional man to retain in cash a part of all the fees he collected so that he would at least have a little in his jeans if the worst came to the worst. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Florida has again expired.

Mr. SUMNERS of Texas. Mr. Speaker, I yield 20 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Speaker, probably very illogically, because in reverse order, I am going to attempt in a very brief compass to answer, if I may be so bold, the three gentlemen who have spoken for the defense. At least, to try to answer as best I may the salient points advanced by them, as I understand them.

The gentleman from Florida [Mr. WILCOX] to my mind one of the clearest thinkers and most accurate speakers in this body, began beautifully by attempting seriatim to take up the four articles of impeachment in this case, but he never got beyond a discussion of the first two.

I submit to the fair-minded men and women of this House that his statement, that because of his unsuitability for the office he occupied, because of his ignorance of procedure, because of his conduct from the bench, Judge Ritter within a short time after his ascendancy to the bench, made himself very unpopular and that rumors of misconduct in office were rife in Florida, makes out by the admission itself, the fourth article of impeachment! All that the fourth article of impeachment charges is that by his official and personal conduct, Judge Halsted L. Ritter has brought his court into scandal and disrepute, and concludes that by reason of that fact he should no longer disgrace that bench. That is the whole of the fourth article.

Mr. DIES. Will the gentleman yield?

Mr. HOBBS. I yield.

Mr. DIES. Is it not a fact that the House is not required to find that he is guilty? If we have a reasonable doubt as to whether or not he is innocent, we should send it to the Senate for appropriate action?

Mr. HOBBS. Yes. I thank the gentleman for his suggestion.

The next point that the gentleman from Florida [Mr. WILCOX] made is, if I correctly understood him, that Judge Ritter, if charged with being a "consummate fool" would be

guilty, but that he is not a "thief." I want to say to the gentleman from Florida that that distinguished gentleman has clearly misunderstood the whole purport of these articles of impeachment. No one is accusing Judge Ritter in this case of being a thief by a vote in favor of these articles. In other words, it does not mean, if you vote up these articles of impeachment this afternoon that you are saying Judge Ritter is a thief. Not at all, for the very simple reason that you may believe some parts of the evidence in this case and not believe others; or you may believe all of the evidence and not draw the same inferences and conclusions from the parts that involve specific points which you draw from others. You may give greater weight to some parts than to others; but I submit, and I am going to limit myself in the minutes allotted me by the chairman to this proposition, that the fourth article of impeachment is established by all the evidence and by the admissions of the opposition in this case. If I had the time I believe I could prove, word for word, by citation of the record, that fact. But I want to say this one thing by way of preliminary before I begin with that.

The logic of the thing, it seems to me, in weighing this case in the scales of your just consideration, should be about this way: A subcommittee of the Committee on the Judiciary of the House of Representatives conducted more than 700 pages of hearings, running through months. They came back. One of them has his lips closed by death. Another, for reasons good and sufficient, and not to be criticized, was unable to sit in the hearings. Three men of the subcommittee of the Committee on the Judiciary heard substantially all the evidence, and those three men are divided in their honest opinion, two and one, in favor of the articles of impeachment proposed in this case and voted out by the whole committee.

In spite of the fact that some of the speakers today make light of the Committee on the Judiciary and its deliberations, accusing it of voting both ways, I am, indeed, grateful to the powers that be in this body that my service on it, if service it may be called, has been of so short duration that I can stand here today and, without throwing any flowers at myself, say that in spite of all the jibes and jeers that Members may launch at that committee, I believe there are no more honored, no more honest, no more hard-working, conscientious members of a committee in this body than those men with whom I have had the honor to associate for the last 8 weeks. [Applause.]

Not only that, and in spite of these jibes, I want to say that in all the experience of my short lifetime—and I have not yet reached the century mark although sometimes I feel so—it has never been my pleasure to be associated with a gentleman whose fairness of thinking, whose desire to be more than square, was more evident in his every thought and word and deed than the distinguished chairman of this committee, the gentleman from Texas, Mr. SUMNERS! I reiterate, therefore, that as you sit in judgment on this case you have this situation confronting you: Three men,—distinguished all, honest all, intelligent all—heard substantially all, if not all of the evidence and have studied the record from Dan to Beersheba, from A to Z, and two of the three have reached the conclusion honestly and intelligently, two out of the three, that Judge Ritter should be impeached. The other one disagrees and says that he would limit his charge to misconduct, but not impeachable misconduct, as I understood the gentleman from Arkansas [Mr. MILLER]. He says there is no disagreement as to the facts. He admits the conspiracy among all, with the exception of Judge Ritter; and in response to a question propounded by the gentleman from Texas [Mr. DIES], the gentleman from Arkansas [Mr. MILLER], said that Rankin did well to stay in court at all. This question was with respect to the Whitehall Hotel case. What does the record show—and I challenge the gentleman from Arkansas [Mr. MILLER], to show anything different: The total services of A. L. Rankin in the Whitehall Hotel case were a participation in conference—he did not draw it—in the preparation of the bill of complaint by Metcalf; the arguments before his former law partner, Judge Ritter, as to whether or not Mr. Bert E. Holland had a right to dismiss his own case! Rankin had been fired—but he refused to be fired—and was arguing before his former law partner whether the case should be dismissed at the insistence of the only man who, under the deed of trust, had a right to bring it—Bert E. Holland, the man who had hired him!

He did not draw the final decree. He criticized and corrected a part of it. The record is absolutely silent, and so is the claim of Rankin, as to any services in the world that he performed from the time the case began to its concluding stage and chapter on December 24, 1930, when Christmas Eve came around and he called privately, in chambers, upon the judge, and slipped his share of the loot to his partner. Not one word of testimony is there in this entire record of any other services he performed.

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. Gladly.

Mr. HANCOCK of New York. The gentleman realizes that about $3,000,000 was involved, that there was an income from this property of $640,000; that there were first-, second-, and third-mortgage bondholders, there were stockholders, there were creditors, there were trustees, and various conflicting interests; and it took a great deal of negotiation, a great many conferences, to get them all to agree upon a final settlement. Does not the gentleman realize that this takes a lot of time and work?

Mr. HOBBS. I am happy the gentleman asked me this question, because I was disappointed that some of my predecessors upon the floor did not touch upon it. Why, somebody did a little work, but not Rankin. According to his own oath, if you believe him, it was Richardson who held the conferences, it was Richardson who ran the hotels with Bemis and Sweeney; it was Richardson who claims credit for all this, and he was richly rewarded by the payment of $30,000, plus a private "drag" of $4,500. Personally I believe it was $5,000, but we never have been able to trace that other $500 to him; but he got $4,500, they say, for his aid and suggestions to Metcalf in drawing the original bill.

So much for that. If there is anything in the record which disproves my statement, I challenge any man to produce it. I have my copy of the bill and every single word of article IV is annotated, showing the page in the record where the evidence supporting it is recorded. There is no evidence that he did a dime's worth of work after the first day, when all he did was to walk in there before his former law partner and "stay in court." The gentleman from Arkansas [Mr. MILLER] stated that this "staying in court" is valuable service. It surely proved profitable for the conspirators.

I want to make one other statement before I proceed with my argument, whether I get a chance to complete it or not. I want to pay my respects to the gentleman from Indiana [Mr. LUDLOW], whom I do not blame. He was "on the spot" and so was the gentleman from Florida [Mr. WILCOX]. I do not blame either of these gentlemen. But I resent, with all the strength of my soul, the imputation and insinuation that he made against every Member of this House who is going to vote in favor of this impeachment resolution. I took his words down; and I will never forget, to my dying day, that he got up here and insinuated that because Judge Ritter is a "northerner" and a Republican the charges were preferred against him.

I would like to say to the gentleman from Indiana [Mr. LUDLOW], if he be present—I think he went to his office immediately after making his speech—I would like to ask him if he has read the record. I will guarantee in advance that he has not.

Mr. SAUTHOFF. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. Yes, sir.

Mr. SAUTHOFF. I am a little curious to know how many attorneys in Florida were disbarred because of these unethical and illegal practices?

Mr. HOBBS. I shall be pleased to answer the question, although it is, it seems to me, entirely irrelevant. I do not know, sir; and that is no concern of the House. I hope to God that all of those who were particeps criminis were dis-

barred! If the Bar Association of Florida has done its duty they have all been disbarred, especially those who actually participated in the "cut of the swag", as Judge Ritter did.

Mr. MASSINGALE. Will the gentleman yield?

Mr. HOBBS. I yield to the gentleman from Oklahoma.

Mr. MASSINGALE. A very significant piece of evidence has been suggested here in the form of a letter that Judge Ritter wrote another Federal judge down there in Florida, from which I gathered that he anticipated probable future trouble or embarrassment.

Mr. HOBBS. Yes. I am coming to that.

Mr. MASSINGALE. I would like to have the gentleman from Alabama enlighten us on that proposition.

Mr. HOBBS. I am coming to that, but I want to finish my statement in reference to the gentleman from Indiana [Mr. LUDLOW] before I get to that. I want to say that I resent the gentleman's statement with all the vehemence at my power and command. I have not seen a solitary human being from first to last in this case who gives a tinker's damn whether Judge Ritter lives on the North Pole or whether he has voted the Republican ticket ever since Noah was a baby! We members of the committee do not care, and no one does. Not until today, when the Honorable LOUIS LUDLOW took the floor, have I heard that insinuation made or that aspersion cast. I want to say to him through the RECORD, he not having stayed here to listen himself, that I resent the charge on my own account and on behalf of the Members of this House who are just as disinterested in this matter and who are just as honest as he is!

Mr. COLMER. Will the gentleman yield?

Mr. HOBBS. Gladly to the gentleman from Mississippi.

Mr. COLMER. As one of those disinterested Members, it is charged on page 13 of the resolution that while this Whitehall Hotel was being operated the judge and certain members of his family stayed at the hotel without being charged for anything.

Mr. HOBBS. Yes; they received everything free of charge—valet services, meals, and rooms.

Mr. COLMER. Was that charge undenied?

Mr. HOBBS. Absolutely. The charge is absolutely undenied. In fact, Judge Ritter testified—page 409 of the hearings—if my memory serves me correctly, that he and his wife stayed there for a day or two a couple of times. The evidence further shows, and is not disputed, that his son, Thurston Ritter; his daughter, Mrs. Walker; and his secretary, Mrs. Hooks, and her husband all stayed there at the hotel free of charge, receiving free valet services and meals.

Mr. McFARLANE. Will the gentleman yield?

Mr. HOBBS. I yield to the gentleman from Texas.

Mr. McFARLANE. I wish the gentleman would enlighten us in reference to this $75,000 fee allowance that was made after it had been said that $15,000 was enough. What is his alibi for that?

Mr. HOBBS. None. He lost all the sense of modesty he said he had when he wrote to Judge Akerman!

Mr. HANCOCK of New York. Will the gentleman yield?

Mr. HOBBS. I yield to the gentleman from New York.

Mr. HANCOCK of New York. In the first instance, the application for the $15,000 was resisted and Judge Ritter sent the case to a neighboring judge to decide. In the case of the final allowance, there was no disagreement at all. Every party to the action had agreed upon $75,000. Now, are those not the facts?

Mr. HOBBS. I do not think so.

[Here the gavel fell.]

Mr. SUMNERS of Texas. I yield the gentleman 5 additional minutes.

Mr. HOBBS. Mr. Speaker, I have spent some 150 hours studying this record. Up until the time that the letter was written by Judge Ritter to Judge Akerman they did not know how far they could go. But after they became bolder and all agreed upon the division of the "swag", and knew that they had nothing to fear from the bench, then $15,000 was "chicken feed." The $75,000 would have been up still higher had they figured "the traffic would bear it."

Mr. ZIONCHECK. Will the gentleman yield?

Mr. HOBBS. I yield to the gentleman from Washington.

Mr. ZIONCHECK. As I see this matter, the real complaint on the other side is that the judge and Mr. Rankin did not have witnesses when they made these deals inside private offices?

Mr. HOBBS. Yes.

Mr. ZIONCHECK. In other words, something has to be presumed. We know these things do not go on on street corners, and they do not bring in witnesses.

Mr. HOBBS. I thank the gentleman.

Mr. Speaker, the challenge has been flung out by the opposition: What connection did Judge Ritter have with all these things? Of course, they say, "We admit a conspiracy. We admit rottenness. We admit corruption. We admit stealing on the part of everybody connected with these cases except our paragon of virtue, Judge Ritter, who was not connected with it." Now, whenever you see a dog jump around and start biting himself on his side, you know there is a flea there. You do not have to see the flea. Just as sure as there is a dog in Georgia or a flea on one in Alabama, there is something "rotten in Denmark" in connection with this whole business, and Judge Ritter was the sine qua non of it all.

First, I call attention to the trip of Richardson and Rankin to New York to see Judge Ritter. Why did they have to see Judge Ritter? There were two other judges down there in the southern district of Florida who could have taken care of any interlocutory orders, such as the Everglades case required. Why was it necessary to see Judge Ritter? Then there is the request of Rankin when he wrote the clerk, "to lock this bill up and hold it until Judge Ritter comes back." Why wait for Judge Ritter? There were two other judges there. Then there is the refusal of Judge Ritter to dismiss the bill, although the one man in the world who they could get to file it was there, all the way from Boston, demanding that it be dismissed.

Next, the purpose to give Rankin "exorbitant allowance" is shown by the letter that Judge Ritter wrote to Judge Akerman. Why did he anticipate criticism for exorbitant allowances to his former partner if nothing like that was in his heart or mind?

Now, note this in reference to the "cut of the swag." Ritter got his in cash. Listen to this for a minute! Everybody else, including Shutts and Bowen, Metcalf, Richardson, the whole bunch of conspirators, got theirs by check. But Ritter got his in cash, in the privacy of his office, and just as the gentleman from Pennsylvania so aptly pointed out, he took $2,000 out of the $2,500 and deposited the $2,000, but he is not willing to risk $500 which he kept in his tin box for 7 months!

Mr. Speaker, I have not the time really to go ahead and show that article IV has been established in every material aspect. Every word of the charge has been proven.

We are not sitting in the case of one of the dregs of society, but of a leader. An examplar! Not of a stupid fool, but of a judge whose intellectual endowment and attainments are avouched for by gentlemen whose word is above question. In fact, Judge Ritter has demonstrated his mentality by being able to so cloak his misconduct as that not a few of the Members of this House appear to doubt his guilt.

We are not dealing with an Esau who sold his birthright for a mess of pottage because of hunger, but simply to pad a bulging bank account.

In conclusion, let me challenge each of you to weigh well the evidence in this case. Its implications are damning. You need never expect 100 percent admissions, leaving no room for plausible excuses and specious arguments. The honor, the dignity, and the grandeur of the bench of your country and mine are at stake. Pull down the pillars of this temple and we perish. Mr. Speaker, I need not remind the Members of this House that justice is an attribute of Diety, nor that in dealing with its administration we are treading ground which should be holy. Our vote today on this resolution puts up or down the standard by which the administration of justice is to be measured. [Applause.]

Mr. HANCOCK of New York. Mr. Speaker, I yield 20 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Speaker, ladies and gentlemen of the House, no one could be more sincerely in favor of an honest, upright, capable judiciary than I am. I was a Member of this House when one or more other impeachment resolutions against Federal judges came before us for consideration. Those sought to be impeached were Republicans. I voted to impeach them because I thought they were guilty as charged.

However, under the facts and circumstances in this case, I cannot vote to impeach Judge Ritter. I have never seen Judge Ritter and have had no communication of any sort from him, and of course would not know him. I am speaking and voting on this resolution from a study I have made of the case and from what has been said here about Judge Ritter.

My distinguished colleague, Mr. TARVER, from Georgia, complains because Congressman LUDLOW of Indiana told us about the character and reputation of Judge Ritter and his father. It is a rule of evidence in Kentucky and as I recall in every other jurisdiction that a person charged with a crime may introduce witnesses to prove that his reputation for honesty and truth is good from what his neighbors and acquaintances and those with whom he mixes and mingles say about him. This evidence, of course, does not exonerate the defendant of the crime charged, but it may be taken into consideration by the jury to determine whether or not that character of man would likely commit the character of crime charged.

The subject of these impeachment charges was born and reared in the city of Indianapolis. He was the son of Colonel Ritter, and Congressman LUDLOW, Democrat, representing that district, tells us, a splendid lawyer and a man of the highest character, and that Judge Halsted Ritter as a young man entered the practice of law in Indianapolis and made for himself a fine reputation for honesty and ability. When he was 27 years of age he left Indianapolis and located and engaged in the practice of law in the city of Denver, State of Colorado.

Congressman LEWIS, another Democrat, representing the Denver district, tells us that he, too, was a lawyer of the Denver bar and over a period of many, many years had opportunities to know Judge Ritter personally and well. He states that Judge Ritter had a most enviable reputation for high character and honesty and that he had the respect and esteem of all classes of citizens in that great city and was the president of the Bar Association of Denver and was prominent and active in the State and American Bar Associations. He held many positions of honor and trust in Denver, and Congressman LEWIS states that when Judge Ritter left Denver he was held in the highest esteem and his going was deeply regretted by the people of that city, and although these charges against Judge Ritter have been published from time to time for the last 2 or 3 years, the people of Denver, who know Judge Ritter well, refuse to accept them as true.

Congressman WILCOX, another Democrat, who represents the district in which Judge Ritter's court district is situated in Florida, also has faith in the honesty and integrity of Judge Ritter; and these three outstanding Democrats of the House—Congressman LUDLOW, Congressman LEWIS, and Congressman WILCOX—covering the life of Judge Ritter, who has always been an active Republican, from the cradle up to this time, have expressed faith in Judge Ritter and have signified their intention to vote against this impeachment resolution.

Judge Ritter is now a man past 65 years of age, with a wife and children. It is unreasonable to suppose that a man who had led an honorable, upright life for more than 60 years would suddenly become a crook and thief and dishonor himself and his country for the paltry sum charged here. He has lived for nearly 65 years, and up to this time, so far as this record shows, no man or woman has ever charged him with a dishonorable act.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. ROBSION of Kentucky. I deeply regret that I cannot yield at this time.

The distinguished chairman of the Judiciary Committee, Judge SUMNERS, must have forgotten himself for the moment when he stated to us a few moments ago in his speech that Judge Ritter is a Republican and that he was not urged for appointment by either the Republicans or Democrats of Florida but was endorsed by the Republican Postmaster General. I am wondering if our distinguished chairman does not realize that he was striking below the belt, with a Democratic majority in the House here of more than 3 to 1.

We can see at once that there would be quite a lot of feeling and opposition to Judge Ritter in Florida, having been appointed over the opposition of the Democratic and Republican political organizations of that State and having moved to Florida less than 4 years before he was appointed, and no doubt this situation contributed to bring about this attempt to impeach him.

Let us bear in mind that Judge Ritter disposed of approximately 7,000 cases in his court and there are only 3 cases that are listed here in an effort to show that he has been guilty of conduct justifying his impeachment. I list these in their order:

No. 1. Holland, et al., against Whitehall Building & Operating Co.

No. 2. Florida Light & Power Co. against City of Miami.

No. 3. Trust Company of Florida cases.

No. 4. J. L. Francis matter.

I think this whole trouble started in the first instance on account of the Florida Power & Light Co. against City of Miami case. In that case the Florida Power & Light Co. filed a suit in Judge Ritter's court against the city of Miami in which it sought to prevent the city of Miami from reducing light rates in that city. Judge Ritter was about to deny the temporary injunction, but sometime before that he had declined to grant an injunction in a similar case of some power company against some other city and the power company had appealed the case to the United States Circuit Court of Appeals and that court reversed Judge Ritter, and when that opinion came out, there was nothing for Judge Ritter to do in this Florida Light & Power Co. case except to grant the temporary injunction, and he did so. That created a public outcry in the city of Miami. The press and others began to denounce the judge, but the record will show that the judge was following the ruling of the United States Circuit Court of Appeals and this he was bound to do.

When Judge Ritter had entered the order in the power company case against the city of Miami, some of those interested in the city made an effort to have Judge Ritter disqualify himself. He finally agreed to step aside and let some other Federal judge try the case, inasmuch as there had been so much publicity given to the matter. Judge Ritter had no doubt but what he could give to the city of Miami a fair trial, but he wanted those interested in the city's case to have someone to try the case against whom they had no prejudice or complaint.

Now, one of the charges in this impeachment proceeding is that Judge Ritter refused to disqualify himself until the officers of the city of Miami would pass a resolution commending him as a man and as a judge, and this article of impeachment charges that that was improper and impeachable conduct on the part of the judge.

Now, what is the proof on that subject? Judge Ritter, under oath, denied this charge. The city commissioners, Fosset, Platt, Reeder, and Rigsby, as well as Mayor Sewell, who passed the resolution commending Judge Ritter, also denied this charge. There was no evidence to the contrary. To sustain this charge we must assume that Judge Ritter and all of these city officials testified falsely.

THE HOLLAND ET AL. AGAINST WHITEHALL BUILDING & OPERATING CO. CASE

The proponents of these impeachment proceedings must rely largely upon the Holland et al. against Whitehall Building & Operating Co. lawsuit. The Whitehall property was the old home of the multimillionaire Flagler and is located at

Palm Beach, Fla. This property was taken over by the Whitehall Co., and millions of dollars were expended on it, and there were issued against the property mortgage-bond issues aggregating $3,060,000. The holders of these bonds were scattered throughout the country. These bonds at the time of this action were in default and were in the hands of the American Bond & Mortgage Co. and its hand-picked bondhouse-controlled bondholders' committee at Chicago. There were a great many unsecured creditors.

An action in bankruptcy was filed, and this company was put into bankruptcy. Walter S. Richardson was selected by the unsecured creditors as trustee. He executed bond and took charge of this big hotel property, and he operated it for about two years and with signal success. As we understand the record, in these two years he made a profit of $300,000 over operating expenses.

This trustee, the referee in bankruptcy, the creditors, and their attorneys entered into a settlement whereby it was agreed that the unsecured creditors were to receive 10 percent of the amount of their claims, and $50,000 of the amount was set aside for the payment of administrative costs and whatever balance remained was to go to the mortgage holders.

Richardson was not criticized in his handling of this hotel property as trustee but rather was complimented. No complaint is made that there was anything wrong with Richardson's accounts or any neglect of duty on his part as trustee.

This settlement, however, did not dispose of the claims of the bondholders against the property. There were three separate and distinct issues of mortgage bonds. There is no complaint in these impeachment charges against Richardson, Ritter, or Judge Rankin, former law partner of Ritter, in the bankruptcy proceedings, but it is charged that Richardson, Rankin, and others, with the knowledge and acquiescence of Judge Ritter, set about to have a suit instituted to close up the mortgage features of this matter.

It is clear that Richardson desired to be receiver of this bonded property and that Judge Rankin desired to institute this lawsuit because it would bring good fees to both Richardson and Rankin, but we insist that there is not one scintilla of proof that Judge Ritter had anything to do with the bringing of this litigation, and if there was any plan on between Richardson, Rankin, and others to bring about this litigation it was without the knowledge of Judge Ritter.

Now, Judge Rankin did get in communication with some bondholders and he did file a suit to foreclose these mortgages. Soon after Judge Rankin instituted this action for the plaintiffs, the holders of other bonds filed an intervening petition in this same suit. Now it is charged that Rankin's client appeared in Judge Ritter's court and requested the judge to hold up proceedings in the case, and it is charged that Judge Ritter should have done so, and his failure to do so was improper conduct; but the plaintiff's suit represented only $60,000 of the three million or more dollars worth of bonds, and Judge Ritter pointed out that it would not be proper to hold up this lawsuit because other interested bondholders had intervened and the matter would have to go to a final determination of the rights of all the parties. We think that Judge Ritter was right in this position. We frequently find where some plaintiff has filed an action in court and after other parties have intervened with proper pleadings, the plaintiff feels that he would rather be out of the lawsuit than in it, but the rule is that if he starts the lawsuit and other parties at interest have intervened, he cannot quit simply because it suits his convenience.

The lawsuit to foreclose these mortgages was before Judge Ritter, and it was necessary to appoint a receiver. It is now contended that inasmuch as Richardson and Rankin brought about the filing of this action, Richardson should not have been appointed receiver. There was no serious objection at the time to the appointment of Richardson as receiver, except perhaps some other fellow desired to be appointed receiver so that he would be in a position to get the fees as receiver. Judge Ritter swears positively that neither Richardson nor Rankin or any other person suggested the appointment of Richardson to him. Rankin and Richardson testified that they did not suggest the matter to Judge Ritter, and there is not a word of evidence that anyone suggested to Judge Ritter the appointment of Richardson, but Judge Ritter does testify that inasmuch as Richardson had acted as trustee of this same property and had operated the property for more than 2 years at a profit of $300,000, without any complaint as to his ability, honesty, or suitability, he felt that Richardson would be the best man to operate this identical property as receiver, and he therefore appointed Richardson as receiver.

THE FEES

As is customary, Judge Rankin, after he had filed this bill to foreclose these mortgages, asked for an allowance for attorney fees for having preserved the property. With the agreement of all the attorneys and parties at interest and without objection from anyone, he was paid $2,500 on account, but was making claim for a larger sum.

Judge Rankin had been a law partner for a number of years of Judge Ritter and Judge Ritter, being an honest man, refused to pass upon this claim for services of his former law partner, Judge Rankin, and he referred the matter to Judge Alexander Ackerman, another Federal district judge in Florida, and Judge Ackerman, after hearing the evidence, allowed Judge Rankin $15,000 in all for bringing this suit and preserving the property. There appears to have been no complaint against this action. No appeal was taken from the action of Judge Ackerman.

There were three sets of bondholders, as I recall. After many conferences and various steps had been taken in this litigation involving more than $3,000,000, all of the lawyers and interested parties got together and made a final settlement and drew up an agreed decree or judgment, and in this decree or judgment as I recall there was recited that there should be allowed in the name of Judge Rankin, the attorney who brought the action, the sum of $90,000. He was the only attorney of record for the plaintiff. This included the $15,000 that Judge Ackerman had allowed to him. The other $75,000 was to be divided among the lawyers, receiver, and others.

Now, it is charged that Judge Ritter allowed this sum of $75,000 so that Richardson, the receiver, and Rankin, his former law partner, could get big fees and pay Judge Ritter $4,500 out of these fees; but, of course, there is not one word of proof to sustain any such charge.

What are the facts? The various groups of bondholders were represented by able and competent lawyers. The plaintiff and his attorney, the various bondholders and their attorneys, and the receiver got together and agreed upon a settlement of the whole matter, and agreed upon the lawyers' fees, receiver's fees, and so forth, and they prepared an agreed judgment or decree covering all of the matters, and these interested parties themselves and their lawyers signed this decree or judgment, and they called upon Judge Ritter to approve this agreed judgment or decree. He declined to do so. He thought the amount agreed upon for the fees, costs, and so forth, might be too much, but it was pointed out to him that under the law perhaps the receiver alone might get that amount.

Judge Ritter still was not satisfied. He inquired if the interested bondholders and parties at interest had agreed to this, and he was assured by the attorneys representing these parties that all of the parties were satisfied and had approved this action, but before taking action Judge Ritter required the lawyers to call up their clients in Chicago and elsewhere and explain the whole matter again to them, and this was done, and these bondholders, these parties at interest, the people out of whose assets these fees were to be paid, assured Judge Ritter that they were satisfied and their lawyers were satisfied, and all of them had signed this judgment or decree. It was then that Judge Ritter signed the decree.

I do not see how anyone could criticize Judge Ritter for his action in this matter. We lawyers know that matters of this kind occur in courts every day in our practice; but Judge Ritter was more careful than many judges, inasmuch as he

did not accept as final the statement of the lawyers representing the various parties in this litigation but required them to call their clients so that the Judge might be certain that the clients were satisfied and had agreed to this settlement.

This is the testimony of every witness who testified on this point. How can we criticize Judge Ritter under circumstances like these? Yet with these facts staring us in the face, we are asked to strip Judge Ritter of his office and put this terrible blot upon him and his family.

RANKIN PAYS RITTER $5,000

We must bear in mind that the $75,000 agreed upon by attorneys and litigants to be allowed Judge Rankin in the Whitall case did not go to Rankin as he was the attorney of record for the plaintiff. The money allowed was not his money. He had to pay a large part of the money out to others. One firm of lawyers got $25,000, another lawyer $10,000, the receiver so much and so on.

The proponents of these impeachment proceedings insist that Rankin paid to Judge Ritter out of fees received in this case $4,500, and that this was in furtherance of the so-called conspiracy in Rankin filing this lawsuit and Richardson being appointed receiver. There is not a word of evidence to sustain this charge. Judge Rankin and Judge Ritter were law partners for a number of years, and were engaged actively in the practice of law at the time when Judge Ritter was appointed and went on the bench. They had 44 lawsuits pending that they had filed as partners, and there would be fees coming from these lawsuits. They had a law library and office equipment. Rankin and Ritter both testified that they had a settlement of their partnership affairs and it was agreed that Rankin should pay Ritter $5,000 for Ritter's interest in the library, office equipment, and in these 44 lawsuits. At the time they testified in these impeachment proceedings Judge Rankin had collected $9,225 in fees on those lawsuits, and many of them were yet to be disposed of.

A reading of this record will convince anyone that Judge Ritter did not receive as much as he was really entitled to, but they had agreed on $5,000. Rankin was a man of moderate means, and it is true that he paid Judge Ritter at one time $2,500 and at another time $2,000, and a part of the money that he received as fees made up those payments. Rankin paid Judge Ritter at another time $200 by check and a final payment of $300 by check, making in all $5,000, but the prosecution complains that Rankin paid a part of this money in cash and that Judge Ritter kept a part of the cash in his safe and did not deposit it all.

Congressman WILCOX, of Judge Ritter's district, states that on the very day that Rankin made this payment to Ritter that one of the big banks of their city failed, and for many months many business and professional men kept a part of their funds in their safes rather than put it all in the banks. Judge Rankin paid Judge Ritter not $4,500 but $5,000. There is no dispute as to that. The only question arises, did Judge Rankin pay that $5,000 and did Judge Ritter receive it as a corrupt bargain, or was that received in payment of a just and honest obligation. Judge Rankin and Judge Ritter both swear most positively that these four payments of $2,500, $2,000, $200, and $300 were made in satisfaction of the money that Judge Ritter was to receive from Judge Rankin for a one-half interest in their library, office equipment, and of the pending and unfinished litigation of the partnership. No human being testified one word to the contrary, but, on the other hand, Mr. Salisbury, a reputable lawyer, fully sustains Judge Ritter and Judge Rankin; therefore, we have three witnesses showing that this was a good-faith transaction, and not one word to the contrary. To reach any other conclusion, you must surmise, assume, and conjecture.

Ritter, Rankin, and Salisbury are further supported in that when the last payment was made of this $5,000, Judge Rankin was given a receipt by Judge Ritter, showing that the final and last payment had been made. The prosecution's case is really based upon the proposition that Rankin, Richardson, and Ritter entered into a conspiracy, and that this payment of $5,000 by Rankin to Ritter is the result of that conspiracy. Richardson, Rankin, and Ritter make positive denials on oath. Since this investigation developed, Mr. Richardson, a prominent lawyer of Florida, has been brought to Washington and given a high position as a lawyer for the Government. Richardson is the man who wrote the letters seeking clients and making it possible to file this lawsuit, but he and Rankin both swear that Ritter knew nothing about it. The executive branch of the Government exalts Mr. Richardson and gives him a trusted position as one of the lawyers for the Government, and the House of Representatives at the same time attempts to impeach Judge Ritter when there is not one word of proof against him. If Richardson is honorable enough to hold a high position in the Government, we certainly can accept his sworn testimony, which absolutely exonerates Judge Ritter. In order to impeach Judge Ritter we must find, as a matter of fact, that Richardson, Rankin, and Ritter, and Salisbury have testified falsely.

You, my colleagues, may be willing to fly in the face of the sworn testimony of this case and vote against Judge Ritter on mere speculation, but I am unwilling to do so.

TRUST CO. OF FLORIDA CASES

During the boom days in Florida, millions and millions of dollars of bonds had been issued against lands and other properties in Florida. About 5,000 bondholders were unable to get any action in the State courts. They filed a suit in the United States District Court of Florida—Judge Ritter's court. Those who had been denying these 5,000 or more bondholders relief claimed that the United States court did not have jurisdiction. Pending that determination, Judge Ritter appointed a receiver to protect the holdings of these bondholders. Later on the United States Circuit Court of Appeals held that the Federal court did not have jurisdiction. Judge Ritter believed that the Federal court did have jurisdiction. It was finally agreed, however, that these cases would be dismissed in Federal court provided the receiver and other officers who had protected the properties should be paid their fees. Let us assume that this might be the basis of some criticism, but who here has the heart to blast the reputation and life of Judge Ritter and his family over a trivial matter of that kind, especially when Judge Ritter was in good faith trying to protect 5,000 or more people who had been defrauded out of their money by a lot of land and bond sharks?

J. L. FRANCIS MATTER

It is insisted that Judge Ritter should be impeached because he was paid a fee of $7,500 soon after he went upon the bench. What are the facts as to this matter? The testimony shows that Judge Ritter had represented J. L. Francis over a period of 5 years or more before he went on the bench, and that he had saved Mr. Francis tens of thousands of dollars, but he had not paid Judge Ritter, and as Judge Ritter was about to go on the bench he called upon Mr. Francis for a settlement of the matter, and Mr. Francis paid him $7,500, which was entirely satisfactory to Mr. Francis and Judge Ritter, and it was entirely for services rendered by Judge Ritter to Mr. Francis before his appointment to the Federal bench. But it is urged that he gave Mr. Francis some advice after he entered upon the bench. It seems that during the 5 years that he represented Mr. Francis that he had prepared many contracts for Mr. Francis, and a short time after Judge Ritter went on the bench there came up a controversy over one of the contracts, and this contract was taken to Judge Ritter, and the only thing he did was simply to verify the contract as being the contract that had been prepared by him several years before Judge Ritter went on the bench. He certainly did not practice any law, and did not receive any fee from Mr. Francis for any services rendered, except during the 5 years before he went upon the bench. Mr. Francis died some years ago and never had any litigation in Judge Ritter's court.

THE $2,000 FEE

It is also insisted that Judge Ritter collected $2,000 a short time after he went on the bench. This is true. He was the attorney for some concern in the East. They had paid him part of his fee, and a short time after he went on the bench, when he was closing up his law business, he called upon

these clients to pay him the balance of $2,000, and this sum was paid for services rendered before he went on the bench. This was agreeable to Judge Ritter and to his client, and the attorney who had secured the services of Judge Ritter. This is a lot of mouse tracking.

There is not a line of proof anywhere that Judge Ritter engaged in the practice of law, or received any compensation for any services rendered to anyone after he went on the bench, and in all of his years of practice no witness appears to testify that Judge Ritter was ever dishonest or unfair.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. ROBSION of Kentucky. Yes.

Mr. McFARLANE. If that was pay for his one-half interest in his earned fees and law library, does it not seem to the gentleman, as a reasonable man, that he would have received that in check rather than in cash in the privacy of his office?

Mr. ROBSION of Kentucky. The gentleman's question reminds me of a statement made by the prosecuting attorney down in my own city. A woman was charged with concealing the birth of an illigitimate child, and the evidence developed and stressed that the child was born about midnight. The prosecuting attorney, addressing the jury, vehemently declared, "gentlemen of the jury, this woman is bound to be guilty. She waited and waited until the dead hour of midnight to give birth to this baby." [Laughter.] But the jury did not think so.

Mr. McFARLANE. Now then will the gentleman try to answer my question.

Mr. ROBSION of Kentucky. I have answered the gentleman's question.

Our colleague, Mr. WILCOX, of Florida, has explained that the depression was on and one of the big banks closed that very day. Judge Ritter, Judge Rankin, and Mr. Salisbury, a disinterested witness, have testified that this $5,000 was paid for the library, office equipment, and law fees in settlement of the partnership business. You have no witness to testify to the contrary.

Mr. McFARLANE. The gentleman thinks he has, but he has not.

Mr. ROBSION of Kentucky. Mr. Speaker, I am not attempting to say what you ladies and gentleman, my colleagues, ought to do, but so far as I am concerned, when I strip any man of his high office and put upon his wife and children the stain that would be more terrible than death itself, I must be first convinced of his guilt, and I am unwilling to indulge in speculation, surmise, and supposition when the positive and only testimony in this case clearly establishes Judge Ritter's innocence. I do not undertake to be the keeper of your conscience, but I alone am the keeper of my own conscience, and it is with a clear conscience that I speak and cast my vote against this resolution. [Applause.]

Mr. HANCOCK of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Oregon [Mr. EKWALL].

Mr. EKWALL. Mr. Speaker, I am just as much interested in preserving the integrity of the courts of this country as any other Member on the floor. I think this case was settled by the great literateur, William Shakespeare, several hundred years ago when he put into the mouth of Iago in the play Othello the following words:

> Good name in man and woman, dear my lord,
> Is the immediate jewel of their souls:
> Who steals my purse steals trash; 'tis something, nothing;
> 'Twas mine, 'tis his, and has been slave to thousands;
> But he that filches from me my good name
> Robs me of that which not enriches him
> And makes me poor indeed.

Those words, it seems to me, are peculiarly applicable to this case. I sat on the bench in Oregon for 13 years prior to taking my seat in Congress. I have presided in the trial of dozens of cases. Many of them were criminal cases. I think I know something about evidence and the rules of evidence, and I say to convict this judge of the Federal court on such evidence as disclosed by the record here would require you to pile presumption upon presumption upon presumption. That is not evidence in any man's land, I do not care where it is. That would not be evidence in Soviet Russia, much less in this country.

I do not know Judge Ritter and probably never will. I have no interest in his case except to see that justice is done. I have noticed that the winters have left their mark upon this man's head. He is probably 65 years of age. He has apparently heretofore borne a splendid reputation. They seek by this procedure to take him from his position of honor and trust and place upon his fair name a stigma that is worse than death, on evidence that would not be accepted in the lowliest justice court in the land. I say it is a shame. It seems to me that some of the gentlemen who have spoken against the judge "protesteth too much." They have shown too much interest in this case—too much vindictiveness. They say it was wrong for him to have accepted $5,000, which all the evidence proves beyond peradventure of doubt he had coming to him. What is the difference whether he takes it in cash or in a check? There has not been an attempt on his part to cover it up. If you send this case to the Senate, you will be compelled to impeach your own witnesses, in order to get a scintilla of evidence against him, because the record is silent as to any credible evidence that would convict this man in any court.

I say we are fiddling while Rome burns. We have real questions before the country today that should be settled, and we should not be taking the time of this august body to try a man and take away his reputation on evidence as flimsy as this. There is no evidence here. The lowest criminal in the United States would have a better break than this. Before any grand jury in the country this case would be thrown out ipso facto without further consideration. It seems to me that is what we should do here. Remember, that but to be accused is to be guilty in the eyes of untold thousands, and, no matter what the outcome of the impeachment proceedings in the Senate, should we send this case there, the stigma will remain to his dying day.

I want to conclude my remarks by reading these lines from some anonymous poet:

> Judge not! For one unjust reproach an honest heart can feel,
> As keenly as the deadly stab made by the pointed steel;
> The worm will kill the sturdy oak, though slowly it may die,
> As surely as the lightning, swift rushing from the sky.

[Applause.]

The SPEAKER. The time of the gentleman from Oregon has expired.

Mr. SUMNERS of Texas. Mr. Speaker, I yield 4 minutes to the gentleman from Florida [Mr. GREEN].

Mr. GREEN. Mr. Speaker, it is not my desire to speak this afternoon on this subject, but as the introducer of the resolution of impeachment, I believe I should tell my colleagues what prompted me to do so.

At the expiration of the Seventy-third Congress the Wilcox resolution expired. It was necessary for the Committee on the Judiciary to have a resolution introduced if the case would be pursued further. I introduced such a resolution because I am one of the Representatives in the southern judicial district of Florida. We have three judges there, and four Congressmen of my State reside in that district. Ten or twelve of my counties are within this district, and I vote within the district.

When I came here 11 years ago, and some of you since then, we took an oath to uphold the Constitution. It was painful for me to have to rise to a constitutional privilege and impeach a Federal judge in my own district, but it was my duty to do so when three members of a subcommittee of four, who survived, found in their minds that Ritter was guilty. I introduced the resolution. It is before you. You have heard the evidence. This evidence has been agreed to by three of the four members of the subcommittee that investigated the matter. Your Committee on the Judiciary has voted by an overwhelming majority to substantiate these charges, and they call on us now as a grand jury to indict. It is your responsibility as much as it is my responsibility. Ritter's conduct prior to his occupancy of the bench is not at issue.

Mr. MICHENER. Will the gentleman yield?

Mr. GREEN. I do not yield; I am sorry; I have such limited time.

It is his conduct on the bench. I am reliably informed that 90 percent of the attorneys in Miami and 80 percent of the attorneys in Jacksonville, Fla., view the situation as I do, that his usefulness on the bench has expired; that he is corrupt. You have the evidence that your committee has produced. Will you not give us this relief? I plead with you as the only court to which we can plead, to give my people this relief. I am shared in this by the people of my State.

The gentleman from Indiana [Mr. LUDLOW] quoted Shakespeare. I would quote from Julius Caesar if I could, to the effect "That Caesar's wife should be above suspicion." The Federal judiciary should be above suspicion.

Mr. Speaker, if there ever was a time in the history of our country when we should have an honest judiciary where people's rights are protected it is now.

The American people should never be permitted to lose faith in the judiciary. It has always been their haven of protection and refuge from injustice, inequality, and oppression. If we are going to permit a Federal judge to unlawfully and corruptly not only deny the people their rights in courts but to accept bribes, gratuities, and favors from those who are trying to defeat justice, then undoubtedly the last respect which our people have had for the judiciary will vanish.

From the evidence in this case, which has been so ably presented by the chairman of the committee, Judge SUMNERS of Texas, and others, clearly indicates that Ritter received such bribes and gratuities that he entered in conspiracy with attorneys contrary to the best interest of the litigants, who sought his court for protection; that he was flagrant, unconscionable, and deaf to justice and equity; and that he and his fellow conspirators preyed upon and bled litigants who sought the protection of his court.

The public has always regarded the courts of our land as a place of honor, dignity, and justice. To permit Ritter to continue his pernicious practices on the Federal bench will diminish the faith of our people in our courts; and, in fact, cause them to believe that our entire system of government is filled with collusion, corruption, and selfishness. Do not destroy their last vestige of hope in justice by vindicating one shown by the evidence so unworthy as is Ritter. I urge you to purge the judiciary of corruption by voting to impeach this man. [Applause.]

[Here the gavel fell.]

Mr. HANCOCK of New York. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I feel under a moral obligation to oppose the impeachment of Judge Ritter because I am responsible for his impeachment. If I had been present at the meeting of the Committee on the Judiciary when it was voted to bring this impeachment resolution before the House, it would have been defeated.

On the first ballot the vote in committee was 9 to 9. The second ballot resulted in impeachment, one man changing his vote. Had I been present and had two other members of that committee been present there would have been three votes against impeachment. The vote then would have been 12 against and 9 for.

The reason I was not present that day was because I had no notice of the meeting. I supposed that the Ritter case was finished. We voted one day by a vote of 12 to 7 to accept the report of the gentleman from Arkansas as the report of the committee. This report advised against impeachment. I believed that was the sentiment of the committee. The very day we took that vote in committee the gentleman from Florida [Mr. GREEN] brought in an impeachment resolution and, much to my surprise, the committee voted it out a few days later.

The gentleman from Florida [Mr. WILCOX] is entirely accurate in what he said regarding the action of the committee. I believe I could go through this record with any fair-minded man and demonstrate that all the sworn testimony points to the innocence of Judge Ritter, not to his guilt. On the one side you have sworn testimony, on the other you have doubts, scandal, inference, denunciation. You must not convict a judge of a district court of the United States on such a case. [Applause.]

[Here the gavel fell.]

Mr. HANCOCK of New York. Mr. Speaker, I yield the balance of my time, 9 minutes, to the gentleman from Colorado [Mr. LEWIS].

Mr. LEWIS of Colorado. Mr. Speaker, my knowledge of Judge Halsted L. Ritter has no direct connection with the facts in issue before the House on this impeachment resolution. I have been asked, however, by various Members on both sides of the aisle as to what Judge Ritter's standing and reputation was and still is in my congressional district, the city and county of Denver, where for 30 years he lived as an honored member of the bar. Consequently, although I know nothing of the merits of the discussion and the issues here, I feel it is my duty to tell all the Members of the House exactly what was my impression of Hal Ritter throughout the 16 years I knew him, what kind of man he was regarded in Denver as being.

Immediately after I was admitted to the bar in 1909 I was associated for about 3 years with a distinguished lawyer, Judge Edward C. Stimson, who had a large suite of offices in the Equitable Building in Denver. Somewhat later, having no particular use for two of these rooms, Judge Stimson sublet them to the firm of Ritter & Marshall. As a consequence, throughout 2 years, perhaps, I saw Hal Ritter, as he was called, almost daily, often several times a day. Thereafter, when I had started to practice on my own account, I saw him frequently. I repeat that I know nothing of the facts now before the House, but as many men have asked me how he stood in Denver I believe it is only fair that all should know.

Hal Ritter was very highly regarded in Denver. He came there in 1895; he left there in 1925, I believe, with the universal regret of the people of Denver. I believe I can fairly say that the bar of Denver stands as high in ability and ethics as any bar in the country. We are careful about whom we elect president of the Denver Bar Association. Hal Ritter was not merely a professor in our Denver Law School from 1898 to 1902 but he was president of our bar association in 1908–09. He held a very high position in the Colorado Bar Association. I understand he was active, too, in the American Bar Association.

Hal Ritter was a very public-spirited man. He was a member of the Colorado Railroad Commission in 1907–08 and a member of the Colorado Food Commission during the World War. He was president of the Social Service Bureau of Denver, 1915 to 1924; a member of the Colorado Child Welfare Bureau in 1919; president of the Denver Community Chest in 1924; president of the American Association for Community Organizations, 1924–25; one of the founders of the Denver Legal Aid Society in 1925; and, incidentally, he was a member of Phi Beta Kappa, a prominent Mason, and a prominent Republican.

When I was out speaking for the Democrats, he was out speaking for the Republicans. I will say this for him: Although he was an earnest and a vigorous upholder of Republican doctrines and candidates, I never heard of anything in his conduct that we Democrats regarded unfair. I hope he can say the same of me. We were talking from different platforms on the same evening, but I always thought he was a fair, although a vigorous, fighter.

We all know, of course, that sometimes a good man goes wrong; but he lived in Denver for 30 years, until he was 57 years old, and we never found any fault with him there.

This is a very painful occasion to me. I have made this statement because we knew and liked Hal Ritter in Denver. I think it only just to all Members of the House, many of whom have asked me privately about Ritter, for the entire House to know what was his standing in Denver.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. LEWIS of Colorado. I yield.

Mr. GREEN. But the gentleman does not, of course, know anything about his reputation in Florida?

Mr. LEWIS of Colorado. Not one thing.

Mr. GREEN. Has the gentleman read the record in this case?

Mr. LEWIS of Colorado. No; I have not read one word of the RECORD. I am glad the gentleman asked this question, because we all know what sort of committee the Judiciary Committee is. It is one of the ablest, one of the most impartial, one of the most patriotic committees in this House. Partisan considerations never enter into its deliberations or decisions. I am not now a member of that committee; but I had the distinguished honor of being a member of the Judiciary Committee at the time this request for an investigation was first made. I think the Members who were then on this committee will recall that when we went into executive session I said: "Gentlemen, I have known Hal Ritter all these years. I feel I am biased. If I were a judge, under the circumstances, I could not sit; if I were on a jury panel I would ask to be excused." They excused me. And so it is now. I am probably biased, if you please, by my long acquaintance with him. He never did any particular favors for me; we were never in the same lawsuit together, nevertheless, I know his very high standing and excellent reputation in Denver. Consequently, Mr. Speaker, when the time comes to vote, I shall probably ask to be allowed to vote "present." [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. SUMNERS of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky [Mr. GREGORY].

Mr. GREGORY. Mr. Speaker, in view of the statement made by the gentleman from Florida [Mr. WILCOX], and more recently by the gentleman from New York [Mr. HANCOCK], with reference to what happened in committee, I think it proper I should make a statement at this time.

The first proceedings in this matter were instituted in the Seventy-third Congress. A simple resolution of investigation was introduced by the gentleman from Florida [Mr. WILCOX]. No one during that session of Congress attempted by resolution or upon his own authority on the floor of the House to prefer impeachment charges against the judge. The Seventy-third Congress died, and the gentleman from Florida [Mr. GREEN] came before the Seventy-fourth Congress and wanted some action taken upon the resolution which had been introduced in the Seventy-third Congress. I took the position before the Committee—and I think others agreed with me—that with the passing of the Seventy-third Congress it had no power over the resolution of investigation which had been introduced any more than it did in connection with any other bill or resolution that might have been introduced in a previous Congress. Therefore, when the question came up as to voting impeachment charges upon a resolution which was introduced in the Seventy-third Congress, I voted against such action, and I think other Members voted the same way. But when the matter was properly presented at this session of Congress and impeachment charges were made on this floor on the responsibility of the gentleman from Florida [Mr. GREEN], the matter came before the committee again in regular and proper form, and I then voted to report out this resolution of impeachment.

I want the Members of the House to understand that the Committee on the Judiciary has not changed its position on this proposition at any time. These are the facts.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, we come now to the conclusion of an important matter. I can appreciate the difficulty which those of us who feel that this matter ought to be sent to the Senate for trial are confronted with in this present situation. The testimony is that Judge Ritter bore a good reputation in the city from whence he came. That appeals much to the sympathy of people, of course.

But, Mr. Speaker, the Committee on the Judiciary has two responsibilities: First, the responsibility of protecting the judges as far as they may against oppressive acts and against fear. Second, we have to protect the country as best we can against men in judicial positions who are not fit to be there. It is a rare thing that we have a case where a judge on the bench, under charges, has not had a good reputation before the thing arose with regard to which he is being charged. A President will not appoint anybody on the bench with a bad reputation at the time of appointment.

Let us see where we are in this matter. In the first place, of course, we are not convicting anybody here. The sole question before the House today is, ought this case be sent to the Senate for trial? In that determination you have to determine what is fair to the judge and what is your duty to the country. I think the gentleman from Arkansas [Mr. MILLER] clearly stated the law of impeachment. This is not a criminal trial. I believe it is agreed by everybody who has studied our system of government that the judiciary system as it relates itself to the Government is this: If a man on the bench by his own conduct arouses a substantial doubt as to his judicial integrity, he must go; else confidence in the judiciary will go.

We are dealing with a serious matter. We are dealing with confidence in the judiciary in this country. When doubt enters, confidence departs. Is not that sound? When we lose confidence in the men on the bench, we lose confidence in the office, the responsibilities of which that man is attempting to discharge.

The gentleman from Arkansas [Mr. MILLER] made a very strong statement. This is a difficult situation. No one likes to do these things. The gentleman made a fair statement, and I want to take up one statement where he left off. He stated that the evidence shows without a doubt that there was a conspiracy between Richardson and the people who appeared before the judge in the Whitehall case at the time Holland was there. Get this: At the time Holland stood before Judge Ritter there was a conspiracy among all the people who were interested in that case. We are agreed to that.

Everybody agrees to that. How could that conspiracy be made effective? Only by holding Holland in the suit in the application for receiver against his will. Nobody will doubt that and nobody will deny it. If Holland had gone out of the suit as having been improperly brought in with his $50,000, then the suit would have gone out of court.

Who held him? Who helped these conspirators? Who could help these conspirators? Remember that when the judge had the matter under consideration and had under consideration the appointment of this man Richardson, McPherson, a member of the bar connected with the case, read to the judge, who was then on the bench, letters which Richardson had written to Sweeney asking him to get hold of these bonds so that they could bring these suits, and so that the conspiracy could be made effective. McPherson objected to Richardson because Richardson and his co-conspirators had stirred up the suit. The judge refused to listen to Holland.

Mr. BIERMANN. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Iowa.

Mr. BIERMANN. Has the defense given any explanation for that act?

Mr. SUMNERS of Texas. They cannot give any explanation.

Mr. MICHENER. As a matter of fact there were intervenors in this suit brought in by these conspirators, but they had only a few thousand dollars worth of bonds, and the excuse or the reason is that parties had intervened.

Mr. HANCOCK of New York. Will the gentleman yield?

Mr. SUMNERS of Texas. I cannot yield to the gentleman. That is the excuse. But the judge was in control of the situation, and it was the duty of the judge, in view of the facts, and within his power to throw the case out of court.

Under the law on possession of the bonds a suit of the sort then pending could not be brought by less than the holders of $50,000 worth of bonds. Here is the judge on the bench. They have a man who has $50,000 of bonds authorize the bringing of the suit. Before suit is filed he wires Rankin not to file it. Rankin's excuse is that he had

sent it to the clerk. There is correspondence to that effect. Finally the man controlling the bonds, in desperation gets on the train, goes down to the courthouse and says to the judge he did not want the suit filed, that there is some misunderstanding, and that he does not want a receiver appointed, but the judge would not listen to him.

There is not anybody on this earth who can contradict one single sentence of that statement.

Now, remember that my friend the gentleman from Arkansas, who spoke just now for the judge, says that it is established and admitted that there was a conspiracy among Richardson and his associates, but not with the judge. But it is a fact that the judge, against a free-born American citizen, who wanted to withdraw his suit, at least to have no receiver appointed, decided with the conspirators, and that after McPherson had read letters which Richardson had written showing that these conspirators had been guilty of champerty in bringing that suit, and the judge appointed the man, Richardson, responsible for the champertous conduct, as the receiver in the case.

These are absolutely the facts. I do not care what sort of man the judge was in Denver. We are enquiring now what sort of man he was on that bench.

Now, let us come down to his money participation in this proceeding. Rankin got $2,500, then he got $15,000, but he did not pay the judge one cent on this alleged sale price of $5,000. Judge Ritter never got a cent until when? There is talk about what Rankin got out of the cases pending which were involved in the alleged purchase of partnership interest. Rankin swore before the committee when it met in Miami, November 1933, he had only made $2,800, which was collected on pending business and we have that in the record, marked "Exhibit 51."

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman yield for a correction?

Mr. SUMNERS of Texas. That is the testimony.

Mr. HANCOCK of New York. The testimony of the Government investigator, on page 446, is that $9,200 and some odd was the amount.

Mr. SUMNERS of Texas. All right; to save time make it $9,000 or $10,000.

Mr. HANCOCK of New York. That is exactly what it was.

Mr. SUMNERS of Texas. But it does not say so in the record.

Mr. HANCOCK of New York. That is the testimony of Mr. Mulherin.

Mr. SUMNERS of Texas. Well, make it $9,000—I cannot stop to argue about that, whether it was $5,000, $9,000, $10,000, or any other amount. Let us see about the facts. Rankin had been collecting all this money. Here is the judge on the bench and he had not received a cent. Then Rankin collected $2,500 in the Whitehall matter, and the judge did not get a cent, and then $12,500 more, and he did not get a cent. When did he get it? It is this bunch of conspirators, had in mind by the gentleman from Arkansas and some others, that this $75,000 went to, and do not forget that fact. When did the judge get his payment. He got it on Christmas eve when Rankin got $25,000 from the judge's allowance as fees. Rankin was one of the conspirators, as admitted by the gentleman from Arkansas [Mr. MILLER] and was proven by the facts, and what did he do? He went down there to the judge's chambers and said, "Judge, here is a check?" No; he did not say that. Now, honest people do things one way and people who are not honest sometimes do things another way. God Almighty has provided some tests by which men know these things. You do not have to prove them.

You could not get inside of that courtroom and see everything, but what did he do—give him a check? No; here is $2,500 in cash. He had gone down and drawn out the cash. Did you ever pay an honest debt in your life of that amount by going down and cashing a check and drawing out the money and slipping a fellow the money behind closed doors? You tell me that that does not raise a suspicion as to the judicial integrity—the right of that judge to receive that money? This same thing happened again. The judge got another payment a little later, making up the $4,500. Rankin cashed two checks and gave the judge the cash. Gave it to him again in the secrecy of the judge's chambers. He not only did this but he took the money in secret from a conspirator engaged in champerty in order to make money. Why did he not endorse the checks over to the judge, or give him checks? No; he gave it to him in cash. Any suspicion about that? The judge who, by his acts, arouses substantial doubt commits a high crime.

Now, there is one other transaction I want to call to your attention, and, Mr. Speaker, they say that straws show which way the wind is blowing. There are certain indicia of honest conduct that are always associated with such conduct. Judge Ritter said he sold out all his interest for $5,000. Let that soak in. I am just taking his own statement. We then find this judge, after he had gone on the bench, with regard to a case that he had sold his interest in, according to his own statement, writing a letter to a man in New York, I believe, who had large interests down in his district, and saying to him, "Send me $2,000 more."

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. HANCOCK of New York. The evidence of Mr. Mulherin, the investigator, shows that both parties to this partnership reserved certain fees for their own personal use.

Mr. SUMNERS of Texas. I will not admit that.

Mr. HANCOCK of New York. The gentleman will find that on page 446 of the record.

Mr. SUMNERS of Texas. Here is what it shows. It shows that the judge reserved his interest in three cases, and Judge Ritter got his share in those three cases, but this case is not one of those enumerated in which he claimed to have reserved his interest. He wrote the letter, got the $2,000, and he slipped it into his jeans, and Mr. Rankin did not know a thing about it until the committee met in Miami in 1933.

Mr. BIERMANN. Does the defense explain that?

Mr. SUMNERS of Texas. No; they cannot. The only thing that they can do is to run off and show that he was a good man in Denver or Indianapolis, or that he had a good daddy or something like that. I now yield to the gentleman from New York.

Mr. HANCOCK of New York. The only evidence in reference to the $2,000 fee was given by a man named Brodek. His testimony appears on page 443 of the hearings, and in conclusion he says it was a claim properly asserted and properly recognized. That is the only testimony there is about that.

Mr. SUMNERS of Texas. And does the gentleman tell me, then, they divided the fee?

Mr. HANCOCK of New York. I say that was one of the items reserved.

Mr. SUMNERS of Texas. Oh, do not say that.

Mr. TARVER. This case was not reserved. This was $2,000 extra attorney's fee in that case. Mr. Speaker, will the gentleman yield to me?

Mr. SUMNERS of Texas. No. Get the picture. A judge had sold all of his interest to Mr. Rankin, and had been paid for it in the privacy of his office with cold cash, according to his statement.

Mr. FIESINGER. How much?

Mr. SUMNERS of Texas. Five thousand dollars. Then he gets $2,000 when he is on the bench. He wrote a letter and put himself in the attitude of a solicitor. He said he was going to follow the case on through and told the person addressed what "we" were going to do—this from a man on the bench—and when he wrote this letter for the $2,000 he just incidentally mentioned to this person, "The main thing is, I want to get some more money", and in that connection he twice mentioned, "I am a Federal judge."

Mr. Speaker, this is not a pleasant job for anybody. Judge Ritter has been up there in the gallery. They have been writing a lot of letters around here. I am not criticizing about that. It is a pretty hard job. This is not a matter of whether this man is a Republican judge or a Democratic judge. The only successful effort to impeach since I have been in Congress was a case in which I led. That was a

prosecution against a Democratic judge from East St. Louis. A Republican chairman of a subcommittee sent me to East St. Louis before the committee went. I was sent to mop up that case, after impeachment by the House. I was there to get ready for trial. I would hate myself forever if I should be willing to either convict or save a man on the Federal judiciary because he belonged to my party [applause], but I say this to my friends. It is my deliberate judgment that unless we get off the bench men whose conduct arouses suspicion as to their official integrity, we will lose public confidence in the Federal judiciary.

I do not believe that you can handle this situation by taking power from the office. Many times popular government has disappeared because people have attempted to do that. Take power from the office, and after a while there comes a condition where you need a strong government, and the people turn in disgust from a weak government and appoint a dictator. It may be an unpleasant thing to do, but I think the only thing that we can do is to send this case to the Senate for trial. I seems to me that it ought to be sent there for trial. When you have situations like this, conspiracies, which those who speak for the judge have to admit, and the judge made effective that conspiracy, and when, unfortunately, out of the identical money that Rankin swears the judge allowed him he gives the judge $4,500 in secrecy in cash, is there a person in the Chamber, when he knows that a judge on the bench is doing that sort of thing, can feel as safe when he goes into his court as a man ought to feel?

When you know that a conspiracy has been hatched to bring a case into a judge's court in order that the conspirators might profit therefrom, and you see the only man who controls enough property to give jurisdiction, telling a conspirator not to file the suit, and coming before the judge and begging him to dismiss or at least not permit the receiver to be appointed, and then you see the judge in defiance of the request of the man who owned the property refusing to dismiss act in his behalf and making effective the conspiracy, and then receiving $4,500 out of the split, out of the fruits of the conspiracy, actually a part of the fee which he had allowed, then, what are you going to do about it?

It is up to you. It is your job. It is your responsibility. You are the guardians of public confidence in the Federal judiciary. Do you tell me that public confidence in the Federal judiciary can live at that level? Do you tell me that public confidence in the Federal judiciary can live with such a man on the bench, in face of the specific provisions of the statute that prevent him from acting in any capacity as a lawyer, adviser, or counselor, writing and wanting to get $2,000? "I have retained my interest in this case. I am advising with my former partner, and I am going to follow it through. We hope to be able to get a requirement for a bond that will prevent an appeal. We hope to do this, that, or the other thing. Send me $2,000"; and taking the money and, according to his own sworn statement, it belonged to Rankin if he had sold his interest in the business to him.

I am not discussing the other case where he refused to recognize the jurisdiction of the State court. I am not discussing anything else in this case now. I do not think it is highly unimportant as some seem to believe that a judge, his family, and his secretary would go and stop at this hotel, in receivership in his court, and pay not a cent for rooms, meals, or anything else. There is just something a little wrong about the way a judge feels who will do that. I am not making any point about it, but it is one of the straws that shows the way the wind blows.

The SPEAKER. The time of the gentleman from Texas has expired.

All time has expired.

Under the order of the House, the previous question is ordered.

The question is on agreeing to the resolution.

Mr. SNELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 181, nays 146, answered "present" 7, not voting 96, as follows:

[Roll No. 27]

YEAS—181

Adair	Duffy, N. Y.	Lemke	Sanders, Tex.
Ayers	Duncan	Luckey	Schneider, Wis.
Beam	Dunn, Miss.	McClellan	Sears
Biermann	Eagle	McFarlane	Shanley
Binderup	Eckert	McGehee	Sisson
Bland	Edmiston	McKeough	Smith, Conn.
Blanton	Eicher	McLaughlin	Smith, Va.
Boehne	Ellenbogen	McMillan	Smith, Wash.
Boland	Faddis	McReynolds	Smith, W. Va.
Boykin	Farley	Mahon	Snyder, Pa.
Brown, Ga.	Ferguson	Mansfield	South
Brown, Mich.	Fiesinger	Mapes	Spence
Buck	Fletcher	Mason	Stefan
Burch	Ford, Miss.	Massingale	Stubbs
Burdick	Frey	Mitchell, Ill.	Sumners, Tex.
Caldwell	Fuller	Mitchell, Tenn.	Sutphin
Cannon, Mo.	Gassaway	Moran	Sweeney
Carpenter	Gildea	Moritz	Tarver
Cartwright	Gillette	Murdock	Terry
Cary	Gingery	Nelson	Thom
Castellow	Gray, Pa.	Nichols	Thomason
Chandler	Green	O'Connor	Tolan
Claiborne	Greenwood	Owen	Turner
Cochran	Greever	Patterson	Umstead
Coffee	Gregory	Patton	Utterback
Colden	Griswold	Perkins	Vinson, Ga.
Colmer	Harter	Peterson, Fla.	Vinson, Ky.
Connery	Healey	Peterson, Ga.	Wallgren
Cooley	Higgins, Mass.	Pettengill	Warren
Cooper, Tenn.	Hildebrandt	Pierce	Wearin
Cox	Hill, Ala.	Polk	Weaver
Cravens	Hill, Knute	Quinn	Werner
Crawford	Hobbs	Ramsay	West
Cross, Tex.	Hoffman	Ramspeck	Whelchel
Crowe	Huddleston	Randolph	White
Curley	Johnson, Okla.	Rankin	Whittington
Darden	Johnson, Tex.	Rayburn	Williams
Deen	Johnson, W. Va.	Reilly	Wood
Dempsey	Keller	Richardson	Woodruff
Dies	Kelly	Robertson	Woodrum
Dietrich	Kenney	Robinson, Utah	Young
Disney	Kniffin	Rogers, Okla.	Zimmerman
Doughton	Kocialkowski	Romjue	Zioncheck
Doxey	Kramer	Russell	
Drewry	Lanham	Ryan	
Driscoll	Lee, Okla.	Sabath	

NAYS—146

Allen	Duffey, Ohio	Lamneck	Ransley
Amlie	Eaton	Lehlbach	Reece
Andrew, Mass.	Ekwall	Lord	Reed, Ill.
Andrews, N. Y.	Engel	Lucas	Reed, N. Y.
Arends	Englebright	Ludlow	Rich
Ashbrook	Evans	McAndrews	Richards
Bacharach	Fish	McLean	Risk
Bacon	Fitzpatrick	McLeod	Robsion, Ky.
Blackney	Focht	Maas	Rogers, Mass.
Bloom	Gamb rill	Main	Sauthoff
Boileau	Gavagan	Marcantonio	Schuetz
Bolton	Gearhart	Marshall	Schulte
Boylan	Gifford	Martin, Colo.	Scott
Burnham	Gilchrist	Martin, Mass.	Secrest
Carmichael	Goodwin	Maverick	Seger
Carter	Granfield	Mead	Shannon
Cavicchia	Greenway	Meeks	Short
Celler	Guyer	Merritt, Conn.	Sirovich
Christianson	Gwynne	Merritt, N. Y.	Snell
Church	Haines	Michener	Stack
Citron	Halleck	Millard	Stewart
Cole, Md.	Hancock, N. Y.	Miller	Taber
Cole, N. Y.	Harlan	Montet	Tinkham
Collins	Hess	Norton	Tonry
Cooper, Ohio	Higgins, Conn.	O'Brien	Treadway
Costello	Hollister	O'Day	Turpin
Crosby	Holmes	O'Leary	Wadsworth
Culkin	Hook	O'Malley	Walter
Daly	Hope	O'Neal	Welch
Delaney	Hull	Palmisano	Wigglesworth
Dickstein	Imhoff	Parks	Wilcox
Dingell	Jenkins, Ohio	Parsons	Wilson, Pa.
Dirksen	Kahn	Pearson	Wolcott
Dondero	Kennedy, Md.	Peyser	Wolfenden
Dorsey	Kennedy, N. Y.	Pittenger	Wolverton
Doutrich	Kloeb	Powers	
Driver	Knutson	Rabaut	

ANSWERED "PRESENT"—7

Barry	Houston	Lundeen	Sadowski
Dunn, Pa.	Lewis, Colo.	McCormack	

NOT VOTING—96

Andresen	Brooks	Casey	Cullen
Bankhead	Buchanan	Chapman	Cummings
Barden	Buckbee	Clark, Idaho	Darrow
Beiter	Buckler, Minn.	Clark, N. C.	Dear
Bell	Buckley, N. Y.	Corning	DeRouen
Berlin	Bulwinkle	Creal	Ditter
Brennan	Cannon, Wis.	Crosser, Ohio	Dobbins
Brewster	Carlson	Crowther	Dockweiler

Fenerty	Jacobsen	McGroarty	Schaefer
Fernandez	Jenckes, Ind.	McSwain	Scrugham
Flannagan	Jones	Maloney	Somers, N. Y.
Ford, Calif.	Kee	May	Starnes
Fulmer	Kerr	Monaghan	Steagall
Gasque	Kinzer	Montague	Sullivan
Gehrmann	Kleberg	Mott	Taylor, Colo.
Goldsborough	Kopplemann	O'Connell	Taylor, S. C.
Gray, Ind.	Kvale	Oliver	Taylor, Tenn.
Hamlin	Lambertson	Patman	Thomas
Hancock, N. C.	Lambeth	Pfeifer	Thompson
Hart	Larrabee	Plumley	Thurston
Hartley	Lea, Calif.	Rogers, N. H.	Tobey
Hennings	Lesinski	Rudd	Underwood
Hill, Samuel B.	Lewis, Md.	Sanders, La.	Wilson, La.
Hoeppel	McGrath	Sandlin	Withrow

So the resolution was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Samuel B. Hill (for) with Mr. Darrow (against).
Mr. Bankhead (for) with Mr. McCormack (against).

General pairs:

Mr. Cullen with Mr. Crowther.
Mr. Patman with Mr. Plumley.
Mr. Bulwinkle with Mr. Tobey.
Mr. Oliver with Mr. Ditter.
Mr. Fulmer with Mr. Carlson.
Mr. Buchanan with Mr. Hartley.
Mr. Corning with Mr. Buckbee.
Mr. Crosser of Ohio with Mr. Kinzer.
Mr. McSwain with Mr. Mott.
Mr. Taylor of Colorado with Mr. Taylor of Tennessee.
Mr. Sullivan with Mr. Lambertson.
Mr. Flannagan with Mr. Fenerty.
Mr. Steagall with Mr. Thomas.
Mr. Rudd with Mr. Brewster.
Mr. Jones with Mr. Thurston.
Mr. Kerr with Mr. Andresen.
Mr. Fernandez with Mr. Gehrmann.
Mr. Clark of North Carolina with Mr. Kvale.
Mr. Gasque with Mr. Withrow.
Mr. Hancock of North Carolina with Mr. Buckler of Minnesota.
Mr. Belter with Mr. Montague.
Mr. Thompson with Mr. Cummings.
Mr. Schaefer with Mr. Larrabee.
Mr. Jacobsen with Mr. Cannon of Wisconsin.
Mr. Gray of Indiana with Mr. Pfeifer.
Mr. O'Connell with Mr. Barden.
Mr. Chapman with Mr. Sanders of Louisiana.
Mr. Monaghan with Mr. Brooks.
Mr. Goldsborough with Mr. Somers of New York.
Mr. Casey with Mr. Berlin.
Mr. Rogers of New Hampshire with Mr. Creal.
Mr. Hamlin with Mr. Kleberg.
Mr. McGrath with Mr. Starnes.
Mr. Bell with Mr. Hart.
Mr. Sandlin with Mr. Kee.
Mr. Taylor of South Carolina with Mr. Scrugham.
Mr. Wilson of Louisiana with Mr. Lambeth.
Mr. Maloney with Mr. Dobbins.
Mr. May with Mr. McGroarty.
Mr. Lewis of Maryland with Mr. Dear.
Mr. Lea of California with Mr. Hennings.
Mr. Brennan with Mr. Clark of Idaho.
Mr. DeRouen with Mr. Buckley of New York.
Mr. Dockweiler with Mr. Underwood.
Mrs. Jenckes of Indiana with Mr. Ford.

Mr. McCORMACK. Mr. Speaker, on this question I am paired with the gentleman from Alabama, Mr. BANKHEAD. If he were present, he would vote "aye"; I would vote "no." I withdraw my vote and answer "present."

Mr. GOODWIN. Mr. Speaker, my colleague, Mr. THOMAS, is unavoidably absent. If present, he would vote "no."

The result of the vote was announced as above recorded.

Mr. SUMNERS of Texas. Mr. Speaker, I move to reconsider the vote by which the resolution was agreed to and lay that motion on the table.

The SPEAKER. The question is on the motion of the gentleman from Texas.

The motion was agreed to.

MEETING OF SUBCOMMITTEE ON STREETS AND TRAFFIC OF THE COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. CARPENTER. Mr. Speaker, I ask unanimous consent that the Subcommittee on Streets and Traffic of the Committee on the District of Columbia be given permission to sit during the sessions of the House this week.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

MAJ. GEN. JOHNSON HAGOOD

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to embrace a statement made by my colleague, Mr. MARTIN DIES, of Texas; also to embrace a letter which General Hagood wrote to our committee and a letter that I wrote to Gen. Malin Craig, at this point.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, I thank my colleagues for granting me permission to publish in the RECORD a very valuable statement made by our distinguished colleague from Texas [Mr. DIES]. With our shoulders together, he and I are making a strenuous fight to free our country of aliens here unlawfully and to stop other aliens from coming here, and to preserve American jobs for Americans. To the everlasting shame of others, the Hearst newspapers are the only metropolitan papers in the United States which have given us any aid or encouragement.

We must be on the watch and defeat the Dickstein bill, and the Kerr bill, and we must help to pass the Dies bill (H. R. 5921), and, if possible, my proposals to require all aliens in the United States to register, to deport all aliens here unlawfully, and to stop all immigration for at least 10 years.

Mr. DIES' valuable statement is as follows:

[From the Washington Herald of Mar. 1, 1936]

DIES CHARGES THAT LABOR DEPARTMENT SEEKS TO UNDERMINE IMMIGRATION LAWS—PROPOSED LEGISLATION WOULD RELAX ALIEN BARRIERS, YET MILLIONS ARE JOBLESS

By MARTIN DIES, Congressman from Texas

I charge the Department of Labor with attempting to undermine our restrictive immigration legislation.

Under Frances Perkins, as Secretary, there have been the following developments:

"New seed" immigration—entrants admitted who have no relatives here—increased 50 percent. Desertion here by alien seamen increased 50 percent. Total aliens admitted increased 8 percent. Alien deportations decreased by 60 percent—from 19,864 in 1933, to 8,879 in 1934, and 8,314 in 1935.

Secretary Perkins has reversed the order of her predecessors that all immigrants be fingerprinted upon entry. Deportation of 1,200 aliens mandatorily deportable under existing law has been withheld. The Secretary has tried to permit execution of bonds by aliens barred from entry because they might become public charges.

The Department has come out against applying the quota system to Mexico and Canada, from which aliens can enter freely by scores of thousands.

DEPARTMENT AIDS ILLEGAL ENTRIES

The Department is endorsing a bill to legalize past illegal entries and to confer citizenship upon lawbreakers who are at present ineligible for citizenship.

Notorious Communists and radicals, such as Emma Goldman and Tom Mann, have been allowed to enter the United States and lecture against our Government.

Under the Secretary's influence, the House, August 23, last, voted the so-called O'Day resolution asking the Commissioner of Immigration to violate existing laws by deporting no aliens until March 1, 1936—allowing 2,600 aliens unlawfully here to remain.

Finally, the Department of Labor is not in favor of registration of aliens—although in no other way can illegal aliens be checked—"because it would be imposing a handicap upon them * * * and endless trouble and confusion would result."

DEPARTMENT AGAINST ALIEN REGISTRATION

I should like to ask: "How about the 'handicap', 'trouble', and 'confusion' for American citizens when 8,000,000 aliens are in the country, while 8,000,000 employable citizens are jobless?"

In the face of this there have been attempts to relax our laws, amid a confusion of interpretation and seeming misrepresentation.

On May 13, 1934, headlines reported "New Deal asked for aliens in the United States." This referred to two bills sponsored by Secretary Perkins and Commissioner MacCormack—S. 9760, COOLIDGE, in the Senate, and H. R. 9725, DICKSTEIN, in the House.

These would have given to the Secretary of Labor power to nullify deportation laws; and, to a large extent, the immigration laws as well.

These bills were opposed by the American Federation of Labor, the four Railway Brotherhoods, and the American Coalition of Patriotic Societies, representing more than a hundred different groups.

An attempt was made to jam these bills through as administration measures. Majority Leader BYRNS quoted Secretary Perkins as phoning him, declaring the President "desired to have these immigration bills passed."

Before our committee it had been shown that the bills had not been approved by the President; and there was similar indication in a letter by Mr. Roosevelt to William Green, president of the American Federation of Labor.

COMMITTEE ACTION SEEN AID TO ALIENS

Not discouraged by their failure in 1934 the antirestrictionists in the Department of Labor have shifted to the support of an almost identical measure, the Kerr bill. It would undermine our entire restrictive immigration legislation, by legalizing illegal entries and by making mandatorily deportable cases discretionary with an interdepartmental committee.

Colonel MacCormack has claimed that this bill strengthens our laws. Actually it is so worded that deportations can be held up by committee action. There appears to be a stubborn effort to centralize power and relax restrictions.

I have shown that there are 8,000,000 aliens here, 3,000,000 illegally; 1,500,000 on relief. What should we do?

I would emphasize that in settlement of this problem there must be no religious or race prejudice, and foreign-born citizens and aliens legally in this country must be treated with the utmost respect.

Next, the solution must be one that permits gradual reunion of families now separated by quotas. As economic conditions improve, the hardship of separations must be removed.

Then, first, we should provide for the speedy deportation of all undesirable aliens—including criminals and Communists. And we should deport those aliens who do not intend to make this their permanent home—those who come here to work, and save, and return to their native lands with dollars.

All other enlightened countries have enacted laws that refuse to give work to American citizens abroad until their own citizens are employed. In justice to our own people, we should do the same.

It is imperative, further, that we raise our standards of admitting aliens to citizenship.

My solution of this alien problem, based upon 6 years of intensive study, is embodied in my bill, H. R. 5921. Some of its main provisions are:

1. Reduce the quotas 60 percent. "New seed" immigration should be stopped. Use the 40-percent quota gradually to reunite families.

2. Apply the quota system to the Western Hemisphere. In these articles there has been shown, clearly, reasons why this should be done.

3. Provide that all aliens admitted for permanent residence must take steps to declare their allegiance to this country; that they must take steps to qualify for citizenship within 12 months, and if they fail to do so, or do not wish to do so, they are not to be permitted to remain here.

4. Since the 3,000,000 aliens unlawfully in America cannot qualify for citizenship they would be immediately deportable.

5. The bill in no way interferes with temporary visitors, tourists, etc.

6. Under it alien criminals, Communists, dope peddlers, smugglers, gangsters, and the like would be deported.

7. The bill refuses to permit any alien to hold a job in the United States so long as there is an American citizen unemployed who is willing and capable of holding the job.

There would appear to be little hope of putting such a bill through Congress without administration support. But if people understand the facts as they have been presented in these articles, and register with their Senators and Congressmen their conviction that our workers should be protected from an unjust situation created by alien labor, the bill could become a law in 2 weeks.

Six million aliens hold American jobs. We pay half a billion dollars annually to support aliens on relief. We permit alien criminals and Communists to range here at will.

We must have clearer, more realistic thinking on this problem, and insist on policies which, while fair to aliens, are fair to Americans. The policies outlined here would end unemployment and raise the standard of living throughout America.

Mr. BLANTON. Mr. Speaker, the following is an exact copy of the letter which, on February 2, 1936, Gen. Johnson Hagood wrote to the chairman of our subcommittee, which held the hearings and framed the War Department bill, which was 6 days before such hearings were released and made public, and you will note that General Hagood on that date sent a copy of his said letter to Gen. Malin Craig, Chief of Staff of the United States Army, showing conclusively that the War Department had notice of such facts, before General Hagood's evidence at said hearings was made public, his letter being as follows:

GEN. JOHNSON HAGOOD'S LETTER TO COMMITTEE

FORT SAM HOUSTON, TEX., *February 2, 1936.*

Hon. TILLMAN B. PARKS,
House of Representatives, Washington, D. C.

MY DEAR MR. PARKS: 1. As indicated in my wire to Mr. Pugh (committee clerk), higher authority has directed that no information be given out by Army officers on the subject of Army appropriations that is inconsistent with the President's Budget. As I do not know what is contained in the Budget (not yet printed), and as my hearing before your subcommittee was conducted in the executive session prior to the time when the President's Budget was made public, I request that my entire testimony be eliminated from the printed record.

2. As a matter of fact, I do not believe that this hearing has any value or that any good would come from its being printed. Your entire committee has been down here. You are perfectly familiar with the grounds, and there was nothing said in my hearings that you had not heard before.

3. All the figures that I gave you had been submitted by the War Department to the Works Progress Administration and most of it has been given to the press from Washington. You will remember that I declined to indicate any order of priority, or to suggest any specific appropriations at the present session of Congress. I told your committee that all I proposed to do was to represent physical conditions in this corps area, and the War Department's estimated cost of correcting those conditions, and that I would leave all questions of priorities and appropriations to the proper designated authorities of the War Department. I am convinced now that it would be much more to the interests of the Army housing program to avoid this apparent conflicting advice by my having said one thing, and the War Department having said something else.

4. In this connection I would like to assure your committee, however, that prior to appearing as a witness, I was instructed by the Chief of Staff that I was perfectly free to answer any questions or to make any statements that I chose, and that the present action on my part is entirely my own. It was not suggested either directly or indirectly by any superior authority.

With assurances of my highest respect, am

Yours very sincerely,

JOHNSON HAGOOD,
Major General, United States Army.

(Copy furnished Gen. Malin Craig.)

HOUSE OF REPRESENTATIVES,
Washington, D. C., February 29, 1936.

Gen. MALIN CRAIG,
Chief of Staff, United States Army,
War Department, Washington, D. C.

DEAR GENERAL CRAIG: Among your reasons for punishing Gen. Johnson Hagood, who, next to you, is the senior officer in command of our Army, and for depriving him of his command, which punishment of a high officer with gentlemanly sensibilities, is as severe as electrocuting a criminal, you cite the following:

"In 1927, for example, without any apparent effort at securing authority, or acquainting his superiors with the nature of his comments, he published a book entitled 'The Service of Supply.' * * * The Inspector General described the book as containing 'tactless, ill-advised, and doubtful statements of fact and opinion', and 'unmilitary in tone and tenor, and at times intemperate in both. If the circulation is extended, it will do considerable harm; among the uninformed it will bring ridicule upon the War Department.'"

In my personal contact with you, General, I have found you to be such a splendid officer, and such a conscientious, magnificent gentleman, I cannot believe that you would have listed the above charges had you known that they are incorrect, are wholly without foundation, and do a great injustice to my good friend, Johnson Hagood.

I have in my office files on the War Department conclusive evidence of the fact that Gen. Johnson Hagood was requested on December 10, 1919, by Hon. Newton D. Baker, Secretary of War, to write said book Services of Supply; that on April 18, 1920, Gen. Johnson Hagood was granted permission to print this book by Gen. John J. Pershing; that on August 13, 1923, General Hagood filed with the War Department a typewritten copy of his book and gave notice that he would seek a publisher; that it took him 4 years to finance the publishing of said book, but finally assistance from his friend, Mr. Rosenwald, enabled him to publish it in 1927.

General, if you will examine your War Department Bulletin No. 46, issued December 12, 1931, you will see that by order then signed by Gen. Douglas MacArthur, then Chief of Staff of the United States Army, your War Department designated this book Services of Supply, by Johnson Hagood, "as one of the books selected for reading courses for Reserve officers."

I also have in my files embraced within an official document of Congress the following comments by the following expert Americans on military matters. From the great number of these different authorities I quote the following excerpts:

Hon. Newton D. Baker, Secretary of War: "Your book is valuable in directing attention to a phase of our war effort little known and less appreciated. These are beliefs and feelings of a soldier who has performed a great service and who expresses sentiments born in that service out of direct contact and observation. They, therefore, have an importance quite superior to the detached impressions of a mere civilian like myself."

Gen. Peyton C. March, wartime Chief of Staff of the Army: "I read your book with interest and was glad that Mr. Rosenwald had given you the opportunity for publishing it. I hope your book has a successful sale and wish you personally the best of luck always."

Gen. John J. Pershing, commander in chief, American Expeditionary Forces: "No one knows better than I do the importance of the work of the Services of Supply. Your book will have a prominent place in my library. It is a valuable addition to the story of the war."

Gen. James G. Harbord, Pershing's chief of staff: "General Hagood's book should be read by all students of the American effort in the World War and is a valuable contribution to our history."

Gen. Charles G. Dawes, Comptroller of the Currency, first Director of the Budget, Vice President of the United States: "I received your book and spent last night reading it, as I shall continue to do until I have given it that careful study which its importance deserves. It brought back the strenuous past so vividly that it was midnight before I laid the book down. In your preservation of the facts in this book you have rendered a service to history which no one was farsighted enough to do in our Civil War, or so far as I can learn, in any other war. Your book makes an invaluable companion piece to the report of the Military Board

of Allied Supply. My prediction is that your able work will find a place in every properly selected war library. I heartily congratulate you upon it."

Gen. W. W. Atterbury, director general of transportation, American Expeditionary Forces; president of the Pennsylvania Railroad: "The Services of Supply is an extremely interesting and instructive presentation of the activities of the American Expeditionary Forces behind the fighting lines. It is a volume that should be read by anyone desiring a comprehensive knowledge of the problems entering into modern warfare. You are, indeed, to be congratulated upon your foresight in visualizing the value of such a work, and also upon the enthusiasm, energy, and time which you put into its production."

Gen. Robert E. Wood, director of water transportation, American Expeditionary Forces, says that he (like General Dawes) sat up nearly all night for several nights, reading the manuscript; and that it was upon his advice that Mr. Rosenwald undertook the publication.

Senator Francis E. Warren, then chairman of the Senate Appropriations Committee; former chairman, Senate Committee on Military Affairs: "Your book appeals to my appreciation of the orderly and the methodical in all affairs. I like the frankness with which you have handled some of the more delicate features with which your volume deals. It seems to me that you have rendered a real service to the public—military and civilian alike—in the facts and opinions you have so ably covered. Your years of experience in the Department as well as in the field, and the fact that you have been a real worker and observer, and have taken your office seriously, entitled you to consideration as an exponent of military matters. No one who has interest in and understanding of such matters could read your book without profit."

A similar high estimate of, and words of appreciation for General Hagood's book, Services of Supply, have been expressed by Hon. Swagger Sherley, wartime chairman of the House Committee on Appropriations; Gen. H. M. Lord, wartime Chief of Finance and Director of the President's Budget; Gen. Francis J. Kernan; Gen. Robert L. Bullard; Gen. Joseph E. Kuhn, Gen. A. W. Bjornstad of the French General Staff College; Gen. Harold B. Fiske; Gen. Frank R. McCoy; Gen. V. H. Moseley; Gen. Henry C. Smither; Gen. Charles W. Kutz; Gen. Avery D. Andrews; Gen. Henry Jervey; Gen. Marlborough Churchill; Gen. E. L. Munson; Gen. Henry P. McCain; Gen. P. P. Bishop; Gen. Mason M. Patrick; Gen. C. C. Williams; Gen. W. C. Langfitt; Gen. M. W. Ireland; Gen. John H. Rice; Gen. M. L. Walker; Gen. John A. Hull; Gen. T. Q. Ashburn; Gen. R. L. Holbrook; Gen. Fred C. Ainsworth; Gen. Frank T. Hines, Administrator, Veterans' Affairs, and by other prominent officers of our United States Army too numerous to mention.

I happen to know, also, General, that Johnson Hagood's book, which you condemn as grounds for his extreme punishment, is now officially used for reference in the United States Military Academy, where our Army officers are trained; at the Army War College here in Washington; at the Army College at Fort Leavenworth, Kans.; and in other important military libraries.

At no time has General Hagood ever requested that I defend him. I am doing it from a sense of justice and right. When on December 17 he appeared before our committee, in vacation, and before the President's Budget had been formulated or printed, there was not a Republican present. We were all Democrats discussing informally, in an executive meeting, the wisest way to get the most for our money from Army appropriations. General Hagood was put on the spot by our committee. Our committee only is responsible. If anyone deserves punishment, it is our committee, and not this brave officer who, in a frank, truthful manner, gave us his conscientious opinion regarding matters the committee brought up in our informal discussion.

I gave to Senator BYRNES yesterday a copy of a telegram which, on February 2, 6 days before our hearings were released, General Hagood wired to the clerk of our committee, and upon receipt of same it was the duty of our committee to have eliminated his entire statement by having what is known as a star print made of the hearings, which is frequently done by committees when something appears in a document that should be omitted, especially when I consider that it was the duty of our committee to have eliminated this informal, round-table democratic discussion from our stenographer's notes before same were printed.

In this connection I enclose a copy of a letter which only today I learned for the first time was mailed by General Hagood to the chairman of our committee on February 2, and which was received here at Washington before said hearings were released on February 8, which conclusively shows that it was far from the intention of General Hagood to allow his part of an informal, democratic discussion to be printed and made public.

While I have such an abiding faith and confidence in our President's keen sense of justice and fair play that I believe he without hesitation would order this injustice against General Hagood to be rescinded, I have at the same time such confidence and faith in your sense of justice and fair play that I believe that you, as Chief of Staff, will take steps to rescind this action without placing upon the already overburdened shoulders of our President the necessity of reviewing this matter.

With great respect and with kind regards and wishes, I am,

Very sincerely yours, THOMAS L. BLANTON.

SHOULD HAVE BEEN ELIMINATED EVEN IF IT REQUIRED REPRINTING OF HEARINGS

It must be remembered, Mr. Speaker, that at the time Gen. Johnson Hagood was by order of the War Department forced to come before our committee, on December 17, 1935, the President's Budget then had not yet been formulated or printed. Congress had not met. General Hagood knew nothing whatever about what the Budget would contain. Immediately upon his learning that his remarks, made to his fellow Democrats in executive session, might be inconsistent with the Budget, he requested that all of his evidence should be eliminated and not printed and not made public, and it was the duty of our committee to have eliminated it, regardless of cost, as his official life, with 40 years of faithful, honorable, efficient service was at stake. I hope that the War Department will restore him back to his post of duty. I confidently believe that our President will approve it.

CALENDAR WEDNESDAY

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday be dispensed with this week.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a telegram from the Texas Bankers Association and my reply to it, and certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. STARNES (at the request of Mr. HILL of Alabama), on account of important business.

To Mr. GRAY of Indiana, for 1 week, on account of illness.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 7147. An act authorizing a preliminary examination of the San Gabriel and Los Angeles Rivers and their tributaries; to include both drainage basins and their outlets, in Los Angeles County, Los Angeles, Calif., with a view to the controlling of floods.

ADJOURNMENT

Mr. O'CONNOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 8 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 3, 1936, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Public Lands Committee on Tuesday, March 3, 1936, at 10 a. m., in room 328, House Office Building, for the further consideration of H. R. 10303, National Resources Board, and other bills.

COMMITTEE ON THE POST OFFICE AND POST ROADS

(Wednesday, Mar. 4, 1936)

A hearing will be conducted by the whole committee Wednesday morning, March 4, at 10 a. m., on H. R. 2890, fixing annual compensation for postmasters of the fourth class.

(Thursday, Mar. 5, 1936)

A hearing will be conducted by subcommittee no. 1 Thursday morning, March 5, at 10 a. m., on H. R. 2818, promotion of watchmen, messengers, and laborers.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

681. A letter from the Secretary of War, transmitting a draft of a proposed bill to permit the President by Executive

order from time to time to establish the numbers of enlisted men of the Regular Army in grades and/or ratings; to the Committee on Military Affairs.

682. A letter from the Chairman of the Reconstruction Finance Corporation, transmitting a report of its activities and expenditures for January 1936, including statements of authorizations made during that month, showing the name, amount, and rate of interest or dividend in each case (H. Doc. No. 417); to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JONES: Committee on Agriculture. H. R. 10101. A bill to amend the Federal Farm Loan Act and the Farm Credit Act of 1935, and for other purposes; without amendment (Rept. No. 2115). Referred to the Committee of the Whole House on the state of the Union.

Mr. FULMER: Committee on Agriculture. H. R. 8759. A bill to amend the act known as the Perishable Agricultural Commodities Act, 1930, approved June 10, 1930, as amended; without amendment (Rept. No. 2116). Referred to the Committee of the Whole House on the state of the Union.

REPORT OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BEITER: Committee on War Claims. H. R. 8775. A bill for the relief of Ralph B. Sessoms; without amendment (Rept. No. 2117). Referred to the Committee of the Whole House.

ADVERSE REPORTS

Under clause 2 of rule XIII,

Mr. JONES: Committee on Agriculture. House Resolution 426. Resolution directing the Secretary of Agriculture to furnish certain information concerning producers to the House of Representatives (Rept. No. 2114). Laid on the table.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 11471) granting a pension to Viola M. Dobbin; Committee on Invalid Pensions discharged and referred to the Committee on Pensions.

A bill (H. R. 11512) for the relief of Max W. Amster; Committee on Pensions discharged and referred to the Committee on Military Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCK: A bill (H. R. 11553) to amend sections 116 and 22 of the Revenue Acts of 1932 and 1934; to the Committee on Ways and Means.

By Mr. HEALEY: A bill (H. R. 11554) to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. KNUTE HILL: A bill (H. R. 11555) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the arrival of Marcus and Narcissa Whitman in the Walla Walla Valley, Wash., and the founding of the Waiilatpu Mission; to the Committee on Coinage, Weights, and Measures.

By Mr. McLAUGHLIN: A bill (H. R. 11556) to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season to season; to the Committee on Banking and Currency.

By Mrs. NORTON (by request): A bill (H. R. 11557) to amend the District of Columbia Unemployment Compensation Act; to the Committee on the District of Columbia.

By Mr. PATTERSON: A bill (H. R. 11558) to limit the amount of money that may be disbursed annually from the Treasury of the United States as a pension, retirement pay, or other gratuity to any individual; to the Committee on Expenditures in the Executive Departments.

By Mr. RANKIN (by request): A bill (H. R. 11559) to amend the World War Veterans' Act, 1924, as amended; to the Committee on World War Veterans' Legislation.

Also (by request), a bill (H. R. 11560) to amend the World War Veterans' Act, 1924, as amended; to the Committee on World War Veterans' Legislation.

By Mr. SCRUGHAM: A bill (H. R. 11561) relating to the establishment and operation of grazing districts in the State of Nevada; to the Committee on the Public Lands.

By Mr. TERRY: A bill (H. R. 11562) to renew patent no. 25909, relating to the badge of the United States Daughters of 1812; to the Committee on Patents.

By Mr. ELLENBOGEN: A bill (H. R. 11563) declaring an emergency in the housing condition in the District of Columbia; creating a rent commission for the District of Columbia; prescribing powers and duties of the Commission, and for other purposes; to the Committee on the District of Columbia.

By Mr. HIGGINS of Massachusetts (by request): A bill (H. R. 11564) to provide for the promotion of janitors and cleaners in the Post Office Department; to the Committee on the Civil Service.

By Mr. BUCKLER of Minnesota: A bill (H. R. 11565) to provide for a financial adjustment by the Federal Government with respect to the reduction in taxable lands in political subdivisions arising from acquisitions of land for the Chippewa National Forest; to the Committee on Agriculture.

By Mr. CELLER: A bill (H. R. 11566) to provide for the furnishing of artificial limbs and apparatus for resection, or the money value thereof, to certain former members of the military and naval forces; to the Committee on Expenditures in the Executive Departments.

By Mr. FARLEY: A bill (H. R. 11567) to provide for the construction of a stadium at Fort Wayne, Ind., as a memorial to General Anthony Wayne, and for other purposes; to the Committee on the Library.

By Mr. MURDOCK: A bill (H. R. 11568) to amend section 22, paragraph (b) (7), of the Revenue Act of 1934; to the Committee on Ways and Means.

By Mrs. NORTON: A bill (H. R. 11569) to authorize the construction of a parade field, swimming pools, stadium, and other recreational facilities in section F, Anacostia Park, in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. RANKIN (by request): A bill (H. R. 11570) to liberalize the provisions of Public Law No. 484, Seventy-third Congress; to the Committee on World War Veterans' Legislation.

By Mr. SCRUGHAM: A bill (H. R. 11571) to amend section 1 of the act of June 7, 1924, entitled "An act for the relief of settlers and townsite occupants of certain lands in the Pyramid Lake Indian Reservation, in Nevada, and for other purposes"; to the Committee on Indian Affairs.

Also, a bill (H. R. 11572) providing old-age pensions for Indians of the United States; to the Committee on Indian Affairs.

By Mr. WOLVERTON: A bill (H. R. 11573) to amend the act entitled "An act for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey", approved August 19, 1935; to the Committee on Claims.

By Mr. DALY: Resolution (H. Res. 432) requesting information with respect to the naval hospital at Philadelphia; to the Committee on Naval Affairs.

By Mr. FADDIS: Resolution (H. Res. 433) authorizing the employment of the present personnel of the Agricultural Adjustment Administration in the cotton price-adjustment program, the liquidation of the Agricultural Adjustment Administration and the new farm program, both in Washington, D. C., and the field; to the Committee on Agriculture.

By Mr. TINKHAM: Resolution (H. Res. 434) providing for the recall of the American delegation at the Naval Conference at London; to the Committee on Foreign Affairs.

By Mr. STEWART: Joint resolution (H. J. Res. 507) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the landing of the Swedes in Delaware; to the Committee on Coinage, Weights, and Measures.

By Mr. VINSON of Georgia: Joint resolution (H. J. Res. 508) to refund taxes collected under the Bankhead Act and to redeem certain exemption certificates issued thereunder; to the Committee on Agriculture.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Virginia, regarding an American Negro colony on the African Continent; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MEAD: A bill (H. R. 11574) for the relief of Charles Alexander Ritchie; to the Committee on Naval Affairs.

By Mr. MERRITT of New York: A bill (H. R. 11575) for the relief of Baruch M. Hornblass; to the Committee on Military Affairs.

By Mr. PETERSON of Florida: A bill (H. R. 11576) for the relief of W. P. Richardson; to the Committee on Claims.

By Mr. RANKIN: A bill (H. R. 11577) for the relief of Julian J. Gill; to the Committee on the Civil Service.

By Mr. SHANNON: A bill (H. R. 11578) granting an increase of pension to Mary V. Conine; to the Committee on Invalid Pensions.

By Mr. THURSTON: A bill (H. R. 11579) for the relief of Alyce Miles; to the Committee on War Claims.

By Mr. VINSON of Georgia: A bill (H. R. 11580) for the relief of Allen Jackson Shepard; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the clerk's desk and referred as follows:

10335. By Mr. ANDREW of Massachusetts: Petition of Augustin Poirier and 20 other citizens of Ipswich, Mass., urging the passage of the McGroarty bill to provide pensions for the aged; to the Committee on Ways and Means.

10336. By Mr. BLOOM: Petition of representatives of all the merchants of the town of Bayamon, P. R., requesting that Puerto Rico be included in any legislation in regard to relief which might be presented in the House of Representatives, urging that the benefits of the Social Security Act be extended to Puerto Rico, and favoring an amendment to the organic act so that a public-welfare department may be created in Puerto Rico; to the Committee on Insular Affairs.

10337. Also, petition of the members of the Hudson Branch of the American League Against War and Fascism, protesting against the passage of the Kramer sedition bill (H. R. 6427); to the Committee on the Judiciary.

10338: By Mr. CARPENTER: Petition of Sadie Cline and other residents of Dickinson County, State of Kansas, to prohibit, within the District of Columbia, the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

10339. Also, petition of Ella Mathews and other residents of Barber County, State of Kansas, to prohibit, within the District of Columbia, the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

10340. Also, petition of Mrs. J. W. Saltman and other residents of Douglas County, State of Kansas, to prohibit, within the District of Columbia, the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

10341. Also, petition of Mrs. Dave Goertz and other residents of Marion County, State of Kansas, to prohibit, within the District of Columbia, the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

10342. Also, Petition of Mrs. O. Hedman and other residents of Clay County, State of Kansas, to prohibit, within the District of Columbia, the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

10343. Also, Petition of Mrs. J. L. Dunham and other residents of Clay County, State of Kansas, to prohibit, within the District of Columbia, the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

10344. Also, petition of May Frazee and other residents of Sumner County, State of Kansas, to prohibit, within the District of Columbia, the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

10345. Also, petition of Hazel Smull and other residents of Cheyenne County, State of Kansas, to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

10346. By Mr. CARTER: Petition of the Board of Port Commissioners of the City of Oakland, opposing House bill 3263, the Pettengill bill, designed to repeal section 4, Interstate Commerce Commission Act; to the Committee on Interstate and Foreign Commerce.

10347. By Mr. CUMMINGS: Petition of patrons of star route no. 65177, Washington County, Second Congressional District of Colorado, urging enactment of legislation to extend existing star-route contracts and increase compensation thereon; to the Committee on the Post Office and Post Roads.

10348. Also, petition of patrons of star route no. 65180, Washington County, Second Congressional District of Colorado, urging enactment of legislation to extend existing star-route contracts and increase compensation thereon; to the Committee on the Post Office and Post Roads.

10349. Also, petition of patrons of star route no. 65179, Washington County, Second Congressional District of Colorado, urging enactment of legislation to extend existing star-route contracts and increase compensation thereon; to the Committee on the Post Office and Post Roads.

10350. Also, petition of 204 citizens of Jefferson County, urging Congress to restore to the District of Columbia its prohibition law by passing House bill 8739; to the Committee on the District of Columbia.

10351. By Mr. GUYER: Petition of citizens of Manhattan and Ness City, Kans., petitioning the restoration of prohibition to the District of Columbia through the enactment of House bill 8739; to the Committee on the District of Columbia.

10352. By Mr. KEE: Petition of patrons of star route no. 16601, Summers County, W. Va.; to the Committee on the Post Office and Post Roads.

10353. By Mr. LAMBERTSON: Resolution of the Board of Commissioners of the City of Hiawatha, Kans., urging the earmarking of $75,000,000 for the construction of armories for National Guard units; to the Committee on Appropriations.

10354. By Mr. LORD: Petition of 75 residents of the city of Oneonta, N. Y., favoring the Townsend pension plan; to the Committee on Ways and Means.

10355. By Mr. McCORMACK: Resolution of Sergeant Jasper Post, No. 13, American Legion, Washington, D. C., Frank McCarthy, commander, 2308 Tunlaw Road NW., Washington, D. C., unanimously approving Senate bill 2253 and House bill 6427; to the Committee on the Judiciary.

10356. By Mr. MERRITT of New York: Petition signed by 11 citizens of New York, urging that Congress restore to the District of Columbia its prohibition law by passing at the earliest possible moment House bill 8739, introduced by Representative GUYER, of Kansas, during the first session of the present Congress, since there is abundant proof at hand that the return of the legalized sale of alcoholic beverages is not conducive to maintaining the high ideal of a model government presenting the highest American ideals, and that it is a real menace to the thousands of young sons and daughters residing in Washington in order to serve their Government; to the Committee on the District of Columbia.

10357. Also, resolution of the National Guard Association of the State of New York, that the members of the National Guard Association of the State of New York, in convention assembled, most solemnly recommend that the Congress of the United States be requested to enact legislation authorizing an allowance of $35 per month for quarters to each enlisted man of the United States Army detailed to duty with the National Guard as sergeant-instructor while on such duty; that such payments and also any payments heretofore made for rental of quarters for such noncommissioned officers shall be considered as an allowance to the individual; to the Committee on Military Affairs.

10358. Also, petition signed by 26 members of the League of Women Voters of New Rochelle, N. Y., urging support of the pure food, drug, and cosmetic bill (S. 5) now under consideration by the House of Representatives, and that endeavor be made to restore it to the form in which it was originally introduced in the Senate, in order that the health and welfare of the citizens of the United States may be safeguarded; to the Committee on Interstate and Foreign Commerce.

10359. Also, resolution of the Lehigh Valley Railroad Veterans Association, endorsing and urging the passage of the Wheeler bill (S. 1632), providing for regulation by the Interstate Commerce Commission of carriers by water for hire in interstate commerce; to the Committee on Interstate and Foreign Commerce.

10360. By the SPEAKER: Petition of the Washington Central Labor Union; to the Committee on the Judiciary.

10361. Also, petition of the National Association of Letter Carriers, Branch No. 4, Nashville, Tenn.; to the Committee on the Post Office and Post Roads.

SENATE

TUESDAY, MARCH 3, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, March 2, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Benson	Burke	Clark
Ashurst	Bilbo	Byrd	Connally
Austin	Black	Byrnes	Coolidge
Bachman	Bone	Capper	Copeland
Bailey	Borah	Caraway	Costigan
Barbour	Bulkley	Carey	Couzens
Barkley	Bulow	Chavez	Davis
Dickinson	Hayden	Murray	Steiwer
Dieterich	Johnson	Neely	Thomas, Okla.
Donahey	Keyes	Norbeck	Thomas, Utah
Duffy	King	Norris	Townsend
Fletcher	Logan	O'Mahoney	Trammell
Frazier	Lonergan	Overton	Truman
George	McAdoo	Pittman	Tydings
Gerry	McGill	Pope	Vandenberg
Gibson	McKellar	Radcliffe	Van Nuys
Gore	McNary	Reynolds	Wagner
Guffey	Maloney	Robinson	Walsh
Hale	Metcalf	Russell	Wheeler
Harrison	Minton	Schwellenbach	White
Hastings	Moore	Sheppard	
Hatch	Murphy	Smith	

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD] is absent because of illness, and that the Senator from New Hampshire [Mr. BROWN], the Senator from West Virginia [Mr. HOLT], the Senator from Louisiana [Mrs. LONG], and the Senator from Nevada [Mr. MCCARRAN] are unavoidably detained from the Senate.

Mr. DIETERICH. I announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is unavoidably absent.

Mr. BYRD. I announce that my colleague the senior Senator from Virginia [Mr. GLASS] is absent because of illness in his family.

Mr. AUSTIN. I announce that the Senator from Minnesota [Mr. SHIPSTEAD] is necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

SOIL CONSERVATION AND THE SOUTHERN GREAT PLAINS WIND-EROSION AREA

Mr. COSTIGAN. Mr. President, on February 27, during the discussion of the conference report approved that day by the Senate on the so-called farm relief bill (S. 3780), otherwise known as the Soil Conservation and Domestic Allotment Act, the attention of the Senator from South Carolina [Mr. SMITH], who was in charge of the bill, was drawn by the Senator from New Mexico [Mr. HATCH] to section 4 of the bill, carrying a $2,000,000 appropriation for "allocation and payment to the States in the southern Great Plains area." During subsequent discussion, as shown by the CONGRESSIONAL RECORD of February 27, no definite boundaries to that area were clearly specified.

The Senator from New Mexico and others, including myself, representing in part, as we respectively do, substantial sections of the southern Great Plains area, were closely associated with the Senator from Arizona [Mr. HAYDEN] in the legislative stages in the Senate of the Soil Erosion Act of 1935. We are, therefore, specially desirous that the CONGRESSIONAL RECORD show more particularly the boundaries of that area in any discussion of it or in any statutory reference to it in connection with the appropriation.

While the debate on the conference report was in progress in the Senate on February 27, I informally requested the Soil Erosion Service to provide a more definite description of the region in which the expenditures provided for in section 4 are to be used. The information arrived too late to be included in the discussion before the Senate approved the conference report. It has since been received.

Dr. H. H. Bennett, Chief of the Soil Erosion Service, has in his office various maps showing the boundaries of the various regional divisions of the Soil Erosion Service of the United States. The southern Great Plains wind-erosion area is customarily referred to on the maps of that service as "division 6", and embraces well outlined parts of Colorado, Kansas, Oklahoma, Texas, and New Mexico. There is, therefore, no ambiguity in the Soil Erosion Service in the statutory reference to the region in which the appropriated funds are to be expended. The Chief of the Soil Erosion Service in a letter, under date of February 28, 1936, specifies the portions of the States to which I have just referred that are embraced within the southern Great Plains region.

I ask unanimous consent that this letter of Dr. Bennett, Chief of the Soil Conservation Service, may be incorporated in the CONGRESSIONAL RECORD as a part of my remarks.

The VICE PRESIDENT. Without objection, the letter will be printed in the RECORD.

By Mr. STEWART: Joint resolution (H. J. Res. 507) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the landing of the Swedes in Delaware; to the Committee on Coinage, Weights, and Measures.

By Mr. VINSON of Georgia: Joint resolution (H. J. Res. 508) to refund taxes collected under the Bankhead Act and to redeem certain exemption certificates issued thereunder; to the Committee on Agriculture.

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By Mr. RANKIN: A bill (H. R. 11577) for the relief of Julian J. Gill; to the Committee on the Civil Service.

By Mr. SHANNON: A bill (H. R. 11578) granting an increase of pension to Mary V. Conine; to the Committee on Invalid Pensions.

By Mr. THURSTON: A bill (H. R. 11579) for the relief of Alyce Miles; to the Committee on War Claims.

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10344. Also, petition of May Frazee and other residents of Sumner County, State of Kansas, to prohibit, within the District of Columbia, the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

10345. Also, petition of Hazel Smull and other residents of Cheyenne County, State of Kansas, to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

10346. By Mr. CARTER: Petition of the Board of Port Commissioners of the City of Oakland, opposing House bill 3263, the Pettengill bill, designed to repeal section 4, Interstate Commerce Commission Act; to the Committee on Interstate and Foreign Commerce.

10347. By Mr. CUMMINGS: Petition of patrons of star route no. 65177, Washington County, Second Congressional District of Colorado, urging enactment of legislation to extend existing star-route contracts and increase compensation thereon; to the Committee on the Post Office and Post Roads.

10348. Also, petition of patrons of star route no. 65180, Washington County, Second Congressional District of Colorado, urging enactment of legislation to extend existing star-route contracts and increase compensation thereon; to the Committee on the Post Office and Post Roads.

10349. Also, petition of patrons of star route no. 65179, Washington County, Second Congressional District of Colorado, urging enactment of legislation to extend existing star-route contracts and increase compensation thereon; to the Committee on the Post Office and Post Roads.

10350. Also, petition of 204 citizens of Jefferson County, urging Congress to restore to the District of Columbia its prohibition law by passing House bill 8739; to the Committee on the District of Columbia.

10351. By Mr. GUYER: Petition of citizens of Manhattan and Ness City, Kans., petitioning the restoration of prohibition to the District of Columbia through the enactment of House bill 8739; to the Committee on the District of Columbia.

10352. By Mr. KEE: Petition of patrons of star route no. 16601, Summers County, W. Va.; to the Committee on the Post Office and Post Roads.

10353. By Mr. LAMBERTSON: Resolution of the Board of Commissioners of the City of Hiawatha, Kans., urging the earmarking of $75,000,000 for the construction of armories for National Guard units; to the Committee on Appropriations.

10354. By Mr. LORD: Petition of 75 residents of the city of Oneonta, N. Y., favoring the Townsend pension plan; to the Committee on Ways and Means.

10355. By Mr. McCORMACK: Resolution of Sergeant Jasper Post, No. 13, American Legion, Washington, D. C., Frank McCarthy, commander, 2308 Tunlaw Road NW., Washington, D. C., unanimously approving Senate bill 2253 and House bill 6427; to the Committee on the Judiciary.

10356. By Mr. MERRITT of New York: Petition signed by 11 citizens of New York, urging that Congress restore to the District of Columbia its prohibition law by passing at the earliest possible moment House bill 8739, introduced by Representative GUYER, of Kansas, during the first session of the present Congress, since there is abundant proof at hand that the return of the legalized sale of alcoholic beverages is not conducive to maintaining the high ideal of a model government presenting the highest American ideals, and that it is a real menace to the thousands of young sons and daughters residing in Washington in order to serve their Government; to the Committee on the District of Columbia.

10357. Also, resolution of the National Guard Association of the State of New York, that the members of the National Guard Association of the State of New York, in convention assembled, most solemnly recommend that the Congress of the United States be requested to enact legislation authorizing an allowance of $35 per month for quarters to each enlisted man of the United States Army detailed to duty with the National Guard as sergeant-instructor while on such duty; that such payments and also any payments heretofore made for rental of quarters for such noncommissioned officers shall be considered as an allowance to the individual; to the Committee on Military Affairs.

10358. Also, petition signed by 26 members of the League of Women Voters of New Rochelle, N. Y., urging support of the pure food, drug, and cosmetic bill (S. 5) now under consideration by the House of Representatives, and that endeavor be made to restore it to the form in which it was originally introduced in the Senate, in order that the health and welfare of the citizens of the United States may be safeguarded; to the Committee on Interstate and Foreign Commerce.

10359. Also, resolution of the Lehigh Valley Railroad Veterans Association, endorsing and urging the passage of the Wheeler bill (S. 1632), providing for regulation by the Interstate Commerce Commission of carriers by water for hire in interstate commerce; to the Committee on Interstate and Foreign Commerce.

10360. By the SPEAKER: Petition of the Washington Central Labor Union; to the Committee on the Judiciary.

10361. Also, petition of the National Association of Letter Carriers, Branch No. 4, Nashville, Tenn.; to the Committee on the Post Office and Post Roads.

SENATE

TUESDAY, MARCH 3, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, March 2, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Benson	Burke	Clark
Ashurst	Bilbo	Byrd	Connally
Austin	Black	Byrnes	Coolidge
Bachman	Bone	Capper	Copeland
Bailey	Borah	Caraway	Costigan
Barbour	Bulkley	Carey	Couzens
Barkley	Bulow	Chavez	Davis
Dickinson	Hayden	Murray	Steiwer
Dieterich	Johnson	Neely	Thomas, Okla.
Donahey	Keyes	Norbeck	Thomas, Utah
Duffy	King	Norris	Townsend
Fletcher	Logan	O'Mahoney	Trammell
Frazier	Lonergan	Overton	Truman
George	McAdoo	Pittman	Tydings
Gerry	McGill	Pope	Vandenberg
Gibson	McKellar	Radcliffe	Van Nuys
Gore	McNary	Reynolds	Wagner
Guffey	Maloney	Robinson	Walsh
Hale	Metcalf	Russell	Wheeler
Harrison	Minton	Schwellenbach	White
Hastings	Moore	Sheppard	
Hatch	Murphy	Smith	

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD] is absent because of illness, and that the Senator from New Hampshire [Mr. BROWN], the Senator from West Virginia [Mr. HOLT], the Senator from Louisiana [Mrs. LONG], and the Senator from Nevada [Mr. MCCARRAN] are unavoidably detained from the Senate.

Mr. DIETERICH. I announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is unavoidably absent.

Mr. BYRD. I announce that my colleague the senior Senator from Virginia [Mr. GLASS] is absent because of illness in his family.

Mr. AUSTIN. I announce that the Senator from Minnesota [Mr. SHIPSTEAD] is necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

SOIL CONSERVATION AND THE SOUTHERN GREAT PLAINS WIND-EROSION AREA

Mr. COSTIGAN. Mr. President, on February 27, during the discussion of the conference report approved that day by the Senate on the so-called farm relief bill (S. 3780), otherwise known as the Soil Conservation and Domestic Allotment Act, the attention of the Senator from South Carolina [Mr. SMITH], who was in charge of the bill, was drawn by the Senator from New Mexico [Mr. HATCH] to section 4 of the bill, carrying a $2,000,000 appropriation for "allocation and payment to the States in the southern Great Plains area." During subsequent discussion, as shown by the CONGRESSIONAL RECORD of February 27, no definite boundaries to that area were clearly specified.

The Senator from New Mexico and others, including myself, representing in part, as we respectively do, substantial sections of the southern Great Plains area, were closely associated with the Senator from Arizona [Mr. HAYDEN] in the legislative stages in the Senate of the Soil Erosion Act of 1935. We are, therefore, specially desirous that the CONGRESSIONAL RECORD show more particularly the boundaries of that area in any discussion of it or in any statutory reference to it in connection with the appropriation.

While the debate on the conference report was in progress in the Senate on February 27, I informally requested the Soil Erosion Service to provide a more definite description of the region in which the expenditures provided for in section 4 are to be used. The information arrived too late to be included in the discussion before the Senate approved the conference report. It has since been received.

Dr. H. H. Bennett, Chief of the Soil Erosion Service, has in his office various maps showing the boundaries of the various regional divisions of the Soil Erosion Service of the United States. The southern Great Plains wind-erosion area is customarily referred to on the maps of that service as "division 6", and embraces well outlined parts of Colorado, Kansas, Oklahoma, Texas, and New Mexico. There is, therefore, no ambiguity in the Soil Erosion Service in the statutory reference to the region in which the appropriated funds are to be expended. The Chief of the Soil Erosion Service in a letter, under date of February 28, 1936, specifies the portions of the States to which I have just referred that are embraced within the southern Great Plains region.

I ask unanimous consent that this letter of Dr. Bennett, Chief of the Soil Conservation Service, may be incorporated in the CONGRESSIONAL RECORD as a part of my remarks.

The VICE PRESIDENT. Without objection, the letter will be printed in the RECORD.

The letter is as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
SOIL CONSERVATION SERVICE,
February 28, 1936.

Hon. EDWARD P. COSTIGAN,
United States Senate.

DEAR SENATOR COSTIGAN: The southern Great Plains region, as the term has been used in connection with the wind-erosion problem, comprises:

1. Eight counties in southwestern Kansas, as follows: Stanton, Grant, Haskell, Morton, Stevens, Seward, Gray, and Meade.

2. Four counties in southeastern Colorado, namely, Prowers, Baca, Bent, and Las Animas (the eastern two-thirds of the county).

3. The strip of eastern New Mexico covering the smooth plains country and comprising six counties—Union, Harding, Quay, Curry, Roosevelt, and Lea; and parts of Chaves, San Miguel, Mora, De Baca, Colfax.

4. The three panhandle counties of western Oklahoma—Cimarron, Texas, and Beaver.

5. Forty-three counties in northwestern Texas, as follows: Dallam, Sherman, Hansford, Ochiltree, Lipscomb, Hartley, Moore, Hutchinson, Roberts, Hemphill, Oldham, Potter, Carson, Gray, Wheeler, Deaf Smith, Randall, Armstrong, Donley, Collingsworth, Parmer, Castro, Swisher, Briscoe, Hall, Childress, Bailey, Lamb, Hale, Floyd, Motley, Cottle, Cochran, Hockley, Lubbock, Crosby, Yoakum, Terry, Lynn, Gaines, Dawson, Andrews, and Winkler.

Very truly yours,

H. H. BENNETT, *Chief.*

PRESIDENT ROOSEVELT'S FARM STATEMENT

Mr. COSTIGAN. Mr. President, on March 1 President Roosevelt signed the Soil Conservation and Domestic Allotment Act, one section of which I have just been discussing. When affixing his signature, President Roosevelt comprehensively reviewed the significance of the measure. I also ask that, at the conclusion of my remarks, the President's statement, as reported in the New York Times of March 2, may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the New York Times of Mar. 2, 1936]

ROOSEVELT FARM STATEMENT

In signing the Soil Conservation and Domestic Allotment Act, I feel that I am approving a measure which helps to safeguard vital public interests, not only for today, but for generations to come.

This legislation represents an attempt to develop, out of the far-reaching and partly emergency efforts under the Agricultural Adjustment Act, a long-time program for American agriculture.

The new law has three major objectives which are inseparable and of necessity linked with the national welfare.

The first of these aims is conservation of the soil itself through wise and proper land use.

The second purpose is the reestablishment and maintenance of farm income at fair levels so that the great gains made by agriculture in the past 3 years can be preserved and national recovery can continue.

The third major objective is the protection of consumers by assuring adequate supplies of food and fiber now and in the future.

WASTAGE COST CALLED HIGHER

The Federal Government, with an annual expenditure far less than the actual yearly wastage of fertility by erosion in the past, will make grants of money to farmers, conditioned upon actual evidence of good land use.

Thus, in carrying out the soil conservation plan, there will be provided a positive incentive to and protection for those who voluntarily shift from soil-depleting surplus crops, such as cotton, corn, wheat, and tobacco, into erosion-preventing and soil-building crops, such as grasses and legumes, of which there is no surplus. This will help to bring about and maintain a healthy supply and demand situation for farm commodities, and will have a beneficial effect on farm prices and farm income.

There will be no contracts with farmers. The program does not control individual production or individual farm commodities.

The absence of production control may make impracticable the attainment of exact parity prices, as defined in the Agricultural Adjustment Act. Nevertheless, I am confident that the farmers, cooperating with the Government, will work hard within existing legal limitations to achieve the new law's goal, which is parity, not of farm prices, but of farm income.

They and we have not abandoned and will not abandon the principle of equality for agriculture.

CITES OCTOBER STATEMENT

In general, the new farm act follows the outlines of a long-time policy for agriculture which I recommended in my statement of October 25, 1935.

The wise use of land, which it seeks to encourage, involves sound farm practice and crop rotation as well as soil conservation. The income insurance feature afforded by the conditional payments will help farmers to maintain these beneficial systems of farming without interruption in poor crop years. Long-time adjustments, as I said last October, can be adapted to natural soil advantages of regions and localities.

Sound farming is of direct interest not only to farmers but to consumers. To the extent that the new plan succeeds in its aim of preserving and improving farm lands, consumers will share substantially in the benefits.

In years of surplus consumers may lightly take for granted the continuance of adequate supplies of food and fiber; but the recurring dust storms and rivers yellow with silt are a warning that nature's resources will not indefinitely withstand exploitation or negligence. The only permanent protection which can be given consumers must come from conservation practiced by farmers.

For a long time I have felt that there was need for concerted action to promote good land use. Years ago, as Governor of the State of New York, I took such steps as I could in that direction, and I described them in detail in a speech at French Lick, Ind., June 2, 1931, on the subject Acres Fit and Unfit.

QUOTATIONS FROM 1931 SPEECH

I said that, having reached a determination as to the best use of land, "we arrived at once at the larger problem of getting men, women, and children—in other words, population—to go along with a program and carry it out." I said that "government itself must take steps, with approval of the governed, to see that plans become realities."

As I made that speech I was thinking in terms of my State, of other States, and of the Nation. Now, this new act incorporates a system of Federal aid to function when State cooperation with the Federal Government can be arranged.

The provision for State-Federal cooperation, beginning not later than January 1, 1938, will mark a further application of the principle of shared responsibility. This is in accord with the strong feature of the agricultural adjustment programs which operated in a democratic manner through cooperation with the State and land grant colleges, State committees, county associations and county committees, township committees, and individual farmers.

The history of every nation is eventually written in the way in which it cares for its soil.

The United States, as evidenced by the progressive public opinion and vigorous demand which resulted in the enactment of this law, is now emerging from its youthful stage of heedless exploitation and is beginning to realize the supreme importance of treating the soil well.

I do not regard this farm act as a panacea or as a final plan. Rather I consider it a new basis to build and improve upon, as experience discloses its points of weakness and of strength.

Aiming at justice for agriculture and self-interest for the Nation, the plan seeks to salvage and conserve the greatest values in human life, and resources with which this Nation is endowed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a petition from N. E. Hansen, professor of horticulture and forestry, Brookings, S. Dak., praying for the reinstatement of the shelterbelt project in pending legislation as a permanent national policy to restore trees in the western Plains region, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by Admiral Robert E. Coonts Post, No. 239, Veterans of Foreign Wars of the United States, Bremerton, Wash., favoring the enactment of the bill (S. 3534) to amend the Emergency Relief Appropriation Act of 1935, with reference to the employment of labor, which was referred to the Committee on Appropriations.

He also presented resolutions of the executive committee of the Bar Association of New Orleans, La., and the board of governors of the State Bar Association of California, favoring the enactment of the joint resolution (H. J. Res. 237) for the establishment of a trust fund to be known as the Oliver Wendell Holmes Memorial Fund, which were referred to the Committee on the Library.

He also laid before the Senate a memorial of sundry members of West Clarksville Grange, Cuba, N. Y., remonstrating against the enactment of the bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, which was ordered to lie on the table.

He also laid before the Senate a letter in the nature of a memorial from M. F. Calistro, of Honolulu, Hawaii, remonstrating, on behalf of island-born Americans of the Territory of Hawaii, in the matter of alleged discrimination in the employment of persons in Government positions in the Territory, which was referred to the Committee on Territories and Insular Affairs.

NEUTRALITY OF THE UNITED STATES

Mr. BARBOUR. Mr. President, I ask consent to have printed in full in the CONGRESSIONAL RECORD a resolution adopted by the House of Assembly of the State of New Jersey on February 3, 1936, memorializing the Congress to adopt measures insuring strict neutrality in foreign wars.

The resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

Resolution memorializing the Congress of the United States to adopt measures insuring strict neutrality by the Federal Government in foreign wars

Whereas there are pending before the present session of Congress bills to enact legislation involving neutrality; and

Whereas various nations are endeavoring to influence the United States to establish sanctions and embargoes in the present European conflict; and

Whereas the United States is now at peace with all nations: Therefore be it

Resolved by the General Assembly of the State of New Jersey:

1. That the Congress of the United States, now in session, be memorialized and requested to, as speedily as possible, adopt and pass measures and to take such other action as may be necessary, fit, and proper to insure as far as possible under the Federal law absolute neutrality on the part of the Federal Government in the present European conflict, meaning thereby entire abstinence from any participation, expressed or implied, with any belligerents, remaining the common friend of all, favoring none to the detriment of the other; and be it further

Resolved, That in the enactment of such measures, care be taken to exclude any legislation which might tend to interfere or restrict trade with the warring nations, and that any embargoes, if and when declared, shall be strictly limited to arms, ammunition, and implements of war only; and be it further

Resolved, That copies of this resolution be signed by the speaker and clerk of the house of assembly and copies of this resolution be transmitted to the Vice President of the United States, to the Speaker of the House of Representatives, to every member of the Foreign Relations Committee of the United States Senate, and to each Senator and Representative in the Congress of the United States from the State of New Jersey.

2. This resolution shall take effect immediately.

RATIFICATION OF PROPOSED CHILD-LABOR AMENDMENT

Mr. WAGNER presented a statement relative to the organization of a Catholic committee for ratification of the proposed child-labor amendment to the Constitution, which was ordered to lie on the table and to be printed in the RECORD, as follows:

ORGANIZATION OF CATHOLIC COMMITTEE FOR RATIFICATION OF CHILD-LABOR AMENDMENT

The organization of a Catholic committee for ratification of the Federal child-labor amendment, headed by Frank P. Walsh, prominent New York lawyer and chairman of the Power Authority of the State of New York, was announced today. The committee, which includes in its membership priests, lawyers, educators, industrialists, labor representatives, and civic leaders, will seek to organize Catholic sentiment for the child-labor amendment in those States which have not yet ratified.

"This is a crucial time for the Federal child-labor amendment", said Mr. Walsh in making public the announcement of the organization. "Twenty-four States have already ratified but 12 more must do so before the amendment is incorporated in the Constitution. These ratifications will not be secured without a struggle, for a widespread campaign of misrepresentation has been launched. I have been especially distressed by the opposition on the part of many Catholics, some of whom are persons of great prominence and influence—an opposition which, in my opinion, has been influential in blocking the ratification of the amendment in certain of the State legislatures.

"Our committee is convinced there is nothing in this amendment which Catholics need fear, but that selfish interests, seeking to maintain the right of industry to exploit children, are persistently spreading the idea that the amendment is poorly drawn in an effort to enroll among its opponents individuals and groups who ordinarily would strongly support protective legislation for the children of the country.

"A study of the history of the amendment and its drafting leaves no doubt in our minds as to the sincerity of its proponents or the reasons for the specific phraseology. The belief expressed by some of our faith that use of the word 'labor' opens the door to Federal control of education is without legal basis. This belief is predicated on a dictionary definition of labor as 'physical or mental toil', widely quoted by the opponents with the implication that mental toil would include work children do in the classroom. I do not believe there is any justification whatever for this interpretation of the word 'labor', which, as used in labor statutes, has frequently been construed by the courts. Speaking on this point a few years ago the late Senator Walsh, of Montana, said: 'Authority as well as reason impels to the conclusion that the fears entertained in some quarters that the Federal Government would in somewise under the amendment control education are without foundation.' After citing several cases in which the courts had construed the term 'labor', Mr. Walsh continued: 'In none of the legal definitions of the word has it been given such a scope as to embrace the field of education. The suggestion that the amendment means national control of education, it is not unreasonable to surmise, originated with one who knows better, to excite the fears of some undiscriminating minds overwrought by the so-called Oregon law and the proposal to create a Federal Department of Education. I venture the assertion that the amendment affords no ground for even serious argument that it has such scope or that any self-respecting lawyer will ever stand before a court to contend that it does, assuming that the Congress should ever conclude that it was by the amendment vested with any such authority.'

"It is because I am so firmly convinced that the amendment is a legitimate and necessary measure for the elimination of child labor from this country, and am equally certain that the opposition is largely self-interested when traced to its origin that I deplore a general impression to the effect that even a minority of the men and women of our faith are opposed to it. I have, therefore, accepted the chairmanship of the Catholic Committee for Ratification of the Child Labor Amendment."

Mr. WALSH has had a long career of public service. He was appointed by President Wilson Chairman of the Federal Commission on Industrial Relations in 1913; was joint Chairman with the late ex-President Taft of the War Labor Board in 1918; was appointed in 1929 by Governor Roosevelt a member of the New York Commission on Revision of Public Utilities Laws, and since 1931 has been chairman of the Power Authority of the State of New York. He is a member of the American Bar Association and of the State bar associations of New York and Missouri.

Mr. WALSH's committee is still in the process of organization. Prominent Catholics who have already accepted membership include:

Rev. R. A. McGowan, assistant director, department of social action, National Catholic Welfare Conference, Washington, D. C.

Rev. John M. Cooper, educator and anthropologist, Washington, D. C.

Rev. J. W. R. Maguire, dean, department of sociology, St. Viator College, Bourbonnais, Ill.

Rev. Francis V. Corcoran, C. M., New Orleans, La.

Rev. James G. McGowan, director of social-service work, Kansas City diocese, Kansas City, Mo.

Carlton J. H. Hayes, professor of history, Columbia University, New York City.

Shirley W. Wynee, M. D., former commissioner of health, New York City.

James J. Hoey, collector of internal revenue, New York City.

James T. Ivory, mayor, Binghamton, N. Y.

Judge Ewing C. Bland, Kansas City Court of Appeals, Kansas City, Mo.

George Meany, president, New York State Federation of Labor, New York City.

John J. Mahoney, professor of education, Boston University, Boston, Mass.

Parker Thomas Moon, professor of international relations, Columbia University; editor, Political Science Quarterly; New York City.

David A. McCabe, professor of economics, Princeton University, Princeton, N. J.

Judge James J. Barrett, presiding judge of the Court of Claims, Syracuse, N. Y.

Judge Eugene C. Bonniwell, judge of the municipal court, Philadelphia, Pa.

Judge Tom H. Luby, judge of the Juvenile Court, Huron, S. Dak.

Rose J. McHugh, assistant commissioner, Department of Social Welfare, State of New York.

John Fitzpatrick, president, Chicago Federation of Labor, Chicago, Ill.

Judge John F. Carew, Supreme Court of New York, New York City.

Grover Whalen, merchant; director, John Wanamaker; former police commissioner of New York City.

Dr. Thomas E. Purcell, dean, School of Dentistry, St. Louis University, St. Louis, Mo.

Joseph M. Tone, State labor commissioner of Connecticut, Hartford, Conn.

Edwin J. Shannahan, lawyer, Kansas City, Mo.

Cornelius C. Moore, lawyer, Newport, R. I.

James P. Boyle, lawyer, Schenectady, N. Y.

John E. McGarry, president, Central Trades and Labor Assembly, Syracuse, N. Y.

Edward K. Kennedy, lawyer, New York City.

John Scully, lawyer, Rochester, N. Y.

Jerome G. Kerwin, associate professor of political science, University of Chicago, Chicago, Ill.

J. E. Hagerty, department of sociology, Ohio State University, Columbus, Ohio.

Mrs. Betty A. Hawley, secretary, Advisory Board of Industrial Education, New York City.

John J. Egan, secretary, Connecticut State Federation of Labor, Bridgeport, Conn.

Mrs. Fred J. Sisson, chairman, Peace Action Group, Catholic Women's Club of Utica, Whitesboro, N. Y.

John Sullivan, commissioner of the New York State Liquor Authority; vice president of the New York State Federation of Labor.

Vincent J. Ferris, president, Allied Printing Trades Council, State of New York, New York City.

William J. Mallin, State director, New York State Association of Lions Clubs, Larchmont, N. Y.
Mrs. Sara C. Johnson, chairman of committee on government in operation, Larchmont League of Women Voters, Larchmont, N. Y.
C. Sydney Shane, lawyer, Salamanca, N. Y.
Mrs. Rose M. Ohaus, commissioner, social service division, welfare department, Kansas City Mo.
Raphael A. Carretta, supervisor of Westchester County, Mount Vernon, N. Y.
John J. Doyle, city councilman, Buffalo, N. Y.
John M. O'Hanlon, secretary-treasurer, New York State Federation of Labor, Albany, N. Y.
Dr. Harriet Lloyd Doane, physician, Pulaski, N. Y.
John J. Shine, businessman, Mount Vernon, N. Y.
Edward W. Connor, city auditor, Kansas City, Mo.
Mrs. Mary V. Murphy, treasurer, Central Labor Union, Boston and vicinity, Boston, Mass.
Mrs. H. F. Chadeayne, St. Louis, Mo.
Mrs. C. L. Hodge, Cherrydale, Va.
Mrs. George H. Kennedy, Buffalo, N. Y.
Wolfango E. Cribari, lawyer, Mount Vernon, N. Y.
Mrs. John F. O'Reilly, civic chairman, Woman's Club, Mamaroneck, N. Y.
Mrs. P. T. McGerr, Lincoln, Nebr.
Miss Helen E. Whalen, president, St. Lawrence County Branch, American Association of University Women, Ogdensburg, N. Y.
Robert J. Watt, secretary, Massachusetts Federation of Labor, Boston, Mass.
Francis P. Fenton, New England organizer, American Federation of Labor, Boston, Mass.
Anthony H. Seitz, merchant, Mount Vernon, N. Y.
Paul J. Morrin, general president, International Association of Bridge, Structural, and Ornamental Iron Workers, St. Louis, Mo.
Eugene J. Orsenigo, manufacturer, New York City.
William H. Dooley, principal, Straubenmuller Textile High School, New York City.
Thomas F. Mahony, Longmont, Colo.
Frank E. O'Callaghan, Jr., businessman, American Radiator Co., New York City.
C. F. Conroy, vice president, New York State Federation of Labor, Buffalo, N. Y.
Thomas H. Dowd, attorney, Salamanca, N. Y.
Morton Downey, actor, New York City.
Edward Keating, editor of Labor; former Representative from Colorado, Washington, D. C.
Jane M. Hoey, director of the Public Assistance Bureau of the Social Security Board, Washington, D. C.
Joseph P. Ryan, president, International Longshoremen's Association, and President of Central Trades and Labor Council, New York City.
Edward N. Nockles, president and general manager, Radio Station WCFL, Chicago, Ill.
Harry Slattery, lawyer; special assistant to the Secretary of the Interior, Washington, D. C.
Louis B. Ward, lawyer, Detroit, Mich.
Patrick H. O'Brien, attorney general of Michigan, Lansing, Mich.
John A. Lapp, former professor of sociology and head of department of social science, Marquette University, Chicago, Ill.

REPORT OF THE BANKING AND CURRENCY COMMITTEE

Mr. BYRNES, from the Committee on Banking and Currency, to which was referred the joint resolution (S. J. Res. 209) authorizing the presentation of silver medals to the personnel of the Second Byrd Antarctic Expedition, reported it without amendment.

COINAGE OF 50-CENT PIECES IN COMMEMORATION OF FOUNDING OF COLUMBIA, S. C.

Mr. BYRNES. From the Committee on Banking and Currency, I report back favorably, with amendments, the bill (H. R. 8886) to authorize the coinage of 50-cent pieces in commemoration of the sesquicentennial anniversary of the founding of the city of Columbia, S. C., and I ask unanimous consent for its present consideration.

There being no objection, the Senate, by unanimous consent, proceeded to consider the bill.

The amendments of the Committee on Banking and Currency were, on page 1, line 4, before the name "Columbia", to strike out "city of" and insert "capital of South Carolina at"; on page 2, line 3, after the words "of the", to strike out "city of" and insert "capital of South Carolina at"; and on the same page, line 11, before the name "Columbia", to strike out "city of" and insert "capital of South Carolina at", so as to make the bill read:

Be it enacted, etc., That, in commemoration of the one hundred and fiftieth anniversary of the founding of the capital of South Carolina at Columbia, S. C., there shall be coined by the Director of the Mint 25,000 silver 50-cent pieces, such coins to be of standard size, weight, and fineness of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the model for master dies or other preparations for this coinage.

SEC. 2. Coins commemorating the founding of the capital of South Carolina at Columbia, S. C., shall be issued at par, and only upon the request of a committee of not less than three persons duly authorized by the mayor of the city of Columbia, S. C.

SEC. 3. Such coins may be disposed of at par or at a premium by the committee, duly authorized in section 2, and all proceeds shall be used in furtherance of the commemoration of the founding of the capital of South Carolina at Columbia, S. C.

SEC. 4. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material, and for the transportation, distribution, and redemption of the coins; for the prevention of debasement or counterfeiting; for the security of the coin; or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein directed.

SEC. 5. The coins authorized herein shall be issued in such numbers, and at such times as they may be requested by the committee, duly authorized by said mayor of Columbia, S. C., only upon payment to the United States of the face value of such coins.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act to authorize the coinage of 50-cent pieces in commemoration of the sesquicentennial anniversary of the founding of the capital of South Carolina at Columbia, S. C."

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McADOO:

A bill (S. 4141) to provide for Federal conservation of the pilchard (Sardenia caerulea) fishery on the high seas contiguous to the Pacific coast of the United States outside of State jurisdiction, providing means of enforcement of the same, and for other purposes; to the Committee on Commerce.

By Mr. POPE:

A bill (S. 4142) for the relief of owners of property damaged by high waters in the Blackfoot Reservoir; to the Committee on Irrigation and Reclamation.

By Mr. NORBECK:

A bill (S. 4143) granting an increase of pension to Red Owl (with accompanying papers);

A bill (S. 4144) granting an increase of pension to Mary C. Booth;

A bill (S. 4145) granting an increase of pension to Lovina Kenyon;

A bill (S. 4146) granting an increase of pension to Anna Olson;

A bill (S. 4147) granting an increase of pension to Louisa J. Rubendall;

A bill (S. 4148) granting a pension to Harriet V. Carson;

A bill (S. 4149) granting a pension to Margaret E. Lackey; and

A bill (S. 4150) granting a pension to Emily S. Marlett; to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

A bill (S. 4151) for the relief of Tom Kelly; to the Committee on Claims.

A bill (S. 4152) validating certain conveyances by Kickapoo Indians of Oklahoma made prior to February 17, 1933, providing for actions in partition in certain cases; to the Committee on Indian Affairs.

By Mr. BONE:

A bill (S. 4153) to provide hospitalization for certain employees in the Bureau of Navigation and Steamboat Inspection of the Department of Commerce and for licensed local pilots of the United States; to the Committee on Commerce.

By Mr. McKELLAR:

A bill (S. 4154) for the relief of Robert B. Barker (with accompanying papers); to the Committee on Claims.

By Mr. CONNALLY:

A bill (S. 4155) conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw In-

dians of the State of Mississippi; to the Committee on Indian Affairs.

(By request:) A bill (S. 4156) to aid the veteran organizations of the District of Columbia in their joint Memorial Day services at Arlington National Cemetery and other cemeteries on and preceding May 30; to the Committee on Military Affairs.

By Mr. CAPPER:

A bill (S. 4157) to extend the time for reducing the rate of interest on loans by Federal land banks; to the Committee on Banking and Currency.

By Mr. CLARK:

A bill (S. 4158) granting a pension to James L. Barker; to the Committee on Pensions.

By Mr. McADOO:

A joint resolution (S. J. Res. 222) to create a commission to enter into negotiations with respect to the settlement of certain debts of foreign governments to the United States, and for other purposes; to the Committee on Finance.

By Mr. SMITH:

A joint resolution (S. J. Res. 223) relating to the employment of the personnel of the Agricultural Adjustment Administration in carrying out certain governmental activities; to the Committee on Agriculture and Forestry.

NAVIGATION AND STEAMBOAT INSPECTION—AMENDMENTS

Mr. BONE submitted amendments intended to be proposed by him to the bill (H. R. 8599) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board and increase efficiency in administration of the steamboat inspection laws, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT OF ANTITRUST LAW—AMENDMENT

Mr. TYDINGS submitted an amendment intended to be proposed by him to the bill (S. 3822) to amend the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890, which was referred to the Committee on the Judiciary and ordered to be printed.

REDUCTION OF INTEREST RATES ON FARM LOANS

Mr. CAPPER. Mr. President, one reason why agriculture suffered so severely during the depression and remains seriously handicapped is because its credit needs never have been adequately financed at a reasonable rate of interest.

The farmer always has had to pay materially more than industry for the use of money. Often his interest charges were double those on commercial loans which had no better security behind them. Sometimes he had to pay three times the going rate for money.

This resulted, first, in making it very difficult for farmers to finance both investments in land and the cost of operation of the land after they got it. It handicapped the man who wanted to own a farm. It obstructed him in operation of the land to its fullest capacity.

Secondly, the exaction of excessive interest rates, when combined with high land taxes, made it more difficult for the average farmer to reduce or pay off his loan and get out of debt.

Thirdly, the inadequate and costly facilities for obtaining credit increased the farmer's cost of production very materially, and handicapped him in meeting competition domestically against importations and in the world markets.

But while the prices of agricultural products were good and a world-wide demand for them existed, the farmers of this country managed to get by, even with the burden of high cost of credit.

Then came the depression. Prices of all farm products fell rapidly and drastically. Every decline in the price of corn, wheat, cotton, or any other product automatically increased the difficulty of meeting interest payments. Interest and principal payments were a fixed charge. They remained constant while the farmer's income dwindled. He could not liquidate his loans with bushels of wheat or pounds of cotton. He had to pay in dollars; and although he produced as much as before, he could not get sufficient dollars to meet his obligations.

Thus the crisis resulted. Our agricultural industry was threatened. The welfare of 30,000,000 farm folks was menaced.

It is true there has been improvement. The Farm Credit Administration has refinanced hundreds of millions of dollars of farm-mortgage debt. It has lowered interest rates materially in many cases. It has enabled farmers to consolidate their debts and given them the privilege of repayment over a long period of years. The work done is highly commendable. Farmers today have better credit facilities than ever before and can borrow money at lower interest rates.

But the job has not been completed. The debt remains heavy despite the forced liquidation that has occurred. In combination with still heavy taxes, and the threat of additions to those taxes, mortgage indebtedness constitutes an unusually serious problem of the farming industry.

Mr. President, one of the greatest services that could be rendered to the Nation and to the farmers and consumers of their products would be the passage of a bill by Congress that would place the farm-mortgage debt on a basis which would enable farmers to carry it without forced liquidation and to retire it in orderly fashion. We are spending hundreds of millions of dollars annually in an attempt to order production so that farmers may obtain reasonable returns for their crops, yet we persist in leaving them burdened with interest rates that are higher, on the average, than the percentage of income they are able to earn on investment in land.

The lowest interest rates paid by farmers are on loans with the Federal land banks. Most of such loans carry interest rates of 4 or 5 percent; and if they include land-bank commissioner loans, the rate on that portion usually is about 1 percent higher. But let us say that the average rate on all land-bank loans is 4 or 4½ percent. On loans from other sources the rate is from 1 to 3 percent higher than that average. Probably it is higher, but to be conservative we will say the average interest rate on all farm-mortgage debt is 5½ percent. More likely it is 6 percent.

Now let us see the rate of return on investments in farms. The University of Illinois made a study of 135 farms in four of the best counties of that State—Henry, Knox, Peoria, and Stark Counties. The investigation covered the years 1930, 1931, and 1932. The average return on investment for 135 farms was only 0.16 percent. The average return on investment for the 27 most profitable farms in these four excellent counties was 2.08 percent. The average return on investment on the 27 farms with the most loss was minus 2.25 percent.

The 27 most profitable farms earned on investment less than half the average interest rate on farm-mortgage debt, 2.08 percent, as compared with 5½ percent. In other words, if the farm had been mortgaged for 50 percent of its value, the return on investment in the farm would have been inadequate to pay interest on debt representing half of that investment.

Here are estimates of average earnings on all farms in Illinois for a 10-year period, 1924 to 1933, inclusive: In 1924 the average estimated return on investment was 4.5 percent; in 1925 it was 3.3; in 1926, 2.3; in 1927, 1.8; in 1928, 2.9; in 1929, 3.7; in 1930, minus 0.4 percent; in 1931, minus 1.7; in 1932, minus 3; and in 1933, minus 1.9 percent. Since then farm prices have improved, but it is obvious they have not improved sufficiently to bring return on investment up with what farmers have to pay on borrowed money.

We are seeking a fair return for the farming industry, parity prices, or an adequate income for this large segment of our population. The Congress is anxious to find a solution for the farm problem. Both of these objects can be attained, at least in part, in my judgment, by taking action which will enable the farm-mortgage debt to be refinanced at a rate of interest more in harmony with prices received for farm products; I will go further, and say in harmony with prices we think of as parity prices.

I have today introduced a bill (S. 4157) providing for the refinancing of farm-mortgage debt at an interest rate of 3 percent. In my opinion this is a fair rate. It is in line with rates that industry and government are able to command. We have an abundant credit in this country—much of which is not now being utilized. The farms of the United States are good security. Relieved of the burden of high interest rates, aided by the maintenance of reasonable prices for farm products, protected against increases in land taxes, and given the benefit of a more intelligent and fair tax program, as they should be, farms are as good an investment as there is. The moral risk behind them is excellent.

Mr. President, there is a growing demand from farmers, bankers, merchants, and others well acquainted with the farm situation for the setting up of facilities whereby the farm-mortgage debt may be refinanced at an interest rate of 3 percent or less. I have received many letters from earnest citizens, many of them not farmers, urging this course as one of the most effective steps in putting the agricultural industry back on its feet. Such action will save thousands of farms from forced liquidation, enable the good folks operating them to overcome their difficulties, pay their debts, and win through to prosperity. They are willing to work hard and long to solve their difficulties. All they need is the chance. Such legislation as I recommend will insure them this chance.

Refunding of the farm debt at 3-percent interest with loans spread out over a period of years, as proposed in the Frazier-Lemke bill, would yield immediate relief to agriculture and would do as much as any other one thing to place it on a sound and stable basis.

A solvent agriculture able to earn a reasonable income guaranteeing an American standard of living is of vital concern to this Nation. It cannot achieve prosperity without it. It can become highly prosperous with it.

I ask unanimous consent to have printed in the RECORD letters received from the Marshall County National Farm Loan Association, the Chase County National Farm Loan Association, the Neosho County National Farm Loan Association, all of the State of Kansas; a resolution adopted by the Morris County National Farm Loan Association, of Council Grove, Kans.; a resolution adopted by the Chase County National Farm Loan Association; a resolution adopted by the farm bureau members of Ness County; a letter from M. W. Peterson, of Johnson, Kans.; and a letter from F. L. Bigelow, president of the Farmers and Merchants State Bank, of Leonardville, Kans., all relating to the subject which I have just been discussing.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

MARSHALL COUNTY NATIONAL FARM LOAN ASSOCIATION,
Marysville, Kans., January 16, 1936.

Hon. ARTHUR CAPPER,
United States Senate, Washington, D. C.

DEAR SIR: I have been instructed to write you enclosing copy of a resolution passed at the annual stockholders meeting of the Marshall County National Farm Loan Association and to urge you to support any such legislation that might come before the Congress. Resolution is as follows:

"*Resolved*, That the Marshall County National Farm Loan Association, representing 242 members, go on record as being in favor of a reduced rate of interest, based on the Frazier-Lemke bill, or some similar bill providing for 1½-percent interest rate and 1½-percent payment on principal, this to apply on all Federal loans, whether Federal land-bank loans or land-bank commissioner loans."

It was voted at this meeting that you be urged to support a measure of this kind providing for a lower rate of interest than we have at present and a much lower rate of payment on principal. At the present time all commissioner loans are based on a 10-percent payment yearly on the principal and a 3-percent payment on Federal land-bank loans. This, together with interest rate of 5 percent on commissioner loans and 4 percent on Federal land-bank loans, makes the payments entirely too high for the average farmer to pay except in unusually good years.

A temporary reduction, of course, would be of some benefit, but what the American farmer now needs is some permanent relief, and we trust that you will do everything in your power to bring about such legislation.

Thanking you for your consideration of this matter, I am

Yours very truly,

WM. M. GRIFFEE,
Secretary-Treasurer, Marshall County N. F. L. A.

THE CHASE COUNTY NATIONAL FARM LOAN ASSOCIATION,
Cottonwood Falls, Kans., January 25, 1936.

To the National Farm Loan Associations of the State of Kansas:

GENTLEMEN: Our attention has been called to the action of the stockholders of the Cowley County National Farm Loan Association in their meeting which was held on January 20, 1936, asking that interest rates on all Federal land bank and land-bank commissioner loans be reduced to 3 percent.

We believe this to be an opportune time for concerted action in our State to bring about a permanent lower rate of interest. A resolution will be presented at the annual meeting of the Chase County National Farm Loan Association which will be held on February 10, 1936, asking that the interest rate on Federal land-bank loans and land-bank commissioner loans, to be made in the future, be written at a permanent contract rate of 3 percent. Also that all outstanding loans be rewritten at the permanent rate of 3 percent.

Under the present regulations by the Farm Credit Act of 1935 all Federal land-bank loans are bearing interest at the rate of 3½ percent from July 1, 1935, to July 1, 1936. These land-bank loans, regardless of their contract rates will call for 4-percent interest following July 1, 1936, to July 1, 1938. No reduction has been made in the interest rate on the land-bank commissioner loans.

Since the range of contract rates varies from 6 to 4 percent on loans now in force there will be a big discrepancy in charges after July 1, 1938, when these loans will revert back to their original contract rates.

We believe the interest rate should be equal for all loans and that it is possible and logical to make a permanent rate of 3 percent. We are confident that our stockholders will adopt such a resolution and authorize the presentation of copies of the same to the Members of Congress from this State; Gov. W. I. Myers, of the Farm Credit Administration in Washington, D. C.; and the officers of the Federal land bank at Wichita. We further believe that concerted action by the stockholders at their various annual meetings throughout the State will be the most effective way of presenting this matter. If the annual meeting has already been held, such a resolution by the directors of the association would be desirable. Please give this your consideration.

Respectfully yours,

S. H. BAKER,
President,
CARL PARK,
Secretary-Treasurer.

NEOSHO COUNTY NATIONAL FARM LOAN ASSOCIATION,
Erie, Kans., February 3, 1936.

Hon. ARTHUR CAPPER,
United States Senator, Washington, D. C.

DEAR SIR: At the annual meeting of the St. Paul and Neosho County National Farm Loan Associations there was a resolution presented and unanimously adopted asking that the interest rates on all Federal land bank and land-bank commissioner loans be reduced to 3 percent; also that all new loans be written at a permanent rate of 3 percent.

Under the present regulations of the Farm Credit Act of 1935 all Federal land-bank loans are bearing interest at the rate of 3½ percent from July 1, 1935, to July 1, 1936. These land-bank loans, regardless of their contract rates, will call for 4-percent interest following July 1, 1936, to July 1, 1938. No reduction has been made in the interest rate on the commissioner loans. Since the range of contract varies from 6 percent to 4 percent on loans now in force, there will be a big discrepancy in charges after July 1, 1938, when these loans revert back to their original contract rates.

We believe the interest rate should be equal for all loans and that it is possible and logical to make a permanent rate of 3 percent. We earnestly request that you, as our representative, do all that is possible to bring about this reduction in interest rates.

Respectfully yours,

LEWIS HATCLIFF,
Secretary-Treasurer, Neosho County and St. Paul National Farm Loan Associations.

Resolution adopted by the Morris County National Farm Loan Association of Council Grove, Kans., No. 138, at its annual stockholders' meeting, held at Council Grove, Kans., on February 14, 1936.

Whereas the farmers of this country are entitled to a national credit and monetary system which will first provide credit to agriculture at the lowest possible rate consistent with sound financing policies, and, second, will provide an honest and stable currency to safeguard them against extreme fluctuations in monetary values; and

Whereas this association recognizes the right of the American farmer to receive for his products prices which will give him average purchasing power equal to the purchasing power which he had from 1909 to 1914; and

Whereas this association recognizes the right of the American farmer to be given machinery by which he can adjust supply of and demand for farm products by legal means with something like the same effectiveness with which American industry adjusts supply of and demand for its products: Now, therefore, be it

Resolved, first, that this association highly commends the untiring efforts of these national leaders, particularly those Congressmen, Senators, administration officials, and national farm organization officers who have labored for these fundamental principles.

Second, that this association urges the immediate enaction of legislation approved by the leading farm organizations to make these principles permanently effective throughout the United States.

Third, that a certified copy of this resolution be prepared by the secretary-treasurer of this association and sent to each of the following: Senator ARTHUR CAPPER, Senator GEORGE MCGILL, Congressman RANDOLPH CARPENTER.

Whereas the stockholders of the Chase County National Farm Loan Association, in annual meeting assembled on the 10th day of February 1936, believe a permanent lower rate of interest on Federal land-bank and land-bank commissioner loans is logical and practical and that the present contract rates are high as compared to loans made to industrial concerns and political units, do hereby pass the following resolution: Now, therefore be it

Resolved, 1. That we petition the President of the United States, the Members of Congress, the Agricultural Committee in Congress, the authorities of the Federal land bank of Wichita, and Gov. W. I. Myers, of the Farm Credit Administration, at Washington, D. C., to reduce the interest rate on future Federal land-bank and land-bank commissioner loans to 3 percent per annum and that the Federal land-bank and land-bank commissioner loans now outstanding be rewritten at a rate of 3 percent per annum.

2. That since a large number of land-bank commissioner loans now in force in conjunction with the Federal land-bank loans are 13-year loans and will be paid off after 1938 at the rate of 10 percent of the original principal amount per year, it will work a hardship for borrowers to retire the loan on such a basis. We therefore petition that future land-bank commissioner loans, where they have been made as second loans following Federal land-bank loans, be rewritten to run the same length of time as the Federal land-bank loans.

3. That a copy of this resolution be sent to the President of the United States, Members of Congress from Kansas, the Agricultural Committee in Congress, Gov. W. I. Myers, of the Farm Credit Administration, in Washington, D. C., and the authorities of the Federal land bank at Wichita.

COOPERATIVE EXTENSION WORK IN AGRICULTURE
AND HOME ECONOMICS, STATE OF KANSAS,
Ness City, Kans., January 20, 1936.

Mr. ARTHUR CAPPER,
Senator from Kansas, United States Senate,
Washington, D. C.

DEAR SENATOR CAPPER: We, the Farm Bureau members of Ness County in session at our annual meeting January 17, 1936, resolve that our Congressmen and farm leaders should use their influence to promote and support a measure whereby adjustment payments can be made where compliance has been met on all adjustment contracts now in force, including the wheat applications covering the year 1936.

Also we urge that a new agricultural adjustment program be formulated which will be adequate and permanent.

PERCY L. COOK,
Secretary-Treasurer, Ness County Farm Bureau.

JOHNSON, KANS., *January 20, 1936.*

Hon. ARTHUR CAPPER,
United States Senate, Washington, D. C.

DEAR MR. CAPPER: I have hesitated to add to your already overburdened correspondence staff since the deplorable decision of the Supreme Court in regard to the A. A. A., but I feel that unless a great many who feel, as I do, that the A. A. A. was the only thing that has ever really been a real help to the general farming industry; I feel that you know everything that I could tell you, but you would really have to have lived right in this "dust bowl" to even get the slightest idea of what the A. A. A. has meant to the farmers out here. We had a very light crop in 1930, and then in 1931 we got a bumper crop, and a fair crop in 1932, but you know that the price was so low that both crops ran the farmer in debt, for all our machinery, repairs, labor, and everything in connection with the two crops was based on dollar wheat. Then in 1933 and 1934 and 1935 we had almost complete failures; and there would have been no such thing as 90 percent of the farmers staying on the job in a great vast territory out here had it not been for the A. A. A.

I feel that you will do it anyway, but I want to add my name to the list of farmers that have and will write you asking that you use everything at your command to get some farm program in force that will pay the last payment of the 1935, also the 1936, contract and application agreement, as well as to go on with a similar program for the future.

I also want to ask you to do all you possibly can to prevent the payment of the processing taxes that have been paid, and also that have been impounded by order of the Federal court, and all that should have been paid prior to the adverse decision of the Supreme Court, from being paid to any of the millers, bakers, packers, factories, or anyone that will claim them, unless it be to the actual consumer; he is the real taxpayer and the only one in any way entitled to it, and I do not see how it could ever be properly and equitably distributed to them. Everyone in the United States that has bought a sack of flour, a loaf of bread, pork, clothing, or anything that has been affected by the processing tax knows that the consumer not only paid the extra cost of the processing tax but that the mills, bakers, packers, factories, wholesalers, and, in fact, everyone except the actual consumer, added more than the regular processing tax amounted to on each item, no matter how many hands it passed through before the consumer finally got it. If there is anything that an individual can do that would assist you in any way in doing any of these things, please command me. I am,

Very truly yours,

M. W. PETERSON.

THE FARMERS & MERCHANTS STATE BANK,
Leonardville, Kans., January 22, 1936.

Hon. ARTHUR CAPPER,
United States Senate, Washington, D. C.

DEAR SIR: Enclosed please find a clipping which we cut out of the Topeka Daily Capital of January 22, 1936.

In the same paper we notice that most everyone in Washington has a different plan to help the farmer, and most of them are advocating that the acreage-reduction payments for 1936 be paid, and most of them are also attempting to figure out some legislation that will, by a few changes in wording, change the law so as to enable them to go ahead with the A. A. A.

It would seem to a layman that the Supreme Court fully covered all points involved in this case, and that any new legislation attempting to cover the same laws would only be another experiment and seriously delay actual recovery.

Getting at this problem from a business standpoint, the first part is to find the cause; and I fully believe that most people know that the cause was that the average farmer was not able to meet interest and tax payments or overhead expenses; most farmers can make a living and pay reasonable amounts for interest and taxes.

The budget law in Kansas has helped reduce the tax question, and if the interest rate could be reduced to 3 percent I firmly believe that the farm question would be solved, and in a business way, without any need for an army of Government employees to enforce it, as is the case in the A. A. A., and there is no reason why the Federal Farm Mortgage Corporation cannot reduce the interest rate to the 3-percent rate.

We believe that if the farmer can be financed at a reasonable rate of interest, and that State taxes be held at their present level, that one or two good crops would put the farmer back on his feet and would in the end result in the best plan that could be adopted at this time.

We realize that we are not helping the cause of a bank by suggesting cheap interest rates, yet we do believe that it is now necessary that there must be some plan adopted that will take care of the present trouble, and are willing to see this plan tried out first, and hope that when the farm trouble has been cured that we can all get back to a reasonable business basis.

Yours truly,

F. L. BIGELOW,
President, Farmers & Merchants State Bank.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

SUPREME COURT AND THE T. V. A.—ADDRESS BY SENATOR MINTON

Mr. VAN NUYS. Mr. President, Monday night, February 24, my colleague the junior Senator from Indiana [Mr. MINTON] delivered a very interesting and able radio address on the Supreme Court and the T. V. A. I ask unanimous consent to have the address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I wish to discuss with you this evening the recent decision of the Supreme Court sustaining the constitutionality of the act of Congress creating the Tennessee Valley Authority, commonly called the T. V. A.

In 1916 the Congress authorized the construction of a dam on the Tennessee River at Muscle Shoals, Ala., which was completed in 1927, and is known as the Wilson Dam. The purpose of this construction was twofold: First, to establish a plant for the production of nitrates and other materials used in the manufacture of munitions of war; second, to improve the navigation of the Tennessee River, a navigable stream, which has its headwaters in West Virginia and North Carolina, and flows across several States, draining an area of some 40,000 square miles. At the dam were built hydroelectric units for the generation of electricity, by allowing the water from its fall over the dam to pass over turbines which generated the electricity. The electricity so generated was used to operate the nitrate plants and other governmental machinery at the dam. However, the volume of electricity generated was in excess of the needs of the Government and a large surplus was available for sale to the public. As units for the production of nitrates and materials for the manufacture of munitions, the plants at Muscle Shoals were not commercially successful and in peacetime their operation is not attempted.

With a large investment in Wilson Dam and the production of materials to be used in the manufacture of munitions of war and for other commercial purposes not being feasible at the time, Congress turned to the improvement of the navigability of the river and the construction of other dams to be used in conjunction with the Wilson Dam to produce a 9-foot stage of water from

Knoxville, Tenn., to Paducah, Ky., a distance of some 658 miles. The authorization for this 9-foot stage was by an act of Congress under the Hoover administration in 1930. To carry out this objective of Congress, the T. V. A. was created as a corporate body by an act of Congress, May 18, 1933, pursuant to a recommendation of President Roosevelt, but Mr. Hoover, and Mr. Coolidge before him, had vetoed such legislation. Now, in the construction of this series of dams to effectuate navigation, large bodies of water are impounded, and as the water falls to the lower level tremendous power is created by the simple fall of the water, and the power inherent in the fall is developed whether we want it or not, and such power has been used by mankind throughout the ages to do his work. So, as the water goes over the dams this potential power, ever present, may be utilized or wasted. To utilize it, the water in all its force is directed over turbines, which generate electricity and thus the power is converted into a special property, namely, electric current, which may be transmitted many miles away for consumption. Rather than permit this great power to go to waste, the Congress authorized the T. V. A. to conserve it by converting it into electric current, and then to sell the surplus current in the market in the surrounding territory. The development of these projects is going forward now by T. V. A.

Wilson Dam being complete and capable of producing a surplus of electric current, T. V. A., in accordance with the authority vested in it by Congress, sought an outlet for this surplus current generated at Wilson Dam. The Alabama Power Co. is a private corporation, engaged in the generation, transmission, distribution, and sale of electricity in the territory near the Wilson Dam. On January 4, 1934, the T. V. A. entered into a contract with the Alabama Power Co. for the purchase by the T. V. A. from the power company of certain transmission lines and substations and other property, for a million dollars; for the purchase of certain real estate to be used in building the proposed Wheeler Dam; for an interchange of energy and sale by T. V. A. to the power company of surplus power generated and available at Wilson Dam, and for the mutual restrictions as to areas to be served in the sale of this power. All of the common stock of the Alabama Power Co. is owned by a holding company, but the power company has outstanding some preferred stock. Some of the preferred-stock holders, professing to believe the contract to be invalid and beyond the constitutional authority of the T. V. A., and that it would work out injuriously to them, protested to the directors of the power company, but without success. And upon refusal of the holding company to call a meeting of the stockholders, a group of preferred-stock holders carried their grievance into a Federal district court in equity to enjoin an enforcement of the contract. At least that is what the record shows, but one who has practiced law for a while knows that things are not always what they seem on the record. The district court enjoined the contract, and on appeal to the circuit court of appeals, the circuit court overruled the district court and upheld the authority of the T. V. A. and the Alabama Power Co. to make the contract. Thereupon the stockholders, on a writ of certiorari, had the case reviewed by the Supreme Court of the United States, which handed down three separate opinions a week ago today.

In football parlance, a triple-threat player is one who can run, pass, or kick; and when he is back for the ball, it is called a triple-threat play, because he may run, pass, or kick.

This opinion of the Supreme Court is a sort of triple-threat opinion. You may run with the Chief Justice, pass with Mr. Justice Brandeis, or kick with Mr. Justice McReynolds. Mr. Justice Brandeis, supported by Justices Stone, Cardozo, and Roberts, while agreeing that the act was constitutional, and for the reasons given by Chief Justice Hughes, nevertheless were of the opinion that the case could be disposed of on other grounds than the constitutional grounds involved. They were of the opinion that the stockholders had no standing to bring the suit, and therefore, on well-known rules laid down by the Court, if a case can be disposed of on grounds other than constitutional grounds, it is the Court's duty to do so. These four Justices proposed not to decide the constitutional question, because in their opinion the stockholders had no standing in Court, and that would dispose of the case. Mr. Justice McReynolds was of the opinion that the stockholders had a standing in Court, and to that extent he agreed with the Chief Justice and his three associates, but he disagreed entirely with Mr. Justice Brandeis and his three associates, and he disagreed with the Chief Justice on the constitutional law involved in the case. I think his judicial philosophy and the key to his dissent are found in this one sentence: "Nor do I find serious difficulty with the notion that the United States, by proper means and for legitimate ends, may dispose of water power or electricity honestly developed in connection with permissible improvement of navigable streams." He finds fault with the honesty of Congress' purpose. This is hardly the function of a judge.

So you see these constitutional questions are just as simple as that, and the minds of the Justices go unerringly to the mark, albeit not the same mark! So, with eight Justices agreeing as to the constitutionality of the T. V. A., although four of them thought they ought not to say so, the judgment of the circuit court of appeals was affirmed, and the Chief Justice delivered an opinion upholding the right of the stockholders to sue but denying them relief on the ground that the action of the T. V. A. was authorized by law and the law under which it acted was constitutional.

In delivering his opinion the Chief Justice confined it to the validity of the contract of January 4, 1934, which involved the sale of the transmission lines that ran only from the Wilson Dam and power there generated, and he stated in the opinion: "The questions that are properly before us relate to the constitutional authority for the construction of the Wilson Dam and for the disposition, as provided in the contract, of the electric energy there generated."

With this limitation of the issue, the Chief Justice takes up first the constitutional authority for the construction of the Wilson Dam. The authority for the construction of the Wilson Dam is found in the war powers of the Congress and the power to regulate interstate and foreign commerce, both of which are powers admitted to be granted in the Constitution to the Federal Government. The Chief Justice points out in these words the two constitutional powers under which Congress acted in building Wilson Dam: "We take judicial notice of the international situation at the time the act of 1916 was passed, and it cannot be successfully disputed that the Wilson Dam and its auxiliary plants, including the hydroelectric-power plant, are and were intended to be adapted to the purposes of national defense."

"The act of 1916 also had in view 'improvements to navigation.' Commerce includes navigation. 'All America understands and has uniformly understood', said Chief Justice Marshall in Gibbons against Ogden, 'the word commerce to comprehend navigation.' The power to regulate interstate commerce embraces the power to keep the navigable rivers of the United States free from obstructions to navigation and to remove such obstacles when they exist" * * *. "The Tennessee River is a navigable stream, although there are obstructions at various points because of shoals, reefs, and rapids. The improvement of navigation on this river has been a matter of national concern for over a century." * * * "When in its present condition the Tennessee River is not adequately improved for commercial navigation and traffic is small, we are not at liberty to conclude either that the river is not susceptible of development as an important waterway or that Congress has not undertaken that development or that construction of the Wilson Dam was not an appropriate means to accomplish a legitimate end. The Wilson Dam and its power plant must be taken to have been constructed in the exercise of the constitutional functions of the Federal Government." The Court having determined the constitutional right to build the dam, next considered the right to dispose of the electric energy generated at the dam. The Court said: "The Government acquired full title to the dam site, with all riparian rights. The power of the falling water was an inevitable incident of the construction of the dam. That water power came into the exclusive control of the Federal Government. The mechanical energy was convertible into electric energy, and the water power, the right to convert it into electric energy, and the electric energy this produced constitute property belonging to the United States."

Having determined that the electric energy was the property of the United States, the Chief Justice pointed out a provision of the Constitution which gave authority to Congress to dispose of the property of the United States and observed: "That the water power and the electric energy generated at the dam are susceptible of disposition as property belonging to the United States is well established."

But, said the stockholders, "even though it is Government property, the Congress has authority to dispose of this energy only to the extent that it is a surplus, necessarily created in making munitions of war, or operating the works for navigation purposes, and the balance must go to waste." And these are the gentlemen that shed crocodile tears over the slaughter of little pigs!

The Chief Justice was not much impressed with the argument, and after saying: "We find nothing in the Constitution which imposes such a limitation" he proceeded to reduce the argument to an absurdity by his own pointed argument in answer and the citation of ample authority. Finally, the stockholders, as a last resort, argued that even though the Government may sell its surplus, it can only do it at the dam, knowing, of course, that their corporation, the Alabama Power Co., was the only customer capable of taking the power at this point. To this the Chief Justice replied: "We know of no constitutional ground upon which the Federal Government can be denied the right to seek a wider market." And he sustained the power of the Government to acquire the transmission lines for the transmission of the electric current to the market.

In short, the opinion holds that under the war powers and commerce clause of the Constitution Congress may build these great dams in the navigable streams of the country. That the water power thus created may be converted into electricity, instead of permitting it to go to waste, and when the electricity is generated it is the property of the United States. That any surplus energy thus generated may be sold by the Government and in order to enable the Government to market the surplus the Government may acquire the transmission facilities for the purpose of conveying the surplus to the market. This is ample authority to sustain all the power projects under construction at this time, although there are other constitutional powers that might be called on in aid of the powers mentioned by the Court in the T. V. A. opinion.

The average citizen asks, "How does this affect me?" First, it will help bring down the cost of electricity to the consumer. The average cost of the kilowatt-hour of electricity outside the T. V. A. area is 5.1 cents per kilowatt-hour, while it is only 3.1 cents in the T. V. A. area. Second, flood waters will be controlled and the devastating effect thereof lessened and the soil conserved. Third, transportation costs will be lowered and with lower transportation and cheaper power the whole economic life of the people in that vast area will be benefited. Not only this area will be benefited, but under the exercise of this admitted power Congress

may develop the potential water power of the Nation, make electricity a useful commodity in every household, because available on terms and conditions that will promote its extensive and universal use. Thus will be saved from exploitation by private parties a great national resource that belongs to all the people.

We have heard it said that the Government's activity, through T. V. A., is hurting the privately owned utilities. Let us see. The Tennessee Electric, Georgia Power, and Alabama Power are the three chief companies operating in this territory. All of these companies had substantially larger earnings in 1935 than 1934. The Tennessee Electric Co., forced by T. V. A. to reduce rates, recovered the entire amount of the reduction in 5 months. Since then its revenues have been larger than before reduction, and this company, in the worst year, namely, 1934, won the Edison Institute award for "one of the most, if not the most, remarkable sales increases in residential, commercial, and industrial power in the history of the electrical industry."

Georgia Power, the largest utility in the T. V. A. area, now ranks first among all companies east of the Rocky Mountains in kilowatt-hour sales per customer, and its yearly average per customer is 60 percent ahead of the national average.

As further evidence that T. V. A. has not hurt the privately owned utilities in its area, the sale of facilities for the use of electricity gives eloquent and impressive evidence. In the first year after rate reductions, caused by T. V. A., Georgia Power Co. increased its sales of refrigerators 176 percent; electric ranges, 576 percent; and water heaters, 1,472 percent. Tennessee Electric Co. increased refrigerator sales 329 percent; ranges, 374 percent; and water heaters, 774 percent. This was not temporary, for the increase in sales was even greater after a second rate reduction. It is the old story of lower costs inducing increased use, which justifies mass production at lower costs. Thus we see that private enterprise has not been injured, and the public has benefited greatly.

The critics of this administration have been charging T. V. A. to be socialistic and communistic and subversive of the purposes of our Government. The Liberty League, through its president, on last July 1, over the radio said: "If any experiment could be more radically socialistic or more wholly contrary to the whole basic conceptions of our Government than the T. V. A., I am at a loss to imagine it."

But the Supreme Court says T. V. A. is in keeping with and authorized by the Constitution. So, in conclusion, let me assure you that if you have been reading Liberty League propaganda and have been looking in the closet and under the bed every night, expecting to find a Socialist or Communist with a red flag in one hand and a cheese knife in the other to be lurking there, you may now rest your weary head upon your pillow in peace, for the Supreme Court assures you the T. V. A. is constitutional and American. You need no longer fear, nor believe in, the communistic and socialistic bugaboo of the Liberty League. I will tell you what you may believe in. When I tell you that James M. Beck and Newton D. Baker are reputed to have received $50,000 from the utilities for their opinion that T. V. A. was unconstitutional, you may believe in Santa Claus.

WASHINGTON'S FOREIGN POLICY—ADDRESS BY SENATOR BORAH

Mr. STEIWER. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the senior Senator from Idaho [Mr. BORAH] over the Columbia Broadcasting System on Saturday, February 22, of this year.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, there is an atmosphere of vindication surrounding the two hundred and fourth anniversary of the Father of his Country. There is something more in this anniversary than a formal tribute to a great man, it is more like a nation, sorely perplexed, drawing near to an "old and affectionate friend." Confused by the moral convulsions of the World War, and the devastating economic crisis which followed, we have been disposed to disregard, or give little heed to, his counsels and have talked among ourselves about a changed world and about obsolete policies and outgrown institutions. But there is, as we are beginning to realize, hardly an important event in his administration but throws light upon our present problems and how to meet them, and scarcely a line or precept found in his Farewell Address but comes back to us with a kind of "alienated majesty." His fame seems even surer, his title to greatness even stronger, while his counsels seem as relevant and vital as the day he put aside his public duties and sought retirement and rest on the noble acres which have since become a national shrine.

It is remarkable, when measured either by the problems of government or of human conduct, the short distance we as a people have traveled since Washington turned his face toward his beloved Mount Vernon. Our problems are about the same and we will likely find after some futile experiments that, if we deal wisely with our problems, the treatment will be about the same. Each generation is prone to accentuate the newness and the seriousness of problems near at hand. This is probably a virtue rather than a vice. But there is almost a monotonous sameness in issues from generation to generation and almost a monotonous tendency to disregard the wisdom of experience. National credit, a sound and sufficient currency, economy of government, constitutional integrity, neutrality, our policy toward foreign powers, and, last, the experiment of popular government—can it succeed? These were the questions which engaged the attention of Washington and his compeers and they are the questions which press for attention still. While it is true, therefore, that a government which is without means of change is without means of preservation, it is also true that the traditions and experience of a people constitute the safest guide and the highest wisdom as to when and how and to what extent changes should be made. It will do no harm, therefore, and it may be helpful to spend a brief half hour with Washington and his associates.

I will be pardoned, I trust, if I place first and foremost in this discussion tonight Washington's foreign policy. I do so, first, because it was the strong conviction of Washington, Jefferson, Hamilton, Madison, and all of their compeers that this policy was the keystone to the arch of popular government, that without such a policy popular government might, and likely would, ultimately fail. Upon many questions the builders entertained diverse views. But upon this question of our foreign policy they were undivided, and upon this question they were all zealots. Upon many questions Washington sought counsel and advice, and was sometimes troubled to arrive at a conclusion. But upon this question his opinion was firm and unwavering from the beginning and his vision clear and constant. It was his opinion, and the opinion of all his advisers, and never in all those arduous years under the shadow of doubt that aloofness from the political affairs and controversies of the Old World was as much a part in our adventure in free government, as necessary to our independence and to the success of our scheme of orderly liberty, as the Federal Constitution itself.

Secondly, I give it first place in our considerations tonight because it is the foreign policy of Washington which has been, and continues to be, the subject of assault by influences both at home and abroad. As to the latter, it seems proper at this time to comment. As to those at home who would break down Washington's policy, the American people can and will ultimately make proper disposal of their position. But with an arrogance seldom, if ever, equaled in international affairs, with ulterior motives but illy conceived, foreign influences have sought for years to break down and discredit a policy which Washington, in his last message to the people, beseeched his countrymen never to surrender or betray. In all conceivable ways and with tireless energy, through the press, by means of lectures, magazine articles, and well-organized propaganda of the most insidious nature, the campaign against a great national policy has been, and is being, carried on in our own country through influences from abroad. "Against the insidious wiles of foreign influences (I conjure you to believe, my fellow citizens) the jealousy of a free people ought to be constantly awake; since history and experience prove that foreign influence is one of the most powerful foes of a republican government." In these words he warned us. With singular and almost fatal complacency we have witnessed the very things he so earnestly and plainly advised us would come to pass.

In considering Washington's foreign policy, we will not fail to note that its moving inspiration was his pride in, and love for, the very name "American." This feeling is revealed early in his Farewell Address. "The name 'American'", he says, "which belongs to you in your national capacity, must always exalt the just pride of patriotism." He had fought a long war and made great sacrifices that this name might be a respected name among all nations. He desired to live in peace with all nations. He coveted the friendship of all peoples. But he would have spurned as both futile and dishonorable a proposition to purchase either friendship or peace through compromising either the rights of American citizens or the honor of the American name. The term "American" in his lofty conception, meant peace, meant friendship, but it also meant honor. And it was under this banner that America came in the succeeding century to be both respected and feared by every nation on the globe. It was his belief that a foreign policy which scrupulously respects the rights of other nations but as scrupulously protects its own, both upon land and sea, is the best guaranty of a nation's security and the best guaranty of peace.

Finally, I give precedence to Washington's foreign policy tonight because the question of whether we shall preserve and successfully maintain it or whether we shall become a part of the political life of Europe was never more acute than at this time. Our long-established and cherished policy is being challenged under a new and far more attractive guise. It is now urged that this policy stands in the way of world peace and of our doing our part in the cause of humanity. It cannot be denied that the American people are deeply interested in the cause of peace and would reflect seriously over maintaining a policy which embarrasses the cause of peace. It cannot be denied that we are interested as a people, as we have always been, in the advancement of human justice and human happiness, not only among our own, but among all peoples. When it is said, therefore, that a great national policy impedes or embarrasses the cause of peace and weighs against the betterment of world conditions, such a charge constitutes an attack that cannot be ignored.

The policy established by the great leader whose name we honor, it is claimed, no longer harmonizes with the grand scheme to bring peace to all nations. Like our Constitution and our free institutions, in the minds of some, this policy, too, has become antiquated and out-of-date.

It was Washington's belief that the greatest service we could render to the cause of peace or to human happiness was to demonstrate the success of popular government, to establish under the auspices of liberty the rule of the people, thereby "recommending it to the applause, the affection, and adoption of every nation which is yet a stranger to it." It was his further belief that any

policy which militated against the success of such an enterprise was to be rejected, regardless of what its merit otherwise might be.

Let us look into current events that we may test the morality and the wisdom of our policy of neutrality in the light of these events—let us see whether in the light of these events it can be seriously charged that we are serving the cause of war rather than that of peace. In considering current events we do not mention the names of nations either to criticize or to defend their course, and we do not examine their policies to offer suggestions to them or to criticize them, but simply to determine their effect upon our own Nation. We have a right, it seems to me, to inquire, when we are charged with pursuing a selfish and unmoral course, to look beneath the charges and see whether it is devotion to world peace or the advancement of purely national interests which inspires the charge. There are a few people in this country, and, of course, many other countries, who are fond of instituting comparisons between the policies of other countries and our own, all with the purpose of disparaging the policy of the United States. We need not shrink from such comparisons. The fact that the only nations since the World War which have invaded the territory of other nations are those under a special covenant not to do so justifies us in dealing with facts, rather than with professions. In determining the justice and wisdom of our own course, the safety and security of our own people, the wisdom and morality of our own foreign policy, we must be governed by what nations do, and not by what they profess to be willing to do. "There can be no greater error than to expect, or calculate, upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard." What are the facts? What is it we are asked to do that we may be counted among those who love peace?

When the war between Italy and Ethiopia broke forth, the people of the United States instantly and with great national accord, evidenced a desire to remain neutral, to remain free of the controversy, to take sides with neither of the belligerents. The lessons of the World War had cut deep into the hearts and minds of the American people. They seemed to feel strongly that nothing could be gained either for the cause of peace or for the cause of humanity, or to our own advantage by our joining or taking part in another European conflict. Public opinion was insistent that the Government in no way imperil the peace of the United States or involve us in this controversy. In response to this demand, the Government set about to carry out the will of the people. While neutrality has its problems and also its risks and responsibilities, nevertheless, as the people understood it, it meant that we should neither directly nor indirectly take sides as between the belligerent forces. The principle was at least clear to the public.

But adroitly the campaign against neutrality was inaugurated It was inaugurated by those who insisted that we should take an active part in crushing one of the belligerents. We were told with a tone of condescension that neutrality was a thing of the past; that to be neutral was in fact to be for war; that to be neutral was immoral. A statement was put out from Geneva to the effect that a World War was probable and that by reason of our adhering to a policy of neutrality, the moral responsibility for such event must rest upon the United States. The logic of the contention being that we must cease to be neutral and become a party to another European war, another war to end war. We were advised that an aggressor had been found and adjudged guilty, and that all nations interested in peace or in justice to small nations must join in the program of punishment. It is hardly necessary to say that if a tribunal of which we are not a member can, for reasons either wise or unwise, just or unjust, denounce a nation as an aggressor and then call upon the United States in the name of peace and humanity to assist in punishing the aggressor, once we yield to the demand, we shall have forfeited the last vestige of control over our foreign policy and will necessarily became a party to every controversy or war in Europe. The whole thing is but another method of drawing the United States into every controversy that can arise in Europe. This program was openly or covertly supported by all who favored our joining the League.

When Japan invaded Manchuria our able Secretary of State, sincere in the cause which he espoused, appealed to the nations dominant in the League for cooperation in the interest of treaty and territorial integrity. Great Britain, through her accredited spokesman, declared with some degree of bluntness, that Great Britain would remain neutral. It thus appears that neutrality was not a thing of the past. It was a living policy invoked in what was believed to be the best interests of the British Nation. And Great Britain having declared that it was to her interests to remain neutral, under what rule of international sanity or of national responsibility would the United States be justified in insisting that the will, or judgment, of the American people should be substituted for the will, or judgment, of the people of Great Britain? Japan was a member of the League and the World Court. It is also true that Great Britain was a member of the League and the World Court. Thus both nations, in disregard of the terms of the Covenant, sought a higher and more controlling covenant, and that was what was deemed national interests. It was not in the interest of Japan, as she viewed it, to follow the terms of the Covenant. It was not in the interest of Great Britain to invoke the terms of the Covenant against Japan. The whole proposition was decided precisely upon the principles which would be controlling if no League of Nations existed. It was determined not in the interest of world peace but in the interests of the nations concerned.

It has been the established policy of Great Britain through the centuries to move the British Navy to that point on the globe where disturbance seemed to menace British interests. Without that policy Great Britain would not be Great Britain, and that vast Empire would break in pieces overnight. It has also been her policy, when her interests were not affected, to remain neutral. For myself, I do not criticize her policy. It is Great Britain's policy, determined and sustained by the people of Great Britain. I would not send special writers, or lecturers, or beloved dignitaries of the church over to Great Britain to tell her that she should change her policy; that by remaining neutral while Japan was in Manchuria she was standing in the way of world peace and betraying the cause of humanity; that if war ensued, the responsibility must rest with Great Britain.

Now, the scene changes because national interests change. Italy, no doubt somewhat advised but apparently not sufficiently advised by the Manchurian incident, invaded Ethiopia. Here British interests were directly affected. The British Navy moves to the scene of danger. There is no longer neutrality, because it is not to the interests of the British Empire to have neutrality. There is an aggressor in this instance because the interests of Great Britain are vitally affected. Again, I say, that Great Britain had a right to, and, whether she had the right to or not, she did act in accordance with what she believed to be her national interests. Neutral in one instance; unneutral in another! Both for the same reason—national interests.

To state the matter more specifically, nothing the United States could have said or done apparently would have had the slightest effect upon the neutrality policy of Great Britain in the Manchurian affair. Neither the integrity of China nor world peace, or both combined, weighed one iota in the scale against what she declared to be her interest—shall I say, selfish interest?—or rather the welfare of the people of Great Britain as the people of Great Britain saw it. Furthermore, the impression was left with Japan, which still strongly obtains, that the United States was not so much interested in treaty integrity as she was in thwarting the ambition of Japan while Great Britain was her friend. Our first effort to sustain the principle upon which the League is supposed to rest, the integrity of treaties, run athwart the neutrality policy of the power without whose navy the League exists only in name, and if the United States and Japan should have a serious controversy—which I do not anticipate—is there a person credulous enough to believe that we would not have a further exhibition of the morality of neutrality?

On the other hand, when conditions arose closer home which seemed to threaten the interests of Great Britian, she moved with her usual celerity and courage, and, clothing her strategy in the habiliments of humanity and peace, demanded that the world, including the United States, should move with her.

Now, do not misunderstand me. I am conceding her right to be neutral in the Manchurian affair and unneutral in the Ethiopian affair. But I deny her right or the right of any group of nations to brand the United States as favoring war or as pursuing a course selfish or immoral in adopting a policy of neutrality as against the Italian and Ethiopian controversy or any other controversy in Europe.

When the people of the United States determined to remain neutral in the Italian-Ethiopian war, and when they determine, as they will, to remain neutral in all European controversies, they will be acting in harmony with what they believe to be our national interests—that which determined the policy of Great Britain in Manchuria and Ethiopia and which has determined her policy through the centuries. In staying out of this controversy and in remaining neutral we were consulting exactly the same interests from our viewpoint that Great Britain was consulting when she determined to take part in the controversy—that is, national interests.

In the light of this record, and in the light of the movement of all nations, the charge that the United States, in adopting a policy of neutrality, is standing in the way of world peace or occupies the position of an immoral and selfish nation is the most transparent piece of propaganda that has afflicted this country since the World War.

And let us bear in mind that, while as to some things which tend to interfere with our policy of neutrality, the Nation may deal with them through legislation or through administration. But against the selfish forces of propaganda parading under the livery of all-wise or humanitarian garbs only the vigilance and poise of the people can protect us. Just what part propaganda had in drawing us into the World War we cannot with accuracy say. But we know it was very great. Propaganda is never absent in any great international emergency; indeed, in any emergency, foreign or domestic. It is a profession. It is more than a profession; it is also a racket.

Something could be said, and perhaps should be said, about the plan of rendering judgment against a nation supposed to be an aggressor. Edmund Burke declared he knew of no way by which to draw an indictment against an entire people. A way has now been found, not only to indict but to try and convict an entire people. This procedure does not concern us except insofar as it may be used as an inducement in a new guise to our mixing in the political affairs of Europe. When we see the plan applied to one nation and not to another and realize that in both instances the controlling forces were political, that national interests and national ambitions directed the course in each instance, we must readily perceive that an aggressor is not one who has broken a covenant or attacked a small nation, but one which

has transgressed the zone of interests of some other nation. The judgment of such a tribunal when thus secured is either a futility or justification for war, as we now well know. Whatever may be the machinery or whatever may be the plans of European nations to deal with each other, it is not for us to inquire as to their wisdom, or unwisdom, but it is perfectly evident that the forces which dominate are the same under whatever name they may be called into action.

While I have no purpose to discuss the subject in detail tonight, I could not subscribe to the theory that collective action against the supposed aggressor means peace. It inevitably means war unless the nation is too weak to resist, and then it means oppression. It is confusion worse confounded to talk about employing force against a sovereign state as a state employs it against a citizen or subject. When the framers of the Federal Constitution were discussing the question of employing force against a sovereign State in the execution of a judgment of the Federal court, it was Hamilton, as I remember, who declared it was madness.

The United States, in pursuing a course of neutrality, not only consults and serves the interests of her own people, but under no reasonable rule of international conduct can be regarded as doing injustice to other people. To declare that such a course is immoral is unworthy of its authors. We should be neutral. We should remain free from European controversies. We have our own problems. They are distinct from the problems abroad. A democracy must remain at home in all matters which affect the nature of her institutions. They are of a nature to call for the undivided energy and devotion of the entire Nation. We do not want the racial antipathies or national antagonisms of the Old World transplanted to this continent, as they will be should we become a part of European politics. The people of this country are overwhelmingly for a policy of neutrality. And we cannot be neutral and unneutral at the same time.

Henry Ford recently declared: "Not all the false prophets on earth can convince the American people that the American way is a bad way or that it cannot succeed. It is the real hope of all humanity even now. We are not willing to saddle America with European fallacies and failures. And it is remarkable how many of them have been offered for our acceptance." True in the realm of industry and true in the realm of government and politics. We want the American way, and we are entitled to have it unmolested. The people in the end will see that we have it.

I doubt not the time will come, and for the sake of constitutional government, the sole hope of that civilization whose cornerstone is the sovereignty and whose topstone is the liberty of the citizen, I trust it will come soon, that the American people will again stand united behind the admonitions of the man who at Valley Forge and Yorktown led the Revolutionary forces on to victory, who at Philadelphia directed the conflicting views toward a more perfect union—"built in the eclipse and rigged with curses dark"—who, finally at Washington, the Capital of the new Nation, speaking to coming generations with a wisdom more than human, said, "The great rule of conduct for us in regard to foreign nations is in extending our commercial relations to have with them as little political connection as possible."

Time does not permit any extended reference to Washington's views on the essentials of constitutional government and the nature of domestic problems. His views on these matters are no less relevant to our present situation than his foreign policy. I must content myself with a single paragraph from his farewell address, which reads as follows: "This Government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government. But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all."

"Sacredly obligatory upon all." This was spoken by one who had lived through a period when there was no Constitution. He knew what it was to live without a constitution and what it meant to live under a constitution. He had faced almost every crisis known to society. He had grappled with that hideous kind of disorder which comes from a people without hope. Economic and financial chaos, riot and rebellion, hunger, and nakedness the cry of those in distress for a king—all these things he had seen and heard, with all these things he had contended. He later witnessed the establishment of order, the reign of law, the growth of confidence, the coming of prosperity, the Republic winning the support and confidence of the people. Truly, he might say: "This Constitution, as it at any time exists, as the people made it, or make it from time to time, is sacredly obligatory upon all."

Can we with confidence say as much tonight? Has cynicism, as some seem to feel, poisoned a people's faith? I do not think so. If a constitution made by the people for the protection and preservation of their own freedom is not sacred, there is nothing sacred in government. If liberty, the right to worship according to the dictates of one's conscience, to think, to speak, and to publish, to live under established law, to be free from the torture of arbitrary power—if these things are sacred, and they are—then the Constitution which guarantees them is sacred. The basis of our political system is the right of the people to make and to alter their constitution of government. "But the Constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all." In these words are found about all there is to constitutional government. Boiled down it is this: The unquestionable right of the people to make and alter their charter of freedom and the sacred obligation of public officials from the highest to the lowest, and the people themselves to observe it, that is constitutional government. Let those who are dissatisfied with the Constitution in any respect carry their problems to the sole tribunal which has power to declare a change—the people—and then let all who believe in constitutional government abide by the decree.

I bid you all good night.

THE SUPREME COURT—ADDRESS BY SENATOR VANDENBERG

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered on Monday, March 2, 1936, over the National Broadcasting Co. chain by the junior Senator from Michigan [Mr. VANDENBERG] on the subject A Layman Looks at the Supreme Court.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A LAYMAN LOOKS AT THE SUPREME COURT

I respond to the subject "A Layman Looks at the Supreme Court." I am not a lawyer. This is neither a boast nor an apology. It is simply a statement of fact. Lawyers usually monopolize the discussion of constitutional questions. But there are many more laymen, fortunately, than lawyers. Therefore, a layman's view may be tolerated in the present discussion which rumbles up and down the country and intermittently breaks hotly in the Congress and the White House.

The cause of these discussions is that the Supreme Court is repeatedly stopping Congress and the President in enterprises which violate the Constitution. This has happened 10 times since March 4, 1933. In anticipation of similar inevitable denunciations, Congress itself has repealed a number of its other recent laws. Promptly an age-old controversy resumes. Since the foundation of the Republic whenever Congress and the Court have thus clashed, impatient agitation has argued that the Supreme Court's authority over the constitutionality of acts of Congress ought to be abolished. Although the Court has repudiated only 62 acts out of 24,300 public laws since the beginning, each time it happens there is a cry that Congress must be released from this Court veto. In this layman's view, if any such movement ever succeeds, it will be a sad day for popular government and for the perpetuation of American liberties.

It will simplify our thinking if we realize that when an act of Congress is thus rejected it is the Constitution which is speaking. That means, in turn, that it is the people speaking. The Supreme Court in such instance is only the Constitution's voice. The judges are not passing their opinions upon the intrinsic merits of the law. Their sole responsibility is to reject the law if it violates the Constitution. The judges are human. Their judgments may err. But somewhere, somehow, sometime in our American system somebody must speak for the Constitution in this precise fashion or, manifestly, the Constitution becomes mute and impotent. Better to risk occasional error of interpretation than to risk the loss of ordered liberty. This is our choice.

It is our theory of government that the Constitution belongs exclusively to the people. They fought for it. They died for it. They wrote its guaranties. Into it they put those inalienable warrants which set American liberty apart and make it the grandest thing on earth. To make certain that the people should never be robbed of its protection, the founders provided that none but the people can ever change it. They prescribed in the Great Charter itself just how it may be amended. It thus has been amended 21 times. That makes of it a living, progressing thing. But it is impregnable to any attack save by the people themselves; and any time it loses this granite character it will be the people who have been victimized. It may be changed, but it must not be cheated.

Now, in order to protect this popular right, the founders realized they had to provide checks and balances. They had to defend the Constitution against nullification and usurpation. So they wisely—as every lesson of the years has proved—separated the executive, legislative, and judicial functions. They set up the legislature to legislate and the executive to execute; then they provided an independent judiciary to require each to respect the rights of the other, and to require both to respect the rights of the people. Thus the Supreme Court became the voice of the Constitution which, remember, is, in turn, the voice of the people. Today's recurrent question is: Shall this voice be stifled?

The founders of America knew exactly what they were doing. They knew that if Congress could decide whether its own acts are constitutional, the entire American system would be flung to transient politics. The Constitution—and its sacred guaranties—would become whatever each succeeding Congress might want to make it. It would change with the ebb and flow of each election. The rock whence we are hewn would become the shifting sand pit in which the rights of the people could sink to destruction. The founders discussed it very frankly.

Patrick Henry, who was the great liberal of his time, said in the Virginia Constitutional Convention:

"I take it as the highest encomium that the acts of the legislature, if unconstitutional, are liable to be opposed by the

judiciary. * * * The judiciary are the sole protection against a tyrannical execution of the laws."

Remember that warning! The Supreme Court protects the people against tyranny!

John Hancock, who wrote his name upon our Declaration of Independence where all time shall see and honor it, said:

"Lest the pride of office or the hand of lawless power should rob the people of their constitutional security, a proper balance is provided in the judicial department."

Hamilton and Madison, collaborating in the production of the illuminating and authentic Federalist Papers to expound the new American system, said:

"An elective despotism was not the government we fought for. * * * For this reason the Constitution required that the legislative, executive, and judiciary departments should be separate and distinct, so that no person should exercise the powers of more than one of them at the same time."

Are we such egotists in this new day that we think to escape the implications of this wisdom? Listen: "An elective despotism was not the government we fought for." No; and it is not the government which the people of the United States will embrace in 1936 or in any other year if they intend to protect themselves against the tyrannical trends toward dictatorship which are engulfing the balance of the world.

The Federalist Papers wisely said:

"Limitations only can be preserved by the courts whose duty it must be to declare all acts contrary to the Constitution void. * * * Without this, all our rights and privileges would amount to nothing."

I take it that no loyal American citizen wants his rights and privileges to amount to nothing. Here he is put on direct notice that he hazards their loss when he would poison the constitutional jurisdiction of the courts.

As laymen, let's be practical about this matter. Let's see what could happen if you eliminate the Supreme Court and permit Congress to decide the constitutionality of its own acts. It is not enough to say that these things probably wouldn't happen. That begs the question—particularly at a time when amazingly unbelievable things are happening under every flag on earth. The priceless function of our own Constitution—and its voice in the Supreme Court—is to see that no opportunity for such perversions shall exist.

You cherish your right of free speech. What guarantees it to you? The Constitution. Suppose Congress were to abridge or destroy your right of free speech. Where could you go for redress? To the Supreme Court. But suppose the Supreme Court be eliminated and Congress be permitted to decide the constitutionality of its own acts. Would not a Congress which was brazen enough to rob you of free speech be equally brazen in finding excuses to validate its tyranny?

You believe in freedom of religion. It is a cardinal American right. Where do you get it? From the Constitution. Suppose it is assailed by law—as is the case tonight in many another land. Where would you go for protection? To the Supreme Court. But suppose Congress decides for itself what is or is not constitutional. Would not a Congress which dared curb your religious freedom dare equally to validate its own act? Would not this be elective despotism?

You believe in a free press. It is the wellspring of democracy. What guarantees its freedom? The Constitution. Who speaks for the Constitution in behalf of this guaranty? The Supreme Court. Would you think it safe or wise to strike down this vigilant sentry? Time and again the Court has rescued freedom of the press from its assailants. Only last week the Court rescued it from a State legislature which would have put it in chains. No other agency could rescue it. It was the Court—or nothing. Translate that same situation into Federal legislation. Would it be prudent to let Congress decide for itself whether it has raped the freedom of the press? Would not any such assailant inevitably insist that his tyranny was orthodox and respectable? Is that not the way with tyrants?

So it is all down through the Bill of Rights—your right of petition; your protection against search and seizure; the sanctity of your home; your right of trial by jury; your right to own private property; your protection against cruel and unusual punishment; your ballot; your entire American heritage. Whether you know it or not you are relying upon the Constitution for these privileges, and you are relying upon the Supreme Court to make the Constitution vocal and effective in your behalf.

Would it be prudent to toss this protection away just because sometimes you dislike the Court's decisions? Most of the time you are so completely in tune with it, and you subconsciously rely so completely upon its vigilance, that you scarcely realize it is functioning at all. Those who dislike its conclusion on the A. A. A. suddenly discover that it is a pretty dependable tribunal when it passes on T. V. A. This phenomenon has been constant through the years. Those who are inclined most vehemently to complain at one moment usually live to see the day when, at some other moment they wholeheartedly applaud. Thus the great South, which originally was the chief critic of the Court's so-called usurpation in decisions amplifying Federal authority at the expense of State sovereignty, turned to the same Court in reconstruction days and gratefully gained protection from it against an improper exercise of this same amplified authority. Thus, too, when labor unions were shocked in 1908 when the Court found that a labor boycott violated the Sherman Act, and proclaimed it an evidence of the servility of the bench to big business, they totally forgot how equally shocked big business had been when the same Court in 1897 found that railroad pools were illegal under the same act.

So it always has been and will be. The Supreme Court honorably and conscientiously goes its unruffled way and bravely functions under its constitutional responsibility. It does not seek to please an electorate. It woos no constituency. Its only master is the Constitution, whose only master is the people. It may be popular or otherwise; it may be right or wrong; but one thing is certain, it is absolutely indispensable to the American system and to the preservation of American liberty.

Carry the inquiry a little further. Suppose Congress and the Executive concluded to perpetuate themselves; to extend their terms; to cancel elections. What is to prevent? The Constitution. How? Through the Supreme Court. Is there any other veto? No. Suppose you strike down the Court and let Congress review its own works. Suppose you make Congress and the Executive supreme. What becomes of the people's sovereignty?

It is no answer to say that such hypothesis is fantastic or that it would be too revolutionary to be stopped even by the Court. Exactly this sort of thing has happened elsewhere. The founders of the American system were near enough to these examples to know their menace. The British Parliament, unchecked by a written constitution, rendered articulate by a supreme court, on several occasions changed the period of election; in one instance continuing itself in place 4 years beyond the term for which elected by the people. Indeed, under the British system, Parliament can do no wrong. A recent book by a former British Cabinet member has said:

"Parliament could pass a law that every red-headed man should be hanged, and the courts of law would have to carry out its bidding."

Is that sort of thing, or any part of it, a desirable substitute for the American system? I repeat, it is no answer to say that no American Congress and no American Executive would so far transgress the constitutional order. An excellent test of any proposition is to assess its ultimate and extreme possibilities. No man knows what would happen if we should let down the bars—particularly at an hour when the whole world is restless with new dictatorships. We might revert to type. Once upon a time the State of Pennsylvania had a "council of censors" to inquire whether the legislature and the executive had exceeded their constitutional powers. It found many such occasions—even that "constitutional trial by jury had been violated."

Can it possibly be progressive to invite an American renaissance of these outrages upon our conception of a people's government? Can there be any logical liberalism in emasculating the people's primary defense of their own sovereignty under the American flag? This layman does not think so. He believes that all these threats to the existing independence of the Supreme Court and its right to call Congress and the Executive to account in the name of the Constitution, no matter how nobly meditated, are threats to the fundamental liberty of the people themselves.

This conclusion by no means supposes a greater patriotism in the Court than in the Congress. It only recognizes the reality that there functions are separate and different. The Court could no more be trusted both to legislate and to judge than can the Congress. It is the separation and division of these prerogatives that counts.

This conclusion by no means supposes a superiority of the judicial to the legislative power. It only supposes that the power of the people is superior to both; and that where the will of the Legislature, declared in its statutes, stands in opposition to that of the people, declared in the Constitution, the people have a right to rule. Their only reliance at such a moment is an untrammeled Supreme Court. This does not make the Supreme Court the actual ruler of America. That is a subtle, self-serving sophistry. It does not put the Court above Congress. It merely puts the Constitution above both; and that is precisely where it belongs and where it is going to stay if the Republic shall survive.

You can never make a tyrant of the Supreme Court. It lacks one single power of affirmative enslavement. It cannot take one single step toward oligarchy. But you can make any sort of monster, suited to the prevailing appetite of the ruling passion, out of a supreme Congress which is above all things and all men. Again I quote the Federalist Papers:

"To accumulate in a single body all the most important prerogatives of sovereignty is to entail upon our posterity one of the most execrable forms of government that human infatuation ever contrived."

Proposals to escape the existing jurisdiction of the Supreme Court periodically take differing forms. Sometimes it is urged that Congress be freed entirely from restraint. Sometimes it is urged that more than a majority of the Court be required to stop a congressional invasion of the Constitution; perhaps that a unanimous Court be required. These latter propositions differ only in the matter of degree. The same infirmity, from the people's viewpoint, attaches proportionately to all. For example, if a unanimous Court be demanded, one Justice out of nine could stifle the voice of the Constitution. Thus one-ninth of the Court would outweigh eight-ninths. All of these schemes would increase the presumptions in favor of Congress and relatively decrease them in favor of the Court.

This layman believes that the direction, even more than the length, of such proposed steps is subversive of the American system. The extent to which the judiciary can permanently usurp legislative power is utterly limited, because the people can amend their Constitution if, as, and when they please, and the Congress can impeach the Court if it misbehaves. Furthermore, the Court has no power to enforce its decisions save the power of a loyal and

enlightened public opinion. It commands neither the arms nor the purse of the Nation. But the extent to which the Legislature and the Executive can usurp judicial power, in the absence of these American checks and balances, is wholly without any limits whatsoever. They command every implement of tyranny. Therefore, though some may think that the former evil exists in some degree, the people will find it infinitely the lesser of two evils if they are wise in the vigilance with which they defend and preserve their birthright.

If we hamstring this function of the judiciary, we deliver ourselves to a new formula under which "special privilege" would have to control but one congressional election in order to dominate the United States and write its uncensored ultimatum into the lives of a defenseless people. Or we deliver ourselves to a formula under which a revolutionary order need but capture a single November referendum in order to bind our Nation to whatever subversion the passion of an inflamed moment might prescribe.

This layman rejects any such invitation to jeopardy. Therefore this layman looks upon the Supreme Court with deepest attachment and respect, not because it is a court, not alone because of the consistently high character of its personnel, but because it is the voice of the Constitution, which in turn is the voice of the American people themselves.

OPENING OF CALIFORNIA-PACIFIC INTERNATIONAL EXPOSITION—ADDRESS BY HON. JOSEPHUS DANIELS

Mr. McADOO. Mr. President, I ask unanimous consent to have inserted in the RECORD an address delivered by Hon. Josephus Daniels, the Ambassador of the United States to Mexico, on the opening of the California-Pacific International Exposition at San Diego, Calif., on February 12, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

If a prophet had lived in San Diego on the 27th day of January 1911, when, for the first time, there was demonstrated in your waters by Glenn H. Curtiss that an aeroplane could start from and alight on the water, he would have regarded that pioneer feat as foreshadowing the establishment at San Diego of the great Pacific naval base which has become the pride of the American Navy. As I have today seen the expansion of naval establishments, my mind goes back to the summer of 1913, when I was privileged, as Secretary of the Navy, to pay my first official visit to this coast to study the needs of the Navy on the Pacific. At that time there was no naval base south of the Golden Gate. Prior to that year, except when Theodore Roosevelt sent the fleet around the world, only small ships of the Navy or second-class battleships were seen on this coast. It had been treated as the Navy's red-headed stepchild. In the years which followed San Diego was converted into an important naval and aviation base, with the best training station for sailors and marines, a depot for fitting out ships, a model hospital, repair shops, and every other needed facility; plans were perfected which made possible a submarine base and later the assembling of the entire fleet in the harbor of Los Angeles; the Mare Island Navy Yard, previously recommended for scrapping, was enlarged and equipped so that it was able to fashion the mighty dreadnaught, U. S. S. *California*, in the State for which that leviathan was named; and the expansion of the Bremerton Navy Yard to its present high state of efficiency. These expansions completely revolutionized the national naval policy, which has hitherto been confined chiefly to the waters of the Atlantic. The steps begun in 1913 were preliminary to the creation in 1919 of the first great Pacific Fleet. It was that new organization which, under the command of Admiral Hugh Rodman, was welcomed 17 years ago to San Diego with the enthusiasm which characterizes this Navy-loving city. I recall saying on that historic occasion:

"Hitherto ships came seldom to the Pacific and then only you saw the craft of ancient vintage. A new era has dawned. This magnificent Pacific Fleet is far more powerful than all the naval ships when the fleet went around the world. I am here to tell you that when those ships weighed anchor in your harbor they did not come to pay you a visit. They brought their bed and belongings. They have come to stay. They will be permanently based on this coast."

On that initial voyage, in every seaport on the coast from San Diego to Puget Sound, the people hailed their coming as they had welcomed no event since the celebration of the arrival of the gold seekers in the late forties. Late in the summer, when President Wilson, standing on the deck of the historic *Oregon*, which, in the Spanish-American War, Admiral Clark had to sail all around the Horn to get his ship into action in Cuban waters, reviewed the powerful Pacific fleet, the people felt a new and lasting sense of pride and protection in their Navy. They rejoiced that it had—or half of it—come to its western home and had come to stay. There was some criticism on the Atlantic coast at what was called dividing America's naval strength. But it came only from those who did not understand that once in every year the two fleets were to come together in competitive simulated warfare. Instead of any weakening, the presence of a giant fleet in the East and in the West, with yearly united mobilization, added to its efficiency and strength. Whatever changes in the composition of the ships of the Navy have been made or may be made to promote the highest efficiency of the Navy, one important policy remains and will remain: Never again for long will the Pacific, any more than the Atlantic lack the security which the presence of the mighty fighting ships assures. President Taft said that the Panama Canal doubled the strength of the Navy. It makes easy transition from one coast to the other, so that the Pacific and the Atlantic are united.

Returning here today, welcomed by old and new friends who understand my love for this city and State, I would be remiss to an affection which endures if I did not pay tribute to Bill Ketner. As Congressman from your district, he envisioned, when only a naval coaling station existed here, the superior fitness of San Diego as an important naval base. Cooperating with other forward-looking citizens, he had but one aim while he represented this district in Congress at Washington. He convinced your Secretary of the Navy and your President and your Assistant Secretary of the Navy, now the great President of the United States, that the best development of the Navy on the Pacific required the development of San Diego as a center of naval activities. If you would see the monument of that patriotic Congressman and of other cooperating, progressive citizens of San Diego of that period, look about you. It exists in the magnificent structures which are devoted to men of the Navy and Marine Corps.

I am proud and happy—and so is my chief, who came here while Assistant Secretary of the Navy and again in 1935 at the opening of your exposition—to have furthered the aspiration of the men of broad vision of San Diego in 1913 and the years that followed. It is a peculiar privilege to look upon that work in which citizens of San Diego and public officials alike had a part and rejoice that the dream of those days has been translated into a strong right arm of the American Navy ashore.

It is most appropriate that the 1936 opening of this exposition should occur on the birthday of Abraham Lincoln, the most illustrious product of the West. He stands forever as America's foremost pioneer. Born in the South, he early saw the possibilities of what was then the undeveloped West. His example was followed by th[illegible] who later crossed the Mississippi and treked toward the Gold [illegible]e. He is a world figure and belongs to the ages. Wherever [illegible] look out of darkened windows the spirit of Lincoln affords inspiration. He is the symbol of emancipation. This not only in his day, but in every day in every country where slavery in any form or species shuts out or impedes the fullest liberty and equality.

This generation is apt to think of Lincoln's notable emancipation achievement as beginning and ending with striking off the shackles of the slaves in his own country. That is a conception that denies Lincoln the noblest immortality. He lives in this era and is a vital force because he saw beyond the confines of his day and envisioned with dread the coming of the time when a slavery more general than the chains of one race would cry aloud for emancipation. Lincoln stood not only for freeing the Negro, but for the emancipation of men who suffer—of every color and race—in all lands. He foresaw and warned his countrymen that the fight for human freedom and the just rights of men who labor must be continued.

Lincoln went so far as to declare in 1861 that "Labor is prior to and independent of capital. Capital is only the fruit of labor, and could not have existed if labor had not first existed. Labor is superior to capital and deserves much the higher consideration." If Lincoln were living today and should repeat that declaration he would invite denunciation as a fomenter of class conflict, as a Socialist, a Communist, a Bolshevik. We need again to hear and heed the words uttered by Lincoln, for the semifeudalism of recent years has forged chains wherever the existence of sweatshops or child labor or slums are the reproach to our civilization or wherever there is a denial of just division of the rewards of industry. "A house divided against itself cannot stand," declared Lincoln in the late fifties. "I believe that this Government cannot endure permanently half slave and half free. It will become all one or all the other." That prophecy was fulfilled when property in men and women ended in the struggle which eventuated in an indissoluble Union of indestructible States. The Republic had become all free in the written words of the statutes and the Constitution. But slavery in other forms has persisted. Today a conflict is waging and it will go on until the doctrine of "equal rights to all and special privileges to none" is translated into practice on every mart and factory and farm in America. The best celebration of Lincoln's birthday that could be devised is to recall Lincoln's words and to highly resolve that neither feudalism nor slavery in any form or degree shall permit a small class to enjoy the main fruits produced by the sweat and brains of all the people.

San Diego is ideally situated as the gateway from the United States to the Pan American countries to the south. Your exposition illustrates the story of southern California, which feels to this day the touch in its architecture, in its missions, in its international spirit, of something of the life of the early explorers from Spain. When the naval construction was enterprised here the one order from the Navy Department was that all the buildings should follow the Spanish type of architecture. One architect proposed plans of modern type such as might be suitable for Boston or Norfolk. His plans were rejected, not because they were not good but because they did not fit in with the atmosphere of southern California.

Here converge the representatives of all Pan America, the Americans and Mexicans predominating and living together as friends and neighbors. Your exposition opens at a time when the most cordial relations exist between us and our neighbors south of the Rio Grande. A little while ago Señor Carlos Saavedra Lomas, Foreign Minister of Argentina, beloved as an apostle of peace, declared that President Roosevelt's policy of the good neighbor had "gained the confidence of the 21 American Republics", saying, "Pan Americanism today is a bilateral link between the Anglo-

Saxon and Latin world." He added that "for the first time there exists a current of the community ideas between Washington and Buenos Aires" and other South American capitals, "without suspicion and without ill will." He believes "this definite entity of objectives" will "influence the economic international social tendencies of the entire world." To which all lovers of peace and understanding express the fervid wish: "So mote it be."

Upon the opening of the present session of Congress President Roosevelt contrasted the freedom from war or rumors of war in this hemisphere with the troubled skies in other lands. On the day President Roosevelt took the oath of office and consecrated himself to peace and the weal of the people, he declared, "I would dedicate this Nation to the policy of the good neighbor—the neighbor who resolutely respects himself and because he does so, respects his obligations and respects the sanctity of his agreements in and with a world of neighbors."

Nearly 3 years have passed since that declaration of policy. What has been its effect? Addressing the Congress on January 3, President Roosevelt rejoices—as all patriots must rejoice—at the character of the fruit which the good-neighbor attitude has borne since the tree was planted in good soil. Reviewing its workings, Mr. Roosevelt said that "at no time in the four and one-half centuries of modern civilization in the Americas has there existed * * * a greater spirit of mutual understanding, of common helpfulness, and of devotion to the ideals of self-government than exists today in the 21 American republics and their neighbor, the Dominion of Canada." He declared that the good-neighbor policy was no longer a hope—no longer an objective remaining to be accomplished—and with justifiable pride he proclaimed that "it is a fact, active, present, pertinent, and effective", adding the fervent expression "and they wish with all their hearts that the rest of the world might do likewise."

The California Pacific International Exposition is an object lesson of the good results of recovery in the United States and the assured perpetuation of the spirit of comradeship and unity of all Pan America. Its 1936 opening is a demonstration of the faith Californians have in the great future of their State and is a striking proof of the optimism and resourcefulness which have been the solid foundation upon which the West has expanded. If there are no fresh lands for pioneers to conquer, the spirit of adventure and conquest, which beckoned courageous men to face handicaps to open to the world the riches and beauties of this noble Commonwealth and to build here a great city, still lives. It is the hope and prophecy that here "the best is yet to be." The men and women of California are not afraid to try new ways in the transition age in which we live. While they hold fast to the old things which have proved their worth, they are ready to discard the archaic policies which in time of need failed them and brought disaster. Californians have shown that they are true conservatives resolved to remove the moldering branches so that the tree may bear ever-increasing fruits of liberalism and equality.

I count it a high privilege and pleasure, as the doors of the 1936 exposition are thrown open, to be commissioned to bring you a message of congratulation and good wishes from the Honorable Franklin D. Roosevelt, President of the United States. The President has proven his friendship in signal ways in other days. He shares with you the large dream for the success of the exposition and the continued growth and development of this peculiarly favored city and State.

As President Roosevelt pressed the button in the White House which crossed the continent and quickly flashed illumination here, he recalled the delight of former visits to San Diego, particularly when he opened your exposition last October. He will ever cherish in his heart the warmth of your reception. His speech on that occasion, delivered in a tense period, was epoch-making. In that address he gave utterance to his determination to keep this country free of war entanglements and continue the work of domestic recovery. That declaration was heard around the world. Subsequent events have shown he was the spokesman of the high resolve of the American people, who will take courage and hope from the lessons of this exposition.

TRIBUTE TO THE LATE DR. ELWOOD MEAD

Mr. PITTMAN. Mr. President, the late Dr. Elwood Mead, former Commissioner of the United States Reclamation Service, had charge of the building of Boulder Dam between Nevada and Arizona. For a great many years he was in charge of the Reclamation Service. A splendid man and a great engineer, he did fine work during his lifetime. I have a tribute to the late Dr. Mead in the form of an address delivered by Charles P. Squires at a meeting of the Las Vegas, Nev., Chamber of Commerce, February 18, 1936. I ask that the address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD as follows:

Dr. Elwood Mead lived a life of unceasing activity. Not the feverish activity of one uncertain of his path, but the calm, deliberate, well-considered activity of the man whose mind creates new empires for the benefit of his fellow men.

Born January 16, 1858, at Patriot, Ind., Dr. Mead was 78 years of age when untimely death overtook him. I say untimely, because he was still vigorous and keen in intellect, and still filled with the hope and courage which had enabled him to change the face of nature in many lands and provide comfortable and prosperous homes for untold thousands through the reclamation and irrigation projects, which his genius fathered.

His honors and distinctions were many. In 1882 Dr. Mead graduated from Purdue University with the degree, master of science. In 1883 the degree of civil engineer was conferred on him by Iowa State College; in 1894 he received the degree of doctor of engineering from Purdue University; in 1925 the University of Michigan conferred on him the degree of doctor of laws. These well-deserved honors, however, but form the setting or framework for the accomplishments of an active life, which was full of the adventure and romance of achievement.

I may only briefly recount at this time, some of the more striking services of his life. It was his brain which framed and put into operation, while State engineer of Wyoming, the irrigation laws of the State, thereby establishing the precedent upon which are based the water laws of nearly all the Western States, and of Canada, Australia, South Africa, and New Zealand.

Following his graduation from Purdue, Dr. Mead served as assistant engineer in the Army and for 5 years as professor of irrigation in Colorado Agricultural College.

His entry into the service of the United States began in 1897, when he became chief of irrigation investigations of the Department of Agriculture. During this period he attracted the attention of the University of California, which he served for 8 years as professor of irrigation.

In 1907 he was retained by Australia to build a $15,000,000 irrigation system, and there developed a new system of agriculture suited to irrigation, replacing some of the great wheat and sheep ranches with group settlements on smaller holdings. This work is said to have marked the turning point of the State of Victoria toward agricultural progress.

Australia commissioned Dr. Mead to visit Italy, Ireland, Denmark, Germany, and other nations to study their systems of irrigation. In Great Britain he promoted a plan which successfully attracted settlers to Australia. He later acted as adviser on matters of irrigation to the governments of New South Wales, Canada, Hawaii, Java, and Mexico.

In 1923, while still in Australia, Dr. Mead was appointed by President Coolidge as special advisor on reclamation. In 1924 he was advanced to the position of the Commissioner of the Bureau of Reclamation which he continued to occupy until his death. In 1927 he secured a leave of absence and made his second visit to Palestine as consulting engineer for the Zionist Organization of America, and his report forms a basis for the work of reclaiming Palestine for the Jews.

The crowning engineering work of his life was the construction of the Boulder Dam, which impounds the beautiful lake named after him. And it was Dr. Mead who first accepted and adopted the views of some of us, who are members of this Chamber of Commerce, who visualized the lake as a national playground, and he predicted that as many as 500,000 people will some day visit it every year to enjoy its magnificent vistas and to fish and bathe in its clear waters.

I wish to pay my personal tribute to the man, not as an explorer, economist, and engineer, in all of which fields Dr. Mead was eminent, but to the fine, calm, undaunted, human, and lovable qualities which brought to him the high esteem and close and loyal friendships of those in high as well as in the lowly places in many parts of the world.

His was a peculiar, dual personality, combining on the one hand the cold precision of the economist and engineer and on the other the vision and love of humanity which dominated his life. His was a life of romantic visions wrought into reality by his engineering ability.

Our friend Congressman SCRUGHAM touches one of the major chords of Dr. Mead's career when he says in a letter I received from him the other day:

"Dr. Mead's major contribution to the lasting prosperity of the arid-land States was his ability to convince legislative bodies of the soundness of his plans for reclamation development and to obtain the necessary appropriations for the conduct of the work."

It was Dr. Mead's unswerving integrity and perfect sincerity which made converts to his views.

I enjoyed the privilege and the pleasure of acquaintance with him over a period of several years. With the Honorable J. G. SCRUGHAM and several other Nevada men, I was associated with him in many conferences with groups who were trying to frame the proposed Boulder Canyon project bill. For days at a time we were permitted to occupy an office close to Dr. Mead's and to consult with him as we wished on the hundred vexatious problems which arose. He was always kindly, considerate, and lovable, and I am thankful for many happy moments I was permitted to spend in his company.

I am indebted for many of the details of the life of Dr. Mead to Congressman Scrugham and to Miss Mae A. Schnurr, long associated with Dr. Mead as Assistant Commissioner of Reclamation.

It is, of course, impossible to do more in the few minutes allotted than give a bare outline of the activities of one who lived a life so full of accomplishment.

It is of interest to the Members of the Chamber to know that included in the list of pallbearers at Dr. Mead's funeral in Washington, January 29, 1936, was John C. Page, one of the engineers of the Bureau of Reclamation, located at Boulder City during construction of the dam.

I now move that this Chamber express to the surviving relatives of Dr. Mead—his widow, Mrs. Mary Lewis Mead; his three sons, Tom C. Mead, of Ogden, Utah; Arthur Mead, of Washington, D. C.; Lt. John Mead, of Plattsburg, N. Y.; his two daughters, Mrs.

Lucy Marston, wife of Maj. Morrill Marston, of Fort Leavenworth, Kans., and Mrs. Sue Kaiser, wife of Edgar F. Kaiser, of Bonneville, Oreg., the high appreciation in which we hold the services of Dr. Mead in directing the work of construction of the Boulder Canyon project, and our sincere sorrow and sense of personal loss in the passing of so lovable a man as he.

(The motion having been duly seconded, the resolution was adopted by the unanimous vote of the Chamber, and copies directed to be sent to the surviving relatives and the official associates of Dr. Mead, including Senators Pittman and McCarran, Congressman Scrugham, Assistant Commissioner M. A. Schnurr, and John C. Page.)

THE TOWNSEND DELUSION—ARTICLE BY DONALD R. RICHBERG

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Donald R. Richberg entitled "The Townsend Delusion", published in the Review of Reviews.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Review of Reviews]

THE TOWNSEND DELUSION—TAKE A THIRD OF THE INCOME OF EVERY WORKER AND GIVE IT TO ONE-TWELFTH OF THE PEOPLE—THE TOWNSEND PLAN IS UNJUST, IMPRACTICAL, AND DANGEROUS—DELUDING MILLIONS OF PEOPLE WITH FALSE HOPES

By Donald Richberg

If anyone proposed to take away from every American who is earning a living one-third of his entire income in order to support 8 to 10 million unemployed persons in comparative luxury he would be hooted off every platform from which he spoke.

That is precisely what is proposed in the Townsend plan which is being advocated with such deceptive, confusing explanations that the vast majority of those supporting it evidently do not know either what it is or how it would operate. As soon as it is described in plain language it appears so unjust, so unworkable—so completely nonsensical—that it can no longer be seriously discussed.

Let us look at the bare facts, stripped of all mystical prophecies and flowery appeals to brainless emotion.

The Townsend plan proposes to pay a pension of $200 a month to all citizens over 60 years old who agree to earn no money and to spend all their pension every month. Dr. Townsend says: "Pensions for the aged will remove eight to ten millions of pensioners from the fields of productive effort."

To pay 10,000,000 pensioners $200 a month will cost $24,000,000,000 a year.

The Townsend plan proposes to collect this $24,000,000,000 a year by a "2-percent transactions tax"—imposed by the Federal Government on all business transactions. This will be paid over and over again every day by every man or woman who works for a living or has any money to spend. An official Townsend publication tells us: "Leading economists and statisticians state that the annual transactions in this country will sweep up to the 1929 figure of 1,200 billion dollars a year. Two percent of that amount will give us the needed income to pay for the pensions." Two percent of 1,200 billion dollars is 24 billion dollars.

The total national income, from which this $24,000,000,000 of taxes must be taken, was less than $50,000,000,000 in 1933 and 1934. If we hopefully estimate that it may rise to $72,000,000,000 in 1936, then it would take an average tax of 33 percent—that is, one-third of the average man's income—to produce the "needed income" for pensions: $24,000,000,000.

The deceptive "2 percent" tax which is to be levied on every "transaction" will be repeated and multiplied in a host of business transactions occurring between production of raw material and sale of finished product. Thus when the consumer buys a sack of flour, a pair of shoes, or a suit of clothes he will find it loaded down with these duplicated, pyramided taxes. The total of all these taxes must amount to 33 percent of the average individual income in order to produce $24,000,000,000, which is 33 percent of the total national income that can be hopefully estimated.

THE POWER TO DESTROY

The sly little sneak thief, called a "2-percent transactions tax", will rob the farmer, the wage earner, and the businessman of one-third of his entire income.

According to the official Townsend plan, "every citizen, male or female", over 60 is eligible for a pension "who is not a habitual criminal", who agrees to spend the monthly pension every month, and to "refrain from all remunerative or productive labor or occupation." Thus a pensioned man and his wife would have $400 a month to spend. This man and wife and two elderly friends or relatives could live in one home and have a total "family income" of $800 a month, or $9,600 a year. Dr. Townsend argues that "pensions should not be paltry", and says that his plan will keep pensioners "in affluence the rest of their days." Affluence for pensioners by impoverishing millions of hard-working taxpayers is exactly what the Townsend plan provides.

Compare the income of a Townsend family of four with the income of the average American family of four in the boom year of 1929. According to Brookings Institution, the 1929 incomes of—

Six million families were under $1,000.

Twelve million families were under $1,500.

Sixteen million families were under $2,000.

Nineteen million families were under $2,500.

The entire national income from productive operations, if divided equally, would have produced an income of about $2,500 per family in 1929.

Therefore a Townsend family of four would be given an income nearly four times as large as the average income of all American families in 1929, and more than four times as large as the actual income of 16,000,000 families. Each Townsend pensioner would receive nearly four times the amount which could have been paid to each person if the entire national income had been equally divided in 1929.

Now that we have the simple facts of the Townsend plan in front of us we should be able to see clearly that—

1. It is cruelly unjust.
2. It is utterly impractical and unworkable.
3. It is a dangerous delusion, promising impossible relief to millions of deserving people who are in sore distress.

It is cruelly unjust. The heaviest burden of the taxes to be levied on production and consumption will fall upon the masses of hard-working people who produce and consume the great bulk of goods and services, and of whom more than 70 percent have not obtained a "reasonable standard of living" even in our most prosperous years.

PERPETUAL MOTION

No just program to pay old-age pensions would provide a larger income for pensioners than could be enjoyed by the average taxpayer and his dependents, from whose income the pension income must be taken.

No just program would take the same percentage of income from the poor as from the rich, depriving one taxpayer of necessary food and clothing and another of only luxuries and the added security of further investments. If we are to redistribute income to meet social obligations and to provide a better balance between producing and consuming power, then certainly surplus income should be taxed more heavily than necessary income.

It is utterly impractical and unworkable. The pretense that this "transactions tax" will be substituted for a multitude of existing Federal and State taxes is transparently thin. It is reasonable to assume that by pensioning perhaps 4,000,000 older persons who are now employed and a few more millions who may now be dependent in part on public relief there would be some reduction in those Government expenditures now being made to take care of unemployed and aged people. But the large mass of other Federal and State expenditures, totaling about $12,000,000,000, would remain, and most of present taxation would necessarily continue. In addition, the biggest tax of all history—$24,000,000,000—would be piled on top, and this transactions tax would be collected in millions of small items.

Any system to insure adequate and accurate payments would require an army of collectors, lawyers, accountants, investigators, supervisors, etc., costing an incalculable amount of money and resulting in myriad schemes of tax evasion. The addition of these taxes to present sales taxes, tariffs, income taxes, etc., and the effect of pyramiding these taxes, would increase the cost of many things so much as to reduce the present total volume of sales, to shift a large amount of buying into different lines of goods, and to alter existing methods and channels of trade.

One inevitable result would be a great decrease in present transactions, with the consequent necessity of increasing the amount of the "transactions tax." Another result would be a huge rise in cost of living, amounting to at least 33 percent, but, according to many sound estimates, probably reaching the figure of 50 percent on the majority of purchases of food, clothing, and household necessities. This would heavily reduce the buying power of almost everybody and bring a rapid decline in the total volume of production and employment.

It is a dangerous delusion, promising impossible relief to millions of deserving people who are in sore distress. No such enormous increase in taxation has even been attempted by any government. But the history of many drastic tax levies has given fair warning that any such oppressive burden would be resisted and evaded with increasing resentment and violence, until the government which persisted in such a folly would be overthrown.

Any competent lawyer can demonstrate that the Townsend plan could not even be written into law by the Federal Government until after an amendment to the Federal Constitution. But the purpose of this article is not to raise legal objections to the plan; it is to show that no sensible person would wish to make it legal, if he understood what it was.

It is necessary to find very soon the means to employ millions of idle, willing workers, and in the meantime, to relieve unemployment distress. There should also be a reasonable support provided for incapacitated, elderly people; but the amount of security and comfort which is socially provided for old age should be related in some degree to the social contribution made by the pensioner, or related reasonably to the average standard of living.

These vital problems can only be solved by a careful use of our national resources in materials and man power. Taxation is the diversion of individual gains to social uses, and the redistribution of individual incomes for social purposes. It is the use of a governmental power which may have either highly beneficial or most injurious effects upon individual lives and the general welfare.

NEGLECTED ECONOMICS

One fundamental fallacy of the Townsend plan is its assumption that the national income and purchasing power can be increased by dividing it up. This assumption is based on a failure to understand that money is simply a token used to make it easy

to exchange goods. When you tax a farmer you take from him some of the wheat or corn he has produced. When you tax a shoemaker you take some of the shoes he has made.

It seems necessary to explain with childlike simplicity the processes of production, distribution, and taxation to demonstrate the childlike folly of the Townsend plan.

There are, let us say, 45,000,000 persons who are working about 2,400 hours a year, each, in order to produce and distribute millions of sacks of flour, pairs of shoes, tons of coal, etc. The producers exchange their products with each other, using some bread, some shoes, and some coal to pay those who transport and distribute these things and who organize and carry on a complicated machinery of factory and farm production, railroad and motor transportation, wholesale and retail selling, and the related business or social services of a financial, political, or personal character.

WHAT IS A TAX?

An ordinary tax is simply a method of taking some of the bread, shoes, or coal and transferring it to persons like firemen, policemen, school teachers, and other public servants who furnish protection, aid, and various public services to producers and distributors and to their families. Such taxes pay for making safe or comfortable or enjoyable the lives of the workers, who transfer a part of their work product in order to obtain these benefits.

When, however, a tax is imposed on all workers to provide bread, shoes, and coal for idle people who furnish no goods or services in exchange for what they receive, then the result is simply that there is less bread, shoes, and coal left to be exchanged among the workers who produce and distribute these things. Such a tax gives the taxpayers nothing in exchange for their payments except the satisfaction of having done a good deed, and perhaps an added sense of security as to their present and future lives.

The clear question of public policy presented is, How large a share of the products of work should be and can be wisely and safely taken to provide support for elderly people who are unable to support themselves, or who, humanely, should be relieved of working any longer for a living?

If one-third of the national income is taken for old-age pensions, then one-third of all the products of labor is taken, and one-third of the labor of every worker is used, for this one purpose. This means that our 45,000,000 workers will be required to work 800 hours a year to support 10,000,000 pensioners, which will leave them 1,600 hours' work a year in which to support themselves and their 65,000,000 of family dependents.

A Communist might argue that one-twelfth of the Nation's production should go to one-twelfth of the people—even including an elderly nonproducing one-twelfth. But the radical program of communism has never included a proposal to donate one-third of the Nation's production to the eldest one-twelfth of our citizens upon their express agreement to stop producing any of the things they use and to consume more than they ever have consumed before and four times as much as will be available for their fellow citizens.

In the emotional demand of the Townsend planners that the work of youth should provide comfort and security for old age, there may seem to be a greater appeal to idealism than in the communistic demand for equality in division of the rewards of labor. But the idealism of self-sacrifice and the voluntary acceptance of poverty, so that others may enjoy riches, has never dominated any large number of self-serving humanity. And it may be questioned whether there is a sound ideal in urging that men and women should starve their lives and those of their children in order to maintain elderly strangers "in affluence."

It may be suggested that the older people who would selfishly demand and accept such a sacrifice would hardly be worthy of it. There is much more commonly exhibited the too generous nobility of older people who deny themselves comfort and security in order that the lives of their children and grandchildren may be happier.

The advocates of the Townsend plan have one mystic argument with which to explain how our national income will be increased by reducing the number of workers and creating a spending class of elderly nonworkers. They say that the "velocity of circulation" will be increased; that is, the pensioners, each being required to spend $200 every month, will spend money faster than it is being spent at present. There are no facts behind this argument. It is a pure theory, and all the facts are against it.

LESS BUYING POWER

In 1929, out of $83,000,000,000 of income produced, all but less than two billion was spent. In the following years more income was spent than was produced; in 1930 five billions more; in 1931 over eight billions more; in 1932 over nine billions more (Statiscal Abstract of U. S., 1934).

But if the argument is that consumption expenditures were not made rapidly enough, or that too much income was spent for capital goods or durable goods, the facts still refute the Townsend theory. In 1929 there were 19,000,000 families with incomes of less than $2,500. These families saved practically nothing. They had no surpluses for investment. They spent not only as fast as they received but they bought many things on the installment plan—thus buying more things than could be paid for out of current income. The prospective Townsend pensioners can hardly be expected to spend much faster than those who now do most spending.

On the other hand, the extortionate transactions tax will greatly reduce the buying power of the average American family. Prices must rise to cover the heavy burden of pyramiding taxes; and, with one-third of the average family income being used to pay taxes, simple arithmetic proves that the buying power of $24,000,000,000 when transferred to the pensioners will be lost to the workers from whom it is taken. There will be a few billion dollars more spent on luxuries and practically the same amount less spent on necessities and ordinary comforts. There is no "increased velocity of circulation" in this prospect.

CURE OR KILL?

As a matter of much sounder theory, it is probable that the concentration of such a disproportionately large expenditure in one-twelfth of the population will slow up the previous rate of expenditure, because more money will be spent for more durable goods and there will be a reduction in the velocity of circulation of billions of dollars which are now being spent for goods rapidly consumed.

It is unnecessary, however, to combat Townsend theories with even well-established economic theories. The issue is not between conflicting theories. The simple, admitted facts about the Townsend plan are sufficient to end any sober discussion of it when once they are clearly understood. The arguments offered in support of the plan are the old, old appeals to self-interest and generous emotion, wrapped up in the tinted-tissue promises of getting something for nothing by the ancient process of robbing Peter to pay Paul.

According to this dreamland program, the Government will tax you $5 and give me the money so that I can buy a clock from Brown. Then Brown will buy a roast of beef from Green. Then Green will buy a box of cigars from you. And, lo and behold! you have your $5 back.

But when you wake up the next day you will find that you have lost one box of cigars and I have a clock which cost me nothing because you paid for it with a box of cigars.

Money is not made by taking it away from people. Money is made when something valuable is produced by human labor. The economic cure-all, by which a sugar-coated pill of taxation or an alcoholic rejuvenator is offered to end economic ill health, is as wicked and dangerous as the patent medicine which is guaranteed to cure organic diseases that have baffled the skill of trained physicians for centuries, and which yield only to slow medicines, patient care, and strict dietary control.

It is not without significance that the advertising revenue of the National Townsend Weekly appears to be largely derived from patent medicine advertisements which appeal to the same credulous, hopeful, suffering people who swallow the doctor's economic panacea. "Don't be discouraged or downhearted if you suffer from rheumatism, neuritis, sciatica or lumbago" * * * this world-famous remedy (an Indian herb tea) will bring "astonishing results."

Do you yearn to eliminate food decay within your body? No reputable physician can tell you just how to do this, but there is a company out in Los Angeles which advertises that it has "an entirely different discovery" to eliminate "digestive disorders" and "many other distressing conditions."

GULLIBLE'S TROUBLES

You will learn from the Townsend Weekly that the liquor habit and tobacco habit can be stopped by a new home treatment. If you suffer from catarrh, hay fever, asthma, or kidney trouble, you will find promises of relief printed right alongside of promises of pensions of $200 a month. And here is also the advertisement of a new discovery that makes your old car run like new.

Perhaps the most hopeful of all prospects is presented in the advertisement of a corn remover—which will keep your feet off your mind. What better advice could be given to advocates of the Townsend plan? Keep your feet off your mind!

Stop trampling down your own brains in haste to follow a man who promises to make billions of dollars out of nothing, and to give them to you to spend!

Stop long enough to see what a cruel hoax you are helping to perpetrate against millions of kindly, suffering old people.

Stop while you can still be forgiven by your friends and neighbors whom you are trying to lead to ruin.

PRICE DISCRIMINATION

Mr. LOGAN. Mr. President, sometime during the last session Senate bill 3154, known as the price-discrimination bill, was introduced by the Senator from Arkansas [Mr. ROBINSON]. In fact, it is a proposed amendment to the Clayton amendment to the Sherman antitrust law.

I have had so many inquiries about it, there has been so much that is false circulated about it, and there is such a misunderstanding on the part of some who really do not know and some who do not desire to understand, that it is my intention to discuss it briefly this morning so that I may place my views on record. If any Senator desires to interrupt or to ask questions, he is welcome to do so. I have not the slightest objection, as questions will not at all interfere with what I have to say.

Mr. President, in the consideration of any measure it is first necessary to understand the purposes sought to be accomplished. This can be done only through an analysis of the provisions of the bill and its relationship to other laws in existence. S. 3154 is a proposed amendment to an existing law known as the Clayton amendment to the Sherman.

Antitrust Act. I have given the proposed legislation the most careful study and analysis of which I am capable. I believe that the bill as proposed will serve a very useful purpose, and that it can do no harm to any legitimate business. I do not mean to say that it is perfect or that the language used to express the purpose of the bill is in every instance the best that could have been selected.

The section of the Clayton Act which it is proposed to amend is section 2, which became a law October 15, 1914. Much of the criticism directed at the bill under consideration by those opposing it has been aimed at provisions of that law, apparently thinking that it was new matter. That section of the Clayton Act was intended to prevent discrimination in price between purchasers, and it is proper to set out the provisions of that section and then to show in what respect the bill under consideration modifies or adds to it. The language of that section is as follows:

> It shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce: *Provided*, That nothing herein contained shall prevent discrimination in price between purchasers of commodities on account of differences in the grade, quality, or quantity of the commodity sold, or that makes only due allowance for difference in the cost of selling or transportation, or discrimination in price in the same or different communities made in good faith to meet competition: *And provided further*, That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona-fide transactions and not in restraint of trade.

The Clayton Act prohibits discrimination in price, so the first change proposed by the bill is to add after "price" the words "or terms of sale." The next change in the text of the Clayton Act is to add after "commodities" the words "of like grade and quality, where either or any of the purchases involved in such discrimination are in commerce." The word "which" following commodities in the original act is changed to "where." The word "and" is inserted in the bill after "United States" to improve the language, and the word "to" before "substantially" is placed after it for the same reason. There is a clause added before the proviso immediately following the word "commerce" as follows: "or to injure, destroy, or prevent competition with any person who either grants or receives the benefit of such discrimination, or with customers of either of them." In the proviso the word "discrimination" in the original act is changed to "differentials" in the bill, and the word "price" is changed to "prices" and "as" is inserted before the word "between."

After "purchasers" are inserted the words:

> Depending solely upon whether they purchase for resale to wholesalers, to retailers, or to consumers, or for use in further manufacture, nor differentials which make only due allowance for differences in the cost other than brokerage, of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered.

This language is substituted for the following language in the original act:

> Of commodities on account of differences in the grade, quality, or quantity of the commodities sold, or that makes only due allowance for difference in the cost of selling or transportation, or discrimination in price in the same or different communities made in good faith to meet competition.

Then follows the second proviso conferring power upon the Federal Trade Commission, after due investigation and hearing all interested parties, to fix and establish quantity limits and revise the same as it finds necessary as to particular commodities, or classes of commodities, where it finds that available purchasers in greater quantities are so few as to render differentials on account thereof unjustly discriminatory or promotive of monopoly in any line of commerce.

The third proviso is identical with the proviso in the Clayton Act.

As pointed out in the report of the Judiciary Committee, the weakness of section 2 of the Clayton Act is in that it places no limit upon differentials permissible on account of differences in quantity and in that it permits discriminations to meet competition and thereby tends to substitute the remedy of retaliation for that of law which results in destructive consequences to the main purposes of the bill.

To allow one seller to make prices below the actual cost of the article and thus drive others engaged in the same line of business into bankruptcy, or other disaster, is one of the worst practices found in trade today. The more powerful has a great advantage in being able to cut prices and thereby destroy competition in a particular locality and then recoup the loss by raising prices in another locality.

The bill would close many dangerous loopholes that were found in the Clayton Act, but would leave the fields of competition free and open to the most efficient and, in fact, would protect them the more securely against the aggressions of those having larger purchasing power. The language, "where either or any of the purchasers involved in such discrimination are in commerce", which is added by the bill to the provisions in the original section, is necessary in that it will extend the provisions of the law to discriminations between interstate and intrastate customers, as well as between those purely interstate.

Discriminations not in accord with sound economy generally involve an element of loss, either of the necessary minimum of profits or perhaps of actual cost, and this loss of profits must be recouped from the business of customers which do not receive the benefits of such discriminations. If granted by a seller to his customers in other States and denied customers within the State, they involve the use of that particular interstate commerce to the burden and injury of the customers of the State not receiving the benefits of such discriminations. The converse is true. If the discriminations are granted to the customers in a particular State and denied to those outside of that State, that also casts a burden upon interstate commerce without the particular State.

Another important amendment in the body of the original section is to prevent a discrimination where its effect may be substantially to lessen competition, or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or receives the benefit of such discrimination, or with the customers of either of them.

This provision broadens a similar clause found in section 2 of the Clayton Act. The provision in the original section is too restrictive, in requiring a showing of general injury to competitive conditions in the line of commerce concerned, when the more important concern is in injury to the competitor who has suffered by the discrimination.

The Clayton Act permits the differentials contained in the bill now before us, but it places no limit on quantity differentials of any kind nor upon any differentials that do not affect general competition. Additional restrictions are imposed by the provisions of the bill. Thus a separate clause safeguarding differentials between different classes of purchasers is necessary.

Differentials which accord equal treatment of all within the particular class do not bring about the competitive evils which the bill before us is intended to remedy. Differentials cannot be suppressed, as that would create an unwarranted interference with existing trade habits. The bill, therefore, contains the clause that differentials are not prohibited which make only due allowance for differences in the cost, other than brokerage, of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are sold or delivered to purchasers.

The words "other than brokerage" were inserted to harmonize this provision with subsection (b), considered below, which deals directly with the question of brokerage. This proviso leaves trade and industry free from any restriction or impediment to the adoption and use of more economic processes and to the translation of appropriate shares of any saving so effected from the source to the

mouth of the stream of distribution for the benefit of the original producer and the ultimate consumer; and it also limits strictly the use of quantity price differences to that particular sphere, since beyond that sphere they may be so used as to become weapons of competitive oppression.

The bill does not compel the granting of discriminations or differentials of any sort. It leaves those who wish to do so entirely free to sell to all at the same price, regardless of differences in cost, or to grant any differentials not in excess of such differences. It does not require the differential to be the equivalent of the difference in cost. It only requires that it shall not exceed the difference in cost.

The cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are sold or delivered defines the cost which may be considered in support of price differentials, and they are confined to those marginal differences provable as between the particular consumers concerned in the discrimination. It is intended, among other things, to preclude the granting of a discrimination to a particular customer equal to the whole saving in cost resulting to the seller's entire volume of business as augmented by that customer's patronage, and also to preclude differentials based on allocated or imputed differences in cost as distinguished from actual differences.

As stated in the report, this provision is designed to leave the test of a permissible differential upon the following basis: If the more-favored customer were sold in the same quantities and by the same methods of sale and delivery as the customer not so favored, how much more per unit would it actually cost the seller to make such sale and delivery, his other business remaining the same? No particular customer should be permitted distinctively to claim the benefit nor required distinctively to bear the burden of the immediate use or nonuse of facilities which the seller must maintain for his business generally.

The provision conferring power upon the Federal Trade Commission to make investigations is designed to enable the determination, when necessary, of quantity limits as to various commodities, beyond which quantity price differentials shall not be permitted, although supported by differences in cost. It is based upon the principle that where even an admitted economy is of a character that is possible only to a very few units of large size in a particular trade or industry, it may become in their hands meat upon which monopoly feeds, and that in forbidding its use and foregoing its benefits the public is but paying a willing price for its freedom from monopoly control. It is the same limitation that has been applied for half a century in the field of transportation, in refusing to extend rate differentials beyond the carlot quantity.

Now, turning to the provisions of the bill that seek more definitely to accomplish the purpose intended, I desire to refer to subparagraph (b) relating to rebates, or payments as a commission, brokerage, or other compensation, or any allowance in lieu thereof, in connection with the sale or purchase of goods, wares, or merchandise, either to the party to such transaction, or to an agent, representative, or other intermediary therein, where such intermediary is acting in behalf, or is subject to the direct or indirect control, of any party to such transaction other than the person by whom such compensation is paid.

The Clayton Act was intended to prevent discrimination in prices where such discrimination tended to create a monopoly. This bill forbids the payment or allowance of brokerage either to the other principal party, or to an intermediary acting in fact for or under the control of the other principal party to the purchase and sale transaction.

This is one of the most prevalent schemes to evade the provisions of the law. Some large buyers demand the allowance of brokerage direct to them on the purchases which they make, or the payment of such brokerage to some intermediary of such a buyer who is an employee, agent, or corporate subsidiary for the buyer which has been set up in the guise of a broker, and through which they require that sales to them must be made.

The legitimate broker has an important place in trade, and it is not intended to interfere at all with his legitimate business. Where he is employed by the buyer in the field to find a source of supply, or by the seller to find a market, he is discharging a sound and reasonable function, and is entitled to appropriate compensation by the one he serves. It is an entirely different thing, however, to allow payment or allowance under the guise of brokerage where no such service is rendered, and where the supposed broker is only a dummy pointed out by the buyer to the seller, rather than one who brings the buyer to the seller. This scheme corrupts a legitimate function to the purposes of competitive discrimination. The relationship existing between a broker and his client is fiduciary. To allow a broker to collect from a client for services rendered to the adverse party is a violation of that relationship. Such rebates, fostered by schemes under the guise of brokerage, for the sole purpose of bringing about unfair discriminations, should not be allowed, and are prohibited by this bill.

Another practice has grown up, used extensively for the purpose of evading the law, which may be termed advertising or service allowances. It is used for the purpose of granting unfair discriminations. It is the practice of some large buyers to demand such allowances, and the seller, whether willingly or otherwise, must grant them. The ostensible purpose of such allowances is for the payment of advertising and other sales promotional services which the buyer agrees to render in connection with the sale of the products of the seller, or perhaps with reference to his business generally.

If such allowance should be used for the purposes stated, it may be that it would be unobjectionable; but it is exceedingly unjust when the service is not rendered, although paid for, or, if in fact rendered, where the payment is grossly in excess of the value, or where the purchaser is deriving from such allowances equal benefits with the seller. These benefits often flow to his own business in other lines, as well as benefits to the particular line purchased from the one who made the allowance. In that way the purchaser is able to shift to the seller a large part of his own advertising cost, while the small competitor who cannot secure such allowances finds that his business has been severely damaged.

Subsection (c) is intended to prohibit the granting of such allowances unless made available to all other customers of the seller concerned on proportionately equal terms, or unless, in the rendition of the services, the purchaser's own business is not benefited other than to the extent of the particular goods purchased from the one making such allowances.

Mr. GEORGE. Mr. President, will the Senator yield for a question at that point?

Mr. LOGAN. I am glad to yield.

Mr. GEORGE. Does the bill impose upon the taker of any rebate or any concession the same penalty that it imposes upon the giver?

Mr. LOGAN. The bill does not impose any penalty upon the giver, and it imposes no penalty upon the receiver. The buyer is the one who receives the benefits. No penalty is imposed other than in another provision which I shall reach later, under which the one who is damaged by the unlawful discrimination may go into court and file a suit to recover from the one who caused him the damage and get judgment for his loss, and the standard is set up in the bill.

Mr. GEORGE. Certain things are prohibited to the seller, and the same prohibitions extend to the acceptor?

Mr. LOGAN. No; the prohibitions, of course, would apply to the seller under the general terms of the law, but the seller is not the one who is guilty of these practices; it is the buyer. The seller suffers at the hands of the buyer. The buyer has great purchasing power, and he forces the seller to make rebates and allowances under one device or another.

One of the favorite methods is what is known as the brokerage scheme. If some buyer goes to a seller desiring to buy a large quantity of goods, he may say to him, "You

must sell through this broker over here", who is an employee of the buyer; "and you must pay him brokerage", which the seller does, to his loss. The supposed broker turns the brokerage over to the buyer, and in that way it amounts to a rebate on the price of the goods which were purchased, and, of course, it enhances the profits of the buyer.

Mr. GEORGE. What I wanted to get perfectly clear, if I could, was whether the same prohibitions relate to both the giver and the taker of a rebate in any form.

Mr. LOGAN. The prohibition is against its being done at all, and, of course, it would apply to the giver as well as to the taker, although there is no criminal penalty provided.

Mr. GEORGE. No penalty is imposed?

Mr. LOGAN. No penalty is provided in the bill, although there is a right to institute a suit for damages.

Mr. GEORGE. And that right runs to whom?

Mr. LOGAN. That right runs to the person who has been injured who, in most instances—in all instances, so far as I know—will be the customer.

For instance, if I may illustrate to the Senator, let us assume there is a merchant who buys goods and who gets an illegal rebate in some form or other so his goods do not cost him as much as they would another customer buying from the same seller. The second merchant gets no rebate, so his business is damaged, because his competitor can sell his goods at a lower price than that for which he can sell them, without a loss. He may institute suit for actual damages against the one who has caused the damage, whether it be the seller or the buyer.

Mr. GEORGE. Are the damages liquidated in the bill?

Mr. LOGAN. I think two standards are set up. One of them amounts to a liquidated damage, because if one customer bought goods and was entitled to a discount because another customer from the same seller had received a discount, the first would be entitled to recover whatever he was entitled to as a discount which had been denied him. The effect of that would be liquidated damages. There is another standard set up, which I will discuss when I reach the particular section.

Mr. GEORGE. I beg the Senator's pardon for interrupting his presentation. I had the impression that the bill did impose penalties on the giver of a rebate, and I wanted to know whether it imposed like prohibitions, or penalties, or whatever the bill provides, on the taker.

Mr. LOGAN. The bill prohibits the act, and that prohibition would extend alike to all who are affected by it.

Mr. GEORGE. Both to the giver and to the taker, of course?

Mr. LOGAN. Yes; that is true.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LOGAN. I yield.

Mr. GORE. I should like to ask the Senator from Kentucky what application the provision now under discussion would have to newspapers which merely act as advertising mediums or agencies. Would it prevent a differential charge on their part respecting advertisers, based on or measured by the amount of advertising carried?

Mr. LOGAN. No. I may say to the Senator from Oklahoma that the only thing the bill attempts to do regarding advertising is to provide that the allowance made for advertising purposes shall be used for the benefit of the seller, and for the benefit of the buyer no further than he is benefited by advertising the particular line of goods. The evil sought to be remedied is that these large advertising allowances are forced. If one is buying shoes and gets a large allowance, he does not only advertise his shoes but he advertises his other business with the money received advertising the shoes.

Mr. GORE. It amounts to a bonus or subsidy?

Mr. LOGAN. That is correct. The bill provides that as long as one uses the advertising allowance for the purposes intended, and it is not unreasonable, and is not such as to bring about an unfair discrimination among customers, it is not prohibited.

Mr. GORE. Then, if a newspaper charged $10 an inch for 10 inches, it would not be required to charge $10 an inch for 100 inches?

Mr. LOGAN. No; the bill does not require anything of that kind.

Mr. WALSH. Mr. President, will the Senator from Kentucky yield to me?

Mr. LOGAN. I yield.

Mr. WALSH. My inquiry is in a different direction from those which have just been propounded. Judging by my mail, and I assume the same thing is true of all other Senators, outside of Congress there is a wide difference of opinion about this bill. I should like to inquire whether a minority report was filed, either in the House or in the Senate.

Mr. LOGAN. No; there was not a minority report.

Mr. WALSH. I should also like to inquire whether the report of the Judiciary Committee to the Senate was unanimous.

Mr. LOGAN. The report of the Committee on the Judiciary was unanimous, but I think there were one or two Senators who voted to report the bill who said they reserved the right, which a Senator always has, to look into it, or change their minds upon further investigation. There were 13 members of the Committee on the Judiciary present when the bill was discussed, and a yea-and-nay vote was requested. The yeas and nays were taken, and 13 voted affirmatively to report the bill favorably.

Mr. WALSH. I am very much pleased to have this information, and I am also glad to have the Senator explain the bill in the able manner in which he is explaining it, because it seems to me there is a good deal of difference of opinion and misunderstanding about the measure.

Mr. LOGAN. I may say to the Senator that there is not only a misunderstanding about it, but things are being done in opposition to the bill which I did not think businessmen could do or would do. I hold in my hand a pamphlet, which contains the original bill as introduced by the Senator from Arkansas, which has been stricken out, and then the bill with the amendments reported by the committee is set out, followed by 28 questions and their answers. On the front page the title reads "Twenty-eight questions that suggest a hundred million others." The 28 questions suggested are absolutely foolish, and it must have been known that they were foolish when they were sent out, and the worst thing about it is that the pamphlet is anonymous; it is not signed by anyone. There was a slip of paper with the pamphlet which I procured which would indicate that it is being circulated by the Institute of Distribution, founded and maintained by National Distributors, 570 Seventh Avenue, New York. But while that pamphlet, with all of its misstatements and all of the falsehoods to be found in it, is being circulated, still there is nothing to show whence it came.

Mr. COUZENS. Mr. President, will the Senator yield to me?

Mr. LOGAN. I yield.

Mr. COUZENS. Would the Senator object to putting in the RECORD that part of the circular which contains the 28 questions and 28 answers to which he just made reference?

Mr. LOGAN. I have no objection to putting it in. The questions would be long, and I was not going to put them in the RECORD because I would not wish to have the public, generally, know that we have business men as ignorant as those who prepared and sent out the pamphlet.

Mr. COUZENS. I think these matters ought to go in the RECORD. The Senator knows I have been very much interested in this subject; he has been very generous in trying to explain it to me, and I think this would be a splendid opportunity to show in the RECORD what stupidity is being exhibited.

Mr. LOGAN. I shall be very glad to do it when I get to the proper point in my discussion of the bill.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. LOGAN. I yield to the Senator from Oklahoma.

Mr. GORE. I desire to ask the Senator whether the general purpose and object of the pending bill are to strengthen the provisions of section 2 of the Clayton Act, and to stop

the loopholes and correct the abuses which time and experience have developed and disclosed in that legislation?

Mr. LOGAN. I say to the Senator that the bill has no other purpose, and at the risk of perhaps repeating later what I am saying now, the bill has three things in view, all aimed at strengthening the Clayton Act.

Mr. GORE. Let me say at that point, if the Senator will indulge me——

Mr. LOGAN. Certainly.

Mr. GORE. I was a member of the Committee on Interstate Commerce which prepared the Clayton Act, and was very much interested in section 2, and the abuses which it sought to correct.

Mr. LOGAN. Let me tell what happened. The section of the act to which the Senator has referred was evaded by able lawyers representing those who controlled large purchasing power. One of the first schemes was to set up what they called a brokerage system, and compel a seller to use the services of a broker, who may have been an employee, who at least was under the control of the buyer, or it may have been some subsidiary corporation of the buyer.

One large chain received last year $6,000,000 or $8,000,000 in brokerage fees. The bill attempts to prohibit that scheme. That is one of the most important things it seeks to do. It does not interfere with legitimate brokerage, but it makes it an unfair discrimination to grant such a brokerage in the nature of a rebate to one and not grant it to another.

The next thing the bill undertakes to do is to prevent the evasion of the Clayton Act through service allowances, the point I was just discussing a moment ago when I was interrupted.

One concern which has been brought to my attention sells yeast—I believe in the form of the familiar little yeast cakes—and a buyer is forcing—I say "forcing" because I do not think the manufacturer would do it voluntarily—the payment of $12,000 a month under the cloak of advertising. I could name hundreds of such instances developed by the Federal Trade Commission in its investigation and also by the House committee, but I will proceed for the moment and finish what I was saying about advertising.

Mr. GORE. Mr. President, will the Senator further yield.

Mr. LOGAN. I yield.

Mr. GORE. This bill does not authorize or contemplate price fixing?

Mr. LOGAN. Not at all.

Mr. GORE. And it does permit discriminations founded on actual difference in quantity sales?

Mr. LOGAN. That is true. Another thing the bill does is to place a limitation on discounts based upon the difference in quantity purchases. That was one of the defects in the Clayton Act, and I think I will discuss that a little later.

Getting back to the advertising feature, it is the purpose of the bill to rid such practices of their discriminatory character.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Does the Senator from Kentucky yield to the Senator from Colorado?

Mr. LOGAN. I yield.

Mr. COSTIGAN. Before the able Senator from Kentucky leaves this part of his discussion may I recall a phrase of his that is also used in subdivision (1) of subsection (c) of section 2, on page 7 of the bill. There the bill offers relief from certain unlawful acts designated in the bill provided the person extends or offers to all other customers competing in the distribution of such products proportionally equal terms.

May I ask whether the expression "proportionally equal terms" has been judicially interpreted, and if not, what construction is placed upon it by the Senator from Kentucky?

Mr. LOGAN. I do not think it has been judicially construed. But if the seller grants an advertising allowance to one customer there is no reason why he should not grant, under identical circumstances, the same allowance to another customer based upon the quantity of the purchases. If one man buys $100,000 in goods and should be allowed $1,000 for advertising purposes, and another buys $10,000 in goods, he ought to be allowed $100 for advertising. That is not prohibited by the bill. So long as the same advertising allowances are made proportionately on the amount of purchases there is no prohibition in the bill against them. The bill does not prohibit anything except those purchases which tend to destroy competition and bring about monopoly. That is all the bill does. As I said to the Senator from Massachusetts [Mr. WALSH] a while ago, in answer to his question, I want to explain the bill the best I can because I wish to relieve myself of the tremendous amount of correspondence, briefs, telegrams, and all kinds of pamphlets that come to my desk, and I simply do not have time to explain to each one separately.

I continue further on the question of advertising. I have said it is the purpose of the bill to rid such practices of their discriminatory character and to leave open a legitimate field for the use of customer services by mere employees or agents in local advertising in lieu of salaried representatives sent from without or other local personnel not known by the seller. Limited advertising appropriations used for a legitimate purpose, and in a legitimate way, are not prohibited, but the purpose is to prevent service allowances when the use of them results in unfair discrimination. All buyers should be allowed proportionately the same service allowances as there is no other way to avoid the use of such allowances to bring about discrimination.

Subsection (d) states a presumptive rule for the measurement of damages in private suits for violation of the law. It affords a simple remedy to the one who has been damaged by unfair discriminations in price.

I might say that this is a part of the bill as originally introduced by the Senator from Arkansas. Later an amendment was added to this provision. The practices against which the provisions of the bill are directed not only injure the public, but private parties will likewise be injured. For that reason one who has been damaged by reason of the violation of this law is allowed to recover such damages as may be proved in the courts. This is not unusual in antitrust legislation. The measure of damages, as stated in the bill, is the amount of the forbidden discrimination or allowance found to have been granted, limited, however, to the volume of the plaintiff's business in the goods concerned, or to the amount which he would have received had the allowance been granted to all on an equal basis as required by the bill. The main purpose of the bill is the prevention of unjust discrimination, and it is in harmony with the provisions of the bill to allow those who have been directly damaged by a violation of the law to recover the amount of the damage from the one who caused it. This provision, perhaps, will go far toward preventing violations of the bill when enacted.

Mr. GORE. That is practically the only penalty, is it not?

Mr. LOGAN. There is no penalty. It simply provides that damages such as are provable in court shall be recoverable.

One of the surprising things to me is that so few businessmen appear to understand the purposes or provisions of the bill. I have seen pamphlets, briefs, letters, and telegrams from all parts of the United States complaining about provisions of the bill, when they showed on their face that the person had little comprehension of what was in the bill, or misconstrued wholly the object sought to be accomplished. For instance, many have complained because the provisions of the bill apply to "any person engaged in commerce." Some of the special newspaper writers have called particular attention to what is termed a most drastic provision because it applies to any person engaged in commerce. The original Clayton Act contains that exact language, and it is carried into the bill under consideration. The language of the Clayton Act was used because it has been construed by the courts.

Yet there has been a terrific protest against using the phrase "any person engaged in commerce." Evidently for 22 years these astute businessmen did not find out that we had such a law on the statute books.

While I do not claim to be a prophet or to have ability to foretell the future, it appears to me to be obvious that the tendencies of those who control large purchasing power are eventually to create a complete monopoly affecting the necessities of life. If great units having tremendous purchasing power are allowed to use that power unfairly and obtain goods, wares, and merchandise at less than the smaller businessman can obtain them, in the course of time these large units will completely drive out of existence those who are engaged in like business with smaller capital. When that is done there will be a complete monopoly, and for lack of legitimate competition, the consumer will be compelled to buy at prices fixed by the monopoly.

It is argued that the consumer gets the benefits of advantageous prices by those units controlling large purchasing power, but I doubt whether the facts bear out that statement. The consumer believes that he gains something, but, in my opinion, if he should compare benefits of all kind year after year, he will find that his cost of living has not been materially, if at all, reduced because he bought from some business concern controlled by these large units of purchasing power. It is not necessary to argue that question at this time.

A recent report of the Federal Trade Commission covering the fiscal year ending June 30, 1935, touching an investigation made by it of such large units of purchasing power, contains valuable information. In that part of the report dealing with chain stores many subjects relating to them are discussed and data assembled to substantiate the conclusions contained in the report.

Mr. COSTIGAN. Mr. President, will the Senator again yield?

Mr. LOGAN. I yield.

Mr. COSTIGAN. I was about to ask whether this bill has a definite relation to the chain-store investigation of the Federal Trade Commission and conclusions reached on unfair practices by that Commission in that investigation?

Mr. LOGAN. The bill does carry into effect some or all of the recommendations made by the Federal Trade Commission, and I understand the bill has the approval of the Federal Trade Commission. I might say that the bill is not aimed exclusively at chain stores. It applies to all large units which control great purchasing power and may so use it as to destroy competition and create monopoly.

For instance, I have had a matter brought sharply to my attention in the last day or two. I know a little concern purchasing stone located in a community where people need work. It has not been able to operate very well because it could not meet competition in the same line when competing with some others who control larger purchasing power. A contract was let, and this little concern undertook to supply the stone. Although the large concern had to pay as much in transportation charges as it would cost the local concern to produce the stone, it—and not the local concern—got the contract, with the result that the smaller and local concern will go out of business. It would have been able to live and carry on business but for losing the contract. The stone, of course, was sold at less than cost, but the competitor was destroyed.

The Federal Trade Commission, on page 36 of its report, in speaking of special discounts and allowances, made this statement:

> The lower selling prices of chains as compared with independent distributors are largely possible because of the lower buying prices enjoyed by the chains as compared with the independent wholesaler, cooperative chain, or the independent retail buyer in those cases where the retailers buy directly from the manufacturer. In these lower buying prices special discounts and allowances play an important part.
>
> In the first place, the Commission's figures indicate that more manufacturers make allowances to chains than to wholesalers. Secondly, although the number of wholesale-customer accounts involved in the Commission's study of discounts and allowances was far greater than the number of chain accounts, the proportion of chain accounts carrying allowances was far greater than the proportion of wholesale accounts.
>
> Third, in all three of these lines of business, the percentage rates of allowances were very much higher on sales to chains than on those to wholesalers, whether the base to which the allowances were applied was the total sales of all manufacturers reporting, or only the sales of the manufacturers making allowances. In 1930, for example, the rate of special allowances on total sales of all reporting manufacturers to tobacco chains was 3.57 percent, as compared with 0.71 percent to wholesalers.

The discounts allowed to a chain store were five times the amount allowed to wholesalers in the tobacco trade.

> In the grocery trade it was 2.02 percent per chain as compared with 0.91 percent for wholesalers—

Two and one-half times the discount allowed in the grocery trade—

> and in drugs, 5.10 percent compared with 1.11.

Five times as great discount on the same quality of goods, sold under the same circumstances and under the same conditions in every way. Here is a group of purchasers, because they have a tremendous purchasing power, getting five times as much allowance as the others who are entitled to exactly the same treatment.

> Finally, the total amounts—

I am still continuing reading from the Federal Trade Commission:

> Finally, the total amounts of the allowances made by all the manufacturers to chains greatly exceeded the amounts given to wholesalers. The interest of this last statement lies in the fact that the proportion of the total allowances paid to the chains was much higher, and that paid to the wholesalers was much lower, relatively, than the total quantities bought by each of these types of distributors, respectively.

It does not require the vision of a seer to look into the future far enough to understand that if the tendencies referred to are continued for a few years, there will be a complete monopoly of many of the necessities of life. When that time comes the consumer will be at the mercy of such monopoly, and the sensible thing to do is to prevent the coming of that day by attacking the problem in time. The result of such practices is easily discernible. Not only will the consumer eventually suffer but these large units controlling purchasing power may be entirely destroyed through unwise legislation, or through their taking advantage of conditions which have been created by their own unwise acts. They should be left free in the management of their affairs, but one of the chief aims of government is to protect the people against aggressions that naturally follow the creation of a monopoly.

The bill does not interfere in any way with legitimate competition. It recognizes that those controlling large aggregations of capital may secure a legitimate advantage by reason of great purchasing power, but this advantage should be restrained by the adoption of sound economic rules, which will not allow the practice of using large purchasing power to destroy those with lesser purchasing power, thereby destroying competition and when, by such practices, competition has been destroyed, then monopoly must result.

Mr. GORE. Mr. President——

Mr. LOGAN. I yield to the Senator from Oklahoma.

Mr. GORE. The pending bill permits differentials based on actual and bona-fide difference in quantity sales?

Mr. LOGAN. Yes, sir.

Mr. GORE. But it provides that the differential can be regulated and fixed so as not to be used to accomplish the evils described by the Senator?

Mr. LOGAN. The Senator has made a correct statement.

I have mentioned only one group of sufferers resulting from the creation of a monopoly, but there is another group who will suffer perhaps as greatly as the consumer. That group is made up of the manufacturer or producer. When the trade in any particular line has been monopolized, then these units controlling large purchasing power can compel the manufacturer or producer to yield up legitimate profits to the monopoly, or perhaps may take all the profits as long as the manufacturer or producer may be able to continue in business.

It is a law of human greed that if a man may by force take what he is perhaps justly entitled to—that same force which enables him to take that also enables him to take more than he is entitled to—and, almost without exception, when placed in the position where he can force the yielding up to him of more than he is entitled to, he will exercise that force and take it.

Some of those who apparently oppose the enactment of this bill because of what seems to them a temporary advantage should be active supporters of it for their own protection and the protection of their stockholders in the future. The trouble with businessmen, so it seems to me, is that they suffer from a disease of short-sightedness, which ultimately ruins them. It has not been so long ago that we saw them pull the pillars of the temple down as the result of their own greed, and they perhaps suffered more in actual financial loss than any other group of people. Many, however, are to be congratulated on their support of the principles announced by the provisions of this proposed act.

Among the many statements I have received sent out by those opposing the enactment of Senate bill 3154 is one the title of which is "Twenty-eight Questions That Suggest a Million Others." The 28 questions submitted are ridiculous in the extreme, and show that the organization that sent out the questions either does not know what the bill contains or has no regard for truth. I wonder at times how long it will be until some organizations find that the people are wiser than they ever thought them to be. One of the first questions in the pamphlet I have mentioned undertakes to suggest that brokerage must be allowed to none or all. The bill has nothing to do with brokerage at all. The bill deals with schemes and shams used to bring about discriminations in prices.

It is suggested in the first question submitted that a mine paying a broker $50 a car must charge every other consumer $50. That is not true. A legitimate broker can charge whatever his employer may be willing to pay without the violation of any provisions of the proposed act.

The next question is even more ridiculous, as it suggests that a clothier who has earned a payment from a manufacturer for featuring his line may not sell a suit with two pairs of pants made by a manufacturer at the same price a competitor at retail sells a suit with one pair of pants. The provisions of the bill have nothing to do with a question of that kind. Legitimate allowances for advertising to be used for the purpose of advertising the particular line of goods which has been sold to the buyer by the seller is permitted under this bill, and it takes a very ignorant man or set of men to deny it.

Another question suggests that cash discounts must disappear from business. That one is made up out of the whole cloth. Cash discounts are allowed, and there is nothing to interfere except where they are used for the purpose of favoring one group against another group. I do not have the time to go through the list of 28 questions, but I should be very glad to have each individual Senator, if he had the time, consider the 28 questions submitted. It is true they are submitted anonymously. Senate bill 3154 is printed in the pamphlet, and is followed by the questions, but no one dared to sign anything so foolish. It is but one evidence of the desire to mislead the public, and even the Congress of the United States, and it is a cowardly, false, and fraudulent attempt.

I will refer to one or two other questions in the pamphlet, "28 questions that suggest 1,000,000 others":

> Suppose a manufacturer offers a free deal over the radio—must he ascertain that all in the field have heard? Or does an announcement over a national radio hook-up satisfy the offering requirements set up in the proposed legislation?

Here is another:

> If a grocer gives a stick of candy to a customer's child on behalf of a manufacturer asking him to pass out samples in return for a free dozen, is he subject to damages if he does not give a stick of candy to every child who comes in the store?

As I have said, the pamphlet is circulated, although unsigned by the Institute of Distribution Founded and Maintained by National Distributors, in New York.

On page 206 of the hearing held before the Committee on the Judiciary, House of Representatives, in July 1935, I find a statement in the testimony of Mr. H. B. Teegarden, counsel for the United States Wholesale Grocers' Association, which calls attention very forcibly to some of the provisions of the bill which those who oppose it seem to misunderstand. He there said:

> After the various objections that have been raised against this bill by those who are opposed to it, I feel decidedly that the burden upon me just now is, perhaps, to tell you more of what the bill does not do that what it does do. The bill has been very badly misunderstood, whether intentionally or innocently, I am not to say.
>
> But I want to point out categorically first what the bill does not do. The bill does not penalize efficiency. It has nothing whatever to do with any internal organization or conduct of chain stores or any other kind of merchants. It has nothing whatever to do with the selection of one kind of merchandising as against another, as being the more or less economical of the two.
>
> Mr. Logan, Mr. Wood, Mr. Adams, all referred to the bill as penalizing or shackling efficiency. There is not a single economy or saving that the wit of man could devise in the process of distribution that could not, under the provisions of this bill, be translated along the chain of distribution to the ultimate consumer. It has nothing to do with that whatever.
>
> The bill does not compel the observance of any differential between various classes of buyers; that is, between the wholesalers, retailers, manufacturers, and so on. It does not compel the granting of any quantity discounts. It does not prevent the granting of all quantity discounts.
>
> I want to call the attention of the committee to a very remarkable piece of juggling that has been done in the reading of this bill by those who are opposed to it, as they have presented it to the committee. If the committee has the bill before them, if they will turn to the second page, line 12, after the general prohibition of discriminations: "*Provided*, That nothing herein contained shall prevent differentials."
>
> Those are the words. And then it states two categories of things that shall not be prevented. First, differentials between wholesalers, retailers, and manufacturers; second, differentials on the basis of some cost saving or differences between the parties to the discrimination.
>
> Now, here is what they do. Those same two words apply to both. They not only read the bill wrong but they do not read it the same way twice. They first say that these words "shall prevent" read "shall compel" differentials as between wholesalers, retailers, and manufacturers.

Mr. Teegarden states but the simple truth touching the provisions of the bill, and, while I do not have the honor of knowing the ability of Mr. Teegarden as a lawyer, I must confess he states with great clarity what the bill does not provide.

Further on, on page 207, he continues:

> Instead of reading it "that nothing herein contained shall prevent differentials in prices", they say "this shall prevent differentials on account of differences in cost", and they say, therefore, that this bill does not permit quantity differentials based on cost differences and it penalizes efficiency.

Mr. Teegarden then continues his testimony:

> The bill does not, therefore, prohibit any kind of quantity discounts or differentials justified by differences in cost or savings in cost in the chain of distribution of food or merchandise or goods or wares of any kind. The bill does not compel or restrict any form of distribution or merchandising, one as against another.
>
> The bill has nothing to do with the fixation of prices. It says nothing whatever as to the prices to be maintained or the price relationship to be maintained or the trading relationship to be maintained as between the seller and another.
>
> It governs only the relationship to be maintained by a seller between his various customers. It requires him to treat them on an equal basis, subject only to those differentials which are justified by differences in cost involved in the differing methods or quantities in which the goods are sold or delivered.

Some suggestions have been offered to the effect that the bill is unconstitutional. I have given consideration to that question, and I have reached the conclusion that under the many decisions of the Supreme Court passing upon similar questions the bill is clearly within the power of Congress. If there should be an effort on the part of some Senator to prove by decisions of the Supreme Court that the bill is not constitutional, I shall be very glad to meet the argument, but until that time I shall withhold any comments on the constitutionality of the proposed bill.

I hardly think there is a Member of the Senate who, after giving careful consideration to the provisions of the bill, will oppose it. He may object to the particular procedure for carrying into effect the principles established by the bill, but there is little basis, if any at all, for reasonable opposition to the bill in principle. I am not as familiar with merchandising and related businesses as some who are Members of the Senate, and the suggestions that I have made touching the provisions of the bill are based upon information I have obtained after careful consideration of the important information that has been gathered during the past several years bearing upon the questions presented.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LOGAN. Certainly.

Mr. GORE. The pending bill is based to some extent on section 2 of the Clayton Act and is related to methods of procedure and administration?

Mr. LOGAN. The Senator is correct. The purpose of the bill is to stop up loopholes found in section 2 of the Clayton Act. Section 2 of the Clayton Act has been abated. There was a provision in it, as Senators will remember, allowing the granting of price differentials to meet competition in a particular community. That was perhaps unwise, although at the time of the passage of the Clayton Act it was well designed to remedy the evils then in existence. However, since then time has proved that there are ways to evade the Clayton Act, and therefore it is necessary to strengthen its provisions; and the bill seeks to do nothing else.

I may say in conclusion that the bill is not my bill. It was referred to me as chairman of the subcommittee to consider. This I did and reported to the full Judiciary Committee, and by direction of that committee I reported the bill to the Senate. The bill was sponsored by the senior Senator from Arkansas [Mr. ROBINSON]. The bill, as reported, although the report of the committee may not clearly so indicate, is the Robinson bill with perhaps two amendments which I regard as important and two or three other little amendments changing, perhaps, the language.

I have sought to explain the bill for the benefit of Senators and others who are interested. It may be that I have not clearly understood every provision in the bill. It may be that the Senator from Arkansas will find that in discussing his bill I have interpreted it wrongly, but that is my own interpretation after having considered all the information I could gather on the subject.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. LOGAN. I am glad to yield.

Mr. ROBINSON. The last statement made by the Senator from Kentucky prompts me to say in this connection that I have listened to his remarks with great interest. I recognize the fact that he has studied the bill much more carefully than I have been able to do. It is my opinion that his exposition, both of its purposes and its provisions, is accurate, reliable, and helpful.

Mr. LOGAN. I appreciate the statement of the Senator from Arkansas. I have given the bill the most careful consideration I could. I have no interest in it in the world except as it may serve the public interest. The statements I have made flow from my sincere conviction that the bill ought to be enacted into law.

Mr. GORE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Oklahoma?

Mr. LOGAN. I yield.

Mr. GORE. The principle underlying section 2 of the Clayton Act and section 2 itself have run the gauntlet of the courts and have been sustained by them.

Mr. LOGAN. That is correct.

ADDITIONAL REVENUE

Mr. ROBINSON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Caraway	Gibson	Metcalf
Ashurst	Carey	Gore	Minton
Austin	Chavez	Guffey	Moore
Bachman	Clark	Hale	Murphy
Bailey	Connally	Harrison	Murray
Barbour	Coolidge	Hastings	Neely
Barkley	Copeland	Hatch	Norbeck
Benson	Costigan	Hayden	Norris
Bilbo	Couzens	Johnson	O'Mahoney
Black	Davis	Keyes	Overton
Bone	Dickinson	King	Pittman
Borah	Dieterich	Logan	Pope
Bulkley	Donahey	Lonergan	Radcliffe
Bulow	Duffy	McAdoo	Reynolds
Burke	Fletcher	McGill	Robinson
Byrd	Frazier	McKellar	Russell
Byrnes	George	McNary	Schwellenbach
Capper	Gerry	Maloney	Sheppard
Smith	Townsend	Vandenberg	Wheeler
Steiwer	Trammell	Van Nuys	White
Thomas, Okla.	Truman	Wagner	
Thomas, Utah	Tydings	Walsh	

Mr. BYRD. My colleague the senior Senator from Virginia [Mr. GLASS] is detained on account of illness in his family.

Mr. DIETERICH. I desire to announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is unavoidably detained.

Mr. ROBINSON. I reannounce the absences of Senators as announced on the previous roll call.

The PRESIDENT pro tempore. Eighty-six Senators having answered to their names, a quorum is present.

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Finance, as follows:

To the Congress of the United States:

On January 3, 1936, in my annual Budget message to the Congress, I pointed out that without the item for relief the Budget was in balance. Since that time an important item of revenue has been eliminated through a decision of the Supreme Court, and an additional annual charge has been placed on the Treasury through the enactment of the Adjusted Compensation Payment Act.

I said in my Budget message:

> • • • The many legislative acts creating the machinery for recovery were all predicated on two interdependent beliefs. First, the measures would immediately cause a great increase in the annual expenditures of the Government—many of these expenditures, however, in the form of loans which would ultimately return to the Treasury. Second, as a result of the simultaneous attack on the many fronts I have indicated, the receipts of the Government would rise definitely and sharply during the following few years, while greatly increased expenditures for the purposes stated, coupled with rising values and the stopping of losses would, over a period of years, diminish the need for work relief, and thereby reduce Federal expenditures. The increase in revenues would ultimately meet and pass the declining cost of relief.
>
> This policy adopted in the spring of 1933 has been confirmed in actual practice by the Treasury figures of 1934, of 1935, and by the estimates for the fiscal years of 1936 and 1937.
>
> There is today no doubt of the fundamental soundness of the policy of 1933. If we proceed along the path we have followed, and with the results attained up to the present time, we shall continue our successful progress during the coming years.

If we are to maintain this clear-cut and sound policy, it is incumbent upon us to make good to the Federal Treasury both the loss of revenue caused by the Supreme Court decision and the increase in expenses caused by the Adjusted-Compensation Payment Act. I emphasize that adherence to consistent policy calls for such action.

To be specific: The Supreme Court decision adversely affected the Budget in an amount of $1,017,000,000 during the fiscal year 1936 and the fiscal year 1937. This figure is arrived at as follows:

Deficit to date (expenditures chargeable to processing taxes less processing taxes collected) in excess of that contemplated in the 1937 Budget	$281,000,000
Estimated expenditures to be made from supplemental appropriation approved in the Supplemental Appropriation Act, 1936	296,000,000
Estimated expenditures to be made under the Soil Conservation and Domestic Allotment Act	440,000,000
Total additional deficit, 1936 and 1937, due to Supreme Court decision and adjusted farm program	1,017,000,000

For the purposes of clarity, I divide the present total additional revenue needs of the Government into the permanent and the temporary ones.

Permanent Treasury income of $500,000,000 is required to offset expenditures which will be made annually as a result of the Soil Conservation and Domestic Allotment Act recently enacted by the Congress and approved by me; and an additional sum recurring annually for 9 years will be required to amortize the total cost of the Adjusted Compensation Payment Act.

The net effect of paying the veterans' bonus in 1936, instead of 1945, is to add an annual charge of $120,000,000 to the $160,000,000 already in the Budget.

We are called upon, therefore, to raise by some form of permanent taxation an annual amount of $620,000,000. It

may be said, truthfully and correctly, that $500,000,000 of this amount represents substitute taxes in place of the old processing taxes, and that only $120,000,000 represents new taxes not hitherto levied.

I leave, of course, to the discretion of the Congress the formulation of the appropriate taxes for the needed permanent revenue. I invite your attention, however, to a form of tax which would accomplish an important tax reform, remove two major inequalities in our tax system, and stop "leaks" in present surtaxes.

Extended study of methods of improving present taxes on income from business warrants the consideration of changes to provide a fairer distribution of the tax load among all the beneficial owners of business profits whether derived from unincorporated enterprises or from incorporated businesses and whether distributed to the real owners as earned or withheld from them. The existing difference between corporate taxes and those imposed on owners of unincorporated businesses renders incorporation of small businesses difficult or impossible.

The accumulation of surplus in corporations controlled by taxpayers with large incomes is encouraged by the present freedom of undistributed corporate income from surtaxes. Since stockholders are the beneficial owners of both distributed and undistributed corporate income, the aim, as a matter of fundamental equity, should be to seek equality of tax burden on all corporate income whether distributed or withheld from the beneficial owners. As the law now stands, our corporate taxes dip too deeply into the shares of corporate earnings going to stockholders who need the disbursement of dividends; while the shares of stockholders who can afford to leave earnings undistributed escapes current surtaxes altogether.

This method of evading existing surtaxes constitutes a problem as old as the income tax law itself. Repeated attempts by the Congress to prevent this form of evasion have not been successful. The evil has been a growing one. It has now reached disturbing proportions from the standpoint of the inequality it represents and of its serious effect on the Federal revenue. Thus the Treasury estimates that, during the calendar year 1936, over four and one-half billion dollars of corporate income will be withheld from stockholders. If this undistributed income were distributed, it would be added to the income of stockholders and there taxed as is other personal income. But, as matters now stand, it will be withheld from stockholders by those in control of these corporations. In 1 year alone, the Government will be deprived of revenues amounting to over $1,300,000,000.

A proper tax on corporate income (including dividends from other corporations), which is not distributed as earned, would correct the serious twofold inequality in our taxes on business profits if accompanied by a repeal of the present corporate income tax, the capital-stock tax, the related excess-profits tax, and the present exemption of dividends from the normal tax on individual incomes. The rate on undistributed corporate income should be graduated and so fixed as to yield approximately the same revenue as would be yielded if corporate profits were distributed and taxed in the hands of stockholders.

Such a revision of our corporate taxes would effect great simplification in tax procedure, in corporate accounting, and in the understanding of the whole subject by the citizens of the Nation. It would constitute distinct progress in tax reform.

The Treasury Department will be glad to submit its estimates to the Congress showing that this simplification and removal of inequalities can, without unfairness, be put into practice so as to yield the full amount of $620,000,000—the amount I have indicated above as being necessary.

Turning to the temporary revenue needs of the Government, there is the item of $517,000,000, which affects principally the current fiscal year. This amount must in some way be restored to the Treasury, even though the process of restoration might be spread over 2 years or 3 years.

In this case also the formulation of taxes lies wholly in the discretion of the Congress. I venture, however, to call your attention to two suggestions.

The first relates to the taxation of what may well be termed a "windfall" received by certain taxpayers who shifted to others the burden of processing taxes which were impounded and returned to them or which otherwise have remained unpaid. In unequal position is that vast number of other taxpayers who did not resort to such court action and have paid their taxes to the Government. By far the greater part of the processing taxes was in the main either passed on to consumers or taken out of the price paid producers. The Congress recognized this fact last August and provided in section 21 (d) of the Agricultural Adjustment Act that, in the event of the invalidation of the processing taxes, only those processors who had borne the burden of these taxes should be permitted to receive refunds. The return of the impounded funds and failure to pay taxes that were passed on result in unjust enrichment, contrary to the spirit of that enactment. A tax on the beneficiaries unfairly enriched by the return or nonpayment of this Federal excise would take a major part of this windfall income for the benefit of the public. Much of this revenue would accrue to the Treasury during the fiscal years 1936 and 1937.

The other suggestion relates to a temporary tax to yield the portion of $517,000,000 not covered by the windfall tax. Such a tax could be spread over 2 years or 3 years. An excise on the processing of certain agricultural products is worth considering. By increasing the number of commodities so taxed, by greatly lowering the rates of the old processing tax, and by spreading the tax over 2 or 3 years, only a relatively light burden would be imposed on the producers, consumers, or processors.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 3, 1936.*

LAWS OF FIRST NATIONAL PHILIPPINE ASSEMBLY (INAUGURAL SESSION)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Territories and Insular Affairs:

To the Congress of the United States:

As required by section 2 (a) (11) of the act of Congress approved March 24, 1934, entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes", I transmit herewith copies of the laws enacted by the First National Assembly of the Philippines during its inaugural session, from November 25, 1935, to December 21, 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 3, 1936.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TAYLOR of Colorado, Mr. JACOBSEN, Mr. JOHNSON of Oklahoma, Mr. LAMBERTSON, and Mr. WIGGLESWORTH were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to Senate Concurrent Resolution 33, as follows:

Resolved by the Senate (the House of Representatives concurring), That the action of the Speaker of the House of Representatives and the President of the Senate in signing the enrolled bill (S. 3227) to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931, be, and the same is hereby, rescinded, and that in the reenrollment of the bill the Secretary of the Senate be, and he is hereby, authorized and directed to strike out on page 1, line 8, of the engrossed bill the word "materials" and insert in lieu thereof the word "minerals."

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. BARBOUR. Mr. President, referring to the bill now before the Senate, inasmuch as I understand a letter similar to one received by me has been sent to a number of other Senators, I should like to read the letter transmitted to me by the Secretary of War under date of February 3, and I shall take the liberty of reading my acknowledgment of the letter, which I think may be of some usefulness and helpfulness at this time.

The letter of the Secretary of War is as follows:

WAR DEPARTMENT,
Washington, February 3, 1936.

Hon. W. WARREN BARBOUR,
United States Senate, Washington, D. C.

DEAR SENATOR BARBOUR: I earnestly request your consideration of legislation recommended by the President in his letter of January 6, 1936 (copy attached), which is deemed essential to the proper administration of the Panama Canal.

The purpose of this bill (S. 2288) is to cure inequities and abuses inherent in the present system of assessing tolls. It failed of passage recently because, it is believed, its real purpose and the justification therefor were not fully understood.

I am informed that the bill, which was recommitted to the Committee on Interoceanic Canals, may again be reported shortly in a somewhat different form. It is desirable, therefore, that you know that the section providing for the study of the Panama Canal rules of measurement might well be omitted. A preliminary review of these rules has been recently completed. It shows that only simple changes therein are justified by experience and by development in ship construction. These changes may be made readily and without further legislative authority. The further study which I will direct if the law is enacted will furnish full information to enable the President to promulgate the revision in the rules and to fix the tolls rates within the limits set by this legislation. The Panama Canal rules of measurement, the exclusive use of which is the purpose of this legislation, were most scientifically prepared after a thorough study of the subject by competent experts, with due consideration of the interests of the Government and the shipowners alike.

The passage of this legislation will make no material change in Canal revenue; it will eliminate inequalities in charges between different vessels; it will require the measurement of vessels transiting the Canal under one set of rules especially adapted to the purpose, such rules being similar to, though an improvement upon, those in use at Suez; it will eliminate an expensive indirect subsidy which up to now has accrued to foreign vessels in much greater proportion than to United States vessels; it will stop the apparently endless reduction in tolls paid by certain vessels brought about by evasive structural changes and questionable interpretations, and it will make possible the control of Panama Canal income.

Every administration since the Canal was completed has favored the enactment of legislation to accomplish this result. In my opinion, it is in the public interest.

Sincerely yours,

GEO. H. DERN,
Secretary of War.

My reply to the letter, under date of February 15, on which I will comment later, was as follows:

FEBRUARY 15, 1936.

The Honorable GEORGE H. DERN,
Secretary of War, Washington, D. C.

DEAR MR. SECRETARY: I wish to acknowledge receipt of your letter of February 3, 1936, in connection with S. 2288. I shall gladly give careful consideration to any revision of the bill that may be suggested, but I wish to say quite frankly that I believe it unwise to eliminate the section authorizing an independent and impartial study of the method of assessing tolls on vessels transiting the Panama Canal, and to enact legislation prescribing a particular method without awaiting the result of such an investigation. Moreover, I believe it would be presumptuous on the part of the committee to report such a bill as your letter says may be reported shortly, in view of the overwhelming vote of the Senate last month indicating its desire for an independent study of this kind before changing the present method of assessing tolls.

The purpose of section 2 was to bring about a thorough and impartial review of what constitutes a fair and equitable system of levying tolls by an independent committee that would not be wholly within the control of the Canal administration and the War Department. Your letter gives me the impression that you are opposed to any study of this matter not directed by your Department, and indicates that your Department already has determined very largely just what changes in the rules it will recommend to the President. It seems to me that this attitude emphasizes more than ever the advisability of an independent review such as the Senate so strongly favored.

The penultimate paragraph of your letter recites your reasons for advocating enactment of this legislation. I think some of them require comment:

You say this legislation "will eliminate inequalities in charges between different vessels." It is my understanding that the ships whose tolls would be increased by this bill are now bearing more than their share of the toll burden in proportion to their weight-carrying capacities. The enactment of this legislation, instead of eliminating this inequality, would aggravate it. Furthermore, if any substantial injustice that might be imposed on certain classes of ships under the present system of levying tolls were corrected by the proposed legislation, the owners of these ships would certainly be advocating its enactment; and yet I know of no shipowner or operator who has endorsed this legislation in the 20 years since the opening of the Canal.

You say "it will eliminate an expensive indirect subsidy which up to now has accrued to foreign vessels in much greater proportion than to United States vessels." In the interest of fairness, I think it is hardly accurate to characterize as an "expensive subsidy" a system of levying tolls which during the last two fiscal years yielded a net return, after deducting all expense, of about 4¼ percent per annum on the full capital investment in the Canal, both military and commercial (including administrative, civil, and business properties, public works, and working capital, but excluding accumulations of interest), and an annual return of more than 6 percent on the commercial valuation of $275,000,000, as estimated by the War Department. It should also be borne in mind that during part of this period there was a substantial curtailment of the Canal revenues due to the extended strike of longshoremen on the Pacific coast. Furthermore, it would seem incorrect and misleading to say that this "subsidy" accrues "to foreign vessels in much greater proportion than to United States vessels" when the data submitted at the hearing by the Canal administration for the fiscal year ending June 30, 1934 (the only period for which such data was submitted) shows the reverse to be the case. These data (joint hearings, S. 2288, p. 106) may be summarized as follows:

Mr. President, I will digress for a moment to refer first to increases and then to decreases, because otherwise the figures will not be as readily understood as they will be when read.

Passenger ships, United States registry increase, $471,762; foreign registry increase, $375,171; or a total increase of $846,933.

The percentage of increase in the case of United States registry is 22; in the case of foreign registry it is 10; or a total average increase of 15 percent.

The increase per transit in the case of United States registry is $1,371; foreign registry, $471.

It is difficult to state the table so it can readily be understood by Senators, but it will be clearly understood when read in the RECORD. As found in my reply to the letter of the Secretary of War, the table is as follows:

Type and nationality of ship	Increase or decrease	Percentage increase or decrease	Increase or decrease per transit
Passenger ships:			
United States registry	$471,762	22	$1,371
Foreign registry	375,171	10	471
Total	846,933	15	742
Shelter-deck cargo ships (usually 3-deck ships):			
United States registry	147,229	7	349
Foreign registry	101,488	2	95
Total	248,717	4	167
Other dry-cargo ships (usually 2 or less decks):			
United States registry	[1] 92,959	[1] 3	[1] 109
Foreign registry	[1] 285,794	[1] 9	[1] 364
Total	[1] 378,744	[1] 6	[1] 231
Oil-tank ships:			
United States registry	[1] 577,910	[1] 17	[1] 913
Foreign registry	[1] 342,195	[1] 19	[1] 1,107
Total	[1] 920,105	[1] 18	[1] 977

[1] Decrease.

My reply to the Secretary continues:

These data show conclusively that the increases in tolls under the proposed bill would be proportionately heavier on the American ships and the reductions proportionately less.

Your letter continues: "It (the enactment of the legislation) will stop the apparently endless reduction in tolls paid by certain vessels brought about by evasive structural changes and questionable interpretations."

Mr. DUFFY. Mr. President——

The PRESIDING OFFICER (Mr. ADAMS in the chair). Does the Senator from New Jersey yield to the Senator from Wisconsin?

Mr. BARBOUR. I yield.

Mr. DUFFY. Before the Senator leaves the other point which he mentions in his letter, I will say that the report of the Bureau of Efficiency, which made a study of the tolls question in 1932, shows that in the 17 years of operation up to that time United States vessels had been relieved of approximately $27,000,000, while foreign vessels had been relieved of $32,000,000. In other words, for each dollar of toll charges the United States vessels have been relieved by changes in structure, and so forth, more than a dollar has been saved to the foreign vessels. I think that is what the Secretary means by the indirect subsidy to the foreign ships.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. BARBOUR. I yield.

Mr. STEIWER. Does the report disclose what proportion of the vessels were United States vessels and what proportion of the vessels were under foreign flags?

Mr. DUFFY. In answer to the question of the Senator from Oregon, I will say that the report shows that all vessels under the United States flag in the 17 years which the study of the tolls covered had been relieved of $27,000,000 in tolls.

Mr. STEIWER. I understood that perfectly; but I did not understand the Senator to state what part of the tonnage was foreign and what part of the tonnage was under the American flag.

Mr. DUFFY. Does the Senator mean of the total which went through the Canal during that time?

Mr. STEIWER. Yes.

Mr. DUFFY. I think the report does cover that point, but I have not the figures here. However, I will say I have received from the Canal authorities the statement that the figures have continued in the same proportions, because up to date vessels have been relieved of a total charge of $84,000,000, of which $37,250,000 has been saved by United States vessels, while $46,750,000 in legitimate revenue has been forfeited to foreign vessels. At the moment I have not the exact total amount of tonnage, but it is in very direct proportion, except that Japanese vessels up to the last year had not taken advantage of the devices of which they have now begun to avail themselves in order to get the benefit of lower toll rates. I can get those figures for the previous period.

Mr. STEIWER. If the tonnage was comparable, the conclusion would be sound that foreign vessels have profited more from the so-called relief than the American vessels.

Mr. DUFFY. That is correct.

Mr. STEIWER. If the foreign tonnage was three times as large as the American tonnage, of course, the figures which the Senator just read would not be so revealing.

Mr. DUFFY. That is true. I will try to get those figures for the Senator. As I recall, the tonnage figures are comparable, and the point which was made, both in the report of the Bureau of Efficiency and in the report of the Panama Canal authorities, is that for each dollar of relief given to American vessels more than a dollar of relief has been given to foreign vessels.

Mr. WHITE. Will the Senator state again the years covered by the statement?

Mr. DUFFY. Yes; the investigation was made in the year 1932, and the report was made, as I recall, in the latter part of that year; and the statement there made is that in the 17 years of operation up to the time the report was made the relief which had come to United States vessels was approximately $27,000,000, and that which had come to foreign vessels was approximately $32,000,000.

Mr. BARBOUR. Mr. President, I welcome the interruptions.

Mr. DUFFY. I did not mean to interrupt the Senator.

Mr. BARBOUR. The Senator did not interrupt me at all. The colloquy is a perfectly proper one at this time. I think I have some figures which I will come to in a moment which may in a measure clear up the situation.

In any event, Mr. President, the colloquy shows the great and perfectly honest differences of opinion which exist; and by the same token, as was argued in the Senate a month ago, it proves the necessity for an impartial and properly conducted investigation of the whole subject by trained investigators.

In the latter part of my reply to the Secretary of War, I made reference to the Secretary's letter to me, wherein he said:

"It will stop the apparently endless reduction in tolls paid by certain vessels brought about by evasive structural changes and questionable interpretations."

Is it accurate to characterize these reductions as "endless"?

This is the question, put to the Secretary in my letter to him:

Is it accurate to characterize these reductions as "endless"? For example, do you mean that the modern American passenger ship or the open-shelter deck freighter can reduce present tolls indefinitely? Furthermore, is it not misleading to describe the structural changes to cargo ships as "evasive", when their weight-carrying capacity is reduced indefinitely and legally by such changes. Moreover, "questionable interpretations" (if any exist) is already vested in the administrative officers.

In my judgment, such advocacy of this legislation offers further evidence of the wisdom and desirability of a thorough investigation by a tribunal other than the Canal administration before enacting substantive legislation.

Sincerely yours—

Signed by me.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. BARBOUR. I yield.

Mr. DUFFY. It has been the contention of the War Department and the Canal authorities that the so-called tonnage openings which have been cut in the decks of vessels serve no useful purpose except for the reduction of toll charges. Does not the Senator agree with the statement that there is no other purpose at all for cutting such openings except to accomplish a reduction in toll charges?

Mr. BARBOUR. Mr. President, that question was discussed repeatedly and at length when the original edition of the bill was before the Senate previously, and I will come to it again in my remarks. If my explanation now shall not be adequate, I will be very glad to have the Senator repeat his question.

Mr. President, the bill S. 2288, as reported to the Senate in May 1935, authorized, in section 2, an independent and impartial study of the method of levying tolls on vessels transiting the Panama Canal. Recognizing the inconsistency of enacting legislation prescribing a particular method of toll assessment in advance of the investigation, the Senate, by an overwhelming majority, voted to follow the more orderly procedure of awaiting the result of the study before legislating on this highly technical and complicated subject. This decision was amply justified by the fact that the present system had been in effect for more than 20 years without a demand for this proposed legislation from a single shipowner, and, as the present Canal revenues are admittedly adequate, there was no sound reason for the Congress to compel by law a redistribution of tolls among the different classes of ships in advance of an independent and impartial review.

The bill now reported back to the Senate differs from the bill reported last May in three important particulars:

First. All possibility of an independent study of this subject—that is, one not controlled and directed solely by the War Department—is removed by the elimination of section 2.

Second. Virtually unlimited authority is vested in the President in determining the unit upon which tolls are to be assessed, and, therefore, in the amount of the tolls. This is brought about by the elimination of certain restrictive language heretofore incorporated in the bill. By reason of the very nature of the problems involved, these amplified powers (in many respects unlimited) would, as a matter of fact, be exercised by the War Department.

Third. Certain departures from the principle that ships should pay in proportion to their earning capacity—the adoption of which principle has been the primary objective of the proponents of this legislation—are made mandatory in the revised bill, in the hope they may facilitate its enactment by Congress.

INDEPENDENT STUDY MADE IMPOSSIBLE

As to a possible revision of the rules, the majority report says that a—

Further study of a technical nature will be made administratively under the direction of the Secretary of War. The proposed revision of the rules contemplates such changes as will be fair to shipping

as well as to the Government. They will then be submitted to the Department of Commerce and to parties in interest for study and suggestions. In regular course, an opportunity would be given to those who have legitimate interests at stake and those who have practical knowledge of shipping to present their views and submit recommendations with reference to all types of vessels which are in use or in contemplation.

I think it should be pointed out that no such revision is required or suggested in the bill. Moreover—and this, in my judgment, is of the utmost importance—

Further study * * * will be made administratively under the direction of the Secretary of War.

In other words, there will be no study except that directed and controlled by the War Department and the Canal administration, which for 20 years have made every effort to compel the adoption of the Panama Canal rules of measurement as the sole basis for levying tolls, notwithstanding the unanimous protest of the American shipowners, and no recommendations for changes in the rules will be made to the President except through the Secretary of War.

Furthermore, one cannot escape the conclusion that the War Department has already decided in advance just what changes it will make in the rules of measurement. In a recent letter to Members of the Senate, myself among others, the Secretary of War says:

A preliminary review of these rules has been recently completed. It shows that only simple changes therein are justified by experience and by development in ship construction. These changes may be made readily and without further legislative authority. The further study which I will direct if the law is enacted will furnish full information to enable the President to promulgate the revision in the rules and to fix the toll rates within the limits set by this legislation.

Moreover—and this is most significant—the Canal authorities have time and again supported their advocacy of this legislation with statistical data based upon the rules as they propose to modify them. Such a tabulation appears on page 10 of the majority report, and others were used by the proponents of this legislation in the course of the Senate debate. Clearly, such data can have no significance unless based upon rules which actually go into effect, and certainly the Canal Administration would not submit such data unless the results shown conformed exactly to the rules which they have reason to believe will go into effect. The refusal of the War Department to permit any investigation not directed and controlled by an organization already irrevocably committed to the Panama Canal system of measurements, and its frank prediction of the toll charges that will result from the rules after such review, is compelling evidence that the passage of the bill as now reported would effectively preclude the disinterested review, free from preconceptions, which the Senate so strongly favored.

In connection with possible future revision of the Panama Canal rules of measurement, it should be made clear that ever since the promulgation of the present rules on November 21, 1913, it has been the right and duty of the Canal Administration to recommend to the President such changes in those rules as in their judgment would tend to make them a more suitable basis for assessment of tolls; that notwithstanding their admission that the rules require modification, they refuse not only to revise the rules but even to specify the changes they propose to make until after such rules have been prescribed by Congress as the sole basis for assessment of tolls. Certainly it would be fairer, both to Congress and to the shipowner, if the changes which they propose to make, the results of which are reflected in the statements they have submitted, were specifically set forth so as to permit an examination into their fairness before such rules are made the exclusive basis for calculating the tonnage upon which tolls are based.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. BARBOUR. I yield.

Mr. DUFFY. Does the Senator contend if the Panama Canal authorities followed the interpretation of the law as set forth by the Attorney General in 1914, that they themselves could make any change without coming to Congress for authority? In other words, we now have the dual system. If the Panama Canal rules of measurement to which every ship is subjected in going through the Canal were the only consideration, that would be one thing; but under the Attorney General's opinion there is a limiting factor, it being necessary to consider the United States rules of measurement. I was wondering if the Senator thought the Canal administration had that power now without legislation?

Mr. BARBOUR. I think they have the power which I mentioned during the course of my remarks, though the point made by the Senator is a good one.

EXECUTIVE AUTHORITY VIRTUALLY UNLIMITED

Mr. President, the virtually unrestricted authority given in the bill to amend the rules from time to time without further legislative action, combined with the significant elimination from the bill of the language heretofore employed to define the unit of measurement upon which tolls are to be assessed, that is, "vessel tons of 100 cubic feet each of actual earning capacity", not only removes the statutory protection which the shipowner now has against the levying of excessive tolls but also represents a delegation so broad in scope as to be of doubtful validity. The rate of tolls has no practical significance unless applied to a unit defined by statute. Under the proposed bill, administrative discretion in modifying the rules of measurement is, in most respects, unrestricted, and as a result the possibility of manipulation of the rules, and consequently of the amount of tolls, is unlimited.

The determination of toll charges for the Panama Canal is a legislative function which can be delegated by Congress to an administrative agency if Congress definitely limits the area within which administrative discretion may be exercised and prescribes the principles to which that agency must conform in determining such charges. A statute which permits the administrative branch of the Government to assess such toll charges on the basis of unit of measurement to be determined by the administrative branch and which does not lay down definite principles to which the administrative branch must conform in determining such unit of measurement but leaves the determination to its uncontrolled and arbitrary discretion, violates this fundamental principle of constitutional law.

PRINCIPLE OF EARNING CAPACITY SACRIFICED TO POLITICAL EXPEDIENCY

The enactment of this legislation is urged so as to establish the principle that ships should pay tolls according to their earning capacity. Nevertheless, the only mandatory provisions of the bill as now reported—that is, the exemption of deck loads and the assessment of a higher rate against tankers—are those that prescribe departures from this principle, while the application of this principle in other respects may be entirely voided by amending the rules of measurement.

Clearly, if the Panama Canal rules of measurement afford an equitable basis for toll assessment, as is contended by the proponents of the bill, then the mandatory provision levying a higher rate of tolls on tankers than on other vessels constitutes a gross and unwarranted discrimination against this highly useful type of ship. If, on the other hand, these rules do not afford a fair basis for toll assessment, as is maintained by those who oppose the bill, then admittedly such inequities are not corrected by the arbitrary assessment of an additional 10 cents per ton on this class of bulk carrier.

I should like to interject here that I cannot tell how that figure was reached; and when the distinguished chairman of the committee, the Senator from Oklahoma [Mr. GORE] suggests that this new measure will mean an increase in cost of only one-half cent per bale of foreign shipments of cotton through the Panama Canal, I am at a loss to understand how that computation was arrived at. The point I am trying to make is that I believe no one of us knows whether the one-half cent a bale should not have been 10 cents a bale less. It may be it should have been even more than one-half cent per bale less, but we do not know which is correct, and we should find out.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. BARBOUR. Certainly.

Mr. DUFFY. With reference to the suggestion as to tankers, I quite agree perhaps that it is a discrimination against tankers which go through the Canal, but I recall a number of other Senators made the argument at the time the bill was before the Senate previously that tankers would get the greatest advantage if the bill were enacted into law, and 10 cents was fixed as the charge, which would keep the tolls at approximately what they are now. It would result in a little more income to the Canal.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BARBOUR. Certainly.

Mr. WHITE. Was there any evidence taken before the committee as to the percentage increase necessary in order to equalize the tolls for the different classes of ships, or is it just an arbitrary figure which has been adopted without study and without hearings on the question?

Mr. BARBOUR. I cannot answer the Senator's question.

Mr. WHITE. As a matter of fact, I was addressing the question to the Senator from Wisconsin.

Mr. BARBOUR. I yield to the Senator from Wisconsin to answer the question.

Mr. DUFFY. I did not understand the Senator was addressing me, although he was looking directly at me. There have been no additional hearings on that matter since the hearings on the previous bill.

Mr. WHITE. Then how was the 10-cent increase determined? Was that arbitrarily set, or is it based upon information developed before the committee?

Mr. DUFFY. I understood it was fixed both from information developed previously and from advice given by the Panama Canal authorities.

Mr. WHITE. There was no testimony from those who would pay the bills?

Mr. DUFFY. I do not recall that there was. I know there have been no hearings since the previous public hearing.

Mr. WHITE. That is one trouble with the whole matter—the shipping interests who in the first instance pay the bills and then the public who ultimately bear the charges are disregarded in the entire discussion, and in this effort to change the rules we are asked to rely exclusively on the military authorities.

Mr. DUFFY. If the Senator will indulge me further——

Mr. BARBOUR. Certainly.

Mr. DUFFY. The question about the shipping public being concerned in any such change as is here involved, I think, is a very good argument on the face of it; but not very sound, because today vessels carrying cotton through the Canal do not pay the same rates. Some have taken advantage of the situation and put openings in their decks while others have not, and still the conference provides that they are all to be charged the same rate. In other words, the ones benefiting by it have not passed the saving on to the shippers at all. I do not think that question is really involved.

Mr. BARBOUR. Mr. President, as the Senator from Wisconsin has said, there were no hearings before the committee between the first and second editions of the bill. Personally I think that is a distinction without a difference. To be fair to the chairman of the committee, I think that is something to which I, as the only Republican member of the committee, could not take exception. The Senator from Oklahoma made reference to a great deal of data that had been gathered in the past.

When the bill was reported from the committee—and I am glad to take this opportunity to say this because it is only fair to the Senator from Oklahoma that I should do so—he brought it to me and asked if it would be acceptable to me as the minority member of the committee, and if not, whether I would submit a minority report. I told him that I would either submit a minority report, or, if I concluded my thoughts would be more effective expressed at some other time in some other way, I should give my views then. That is what I am attempting now to do.

I think it must be obvious to those who have followed this legislation that the real purpose of this surprising departure from the principle of earning capacity is not to correct the inequities in the Panama Canal rules, but is rather to obtain congressional support for the bill by requiring a higher rate of tolls on ships owned by the large American oil companies because of their supposed political unpopularity, and the proponents of the bill hope by these means to secure the passage of legislation even though this provision violates the principle for which they have been fighting for 20 years.

Of course, I cannot speak with any justification for the proponents of the bill; but I do know, as the Senator from Wisconsin pointed out, that reference was made repeatedly in the last debate on this bill to the fact that the new rates would impose a greater load on the passenger ships and freight carriers than would be true in the case of the ore vessels and tankers; and I think that argument did have quite an appeal. By the same token, my own judgment is that the 10 cents per ton arbitrarily interjected into this new edition of the bill was inserted to create a favorable attitude in respect to the tankers which were so much discussed before.

I should like to say at this time, too, if I may, that there has been a great deal of reference to the pressure which has been brought to bear upon Senators, and the iniquitous interest of shipping concerns in various quarters. I wish to point out that there are not any larger oil companies on earth than those in my State. The Standard Oil Co. of New Jersey certainly is one of the largest there is. I have not been importuned or bothered or badgered by anyone; and I resent the implication that because I take one side or the other of this controversy, it must be for some sinister motive that I do it. Most certainly, I do not accuse the chairman of the committee of any such reaction as that, nor, of course, the Senator from Wisconsin [Mr. DUFFY].

In other words, the modifications made in the bill by the committee not only ignore the Senate's emphatically expressed desire for an independent and impartial study, but, on the other hand, so greatly increase the authority of those now administering the Canal as virtually to remove the shipowner's protection against excessive tolls and possibly invalidate the delegation of power. To obtain such legislation the principle of earning capacity is compromised for the sake of political expediency.

The principal arguments advanced in support of this bill, as I see them, may be summarized as follows:

First. The dual system is unsatisfactory and should therefore be supplanted by reestablishment of a single system.

To digress for a moment, that is the subject to which my able friend the Senator from Wisconsin referred.

Second. The Panama Canal rules of measurement provide a fair and just method of determining the tonnage upon which tolls should be paid.

Third. Tonnage determined under the United States rules of measurement does not afford a suitable basis for toll assessment.

Fourth. The present system of assessing tolls represents an expensive subsidy to shipping, from which foreign shipping benefits to a larger extent than our own.

Those, as I have said, as I see the matter, are the four principal arguments advanced in support of this bill by those who are in favor of the proposed legislation.

I think it important that these arguments be examined in some detail.

DUAL SYSTEM SHOULD NOT BE SUPPLANTED BY ONE LESS SUITABLE

To refer first to the dual system, and the claim that it should be supplanted by one which in my opinion is less suitable, let me say that no system of assessing tolls is inequitable solely because it is based on two different sets of measurement rules. During the 20 years the present system has been in effect, no shipowner has protested against it. There could be no stronger evidence than this of its fairness. Even the War Department admits the adequacy of existing Canal revenues, and disclaims any intention of increasing them.

Mr. DUFFY. Mr. President, will the Senator yield at that point?

Mr. BARBOUR. Yes.

Mr. DUFFY. Of course, the fact that no shipping concern has complained is very good evidence that the companies have been, year by year, getting some benefits from the present situation. The figures show that the percentage of earning space on which it has been possible to collect tolls has been reduced from 84 percent in 1919 to 70 percent in 1935. In other words, in 16 years the shipping concerns have been able, through these changes, to have their tolls reduced 14 percent; and apparently there is no end to it, because the ships that cannot be changed will be replaced by new construction. It is to try to stop this decrease year by year that the present legislation is proposed.

Of course, I do not blame the shipowners for not protesting, because every year by this device—which was not the intention of Congress at all—they are able to get out cheaper than they did the year before. It has kept on in that way.

Mr. BARBOUR. That goes back to the old argument which we pursued at such length and so often in the last debate. I shall come back to that again before I conclude my remarks; but in reply to what the Senator has said, I will say that I, for one, see no reason why the shipping interests of the United States should not benefit by the Panama Canal.

Mr. DUFFY. Mr. President, if the Senator will yield further——

Mr. BARBOUR. Certainly.

Mr. DUFFY. If the American shipping interests need help, does not the Senator think that instead of having more than a dollar benefit go to foreign ships for every dollar domestic ships have been able to save by this device, it would be better to give it directly to our ships, and not let the foreign ships come in and have this indirect subsidy right along?

If that is necessary to help our shipping interests, I should be willing to do that; but by this device, for every dollar of help our people receive, we are helping foreign shipping more than a dollar.

Mr. BARBOUR. There the distinguished Senator from Wisconsin is getting into an essentially different field. Expressing my own view on snap judgment, I should be inclined to think I would go further than the Senator would in that respect as far as American shipping is concerned, and perhaps let them use the Canal free without charge. I am not at all sure that would not be the fair and proper thing to do; but I am not sufficiently sure about my ground and foreign relations and treaties and many other things to bring that view into this particular phase of the problem.

Mr. DUFFY. I was about to suggest to the Senator that in view of existing treaties I do not think it would be possible for us to do that.

Mr. BARBOUR. The Senator from Wisconsin spoke very fairly about his anxiety to help American shipping in relation to this American Canal, and I am sure he and I are of one mind in that respect.

Clearly, under these circumstances, there is no justification for abandoning the present system until one can be devised which, in the judgment of those who pay the bills, is at least as equitable as that now in effect. Certainly, such change should not be made solely at the urging of those collecting the tolls, who, while admitting the adequacy of existing revenues, wish to compel a redistribution of the toll burden so as to give substance to a theoretical system of measurement devised by them more than 20 years ago.

In other words, I do differ with the Senator from Wisconsin in this respect: I am more interested in the shipowners and operators and those whom they employ than in the management per se of the Panama Canal; and I do not say this in any disrespectful sense so far as the War Department is concerned. These are all adjuncts of the Nation and the undertakings of the Nation. Shipping is one of the greatest of these.

THE PANAMA CANAL RULES OF MEASUREMENT DO NOT AFFORD AN EQUITABLE BASIS FOR ASSESSMENT OF TOLLS

The majority report mistakenly alleges that the Panama Canal rules have never been attacked on the ground that they do not afford a proper basis for toll charges. The two major inequities resulting from these rules have been repeatedly pointed out. These are:

First. The tolls assessed under this method on the passenger spaces of modern passenger liners are so excessive as to make the carriage of passengers in some cases possible only at virtually prohibitive expense. The War Department has been compelled to recognize this vital defect, and now promises to amend the rules in this respect notwithstanding the fact that these spaces are clearly part of the ship's earning capacity, and their exemption is a violation of this cardinal principle. Nevertheless, the War Department refuses to divulge to what extent and in what respects it will exempt this space until its rules have first been prescribed as the sole basis for toll assessment. The owners of these ships very properly protest against giving the War Department this blanket authority without assurance in the law that this injustice will be corrected.

Second. The most important defect in the Panama Canal rules is that they ignore the one factor which controls to a larger extent than any other the earning power of the ships that transit it; that is, the weight with which they may be safely loaded.

Here we come back to our old point of contention in respect to measurement, and so-called subterfuge and misinterpretation, and all the rest of it.

With respect to a majority of the cargo passing through the Canal, its weight is the factor that limits the capacity of the ship that carries it, and not the cubic capacity that the cargo occupies.

Mr. President, I think that is something which few of us have understood as clearly as we should; and, in my judgment, it was not brought out as specifically as it might have been in the earlier debates.

Nevertheless, the Panama Canal rules are based solely on the usable space within the ship and give no consideration to its weight-carrying capacity.

THE UNITED STATES RULES OF MEASUREMENT ARE NOT SUBJECT TO THESE DEFECTS AND DO AFFORD A SUITABLE BASIS FOR LIMITING TOLL PAYMENTS

The United States rules of measurements are not subject to these defects, as they permit the exemption of certain passenger spaces—and here again we come to this controversial elimination of space, and also of cargo spaces which do not contribute to the buoyancy of the ship and therefore to her weight-carrying capacity. In other words, the exemption of cargo space under the United States rules reduces the weight which the ship is permitted to carry, and consequently these rules give consideration to both the weight-carrying capacity and usable space.

Prior to the enactment of the Load Line Act of 1935 ships in domestic trade were not required by law to limit their cargoes to the reduced weight-carrying capacity resulting from exemption of spaces under the United States rules. Consequently American shipowners in some instances continued to load vessels in excess of their weight-carrying capacity while enjoying these exemptions and by this practice gave substance to the complaint that tolls were reduced without effecting corresponding reductions in earning capacity. That, I think, is exactly where the proponents and those opposed to the bill meet eye to eye, because undoubtedly in the past there has been an attempt to reduce the tolls without effecting a reduction in earning capacity. This cannot be done now, however, under the law as we know.

The majority report condemns the United States rules as resulting in a "steady and continuous reduction in pay tonnage" until this "has been reduced to less than 70 percent of the earning space." As proof of this contention there is inserted a tabulation showing the "percentage of earning capacity on which tolls were paid" for the years 1917 to 1935, inclusive.

I think that probably refers to the figures which the distinguished Senator from Wisconsin mentioned, as they appear, as I have said, in the majority report.

These data are not an accurate reflection of the tolls paid under the United States rules for several reasons. Now I come to my explanation, such as it is, which to me is the explanation.

The percentages shown in the table reflect variations in the character of the Canal traffic as well as the exemption

of additional space under the United States rules. For example, the reduction in the percentage for 1935 to 69.87 percent from 71.22 percent for 1934 results principally from the proportionately smaller tanker traffic in 1935 as compared with 1934. During 1935 tankers paid 18 percent of the total tolls as against 21.5 percent in 1934, and, as the United States tonnage of these ships does not differ so greatly from the Panama tonnage, this shift in traffic reduces the "Percentage of earning capacity on which tolls were paid."

Second. In a tabulation of this kind no allowance is made for the reduction in cargo carryings resulting from the exemption of space under the United States rules. It is clear that where load-line laws are in effect, these exemptions reduce the weight-carrying capacity, and, therefore, while reducing the tolls per transit, they do not necessarily reduce the tolls for the same volume of cargo, as more transits are then required to transport the same movement.

Third. The data submitted do not reflect the effect of the Coastwise Load Line Act, whose provisions just recently became effective. The conclusion would seem justified that tolls on intercoastal traffic must be increased under this law, either through the closing of tonnage openings to obtain larger carrying capacity, or by more frequent transits in order to carry the same volume of traffic.

In view of the brief period during which this act has been effective, and as data to accurately gage its effect are not yet available, it would seem more reasonable to await the results of this important legislation before predicting with assurance that "If this legislation—S. 2288—is not enacted there will result a further reduction in revenue unwarranted and unauthorized."

Striking evidence that the "percentage of earning capacity on which tolls were paid" does not accurately summarize the result of assessing tolls on the basis of the United States rules, is to be found in the fact that the tolls per ton of cargo transported through the Canal were greater in 1935 than in 1923, notwithstanding the "steady and continuous reduction in pay tonnage" during this period complained of in the majority report.

The following tabulation shows the tolls per ton of cargo for the years 1923 to 1935, inclusive, and it seems particularly significant that, outside of the depression years—1931–1934—during which, of course, the ships carried considerably less freight, there has not been much change in the tolls collected per cargo-ton:

Fiscal year ending June 30—	Total tolls	Total tons of cargo	Tolls per ton of cargo
1923	$17,504,027.19	19,566,429	$0.89
1924	24,284,659.92	26,993,167	.90
1925	21,393,718.01	23,956,549	.89
1926	22,919,231.89	26,030,016	.88
1927	24,212,250.61	27,733,555	.87
1928	26,922,200.75	29,615,651	.91
1929	27,111,125.47	30,647,768	.88
1930	27,059,998.94	30,018,429	.90
1931	24,624,599.76	25,065,283	.98
1932	20,694,704.61	19,798,986	1.05
1933	19,601,077.17	18,161,165	1.08
1934	24,047,183.44	24,704,009	.97
1935	23,307,062.93	25,309,527	.92

Complaint is also made that the so-called tonnage openings "have no purpose except to reduce the tonnage of the vessel" and are made "for the sole purpose of reducing tolls charges." The prompt enactment of the bill is urged principally to put a stop to this practice. Yet no reason is cited why a shipowner should not be permitted to make changes in his ship which definitely and legally reduce its weight-carrying capacity and correspondingly reduce the tonnage upon which the collection of tolls is based. The two go together. However, they are constantly being separated in the discussion. Moreover, there are well-defined limits within which such changes can be made; and to permit such reductions in toll payments to the shipowner who cannot advantageously utilize his full weight-carrying capacity is prompted by the same considerations that justify the lower rate for vessels transiting the Canal in ballast.

Our national-registry rules are the result of our maritime experience and that of other nations. They are designed to afford a fair basis for the assessment of dues and other charges made against ships for the use of publicly improved and maintained waterways.

Mr. DUFFY. Mr. President——

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from New Jersey yield to the Senator from Wisconsin?

Mr. BARBOUR. I yield.

Mr. DUFFY. I assume the Senator knows that there was an attempt at Suez some years ago, near the beginning of the transiting of vessels through that canal, to use such a system, and it was discarded as unsuitable. I think it is generally understood that the purpose was to obtain as low port fees and other charges as possible against our vessels. That system of charges in transiting the canal rests on an entirely different basis from the earning capacity of the vessel.

Mr. BARBOUR. I cannot say that I really know very much concerning the question the Senator has mentioned; but I know that the Suez Canal is a privately owned institution, operated at an enormous profit, and, of course, I can perfectly well understand that its owners might resist, because they are in a position to resist, any move to do anything except to soak as hard as they can those who have to use the canal.

As I previously said, our national registry rules are the result of our maritime experience and that of other nations. They are designed to afford a fair basis for the assessment of dues and other charges made against ships for the use of publicly improved and maintained waterways. They are almost universally accepted for this purpose, and there is no reason to assume that tonnage determined thereunder does not furnish an equally suitable basis for assessing tolls at the Panama Canal. This is particularly true since their use by the shipowner to reduce tolls without reducing carrying capacity has been prohibited by the extension of the load-line law to coastwise shipping.

I desire to emphasize the question of the load-line law, which I think is very largely lost sight of. We are constantly hearing our friends on the other side of the Chamber saying that certain benefits, and benefits alone, accrue by doing these certain things. They have to take the sour with the sweet, and they cannot reduce tolls without reducing carrying capacity.

THE PRESENT SYSTEM OF ASSESSING TOLLS IS NOT A SUBSIDY TO SHIPPING, NOR DOES FOREIGN SHIPPING BENEFIT FROM IT IN GREATER PROPORTION THAN AMERICAN SHIPPING

Mr. President, in advocating the enactment of this bill, the Secretary of War says that "it will eliminate an expensive indirect subsidy which up to now has accrued to foreign vessels in much greater proportion than to United States vessels"; and the majority report repeats that "it—the present dual system—constitutes one of the most costly forms of indirect subsidy that could well be devised."

Notwithstanding these statements, both the Secretary of War and the majority report concede the adequacy of existing revenues, and disclaim all intention to increase them. It would hardly seem accurate to characterize a system as an "expensive * * * subsidy", which, during the past 2 fiscal years, has earned a net profit, over and above all operating expenses, of almost $34,000,000. Furthermore, it should be borne in mind that the Canal revenues were substantially curtailed during these two fiscal periods by the prolonged strike of longshoremen on the Pacific coast. Moreover, the operating expenses charged against the Canal revenues include all the cost of the civil government of the Canal Zone, as, for instance, civil affairs, customs service, school system, fire and police protection, magistrates and district courts, and so forth. They also include depreciation on fixed property, $1,006,625.28 as well as fixed capital charge against business operations of $773,700.57. Neither do these results include any charge against our Army or Navy for their war vessels transiting the Canal.

These results represent an annual return of between 4½ and 5 percent on the entire cost of the Canal and its equip-

ment, including both its military and commercial value, and a return of more than 6 percent per annum on the commercial valuation of $275,000,000, as once estimated by the War Department. I doubt whether any other commercial activity of the Government is operated so profitably; and to characterize the tolls that produce these results as a subsidy to shipping represents an effort to obtain support for the bill that otherwise would be denied it.

Furthermore, it is misleading and incorrect to imply that this alleged "subsidy" accrues "to foreign vessels in much greater proportion than to United States vessels." The majority report attempts to support this statement by submitting data which do not represent the present situation, because they relate largely to the period prior to the placing in operation of some of the newer American passenger ships and prior to the making of the alterations to 38 American ships in 1933 which were referred to in the majority report on this bill at the last session. Moreover, these data are based, not on the Panama Canal Rules of Measurement as now constituted, but rather on the rules as the War Department proposes to revise them. On the other hand, the comprehensive data furnished by the Canal authorities at the Senate hearings for the fiscal year 1934 show beyond doubt that if the 90-cent rate suggested by the Secretary of War had been applied to this period, the increases in tolls of American ships would have been proportionately greater than the increases in the tolls of similar foreign ships; and, conversely, the reduction in tolls of American bulk carriers would have been proportionately less than the reductions enjoyed by similar ships of foreign registry. This information was accurately summarized in the minority report filed on this bill during the last session. Similar data have not been furnished by the War Department for the fiscal year 1935, but doubtless they would confirm the results indicated for 1934.

SUMMARY

The opposition to the bill now before the Senate may be concisely summarized as follows; and with this summary I desire to conclude my very sincere effort to oppose the enactment of this second edition of the bill, which I am convinced is a far worse edition than was the first:

First. It eliminates the possibility of an independent review, free from preconceptions, which the Senate, by an overwhelming vote, requested.

Second. It so increases the power of the Executive as to impair the protection against the levying of excessive tolls.

Third. The delegation of power is so broad in scope as to throw doubt on its validity.

That, Mr. President, is an objection from the constitutional viewpoint which I mentioned earlier in my remarks.

Fourth. Departures from the principle of "earning capacity" are made mandatory in an effort to obtain support for the bill, while all other factors may be modified or altered by Executive action.

I think the weakest thing done by the proponents of this measure was to hold out the decoy of 10 cents a ton in relation to the tankers, because it is in direct opposition to the philosophy back of their point of view in relation to this bill.

Fifth. The bill increases very substantially the tolls on the general cargo and passenger ships, which conduct most of the common-carrier operations, both in foreign and interstate commerce, and such increases are heavier, proportionately, on the American-flag ships of these classes than on those of other nationalities.

Sixth. The bill eliminates as a basis for toll assessment the United States Rules of Measurement, which are generally accepted as affording a fair and equitable method of assessing dues and charges against shipping and it attempts to substitute therefor a system of measurement which no shipowner has advocated.

Seventh. The possibility of reducing tolls without effecting corresponding reductions in the weight-carrying capacity of ships, has been eliminated through the enactment of the Coastwise Load Line Act of 1935. Furthermore, even without this safeguard which we now have, the amount of tolls collected for each ton of cargo carried through the Canal, has increased rather than decreased during the past 12 or 13 years.

Eighth. The present Canal revenues are returning a very substantial profit to the Government over all operating expenses, and their adequacy is conceded by the proponents of this legislation. Accordingly, to prescribe another method for assessment of tolls which no American shipowner has favored, is clearly unwarranted and could only be justified if such action were taken as the result of an independent and impartial review, not directed or controlled by the War Department which, for more than 20 years, has been committed to the method of assessment which they are now attempting to prescribe by law.

INTERIOR DEPARTMENT APPROPRIATIONS—MOTION TO RECONSIDER

Mr. BORAH. Mr. President, in behalf of my colleague the junior Senator from Idaho [Mr. POPE] and myself I desire to enter a motion to reconsider the vote by which the Senate yesterday passed the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes. I understand the papers are still in the possession of the Senate.

The PRESIDING OFFICER (Mr. MOORE in the chair). The Chair is informed that the papers are now in possession of the Senate. The motion to reconsider will be entered.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. DUFFY. Mr. President, I had not intended to make any remarks at this time, but inasmuch as the chairman of the committee is temporarily absent, I wish to mention one or two points brought out by the Senator from New Jersey [Mr. BARBOUR].

The Senator objects to the inclusion of the 10-cent differential or additional toll upon tankers. As Senators will remember, when this bill was previously before the Senate there was much argument over that point. In some way it was claimed the oil interests were behind this change in the bill; that the oil interests were going to benefit and the other interests were going to get the worst of it. So while technically the Senator may be right that there should not be any exceptions, in order to make it very clear that the oil interests would not get any benefit out of it the differential was put in the bill. The Senator from New Jersey and other Senators who opposed the bill did not like it before because the tankers got the benefit of it, and now they do not like it when the bill is so framed that they will not get the benefit of it. In other words, it does not make a great deal of difference to those who are opposing the proposed legislation what proposals are in the bill. They would like to have continued the dual system which is now in existence, and which has been in existence since the time of the opinion of the Attorney General.

The dual system is really ridiculous, because it was never intended by the Congress that it should be put into effect at all. The point which should be brought out, I think, is that every vessel which passes through the Panama Canal now is measured under the Panama Canal rules. It has a certificate under the Panama Canal rules. So there will not be any difference in the procedure that will have to be gone through; the procedure will be the same as it now is; but at the present time there is a limiting factor, because, under the United States rules, the Panama Canal rules do not take effect, especially where, by means of deck openings and other devices the structure of ships is changed, in order that they may secure the benefit of lower tolls.

Of course, it is true that there is not going to be much additional income coming into the Treasury of the United States if this bill becomes a law and the 90-cent rate is fixed, as the Secretary of War has stated it would be. But the point—and I think I brought it out in my questioning of the Senator from New Jersey—is that there has been a constant decrease year after year; there has been a decrease

of 15 percent because of these devices during the last 16 years, and the decrease is going to continue. The purpose of this bill is to stop now the decline in receipts and not have a continuing decline, and while our ships get some benefit, yet, for every dollar of benefit they get, foreign ships get more than a dollar of benefit.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Maine?

Mr. DUFFY. I am glad to yield to the Senator from Maine.

Mr. WHITE. The previous bill imposed tolls based on earning capacity of the ship, and there were figures in the report indicating the effect of the proposed method of charge on the earnings of the Canal. Is there anywhere in the report or in the hearings testimony or evidence as to what would be the result of the maximum of 90 cents and the minimum of 60 cents applied to the method now suggested of tolls based on net registered tonnage? What would be the result on the revenue?

Mr. DUFFY. I think that on the previous occasion when the bill was discussed there were tables submitted——

Mr. WHITE. If I may interrupt again, were not those tables a result of the application of the new rates to the method then under consideration; that is, the method of charge based on the earning capacity of the vessel?

Mr. DUFFY. The Senator makes use of the term "net registered tonnage."

Mr. WHITE. That is the term used in the new bill.

Mr. DUFFY. Yes. But, if I understand the Senator correctly, I wish to point out again that vessels now have a rate based on the Panama Canal measurement; but it does not go into effect so often because of the limitation under the United States net registered tonnage provision.

Mr. WHITE. My question simply is, What will be the result, if there has been a determination as to that, of the application of the 90-cent maximum and 60-cent minimum rate on ships passing through the Panama Canal when the rate is based on net registered tonnage?

Mr. DUFFY. I do not understand the Senator's reference to "net registered tonnage." That is what we are trying to get away from, if he is referring to United States net registered tonnage.

Mr. WHITE. If the Senator will permit me the bill reads that—

> Tolls for vessels of commerce shall be based on net registered tonnage.

That is in the bill before the Senate.

Mr. DUFFY. Yes.

Mr. WHITE. What I am asking is, What will the 90-cent rate maximum and 60-cent minimum based on net registered tonnage bring in by way of revenue?

Mr. GORE. Mr. President——

Mr. DUFFY. If the Senator from Oklahoma will bear with me for a moment, I presented a table showing that the revenue that would accrue to the Canal would, on the 90-cent basis under the provisions of this bill, be between the amount received in the years 1934 and 1935; that it would be slightly above the 1935 receipts and slightly below the receipts under the 1934 rates.

Mr. WHITE. Can the Senator indicate readily what the amount would be? I did not see the table. It is not in the report, as I understand.

Mr. DUFFY. No; it is not in the report, as I recall, but I will find it in a few moments for the Senator. I read it into the RECORD from a chart which was prepared, and which I showed to a number of Senators present at the time. It showed that the decrease in revenue would be stopped and the net receipts of the Canal would be at a point between those of 1934 and those of 1935.

Mr. WHITE. Was the computation based on net registered tonnage?

Mr. DUFFY. It was based upon the system which would be in effect if this bill should become a law.

Mr. WHITE. The bill as it is now before the Senate?

Mr. DUFFY. Yes; the pending bill or the previous bill, for in general effect they would be the same.

Mr. WHITE. Would there be any difference between the return based on the registered tonnage as provided in this bill and the return which would result from a rate applied to the earning capacity of the vessel, which was the base provided for in the previous bill?

Mr. DUFFY. I think not.

Mr. WHITE. The results work out the same?

Mr. DUFFY. I think the same result would be worked out. In other words, we are trying to get away from one system and adopt a system which both the previous bill and the pending bill would establish.

Mr. WHITE. Then, may I ask, if the result works out the same, why has the bill departed from the basis of the earning capacity of the ship and gone to the basis of net registered tonnage?

Mr. GORE. Mr. President——

Mr. DUFFY. The chairman of the committee desires to answer the question, and I yield to him.

Mr. GORE. Mr. President, there is no difference between the provisions in the bill as recommitted some time ago, the bill to which the Senator now refers, and the pending bill. If the Senator will read the phrase following that which he has quoted, he will find that it reads:

> Tolls for vessels of commerce shall be based on net registered tonnage determined under the "Rules for the Measurement of Vessels for the Panama Canal"—

That is the point. "Net registered tonnage", under the old law, meant net registered tonnage ascertained under the United States rules of measurement.

Mr. WHITE. That is just the point I want to get at. I think this means net registered tonnage as determined by the Panama Canal rules as modified from time to time by the President.

Mr. GORE. Yes, sir.

Mr. WHITE. The preceding bill and the old law referred to "net registered tonnage", and the opinion of the Attorney General was that that meant net registered tonnage as determined by the United States law.

Mr. GORE. By the United States rules of measurement——

Mr. WHITE. By the rules of measurement worked out by the Department of Commerce.

Mr. GORE. As distinguished from the Panama Canal rules of measurement.

Mr. WHITE. So that in the one case—I hope I am stating this correctly, and I believe I am—there was a rule of net registered tonnage fixed under a statute of the United States by the Department of Commerce.

Mr. GORE. No; by the Attorney General.

Mr. WHITE. Well, by the Attorney General, then. Here it is proposed to have net registered tonnage fixed by the Panama Canal rules as those rules may be changed from time to time by the President.

Mr. GORE. This bill proposes to do what we think the original Panama Canal Act passed back in 1913 intended to do; but that intention was not realized because of a different interpretation placed upon it by the Attorney General.

The pending bill provides net registered tonnage as ascertained under the Panama Canal rules of measurement. That is what the original act was intended to mean and intended to do. This bill restores that original meaning and purpose. The language of the pending bill is identical to all intents and purposes with the language contained in the bill that was recommitted a short time since, and the revenue derived under this bill, it is estimated, will approximate the receipts under the existing law, rules of measurement, and tolls. It is not intended to raise the aggregate receipts from the Canal but merely to redistribute those receipts so that those who are now paying more than they ought to pay will pay less and those who are paying less than they ought to pay will pay what they ought to pay. That is the objective toward which we are driving.

Mr. DUFFY. Mr. President, I wish to point out again that vessels of both the United States and foreign countries have

been able to reduce their net tonnage through technicalities under the United States rules by the installation of tonnage openings, and have thus evaded the payment of a considerable amount of tolls which by right they should have paid. It was never the intention of Congress that any such devices should be used as a means of reducing tolls.

I think it cannot be gainsaid that the so-called tonnage openings are for no other purpose whatsoever than the reduction of toll charges. If that be so, it is very anomalous that that should be the basis of the measure by which various vessels should pay tolls when going through the Canal. It is totally illogical and contrary to what the Congress intended.

As I said previously, for every dollar we save the United States by permitting this anomalous situation to continue, foreign vessels get an indirect subsidy of over a dollar. Since we started, while $37,250,000 has gone to United States vessels, there has been $46,750,000 in legitimate revenue forfeited to foreign vessels.

As I pointed out sometime ago, every Secretary of War, Republican and Democrat, we have had since the time of the Woodrow Wilson administration has advocated such a change; President Wilson advocated it; President Roosevelt advocated it; the Canal authorities have unanimously advocated it. The responsible authorities have no selfish motives in the matter. A ridiculous situation prevails, and we want to stop this endless reduction in receipts at this point. If we keep on at the rate we have been going, it will not be very long before the amount received from the Canal will be an insufficient return upon the investment under the rules which have been laid down heretofore in the law establishing the Canal. I am hopeful we may have a vote upon the measure and vote it either up or down.

I should say, too, that I think the opinion of the Attorney General in 1914 was incorrect. If I were in charge of the Panama Canal, I believe I should ask for another opinion at this time. It seems that opinion was entirely contrary to what the Senate and the House intended. This ruling having been acquiesced in for some 20 years, the Attorney General might be reluctant to change his predecessor's ruling. I believe that rule should be changed at this time.

Mr. BAILEY. Mr. President, I send to the desk an amendment in the nature of a substitute, which I offer for the pending bill, and ask that it be read.

The PRESIDING OFFICER. The amendment in the nature of a substitute will be read.

The LEGISLATIVE CLERK. In lieu of the language proposed to be inserted by the committee, it is proposed to insert the following:

That the President is authorized to appoint a neutral committee of three members for the purpose of making an independent study and investigation of the rules for the measurement of vessels using the Panama Canal and the tolls that should be charged therefor, and hold hearings thereon at which interested parties shall have full opportunity to present their views. Such committee shall report to the President upon said matters prior to January 1, 1937, and shall make such advisory recommendations of changes and modifications of the "rules for the measurement of vessels for the Panama Canal" and the determination of tolls as it finds necessary or desirable to provide a practical, just, and equitable system of measuring such vessels and levying such tolls. Members of such committee shall be paid compensation at the rate of $825 per month, except that a member who is an officer or employee of the United States shall receive no compensation in addition to his compensation as such officer or employee. Such committee is authorized to appoint such employees as may be necessary for the execution of its functions under this act, the total expense thereof not to exceed $10,000.

The PRESIDING OFFICER. The question is on the amendment in the nature of a substitute offered by the Senator from North Carolina.

Mr. WHITE. Mr. President, I did not see this bill or attempt any study of it until this morning, which perhaps is a sufficient reason for my not attempting to say anything at this time; but I am unwilling to permit the measure to come to a vote without expressing myself briefly concerning some of its provisions.

I have noted with interest the references made by proponents of the measure to the tendency of Panama Canal tolls to diminish in amount during the years—a tendency which seems, in the minds of those who make reference to it, to be something to be complained of, to be something to be avoided.

Mr. President, in my view, any tendency to reduce tolls upon carriers, any tendency to reduce the burdens upon the commerce of the United States is altogether desirable and should be encouraged and not condemned. That is particularly true with respect to an undertaking which does not need, for an adequate return upon the investment, any such large amounts of money as have from time to time been collected at Panama, and as we may rightfully assume will be collected at Panama when there shall have come again a normal flow of trade between the parts of this country and between the nations of the world.

The figures show that the cost of the Canal, or that part of the cost of the Canal properly chargeable to its commercial uses, is somewhere in the neighborhood of $240,000,000 or $250,000,000 to $270,000,000; and all through the years we have been receiving from the Panama Canal a revenue of from $25,000,000 to $27,000,000, a 10-percent return all through the years upon that part of the cost of the Canal which the Army authorities themselves have determined is the amount properly to be charged to the commercial interests of the United States.

So long as that condition exists, so long as that amount of return continues to come in, I have no concern whatsoever with the reduction of tolls.

The report of the committee says—and I quote from the top of page 7:

The substantive provisions of the bill are modified in only one essential respect. This provides for charging a higher rate of tolls on laden tankers than the rate fixed for other laden vessels of commerce.

That, in the opinion and in the statement of the committee, is the one essential change from the previous legislation pending before the Senate.

I am sorry to say that I must dissent completely from that view of the matter. It seems to me that the outstanding change made, the change worthy of the most serious consideration by the Senate, is in the complete elimination of the provision for an independent and an impartial investigation of this whole subject matter. I think we may say with entire truth that every investigation heretofore made, except the investigation made by this committee—which could not, I take it, by any stretch of the imagination, be termed an expert committee upon navigational matters—every other report over a score of years has been a report coming from the interested party, the Panama Canal Authority itself, or the Secretary of War, who, we may assume, is in the same relation to the Canal as the Panama Canal Authority.

It is interesting to have in mind, and I pointed this out briefly yesterday, that over 20 years of time, while this authority—the Secretary of War and the Panama Canal Authority—have always been insisting upon some change in the situation down there, from Congress to Congress they have never twice submitted the same proposals to us for our consideration. Change after change has been made in their suggestions; change after change has been made in the recommendations made to us as desirable to cure the inequalities of which they complain. I said yesterday, and I repeat now, that if we may judge the future by what has taken place in the past, we may look forward to constantly changing recommendations if we are to look to the body which has been advising us in the years which have gone by.

Mr. President, just a word now on the report of the committee. Just a word on the statement that there is but one substantive change made.

The bill of the last month, or the previous bill we considered, provided that tolls on merchant vessels shall be based—and now I quote from the bill—

On net vessel-tons of 100 cubic feet each of actual earning capacity.

We were told in the report accompanying the previous bill, and we were told over and over again by proponents of the legislation, that that was a change of the utmost significance

from the old rule. We were told that the old rule was arbitrary, that it was illogical, that it was bringing about results which could not be justified, and all of that was to be cured by the application of a rule basing tolls "on net vessel-tons of 100 cubic feet each of actual earning capacity."

Mr. President, the bill went back to the committee with that language in it; and it comes out, not with that language, but with substantially the language of the old law, the law which the bill considered by the Senate a few weeks ago aimed to change; and the bill now proposes that tolls shall be based on net registered tonnage determined under the rules of measurement of vessels for the Panama Canal prescribed by the President.

We are told this afternoon by the chairman of the committee—I think I quote him correctly, in substance at least—that there is no difference between the present language and the language of the bill previously considered by the Senate at this session.

Mr. President, I think there is a substantial difference. I desire to point out just what this language does, in my view. It says that the toll for vessels of commerce shall be based on net registered tonnage—

Determined under the "Rules for the Measurement of Vessels for the Panama Canal" prescribed by proclamation of the President, November 21, 1913, and as may be amended from time to time by proclamation of the President.

Mr. President, if that means anything, it means an utterly unstable rule. It means that we are writing into law the authority to the President of the United States to prescribe, within limits which afterward appear, the rate of toll under rules which he may change every 6 weeks or every 6 months.

I say that under that provision and under that authority of the President to change and modify the rules under which these rates are to be determined and the revenue is to be determined, from month to month, from year to year, no vessel owner of the United States, no shipper of the United States, may know what to expect with respect to the tolls to which he is to be subjected.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Oklahoma?

Mr. WHITE. I do.

Mr. GORE. Obviously, the Senator forgets that that is now the law. That is the law passed in 1913. It authorized the President to do exactly what the pending bill authorizes him to do—no more and no less.

That act fixed a maximum at $1.25. It fixed a minimum at 75 cents. The President was authorized to issue rules and regulations in between those figures every time the sun rises and sets. He issued one proclamation, and he has never modified it.

The pending bill fixes the maximum at $1 instead of $1.25. It fixes the minimum at 60 cents instead of 75 cents. It reduces the rates, as the Senator suggested at the beginning of his remarks ought to be the tendency, and gives the President power to fix the actual rate between the maximum and the minimum under this measure exactly as it has existed for 22 years, as it was contained in the original act; and the rates fixed by the President never have been changed. So, referring to the Senator's apprehension that the rate might be changed from month to month, there is no reason to entertain that fear as to the future that would not have applied when the original act was passed. The authority never has been abused. It never has been done.

Mr. WHITE. I think the Senator from Oklahoma has correctly stated the fact, but that does not in any degree change my view with respect to the matter. I am not in favor of vesting in anyone the right to change these rules from time to time. I desire to have a provision worked out, if it may be worked out, under which there shall be assurance in the law of stability of rule and stability of condition under which persons carry on their commerce.

That is all I wish to say about that subject.

In the next place, the bill provides that the tolls for all vessels other than vessels of commerce may be based on displacement tonnage or otherwise.

The bill of a few weeks ago carried that language, and it also, adding to that language, gave express authority to the President to prescribe these rates.

That definite, specific authority to the President to prescribe the rates of tolls on other than vessels of commerce carried in the bill previously considered by the Senate is omitted from this bill and it does not appear here at all. What conclusion we are to come to as to how these rates are to be fixed, as to whether there is to be any limit upon them, is left to conjecture.

The bill previously before us provided that "tolls shall not be levied on a deck load except on tonnage of such deck load * * * which is in excess of 20 percent of the net tonnage of a vessel so determined."

There was that 20-percent limitation in the bill previously considered by the Congress. In the pending bill all reference whatsoever to that 20-percent limitation has been eliminated, and the bill provides that "tolls shall not be levied on a deck load, which is defined, for the purposes of this act", and so forth.

It is an all-inclusive declaration that tolls shall not be levied on deck loads. That, of course, is an invitation to load decks, that is an invitation to ship operators to put onto the decks of their ships all the cargo they can possibly get on the decks rather than to carry the cargo below decks.

As I said once before, I appreciate perfectly that up to now there has been comparatively a small percentage of the total cargo carried on decks. That, to me, is absolutely as it should be, and I am against any provision which holds out an inducement, which gives an encouragement, to ship operators to load vessels on decks rather than down below, where the cargoes should be carried in the interest of stability of the ship. That, as I see it, is another important change from the previous bill.

Mr. GORE. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. GORE. As the Senator knows, the Suez Canal rules of measurement and of tolls do not impose any charge on deckloads. The evil of which the Senator seems to complain is practiced now. Under the dual system of measurement and tolls, deckloads are carried on the weather decks of these ships and are not subject to any charge at all. The owners manipulate the structure of their vessels so as to escape the payment of tolls on their deckloads.

I agree with the Senator in this one point, and the limitation of the 20 percent was included in the bill recently recommitted to prevent the construction of freak ships so as to enable them to carry an overload on the decks. But those who are opposed to this measure concentrated their fire on the 20-percent limitation, and as a further concession to the shipping interests, in order to prevail upon them to permit us to abolish this dual system and accomplish our primary object, another tub was thrown to the whale, another concession was made to the shipping interests.

I do not know whether the Senator intends to complain of that or not, but that is why the 20-percent limitation does not appear in the pending proposition, because the shipping interests objected to it. Their objection was so strenuous that we knew that we could not pass a bill without making some concession, and since they are enjoying that privilege now, and abusing that privilege now, and since the Suez Canal imposes no charge for deckloads, we made that further concession to the shipping interests. When we make a concession to them they complain, and when we do not they complain. It is impossible to please them, because these objections are, I might almost say, subterfuges.

What they object to is the requirement that they pay the tolls which they ought to pay. They have not been paying the tolls they ought to pay. They are not willing to pay the tolls they ought to pay. If this measure be defeated, they will continue in the future, as they have in the past, to evade the payment of the tolls which they ought to pay. That is the source and animus of the opposition to the bill.

Mr. WHITE. Mr. President, I was not speaking either for or against the shipping interests. I was considering the

bill upon what I conceived to be its merits, discussing what I conceived to be its infirmities.

I still insist that any rule, whether it is now in force or whether it is proposed to be put in force, which would place a premium upon loading vessels upon decks, is a thing which ought not to be countenanced or encouraged by the Congress of the United States.

Mr. GORE. Mr. President, will the Senator yield again?

Mr. WHITE. I yield.

Mr. GORE. If the Senator will offer an amendment to take care of that, I as chairman of the committee will be glad to accept it. I agree with him that it ought to be in the bill. So that ends that discussion.

Mr. WHITE. Mr. President, something has been said about vessels of the United States paying less tolls than they ought to pay. I deny that to be a fact. I say that vessels of the United States are now paying for the use of the Canal all they ought to be required to pay, and more. If I had my way a vessel of the United States using a canal in which the people of the United States have invested $500,000,000 would pay no tolls whatsoever. Any toll exacted of these vessels is a toll, in the last analysis, upon the people of the United States.

Mr. GORE. Mr. President——

Mr. WHITE. The Panama Canal, if things keep on as they are, may become not a benefit to the shipping of the United States but may become a thing of harm to the shipping of the United States. There is hardly a place in all the world where the charges upon vessels and upon ship operators for the movement of freight from vessel to vessel or from vessel to dock equal the charges made in the Panama Canal.

Mr. GORE. Mr. President, will the Senator yield?

Mr. WHITE. I will yield briefly, and then I wish to conclude.

Mr. GORE. The Senator made the point that he was opposed to the collection of any tolls, and would like to see the ships pass through the Canal toll-free.

Mr. WHITE. I understand why it cannot be done, however.

Mr. GORE. There is an argument in favor of that, because in that case all vessels would be treated alike. Under the existing system vessels having the same earning capacity are not treated alike, and I think the Senator ought to agree that if we are to collect tolls they ought to be based on some uniform rule, so that ships having exactly the same earning capacity would pay exactly the same tolls. That is the objective toward which we are driving, and that is all. That is not done under existing law. I will give the Senator an illustration.

Mr. WHITE. Before the Senator gives me something, may I respectfully decline it at the moment?

Mr. GORE. I wanted to use the example of a ship to illustrate the discrimination, which is a different principle altogether from free passage through the Canal. Let us take a vessel having a tonnage of 5,000 tons.

Mr. WHITE. Is not that the same case covered in the Senator's report?

Mr. GORE. I do not recall.

Mr. WHITE. I think it is.

Mr. GORE. Let us assume a vessel having a tonnage of 5,000 tons measured by the Panama Canal rules. The rate fixed by the President's proclamation is $1.20 a ton. Under that measurement the ship would pay $6,000 in tolls for passing through the Canal. But under these trick rules of the United States measurement, that ship will measure only 4,000 tons, and at $1.25, the maximum rate, it will pay $5,000. So the ship passes through the Canal paying $5,000 under that measurement, whereas it ought to pay $6,000. There is that discrimination.

A ship which did not avail itself of these various devices would pay $6,000. A ship which did avail itself of the devices would get through for $5,000. That is the thing of which we are complaining.

Mr. WHITE. Mr. President, I started to say that not all conditions existing at the Panama Canal make for the advantage of the American ship. I hold in my hand data concerning the transfer charges exacted of American ships at the Canal.

The Panama Railroad Committee charges there for transferring a ton of cargo $1.80. At New York, cargo is transferred from pier to pier at a rate of a dollar a ton. The cost of lighterage in New York, where the cargo is sufficient to warrant the employment of a lighter, is $1.30 a ton.

On the Pacific coast the uniform charge for transfer from pier to pier is $1 a ton at Los Angeles, Seattle, Oakland, and other points along the Pacific coast. The transfer charge at Oakland and at Alameda and at Richmond for canned goods and for dried fruit is $1 a ton, $1.10, and $1.25 in varying conditions, into which I will not go.

It is difficult to match the charges imposed at the Panama Canal at any modern port in all the world. American vessels transiting that Canal are obliged to meet these charges.

I am against making the use of this great waterway any more burdensome to the vessels of the United States than it now is. If ships can reduce tolls by conforming their vessels to rules and regulations prescribed by the maritime authorities of the United States, I enter no objection, but I laud the effort.

Mr. President, I might talk somewhat longer, but the chairman of the Committee on Commerce, the Senator from New York [Mr. COPELAND], is present, and I feel that I might be trespassing upon his time if I detained the Senate longer, and I therefore take my seat.

Mr. COPELAND. Mr. President, I came into the Senate Chamber from a meeting of the subcommittee of the Appropriations Committee which is considering the War Department appropriations just as the substitute amendment offered by the Senator from North Carolina [Mr. BAILEY] was being read. I wonder if perhaps the chairman of the Committee on Interoceanic Canals may not be prevailed upon to accept the proposal made by the Senator from North Carolina.

Mr. GORE. Mr. President, I will accept it as an amendment to the pending committee amendment. I intended to make that motion, and I do intend to make it.

Mr. President, with the consent of all concerned, I accept the pending amendment as an amendment to the committee amendment, giving notice, of course, that I shall be obliged to change some of the dates in the pending committee amendment so as to conform it to this additional amendment.

Mr. COPELAND. Would the Senator prefer to have the measure recommitted to his committee so that he may make the changes?

Mr. GORE. Let us follow this procedure now, Mr. President, and if it proves too difficult I will take the suggested course. I do not think it would require very much time. I should lay the bill aside, if this were done, until the changes could be prepared for submission.

Mr. COPELAND. Does the Senator mean that if this amendment should be accepted by him he would then be willing to have the bill laid aside until further study could be made to correct it?

Mr. GORE. It would not require much study. It would simply be necessary that changes of dates be made to make it a workable plan.

Mr. COPELAND. I suggest to the Senator from North Carolina that that would be the wise course; that the Senator from Oklahoma accept his amendment, and then that the whole measure go back to the committee, where the dates may be corrected.

Mr. GORE. I do not know that I shall have the bill recommitted. I shall consider the bill and see whether or not the machinery can be easily worked out. I shall give notice later if I deem it necessary to have the bill recommitted.

Mr. BAILEY. Mr. President, I do not think that would be very difficult. I wish to inquire, with the permission of the Senator who has the floor——

Mr. COPELAND. The Senator has my permission.

Mr. BAILEY. As to just what he has in his mind as to the effect of accepting the substitute which I offered as an amendment, which, as I understand, would postpone the effective date of the bill introduced by the chairman of the

Committee on Interoceanic Canals until January 1, or until the report comes in from the committee named to investigate.

Mr. GORE. Mr. President, there is that one point of difference, as I started to announce a minute ago. I am willing to work the proposed amendment into the framework of the bill somewhat in accordance with the original pattern. If I make this concession, or if I am obliged to accept the Senator's suggestion as a substitute, I desire to get into this measure, if and when it shall be possible—and if it is not there I do not want the bill to pass—that this dual system shall be done away with. That is the main objective.

I will say to the Senator from North Carolina that everybody agrees upon that point; and I ask to have read at the desk at this point three or four authorities, one of which I am sure will command the respect of the Senator from New York, in regard to the desirability of getting rid of the dual system. On that point everybody agrees—shipping concerns and everybody else, as well as the Senator from New York. If we can get that objective in this bill I am perfectly willing to have the investigation, although it is unnecessary. All these reports and books lying on the desk before me are reports and hearings in an effort to shed light on this subject and to illuminate the darkness in order to guide the feet of Senators through the wildering ways of this legislation. As Milton said, "It is dark with excessive bright."

If the clerk will read those three statements, I think all Senators present will be convinced that there is no deviation of view as to the desirability of getting rid of this dual system of measurement. There cannot be any justification for that scheme from any quarter or under any circumstances. It is undesirable from everybody's point of view.

I ask the clerk to begin reading with Mr. Peterson.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

Mr. PETERSON. Mr. Chairman, I would like to say on behalf of the Pacific coast interests that I have represented them here for about 4 years now, and that we are in hearty accord with the suggestions of the Governor of the Canal that there should be a single system of measurement. We have been on record on that, time after time. And while we appreciate his bookkeeping difficulties and the unfairness of this dual system of measurement, while we are in accord with him that the system should be changed to a single system of measurement, we have always been on record, inspired by the hope that the rates would be reduced, that the Panama Canal should not be a money-making institution. So that we are all in favor of the single system of measurement and have been for a long time. (Senate subcommittee hearings of the Committee on Commerce, 71st Cong., 3d sess., on H. R. 10583, pt. 3, Dec. 13, 1930, p. 129.)

Mr. GORE. The maximum rates are reduced in this bill from $1.25 to a dollar; the minimum from 75 cents to 60 cents.

The legislative clerk continued to read as follows:

Mr. DUFF. Mr. Chairman, I merely would say in conclusion that in reply to what Congressman Denison stated, I do not believe it quite correct to say that steamship companies would never agree to a plan for a single system of measurement. On the contrary, a single system of measurement is considered desirable. But we do protest strongly against any toll assessment under a new system that will increase the present total tolls assessed on American ships. (Hearings, Senate subcommittee of the Committee on Commerce, 71st Cong., 3d sess., on H. R. 10583, pt. 3, p. 127.) [Mr. Duff was associated with the American Steamship Owners' Association.]

Mr. GORE. That is the point they are insistent about. Some are afraid they will have to pay more tolls, and some of them will have to pay more tolls, but only those who are now paying less tolls than they ought to pay.

The legislative clerk continued to read as follows:

Representative DENISON. * * *. The point I would like to invite your attention to is just this: That it was the intention of Congress to have the Panama Canal rules and to collect tolls under them, and since the decision of the Attorney General we have not been carrying out the original intention of Congress at all.

Mr. GORE. That is the single system of measurement.

The legislative clerk proceeded to read as follows:

Senator COPELAND. Congressman, in that connection, I do not think there should be any dispute at all that that is fair and just and undoubtedly was the intent of Congress. But I do not know what your attitude is toward these various subventions and aids we have given shipping. Of course, we are pretty enthusiastic with that in this committee. Speaking now for myself, I would be quite unwilling, in view of what we are trying to do by mail subventions and by loans at low rates of interest, and all that sort of thing, on the one hand to do that with shipping and then, on the other hand, take away by these added tolls some money we are giving them.

That is all. It is simply a matter of fairness and justice to the ship interests. That is what we have in mind. I am sure you do not have to convert us to the idea that we should have rules that apply to everybody, and I think, if times were normal, there would not be any hesitation about that. But the only thing I have in mind, let us not do something now that is going to impose new burdens on the already staggering shipping industry. (Subcommittee hearings of the Committee on Commerce, 71st Cong., 3d sess., pt. 2, May 21 and 22, 1930, p. 94.)

Mr. GORE. The present dual system does allow individual ships and shipowners to avail themselves of a subsidy not granted and made uniform by the laws of the United States, not measured by the earning capacity of the ship, but by the capacity of the shipowner to alter the structure of his ship and thus secure for his ship a reduction in tonnage. But under the dual system, foreign vessels equally avail themselves of this special subsidy by changing the structure of their vessels. During the past 16 years they have availed themselves of a saving of 47,000,000 tons, whereas the United States vessels have only saved 37,000,000 tons. So, under the existing system, we are granting a greater subsidy to foreign ships than to American ships.

The passage of this bill will adopt one rule of measurement for all ships, foreign and domestic, and will fix a given rate per ton, requiring all vessels to pay the same rate on their tonnage as ascertained by these uniform rules, getting rid of the dual system which is subject to the manipulation so often described here in the Senate.

I will say to the Senator from North Carolina [Mr. BAILEY] that I desire to have this measure, if and when passed, abrogate the dual system, provide for the substitution of a single system, and then I am for the investigation to be had and the report to be made, the President to avail himself of the information contained in the report.

Mr. COPELAND. Mr. President, I take it from what the Senator has said that he is quite willing to accept the substitute offered by the Senator from North Carolina.

Mr. GORE. Not as a substitute but as an amendment to the committee amendment.

Mr. COPELAND. So I understood. The idea would be, then, that the Senator would have a few days' more time to reconcile the inconsistencies that might be found in the original provisions of the bill, or in the first section. Is that true?

Mr. GORE. According to the view I have, only one change would be required: Provide that the uniform system shall become the law when this bill is approved by the President, if ever it is approved; but, before the President is authorized to impose any new rates under the bill, permit and require the investigation to be had, and the report to be submitted. I will say the shipowner would get lower rates at an earlier date if that provision were not in the bill; but I am willing to go further than that. Let the new rates, maximum and minimum, go into effect, and the permanent rates to be promulgated by the President as between the maximum and minimum, be postponed until this report is made available.

Mr. COPELAND. I think that might be possible. If the Senator would accept this amendment as an amendment to section 2 and then take the matter back and reconcile section 1 with it, it might well be that those of us who have been opposing it would be quite in accord with it then.

Mr. GORE. If we desire to get rid of the dual system, every Senator should favor some action immediately.

Mr. COPELAND. I hold in my hand the amendment in the nature of a substitute offered by the Senator from North Carolina. As I understand, the Senator from Oklahoma is willing to accept it as an amendment, and then give us time to see what the completed bill looks like when it comes back to us.

Mr. GORE. Of course, I shall be disposed to give every Senator every opportunity to see what the bill is as reformed

and whether it conforms to this amendment. I shall be governed by the desire of the Senate, of course.

The PRESIDING OFFICER. The amendment has been offered by the Senator from North Carolina in the nature of a substitute for the committee amendment. The question is, therefore, whether it shall be accepted as a substitute for the committee amendment.

Mr. GORE. No, Mr. President; I have agreed to accept the proposed substitute amendment as an amendment to the committee amendment—not as a substitute for the committee amendment, but as an amendment to the committee amendment.

Mr. BAILEY. But I have not agreed to offer it as an amendment, so I take it that my amendment is before the Senate as a substitute for the committee amendment.

The PRESIDING OFFICER. That is the pending question.

Mr. GORE. I desire to move as a substitute for the motion of the Senator from North Carolina that his amendment be adopted as an amendment to the committee amendment. I understand that would take precedence over the Senator's motion to adopt it as a substitute for the committee amendment.

The PRESIDING OFFICER. That motion would take precedence, and the question now is whether or not the matter proposed by the Senator from North Carolina [Mr. BAILEY] shall be adopted as an amendment to the committee amendment.

Mr. JOHNSON. Mr. President, I want to understand the parliamentary situation correctly. As I understand, the Senator from North Carolina offered a substitute for the pending bill. The Senator from Oklahoma now has moved to attach it as an amendment to his bill. From a parliamentary standpoint I do not think he can offer his motion as a substitute for the motion of the Senator from North Carolina to adopt a substitute for the bill.

Mr. ROBINSON. The amendment would take precedence over the substitute. The Senator from Oklahoma offers it as section 2 of the committee amendment. That would take precedence over the substitute because it would be in the nature of a perfecting amendment.

The PRESIDING OFFICER. The parliamentary situation is that those in favor of the amendment of the Senator from North Carolina in the nature of a substitute would vote "nay" on this motion. The question is, Shall the amendment be accepted as an amendment to the committee amendment?

Mr. BAILEY. Mr. President, I desire to be heard on that question.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. ROBINSON. Has the Senator from North Carolina indicated his readiness for a vote?

Mr. BAILEY. No. I am ready to proceed to discuss the pending question unless the Senator from Arkansas desires to move a recess.

Mr. ROBINSON. No; I do not desire to interfere with the arrangement which was in contemplation.

Mr. BAILEY. I do not object to recessing at this time.

Mr. ROBINSON. I understand; but I do not desire to make a motion to recess at this time.

Mr. BAILEY. Mr. President, the chairman of the committee in charge of the bill has, at any rate, paid my substitute the compliment of offering it as an amendment to his bill. I am very much gratified by that recognition of the value of my substitute. However, as an amendment it would not have the effect that it would have as a substitute.

The chairman of the committee in charge of the bill has also taken the view that the only thing he will insist upon in the bill as reported is the abolition or abandonment of what is described as the dual system of measurement and of ascertaining tolls. I have no special interest in the dual system, and, fortunately for myself, in view of intimations made here, I do not know of anyone else who is especially interested in what is described as the dual system. I am looking at the matter from quite a different point of view. I am not even concerned about the rivalries between shipping interests. I know nothing about them.

The matter presents itself to my mind as one of real intricacy, requiring expert knowledge, and it is for that reason, and that only, that I am asking that the Congress of the United States shall defer action until the 1st of January in the coming year. This is the 3d of March. That would involve a delay of only 10 months. I think no one in the Senate will contend that any serious damage will be done to anybody or any interest by a delay of 10 months in a matter which confessedly has been pending some 20 years or more, since the first term of the late President Wilson.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. BAILEY. Certainly.

Mr. DUFFY. At that point I invite the Senator's attention as a matter of dollars and cents, to the fact that the report of the Bureau of Efficiency, which made a study in 1932, showed that in 1931, through the operation of the dual system, tolls were reduced $7,000,000, of which $4,000,000 was on foreign vessels.

Mr. BAILEY. The answer to that is perfectly clear. The report of the committee to the Senate in connection with this measure declares that the Panama Canal is paying, so we are not losing any money. There is no point in that suggestion.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Oklahoma?

Mr. BAILEY. I yield.

Mr. GORE. I believe the Senator from Wisconsin was interrupted before he quite finished his point. The point was that in 1931 the tonnage which went through the Canal without paying tolls was 7,000,000 tons, and 3,000,000 of that was American tonnage and 4,000,000 was foreign tonnage.

Mr. BAILEY. I am not disturbed about that at this point, either. The point was on the question of whether we should be losing some money in the next 10 months; and the answer to that is that under the present system we are losing no money. The Panama Canal is a paying institution; and that is the report of the committee.

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Colorado?

Mr. BAILEY. I do.

Mr. ADAMS. I point out to the Senator that if those who are advocating the bill were so solicitous in reference to revenue, why should they put a maximum upon tolls? They have provided a maximum, not a minimum. It seems to me that if they really wanted to provide revenue, they would change that from a maximum to a minimum.

Mr. BAILEY. I thank the Senator.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Oklahoma?

Mr. BAILEY. I do.

Mr. GORE. The existing law, enacted in 1913, imposed a maximum of $1.25 and a minimum of 75 cents. The pending proposal imposes a maximum of $1 and a minimum of 60 cents. Between the maximum and the minimum the President is authorized to ascertain and fix the actual rate—between those two points.

Mr. BAILEY. I take it that it is perfectly clear that, if under the present system we have lost no money, it is not likely that we shall, under the present system, lose money in the next 10 months; so I think that answers that objection. I may be wrong about that.

Mr. DUFFY. Does the Senator mean, by not losing, that the United States Treasury will not receive less money than it has received?

Mr. BAILEY. No; I do not say that. I do not know whether it will receive more or less. I am speaking from memory; but I think it may be confirmed by reference to the report—I read it when the debate was going on here 2 or 3 weeks ago—that the income was about $25,000,000 a year, and that was considered a sufficient yield upon the total investment. Am I not right about that?

Mr. DUFFY. If it is clear that the Senator means that, and not that the United States Treasury will not receive less money, which in 10 months probably will be five or six million dollars.

Mr. BAILEY. That point is beside the mark, and I think I should be safe in saying, very respectfully, that it is immaterial. The treaty underlying the Panama Canal excludes the conception of profits, and, of course, we are going to stand on the treaty underlying the canal. I did not think it would be argued here that we might lose some profits. We are not entitled to profits. As I recall the language of Mr. Root—Senator, Secretary of State, Secretary of War, and a most eminent man—he took the view that we held the Canal impressed with a trust. He took the broader view that the trust was a trust for the shipping of all the world, and that the Canal was impressed with that trust in the sense that we could not use it for our own profit, for our own advantage; so now the question of profits is out of the picture.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Oklahoma?

Mr. BAILEY. I do.

Mr. GORE. I do not think that point is involved; and this will make it clear, I think, to the Senator.

Japan has had, for a number of years, 20 vessels transiting the Canal. She has been paying more nearly the tolls she ought to pay, up until 1 year ago, than any other foreign nation whose ships ply the Canal. Her 20 vessels, measured by the United States rules, amounted to about 90 percent of what they measured under the Panama Canal rules. So she paid approximately what she ought to have paid.

Within the past few months, however, Japan has changed the structure of four of those vessels and has reduced their tonnage, and has correspondingly reduced the tolls she pays the United States down to something like 70 percent. Last year Japan put four new ships in commission, and she profited by the example of other maritime countries; and her new ships, taking advantage of these devices, measure under the United States rules of measurement only 68 percent of what they measure under the Panama Canal rules of measurement. So she is paying about 68 percent of the tolls she ought to pay to the United States, and she has cut down her tonnage and toll so low that the four new ships pay no more tolls when they go through the Canal loaded than they pay when they go through in ballast.

It is abuses like this that we are trying to stop. I ought not to reflect either on a country or on a shipowner, because the dual system permits them to do that—I might say invites them to do it, and they accept the invitation. We wish to withdraw the invitation.

Mr. BAILEY. Mr. President, I think the chairman of the committee has negotiated himself into a rather unusual position. He now says that the argument for the bill is to put an end to advantages being taken unjustly and unduly by the shipping interests of Japan.

Mr. GORE. No, Mr. President; I do not desire to make any invidious reflection on Japan. I do not wish to stop the practice with respect to Japan any more than I do with respect to the United States or England or Germany or any other country. I do not want any shipowner to be allowed to reduce his tolls by changing the structure of his ship and cutting a hole in the deck or resorting to the devices heretofore described. That is the point.

Mr. BAILEY. Now the Senator has taken the broader view that he was using Japan simply as an illustration.

Mr. GORE. Yes, sir.

Mr. BAILEY. Very well, then. It was not more than 2 hours ago when the chairman of the committee was saying that the opposition to this bill was due to the resistance of American shipping interests. That is a very strange thing.

Mr. GORE. Mr. President, I may not understand the Senator. I did say that 2 hours ago, and I say that now. If Japan is intervening here, or using any influence in this connection, I am not aware of it. If any other foreign country is, I am not aware of that. The Senator well knows, however, if he will read the hearings—and these volumes on my desk are all hearings and reports upon the bill—that the American shipping concerns have opposed this measure and resisted it for years. They are now resisting it, and they will resist it for years and forever. Notwithstanding they are now paying less tolls than they should, they will never voluntarily consent to pay as much tolls as they should, and that is not peculiar to shipowners.

Mr. BAILEY. On that point I think we have it clear that there is really no discrimination under the existing law as between our shipping and foreign shipping; that we can raise no prejudice against the present law on the ground that Japan has an advantage which other shipping interests do not enjoy.

Mr. GORE. Oh, no; none at all. Any country, by conforming to the United States rules, may take advantage of those rules and reduce its tonnage.

Mr. BAILEY. Nobody in the Senate is being called upon to vote for the new bill on the ground that it will protect American shipping as against Japanese shipping. I wish to have that clear.

Mr. GORE. No; not so far as the Japanese are concerned. I mean nothing invidious by my reference to Japan.

Mr. BAILEY. I am glad that is clear now.

Mr. GORE. I have no purpose of that sort; but the present system does permit all foreign shipping to take advantage of it. The Senator may have heard this: During the past 16 years foreigners have profited by it by cutting down their tonnage subject to tolls 47,000,000 tons, whereas American vessels have cut down their tonnage subject to tolls only 37,000,000 tons.

Mr. BAILEY. However the figures may be, that is reviving the argument which was made here 3 weeks ago, and made for the space of 3 days. I gathered the impression in that argument—and I listened to it rather attentively—that the object of the new legislation was to prevent American and Japanese and British and other ships from cutting holes in their decks. I think that also has passed out of the picture.

Mr. GORE. No; the Senator is mistaken.

Mr. BAILEY. I believe that placed the advocates of the legislation in a position which they themselves were unwilling to occupy.

Mr. GORE. Oh, no, Mr. President! That is the way they take advantage of the dual system of rules. We wish to do away with the dual system of rules so that they may not resort to that device.

Mr. BAILEY. That expression, "cutting holes in the decks of their ships", related wholly to changes in the structure with a view to adapting the structure to the rules as laid down by the Government of the United States.

Mr. GORE. Yes, sir.

Mr. BAILEY. I understood the argument as to the defect in the rules, or the way by means of which this was brought about, to be due altogether to a ruling of the Attorney General of the United States some years back.

Mr. President, we are now negotiated into this position: The Congress of the United States is called upon to act because an Attorney General construed a law in a certain way.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. BAILEY. One moment. Of course, that is untenable. The Attorney General does not make the laws, nor does he interpret them; and if that is the only difficulty in this case, there is no need for this legislation. All we have to do is to re-refer it to the Attorney General. A ruling of the Attorney General 15 years ago is not binding upon the present Attorney General, nor binding upon any court, nor binding upon any legislative body.

I now yield to the Senator from Wisconsin.

Mr. DUFFY. Mr. President, I will say to the Senator that earlier this afternoon I made the suggestion that I thought the ruling of the Attorney General was absolutely wrong; that he did not interpret what the United States Congress meant; but that that ruling having been acquiesced in over this long period of years, nearly 20 years, it was thought advisable by the Panama Canal authorities, by the Secretary of War, and by the President that there should be substantive

legislation upon the subject, so that there would be no question about it. I think if the ruling were a very recent matter, and had not been of long standing, that would be the way to do it.

Mr. BAILEY. I think it is time to make the remark that acquiescence by the Congress or the American people in a regulation of a bureau or a ruling of an Attorney General does not establish the law. We all know that.

Mr. GORE. Mr. President, may I interrupt the Senator?

Mr. BAILEY. I think the Senator's position in that respect is utterly without foundation, and if that is the motive for the legislation, then the legislation has no place here.

Mr. DUFFY. Mr. President, would the Senator suggest that the Panama Canal authorities should have ignored the ruling of the Attorney General and have paid no attention to it?

Mr. BAILEY. They can ask for a new ruling tomorrow morning, if they wish to. There is no question about that. They could have asked for a new ruling from any Attorney General since this ruling was first made, and I will assume it was made during the Wilson administration.

Mr. DUFFY. It was, and all the Secretaries of War ever since that time have advocated this kind of legislation.

Mr. BAILEY. All they have to do is to make a ruling. Both the Senators are lawyers and distinguished Senators and learned men, and they will not controvert my statement.

Mr. GORE. Mr. President, if I may interrupt again, I do not think the Senator's conclusion quite follows from his premise and reasoning, that is, that there is no reason for this legislation. It certainly would put an end to the difficulty once and for all, and obviate litigation, if the course suggested by him should be pursued. The Secretary of War asked the Attorney General for a ruling, and he received a ruling that the phrase "net registered tonnage" in the original act, meant net registered tonnage as ascertained under the United States Rules of Measurement.

President Wilson immediately took steps to secure legislation in order to remedy the situation which resulted from that opinion of the Attorney General. I will say to the Senator that if this proposed legislation be defeated, I hope the Secretary of War will ask for another ruling upon this point, and if the ruling be adverse to our contention here, and to the original intent of the law, then I hope the Panama Canal authorities will lay and collect the tolls imposed under the President's proclamation, and let the shipping concerns go to court and test the thing out, because I think that every resource available ought to be made use of to get rid of this dual system.

Mr. BAILEY. Very well, Mr. President. I think it is agreed that the ruling by the Attorney General of the United States cannot, under any circumstances, become law. The Congress makes the law. So far as I know, no one else does. I will consider this portion of the debate concluded.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. CLARK. Of course, I agree that no administrative officer can make law, but in the absence of specific action by Congress the construction of law by a department amounts to law.

Mr. BAILEY. Absolutely; I agree to that. The regulations of the bureaus are prima facie law, but they are not law. I remind my friend the Senator from Missouri, that the argument here is that this is an erroneous ruling. The cure for an erroneous ruling is a correct one by a successor in office. That is my point.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. BAILEY. I yield.

Mr. CLARK. If there be an erroneous ruling by an Attorney General or by any other administrative officer, as I see it, the only remedy Congress has is to make the law so clear and specific that no administrative officer can misconstrue it. As I understand the argument of the Senator from North Carolina, it is that there is only one appeal, which is from an erroneous ruling of one Attorney General to another Attorney General.

Mr. BAILEY. No, Mr. President; my friend, the distinguished Senator, I think was absent from the Chamber when this phase of the matter arose. The Senator from Wisconsin is now absent from the Chamber, and I dislike to undertake to state his position in his absence, but I will do so, subject to any correction. As I understood him, he was taking the view that this ruling had been acquiesced in over many years, and I think arguing that that gave it the force of law, at least to the extent of requiring action by the Congress. I was undertaking to refute that. I simply undertook to state that an erroneous ruling by an Attorney General, though acquiesced in over a period of years, did not constitute law.

Mr. CLARK. Mr. President, if the Senator will yield, I do not wish to interrupt him unduly, and I agree with him entirely in the proposition he has just stated; but I do suggest that if the executive department of the Government makes an erroneous construction of a law passed by Congress, the only remedy Congress has is, not to appeal to a subsequent Attorney General or a subsequent member of any executive department, but to make the law so clear that no executive officer can misunderstand it.

Mr. BAILEY. I am glad to hear the expression of the Senator's view, and I do not know that I especially differ with it. That was not the contention and that was not the point of departure.

To proceed with the remainder of my argument, I am offering at this time as a substitute precisely the section proposed here by the committee and its chairman 3 weeks ago, and precisely the language that was adopted by the Senate by a vote of 62 to 17. So I have, to reenforce my substitute on this occasion, the judgment of the committee today which is opposing it, and the judgment of the Senate by an overwhelming vote.

Mr. President, on what ground has the committee abandoned its own section 2? Frankly, I cannot answer that question. They have not come here and told us why. They held the bill up to the Senate in the former debate as having been considered at great length and having been perfected, and they asked for the support of it as a whole. It was recommitted, and only that part of the bill which the Senate approved has been left out of the bill. I do not quite understand it. It was certain that section 2 was approved by the Senate; it was certain that section 1 was disapproved; the bill was recommitted, and that portion which the Senate approved is left in the committee and that portion which the Senate disapproved is brought forward again, and that notwithstanding the vote of 62 to 17.

Mr. President, those are the facts. Let them be the facts. What is the explanation? I confess I cannot explain. I also state, notwithstanding I have not been here every moment today, that I have heard no explanation. It is possible one was made; but if so, I did not hear it, and I do not know of anyone else who has heard an explanation.

Mr. President, that is the status with regard to this matter. My substitute is approved by the chairman of the committee as an amendment. It has been approved by the Senate and it has all the support any man could wish for it. Yet we are met now with the argument that it will not be considered unless we first agree that the dual system shall be abolished in advance.

Mr. President, I do not profess to know anything about the dual system or the singular system. All in the world that I ask is that the thing be investigated. Give me the facts. I hold no brief for either side. That is all that my substitute calls for—a committee appointed by the President to investigate for 10 months a great question and inform the Senate what are the facts, in order that we may enact legislation that may be of permanent value, in order that we may avoid a mistake that might have adverse consequences either to some little fellow or some great fellow, or even to the United States.

So I say I think that my proposition is reasonable. It has the approval of the chairman of the committee as an amendment, and it has the approval of the Senate by a formal vote. So I ask for its passage on its standing in the Senate. I do not know that I have seen one here since I

have been here these 5 years which came before the Senate with that amount of approval.

But, Mr. President, that is not the whole question here. The United States of America has a very great stake in its merchant marine. I do not care anything about any shipping company on earth, but I do care, and I have always cared, that my country should be properly defended in time of peace and of war. We will agree that the Army is needed, we will agree that the Navy is needed, and no one will deny that the great auxiliary of Army and Navy is the merchant marine. Neither the Army nor the Navy can get along without the merchant marine.

This country in the first 50 years of the nineteenth century gave the greatest attention to the development of its merchant marine, but for the last 30 years it has pursued a policy which has made it almost impossible for the American merchant to run an American ship. When the World War came on—we have no difficulty recalling what happened—we had to spend a billion dollars to buy merchant ships. We have harbors full of their wrecks today. We even tried to build ships and tried to build them fast and undertake to mold concrete ships. We found they would not set in the water. They came down in my State and started a concrete-shipbuilding affair. I think if Senators go up to Hog Island they will see a great graveyard of shipping failures brought about by the haste of the United States in trying to supply what she would have had if she had played a reasonably sensible part in the matter of building up the merchant marine.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. CLARK. Will the Senator expound a little bit further what he means by "a reasonably sensible" policy?

Mr. BAILEY. Yes. I am going into that and I am going into it with reference to this particular legislation of the Panama Canal.

Mr. CLARK. I will be very much interested to have the Senator do that.

Mr. BAILEY. This Congress passed laws making it almost impossible for an American merchant to operate a ship. I take it that the Senator knows about the laws.

Mr. CLARK. Will the Senator further yield?

Mr. BAILEY. I yield.

Mr. CLARK. I should be very glad to have the Senator explain that in detail.

Mr. BAILEY. I shall be very glad to do that, I think, in sufficient detail. I will not undertake to go into all the laws.

We have our act under which if an American ship is going around the world she may have to get new sailors at every port. They can go on shore leave and never come back again. They go from port to port.

We have our seamen's bill fixing the cost of operation by which we suffer by reason of competitive conditions of other ships. The consequence is the loss of shipping.

Mr. CLARK. Will the Senator further yield?

Mr. BAILEY. I yield.

Mr. CLARK. Is the legislation to which the Senator refers the seamen's bill?

Mr. BAILEY. In part; yes.

Mr. CLARK. I would be very much interested to hear the Senator expound the rest of the inhibitions on American ships.

Mr. BAILEY. I should say, Mr. President, I have no capacity at this time and no inclination, although I should like to gratify my dear friend here, to undertake to expound that law, and I may very well make the honest confession that I would not be equal to the task. If my friend wishes to do so at this point, I shall be glad to give him the opportunity.

Mr. CLARK. If the Senator will further yield to me, I will say that I am not able to do that either. But the Senator is making a very broad statement as to the condition of American shipping based on a statement which he makes himself. I have asked the Senator to itemize that statement, and I find that the Senator is not willing to do so.

Mr. BAILEY. I beg the Senator's pardon, but I am willing to give the evidence to justify my statement without giving a thorough analysis of the Seamen's Act. That is the difference.

I mentioned one. Here is another. Japan can build her ships for one-third of what it costs us to build ours, and that also includes battleships. If she can build them for less, of course she can operate them for less. The capital invested is less. That might be right, too. I am not arguing about what is right, but I am arguing what the facts are and what the policies are.

That, Mr. President, is not all. The cost of a ship built in Great Britain is only 60 percent of what it is here. That may be right also. I am not arguing against that. I am not saying that that is wrong. I am saying that is a fact. I am saying that the consequence of that fact is that whereas old England has a great merchant marine of incomparable and inestimable value to her Army and her Navy, and whereas Japan has a merchant marine of incalculable value to her Army and her Navy and her Empire, America, rated in all other respects at least amongst the three greatest powers, rates in that respect near the bottom. And remember my proposition: Your merchant marine as an auxiliary of Army and Navy is indispensable to your national defense.

Now, Mr. President, I come to another matter in this connection.

Mr. CLARK. Mr. President, before the Senator passes that point I wish to ask him another question. Of course, I do not agree with the Senator in his views on ship subsidy.

Mr. BAILEY. I beg the Senator's pardon, but I have expressed no views whatever on ship subsidy.

Mr. CLARK. Putting it baldly, that is what the Senator has been advocating.

Mr. BAILEY. Again I beg the Senator's pardon, but I am not advocating that.

Mr. CLARK. That is the construction I have put on the Senator's remarks.

Mr. BAILEY. I am sorry he puts it on, but I am going to take it off.

Mr. CLARK. Irrespective of that, may I ask the Senator whether the question of the utility of the merchant marine as an auxiliary to the Navy for the defense of the Nation in case of war is involved in this bill?—and if so, I would be glad to have him explain.

Mr. BAILEY. Absolutely. I am going to answer the Senator in the affirmative. We have here, Mr. President, in this matter of the Panama Canal tolls, one of the few opportunities we have had to do something for the American merchant marine. That is just precisely the point I was driving at.

Mr. CLARK. I do not wish to interrupt the Senator's chain of thought, nor will I do it again at this point.

Mr. BAILEY. I welcome the Senator's interruptions, and receive them in a most friendly way.

Mr. CLARK. Is there anything in the bill that could possibly impose a burden on the American merchant marine that would not also be imposed on the merchant-marine service of every foreign nation? Is there anything that can possibly be found in the bill—if so, I should like to have it pointed out because I am a member of the committee which reported it—which could possibly react adversely to the merchant marine of the United States and to the advantage of the merchant marine of every other nation?

Mr. BAILEY. I thank the Senator for giving my proposal the emphasis I wish. There is nothing in the bill that looks to the interests of the American merchant marine, and that is one of my complaints against it. I ask for a committee to be appointed which will treat this matter with a view to the building up of the American merchant marine. That is my complaint against the bill. I agree there is nothing in it looking to that end and am glad the Senator made the point clear.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. DUFFY. Does the Senator agree that under the system now in vogue the merchant marine of foreign countries gets more advantage than our own merchant marine?

Mr. BAILEY. I have heard that contended on the floor of the Senate both ways. I heard the Senator from New Jersey [Mr. BARBOUR] say the foreigners would get the advantage under the proposed legislation. I heard Senators on this occasion, but not on any former occasion, say we would get the benefit of it. I do not know, and I have no way of knowing. That is the point. Let us have an investigation so we may know and have an end to this debate about the facts.

Mr. DUFFY. If such an impartial committee or commission, or whatever it may be called, would find the facts to be as I have stated, does the Senator assume or believe that there would be any further opposition from the shipping interests to having the dual system of measurement abolished?

Mr. BAILEY. That is the most unfortunate phase of the discussion and I am glad the Senator brought it out. There seems to be an assumption on the part of at least two members of the committee that those of us who differ with them are interested in some shipping interests or that we have been told something by them.

Mr. DUFFY. Mr. President, will the Senator yield further?

Mr. BAILEY. I am not through yet. I am going to finish this statement and then the Senator may say what he may wish to say. I say that very courteously and with a great deal of patience. I do not reflect upon my fellow Senators and I do not assume that all the virtue is with me when men differ with me. I understood when I came to the Senate that I was not, within my soul or ever with my voice, to make an intimation or a suggestion or an insinuation against a fellow Senator.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. BAILEY. I do not think the Senator from Wisconsin means to do that sort of thing, but what is the effect of the statement? I yield now to the Senator from Wisconsin.

Mr. DUFFY. If the Senator has read the testimony before the committee he would know that it is the shipping groups of the country who are making opposition to the bill. That is what I referred to. I made and intended no reflection on the Senator from North Carolina.

Mr. BAILEY. I have not read the testimony of the shipping interests. I do not care what they say. I have not been in the Senate these years for nothing. I never hear anybody here who has a fee in his pocket or a special interest in his heart. When such a man comes to my office I tell him I do not want to hear him. I believe the people of North Carolina sent me here because they felt I was competent to study these questions for myself. I do not read what the special interests have to say. The first time I heard anything here today about a shipping interest view was when the junior Senator from Oklahoma [Mr. GORE] had read at the desk something that some shipping man had said.

I should like to have the Senator from Wisconsin know, and to have everybody else know, that when I undertake to study a question I at least have enough sense to avoid those who have some ulterior motive or some special interest in mind. I will not permit them to affect my viewpoint at all.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. DUFFY. The point I tried to bring out by the question was not any reflection upon the Senator from North Carolina, but that no matter what the committee or commission might find, in my opinion, the opposition from these particular interests which appeared before the committee would remain just the same. In other words, I do not think it makes a bit of difference in their viewpoint, because year after year by these artificial devices they have been able to whittle down the tolls they have paid, and, of course, they are all selfishly interested in getting their vessels through the Canal as cheaply as possible.

Mr. BAILEY. I think the tolls have been whittled down because we hold the Panama Canal in trust. As I understood the treaty, it was never intended that the Canal should be a means of making money. Once it pays for itself and amortizes the investment, that is all we can ask. But I wish to make it all clear so far as I am concerned. I have not read the testimony of the shipping interests. I have no brief from them. I have not heard them. I hope the Senator understands that, and that I need not refer to it any more.

Mr. President, when I was interrupted some moments ago I was about to develop the argument that my interest in the matter is in the appointment of a committee to investigate the whole subject of tolls and shipping through the Canal and thus give us an opportunity to find a constructive method of doing something to upbuild the merchant marine of the United States.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Missouri?

Mr. BAILEY. I yield.

Mr. CLARK. Does not the Senator consider that his suggestion is a direct reflection on a standing committee of the Senate, the Committee on Interoceanic Canals?

Mr. BAILEY. I do not, and I am glad the Senator gives me the opportunity of discussing that point.

Mr. CLARK. I shall be very glad to have the Senator explain that, because, it seems to me, in view of the fact that a standing committee of the Senate has direct jurisdiction of the subject matter and has reported the bill, that to appoint a special committee to take cognizance of the sole jurisdiction of a standing committee of the Senate would be a direct reflection on every member of the committee, and I certainly would so feel. May I say further that so far as I am concerned if the proposal of the Senator from North Carolina, who is my very dear friend, should prevail, I would feel it incumbent upon me as a matter of self-respect to resign from the Committee on Interoceanic Canals.

Mr. BAILEY. I wish to disavow anything like disrespect for anybody in the Senate or any committee of the Senate. I hope Senators realize that I am incapable of that; and I should like to say to my good and honored friend the junior Senator from Missouri that if he lives until I willingly manifest the slightest disrespect for him, he will live a very long time.

Mr. President, I take it that that argument is worthy, to be sure, of my consideration. I would not wound the feelings of any member of the committee. I do not like to speak personally in the Senate, but I think I may be forgiven for saying that I could not ever forgive myself if I ever uttered a word or entertained a thought that would wound the feelings of the junior Senator from Oklahoma [Mr. GORE]. I think he is one of the noblest, one of the ablest, one of the finest characters I have ever known in my life, and I am glad to have the opportunity to say so in the Senate.

I think he knows how I feel about him. I have always felt that a man might be allowed to differ with his fellow men, a man might be allowed to dissent from a motion by a fellow Senator, and a Senator might be allowed to argue earnestly—of course, respectfully—against the report of a committee without offense. I hope that is always to be understood about me; so I assure my friend that nothing I shall say and nothing I shall do will relate remotely to any possible reflection or anything that will tend to impair his sense of my high regard.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Missouri?

Mr. BAILEY. To be sure.

Mr. CLARK. Of course I have no misapprehension as to the feeling of the Senator from North Carolina toward myself or toward the Senator from Oklahoma. I say only that if the Senate should see fit to rape the Committee on Interoceanic Canals of its jurisdiction, and take practically every vestige of its jurisdiction away from it by the appointment of a special committee, I personally should not be willing—I am not speaking for anybody but myself—to serve on a committee which had no jurisdiction whatever.

Mr. BAILEY. I hope my friend will reconsider that attitude; but, if he should feel that he could not, I want him to acquit me of any intent——

Mr. CLARK. Mr. President, if the Senator will yield further, I should never entertain the thought of anything except the kindliest feelings on the part of the Senator from North Carolina toward either myself or the Senator from Oklahoma; but I do feel it incumbent on me again to make the statement as a member of the Committee on Interoceanic Canals.

Mr. BAILEY. If I may address myself to that for just a moment, this is, after all, a technical matter; and it is a rate-making matter. We have a Committee on Interstate Commerce in the Senate, but the Committee on Interstate Commerce does not undertake to make the rates for the railroads. It is no reflection upon that committee that the rate-making power is transferred. We have a Committee on Finance, of which my distinguished friend from Missouri is a member. We committed certain taxes to the Department of Agriculture. I did not think I should resign. I did not take that as a reflection upon me. We do not do things in the Senate, I feel sure, with any sense of wounding the feelings of any fellow Senator. I know that obtains among all Senators. So, now, let that go. Let us just come to this phase of the matter:

The Panama Canal, Mr. President, is our Canal. We built the Panama Canal. We paid for the Panama Canal. We began going about building the Panama Canal in the second decade of the nineteenth century, in the time of Henry Clay; and that matter has been the subject of consideration in the Senate now for something better than 115 years. I think our mother country is a very wise country and always skillfully managed. I greatly admire it. I do not intend ever, while I am a Senator, to say anything that would tend to irritate the feelings of the people in other nations; but when England saw that we were interested in that matter, she undertook to find an interest over here whereby she could have a hand in it. To me it is a singular fact that she asserted that she had some sort of jurisdiction over the Mosquito Indians in Central America; and on the basis of a theoretical jurisdiction of the Mosquito Indians in Central America she negotiated her way through with the Clayton-Bulwer Treaty and the Hay-Pauncefote Treaty until she stood in the position of demanding of us, in the name of our honor and our generosity, that we, having built the Canal, should give her the benefit of it.

A long debate ensued, in which former President Theodore Roosevelt took the view that we did not have to respect the demand of England, and in which President Taft took the same view that Theodore Roosevelt took, and in which view each of them was supported by so eminent a lawyer as Philander C. Knox, known to the Senate as one of its ablest Members in his time, who took the view that this country did not have to give, under the Clayton-Bulwer Treaty or the Hay-Pauncefote Treaty, equality in the matter of rates, to which England said she had a right.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BAILEY. Surely.

Mr. CLARK. I should like to add to what the Senator has said, since he has brought up the subject, that this view also was supported in toto and in verbiage by the Democratic national platform of 1912, adopted at Baltimore.

Mr. BAILEY. I thank the Senator. That is the view which President Taft took, and the view which President Theodore Roosevelt took.

Mr. CLARK. Yes, sir.

Mr. BAILEY. I am not bringing that up now for any matters of criticism or any matters of regret. It just struck me as being a proper background for what I was going to say about this matter; and here it is:

England did not take the view that we did not have the right to favor our coastwise shipping. She took the view, when it came to the world shipping, that there should be equality; but in the protest filed with the Secretary of State by Great Britain on February 8, 1912, the Foreign Office of Great Britain stated:

As to the proposal that exemption shall be given to vessels engaged in the coastwise trade, a more difficult question arises. If the trade should be so regulated as to make it certain that only bona-fide coastwise traffic which is reserved for United States vessels would be benefited by this exemption, it may be that no objection could be taken.

That is from Great Britain.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. MOORE in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

POSTMASTERS

The legislative clerk read the nomination of Earl D. Cline to be postmaster at North Los Angeles, Calif.

Mr. McKELLAR. Mr. President, I ask that this nomination be recommitted to the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE JUDICIARY

The legislative clerk read the nomination of Arthur F. Lederle to be United States district judge, eastern district of Michigan.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of George E. Miller to be United States marshal, southern district of Iowa.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FOREIGN SERVICE

The legislative clerk read the nomination of Benjamin Reath Riggs, of Pennsylvania, to be consul of the United States of America.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PUBLIC WORKS ADMINISTRATION

The legislative clerk read the nomination of Henry H. Ferguson, of Oklahoma, to be State engineer inspector for the Public Works Administration in Oklahoma.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask that the nominations of postmasters be confirmed en bloc, except the nomination of Sadie L. Brunner to be postmaster at Worcester, Pa.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc, with the exception of the nomination of Sadie L. Brunner to be postmaster at Worcester, Pa.

Mr. McKELLAR. Mr. President, I ask that the nomination of Sadie L. Brunner to be postmaster at Worcester, Pa., be recommitted to the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. Without objection, it is so ordered.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask that the Army nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock p. m.) the Senate took a recess until tomorrow, Wednesday, March 4, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 3 (legislative day of Feb. 24), 1936

FOREIGN SERVICE

Benjamin Reath Riggs to be consul of the United States of America.

PUBLIC WORKS ADMINISTRATION

Henry H. Ferguson to be State engineer inspector for the Public Works Administration in Oklahoma.

UNITED STATES DISTRICT JUDGE

Arthur F. Lederle to be United States district judge, eastern district of Michigan.

UNITED STATES MARSHAL

George E. Miller to be United States marshal, southern district of Iowa.

APPOINTMENT IN THE REGULAR ARMY

Bryan Coleman Thomas Fenton to be first lieutenant, Medical Corps.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Maj. Philip Blaine Fryer to Quartermaster Corps.
Maj. Vennard Wilson to Cavalry.
First Lt. Randolph Bolling Hubard to Field Artillery.

PROMOTIONS IN THE REGULAR ARMY

William John Walsh to be chaplain with the rank of captain.

James Gordon De La Vergne to be chaplain with the rank of captain.

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES

John Aloysius O'Keefe to be brigadier general, Adjutant General's Department, National Guard of the United States.

POSTMASTERS

IDAHO

Herbert L. Spencer, Paris.

MISSOURI

Phares K. Weis, Moberly.

NEVADA

James L. Denton, Caliente.

PENNSYLVANIA

Alvin C. Winner, Hatboro.
Frances M. Dougherty, Haverford.
Margaret M. Jones, Miquon.
Lottie I. Brower, Oaks.
Thalia D. Hammer, Ogontz School.
John N. Backenstose, Schaefferstown.
James F. Farr, Sr., Sheffield.
Thomas F. McBride, Upland.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 3, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

As we wait, dear Lord, we pray that we may offer Thee our solemn praise and supplication. We trust that with humility of heart and penitence of soul we may acknowledge our sins and seek the blessing of pardon through the divine One. His hand is abundantly worthy to wield the scepter of all the world. O God of our fathers, hear us; the supreme need of the wide earth is peace. In its humbler estate, humanity is striving for a release from the greatest of tyrannies, which is cruel and intolerant warfare. It fails to reach the goal of its prayers and the fruition of its heart yearnings. Almighty God, do Thou interfere in the ambitions of men. May the rulers and leaders be brought low and made to surrender to the complete law and rule of the Teacher of Nazareth, the Lord of glory. Let deliverance come that the world may not dig the graves of hate and garnish the lands with human blood. Arouse all humanity to claim Thee, the only true God and everlasting Father. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On February 25, 1936:

H. R. 5916. An act to authorize the conveyance by the United States to the State of Michigan of the former United States lighthouse supply depot, St. Joseph, Mich., for State naval force purposes;

H. R. 6708. An act to authorize the presentation of a Distinguished Flying Cross to Lt. Col. Francis T. Evans, United States Marine Corps;

H. R. 7875. An act to provide for the transfer of certain land in the city of Charlotte, Mich., to such city;

H. R. 8437. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Arthur B. Walker;

H. R. 8872. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Woman's Club, of the city of Paducah, Ky., the silver service in use on the U. S. S. *Paducah;* and

H. J. Res. 356. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Pan American Exposition to be held in Tampa, Fla., to be admitted without payment of tariff, and for other purposes.

On February 26, 1936:

H. R. 8821. An act to define the crime of bribery and to provide for its punishment.

On February 27, 1936:

H. R. 1381. An act to amend Public Law No. 249, Seventy-first Congress, entitled "An act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy";

H. R. 7486. An act to authorize the appointment of midshipmen from among honor graduates of "honor schools" and from among members of the Naval Reserve Officers' Training Corps; and

H. R. 8172. An act to authorize the transfer by the United States to the county of Mohave, Ariz., of all public lands in sections 20, 28, and 30, township 20 north, range 15 west, Gila and Salt River meridian, for public park, recreational, and other municipal purposes.

On February 28, 1936:

H. R. 1470. An act for the relief of Carl A. Butler;

H. R. 2165. An act for the relief of Charles A. Gettys;

H. R. 2527. An act for the relief of Mrs. Amber Walker;

H. R. 2923. An act for the relief of Misner Jane Humphrey;

H. R. 3565. An act to authorize the Secretary of War to effect exchange of certain rights-of-way in Hawaii;

H. R. 3864. An act for the relief of Gladys Robbins;

H. R. 4084. An act for the relief of Charles D. Jeronimus;

H. R. 4171. An act for the relief of Look Hoon and Lau Hoon Leong;

H. R. 4292. An act to authorize the Secretary of War to grant rights-of-way to the Arlington & Fairfax Railway Co. across the Fort Myer Reservation, Va.;

H. R. 5525. An act for the relief of George Current;

H. R. 6254. An act for the relief of David N. Aiken;

H. R. 7001. An act for the relief of Alice Markham Kavanaugh; and

H. R. 8024. An act to authorize the Secretary of War to dispose of material no longer needed by the Army.

On February 29, 1936:

H. R. 2110. An act for the relief of W. A. Harriman;

H. R. 5474. An act for the relief of Lt. M. T. Grubham;

H. R. 5747. An act for the relief of Gordon McGee;

H. R. 5964. An act for the relief of Carl F. Yeager; and

H. J. Res. 491. Joint resolution extending and amending the joint resolution (Pub. Res. No. 67, 74th Cong.), approved August 31, 1935.

On March 2, 1936:

H. R. 1415. An act to provide for the establishment of the Richmond National Battlefield Park, in the State of Virginia, and for other purposes;

H. R. 2156. An act for the relief of Cecelia Callahan;

H. R. 3557. An act for the relief of Helena C. VonGroning and Stephen VonGroning;

H. R. 4047. An act granting 6 months' pay to James Zanetti;

H. R. 4210. An act for the relief of Anthony Nowakowski;

H. R. 4925. An act to authorize and direct the Comptroller General to settle and allow the claim of George P. Money for fees for services rendered;

H. R. 9130. An act to authorize the incorporated city of Skagway, Alaska, to undertake certain municipal public works, and for such purpose to issue bonds in any sum not exceeding $12,000, and for other purposes;

H. R. 11138. An act to extinguish tax liabilities and tax liens arising out of The Tobacco, Cotton, and Potato Acts; and

H. J. Res. 488. Joint resolution to provide for safeguarding of traffic on Military Road.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 10630. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 9863) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1937, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. BYRNES, and Mr. HALE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 33. Authorizing the Secretary of the Senate, in the enrollment of the bill (S. 3227) to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931, to correct an error.

BOY SCOUTS' JAMBOREE

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, the House will recall that we were scheduled to have a Boy Scout Jamboree here in Washington last summer, but that due to an epidemic of infantile paralysis the jamboree had to be postponed to the forthcoming summer. Congress passed, at its last session, legislation providing for the lending of certain War Department and other Government property for the use of this jamboree, providing for the use of certain space in the parks of the city of Washington, and providing for the supervision and control of the sanitary conditions of the jamboree by the Public Health Service.

I am sending to the Speaker's table the bill (H. R. 10265) to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their National Jamboree to be held during the summer of 1937, to do what the legislation we passed at the last session did.

The Clerk read the title of the bill.

Mr. BLANTON and Mr. ZIONCHECK rose.

Mr. HILL of Alabama. I yield first to the gentleman from Texas.

Mr. BLANTON. Mr. Speaker, the gentleman from Alabama will remember that last year when we passed this legislation it contained certain safeguarding limitations with respect to preventing outside aliens coming into our country. Does this bill contain like safeguards?

Mr. HILL of Alabama. I understand this bill contains the identical language of the legislation we passed at the last session.

Mr. BLANTON. If the gentleman knows that to be the fact, I am in favor of it.

Mr. HILL of Alabama. I may say to the gentleman that is my understanding.

Mr. SNELL. I understand this is exactly the same legislation we eventually passed last year.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. HILL of Alabama. Yes.

Mr. ZIONCHECK. Is not this bill on the Consent Calendar to be called tomorrow?

Mr. HILL of Alabama. It is on the Consent Calendar.

Mr. ZIONCHECK. The Consent Calendar comes up tomorrow.

Mr. JONES. No; I think the gentleman is mistaken about that.

Mr. ZIONCHECK. I have no objection to the merits of the bill, but I have not had a chance to look into it. As I understand it, the Consent Calendar comes up tomorrow.

Mr. BANKHEAD. If the gentleman will permit an interruption, he is mistaken.

Mr. ZIONCHECK. Then the Whip has sent out inaccurate notices.

Mr. BANKHEAD. That was merely a tentative announcement. The Whip sometimes sends out notices and the program thereafter is changed. It is true the Whip did send out that notice.

Mr. ZIONCHECK. When will the Consent Calendar be called then?

Mr. BANKHEAD. It will come up in its regular order under the rules.

Mr. ZIONCHECK. What Federal contribution is asked?

Mr. HILL of Alabama. There is no Federal contribution except in the lending of certain property such as War Department tents and things of that kind. There is no authorization for any appropriation.

Mr. ZIONCHECK. Under the circumstances, Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury are hereby authorized, at their discretion, under such rules and regulations as they may respectively prescribe, to lend to the Boy Scouts of America, a corporation chartered by act of Congress approved June 15, 1916, for use at the National Jamboree of the Boy Scouts of America to be held at Washington, D. C., during the summer of 1937, such tents, cots, blankets, and other articles of camp equipage as may be desired by said Boy Scouts of America and available for its approximately 35,000 Scouts and officials: *Provided*, That the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, or the Secretary of the

Treasury, before delivering such property, shall take from the Boy Scouts of America such bond and in such amount as will, in the discretion of the Secretary of the department involved, insure the safe return of such property in good order and condition, and the whole without expense to the United States.

SEC. 2. The Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury, the Commissioners of the District of Columbia, the Architect of the Capitol, are hereby authorized to grant permits through the proper service or bureau for use by the said Boy Scouts of portions of parks, reservations, or other public spaces and property under their control in the District of Columbia and environs as in their opinion may be temporarily spared for that purpose: *Provided*, That such use will inflict no serious or permanent injury upon any of the parks, reservations, or other public spaces: *And provided further*, That the parks, reservations, or other public spaces, which shall be so used or occupied, shall be promptly restored to their original condition by the Boy Scouts, and the said Boy Scouts shall indemnify the United States for all damages of any kind whatsoever sustained by reason of any such use or occupancy. The privileges and usages granted shall include the temporary erection of tents for entertainment, hospitals, commissaries, and other subsistence quarters, and other purposes; and the said Boy Scouts are hereby authorized to charge reasonable fees for the use of the same, and to sell articles at said commissaries, which sales shall be solely for the convenience of the participants in the jamboree. The net profits derived from such sales or fees shall be used exclusively to aid in meeting expenses incident to the said jamboree. The sale of foodstuffs in or about such tents or elsewhere upon the public spaces used by the Boy Scouts as authorized by this act shall be under the supervision of the health officer of the District of Columbia and in accordance with regulations to be prescribed by him. The use and erection of tents shall at all times be subject to the supervision of the fire marshal of the District of Columbia and shall be subject to such regulations as he may prescribe.

The erection and use of tents for any purpose involving health or sanitation shall be subject to the supervision of the health officer of the District of Columbia and to such regulations as he may prescribe: *Provided*, That none of the authority herein granted shall be exercised by any of the officials herein mentioned in such manner as to conflict with other permits heretofore regularly granted for the use of such public space, reservations, parks, streets, or buildings in the District of Columbia.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. BLANTON, from the Committee on Appropriations, submitted a privileged report on the bill (H. R. 11581) making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes (Rept. No. 2118), which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. DITTER reserved all points of order on the bill.

EMBLEM OF THE DISABLED VETERANS OF THE WORLD WAR

Mr. HOLLISTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9995) to grant a renewal of patent no. 59560, relating to the emblem of the Disabled American Veterans of the World War.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the immediate consideration of the bill?

There was no objection.

Mr. HOLLISTER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HOLLISTER. Mr. Speaker, this bill provides for the extension for another 14 years of the patent right to the emblem of the Disabled Veterans of the World War. This same action was taken for the American Legion and other patriotic societies. The patent covering the emblem of the Disabled American Veterans of the World War ran out a few months ago, and unless it is protected by this act this emblem might be copied by others.

The Clerk read the bill, as follows:

Be it enacted, etc., That a certain design patent issued by the United States Patent Office of date of November 1, 1921, being patent no. 59560, is hereby renewed and extended for a period of 14 years from and after the date of approval of this act, with all the rights and privileges pertaining to the same, being generally known as the emblem of the Disabled American Veterans of the World War.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. I ask unanimous consent to insert at the beginning of my remarks the bill (S. 2134) to prohibit employers from influencing the vote of their employees in national elections.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The bill is as follows:

Be it enacted, etc., That it is unlawful for any person or corporation to influence or attempt to influence, through fear or intimidation, the vote of any person employed by them, in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to, Congress are to be voted for.

SEC. 2. Any corporation violating any of the provisions of this act shall be fined not more than $5,000; and any officer, director, or agent of any such corporation who violates or consents to the violation of any of the provisions of this act and any person, who is an employer as above described, who violates or consents to the violation of any of the provisions of this act shall be fined not more than $1,000 or imprisoned not more than 1 year, or both.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I also ask unanimous consent to insert as a part of my remarks Circular Letter No. 19, issued by Joseph Lawrence, of the Taxes and Penalties Unit, United States Department of Justice.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The matter referred to follows:

(Circular Letter No. 19)

TAXES AND PENALTIES UNIT,
UNITED STATES DEPARTMENT OF JUSTICE,
Washington, D. C., February 26, 1936.

Subject: Congressional influence.

To All Persons Employed in the Taxes and Penalties Unit:

It has been brought to my attention that certain employees of the Unit have sought congressional pressure to secure petty privileges in their work and also increases in salary, despite the fact that they were only recently advanced through the recommendation of this office. Especially in view of this it is almost inconceivable that such persons should have contacted their Senators and Congressmen and solicited their influence for this purpose.

Hence, I must inform all employees now that these are strictly administrative matters and action should have originated in this Unit and Department. I exceedingly regret to find that some persons, both recruits and veteran civil employees, do not realize the error and impropriety of seeking congressional influence in promotions, leave, assignments, etc. This is not fair to the legislators in question and it is particularly unfair to the department head concerned. I am glad to say that the majority of employees do feel this way about it.

If one considered that his Senator and Congressman were indebted to him and his family, was not that debt paid in full when they helped secure his appointment? Surely, they should not be continually diverted from their important legislative duties and their labors in behalf of their States and districts as a whole. Certainly they should not be expected to godfather an employee for the rest of his life in Government service. It is my opinion that, after original clearance and receipt of appointment, all future contacts, if any, with an employee's sponsors should be limited to a social or political character and not affect his job, unless it is in jeopardy or there is evidence of injustice upon which a bureau head or department head persists in closing his eyes. Of course, no such evidence has ever been presented to this office.

Our people will henceforth avoid such contacts for the purposes hereinbefore stated.

Respectfully,

JOSEPH LAWRENCE, *Administrator.*

Mrs. ROGERS of Massachusetts. It is quite obvious to me that the administration and the Congress are bringing about the passage of more and more measures which will compel

us to sell our birthright of liberty and freedom of speech for a mess of pottage. The noose is drawing tighter and tighter around the people of the United States.

I shall not speak of another body, but will refer to what this bill, S. 2134, provides. In effect, it takes away the liberty and freedom of employers. Employers will not be able to discuss with their employees any matter affecting a candidate or any piece of legislation for fear it may be considered that they have violated this particular act, which subjects them to a possible prison sentence or a fine of from one to five thousand dollars. This bill has been referred to the Committee on the Judiciary of the House.

Mr. BANKHEAD. I did not hear the preliminary statement of the gentlewoman from Massachusetts. To what bill does she refer?

Mrs. ROGERS of Massachusetts. I refer to S. 2134.

Mr. BANKHEAD. A Senate bill?

Mrs. ROGERS of Massachusetts. A Senate bill.

Mr. BANKHEAD. Has it passed the Senate?

Mrs. ROGERS of Massachusetts. It has passed the Senate. I may say to the gentleman that I doubt if the Members of the Senate realize just what this bill provides.

Mr. BANKHEAD. What does the bill provide?

Mrs. ROGERS of Massachusetts. It is an act to prohibit employers from influencing the vote of their employees in national elections. I have not the time to describe the bill in detail, but I do request the Members of the House to study it very carefully. I also would request the membership to study this Circular Letter No. 19, which is a letter signed by Joseph Lawrence. May I read one paragraph of this letter?

Mr. MILLER. Will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I am sorry. I have only 5 minutes. Perhaps the gentleman can get a few minutes later.

Mr. Speaker, I feel that the employees of the various departments have a right to appeal to their Congressmen in connection with matters that they may see fit to take up with their Congressmen. This letter, in part, states:

> If one considered that his Senator and Congressman were indebted to him and his family, was not that debt paid in full when they helped secure his appointment? Surely they should not be continually diverted from their important legislative duties and their labors in behalf of their States and districts as a whole. Certainly they should not be expected to godfather an appointee for the rest of his life in Government service.

Mr. Speaker, I am endeavoring to protect the right of the Government employees so far as free speech and action are concerned, and I believe the Members of the House as a whole will agree with me in this statement.

The administration is acting more and more in the role of the tyrant. There is a threat in Mr. Lawrence's statement when he was questioned about his order. He declared:

> I am no reformer. But real efficiency in government has proved possible under the party system—even granting room for improvement. We should strive to perfect this mixture of politics and government by removing here and there those ingredients that won't gel. This office letter is a small effort in that direction.

Mr. Speaker, this is a veiled threat to every Government employee—and there have been others.

The letter goes on and states further:

> It is my opinion that, after original clearance and receipt of appointment, all future contacts, if any, with an employee's sponsors should be limited to a social or political character and not affect his job.

Mr. Speaker, I am just wondering under what classification these letters issued by the Democratic National Committee come. I am told the Democratic National Committee is headed by the Postmaster General of the United States. In a speech in New Hampshire last evening the Postmaster General in effect criticized me and other Members of the New England delegation because we attended the Liberty League dinner. That dinner was in connection with a nonpolitical and nonpartisan meeting. [Laughter and applause.]

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, in attending the Liberty League dinner, I did not violate the of the tyrant. There is a threat in Mr. Lawrence's state- Corrupt Practices Act, but Mr. Farley, Postmaster General and also chairman of the Democratic National Committee.

I ask unanimous consent to insert at this point in my remarks the sections of the Corrupt Practices Act which, I think, apply to certain people in connection with the Jackson Day dinner.

Mr. ZIONCHECK. This is nonpolitical, did the gentlewoman say?

Mrs. ROGERS of Massachusetts. I do not yield to the gentleman.

We all know that letters were sent to employees——

Mr. ZIONCHECK. Then, I reserve the right now to object.

The SPEAKER. Does the gentlewoman from Massachusetts yield to the gentleman from Washington?

Mrs. ROGERS of Massachusetts. I am sorry, Mr. Speaker; I cannot yield.

Mr. ZIONCHECK. I reserve the right to object, Mr. Speaker.

The SPEAKER. Consent has already been granted.

Mr. ZIONCHECK. I do not think so. The request was not put, Mr. Speaker.

The SPEAKER. The Chair begs the gentleman's pardon. The Chair put the request and announced that there was no objection.

Mr. ZIONCHECK. The request has not yet been made, Mr. Speaker.

The SPEAKER. The gentlewoman from Massachusetts will proceed.

Mr. FITZPATRICK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman cannot take the gentlewoman from Massachusetts off the floor by a parliamentary inquiry without her consent.

Mrs. ROGERS of Massachusetts. I do not yield for that purpose, Mr. Speaker.

The invitations that were sent to the Federal employees——

Mr. ZIONCHECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman cannot submit a parliamentary inquiry unless the gentlewoman from Massachusetts yields for that purpose.

Mr. ZIONCHECK. I am just asking the parliamentary situation.

The SPEAKER. The gentleman is out of order in submitting a parliamentary inquiry. The Chair has stated repeatedly that the speaker cannot be taken off the floor by a parliamentary inquiry.

Mr. ZIONCHECK. Then, Mr. Speaker, I make the point of order.

The SPEAKER. The gentleman will state it.

Mr. ZIONCHECK. The point of order is that the gentlewoman from Massachusetts was propounding a unanimous-consent request, and that has not been granted, and she goes on with her speech.

The SPEAKER. The Chair differs with the gentleman. The gentlewoman from Massachusetts submitted a unanimous-consent request for 5 additional minutes, and the Chair distinctly put the request and then declared there was no objection. The gentlewoman from Massachusetts is now proceeding under that order.

Mr. O'CONNOR. Mr. Speaker, that is not the request in question now. The gentlewoman from Massachusetts submitted a unanimous-consent request to insert in her remarks certain sections of the Corrupt Practices Act, and that request has not been put.

The SPEAKER. That is true, but the gentlewoman from Massachusetts is now proceeding under the unanimous-consent request to proceed for 5 additional minutes which was granted.

Mr. ZIONCHECK. Then, Mr. Speaker, I reserve the right to object to the request.

The SPEAKER. The Chair has not put the other request. The gentlewoman from Massachusetts will proceed.

Mrs. ROGERS of Massachusetts. Mr. Speaker, invitations were sent to the Federal employees by the Democratic National Committee of which Mr. Farley is chairman. They received very attractive invitations to attend a Jackson Day dinner. Employees who were paid over a certain sum as salary were asked to pay $50 for attending the dinner, $10 for the dinner and $40 as a subscription to the New Deal Party or the Democratic Party. It is not called that often now. It is called the New Deal. Those who received a smaller salary were asked to subscribe $10 to the Jackson Day dinner.

I read certain sections, Mr. Speaker, from the Corrupt Practices Act of 1925:

It is unlawful for any Senator or Representative or Delegate or Resident Commissioner to——

Mr. ZIONCHECK. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. ZIONCHECK. The point of order is that the gentlewoman from Massachusetts is now reading without the permission of the House.

The SPEAKER. The Chair will put the question to the House. Shall the gentlewoman from Massachusetts be permitted to read from the document she has before her?

The question was taken, and the permission was granted.

Mrs. ROGERS of Massachusetts (reading):

It is unlawful for any Senator or Representative in, or Delegate or Resident Commissioner to, Congress, or any candidate for, or individual elected as, Senator, Representative, Delegate, or Resident Commissioner, or any officer or employee of the United States, or any person receiving any salary or compensation for services from money derived from the Treasury of the United States, to directly or indirectly solicit, receive, or be in any manner concerned in soliciting or receiving, any assessment, subscription, or contribution for any political purpose whatever from any other such officer, employee, or person.

Mr. Speaker, when I attended the Liberty League dinner I went to hear one of the greatest speakers we have in the United States of America, and a very fine citizen, as we all know, Gov. Alfred E. Smith. [Applause.] I maintain, Mr. Speaker, that Members of Congress should attend meetings of this sort. They should attend Townsend-plan meetings, Liberty League meetings, or any other league meetings, in order that they may get as much information as possible regarding pending legislation and the rights of the people of the United States. It is our duty to be well informed upon all of these subjects, and I am sure, Mr. Speaker, that the Members of the House in their hearts are just as anxious as I am to defend the individual rights of the people of these great United States.

This country was born because people came to America for freedom. I do not believe, Mr. Speaker, we are going on passing legislation that will take away these rights. Everyone has the right to express his opinions. In my opinion, every Federal employee has the right to come to his Member of Congress about any matter that concerns his welfare, and, Mr. Speaker, there are employees in the departments who tell me they cannot give me departmental information over the telephone for fear they will lose their positions. I call this an outrage, Mr. Speaker. Government employees are living in terror.

[Here the gavel fell.]

INDUSTRIAL UTILIZATION OF FARM PRODUCTS

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered yesterday by my colleague from Illinois [Mr. DIRKSEN].

The SPEAKER. Is there objection?

There was no objection.

Mr. ARENDS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include an address by Representative EVERETT M. DIRKSEN, Republican, of Illinois, over the Columbia Broadcasting System, Monday, March 2. His topic was "Industrial Utilization of Farm Products", and he spoke as follows:

I am deeply grateful to Columbia Broadcasting Co. for the use of their Nation-wide facilities today and sincerely hope that I might contribute something of value to the solution of the farm problem. The world has always had a farm problem and probably will have long after this generation has passed away, but that is no reason why we should embrace the philosophy of defeat and neglect to do our best in finding a reasonable and durable solution. Since Joseph dreamed of 7 fat years and 7 lean years and was commissioned by Pharaoh to fill the granaries of Egypt, the economic history of every nation has been deeply affected by the problem of producing and distributing farm products on a basis that is fair to both farmer and consumer.

Our problem of farm surpluses goes back to the Civil War. When Lincoln liberated the slaves, he created an incentive for the invention and development of farm machinery that would replace cheap slave labor. Then began the development of the reaper, binder, mower, and other farm devices which made it possible for one farmer to tend a larger acreage and produce greater amounts of corn, wheat, and other products. In 1866 we harvested only 30,000,000 acres of corn, which produced 730,000,000 bushels. In 1932 this acreage had grown to 108,000,000, and the total crop to nearly 3,000,000,000 bushels. To be sure, the population increased from 31,000,000 in 1866 to 125,000,000 in 1932. Offhand it would appear that a fourfold increase in grain production and a fourfold increase in population would offset each other and care for the surplus. But such was not the case. Other factors entered into the picture.

Consider for a moment that from 1921 to 1931 there was a loss of 8,000,000 horses and mules. They were displaced by trucks, tractors, and motor cars. These 8,000,000 horses and mules would have consumed an equivalent of what 40,000,000 people would consume, and the millions of acres devoted to animal feed are now devoted to raising products which go into surplus.

Today we have 27,000,000 automobiles. We don't walk if we can ride. This saving in energy makes less food necessary. This helps account for the fact that in the same years 1921 to 1931, the per capital consumption of meat dropped 15 percent. Obviously, if we eat less meat, we feed fewer cattle, and acreage once devoted to feed now produces a surplus.

The per capita demand for farm products decreased about 17 percent in the years 1921 to 1931. Our eating and clothing habits changed. Once upon a time ladies' hose, dresses, and underthings were made from cotton and imported silk. Today, many garments are made from rayon instead of cotton and silk and cotton consumption per capita has been greatly reduced.

In eating, people diligently pursue an effort to retain or retrieve a girlish figure. We avoid starches and fats. We must preserve our slender lines. In so doing, we eat less wheat products. Thus, millions of bushels of grain go into surplus instead of into domestic use. For example, consider that traditional American dessert called pie. Once upon a time, the accustomed salutation at home or in a restaurant was "What kind o' pie ya got?" Today, pie has abdicated to other desserts and the lard and flour which went into pie crust now goes into surplus.

Once upon a time, all alcohol produced in this country, whether for use in an automobile radiator, on a sprained ankle, or for inspiration was produced from grain. Today five-sixths of all industrial alcohol produced in this country is made from imported blackstrap molasses which is a byproduct of sugar refining. Hence additional millions of bushels of grain go into surplus.

Thirty years ago the manufacturers of glue, adhesives, and the sizing used in textile mills used cornstarch as a base. Today we import 200,000,000 pounds of tapioca starch annually from the West Indies for such purposes. Even the glue on Uncle Sam's postage stamps is made from tapioca flour. As this flour displaces cornstarch, so additional bushels of corn go to surplus.

The World War was the straw that broke the farmer's back. To feed an army of two and one-half million hungry young men, farmers were encouraged to increase acreage. Corn sold at $1.63 on the Chicago market and wheat was pegged at $1.87. There was an incentive for breaking new ground. We expanded our farm domain by 50,000,000 acres. We fed the armies of other nations as well as our own. After the war we had to feed these nations until they overcame the effects of war. Two figures will prove it. In the war period our agricultural exports reached two thousand seven hundred million dollars annually; in 1933 they were back down to $700,000,000 annually, or about one-fourth as much. Why did not our huge exports continue? The answer is simple. Foreign countries had been buying our products with our money. We loaned it to them for that purpose. When we stopped loaning they stopped buying, and our outlet was curtailed. Incidentally, they still owe us eleven and one-half billion dollars and the prospects of collecting are not rosy. The other answer is that war is the favorite pastime in Europe and Asia. As soon as the last war was over they began preparing for the next one. Wars are fought with men, money, and food. In preparation for the next struggle, many of these nations encouraged their farmers to produce more wheat, corn, and other products. European countries have been our principal outlet for farm prod-

ucts. Now they began to produce enough for their own needs and to spare. They became our competitors. That is why Secretary Wallace at different times has stated that the obstacles of getting our foreign markets back is quite serious. The final result is that as we continue to produce we pile up a surplus without an outlet.

Domestic conditions during the last 4 years have further aggravated this problem. If we could place every American family on a liberal diet we could eat up our surplus. But as men and women joined the unemployed and used up their savings they had no money with which to buy the things they needed. Many were hungry in a land filled to overflowing with 20-cent corn and 30-cent wheat. The reason they were hungry was because they had no job or money. Oddly enough, the reason we had 20-cent corn and 30-cent wheat was that these folks were out of work. That is a strange spectacle. If every unemployed person could find a job at decent wages this purchasing power would solve our surplus problem. Today industrial production is only 5 percent below normal, yet we have twelve and two-thirds million people out of work, and there is scant prospect of immediate jobs so they might buy what they need.

You therefore have a problem of balancing farm production against a sharply decreased demand. This decreased demand springs from the reduced purchasing power, loss of export markets, loss of farm animals, competition from imported products, and a decreased per-capita consumption of food. What is the answer to this problem? The answer seemed to be to reduce production by paying the farmer in cash for reducing his acreage. This required money, and the money was to be raised by a processing tax. That, in essence, was the Triple A program; but the Supreme Court held that it violated the Constitution. But while the Triple A is dead, the factors which gave us a surplus are still operating. Blackstrap and tapioca are still imported. Millions are still unemployed. Export markets are still gone. There is little prospect of increasing the horse and mule population. Meanwhile we still have 350,000,000 acres of farm land. Cropped in a normal way it would produce a surplus and ruin prices.

The administration, therefore, recommended and the Congress enacted a substitute for the Triple A. It is also a control measure. Until 1938 it will be handled by the Secretary of Agriculture. Thereafter it is turned over to the various States. It contemplates paying the farmer a bounty for resting his acres, or for changing from money crops such as corn, wheat, and others to soil-building crops. These soil-building crops embrace clover, lespedeza, alsike, soybeans, and others. Another possibility under this measure is the payment of a bounty on that percentage of the farmer's crop which is in ratio of our domestic requirements to the whole crop. Any one or a combination of these methods can be used to control production.

Take a farmer with 100 acres on which corn and wheat and oats had always been raised and pay him for planting 20 acres of it to soybeans each year. At the end of 5 years he will have had the entire farm in a soil-enriching crop. That presents an interesting problem. This program for preventing erosion and enriching the soil will mean that in a few years we can produce as much on 80 percent as we now produce on 100 percent of our acreage. Then what? If our export markets have not been restored and our domestic purchasing power is still below normal, we will have a greater farm problem than ever before. We would be spending five hundred millions a year to keep acreage out of production and still have a surplus problem. Then the question will arise: Where do we go from here?

As I envision this prospect, I believe the ultimate solution of the problem can be found only in expanding industrial uses for farm products. It will remain for our chemists to rescue us from this problem. Time will not permit an extended discussion of the many possibilities, but I shall enumerate a few. Some of the best, unbiased geologists and chemists predict an oil shortage in a few years. This does not mean exhaustion of our oil resources but, rather, that we shall pay more for petroleum products. Why not start now with a program for converting corn and other grains into alcohol to be mixed with gasoline? This opens up a vast market which would take care of our grain production for many years. The fact that in 23 countries alcohol is in common use is the answer to those who feel that such a motor fuel is not feasible. Still another item is oat hulls, which contain a solvent known as furfurol, used in making such plastic products as phonograph records. Today we produce but 26 percent of our sugar requirements. The rest is imported. Thousands of acres of land are suitable for sugar beets and sugarcane to place us upon a self-sustaining sugar basis and at the same time use these idle acres. Improvement of soybean oil and its wider use in paints and other products is an inviting field. In 1934 we produced 26,000,000 pounds of soybean oil. Its uses can be greatly expanded. The Jerusalem artichoke, or wild sunflower, contains a substance known as levulose, which is sweeter than cane sugar, more digestible and excellent for diabetics. Its production would take additional acreage. In 1934 we imported 121,000,000 pounds of tung oil. Most of it comes from China. The tung tree not only yields oil but the tree itself can be converted into paper. Some of our land could be given over to the production of tung trees, not to speak of China grass, which produces a strong natural fiber used in the manufacture of clothing and paper.

Cornstalks offer a vast field for conversion into paper and wallboard. In the South there is a field for the production of slash pine which can be processed into paper pulp and newsprint. At the present time we import hundreds of millions of dollars worth of paper pulp annually. Slash-pine pulp could be developed into a huge industry, which would absorb some of our idle acres. There are many other fields in which the industrial utilization of farm products can be pioneered and expanded, and only in this field will we find a solution for our surplus problem which is lasting and durable. It remains for the Government to show the way by giving a new dignity to the chemist in pointing the way.

Industrial utilization of farm products is something more than a solution of the farm problem. It is our hope for a solution of our unemployment problem as well. This morning figures were released by the president of the American Federation of Labor estimating our unemployment at twelve and two-thirds million people. In the last 3 years unemployment has only decreased 19 percent in the United States, whereas in Canada it has decreased 42 percent, in Sweden 36 percent, in Belgium 27 percent, and in Great Britain 24 percent. Considering that industrial production has gone up to 95 percent of normal, there has been a distressing lag in decreasing unemployment. A solution must be found. Such a condition cannot persist very long without becoming dangerous. New uses for farm products means new industries. New industries will create places for men now idle, and thus the twin problems of labor and agriculture can ultimately be solved together.

LEAVE TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection?

Mr. BANKHEAD. Mr. Speaker, I object.

MAINE

The SPEAKER. Under the special order the Chair recognizes the gentleman from Maine [Mr. HAMLIN] for 15 minutes.

Mr. HAMLIN. Mr. Speaker, 116 years ago today Maine was admitted into the Union, the twenty-third State, along with Missouri. I do not speak of Maine today to advertise it as the sunrise-vacation land of America, where game abounds, and the air is clear, and the mountains, lakes, and forests are beautiful and healthful; on its boundaries Passamaquoddy Bay and Kittery in its coastal corner, Canada and New Hampshire on its north and west.

I want to speak today more of its history, of its men and women of the past. I want to have you and others better acquainted with it, for it is the best place in the world to me, and that is true.

The Norsemen came here early, the Cabots, Gosnold, Pring, Weymouth, and your own Capt. John Smith, of Virginia, trod its land. Charles I gave it to Gorges in 1639. The next year the first general court was held in its western settlement at Saco, where one John Winter was fined for asking more than 5 percent on a loan. Times have changed in Maine since then.

In 1650 it passed into the control of Massachusetts and was called the County of Yorkshire. Kittery was the first town incorporated, and then towns grew fast in southwestern Maine. New Falmouth grew into Portland; Richmond Island and Cape Elizabeth, where now are the coast guard station and Fort Williams, were early settled. The Indian wars came next, five of them, the French of Canada allied with them, and oh, the suffering! Cabin floors were wet with blood, and their little villages were often burned. At Lovewell's Pond, in Fryeburg, Paugus of the Sokokis was killed as was Captain Lovewell. But the Indian strength here was crippled and was thoroughly stopped by the killing of King Philip later. It was the same old question. We have it today, it was the survival of the fittest, and the fittest were the strongest, the English.

The forts of Maine were built near their settlements. I know of one now, Fort Hill, in Gorham, in Cumberland County. Let me speak of it as typical of others. One morning in June 1736 John Phinney and his boy, Edmund, came up the Presumpscot River, the most highly developed waterpower river in the world, pulled up his canoe there, and walked to the side of Fort Hill and built his cabin. Hugh McLellan and Jacob Hamlin and others came, the fort was built, and the little settlement grew. Along with this came the church, which was used for a schoolhouse, and then in 1770 Jacob Hamlin gave the graveyard, where today many of the graves of these early settlers can be found.

We cannot blame the Indians when they saw the hated palefaces covering their happy hunting grounds with villages. Then in 1759 the great Pitt sent Wolfe, who on the Plains of Abraham defeated the best French general ever in

America, Montcalm, and French America became English. Then the Revolution.

When the port of Boston was closed in 1774 the meeting-house bell at New Falmouth, Portland, was tolled all day, and Maine men who could shoot squirrels' heads off with their rifles started for Cambridge to back up Putnam and Washington. Capt. Jeremiah O'Brien, of Machias, on June 11, 1775, captured the *Margaretta*, and the first British ship to haul down its flag to the patriots was forced by this Maine Irish Captain O'Brien.

In this same year Col. Benedict Arnold marched up through Maine to join General Montgomery in the ill-fated siege of Quebec. Their sufferings cannot easily be told. Oh, if Arnold, the patriot, could have died then.

In the War of 1812 Maine's part was glorious. The engagement by the *Enterprise* and *Boxer* at the mouth of the Kennebec was fought; the victory gained by the Americans, and today the commanders of both vessels sleep in the old eastern cemetery on Munjoy Hill, Portland, Maine.

I am not going to speak of the Civil War record of Maine. I do not like to think of the Civil War. Yes; Maine did her part in the wars—what has she done since? She was until 1820 a part of Massachusetts, that State "of the pine and the cod, where the Quincys talk only with the Cabots, and the Cabots talk only with God." Before the admission into the Union Maine had nine counties; it was increased later to 16. Its capital at first was Portland, later Augusta. Its population is now 768,000—33,040 square miles; about as large as the other five New England States; its northern county, Aroostook, larger than Connecticut and Rhode Island; 20 cities, 407 towns, 67 plantations. She has about 2,000 lakes; Moosehead, the largest fresh-water lake wholly within any State in the Union.

Aroostook is the largest potato county in the world; 85,000 acres devoted to them, averaging 252 bushels to the acre. Washington County's blueberry crop last year amounted to over $1,000,000. Of Maine's 21,140,000 acres, 15,000,000 acres are in forest land, in one of which Massachusetts could be put, and its settlers would need a guide to get them out.

A Portland, Maine, firm of canners furnishes beans for all the railroad dining cars in the United States—Burnham & Morrill Co. Sanford Mills manufactures all the plush cloth for railroad seats, and the most that are used in autos in America. We have the largest screen factory, the largest paper mill, and the largest canoe factory in the world. Three-quarters of a million tourists last year visited Maine, spending $52,000,000, and they got their money's worth.

Now, about the elections of Maine—you have heard so many times this: "As goes Maine so goes the Union." This is not true. Since the Civil War the Democratic Party has elected three Presidents, two of them were elected when Maine went Republican. The last one, it is true, was elected with Maine going Democratic and electing the first Democrat to Congress from the first Maine district since 1862. [Applause.] Further proof of the falsity of this is that of the four Democratic Governors elected since the Civil War: Alonzo Garcelon, Harris M. Plaisted, Frederick Plaisted, Oakley C. Curtis, none of them, I think, anticipated the election of a Democratic President, so that this statement is absolutely unfounded. However, I may say that the Maine elections in September, which cost the people of Maine every 4 years for this extra election which should never be held, is a pit which the dominant party in Maine has dug, but which, like the Scripture of old, they have fallen into once and in the next election they may fall into it again. So, when somebody tells you "As goes Maine so goes the Union", tell them it is not so. Our elections in Maine which would save the taxpayers' money should be held in November. We have another one the 14th of next September. We shall see.

Mr. BOYLAN. Mr. Speaker, will the gentleman yield?

Mr. HAMLIN. Yes.

Mr. BOYLAN. To ask the gentleman how Maine is going this year.

Mr. HAMLIN. Judging from reports from the cities a week ago, Biddeford increasing its normal Democratic majority by about 3,000, and Lewiston going abnormally Democratic by 9,000, Maine will go more strongly Democratic than she did 3 years ago, and why should she not? [Applause.]

Now, were you to ride into one of the towns in my district you could find a cradle there, and in that cradle one Puritan mother rocked a United States Senator, a Cabinet officer, five Members of the House of Representatives, four Governors of States, two Ministers Plenipotentiary, one major general, and one captain in the Navy. Some Puritan mother! This illustrious family was named Washburn, and I have no doubt but that some of you are familiar with this.

At one time in this Government, Maine had a President pro tempore of the Senate, a Speaker of the House, and the Chief Justice of the Supreme Court of the United States. Perhaps I have made enough of Maine in this line. She has always held high rank in education. One of her State superintendents of schools, Payson Smith, was commissioner of education in Massachusetts. We have read something of him recently.

A list of the noted men and women of Maine might include John F. Stevens, Lot M. Morrill, Rufus King, Sir William Pepperell, Franklin Simmons, Paul Akers, Hudson Maxim, Hiram S. Maxim, Gen. Oliver Otis Howard, Gen. Joshua L. Chamberlain, Nathaniel Hawthorne, Elijah Kellogg, Melville W. Fuller, Cyrus H. K. Curtis, Frank A. Munsey, Sarah Orne Jewett, Annie Louise Cary, Emma Eames, Lillian Nordica, Kate Douglas Wiggin, John D. Long, Charles H. Browne ("Artemus Ward"), Edgar Wilson Nye ("Bill Nye"), Commander Robert E. Peary, Commodore Edward Preble, Neal Dow, Hannibal Hamlin, Nelson Dingley, William P. Frye, Hugh McCulloch, Thomas B. Reed, James G. Blaine, William Pitt Fessenden, Henry W. Longfellow. Some of these great men have been in this Capitol, in the Senate, in this House, in that chair.

I am going to close with a quotation from Maine's great poet—Longfellow:

Thou, too, sail on, O Ship of State,
Sail on, O Union, strong and great;
Humanity with all its fears
With all its hopes of future years
Is hanging breathless on thy fate.

We know what Master made thy keel,
What workmen wrought thy ribs of steel,
Who made each mast and sail and rope,
What hammers rang, what anvils beat
In what a forge and what a heat
Were shaped the anchors of thy hope.

Fear not each sudden sound and shock,
'Tis of the wave and not the rock
'Tis but the flapping of the sail
And not a rent made by the gale.

In spite of rock and tempests' roar,
In spite of false lights on the shore,
Sail on, nor fear to breast the sea,
Our hearts and hopes are all with thee,
Our hearts, our hopes, our prayers, our tears,
Our faith triumphant o'er our fears
Are all with thee, are all with thee.

[Applause.]

TAXES (H. DOC. NO. 418)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Ways and Means, and ordered printed:

To the Congress of the United States:

On January 3, 1936, in my annual Budget message to the Congress, I pointed out that without the item for relief the Budget was in balance. Since that time an important item of revenue has been eliminated through a decision of the Supreme Court, and an additional annual charge has been placed on the Treasury through the enactment of the Adjusted-Compensation Payment Act.

I said in my Budget message:

> • • • the many legislative acts creating the machinery for recovery were all predicated on two interdependent beliefs: First, the measures would immediately cause a great increase in the annual expenditures of the Government—many of these expenditures, however, in the form of loans which would ultimately return

to the Treasury; second, as a result of the simultaneous attack on the many fronts I have indicated, the receipts of the Government would rise definitely and sharply during the following few years, while greatly increased expenditure for the purposes stated, coupled with rising values and the stopping of losses would, over a period of years, diminish the need for work relief and thereby reduce Federal expenditures. The increase in revenues would ultimately meet and pass the declining cost of relief.

This policy, adopted in the spring of 1933, has been confirmed in actual practice by the Treasury figures of 1934, of 1935, and by the estimates for the fiscal years of 1936 and 1937.

There is today no doubt of the fundamental soundness of the policy of 1933. If we proceed along the path we have followed and with the results attained up to the present time we shall continue our successful progress during the coming years.

If we are to maintain this clear-cut and sound policy, it is incumbent upon us to make good to the Federal Treasury both the loss of revenue caused by the Supreme Court decision and the increase in expenses caused by the Adjusted Compensation Payment Act. I emphasize that adherence to consistent policy calls for such action.

To be specific: The Supreme Court decision adversely affected the Budget in an amount of $1,017,000,000 during the fiscal year 1936 and the fiscal year 1937. This figure is arrived at as follows:

Deficit to date (expenditures chargeable to processing taxes, less processing taxes collected) in excess of that contemplated in the 1937 Budget	$281,000,000
Estimated expenditures to be made from supplemental appropriation approved in the Supplemental Appropriation Act, 1936	296,000,000
Estimated expenditures to be made under the Soil Conservation and Domestic Allotment Act	440,000,000
Total additional deficit, 1936 and 1937, due to Supreme Court decision and adjusted farm program	1,017,000,000

For the purposes of clarity, I divide the present total additional revenue needs of the Government into the permanent and the temporary ones.

Permanent Treasury income of $500,000,000 is required to offset expenditures which will be made annually as a result of the Soil Conservation and Domestic Allotment Act recently enacted by the Congress and approved by me; and an additional sum recurring annually for 9 years will be required to amortize the total cost of the Adjusted Compensation Payment Act.

The net effect of paying the veterans' bonus in 1936, instead of 1945, is to add an annual charge of $120,000,000 to the $160,000,000 already in the Budget.

We are called upon, therefore, to raise by some form of permanent taxation an annual amount of $620,000,000. It may be said, truthfully and correctly, that $500,000,000 of this amount represents substitute taxes in place of the old processing taxes, and that only $120,000,000 represents new taxes not hitherto levied.

I leave, of course, to the discretion of the Congress the formulation of the appropriate taxes for the needed permanent revenue. I invite your attention, however, to a form of tax which would accomplish an important tax reform, remove two major inequalities in our tax system, and stop "leaks" in present surtaxes.

Extended study of methods of improving present taxes on income from business warrants the consideration of changes to provide a fairer distribution of the tax load among all the beneficial owners of business profits, whether derived from unincorporated enterprises or from incorporated businesses and whether distributed to the real owners as earned or withheld from them. The existing difference between corporate taxes and those imposed on owners of unincorporated businesses renders incorporation of small businesses difficult or impossible.

The accumulation of surplus in corporations controlled by taxpayers with large incomes is encouraged by the present freedom of undistributed corporate income from surtaxes. Since stockholders are the beneficial owners of both distributed and undistributed corporate income, the aim, as a matter of fundamental equity, should be to seek equality of tax burden on all corporate income, whether distributed or withheld from the beneficial owners. As the law now stands our corporate taxes dip too deeply into the shares of corporate earnings going to stockholders who need the disbursement of dividends, while the shares of stockholders who can afford to leave earnings undistributed escape current surtaxes altogether.

This method of evading existing surtaxes constitutes a problem as old as the income-tax law itself. Repeated attempts by the Congress to prevent this form of evasion have not been successful. The evil has been a growing one. It has now reached disturbing proportions from the standpoint of the inequality it represents and of its serious effect on the Federal revenue. Thus the Treasury estimates that during the calendar year 1936 over four and one-half billion dollars of corporate income will be withheld from stockholders. If this undistributed income were distributed it would be added to the income of stockholders and there taxed as is other personal income. But as matters now stand it will be withheld from stockholders by those in control of these corporations. In 1 year alone the Government will be deprived of revenues amounting to over $1,300,000,000.

A proper tax on corporate income—including dividends from other corporations—which is not distributed as earned would correct the serious twofold inequality in our taxes on business profits if accompanied by a repeal of the present corporate income tax, the capital-stock tax, the related excess-profits tax, and the present exemption of dividends from the normal tax on individual incomes. The rate on undistributed corporate income should be graduated and so fixed as to yield approximately the same revenue as would be yielded if corporate profits were distributed and taxed in the hands of stockholders.

Such a revision of our corporate taxes would effect great simplification in tax procedure, in corporate accounting, and in the understanding of the whole subject by the citizens of the Nation. It would constitute distinct progress in tax reform.

The Treasury Department will be glad to submit its estimates to the Congress showing that this simplification and removal of inequalities can without unfairness be put into practice so as to yield the full amount of $620,000,000, the amount I have indicated above as being necessary.

Turning to the temporary revenue needs of the Government, there is the item of $517,000,000, which affects principally the current fiscal year. This amount must in some way be restored to the Treasury, even though the process of restoration might be spread over 2 years or 3 years.

In this case also the formulation of taxes lies wholly in the discretion of the Congress. I venture, however, to call your attention to two suggestions.

The first relates to the taxation of what may well be termed a windfall received by certain taxpayers who shifted to others the burden of processing taxes which were impounded and returned to them or which otherwise have remained unpaid. In unequal position is that vast number of other taxpayers who did not resort to such court action and have paid their taxes to the Government. By far the greater part of the processing taxes was in the main either passed on to consumers or taken out of the price paid producers. The Congress recognized this fact last August and provided in section 21 (d) of the Agricultural Adjustment Act that, in the event of the invalidation of the processing taxes, only those processors who had borne the burden of these taxes should be permitted to receive refunds. The return of the impounded funds and failure to pay taxes that were passed on result in unjust enrichment, contrary to the spirit of that enactment. A tax on the beneficiaries unfairly enriched by the return or nonpayment of this Federal excise would take a major part of this windfall income for the benefit of the public. Much of this revenue would accrue to the Treasury during the fiscal years 1936 and 1937.

The other suggestion relates to a temporary tax to yield the portion of $517,000,000 not covered by the windfall tax. Such a tax could be spread over 2 years or 3 years. An

excise on the processing of certain agricultural products is worth considering. By increasing the number of commodities so taxed, by greatly lowering the rates of the old processing tax, and by spreading the tax over 2 or 3 years, only a relatively light burden would be imposed on the producers, consumers, or processors.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 3, 1936.*

CAPT. VINCENT P. ROUSSEAU (H. DOC. NO. 419)

The SPEAKER also laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I return herewith, without approval, H. R. 4777, a bill providing that First Lt. Vincent P. Rousseau, United States Army, retired, shall have the rank and receive the pay and allowances of a captain on the retired list of the United States Army.

From the facts in this case of record in the War Department it appears that Vincent P. Rousseau entered the Regular Army as a provisional second lieutenant of Infantry June 18, 1917, with rank from June 5, 1917; promoted first lieutenant with rank same date; and held a temporary commission as captain from August 5, 1917, to November 9, 1919. He was placed on the retired list as a first lieutenant November 13, 1919, because of disability resulting from wounds received in action overseas August 2, 1918. Under the general legislation enacted June 21, 1930, he was advanced on the retired list to his highest wartime rank of captain. That legislation authorizes the advancement of retired officers, who served with credit during the World War, to the highest rank held by them during such services, and also provides that such advancement shall be without any increase in pay or allowances.

Briefly stated, the ultimate purpose of this measure is to increase the annual compensation of this retired officer from $1,950 to $2,340. In this connection, it appears that Captain Rousseau's compensation is being increased regularly under existing law by virtue of the fact that having been retired for disability resulting from wounds received in action, he is credited with inactive service on the retired list for longevity pay purposes.

I have been advised by the War Department that Captain Rousseau would not have been eligible for promotion to the permanent grade of captain had he remained on the active list until July 1, 1920, and his retirement November 13, 1919, was approved and effected only after a retiring board had determined that he was incapacitated for active service, and that the action in his case was strictly in conformity with the governing laws. Therefore I can see no reason for singling him out for preferential treatment at this time for the purpose of conferring upon him the pay of a captain, which grade he did not hold on the date of his retirement.

FRANKLIN D. ROOSEVELT.

The WHITE HOUSE, *March 3, 1936.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. HILL of Alabama. Mr. Speaker, I move that the bill and the message be referred to the Committee on Military Affairs and ordered printed.

The motion was agreed to.

LAWS OF FIRST NATIONAL ASSEMBLY, PHILIPPINE ISLANDS

The SPEAKER also laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Insular Affairs.

To the Congress of the United States:

As required by section 2 (a) (11) of the act of Congress approved March 24, 1934, entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes", I transmit herewith copies of the laws enacted by the First National Assembly of the Philippines during its inaugural session, from November 25, 1935, to December 21, 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 3, 1936.*

FIVE CIVILIZED TRIBES

Mr. ROGERS of Oklahoma. Mr. Speaker, I call up Senate Concurrent Resolution 33 for consideration at this time.

The SPEAKER. The Clerk will report the Senate concurrent resolution.

The Clerk read as follows:

Senate Concurrent Resolution 33

Resolved by the Senate (the House of Representatives concurring), That the action of the Speaker of the House of Representatives and the President of the Senate in signing the enrolled bill (S. 3227) to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931, be, and the same is hereby, rescinded, and that in the enrollment of the bill the Secretary of the Senate be, and he is hereby, authorized and directed to strike out on page 1, line 8, of the engrossed bill the word "materials" and insert in lieu thereof the word "minerals."

The SPEAKER. The question is on agreeing to the Senate concurrent resolution.

The Senate concurrent resolution was agreed to.

INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

Mr. SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, I notice that this bill calls for an increase of something like $62,000,000 over the bill as it passed the House. This almost doubles the amount carried in the bill as it passed the House. It is my hope that the conferees will go into the matter very thoroughly and, if necessary, hold hearings and insist upon the House's position with reference to these items so that the amount in the bill may not be raised as it has been.

Mr. TAYLOR of Colorado. Mr. Speaker, I have asked to have the two minority members of the subcommittee put upon the conference committee. The conferees will naturally try to maintain the House bill. I might say that the House committee discussed those matters and decided not to put the $64,710,000 on the bill, although it is entirely a western matter; but I cannot, of course, promise what the ultimate result of the conference will be. I expected those matters to be presented to the deficiency subcommittee. This committee held no hearings on them.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. ZIONCHECK. I think the two minority members, the gentleman from Massachusetts [Mr. WIGGLESWORTH] and the gentleman from Kansas [Mr. LAMBERTSON] are very able men and are strictly for economy. I think the position enunciated by the gentleman will be well represented by the conference committee.

Mr. TABER. I just wanted to call it to the attention of the House so that the conferees might feel they had the support of the House when they went to conference in trying to keep the thing down.

Mr. SNELL. Will the gentleman yield?

Mr. TABER. I yield.

Mr. SNELL. How much did the gentleman say this bill was increased as it came back from the other body?

Mr. TABER. Approximately $62,000,000. It is practically doubled.

Mr. REED of New York. Will the gentleman yield?

Mr. TABER. I yield.

Mr. REED of New York. Would the gentleman mind stating what that increase is for?

Mr. TABER. Mostly for reclamation projects which the House did not go into at all and refused to take up, as I understand it.

Mr. REED of New York. That is opening up new land for agricultural production?

Mr. TABER. Certainly.

The SPEAKER. Is there objection to the request of the gentleman from Colorado [Mr. TAYLOR]? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. TAYLOR of Colorado, Mr. JACOBSEN, Mr. JOHNSON of Oklahoma, Mr. LAMBERTSON, and Mr. WIGGLESWORTH.

LONG- AND SHORT-HAUL CLAUSE, INTERSTATE COMMERCE ACT

Mr. O'CONNOR, from the Committee on Rules, submitted the following resolution (H. Res. 435, Rept. No. 2119) for printing in the RECORD:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 3263, a bill to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4). That after general debate, which shall be confined to the bill and continue not to exceed 5 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

PRIVATE CALENDAR

The SPEAKER. The Clerk will call the first bill on the Private Calendar.

ROSALIE ROSE

The Clerk called the first bill on the Private Calendar, H. R. 2261, for the relief of Rosalie Rose.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Rosalie Rose, of San Francisco, Calif., the sum of $11,454.50 for damages sustained on May 29, 1931, when she was injured in a collision with United States Coast Guard truck no. 1001.

With the following committee amendments:

Page 1, line 6, strike out "$11,454.50" and insert "$1,454.50 in full settlement of all claims against the United States."

Page 1, line 10, after the figures, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL BURRESS

The Clerk called the next bill, H. R. 2352, for the relief of Paul Burress.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Paul Burress, of Coal Creek, Tenn., the sum of $2,500 on account of injuries suffered by him as a result of being struck by a Government tank which was being used by Government officials to advertise a Victory bond sale in the year 1919.

With the following committee amendments:

Page 1, line 6, strike out "$2,500" and insert in lieu thereof "$500 in full settlement of all claims against the United States."

Page 1, line 11, after the figures, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JULIA MILLER

The Clerk called the next bill, H. R. 2387, for the relief of Julia Miller.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Julia Miller, Wilkes-Barre, Pa., the sum of $50,000. Such sum shall be in full settlement of all claims against the United States for damages sustained by the said Julia Miller as the result of serious and permanent injuries incurred when she was struck by a United States mail truck in Wilkes-Barre, Pa., on December 24, 1930.

With the following committee amendments:

Page 1, line 6, strike out "$50,000" and insert "$3,500"; page 1, line 11, after the figures, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

M. WARING HARRISON

The Clerk called the next bill, H. R. 2622, for the relief of M. Waring Harrison.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to M. Waring Harrison the sum of $1,210 for services rendered as probation officer of the United States District Court for the Southern District of Alabama from August 6, 1928, to August 1, 1930.

With the following committee amendments:

Page 1, line 6, after the figures, insert "in full settlement of his claim against the United States"; page 1, line 9, after the figures, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES R. RUSSELL

The Clerk called the next bill, H. R. 4277, authorizing and directing the Secretary of the Treasury to reimburse James R. Russell for the losses sustained by him by reason of the negligence of an employee of the Civilian Conservation Corps.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James R. Russell, of Camas Valley, Oreg., the sum of $374.85 in full satisfaction of his claim against the United States for damages for personal injuries suffered on November 29, 1934, on the Coos Bay Highway near Camas

Valley, Oreg., when the said James R. Russell was struck by a motor truck owned by the United States and driven by an employee of the Civilian Conservation Corps, Camp Bradford, No. 979, Oreg.

With the following committee amendments:

Page 1, line 6, strike out "$374.85" and insert "$174.84"; page 2, line 4, after the word "Oregon", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill for the relief of James R. Russell."

PATRICK J. LEAHY

The Clerk called the next bill, H. R. 4362, for the relief of Patrick J. Leahy.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,500 to Patrick J. Leahy, of Stockton, Calif., in full settlement of all claims against the Government of the United States for damage and injury sustained on October 15, 1933, when the car which he was driving was struck by a protruding piece of lumber on a truck owned by the United States Forest Service and operated by an employee of the Civilian Conservation Corps: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, after the word "of", strike out "$1,500" and insert "$1,058.50."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCESCO PACIFICO

The Clerk called the next bill, H. R. 4861, to confer jurisdiction on the Court of Claims to hear and determine the claim of Francesco Pacifico.

Mr. COCHRAN. Mr. Speaker, I object.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Court of Claims of the United States be, and is hereby, given jurisdiction to hear and determine the claim of Francesco Pacifico, and to award him just compensation for losses and damages, if any, which he may have suffered through the action of the immigration and custom authorities at the port of New York in retaining three cases of merchandise consisting of blankets and spreads, on January 19, 1923, which the said Francesco Pacifico owned, and to enter decree or judgment against the United States for such just compensation, if any, notwithstanding the bars or defense of any alleged settlement heretofore made or of res judicata, lapse of time, laches, or any statute of limitation.

SEC. 2. Such claim may, under section 1 of this act be instituted at any time within 4 months from the approval of this act. Proceedings in any suit brought in the Court of Claims under this act, appeals therefrom, and payment of any judgment therein shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

With the following committee amendments:

Strike out all of the bill after the enacting clause and insert in lieu thereof the following: That jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim of Francesco Pacifico, on the basis of the law applicable thereto, for the detention on June 21, 1923, and subsequent sale on May 21 and 22, 1925, of three cases of silk and braid owned by said Francesco Pacifico, by the customs authorities at the port of New York. Suit hereunder may be instituted at any time within 4 months from the date of the approval of this act, notwithstanding the bar of the statute of limitations, and proceedings therein shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MOFFAT COAL CO.

The Clerk called the next bill, H. R. 4951, for the relief of the Moffat Coal Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of the Moffat Coal Co. under contract W-503-qm-7256, dated May 23, 1930, for the delivery of certain coal to the Fitzsimons General Hospital and which contract was canceled after part performance due to the substitution of gas as fuel at the hospital. There is authorized to be allowed not exceeding $1,332.96 in full and final settlement of all claims arising under or by reason of the contract, and an appropriation is hereby made out of any money in the Treasury not otherwise appropriated of a sum not to exceed $1,332.96 for payment of the claim.

With the following committee amendment:

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DORIS LIPSCOMB

The Clerk called the next bill, H. R. 4953, for the relief of Doris Lipscomb.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Doris Lipscomb the sum of $1,500, being the amount of her claim for personal injuries incurred in a collision with a Government truck at Denver, Colo., on April 28, 1933.

With the following committee amendments:

In line 5, after the name "Lipscomb", insert the words "of Denver, Colo."

In line 6, strike out the words "being the amount of her claim" and insert in lieu thereof the words "in full settlement of all claims against the United States."

At the end of the bill add: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HUGH B. CURRY

The Clerk called the next bill, H. R. 5874, for the relief of Hugh B. Curry.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $92.60 to Hugh B. Curry, Cottonwood, Ariz., in full settlement of all claims against the Government of the United States, for services rendered as an employee of the National Park Service, from October 1 to 24, 1933, inclusive.

With the following committee amendment:

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ETHEL SMITH M'DANIEL

The Clerk called the next bill, H. R. 5819, to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, to Ethel Smith McDaniel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employee's Compensation Commission is hereby directed to extend the benefits of the act of September 7, 1916, entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", to Ethel Smith McDaniel, widow of Travis McDaniel, formerly an employee in the United States Railway Mail Service, who contracted tuberculosis on or about January 8, 1929, while on duty.

With the following committee amendments:

Strike out all of the bill after the enacting clause and insert in lieu thereof the following: "That the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, are hereby waived in favor of Ethel Smith McDaniel, widow of Travis McDaniel, who died on April 16, 1934, and whose death is alleged to have resulted from disability incurred on January 8, 1929, while an employee of the United States Railway Mail Service, and the United States Employees' Compensation Commission is hereby authorized and directed to receive and consider her claim under the remaining provisions of said act: *Provided*, That claim hereunder shall be made within 1 year from the date of the approval of this act: *And provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Ethel Smith McDaniel."

HENRIETTA JACOBS

The Clerk called the next bill, H. R. 6213, for the relief of Henrietta Jacobs.

Mr. HANCOCK of New York and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Claims.

JOSEPH A. THERRY

The Clerk called the next bill, H. R. 6578, for the relief of Joseph A. Therry.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph A. Therry, the sum of $1,485, in full settlement of all claims against the Government of the United States due him because of $1,500 bail bond having been deposited by him with the United States District Court of New Jersey, and such sum less $15 having been paid to the Treasury of the United States erroneously by the clerk of the district court.

With the following committee amendment:

At the end of the bill add: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNIE E. DANIELS

The Clerk called the next bill, H. R. 6702, for the relief of Annie E. Daniels.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Annie E. Daniels, widow of Ben E. Daniels, the sum of $540. Such sum represents purchase money paid by the said Ben E. Daniels on mining claims, as to which entries were thereafter rejected. A claim for the refund of such purchase money was denied by the Comptroller General on the ground that such claim was not filed within the time required by section 1 of the act of December 11, 1919.

With the following committee amendments:

In line 5, strike out the words and comma "widow of Ben E. Daniels,".

In line 6, strike out the word "represents" and insert the clause "shall be in full settlement of all claims against the United States for".

In line 7, strike out the words "by the said Ben E. Daniels on mining claims" and insert the words "on mining claims situated in section 36, township 19 south, and sections 1 and 2, township 20 south, range 14 east, in the State of Arizona."

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES SOMOGI, SR.

The Clerk called the next bill, H. R. 7075, for the relief of Charles Somogi, Sr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles Somogi, Sr., the sum of $7,500, in full settlement of all claims against the Government of the United States for injuries received by his son, Charles Somogi, Jr., a minor, who was struck and injured on August 24, 1928, near West Portal, county of Hunterdon, N. J., by an automobile driven by one Orville McGee, who was employed at that time and whose car was used at that time in the employ of the Department of Commerce, Bureau of Lighthouses, United States Government: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out the words and figures "Sr., the sum of $7,500", and insert in lieu thereof "Jr., the sum of $2,500,".

Page 1, line 8, strike out the words "his son, Charles Somogi, Jr., a minor, who" and insert in lieu thereof "him when he".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Charles Somogi, Jr."

PERRY H. CALLAHAN AND MALCOLM W. CALLAHAN

The Clerk called the next bill, H. R. 7256, granting compensation to Perry H. Callahan and Malcolm W. Callahan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized, empowered, and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $350 to Perry H. Callahan and Malcolm W. Callahan, jointly, for reimbursement of expenditures for labor and material made by them in repairing a building owned by them in Jackson, Tenn., adjacent to and adjoining the Federal building, which building was damaged by the Government's construction of a new Federal building in 1933.

With the following committee amendments:

Strike out all of the bill after the enacting clause, and insert in lieu thereof the following:

"That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, jointly to Perry H. Callahan and Malcolm W. Callahan, of Jackson, Tenn., the sum of $317, in full settlement of their claim against the United States for damages to a building formerly owned by them in Jackson, Tenn., and resulting from the condemnation and demolition by the Government in 1933 of certain property adjacent to and adjoining said building: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Perry H. Callahan and Malcolm W. Callahan."

CLARA IMBESI AND DOMENICK IMBESI

The Clerk called the next bill, H. R. 7270, for the relief of Clara Imbesi and Domenick Imbesi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the Federal Employees' Compensation Act of September 7, 1916, as amended, the United States Employees' Compensation Commission be, and it is hereby, authorized to waive the provisions of sections 15 to 20, inclusive, thereof in respect to claims for compensation, including funeral and burial expenses, on account of the death of the late Lawrence P. Imbesi, on July 16, 1933, as a result of personal injuries sustained while in the performance of his official duties as a temporary carrier at the post office, Ocean City, N. J., in the same manner and to the same extent as if such claims had been filed within the time prescribed by the aforesaid act.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to receive and consider, when filed, the claim of Clara Imbesi and Domenick Imbesi on account of the death of the late Lawrence P. Imbesi on July 16, 1933, as a result of alleged personal injuries sustained while in the performance of his official duties as a temporary carrier at the post office, Ocean City, N. J., and to determine said claim upon its merits under the provisions of the said act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IZELDA BOISONEAU

The Clerk called the next bill, H. R. 7468, for the relief of Izelda Boisoneau.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to Izelda Boisoneau, of Mellen, Ashland County, Wis., mother of Eugene Boisoneau, as compensation for the death of her son, who was killed because of mistaken identity by Government agents on April 22, 1934, in their endeavor to apprehend one John Dillinger and his associates.

With the following committee amendments:

On page 1, line 5, strike out "$10,000" and insert "$5,000."

Line 7, after the word "Boisoneau", strike out "as compensation" and insert "in full settlement of all claims against the United States."

Line 11, after the word "associates", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

S. A. WHITE

The Clerk called the next bill, H. R. 7790, for the relief of S. A. White.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. COSTELLO. Mr. Speaker, I object.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to reimburse S. A. White, major, Medical Corps, United States Army, the sum of $173.20, out of any money in the Treasury not otherwise appropriated, for the loss of personal property sustained as a result of flooding his quarters at Fort Benning, Ga., on May 2 and May 3, 1931.

With the following committee amendments:

Page 1, line 7, after the word "appropriated", insert "and in full settlement of all claims against the United States."

Line 10, after "1931", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. EDWIN HEMPHILL

The Clerk called the next bill, H. R. 7963, for the relief of J. Edwin Hemphill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. Edwin Hemphill, Petersburg, Va., the sum of $1,721.29. Such sum shall be in full settlement of all claims against the United States on account of injuries sustained by the said J. Edwin Hemphill when he was struck by an iron door stop as he entered the post-office building in Petersburg, Va., on January 31, 1934.

With the following committee amendments:

Page 1, line 6, strike out "$1,721.29" and insert "$1,521.29."

Line 11, after "1934", insert a colon and the following: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GREAT NORTHERN RAILWAY CO.

The Clerk called the next bill, H. R. 8028, for the relief of the Great Northern Railway Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Great Northern Railway Co., St. Paul, Minn., out of any money in the Treasury of the United States not otherwise appropriated, the sum of $208.04, to reimburse said Great Northern Railway Co. for shipment of freight to Fort Browning, Mont., in December 1930, from Glasgow, Mont., and from International Falls, Minn., for the United States.

With the following committee amendment:

Page 1, line 7, after "$208.04" strike out "to reimburse" and insert in lieu thereof, "In full settlement of all claims against the United States of."

Line 11, after the word "States", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS F. GARDINER

The Clerk called the next bill, H. R. 8110, for the relief of Thomas F. Gardiner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of Thomas F. Gardiner arising out of his contract entered into in December 1930 for furnishing transportation by means of a dog team to G. R. Gardner, Superintendent of Education, Southwest District of Alaska, Office of Indian Affairs, Department of the Interior, in connection with an inspection trip by the said superintendent to the various schools in his district, and to allow in full and final settlement of said claim an amount not exceeding the sum of $200.50. There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $200.50, or so much thereof as may be necessary, for the payment of such claim.

With the following committee amendment:

Page 2, line 5, after the word "claim", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOM ROGERS

The Clerk called the next bill, H. R. 8262, for the relief of Tom Rogers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Tom Rogers the sum of $1,000, in full settlement of all claims against the Government of the United States for personal injuries suffered by the said Tom Rogers as a result of being shipwrecked on October 21, 1934, while en route to Blackbeard Island, Ga., to take up his duties as laborer for the Bureau of Biological Survey of the United States Department of Agriculture.

With the following committee amendment:

Page 1, line 5, after the word "appropriated", strike out the remainder of page 1 and the word "agriculture" on page 2 and insert in lieu thereof the following: "to Tom Rogers the sum of $1,000; to the heirs of W. A. Bell the sum of $2,000; to the heirs of Israel Walker the sum of $1,000; to the heirs of Henry Shaw the sum of $1,000; to the heirs of Thomas Bailey the sum of $1,000; and to the heirs of Joseph Watson the sum of $1,000; in all, $7,000, in full settlement of all their claims against the United States for injuries sustained by said Tom Rogers, and for the death by drowning of said W. A. Bell, Israel Walker, Henry Shaw, Thomas Bailey, and Joseph Watson, as a result of being shipwrecked on October 21, 1934, while en route to Blackbeard Island, Ga., to take up their duties as employees of the Bureau of Biological Survey, United States Department of Agriculture: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. JOHN H. WILKE

The Clerk called the next bill, H. R. 8320, for the relief of Mrs. John H. Wilke.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in computing the monthly compensation payable to Mrs. John H. Wilke, widow of John H. Wilke, late associate engineer, topographic, Atlantic Division of the Geological Survey, Department of the Interior, under the provisions of section 10 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (U. S. C., title 5, sec. 760; U. S. C., Supp. VII, title 5, sec. 760), the monthly pay of the said John H. Wilke at the time of his fatal injury shall be held and considered to have been $175.

SEC. 2. The monthly compensation of the said Mrs. John H. Wilke at the rate provided for by section 1 of this act shall commence on the 1st day of the month during which this act is enacted.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXPANSION OF THE CURRENCY AND SAVING GOVERNMENT A BILLION A YEAR INTEREST NOW PAID AS SUBSIDY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, if the word "inflation" is used in the sense that it means putting too much money in circulation or the issuance of irredeemable currency, I am opposed to inflation. I do favor controlled expansion of the currency in order that the unemployed may be given jobs, wage earners a fair wage, and producers a fair price, which would be in the interest of the general welfare. All money is fiat money, whether issued by the Government for the banks or whether issued directly by the Government.

The circulating medium consists of deposits in banks, paper money, and metal coin, 95 percent in deposits and 5 percent currency, and it cannot be increased without someone going into debt and paying interest to a bank. Since the banks control the only part of this medium that can be expanded, they control the value of labor and prices. There are $55,000,000,000 in wholly and partly tax-exempt bonds in this country. If something is not done to stop the issuance of such securities, the people who own the wealth will through this method escape taxation and the others will have to pay taxes on what they owe and on what they consume in order to support the different governments. The people owe $250,000,000,000. If prices and wages were reduced 50 percent, this would cause the debt burden to be doubled in what the people have to pay with. The only way this enormous debt burden can be paid by the people is for them to get good prices and good wages. Taxes should be levied to retire money issued by the Government in excess of normal requirements, and in determining the amount of circulating medium its velocity must be taken into consideration.

ONE NATION FAILED TO CONTROL EXPANSION

After the World War four nations attempted to control expansion of their currencies. Germany failed, but Italy, France, and England succeeded. The cases of printing-press money often mentioned by our opponents are not applicable since the existing situations were not comparable to our own—a nation with almost $500,000,000,000 in wealth and the largest gold supply ever owned by any nation on earth.

GOLD

According to official records, the United States Treasury has more than $10,000,000,000 in pure gold, sufficient for the issuance of $25,000,000,000 in money on a 40-percent gold reserve basis. We have a 200-percent gold reserve behind each dollar in circulation, since there is outstanding today only about $5,000,000,000 redeemable in gold even if we were on a gold basis. Do not be confused about fictitious or make-believe transfers of this gold or shell game or legerdemain tactics to hide it from the real owner. Existing law enacted January 30, 1934, places all right, title, and interest in and to this gold in the United States. The Federal Reserve banks do not own or have a valid claim upon it. Congress did not pass a law penalizing the people if they refused to deliver their gold to the corporation-owned Federal Reserve banks. The gold was delivered to and became and is now the property of the Government. The question is, Will this enormous gold supply be used in the interest of the people, or will we permit privately owned corporations to use it for the benefit of their stockholders?

BANKS

If an individual borrows a thousand dollars from a bank, he is given credit on the books of the bank for $1,000. The individual takes a checkbook and issues checks against the account. The bank thereby created a thousand dollars in new money on credit. The bank destroys that much money by requiring the thousand-dollar loan to be repaid. The bank has the authority to lend $10 to every one it posseses, and if called upon to produce the extra $9 of every 10 loaned, that it does not have, the Government printing presses will print it and cause it to be delivered to the bank. The banks have largely deserted the functions for which they were created. Normally from 65 to 75 percent of the deposits of national banks are invested in commercial loans, but since 1930 the ratio of commercial loans to deposits have decreased until the end of 1935 the ratio was only 30 percent. Loans by all banks during the last 5 years have decreased twenty and one-half billion dollars. The privately owned banks have been destroying the people's medium of exchange. At the same time, they have been filling their vaults with Government bonds, upon which they collect interest, but do not pay taxes. They hold so many Government bonds and receive so much income from the Government, together with their service charges, they are rapidly becoming bondholders, bond brokers, and commercial bookkeepers instead of banking institutions. They do not need to make so much money as they did, since they have recently been relieved of more than a quarter of a billion dollars of annual charges on demand deposits, and since they are enjoying the benefits of a generous Government dole they are very particular about the kind of security upon which they will extend loans. Possibly they consider that the value of their bonds, upon which there is a small return, will decrease in the event of a sufficient expansion of credit, and they cannot properly serve the public's interest without injuring their own.

FEDERAL RESERVE BANKS ISSUE BLANKET MORTGAGES ON PEOPLE'S PROPERTY

The 12 Federal Reserve banks are not Government institutions. They belong to other private corporations—member banks. They are corporations owned by corporations. Not a dollar of their stock is owned by the Government or the people. Although they do hundreds of billions of dollars of business annually, operating on the credit of the Nation, their transactions are tax-exempt, and not one penny of the profit goes to the Government or to the people. They have franchises worth billions of dollars and the power to deposit Government bonds without limitation as to amount and receive a like amount of new Government printing-press money in return therefor, and continue to get interest on the bonds deposited to secure their money by paying about 27 cents a thousand dollars, the cost of printing the money. Each note or bill issued by these banks has this language: "The United States of America will pay to bearer on demand ———— dollars." These notes are blanket mortgages upon the property of all the people and a lien upon the incomes of the people. Ordinarily you would think that blanket mortgages should only be issued for the benefit of all the people, not for the benefit of a few, but that is not the case in our monetary system.

WHO SHOULD CAUSE MONEY TO BE ISSUED, BANKERS OR REPRESENTATIVES OF THE PEOPLE?

Should the banks or Congress cause money to be issued and the value thereof regulated? The Constitution says it is the duty of Congress. The great privilege, however, has been farmed out to these few large banking corporations. It is said bankers know more about issuing money than the people's representatives. It may be added, however, that banks are under no obligations to furnish the people a sufficient medium of exchange. They have the money-issuing privileges without obligation or duty to serve the public. The public does not elect them to these places of tremendous power and cannot punish them if they use it to their own advantage and profit and against the public interest. If Congress exercises this function, as provided by the Constitution, each Congressman is under oath to serve the public. If he abuses the power, he can be punished by his constituents by defeating him for office. If he destroys the monetary system by voting for the issuance of unlimited amounts of Government money, his own property and salary will be destroyed; he and his family will be punished along with the others, and he will be defeated for the office he desires to continue to hold. Certainly there is more incentive on the part of the people's representatives to serve the public interest than there is on the part of bankers, who admittedly use the Government's credit free for their own use and benefit without the payment of compensation therefor.

SHALL PRIVATE BANKS FIX THE VALUE OF ALL LABOR AND PRODUCTION?

As money is made dear, labor and production become proportionately cheap. Therefore, the one who controls the value of money fixes the value of all labor and production. If an individual needs credit and he obtains a loan from a bank, it is right that he should pay interest to the bank, because the bank's credit is good in the markets of the country and his own credit is not. If, however, the Government needs credit, it should not buy the credit from banks, because all the credit of all the banks together is not as good as the Government's credit. Therefore, it occurs to me to be preposterous for the Government to pay the banks a bonus to use its own credit. When our country was young and it was necessary to borrow money or credit from England, it was right that we pay interest to the Bank of England, because we were hiring credit that was better than our own. Now, however, we are not borrowing credit or hiring credit

that is better than our own; and since our own credit—the Government's credit—is the best, we should not pay interest to the bankers for the privilege of using our own Government's credit.

PUBLIC DEBT ABUSED BY PRIVATE BANKERS

It is a bad thing for our country for the large banks to have such an interlocking interest through control of credit in all the principal manufacturing, transportation, utility, and other great concerns. They are not only in the banking business—they are in every business. Banks are necessary and desirable. No community can prosper without a reservoir of credit made available through a banking institution, but they should perform banking functions. The same printing presses run for the banks that run for the Government. Why is the money printed for the banks such good money that is based upon the Government's credit, and the money printed for the Government is not good money? There is no answer to it. A government that can issue a bond, interest-bearing, that is good, can issue a note that does not draw interest that is just as good and will be easier to pay. Each is supported by the credit of the Nation; a blanket mortgage on the people's property.

USE OF PRESENT GOLD SUPPLY

If the Government uses the gold supply that it has taken away from the people and which should be used for the people's interest, several billion dollars of additional money can be placed into circulation without the necessity of additional taxes or bonds. The additional revenue derived from increased business and velocity of money will very quickly balance the National Budget. The Federal Reserve banks should be owned by the Government. The small investment of the member banks should be returned to them by the Government. The currency should be expended gradually, Government bonds should gradually be taken up, and the Government's credit issued in lieu thereof. In order to prevent undue expansion or inflation of credit or currency the reserve requirements of banks should be changed as Government credit is substituted for Government bonds. Instead of permitting the banks to lend 10 to 1, as Government currency is issued the requirements may be changed to 5 to 1 or 2 to 1, and finally only permit the banks to lend the actual money they own. In this way there would be no danger of inflation. The only so-called crime we will be committing is depriving Government bondholders of nearly a billion dollars a year bonus on the Government's credit.

MONEY AND BOXCARS BOTH NECESSARY

Money is just as necessary in conveying production to the consumers as railroad boxcars. Money is the means that enables the people to buy what they need. If the money is in the hands of a few people who cannot consume all that is produced there will be an overproduction, but if the money or purchasing power is in some way distributed among those who need it to purchase goods, and everything that is produced is needed to be consumed, there will be no overproduction.

WHAT THE PEOPLE SHOULD DEMAND

The people should demand that Congress reassume its constitutional duty of issuing money and regulating the value thereof for the following purposes:

A. To restore working capital, which will restore employment.

B. Restore national income and make balancing of the Budget practicable.

C. Restore value of property; do justice to debtors and greatly increase private and corporate income.

D. Bring back the value of our national production to an excess of $90,000,000,000.

E. Force money and credit that is now invested in tax-exempt interest-bearing bonds into the channels of trade and production.

F. Stabilize money so that we will have a sound, adequate currency with uniform debt-paying and purchasing power. This can be accomplished by the Government. The banks have never created a sufficient circulating medium for the normal needs of the Nation. It is against their interest to do so.

PRINTING-PRESS BONDS MORE DESTRUCTIVE THAN PRINTING-PRESS MONEY

There is more danger of the Government's credit being destroyed by the issuance of tax-exempt bonds than there would be by Congress causing Government credit or currency to be issued instead. Congress would be afraid to authorize the issuance of too much currency for fear it would weaken or destroy our monetary system, whereas that fear does not exist when a debt is to be paid by the issuance of bonds. Remember that printing-press bonds are just as inflationary as printing-press money. The money I advocate issuing will be the same kind of money, backed by the same security as the money now issued to the banks, and no more of it would be issued by the Government than the banks are permitted to issue. An unlimited amount of money cannot safely be issued any more than an unlimited amount of bonds can safely be issued.

WHAT FORMER PRESIDENTS HAVE SAID ON MONEY

President Thomas Jefferson said:

I believe that banking institutions are more dangerous to our liberties than standing armies. Already they have raised up a money aristocracy that has the Government at defiance. The issuing power should be taken from the banks and restored to the people, to whom it properly belongs. (President from 1801 to 1809.)

President Andrew Jackson said:

If Congress has the right under the Constitution to issue paper money, it was given them to be used by themselves, not to be delegated to individuals or corporations (1829–37).

President Lincoln said:

No duty is more imperative on the Government than the duty it owes the people of furnishing them with a sound and uniform currency, and of regulating the circulation of the medium of exchange so that labor will be protected from a vicious currency and commerce will be facilitated by cheap and safe exchanges.

President Wilson, when Governor in 1911, declared:

The great monopoly in this country is the money monopoly. So long as that exists, our old variety and freedom and individual energy of development are out of the question. A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the Nation, therefore, and all our activities, are in the hands of a few men, who, even if their actions be honest and intended for the public interest, are necessarily concentrated upon the great undertakings in which their own money is involved, and who, necessarily, by every reason of their own limitations, chill, check, and destroy genuine economic freedom. This is the greatest question of all, and to this statesmen must address themselves with an earnest determination to serve the long future and the true liberties of men.

SHOULD GOVERNMENT PAY BANKERS FOR USE OF ITS OWN CREDIT

What I have said in this statement is in accord with the views expressed by such great Presidents as Jefferson, Jackson, and Lincoln, and such great American citizens as Benjamin Franklin and Thomas A. Edison. It is time for the Government to save a billion dollars a year to help balance its own Budget instead of paying it as a bonus or subsidy to Government bondholders.

In conclusion may I ask you this question: Why should the Government pay tribute to a few bankers for the privilege of using its own credit?

PRIVATE CALENDAR

CAPT. J. H. MERRIAM

The Clerk called the next bill, H. R. 9379, for the relief of Capt. J. H. Merriam, Supply Corps, United States Navy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the accounts of Capt. J. H. Merriam, Supply Corps, United States Navy, with the sum of $734.42, representing payments made by him to Thomas Cook & Son, Ltd., of Shanghai, China, for the cost of transportation furnished Lt. (Jr. Gr.) Malcolm A. Hufty, United States Navy, and Lt. (Jr. Gr.) Lewis R. Miller, United States Navy, in accordance with orders issued to these two officers by the commander in chief, United States Asiatic Fleet, which payments were disallowed by the Comptroller General.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDGAR M. BARBER

The Clerk called the next bill, H. R. 9380, for the relief of Edgar M. Barber, special disbursing agent, Paris, France, and Leo Martinuzzi, former customs clerk.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of Edgar M. Barber, special disbursing agent, Paris, France, with the sum of $51.25, and the account of Leo Martinuzzi, former customs clerk, with the sum of $274.50, representing the amount of payment heretofore disallowed by the Comptroller General covering expenses incident to travel of Mr. Martinuzzi from New York City to Cherbourg, France, during the period March 1 to 8, 1930, while en route to his official station at Florence, Italy, in accordance with Treasury Department instructions directing and authorizing him to return to Europe by the first available steamer.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNA CARROLL TAUSSIG

The Clerk called the next bill, S. 1124, for the relief of Anna Carroll Taussig.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Anna Carroll Taussig, the sum of $5,000, in full settlement of all claims against the Government for permanent injuries sustained while riding in an automobile which was run into by a large post-office auto truck used in the mail service, owned by the United States, whereby Anna Carroll Taussig lost her right eye and was permanently scarred and disfigured: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, after the word "sustained", insert "on April 21, 1918, in the city of Philadelphia, Pa."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. D. A. NEUMAN, PAY CORPS, UNITED STATES NAVAL RESERVE FORCE

The Clerk called the next bill, S. 2219, for the relief of Lt. D. A. Neuman, Pay Corps, United States Naval Reserve Force.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the accounting officers of the Treasury Department be, and they are hereby, authorized and directed to allow Lt. D. A. Neuman credit for the sum of $894, the same being the sum of two pay receipts, one bearing the forged signature of "Ensign F. Fritz" for the sum of $487, and one bearing the forged signature of "Ensign A. V. Lynch" for the sum of $407, which payments were made without fault on the part of said Lt. D. A. Neuman, Pay Corps, United States Naval Reserve Force.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the Comptroller General of the United States is authorized and directed to credit the accounts of D. A. Neuman, former lieutenant, Supply Corps, United States Naval Reserve Force, with the sum of $894, representing the amount of two forged pay receipts, paid by him while without fault or negligence, as determined by the Secretary of the Navy, but disallowed in his fiscal accounts for the disbursing office at South and Whitehall Streets, New York City, for the first quarter, 1919, by the Comptroller General."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended, and a motion to reconsider laid on the table.

E. L. AND LUCY HICE

The Clerk called the next bill, S. 2469, for the relief of E. L. Hice and Lucy Hice.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to E. L. Hice and Lucy Hice the sum of $5,000 in full settlement of all claims against the Government on account of the death of their son, William G. Hice, who was killed while working in the United States Industrial Reformatory at Chillicothe, Ohio: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES M. MONTGOMERY

The Clerk called the next bill, S. 2618, for the relief of James M. Montgomery.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James M. Montgomery, of Edge Moor, Del., the sum of $380.30, in full satisfaction of his claim against the United States for compensation for damages resulting from injuries received by him while placing mail on a train in the performance of his duties as postmaster at Edge Moor, Del., on November 5, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. A. JONES

The Clerk called the next bill, S. 2875, for the relief of J. A. Jones.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. A. Jones, of Glen Elder, Kans., an amount equal to 6 months' pay at the rate received by his son, Arthur R. Jones, former second lieutenant, First Regiment United States Cavalry, who died at Camp Gregg, Pangasinan, P. I., on July 4, 1908.

With the following committee amendment:

At the end of the bill insert: "Such amount to be in full settlement of all claims of the said J. A. Jones against the United States because of the death of his son."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUBY RARDON

The Clerk called the next bill, S. 2980, for the relief of Ruby Rardon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ruby Rardon the sum of $5,000 in full settlement of all claims against the Government of the United States for damages sustained by her by reason of the death of her husband, John Edward Rardon, which occurred on May 3, 1934, in the United States Industrial Reformatory at Chillicothe, Ohio, which death of the said John Edward Rardon occurred while he was engaged in the performance of duties assigned to him and was caused by the explosion of an acetylene or other gas torch with which he was working, in line of duty: *Provided*, That no part of the amount appro-

priated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILSON G. BINGHAM

The Clerk called the next bill, S. 1991, for the relief of Wilson G. Bingham.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the benefits and privileges of the Emergency Officers' Retirement Act of May 24, 1928 (45 Stat. 735), Wilson G. Bingham, late captain of Infantry, United States Army, shall be held to have been honorably discharged as an emergency officer and in the grade of captain of Infantry on December 15, 1922: *Provided*, That no back pay or allowances shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR VAN GESTEL, ALIAS ARTHUR GOODSELL

The Clerk called the next bill, H. R. 11164, for the relief of Arthur Van Gestel, alias Arthur Goodsell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Arthur Van Gestel, alias Arthur Goodsell, who was a medical attendant in the Medical Corps of the First Regiment United States Volunteer Cavalry, shall be held to have mustered in in April 1898 and shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the — day of September 1898; and notwithstanding any provisions to the contrary in the act relating to pensions approved April 26, 1898, as amended by the act approved May 11, 1908: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR W. BRADSHAW

The Clerk called the bill (H. R. 1440) for the relief of Arthur W. Bradshaw.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arthur W. Bradshaw, the sum of $625, being the balance of an award of $1,250 for the capture of James Wilson, Lidwig Schmidt, and James Snyder, charged with assault upon, holding up, and robbing a mail messenger at Niagara Falls, N. Y., on March 1, 1921.

With the following committee amendment:

Page 1, line 6, after the word "Bradshaw", insert "in full settlement of all claims against the United States."

Page 1, line 11, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendments were agreed to, and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM H. LOCKE

The Clerk called the bill (H. R. 2262) for the relief of William H. Locke.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to William H. Locke, of San Francisco, Calif., the sum of $861.33, in full settlement of all claims against the Government of the United States, the same being an amount due him with interest from November 2, 1923, by the Post Office Department, as a balance of an amount of $1,400 reward for services rendered as special agent for the Southern Pacific Railroad Co. in connection with the arrest and conviction of Roy G. Garner, charged with hold-up and robbery of the Southern Pacific train no. 20, between Roseville and Newcastle, Calif., on May 20, 1921.

With the following committee amendments:

Page 1, line 5, strike out "$861.33" and insert "$633.23, out of any money in the Treasury not otherwise appropriated, and."

Page 1, line 9, strike out "with interest from November 2, 1923."

Page 2, line 2, strike out the word "Garner" and insert "Gardner."

Page 2, line 4, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JESSIE D. BOWMAN

The Clerk called the bill (H. R. 3388) for the relief of Jessie D. Bowman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jessie D. Bowman, sister and only heir at law of Georgie Wilson, the sum of $5,000. Such sum shall be in full settlement of all claims and damages against the United States resulting from the injury and death of said Georgie Wilson when she was struck by an automobile in the mail service of the Post Office Department at the post office, Danville, Va.

With the following committee amendments:

Line 7, strike out "$5,000" and insert "$3,000."

Line 11, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOSEPH WATKINS

The Clerk called the bill (H. R. 4085) for the relief of Joseph Watkins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph Watkins the sum of $3,000 in full settlement of all claims against the United States because of personal injuries sustained by the said Joseph Watkins in May 1916 while he was a pupil in the Pipestone Indian School in Minnesota: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per-

cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CAPT. CHESTER GRACIE

The Clerk called the bill (H. R. 4779) for the relief of Capt. Chester Gracie.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $281.83 to Capt. Chester Gracie in full settlement of all claims of said Capt. Chester Gracie against the Government of the United States for damage to his Paige automobile, resulting from a collision on November 22, 1919, between said Paige automobile, which was being driven in a lawful manner, and a truck owned by the War Department of the United States Government, which was being operated in a reckless and negligent manner by Elias Hanna, a private in the United States Army.

With the following committee amendment:

Page 2, line 3, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time; was read the third time and passed, and a motion to reconsider laid on the table.

THELMA L. EDMUNDS ET AL.

The Clerk called the bill (H. R. 5974) for the relief of Thelma L. Edmunds, Mrs. J. M. Padgett, Myrtis E. Posey, Mrs. J. D. Mathis, Sr., Fannie Harrison, Annie R. Colgan, and Grace Whitlock.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $35 to Thelma L. Edmunds, $40 to Mrs. J. M. Padgett, $35 to Myrtis E. Posey, $35 to Mrs. J. D. Mathis, Sr., $25 to Fannie Harrison, $22 to Annie R. Colgan, and $45 to Grace Whitlock, which sums will represent full and final settlement for losses of their personal property destroyed on the night of March 11, 1934, when fire destroyed Federal Emergency Relief Administration sewing room at Trenton, Edgefield County, S. C.

With the following committee amendments:

Page 1, line 10, after the word "settlement", insert "of all claims against the United States."

Page 2, line 2, strike out "Emergency Relief" and insert "Civil Works."

Page 2, line 4, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOSEPH PETHERSKY, PORT DEPOSIT, MD.

The Clerk called the bill (H. R. 6208) for the relief of Joseph Pethersky, of Port Deposit, Md.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph Pethersky, of Port Deposit, the sum of $360 in full satisfaction for his claim against the United States Government for loss of 9 months' rent at $40 per month from October 12, 1933, when a marine truck destroyed his building, to July 24, 1934, the date of the receipt of a check for $623.02 from the Navy Department in payment for loss to his building.

With the following committee amendment:

Page 1, line 6, after the word "Deposit", insert the word "Maryland."

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

STATE OF NEW YORK INSURANCE DEPARTMENT

The Clerk called the bill (H. R. 7237) for the relief of the State of New York Insurance Department as liquidator.

Mr. COCHRAN and Mr. COSTELLO objected, and the bill was recommitted to the Committee on Claims.

ALFRED T. JOHNSTON

The Clerk called the bill (H. R. 7330) for the relief of Alfred T. Johnston.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement of all claims against the Government of the United States, to Alfred T. Johnston, of Lincoln, Calif., the sum of $500, the same being in the form of a reward for services rendered as telegraph operator for the Southern Pacific Railroad Co. depot at Lincoln, Calif., in connection with the arrest and conviction of Ernest F. Smith for theft of mail matter from the Southern Pacific Railroad Co. depot at Lincoln, Calif., on February 8, 1930: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 8, strike out "$500" and insert in lieu thereof "$200."

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

SALLIE GILLESPIE

The Clerk called the bill (H. R. 7996) for the relief of Sallie Gillespie.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (U. S. C., title 5, secs. 767, 770), are hereby waived in favor of Sallie Gillespie, the widow of Lynus P. Gillespie, of Millett, Tex., who sustained an injury while employed as a patrol inspector and prohibition agent about the first part of July 1927, which resulted in his death on June 16, 1929, and her case is authorized to be considered and acted upon under the remaining provisions of such act, as amended, if she files a notice of such injury and claim for compensation with the United States Employees' Compensation Commission not later than 60 days after the date of the enactment of this act.

The term "injury" as used in this act shall have the meaning assigned to such term in section 40 of such act of September 7, 1916, as amended (U. S. C., title 5, sec. 790).

With the following committee amendments:

Page 1, line 9, after the word "who", insert "is alleged to have."

Page 2, line 9, strike out the period, insert a colon and the following: "*Provided*, That no benefits shall accrue prior to the approval of this act."

The amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

TINA FILMORE

The Clerk called the next bill, H. R. 8033, for the relief of Tina Filmore.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Tina Filmore, mother of Juanita Filmore, the sum of $2,000, to be used for the support, maintenance, and education of the said Juanita. The payment of such sum shall be in full settlement of any claim against the United States arising out of an injury received by the said Juanita on August 15, 1934, at Wheelock Academy when her hand was run through a mangle, resulting in a total disability of her right hand.

With the following committee amendment:

Page 1, line 5, after the word "appropriated", strike out the balance of line 5, all of lines 6, 7, 8, 9, 10, and 11, and on page 2, all of line 1 and the word "hand" in line 2, and insert the following: "to the superintendent the Five Civilized Tribes Agency, Muskogee, Okla., the sum of $1,000, to be held as individual Indian money for Juanita Filmore, a minor, and to be disbursed by the said superintendent only for her actual and ordinary needs. Such sum shall be in full settlement of any claim against the United States arising out of a permanent injury received by the said Juanita Filmore on August 15, 1934, at Wheelock Academy, Okla.: *Provided*, That when the said Juanita Filmore shall have attained the age of 21 years, the superintendent of the Five Civilized Tribes Agency, Muskogee, Okla., shall pay to her the unexpended balance, if any, of such fund: *Provided further*, That no part of the amount appropriated in this act shall be paid to or received by any agent or attorney on account of services rendered in connection with this claim, and any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Juanita Filmore, a minor."

MAE POULAND

The Clerk called the next bill, H. R. 8034, for the relief of Mae Pouland.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the present consideration of the bill?

Mr. PITTENGER. Mr. Speaker, I rise in opposition to the bill.

The SPEAKER pro tempore. The Chair cannot recognize the gentleman for that purpose.

Mr. PITTENGER. Well, Mr. Speaker, reserving the right to object——

The SPEAKER pro tempore. The Chair cannot recognize the gentleman for that purpose.

Mr. PITTENGER. I move to strike out the last word.

The SPEAKER pro tempore. The Chair cannot recognize the gentleman for that purpose.

The Clerk will report the bill.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mae Pouland the sum of $5,000 in full settlement of all claims against the United States for personal injuries received as a result of a collision between a Government truck and the private car in which Mae Pouland was a passenger December 8, 1934, on a Texas highway.

With the following committee amendments:

Page 1, line 6, strike out "$5,000" and insert "$750"; page 1, line 10, after the word "highway", insert the following: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provision of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to proceed out of order for 3 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PITTENGER. I do this, Mr. Speaker, to call the attention of the Members of the House to the fine procedure which we have here this afternoon in connection with private bills. I do not think it was better illustrated than 3 or 4 moments ago when I tried to get the floor and when I was absolutely ruled off the floor, and very correctly so, by the distinguished Presiding Officer, the gentleman from New York [Mr. O'CONNOR]. I want to say to the Members of this House that up until the time the Rules Committee changed the rule so as to provide for the procedure which we now have, and also to provide for omnibus bills, people having claims against this Government were neglected and received practically no consideration of the kind to which they were entitled.

Thanks to the chairman of the Rules Committee and his associates, this House is now proceeding in an orderly and businesslike way in connection with private claims. The interests of claimants are receiving fair consideration and the distinguished gentleman from California [Mr. COSTELLO] and his associates are protecting the Government wherever it needs protection, so that I think everybody is happy.

I think the gentleman from New York [Mr. O'CONNOR] is entitled to this little tribute this afternoon. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. RICH. Reserving the right to object, I should like to accommodate my colleague from Missouri, but I should like to know what he is going to talk about first?

Mr. COCHRAN. I want to answer the gentleman from Minnesota [Mr. PITTENGER].

Mr. RICH. Then, Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard. The Clerk will call the next bill.

JULIA LONG

The Clerk called the next bill, H. R. 8321, for the relief of Julia Long.

Mr. COCHRAN. Mr. Speaker, will the RECORD show that the gentleman from Pennsylvania [Mr. RICH], who is trying to save so much money for the Government, objected to my making some remarks?

Mr. PITTENGER. O, Mr. Speaker, I object.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Julia Long, of Detroit Lakes, Minn., the sum of $1,166.25. The payment of such sum shall be in full settlement of all claims against the United States on account of damages sustained by the said Julia Long as a result of the death of her daughter, Harriet Long, which occurred November 7, 1934, in a collision near the village of Richwood, Minn., between the automobile in which she was riding and a Government truck operated by an employee of the Office of Indian Affairs, Department of the Interior.

With the following committee amendment:

Page 2, line 3, after the word "Interior", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MERWIN A. KIEL

The Clerk called the next bill, H. R. 8322, for the relief of Merwin A. Kiel.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Merwin A. Kiel, of Detroit Lakes, Minn., the sum of $3,697.75. The payment of such sum shall be in full settlement of all claims against the United States on account of damages sustained by the said Merwin A. Kiel as a result of permanent injuries suffered on November 7, 1934, in a collision which occurred near the village of Richwood, Minn., between his automobile and a Government truck operated by an employee of the Office of Indian Affairs, Department of the Interior.

With the following committee amendments:

Page 1, line 6, strike out "$3,697.75" and insert "$2,697.75"; page 2, line 3, after the word "Interior", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LINDA WRIGHT WARD

The Clerk called the next bill, H. R. 8413, for the relief of Linda Wright Ward.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Linda Wright Ward, of Portsmouth, Va., $500.90, being the amount due representing her interest for a period of 11 months and 26 days on the purchase price of property taken over by the Government for use by the Nansemond Ordnance Depot, Pig Point, Portsmouth, Va., and for rent on said property for a period of 7 months.

With the following committee amendment:

Page 1, line 6, after the word "Virgina", strike out the remainder of line 6, all of lines 7, 8, 9, 10, and 11, and insert the following: "$333.93, in full settlement of her claim against the United States for interest at 4 percent per annum for a period of 10 months and 18 days on the purchase price of property ($9,451) taken over by the Government for use by the Nansemond Ordnance Depot, Pig Point, Portsmouth, Va., such principal sum having been delayed from payment to her for that period by the Government."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELSIE O'BRINE

The Clerk called the next bill, H. R. 8521, for the relief of Elsie O'Brine.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Elsie O'Brine, in full settlement of her claim against the United States on account of injuries sustained by her on October 18, 1932, when she was in a collision between an automobile in which she was riding and a truck of the United States Forest Service.

With the following committee amendment:

At the end of the bill, add: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BAKER-WHITELEY COAL CO.

The Clerk called the next bill, H. R. 9058, for the relief of the Baker-Whiteley Coal Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Baker-Whiteley Coal Co., of Baltimore, Md., shall be entitled to the benefits of the act entitled "An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes", approved June 16, 1934, with respect to its contract no. Tpr–40, entered into on August 10, 1933, for the furnishing of coal to the Government fuel yards at Washington, D. C., to the same extent and in the same manner as if said contract had been entered into prior to August 10, 1933.

With the following committee amendment:

In lines 3 and 4, strike out the words "That the Baker-Whiteley Coal Co., of Baltimore, Md., shall be entitled to the" and insert in lieu thereof the words: "That the Comptroller General of the United States is hereby authorized and directed to extend to the Baker-Whiteley Coal Co., of Baltimore, Md., the provisions and."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MONTIE HERMANSON

The Clerk called the next bill, H. R. 9170, for the relief of Montie Hermanson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Montie Hermanson, of Kansas City, Mo., the sum of $5,000. Such sum shall be in full settlement of all claims against the United States on account of the death of Frank Hermanson, the husband of the said Montie Hermanson. The said Frank Hermanson, at the request of officers of the Federal Government, accompanied them and assisted them in the apprehension and arrest of one Frank Nash; and the said Frank Hermanson, together with others of the Federal officers, was slain at Kansas City, Mo., on June 17, 1933, by forces of gangdom attempting the release of the prisoner, Frank Nash: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 11, and page 2, line 1, strike out the words "apprehension and arrest of one Frank Nash" and insert in lieu thereof "return to Leavenworth Penitentiary of one Frank Nash, an escaped convict."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MYRTLE T. GROOMS

The Clerk called the next bill, H. R. 9171, for the relief of Myrtle T. Grooms.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in in the Treasury not otherwise appropriated, to Myrtle T. Grooms, of Kansas City, Mo., the sum of $5,000. Such sum shall be in full settlement of all claims against the United States on account of the death of William J. Grooms, the husband of the said Myrtle T. Grooms. The said William J. Grooms, at the request of the officers of the Federal Government, accompanied them and assisted in the apprehension and arrest of one Frank Nash; and the said William J. Grooms, together with others of the Federal officers, was slain at Kansas City, Mo., on June 17, 1933, by forces of gangdom attempting the release of the prisoner, Frank Nash: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 11, and page 2, line 1, strike out the words "apprehension and arrest of one Frank Nash" and insert in lieu thereof "return to Leavenworth Penitentiary of one Frank Nash, an escaped convict."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN L. SUMMERS ET AL.

The Clerk called the next bill, H. R. 9369, for the relief of John L. Summers, former disbursing clerk, Treasury Department; and Frank White, G. F. Allen, H. T. Tate, and W. O. Woods, former Treasurers of the United States.

Mr. COCHRAN, Mr. COSTELLO, and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Claims.

JOSEPH MOSSEW

The Clerk called the next bill, H. R. 10521, for the relief of Joseph Mossew.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph Mossew the sum of $500 in full settlement of all claims against the Government of the United States. Such sum represents the amount of a fine paid by Joseph Mossew pursuant to a conviction for violating certain provisions of the Lever Act of August 10, 1917, as amended, prior to the declaration by the Supreme Court of the United States of the unconstitutionality of such provisions: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RASMUS BECH

The Clerk called the next bill, H. R. 11231, for the relief of Rasmus Bech.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $783 to the clerk of the United States District Court for the Eastern District of Washington, who shall, after an assignment to the United States, of the judgment of $783 obtained by Rasmus Bech, of Spokane, Wash., against H. W. Richardson and Phillip Stalker, Federal prohibition agents, satisfy such assigned judgment against the United States, of record, and shall thereafter pay such sum to said Rasmus Bech, in full settlement of his claim against the United States for personal injuries sustained when he was wrongfully assaulted by said officers, in the performance of their duties, on September 30, 1932, at Spokane, Wash.: *Provided*, That no part of the amount appropriated in this act in excess of 15 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 15 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: Page 2, line 6, after the word "of", strike out the figures "15" and insert in lieu thereof the figures "10."

Page 2, line 11, after the word "of", strike out the figures "15" and insert in lieu thereof the figures "10."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALFRED L. HUDSON AND WALTER K. JEFFERS

The Clerk called the next bill, S. 1111, for the relief of Alfred L. Hudson and Walter K. Jeffers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alfred L. Hudson, the sum of $854.90, and to Walter K. Jeffers the sum of $629.70 in full settlement of all claims against the Government for damages to their property caused by the lowering of the water level of the Chesapeake and Delaware Canal, 1½ miles west of the town of St. Georges, in New Castle County, in the State of Delaware: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAPT. GUY L. HARTMAN

The Clerk called the next bill, S. 2719, for the relief of Capt. Guy L. Hartman.

Mr. COCHRAN and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Claims.

PAYMENT OF CERTAIN CLAIMS

The Clerk called the next bill, S. 2889, to authorize settlement, allowance, and payment of certain claims.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Bend Garage Co., Bend, Oreg., the sum of $39 in full settlement of all claims against the United States on account of damages sustained in an automobile accident involving a Civilian Conservation Corps truck near Sweet Home, Oreg., on September 12, 1934.

SEC. 2. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. N. Holbrook, Cumberland Gap, Tenn., the sum of $1,547.33 in full settlement of all claims against the United States on account of damage to his filling station as a result of an accident involving a Civilian Conservation Corps truck on December 21, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to

the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Strike out all of section 2 of the bill down to the word "*Provided*," on page 2, line 6, and insert in lieu thereof the following: "That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of the First National Bank of Chicago, for refund of $11.75 on account of loss of that amount contained in official registered letter no. 842194, caused by robbery of a letter carrier in Chicago, Ill., on December 6, 1932, such an amount being the unexpended balance of a deposit made by the said bank with the Postal Service to defray the expense of a cablegram to a postal official of Yugoslavia directing the return of registered letter no. 531940, mailed at Chicago, November 25, 1932, by Ivan Markovic and addressed to Marija Markovic in Yugoslavia. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $11.75 for the payment of this claim."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "An act for the relief of the Bend Garage Co. and the First National Bank of Chicago."

PETER CYMBOLUK

The Clerk called the next bill, S. 2961, for the relief of Peter Cymboluk.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Peter Cymboluk, of Chicago, Ill., the sum of $1,500, representing the amount paid by him on the forfeited cash bail bond of Sidor Samchuk, who willfully defaulted on a criminal charge after having plead guilty, but who subsequently surrendered himself and was imprisoned: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, after "$1,500", strike out the word "representing" and insert "in full settlement of his claim against the United States for."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MEMBERS OF BATTERY D, ONE HUNDRED AND NINETY-SEVENTH COAST ARTILLERY, NEW HAMPSHIRE NATIONAL GUARD

The Clerk called the next bill, S. 3173, to authorize and direct the Secretary of the Treasury to pay men formerly enlisted as members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard, for armory training during the period from November 1, 1932, to July 1, 1933.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, men formerly enlisted as members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard, for armory training during the period from November 1, 1932, to July 1, 1933, for which training they have not been paid because, being employees of the United States Navy Yard at Portsmouth, N. H., they were enlisted in violation of paragraph 3b (6) of National Guard Regulations 25 as then promulgated.

With the following committee amendments:

Page 1, line 8, after the word "Guard", insert "in full settlement of their claims against the United States."

Page 2, line 5, after the word "promulgated", insert the following: "*Provided*, That the Secretary of War shall have first determined the persons who are entitled to pay under this act: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read "An act for the relief of certain formerly enlisted members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard."

TONIO MORI MOTO

The Clerk called House Joint Resolution 388, to authorize the issuance to Tonio Mori Moto of a permit to reenter the United States.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That the Secretary of Labor is authorized and directed to issue to Tonio Mori Moto a permit to reenter the United States after a temporary visit to Japan, notwithstanding his ineligibility for admission for permanent residence.

With the following committee amendments:

Page 1, line 4, strike out "Tonio Mori Moto" and insert "Tomio Mori Moto."

Page 1, line 7, after the word "residence", insert "and to readmit him to the United States if he applies for readmission during the validity of his permit to reenter."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "Joint resolution to authorize the issuance of a reentry permit to Tomio Mori Moto and his readmission upon application while such permit remains valid."

A motion to reconsider was laid on the table.

COMMANDER PERCY TOD, BRITISH NAVY, AND LT. COMDR. CHARLES A. DE W. KITCAT, BRITISH NAVY

The Clerk called the next bill, H. R. 11053, authorizing the President to present the Distinguished Service Medal to Commander Percy Tod, British Navy, and the Navy Cross to Lt. Comdr. Charles A. deW. Kitcat, British Navy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to present the Distinguished Service Medal to Commander Percy Tod, British Navy, and the Navy Cross to Lt. Comdr. Charles A. deW. Kitcat, British Navy, in recognition of the skill and heroism displayed by these officers when the U. S. S. *Fulton*, en route from Hong Kong, British Crown colony, to Foochow, China, on March 14, 1934, was destroyed by fire.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUSTAVA HANNA

The Clerk called the next bill, H. R. 11425, for the relief of Gustava Hanna.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gustava Hanna, widow of Matthew E. Hanna, late American Minister to Guatemala, the sum of $10,000, equal to 1 year's salary of her deceased husband.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH E. MYERS

The Clerk called the next bill, H. R. 1743, for the relief of Joseph E. Myers.

Mr. HANCOCK of New York and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Military Affairs.

ROBERT L. MONK

The Clerk called the next bill, S. 1683, for the relief of Robert L. Monk.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army Robert L. Monk, of Gadsden, Ala., shall be held and considered to have served honorably in the First Regiment Alabama Volunteer Infantry from May 6, 1898, to October 31, 1898, and to have been honorably discharged from such service: *Provided*, That no compensation, retirement pay, back pay, or other benefit shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEADER OF THE ARMY BAND

The Clerk called the next bill, S. 3872, for the relief of the present leader of the Army Band.

Mr. RICH and Mr. TABER objected, and, under the rule, the bill was recommitted to the Committee on Military Affairs.

ROSALIE PIAR SPRECHER (NEE ROSA PIAR)

The Clerk called the next bill, S. 3399, for the relief of Rosalie Piar Sprecher (nee Rosa Piar).

The SPEAKER. Is there objection to the consideration of the bill?

Mr. COSTELLO. Mr. Speaker, I object.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws, relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admissions at ports of entry of aliens as immigrants for permanent residence in the United States, that provision of section 3 of the Immigration Act of 1917 (39 Stat. 875), as amended (U. S. C., title 8, sec. 136 (e)), which excludes from admission into the United States "persons who have been convicted of or admit having committed a felony or other crime or misdemeanor involving moral turpitude", shall not hereafter be held to apply to Rosalie Piar Sprecher, who is the wife of H. C. Sprecher, an American citizen, on account of an offense alleged to have been committed abroad while she was about 18 years of age during her legal infancy more than 9 years prior to the effective date of this act and prior to her marriage in the United States to H. C. Sprecher. If she is found otherwise admissible under the immigration laws, an immigration visa may be issued and admission granted to Rosalie Piar Sprecher (nee Rosa Piar) under this act upon application hereafter filed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EUGENE M'GIRR AND ROSE M'GIRR

The Clerk called the next bill, H. R. 857, for the relief of Eugene McGirr and Rose McGirr.

Mr. HANCOCK of New York and Mr. COSTELLO objected, and, under the rule, the bill was recommitted to the Committee on Claims.

WILLIAM HAYES

The Clerk called the next bill, H. R. 1439, for the relief of William Hayes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to William Hayes as payment in full for personal injuries sustained by being struck by an automobile driven by Customs Patrol Inspector Herbert R. Bowen on August 31, 1929, in the city of Niagara Falls, N. Y.

With the following committee amendments:

Page 1, line 5, strike out "$1,000" and insert in lieu thereof "$700."

Line 6, strike out "as payment in full" and insert "in full settlement of all claims against the United States."

Line 9, strike out "1929" and insert "1928."

Line 10, after the word "York", insert a colon and the following: "*Provided*, That the Secretary of the Treasury is hereby authorized and directed to transfer to the miscellaneous receipts fund of the Treasury the sum of $75 appropriated in the First Deficiency Act of March 26, 1930 (46 Stat. 124) for the benefit of William Hayes, as set forth in the schedule of claims contained in House Document No. 243, Seventy-first Congress: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENRY O. GODDARD

The Clerk called the next bill, H. R. 1915, for the relief of Henry O. Goddard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and hereby is, authorized to consider and pass upon the application of Henry O. Goddard, of Rome, Ga., former railway mail clerk, for the benefits of the Compensation Act approved September 7, 1916, on account of injuries because of which claim was filed by him in August 1934, said injuries having originated in July 1931, but his degree of disability on account thereof not having prevented the performance of his duties until September 1, 1933.

SEC. 2. The Commission is authorized to waive the provisions of section 20 of said act, requiring that all claims be filed within 1 year from the date of injury: *Provided*, That no benefits shall accrue prior to the passage of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, are hereby waived in favor of Henry O. Goddard, of Rome, Ga., a former railway mail clerk, and the United States Employees' Compensation Commission is authorized to receive and consider his claim, under the remaining provisions of said act, for disability alleged to have been incurred and aggravated between July 1931 and August 1933 as a result of his employment in such capacity: *Provided*, That claim hereunder shall be filed within 90 days from the approval of this act: *Provided further*, That no benefits shall accrue prior to the approval of this act: *And provided further*, That the award of benefits, if any, under this act shall be in lieu of any retirement pay now received by Henry O. Goddard."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUCILE SMITH

The Clerk called the next bill, H. R. 4565, for the relief of Lucile Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized and instructed to receive and determine the claim of Lucile Smith, a former employee of the Veterans' Administration, without regard to the limitation of time within which such claims are to be filed under the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended: *Provided*, That no benefits shall accrue thereunder prior to the passage of this act.

With the following committee amendment:

Page 1, line 6, after the word "Administration", insert "who, it is alleged, because of her working conditions during the years 1922, 1923, and 1924 developed acute pleurisy, resulting in tuberculosis."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JENNIE BRENNER

The Clerk called the next bill, H. R. 4955, for the relief of the heirs of Jennie Brenner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the heirs of Jennie Brenner, the sum of

$5,000. Such sum shall be in full settlement of all claims against the United States for damages sustained by such heirs on account of the death of the said Jennie Brenner who was fatally injured on October 25, 1934, when a United States mail truck collided with the automobile in which she was seated while such automobile was halted, in obedience to the traffic signal, at a street intersection in the city of Chicago, Ill.

With the following committee amendments:

Page 1, line 5, strike out "the heirs" and insert "administrator of the estate"; and in line 8, strike out "such heirs" and insert "it."

On page 2, after line 2, insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended, and a motion to reconsider was laid on the table.

JOHN A. M'GLOIN

The Clerk called the next bill, H. R. 6344, for the relief of the estate of John A. McGloin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Celia A. McGloin, administratrix of the estate of the late John A. McGloin, the sum of $15,000. Such sum shall be in full settlement of all claims against the United States for damages on account of the forfeiture to the United States of 15 barrels of whisky seized under a search warrant in 1921, in a bonded warehouse in New York City operated by the said John A. McGloin. Later the United States District Court for the Southern District of New York ordered such whisky returned to the said John A. McGloin, but prior to such order such whisky had been sold or destroyed pursuant to an earlier order of such court.

With the following committee amendments:

Page 1, line 7, strike out "$15,000" and insert "$1,305"; line 9, strike out "15" and insert "11"; line 10, strike out "in 1921" and insert "on August 26, 1920."

On page 2, line 5, strike out "or destroyed."

And at the end of the bill insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON WAYS AND MEANS

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have permission to sit during sessions of the House at such times as may be deemed necessary by the committee during the remainder of this session.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the Committee on Ways and Means may have permission of the House to sit during the sessions of the House at such times as may be deemed necessary by the committee during the remainder of the session. Is there objection?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the gentleman whether this is for the purpose of considering a tax bill.

Mr. COOPER of Tennessee. It is for the purpose of considering anything the committee may deem necessary to consider.

Mr. RICH. Does the committee expect to have hearings on a tax bill?

Mr. COOPER of Tennessee. Of course, the gentleman knows we usually have hearings on important matters like that.

Mr. RICH. Can the gentleman tell us how long he expects these hearings to continue?

Mr. COOPER of Tennessee. No; I cannot tell the gentleman that.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

THE PRIVATE CALENDAR

THOMAS J. ENGLISH

The Clerk called the next bill, H. R. 6951, for the relief of Thomas J. English.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of Thomas J. English, which said Thomas J. English is alleged to have suffered injuries in 1928, while in the performance of his duties as postal clerk in the United States post office, Philadelphia, Pa.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, and hereby waived in favor of Thomas J. English, of Philadelphia, Pa., a former postal clerk, and the United States Employees' Compensation Commission is authorized to receive and consider his claim, under the remaining provisions of said act, for injury and disability alleged to have been sustained in February or March 1928 as a result of his employment in such capacity: *Provided*, That claim hereunder shall be filed within 90 days from the approval of this act: *Provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK ROTTKAMP

The Clerk called the bill (H. R. 6999) for the relief of Frank Rottkamp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frank Rottkamp the sum of $1,334 in full settlement of all claims against the Government of the United States for personal injuries caused as the result of dynamite blasting at Bethpage State Park, Long Island, N. Y., on February 19, 1934, on a works project employing Civil Works Administration employees, said injuries to Frank Rottkamp resulting from the failure of the Civil Works Administration employees to indicate properly the danger zone in the blasting operations.

With the following committee amendments:

Page 1, line 6, strike out "$1,334" and insert "$600."

Page 2, line 3, strike out the period insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MARIANO BIONDI

The Clerk called the bill (H. R. 7529) for the relief of Mariano Biondi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in

the Treasury not otherwise appropriated, to Mariano Biondi, of New York City, the sum of $1,000, in full settlement against the Government, as a compensation for injuries sustained when run down by a United States mail autotruck on October 19, 1933: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$1,000, in full settlement against the Government as a compensation" and insert "$350, in full settlement of all claims against the United States."

Page 1, line 11, after the word "act", insert "in excess of 10 percent thereof."

Page 2, line 6, after the word "act", insert "in excess of 10 percent thereof."

The amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

R. H. QUYNN

The Clerk called the bill (H. R. 8671) for the reimbursement of R. H. Quynn, lieutenant, United States Navy, for loss of property by fire at the naval operating base, Hampton Roads, Va.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,200 to reimburse R. H. Quynn, lieutenant, United States Navy, for the loss of his furniture, clothing, and other personal effects of himself and family by fire originating from a house adjoining the house or quarters supplied him by the Navy Department, both situated inside the naval operating base at Hampton Roads, Va.; said fire occurring at the time he was stationed in the line of duty at the said naval operating base, and being without fault or negligence on his part: *Provided*, That the Secretary of the Navy shall have determined that the said officer was occupying his said quarters in the line of duty and that the loss occurred without fault or negligence on his part, which finding or determination of the Secretary of the Navy shall be conclusive upon the accounting officers of the Treasury.

With the following committee amendments:

Page 1, line 3, strike out "That there is hereby authorized to be appropriated" and insert "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay."

Page 1, line 6, strike out "$1,200 to reimburse" and insert "$900 to."

Page 1, line 8, insert "in full settlement of all claims against the United States."

Page 2, line 11, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The title was amended so as to read: "A bill for the relief of R. H. Quynn, lieutenant, United States Navy."

EDWIN PICKARD

The Clerk called the bill (H. R. 8685) for the relief of Edwin Pickard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edwin Pickard, of Gadsden, Etowah County, Ala., the sum of $20.20 in full compensation for fees due to the said Edwin Pickard for services rendered as United States commissioner for the northern district of Alabama, middle division, from October 4, 1934, to October 31, 1934.

With the following committee amendment:

Line 7, strike out "full compensation for fees due to the said Edwin Pickard", and insert "full settlement of his claim against the United States."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOHN N. HUNTER AND OTHERS

The Clerk called the bill (H. R. 8799) for the relief of John N. Hunter, postmaster at South Bend, Ind.; Edmund D. Cook, acting postmaster at Allegan, Mich.; Fred C. Putnam, postmaster at Kalamazoo, Mich.; and Merchants National Bank of South Bend, South Bend, Ind.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed as follows:

(a) To credit the account of John N. Hunter, postmaster at South Bend, Ind., in the sum of $5,457.31, such sum representing the amount of the deficit in the account of said postmaster caused by paying invalid post-office money orders hereinafter mentioned;

(b) To credit the account of Edmund D. Cook, acting postmaster at Allegan, Mich., in the sum of $1,652.87, such sum representing the amount of the deficit in the account of said acting postmaster caused by paying invalid post-office money orders hereinafter mentioned; and

(c) To credit the account of Fred C. Putnam, postmaster at Kalamazoo, Mich., in the sum of $2,004.44, such sum representing the amount of the deficit in the account of said postmaster caused by paying invalid post-office money orders hereinafter mentioned.

SEC. 2. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Merchants National Bank of South Bend, South Bend, Ind., the sum of $50 in full settlement against the Government for money which was paid by said bank on invalid post-office money orders, all of which has been recovered by said bank except said sum of $50.

The above money orders were put in circulation under the following circumstances:

In the summer of 1933, Herman M. Sharpsteen was employed in the post office of Scotts, Mich., and lived in the same house with the postmaster, Mrs. G. E. Gibson.

He stole a numbered money-order book containing 200 blank orders and the money-order dating stamp and dating type. He then stamped the money orders with the dating stamp and 5 or 6 months later began issuing the money orders by stamping the dates, with the stolen dating stamp, in the impression of the dating stamp and writing his name in as payee and fictitious names as remitters. He then, over a period of 5 to 9 months, cashed these money orders at various banks where he was known.

These money orders, with the exception of two, were paid by the respective postmasters in due course. They were received by the banks and cashed by the postmasters in the regular course of business, were on their face in all respects identical with valid money orders, and were paid without knowledge of any facts indicating that they were fraudulent.

Two of these money orders, for $100 each, were cashed by the Merchants National Bank of South Bend shortly before Sharpsteen was arrested. The bank recovered from Sharpsteen $150, leaving a balance due of $50.

No notice was given by the Post Office Department that these numbered money-order blanks had been stolen, although from 5 to 9 months had elapsed between the time they were stolen and the dates they were paid.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the Comptroller General of the United States is hereby authorized and directed to credit the account of John N. Hunter, postmaster at South Bend, Ind., with the sum of $4,762.31; the account of Edmund M. Cook, acting postmaster at Allegan, Mich., with the sum of $1,652.87; and the account of Fred C. Putnam, postmaster at Kalamazoo, Mich., with the sum of $2,001.86, representing the total amount of 93 postal money orders, stolen, fraudulently drawn, and negotiated by one Herman M. Sharpsteen between July 15, 1933, and June 22, 1934, and paid by the said postmasters upon proper presentation from certain banks, without fault or negligence on their part.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Merchants National Bank of South Bend, South Bend, Ind., the sum of $50, representing a part of money paid by the said bank on invalid postal money orders, nos. 72983 and 72984; and to the St. Joseph Loan & Trust Co., of South Bend, Ind., the

sum of $995, representing a refund on seven invalid postal money orders which it paid in the amount of $695, and for which it was paid by the postmaster at South Bend, said bank subsequently refunding such amount to the said postmaster, and also representing a loss on three invalid postal money orders which it paid in the amount of $300, but which payment the postmaster at South Bend refused to recognize. Such sums shall be in full settlement of all claims against the United States for the losses suffered by said banks arising out of the fraudulent negotiation of the said money orders by one Herman M. Sharpsteen between July 15, 1933, and June 22, 1934, and paid by the said banks without fault or negligence on their part.

SEC. 3. Nothing in this act shall be construed to prevent the recovery by the United States from Grace E. Gibson, former postmaster at Scotts, Mich., or the surety on her official bond, of the losses suffered by the United States as a result of the stealing and fraudulent negotiation of 98 postal money orders by said Herman M. Sharpsteen.

SEC. 4. No part of the amount appropriated in this act, or credited to any account by virtue of this act, in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with said claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of John N. Hunter, Edmund M. Cook, Fred C. Putnam, Merchants National Bank of South Bend, Ind., and St. Joseph Loan & Trust Co., of South Bend, Ind."

CERTAIN DISBURSING OFFICERS, UNITED STATES VETERANS' ADMINISTRATION

The Clerk called the bill (H. R. 9375) for the relief of certain disbursing officers and former disbursing officers of the United States Veterans' Administration.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of the following-named disbursing officers of the United States Veterans' Administration of any and all sums standing as disallowances in said accounts on the books of the General Accounting Office where such disallowance is based upon overpayment of 50-percent loans on adjusted-service certificates as described herein: *Provided*, That this act shall not be interpreted to waive collections by the United States Government of loans on adjusted-service certificates and interest thereon:

1. J. B. Schommer, former disbursing clerk, Veterans' Administration, Washington, D. C., in the sum of $1,849 (symbol 99220), which amount he expended during the period from March 1, 1931, to August 31, 1931; also, the sum of $92.57 (symbol 99234), which amount he expended while acting as disbursing officer at Veterans' Administration regional office, Hartford, Conn., during the period March 11 to 31, 1931.

2. C. A. Wood, former disbursing officer at Veterans' Administration regional office, Atlanta, Ga., in the sum of $307.59 (symbol 99102), which amount he expended during the period April 1, 1931 to September 30, 1932.

3. H. H. Barraclough, former disbursing officer at Veterans' Administration regional office, Boston, Mass., in the sum of $678 (symbol 99106), which amount he expended during the period March 1, 1931, to November 30, 1931.

4. W. A. Birmingham, former disbursing officer at Veterans' Administration regional office, Buffalo, N. Y., in the sum of $885 (symbol 99107), which amount he expended during the period April 1 to 30, 1931.

5. Ivan Carrico, disbursing officer at Veterans' Administration facility, Huntington, W. Va., in the sum of $200 (symbol 99110), which amount he expended during March 1931.

6. Cary Dawson, disbursing officer at Veterans' Administration regional office, Cincinnati, Ohio, in the sum of $1,166 (symbol 99113), which amount he expended during the period March 1 to April 30, 1931.

7. Loren W. Looker, former disbursing officer at Veterans' Administration regional office, Cleveland, Ohio, in the sum of $359.02 (symbol 99114), which amount he expended during the period March 1 to April 30, 1931.

8. Charles S. Gawler, former disbursing officer at Veterans' Administration facility, Columbia, S. C., in the sum of $265 (symbol 99115), which amount he expended during the period March 1 to 31, 1931.

9. R. E. Waters, former disbursing officer at Veterans' Administration regional office, Dallas, Tex., in the sums of $150 (symbol 99230) and $350 (symbol 89839), which amounts he expended during the period March 1, 1931, to January 31, 1933.

10. Marsden V. Bates, disbursing officer at Veterans' Administration regional office, Detroit, Mich., in the sum of $766.50 (symbol 99119), which amount he expended during the period March 1 to May 31, 1931.

11. E. J. Cooper, disbursing officer at Veterans' Administration facility, Fort Harrison, Mont., in the sum of $218 (symbol 99122), which amount she expended during the month of March 1931.

12. W. Weldon, former disbursing officer at Veterans' Administration facility, Hines, Ill., in the sum of $768 (symbol 99231), which amount he expended during the period March 1 to November 30, 1931.

13. T. A. Dillon, disbursing officer at Veterans' Administration regional office, Indianapolis, Ind., in the sum of $140 (symbol 99226), which amount he expended during the period March 1 to December 31, 1931.

14. Edna D. Duncan, disbursing officer at Veterans' Administration regional office, Little Rock, Ark., in the sum of $260 (symbol 99128), which amount she expended during the period March 1 to 31, 1931.

15. Nina B. Harrison, former disbursing officer at Veterans' Administration facility, Los Angeles, Calif., in the sum of $896.98 (symbol 99129), which amount she expended during the period April 1, 1931, to June 30, 1933.

16. James J. Gallagher, former disbursing officer at Veterans' Administration facility, Lyons, N. J., in the sum of $1,269.54 (symbol 99136), which amount he expended during the period March 1, 1931, to August 31, 1932.

17. T. H. Daley, former disbursing officer at Veterans' Administration regional office, New Orleans, La., in the sum of $400 (symbol 99137), which amount he expended during the period March 1 to April 30, 1931.

18. Don Iler, former disbursing officer at Veterans' Administration regional office, New York, N. Y., in the sum of $180 (symbol 99138), which amount he expended during the period March 1, 1931, to June 30, 1933.

19. M. L. Morris, disbursing officer at Veterans' Administration regional office, Oklahoma City, Okla., in the sum of $875 (symbol 99139), which amount he expended during the period March 1 to May 31, 1931.

20. Esther I. Rebman Davis, disbursing officer at Veterans' Administration regional office, Phoenix, Ariz., in the sum of $50 (symbol 99191), which amount she expended during August 1932.

21. James B. Lappin, former disbursing officer at Veterans' Administration facility, Togus, Maine, in the sum of $50 (symbol 99144), which amount he expended during the period March 1 to 31, 1931.

22. Joseph A. Walker, former disbursing officer at Veterans' Administration regional office, Pittsburgh, Pa., in the sum of $855.20 (symbol 99210), which amount he expended during the period March 1, 1931, to August 31, 1931.

23. Teresa A. Orser, former disbursing officer at Veterans' Administration regional office, Providence, R. I., in the sum of $126.09 (symbol 99146), which amount she expended during the period March 1 to April 30, 1931.

24. Harry F. Heisey, former disbursing officer at Veterans' Administration regional office, Richmond, Va., in the amount of $100 (symbol 99148), which amount he expended during March 1931.

25. March B. Norvell, disbursing officer at Veterans' Administration regional office, San Antonio, Tex., in the amount of $434.50 (symbol 99222), which amount she expended during the period April 1, 1930, to August 31, 1932.

26. Lucile S. McCracken, disbursing officer at Veterans' Administration regional office, San Francisco, Calif., in the sums of $100 (symbol 99151) and $100 (symbol 89881), which amounts she expended during the period March 1, 1931, to September 30, 1933.

27. Warren A. Minnis, former disbursing officer at Veterans' Administration facility, Bay Pines, Fla., in the sum of $218 (symbol 99126), which amount was expended by him during the period April 1, 1931, to August 31, 1932.

28. George W. Wagner, former disbursing officer at Veterans' Administration facility, Wichita, Kans., in the sum of $145 (symbol 99155), which amount he expended during the period March 1 to May 31, 1931:

Provided, That the General Accounting Office shall not hereafter charge the disbursing officers herein named with the amounts credited to them pursuant to this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT J. MANN

The Clerk called the bill (H. R. 9455) for the relief of Robert J. Mann.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert J. Mann, of Waukesha, Wis., the sum of $90. The payment of such sum shall be in full settlement of all claims against the United States on account of the slaughter, prior to their registration as purebreds, of three head of diseased cattle owned by the said Robert J. Mann. Such sum represents the difference between the amount which the said Robert J. Mann would have received from the Department of Agriculture had such cattle been registered as purebred animals prior to their appraisal and the amount which he has been paid by such Department.

With the following committee amendment:

Page 2, line 3, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this

act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PERKINS-CAMPBELL CO.

The Clerk called the next bill, S. 277, for the relief of the Perkins-Campbell Co.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York and Mr. HOPE objected, and the bill, under the rule, was recommitted to the Committee on Claims.

UNION IRON WORKS

The Clerk called the next bill, S. 918, to carry out the findings of the Court of Claims in the case of the Union Iron Works.

The SPEAKER. Is there objection?

Mr. COCHRAN, Mr. HOPE, Mr. HANCOCK of New York, Mr. RICH, and Mr. COSTELLO objected, and the bill, under the rule, was recommitted to the Committee on Claims.

W. W. COOK

The Clerk called the next bill, S. 1837, for the relief of W. W. Cook.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to refund, out of any money in the Treasury not otherwise appropriated, to W. W. Cook, of Pella, Iowa, the sum of $30, under existing rules and regulations, said amount having been illegally collected from said W. W. Cook.

With the following committee amendments:

Page 1, line 4, strike out "refund" and insert the word "pay"; page 1, line 6, strike out "under existing rules and regulations, said amount having been illegally collected from said W. W. Cook" and insert in lieu thereof the following: "in full settlement of his claim against the United States for the refund due him on two broker's special tax stamps, no liability to such special tax having been incurred by him, and for which refund he has made timely claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK B. NILES

The Clerk called the next bill, S. 2188, for the relief of the estate of Frank B. Niles.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed, in the settlement of the account of Frank B. Niles, former collector of internal revenue for the tenth district of Ohio, to allow the sum of $2,811.53 now standing as a disallowance in the accounts of said Frank B. Niles, representing sums erroneously paid out by him in good faith to deputy collectors for meals and lodging at designated posts of duty from June 1, 1918, to March 31, 1919, as set forth in fiscal officer's certificate no. 17576.

With the following committee amendment:

Page 1, line 8, after the word "Niles", insert the words "now deceased."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES E. M'DONALD

The Clerk called the next bill, S. 2590, for the relief of James E. McDonald.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of James E. McDonald, former postmaster at Cohoes, Albany County, State of New York, in the sum of $13,723.70, due the United States on account of loss of postal funds, embezzled by Michael A. Walsh, his then deputy postmaster, during the incumbency of said James E. McDonald in said office from April 11, 1922, to October 30, 1930: *Provided, however*, That the crediting of said amount to the account of the said James E. McDonald shall not be deemed to exonerate, and shall not exonerate, the said Michael A. Walsh, or his sureties on any official bond or bonds which he has given to the United States, and that the United States hereby expressly reserves the right to sue the said Michael A. Walsh and his sureties for any and all moneys which may be found to be due from the said Michael A. Walsh.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WALTER F. BRITTAN

The Clerk called the next bill, S. 3001, for the relief of Walter F. Brittan.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Walter F. Brittan, of Great Falls, Mont., the sum of $1,890 in full satisfaction of his claim against the United States for the value of improvements made by him on certain land located in the State of Montana, the use of which was purported to have been granted to him by a permit issued on November 5, 1930, by the Forest Service of the Department of Agriculture, but which he was subsequently forced to abandon because such land, in fact, belonged to other individuals: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH M. CACACE, ET AL.

The Clerk called the next bill, S. 3090, for the relief of Joseph M. Cacace, Charles M. Cacace, and Mary E. Clibourne.

The SPEAKER. Is there objection?

Mr. COCHRAN and Mr. RICH objected, and the bill, under the rule, was recommitted to the Committee on Claims.

MARY HOBART

The Clerk called the next bill, S. 3274, for the relief of Mary Hobart.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary Hobart, of Nekoosa, Wis., the sum of $75, in full satisfaction of her claim against the United States for damages arising out of the death of a horse owned by her which was killed by a stump that was blown up by members of the Civilian Conservation Corps engaged in blasting operations in Adams County, Wis., on August 20, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF DISBURSING OFFICERS OF THE U. S. ARMY

The Clerk called the next bill, S. 3683, for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of the following disbursing officers of the Army of the United States the amounts set opposite their names: Maj. Stephen R. Beard, Finance Department, $28; Capt. Lester L. Boggs, Finance Department, $72; Maj. Walter D. Dabney, Finance Department, $17; Maj. Horace G. Foster, Finance Department, $45 and $50; Capt. Columbus B. Lenow, Finance Department, $30; Maj. D. W. Morey, Finance Department, $60; and Maj. Arthur O. Walsh, Finance Department, $30; said amounts being public funds for which they are accountable and which comprise minor errors in computation of pay and allowances due former members of the Civilian Conservation Corps, who are no longer enrolled in that corps, and which amounts have been disallowed by the Comptroller General of the United States: *Provided*, That no part of the amounts so credited shall be later charged against any individual other than the various payees.

SEC. 2. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Capt. Bigelow B. Barbee, Finance Department, the sum of $81; Capt. Jefferson E. Kidd, Infantry Reserve, the sum of $81; Second Lt. Francis T. Pachler, United States Infantry, the sum of $10; Capt. Carl M. Innis, United States Infantry, the sum of $12.50; and Second Lt. Robert V. Klepinger, Field Artillery Reserve, the sum of $12.50, or so much of said sums as shall have been collected from them prior to the approval of this act, representing refundments of overpayments made Civilian Conservation Corps enrollees and allottees, the collection of which amounts cannot be effected from the persons to whom such erroneous payments have been made: *Provided*, That no part of these amounts shall be charged to any person other than the payees.

SEC. 3. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Capt. Charles K. McAlister, Finance Department, the sum of $147.73, public funds for which he is accountable and which represents overpayments made to several members of the Civilian Conservation Corps who are no longer enrolled in that corps and from whom collection cannot be effected.

SEC. 4. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of the following disbursing officers of the United States the amounts set opposite their names: Capt. Bigelow B. Barbee, Finance Department, $81.50, and Maj. John H. Harrington (Coast Artillery Corps), Finance Department, $98.16, being public funds for which they are accountable and which were paid by them for medical expenses and burial expenses of a child killed as a result of an automobile accident involving a Civilian Conservation Corps truck, and which amounts have been disallowed by the Comptroller General of the United States.

SEC. 5. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Capt. Clarence A. Frank, Finance Department, $45.83; Capt. Charles W. Hensey, Finance Department, $12; Maj. Royal G. Jenks, Finance Department, $9.40; Maj. James A. Marmon, Finance Department, $10.75; Maj. Cherubusco Newton, Jr., Finance Department, $8.52; Maj. Frank E. Parker, Finance Department, $76.51; Maj. Bickford E. Sawyer, Finance Department, $12; and Maj. John L. Tunstall, Finance Department, $132.96, being public funds for which they are accountable and which comprise minor errors in computation of pay and allowances due military personnel who are no longer in the service of the United States, and which amounts have been disallowed by the Comptroller General of the United States.

SEC. 6. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Maj. Frank Brezina, Philippine Scouts, Quartermaster Corps, $22.83, public funds for which he is accountable and which represent payments on account of rental due Teesdale, Newman & Co., Shanghai, China, and which amount has been disallowed by the Comptroller General of the United States.

SEC. 7. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Capt. Robert W. Yates, Field Artillery, the sum of $38, public funds for which he is accountable and which were paid by him to Maj. Robert B. Laing, Infantry Reserve, for commutation of quarters and which amount was disallowed by the Comptroller General of the United States: *Provided*, That the amounts so paid shall not be charged against any moneys otherwise due the payee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF BAUSCH & LOMB OPTICAL CO.

The Clerk called the next bill, S. 2268, for the relief of Bausch & Lomb Optical Co.

The SPEAKER. Is there objection?

Mr. COCHRAN and Mr. RICH objected; and the bill, under the rule, was recommitted to the Committee on War Claims.

RALPH B. SESSOMS

The Clerk called the next bill, H. R. 8775, for the relief of Ralph B. Sessoms.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COCHRAN. Reserving the right to object, Mr. Speaker, there is no Calendar No. 970 on the calendar that I have.

The SPEAKER. This bill, for some reason, was inadvertently omitted from the calendar and has not been called.

The Clerk read the title of the bill.

Mr. COCHRAN. Mr. Speaker, I object until we find out what these bills are. They may be claims involving $200,000 for all we know.

Mr. HOPE. Mr. Speaker, I object.

The SPEAKER. The Chair suggests that the bill be passed over without prejudice.

Mr. COCHRAN. I ask that the rest of the bills go over without prejudice.

The SPEAKER. There is only this bill. There are no others.

Is there objection to the request of the gentleman from Missouri that this bill, H. R. 8775, be passed over without prejudice?

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1937

Mr. BLANTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes.

Pending this motion, Mr. Speaker, I should like to have an agreement with my colleague, the gentleman from Pennsylvania [Mr. DITTER], who is the ranking minority Member, on a division of the time. Would it suit the gentleman to let general debate continue throughout today and tomorrow to be equally divided and controlled by the gentleman from Pennsylvania and myself?

Mr. DITTER. It is very agreeable to me, Mr. Speaker.

Mr. BLANTON. Mr. Speaker, a great many requests on both sides of the aisle for general debate have been placed with the gentleman from Pennsylvania and myself.

Mr. Speaker, I ask unanimous consent that general debate continue throughout today and tomorrow to be equally divided and controlled by the gentleman from Pennsylvania and myself.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, and I shall not object, of course, but may I inquire of the gentleman from Texas, the chairman of the subcommittee, if he thinks it reasonable to expect that general debate can be concluded tomorrow.

Mr. BLANTON. From the number of requests, I doubt it. We have enough requests for time during general debate to go into Thursday, but I feel sure we can finish this bill on Friday.

Mr. BANKHEAD. I realize, of course, that under general debate is about the only opportunity a great many Members have to speak. This is the reason I have taken occasion at times to object to special requests. I am not disposed to be too rigid on general debate, but I am merely expressing the hope that we can get through this bill as soon as possible, because another appropriation bill is ready for consideration.

Mr. BLANTON. It is a matter that rests with the Speaker and the majority leader; whatever they wish us to do we will do.

Mr. BANKHEAD. I do not think the gentleman ought to put it that way.

Mr. BLANTON. What I mean is that we will carry out the orders of our Speaker and majority leader.

Mr. BANKHEAD. I am merely trying to find out how much time the gentleman thinks general debate on this bill will require.

Mr. BLANTON. It will require more than tomorrow.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. RICH. I wonder why the majority leader objected to my speaking for 3 minutes this afternoon?

Mr. BLANTON. Because the gentleman's colleague from Pennsylvania will give him all the time he wants.

Mr. RICH. When I get the floor I wonder if the majority leader is going to be present, because I want to find out from him why we continue to have these increased appropriations. I want to talk to the majority leader.

Mr. BLANTON. Mr. Speaker, whenever the gentleman from Pennsylvania gets our majority leader properly stirred up he is going to find out lots of things from him. [Applause.]

The SPEAKER. The gentleman from Texas [Mr. BLANTON] asked unanimous consent that general debate may continue throughout the balance of today and tomorrow to be equally divided and controlled by himself and the gentleman from Pennsylvania [Mr. DITTER]. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Texas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11581, the District of Columbia appropriation bill for the fiscal year 1937, with Mr. NELSON in the chair.

The Clerk read the title of the bill.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Chairman, the Committee on Appropriations brings in this bill with a unanimous report from the subcommittee that framed it and without a vote against it in the main committee.

Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, a few moments ago the gentleman from Minnesota, [Mr. PITTENGER] was granted unanimous consent to address the House, and he complimented the Members on the manner in which the House was proceeding under the new Private Calendar rule. He likewise paid tribute to those who he said were responsible for the adoption of the new Private Calendar rule and added that hundreds of American citizens who had previously been denied a fair hearing on their claims before the Congress were now receiving justice.

I was very anxious, Mr. Chairman, to have immediately replied to the statement of the gentleman from Minnesota, and when I asked unanimous consent for such permission the gentleman from Pennsylvania [Mr. RICH] objected and denied me that opportunity. I was rather surprised at the attitude of the gentleman from Pennsylvania, because he has been preaching almost daily about Government expenditures and balancing the Budget, and, naturally, I felt he would like to have someone answer his colleague from Minnesota, who is not so particular about the Treasury. The other day the gentleman from Pennsylvania [Mr. RICH] was rather critical in some remarks, and he named a number of Members of the House on the Democratic side who happened to be chairmen of various committees, saying that those men were responsible for the expenditures of which he was complaining. A Member of the House asked him why he did not include the Speaker, and he replied that the Speaker was an honest man. If you will read his remarks you will see the inference that while the Speaker is an honest man—which we all agree—the various chairmen of committees that he named were not placed in the same category. I think it would be well if my friend from Pennsylvania would read over his remarks very carefully and make a proper correction for the permanent RECORD.

While the gentleman from Pennsylvania [Mr. RICH] was over in the corner correcting the remarks that I refer to, an amendment was offered to the Agriculture appropriation bill providing for an additional $25,000,000 appropriation to purchase forest lands. Did the gentleman from Pennsylvania, who is making so much noise about expenditures, vote against that amendment? No. He remained in his seat; and, although tellers were asked for by the gentleman in charge of the committee [Mr. CANNON of Missouri], the gentleman from Pennsylvania did not vote; and I personally called his attention to the fact immediately thereafter. [Laughter.] It seems to me that if the gentleman is going to be consistent he should oppose the efforts of some Members to increase the appropriations. In other words, act as well as talk. I told him so a little while ago, and since then he joined me in objecting to some bills.

Getting back to the Private Calendar rule, Mr. Chairman, we all admit that the old Private Calendar rule did not work satisfactory and we will likewise admit that many meritorious claims, calling for small amounts, were objected to by a single Member, and under the old rule that was equivalent to killing the bill. I am sure that all the Members hoped that when the new rule was adopted that more careful consideration would be given to meritorious claims on the Private Calendar.

Mr. Chairman, I do not blame the gentleman from Minnesota [Mr. PITTENGER] for complimenting the House as he did, because if there is one Member of this House who has been able to secure the enactment of private-claims bills, it has been the gentleman from Minnesota [Mr. PITTENGER]. He has sponsored any number of private claims and is entitled to the credit of having secured the passage of more such legislation than any individual Member of this House, especially when the amount involved is considered. I am only going to refer to one bill which passed during the last session and that was the Minnesota fire-claims bill which will cost the Treasury of the United States something around $15,000,000. As you all know, that bill was in dispute for many, many years. Under the old rule it was defeated. I did not happen to be here at the time it passed in the last session, as I was ill, but had I been present I would have opposed it as I have always done, because I felt when the claimants, having accepted payment on their claims originally, the case should have been closed and additional relief should not have been granted. The Comptroller General's Office is now paying those claims, and I understand they are not satisfied in having the property claims considered, they are now presenting claims alleging personal injuries as a result of that fire and want those claims paid by the Comptroller General. The claim was made they only received 50 percent in the first instance. This bill was to give them 50 percent more—about thirty million in all.

I fully believe that where a citizen suffers personal injury by reason of the negligence of a Government employee or someone is killed due to the fault of a Government employee that Congress should allow damages and I have supported such bills, but once a claim is settled it should end there.

Under the new rule when a bill is objected to by two or more Members it is recommitted to the committee and that committee has the right to bring out an omnibus claims bill containing any number of the bills that the committee desires that were objected to.

On Monday, February 17, I placed in the RECORD a statement in reference to various claims that were included in omnibus claims bills. At that time there were six such bills on the calendar, but since then several other omnibus bills have been reported, and before the time arrives for the consideration of these bills I intend to put a statement in the RECORD relative to certain bills which I feel have no merit and should not be passed.

Simply to give you an idea of some of the bills that were on the calendar today, let me call your attention to four that I objected to.

The first one was to pay out of the Treasury to one Capt. Guy L. Hartman $20,000. Captain Hartman was in trouble with the Government, and due to an indictment he was released on a $20,000 bail bond on May 22, 1915. The bond was forfeited. He claimed he was in Mexico at the time, too sick to travel. Now listen to this: The report says that Captain Hartman was a country-bred, unsophisticated young man imposed upon and made a tool by older men, some of them Government officials, conspiring to defraud the Government of whisky excise taxes. Just think of it—a captain in the World War, holder of the Distinguished Service Cross and Croix de Guerre, as well as recommended for the Congressional Medal of Honor, according to the report, was a country-bred, unsophisticated young man. If you will read the report, you will see that the Department of Justice says:

> There is no question about Captain Hartman having been engaged in the gigantic illicit whisky enterprise. His going to Mexico was not only to avoid what to him seemed his evident conviction but was to make himself unavailable as a material witness as to other defendants. Therefore this claim seems to be without merit.

Even in view of this recommendation the committee reports the bill favorably, and says return the $20,000 that was deposited for his appearance. You have thousands of cases where bail was forfeited. Are we to return all the money?

The second bill that I objected to today provided for the payment out of the Treasury to the Union Iron Works, and the title says it is to carry out the findings of the Court of Claims in the case. I am going to quote the conclusion of law of the Court of Claims. You will see the title is misleading.

> Upon the foregoing special findings of fact, which are made part of the judgment herein, the court decides, as a conclusion of law, that plaintiff is not entitled to recover, and its petition is dismissed.
>
> Judgment is rendered against the plaintiff (the Union Iron Works) for the cost of printing the record herein, the amount thereof to be ascertained by the clerk and collected by him according to law, which amount is found to be $2,159.82.

I think that is enough to convince any fair-minded man that the Congress of the United States has no right to pass this bill. Despite the fact that the Court of Claims said "no", and even made the plaintiff pay the cost, the committee wants us to pay this firm $165,284.53.

The third case was to refer to the Court of Claims a claim where the Government secured judgment in the United States District Court for the Eastern District of Virginia. This is another bail-bond case, where the defendant failed to appear when the case was called, but later did appear. If this bill were passed and the Court of Claims acted favorably, the judgment against Joseph M. Cacace, Charles M. Cacace, and Mary E. Clibourne would be set aside and you would have hundreds of such claims presented to the Court of Claims. What right has the Congress to send such a case to the Court of Claims, especially in view of the fact that a United States district court has already rendered judgment in favor of the Government. This would cost the Treasury $10,000.

The fourth case I objected to was a claim providing for the Secretary of the Treasury to pay to Bausch & Lomb Optical Co. $33,487.33. This is an old war claim. It has been before the Navy Department and likewise before the Court of Claims. What was the conclusion of law in that case? Let me quote:

> Upon the foregoing special findings of fact, which are made a part of the judgment herein, the court decides as a conclusion of law that plaintiff is entitled to recover $707.89.
>
> It is, therefore, adjudged and ordered that the plaintiff recover of and from the United States the sum of $707.89.

Here you have a case where the Court of Claims says the plaintiff is entitled to recover $707.89 and you have the Committee on War Claims bringing in a bill authorizing the Secretary of the Treasury to pay $33,487.33. Are these cases some of the meritorious claims the gentleman from Minnesota [Mr. PITTENGER] speaks about?

I am just citing these claims as an example of some of the bills that have been reported to the House, and while I realize that Members of the House are extremely busy, still it seems to me that this racket of lawyers who prosecute these claims before the House and Senate committees should be stopped, and if it is not stopped it is going to develop into a scandal.

There is another matter that should receive the attention of all Members, and that is the clause which limits the fees to lawyers. It was a step in the right direction when we limited the fees to 10 percent, but I am strongly of the opinion that in the great majority of claims that are considered by the House we should provide for the elimination of all attorney fees. Why should an attorney be entitled to money where we are going to pay a citizen because he or she was injured as a result of the negligence of a Government agent when the report shows in many cases that not even one affidavit has been submitted and in other cases that only one or two affidavits have been submitted? These claims, as you all know, are decided on the recommendations of the various Government departments, and when we let an attorney secure a fee because we pass a bill of that kind we are in effect simply recognizing a lobbyist. We should protect the claimant in such cases.

Mr. BLANTON. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. COCHRAN. Mr. Chairman, the gentleman from New York [Mr. TABER] calls my attention to the veto messages of the President. Yes; it is true the President has vetoed many private bills. In fact, I think he has vetoed more private bills in the last 3 years than any three Presidents have vetoed. It is evident he is going to continue because he sent down some additional veto messages today. Every time he vetoes a private bill we should take notice and not send bills of a similar character to him.

It is no pleasure for me to object to the passage of these bills. I am chairman of the Committee on Expenditures, and it seems for this reason some Government officials as well as citizens call my attention to some of the bills. Therefore, I feel it is my duty, after looking into the merits of the bills, to object if I come to the conclusion they should not be passed. In the past 10 days about six lawyers and lobbyists and two dozen Members of Congress have approached me about two bills on the Unanimous Consent Calendar. One of those bills will cost the Treasury over a million dollars. I am getting a report on it and will be prepared when the bill is called up to defend whatever action I decide to take. Last week a lady called at my office about an Indian claim. She wanted me to withdraw my objection, saying she was from my State. The bill she is interested in has not been called, but she knew I had objected to many Indian claims bills. I received a letter a few days after her visit from her in which she informed me that an attorney in my State was going to run for Congress and be elected because he would pledge himself to look after such claims. So, you see, it is not pleasure for one to oppose private bills, but we must think of the Treasury and the taxpayer now and then.

Under the new rule the omnibus claims bills will be considered on March 17. We all know what day that is. I can say now that I feel confident that some of us who have Irish blood in our veins will assume a fighting attitude on that day and I will be greatly disappointed if we do not succeed in stopping these raids upon the Treasury. So be around and look for a little fight. [Applause.]

Mr. BLANTON. Mr. Chairman, I yield 40 minutes to the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. Mr. Chairman, ladies and gentlemen of the Committee, the subject of copyright is one of the most intricate and complicated problems that confronts the Members of Congress today.

In the time allotted to me I shall endeavor to trace the history of copyright legislation so that any Member of Congress may be in a position to comprehend all the complexities and ramifications involved in this extremely technical subject.

Mr. Chairman, you may search through the writings of ancient and medieval times and not find a word indicative of any right possessed by the author of a book to control the multiplication of copies.

During the Dark Ages of civilization all books were written by hand with colored initial illumination, sometimes taking years to produce one book. This method made it

difficult and expensive to multiply copies. In the year 1454 Guttenberg invented the movable type of printing, which made the multiplication of copies extremely easy and brought the printed text within the reach of all the people of Europe. It was this great invention, accidentally discovered, that brought about the Renaissance of literature and made it possible for learning, culture, and education to be disseminated amongst the peoples of the world.

In the year 1533 King Henry the Eighth requested the Pope to grant him a divorce from his wife, Anne Boleyn. Clement the Seventh, the supreme pontiff of the Catholic Church, refused to grant his request. Henry the Eighth severed all spiritual relationships with the Catholic Church and founded the religious reformation in England and named the Archbishop of Canterbury the supreme power in all ecclesiastical matters of Great Britain.

In order to control the publication of pamphlets opposing his action in regard to the differences between himself and the Pope of Rome, Henry VIII, King of England, issued special exclusive licenses to 20 printers of his kingdom, granting them a monopoly to print such books as passed his censorship. The shrewd Henry required all printers to serve an apprenticeship of 7 years, thus assuming control of the printing craft from all angles.

After the death of Henry VIII in 1547, up to the year 1776 an acrimonious controversy raged between printers, booksellers, and lawyers as to whether the right to multiply copies of their books was a privilege or an inherent property right. The courts finally decided this function to be a property right.

During the subsequent reigns of Elizabeth, James I, Charles I, the protectorship of Cromwell, the reigns of Charles II, James II, William and Mary, up to Anne, the controversy raged without abatement. In Anne's time Scottish printers were flooding the English market with their piratical publications, underselling the English printers in their own land. The English publishers appealed to Parliament for relief, and Dean Swift is reputed to have drawn the so-called Statute of Anne granting the English publishers protection against the infringement of the Scots. This act was probably the first copyright law ever enacted in the history of the civilized nations of the world.

The tragedy of the Queen Anne Statute was that it placed copyright in the name of the publisher instead of the author. This made the author the intellectual slave of the publisher, and this grevious error has been perpetrated in every copyright law of our Nation up to the present time.

The Queen Anne Statute provided that the person breaking that law should be fined a penny a page, one-half the fine to go to the Crown and the other half to the printer or bookseller whose rights had been infringed.

The Queen Anne Statute further provided that if a bookseller charged too high a price for the publications he sold, on complaint before named officials he was haled before the bench and fined £5 sterling, and Anne got half of that. Books in Latin, Greek, or other foreign languages were exempted from the effects of the Statute of Anne.

George I and George II reigned and passed on. Under the regime of George III revolution broke out in the American Colonies of Great Britain, and culminated in the establishment of a new nation. The Colonies, and later the States, had passed separate copyright laws, which were limited to their own territories. Connecticut led off and New York was last. Delaware never passed a copyright act. To the Second Continental Congress were submitted a series of petitions for a clarification of the various State copyright laws. These petitions were turned over to a committee of Congress composed of Madison, Williamson, and Izard. Congress took action in a resolution dated May 2, 1783, which read:

Resolved, That it be recommended to the several States, to secure to the authors or publishers of any new books not hitherto printed, being citizens of the United States, and to their executors, administrators, and assigns, the copyright of such books for a certain time not less than 14 years from the first publication; and to secure to the said authors, if they shall survive the term first mentioned, and to their executors, administrators, and assigns, the copyright of such books for another term of time not less than 14 years, such copy or exclusive right of printing, publishing, or vending the same, to be secured to the original authors or publishers, their executors, administrators, and assigns, by such laws and under such restrictions as the several States may deem proper.

When the Constitution of the United States was drawn there was much discussion as to how the accepted rights of authors and inventors should be protected; and finally, under the inspiring influence of the leading author, inventor, and scientist of the United States, Benjamin Franklin, who was a member of the Constitutional Convention in 1787, Pickney, of South Carolina, moved the adoption of article I, section 8, paragraph 8, of the Constitution, which states:

Congress shall have the power * * * to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.

The First Congress under the Constitution, in its second session, on May 31, 1790, passed the original Copyright Act of the United States. This act was a digest of the basic elements of the Copyright Act of Great Britain and the copyright acts of the various States. The phrase "sole right and liberty" of the Copyright Statute of Anne was used twice in reference to the first term of 14 years and "exclusive right" of the Constitution for the second term of 14 years.

The Copyright Act of 1790 applied to maps, charts, and books. The new immigrants needed maps to indicate the routes they might take toward the free land in the new country; charts to show the water routes; copyright on books to protect the future development of American authors, since there were few American authors at that time. The majority of the immigrant families had only two books, Shakespeare and the Bible. It might interest my distinguished colleagues in the House to know that the first American history written by an American over 200 years ago was the work of Cadwallader Colden, of colonial days. Cadwallader Colden was one of the forebears of Congressman CHARLES J. COLDEN, of California, a member of the Committee on Patents. The title of the work was "A History of the Five Tribes" and was written for the purpose of arousing the sympathies of the English people to protect the New York colonies engaged in the fur trade of New York and the Great Lakes against the encroachments of the French fur traders who operated from Montreal. Judge Charles S. Colden, of Queens, N. Y., and other Coldens are descendants of this early pioneer, historian, botanist, scientist, and Lieutenant Governor of New York. The Copyright Act of 1790 lasted, unamended, until April 1802, when the benefits of the first act were extended to the arts of designing, engraving, and etching historical and other prints. In 1819 an act was passed by the Congress extending the jurisdiction of the Federal circuit courts in law and equity to original cognizance of suits, actions, controversies, and cases "arising under any law of the United States, granting or confirming to authors or inventors the exclusive right to their respective writings, inventions, and discoveries."

Note the use of the words "granting" and "confirming." In the Constitution the word used is "securing."

In 1831 an act was passed by Congress "to amend the several acts respecting copyright." Between that time and the present, 26 amendments of the law on copyright have passed Congress. Copyright to dramatic productions was accomplished by the act of 1856, which encouraged and protected the latent capacities of potential dramatists of that time and the future, and to photographs by the act of 1865, due mainly to the extraordinary photographic work of the famous Brady. The Copyright Acts of 1870, 1874, 1891, 1897, and 1909 were of major importance, particularly the Copyright Acts of 1871, 1897, and 1909, in which was inserted the manufacturing clauses, which compelled books in English to be printed in the United States whether written by Americans or foreigners, thus protecting the American printing industry and printers from the importation of foreign books printed in English and manufactured abroad by European cheap labor; only under these conditions would American copyright be granted.

From 1909 up to the present time, 1936, a period of 27 years, no important amendments have been passed by Con-

gress that change the basic elements of the copyright law. Revolutionary developments in communications, such as radio broadcasting, wired wireless, and the application of the spoken word or dialog to motion pictures have brought entirely new phases to the transfer of thoughts from the author to the auditor. To these accomplished facts must be added television, which, although just out of the research laboratory, has progressed far enough to competent observers to be ready for public performance reaching into every household in the country, challenging the future stability of radio, motion pictures, theaters, newspapers, magazines, periodicals, and publications.

All of these methods of communication far removed from type, lithography, or the later methods, require protection, and that protection can only be given through the copyright bill that I have introduced in Congress.

For 225 years, from 1709 to 1936, the author, the creator of intellectual offspring, has been demanding the right to copyright in his own name instead of the name of the stepfather—the publisher. The copyright bill that I have introduced in the House of Representatives, H. R. 11420, emancipates the author from his bondage to the publisher and releases him from intellectual peonage. For the first time in the history of our Nation, copyright is granted to the author in my copyright bill.

Everyone, including the publishers, now seem agreed that, starting with the author as the copyright owner, all rights, titles, and interest derived in any part of his work will be clearer, better protected, and more easily traced. Let us shatter the millstone that has been hung around the neck of the author since the time of Henry the Eighth, due to Henry's sinister intention to control free print by monopolies granted to publications. In patents, the letters patent is granted to the inventor and not to the manufacturer. Then, why should not the author be given the same right to have copyright in his own name, as the inventor has letters patent in his own name? Why make flesh out of the inventor and fish out of the author?

Under the provisions of my bill, the author can never lose copyright except by his own act, either by assignment through sale or by granting a license to print. Under my bill, the author has the right to the divisibility of copyright. That means that every author has complete legal right to convey any and all privileges to licensees. As an illustration of this provision, the author of a novel may legally license the serial rights to a magazine, book rights to a book publisher, theatrical rights to a manager, motion-picture rights to a producer, and radio rights to a broadcaster. My bill further protects the licensee to the same extent as the present act protects the copyright proprietor. Without looking to anybody else, the licensee has the absolute legal right to enforce and protect his license. This again makes for clarity of titles, and clarity of title is as essential to the author as it is to the licensee.

My bill protects the innocent infringer. The present law, except in the case of certain infringements by motion-picture producers, takes no account of innocence in infringement. My bill takes account of innocence; for instance, innocent printers who act merely to print a work and have no other interest in it are subject only to injunctions against future printings.

Aside from these specific instances, all innocent infringers are treated alike under the provisions of my bill, and are protected by provisions which limit the amount of recovery and the character of the remedy when the infringement is innocently performed.

The Sirovich copyright bill provides a single term of 56 years in place of the present dual terms of 28 years. I believe the long single term to be better for the author than two split terms. Once his or her copyright is granted, it is granted for the full term and no further attention by the author is required to protect his rights under the grant.

In Europe nations which are signatories to the Bern Convention, which convention was created for the protection of literary and artistic works, no formalities whatever are necessary to secure copyright. In our country for a period of 146 years we required registration, notice, and publication. The author is required to place upon his work a copyright notice and to register his work in the Copyright Office in Washington and deposit copies of his work with the Register of Copyrights. The European method of copyright is known as the automatic copyright, because no formalities whatsoever are required. In America we demand registration notices and publication, in order that everyone may know the names of the author, the publisher, and the fact that the work has been copyrighted.

To my mind, the automatic copyright method, which is the European system, is a most dangerous one. It is conducive to countless suits of infringement and rackets, which would bring chaos and confusion to the author and publisher. The American system is simple and well understood by authors and publishers, and has worked to the satisfaction of the American people, as is evidenced by the fact that only about 800 suits for infringement of copyright have been brought in the last hundred years, most of these in the last decade.

If Congress adopts the European method of copyright, as set forth in the Berne Convention, while most of the nations of Europe are under the absolute dominance of dictators, where freedom of press, freedom of speech, freedom of action, and freedom to worship God is denied to the inhabitants of these countries, and the works of the greatest scholars are being burned in the fires of bigotry, America will be false to the democratic traditions embodied in the Declaration of Independence and consecrated in the Constitution of the United States of America. [Applause.]

If the United States of America declines, through legislative action, to enter the Bern Convention, my bill endows the President of the United States of America, if he should find in any foreign country any prohibitions or limitations of any sort detrimental to American copyright holders, with power to apply to those countries the same prohibitions or limitations that they have applied to American citizens and such additional measures as he may deem appropriate. The President, by proclamation, may fix the methods by which aliens can obtain copyright in the United States of America and the President may revoke any retaliatory proclamation against a foreign country when such country has removed the causes that led to such retaliation.

Mr. Chairman, ladies and gentlemen of the Committee, in order to indicate the significance of the Bern Convention, let me give you the history of the formation of this so-called intellectual league of nations.

In 1878 an international literary and artistic society was formed in Paris under the presidency of Victor Hugo, with the purpose in view of extending copyright protection beyond national frontiers. It held annual meetings in various European capitals.

The project of a general convention for world-wide copyright protection and the formation of an international copyright union was advanced at the meeting of 1882; the Swiss Government issued invitations to an official conference, which was convened in 1884 and followed by a larger one in 1885, the latter including a consultative delegate from the United States.

This original Bern Convention creating an international union for the protection of literary and artistic works was ratified and entered into force in 1887. By its terms the contracting States were "constituted into a union for the protection of the rights of authors over their literary and artistic works." Authors in one of the countries of the union were to enjoy in the others the rights which the respective national laws granted or might subsequently grant to natives, such enjoyment to be "subject to the accomplishment of the conditions and formalities prescribed by the law of the country of origin of the work." The term of enjoyment in other countries could not exceed the term granted in the country of origin.

Thus the keynote of the convention was the national treatment of literary and artistic property, provided the owner had complied with the requirements of the law of copyright in his own country or the country where he first published his copyrightable work.

The convention was applicable to all such works, which, when it came into force, had not fallen into the public domain of the country of origin. The countries parties to it were, however, left free to regulate the manner of application of this principle, each by its own domestic legislation.

The union was provided with an international office or bureau, charged with the collection and publication of useful information and preparation for subsequent conferences, contemplated in order that the convention might be periodically revised and amended.

The first such revision took place through the signature at Paris, May 4, 1896, of an additional act and declaration which undertook to clarify certain of the articles of the convention of 1886 and to increase its protective influence. An officer in the United States Diplomatic Service was designated to attend the conference at Paris.

A complete revision was prepared by a conference meeting at Berlin in 1908, at which an observer for the United States was present. The revised convention was signed on November 13.

The latest revision of the convention creating an international union for the protection of literary and artistic works took place at Rome in 1928. The revised instrument was signed June 2 on behalf of 33 countries. The delegates of the United States were not authorized to sign.

Compared with 1908, the developments of 1928 are few and unimportant. There are, however, three new articles and changes in half a dozen others. Protection of the author against mutilation of his work in such a way as to be prejudicial to his honor or his reputation, the term of copyright in the event of two or more collaborators, and the specified right of authors to control the use of their works in radio broadcasting form the principal additions. The convention as revised in 1908 permitted adhering countries to substitute for any provision the corresponding provision of the original convention or the revision of 1896. As revised in 1928, such privilege was limited to certain stipulations regarding the translation of literary works.

The Rome revision entered into force August 1, 1931, among the countries which had deposited ratifications. Other countries remained members of the union by virtue of participation in an earlier form of the convention. Preparations for the next conference, to meet at Brussels in 1936, are in progress.

The international union is now composed of 45 countries. The office of the union remains at Bern and continues to exercise much the same functions as were stipulated for it in the beginning.

Mr. Chairman, ladies, and gentlemen, revolutionary changes have taken place in these European countries, adherents to the Bern Convention. The constitution of many of these governments have been destroyed and an entirely new system of alleged government, in which force, terror, and other forms of coercion have been substituted for the forms of legislative control which were in operation in the early days of the Bern Convention. The situation today is vastly different throughout all Europe than it was when Victor Hugo first proposed his ideal solution for the protection of the artistic and literary creations of authors. Today throughout these governments that have been made safe for dictators through the destruction of democracy, authors, composers, novelists, and poets have become the social, economic, and political derelicts upon the ocean of uncertainty. American newspapers, magazines, periodicals, publications, and books are not permitted to enter many of these countries controlled by dictators, because their views are in conflict with the autocracy of the dictators who control these governments.

There is no means of enforcing any of the provisions of the Bern Convention. The Bern Convention, as revised at Rome, is a league of nations with reserve power to each of the signatory countries to apply sanctions. It is merely a league of nations applied to the literary and artistic creations. In theory it is intended to protect the authors of literary and artistic works (art. 1).

Article 4 of the convention as revised at Rome grants the following protection:

(1) Authors who are nationals of any of the countries of the Union shall enjoy in countries other than the country of origin of the work, for their works, whether unpublished or first published in a country of the Union, the rights which the respective laws do now or may hereafter grant to natives, as well as the rights specially granted by the present convention.

The obvious purpose of this article is to prevent discrimination in one country against the copyrighted works of authors who are nationals of another country. If the convention prevented such discrimination, it would have accomplished the object of the International Union. Since the adoption of the convention as revised at Rome, however, the signatory powers have adopted one form of discrimination after another against the copyrighted works of nationals of other countries. This has been particularly true in the field of copyrighted motion pictures, but it also extends to other fields of literary endeavor, such as newspapers, periodicals, books, and music.

The copyrighted works of nationals of other countries have been discriminated against in almost every country of the Union. Foreign nations have enacted a variety of oppressive and discriminatory regulations and special laws applying only to nonresidents, to harness the motion-picture industry, and to curtail the importation of American films. There are special regulations such as quotas, "kontingents", and other economic and legal restrictions under separate laws governing copyrighted works that hamper the free and unfettered distribution of American pictures abroad. There are oppressive taxes on royalties accruing from copyrighted works payable to nonresidents of such countries. There are importation duties, taxes, censorship laws, and blocked currency restrictions that tend to destroy our foreign market. Newspapers, periodicals, and magazines protected by copyright which do not print the news that some countries in which they circulate wish them to carry or whose editorial policies touch the national sensibilities of some of the countries, or which do not conform to the principles of the dictatorships ruling some of the nations are suppressed and banned from such countries.

Foreign nations are clamoring that we join the Bern Convention in order to eliminate the so-called manufacturing clause from existing copyright laws. This will enable some of them to successfully carry out their policy of "dumping" their printed works in the English language for circulation in cutthroat competition with American labor.

It has been the time-honored policy of this Nation, commencing with the Copyright Act of 1891, as a condition for granting copyright to foreign and native authors, to require them to manufacture their books in the United States. That is, each and every book in the English language copyrighted and circulated must be set to type, printed, and bound wholly within the United States. (Sec. 15 of the existing law.)

The genesis of the act was the exportation to the United States of cheaply made foreign editions of books in the English language intended for the American market. The Senate Committee on Foreign Relations in its report recommending, advising, and consenting to the adherence by the United States to the International Convention of the Copyright Union, as revised and signed at Rome on June 2, 1928 (to accompany Executive Report E, 73d Cong., 2d sess.) strongly recommends "the repeal of the manufacturing clause and the ratification by the United States of the Copyright Convention." The repeal of the manufacturing clause is a condition to this country's adhering to the Berne convention. The purpose and object of the convention is to eliminate all formalities, conditions, and notices, in order to secure copyright protection in all countries adhering to the convention. The elimination of "the manufacturing clause" will mean the throwing out of employment of many persons engaged in the printing and bookbinding trades in the United States.

Wallace McClure, connected with the Department of State, in hearings before the Committee on Foreign Relations,

United States Senate, Seventy-third Congress, second session, part 2 on Senate bill 1928, a bill to enable the United States to enter the International Copyright Union, testified on May 28, 1934:

There were in 1931 a total of 254,461 wage earners in the printing and publishing trades, of whom 134,302 were in the book printing and publishing trades.

For the year 1929 the corresponding figures were, for the printing and publishing trades as a whole, 289,119, and in the book publishing and printing trades alone, 150,649.

Mr. M. J. Flynn, representing the International Allied Printing Trades Association, in opposing the bill, testified (pp. 10, 12):

The present copyright law calls for according copyrights to books that are printed and manufactured in the United States. This bill, without saying so, would repeal those provisions of the law. With 45 percent of the printing trades of this country unemployed at the present time, we cannot very well see our way clear to going along with a policy which may further increase that unemployment. * * * We do not believe, with conditions as they exist today, that we ought to add further to the unemployment at a time when the country is spending its utmost in an attempt to get people back into industry.

He further testified that tariff duties do not meet the situation and do not afford complete and adequate protection to American labor because of the many devices resorted to by foreign exporters to circumvent and defeat tariff regulations (p. 12).

William Green, president of the American Federation of Labor, declared on February 6, 1936:

The federation estimate shows 11,401,000 out of work in December (1935) * * *. The vast majority have no assurance of anything but continued joblessness and dependence on relief and Government work projects. (New York Times, Feb. 7, 1936.)

The "manufacturing clause" bars the United States from adhering to the Bern Convention.

In the hearings above mentioned, the following colloquy took place between Dr. McClure and Senator PITTMAN (p. 11):

The CHAIRMAN. I should like to ask the representative of the State Department at this point whether the retention of the manufacturing provision of the present law as it relates to the printing provision, to which Mr. Flynn has directed attention, would in anywise conflict with the principle laid down in the treaty before us and recognized in the treaty? [for adherence to the Bern Convention].

Mr. MCCLURE. I think it would; that is, the treaty itself, regardless of the act, would repeal that provision, should the treaty come into force, because the treaty would grant copyright regardless of whether the publication took place in the United States. Under the manufacturing clause we do not permit copyright in this country of books in English unless manufacture takes place here.

The CHAIRMAN. It would not be in harmony, then, with the principle upon which this treaty has been negotiated?

Mr. MCCLURE. It would not.

Thorvald Solberg, former Register of Copyrights, in his article on The Present Copyright Situation, 40 Yale Law Journal 184, says at page 203:

The Copyright Act of 1891 brought into our legislation for the first time the requirement of American manufacture as a condition precedent to obtaining copyright in the United States. It was carried over into the act for the general revision of our copyright statutes of March 4, 1909, although that act released from the typesetting stipulation books of foreign origin printed in a language or languages other than English. This requirement is the principal obstacle which prevents the entry of the United States into the International Copyright Union whose articles of convention provide that copyright protection shall not be conditioned upon compliance with any formalities.

During the debate on the Duffy bill, the manufacturing clause was offered by Senator TRAMMELL and unanimously adopted as an amendment to the bill (CONGRESSIONAL RECORD, 74th Cong., pp. 12756, 12917), and is now section 11 of such bill.

The obvious purpose of the incorporation of the manufacturing clause in the bill was to protect labor. But this provision only lulls labor into a false sense of security. The amendment will fail of its purpose because its inclusion in the bill defeats the very purpose sought to be accomplished by the treaty, that is, to abolish all conditions, formalities, and notice in order for foreigners to secure United States copyright.

The following colloquy at the above stated hearings shows the inconsistency between the Trammell amendment and the Bern Convention (p. 35):

Mr. EDWIN P. KILROE. Dr. McClure, it is your contention that the ratification of this treaty by the Senate would supersede existing copyright laws, so far as the treaty terms are concerned?

Mr. MCCLURE. That is the belief; yes, sir. * * *

Mr. KILROE. Is it your contention that if the Senate ratifies this treaty, foreign authors get automatic copyright in the United States without any formality?

Mr. MCCLURE. If this treaty should go into effect by adherence, after the Senate has given consent to adherence, then automatic copyright would necessarily be a part of the law of the United States.

The social, political, and industrial conditions with cheap labor, cheap money, and modern machinery prevailing in some countries threaten not only American workingmen, but American industries dependent upon copyright material.

"Dumping" in the book trade has already become a menace. The New York Post (Aug. 13, 1935) says:

NAZIS PUSH BOOKS ABROAD

BERLIN, August 13 (Havas).—The book-publishing industry today moved to encourage foreign sale of Reich books by offering a 25-percent discount abroad as compared with domestic prices. The difference will be made up to publishers under a book-dumping fund created by the Minister of Economy, Dr. Hjalmer Schacht.

The sponsors of the Duffy bill contend that adherence to the Rome Convention will materially benefit American authors, and will protect our exports abroad of copyrighted material. The Senate report on the Duffy bill (report to accompany S. 3047), states:

Partly because of the demand for American motion pictures, growing out of their technical perfection, but also because of the inherent literary and musical worth of American fiction, songs, and drama, the United States has become a great exporter of copyrighted works, which contribute measurably to the wealth of the Nation. The problem of adequate protection of copyrighted works in other countries has, accordingly, assumed proportions never hitherto reached.

"* * * the protection to American exporters accorded by the treaty promises to stimulate the manufacture of books and so to increase employment in this country.

The much-proclaimed blessing that would flow to American industry dependent upon the use of copyright material by our adherence to the Rome convention is a snare and a delusion.

The treatment that has been accorded to such industries by some foreign nations is most conclusive proof that instead of promoting American industry it would further enable foreign governments to fetter, shackle, and put in strait jackets such industries and disable Congress from retaliatory laws, regulations, and restrictions.

N. D. Golden, chief, motion-picture section, Specialties-Motion Picture Division, United States Department of Commerce, in an article entitled "Film Outlook Abroad at the Turn of the Year", Film Daily Year Book, 1935, points out that American producers dominate the motion-picture screens of the world because of the international appeal of their product; that "the typical American feature is excellently suited to foreign markets because of its universally human qualities—whether of laughter or romance or sweeping dynamic power."

Says the Daily, London, January 1, 1936:

America captured the world film market by a deliberate policy of internationalism. In Hollywood a man's art has mattered and his nationality has not.

* * * * * * * * *

* * * A good film is the flag with which a country tries to hold a territory which is more difficult to conquer than any land or sea; it is the territory of the heart! A good film achieves a great deal for the country whence it comes. Each good film is an ambassador of its country.

America's dominance of the world motion-picture market has contributed largely to discriminatory regulations, confiscatory taxes, excessive tariffs, unreasonable censorship demands, and special laws, which, while in form applying to all countries, have been in fact enacted to curb the United States as far as possible in this field. (New York Times, Nov. 24, 1935; Hollywood Reporter, Dec. 24, 1935.)

Mr. Golden states at page 1013:

Film quotas and import restrictions still remain the bugaboo of American exporters of motion pictures. No less than 12 major

countries have quota or contingent laws restricting or limiting the number of foreign motion pictures allowed to be shown during a given period, and another half dozen countries are clamoring for legislation which will adversely affect imports of American motion pictures.

Says Motion Picture Herald, November 2, 1935:

The pressure to "keep the home fires burning" and maintain a favorable balance of trade, expressing itself in drastic restrictions and regulations, is making it increasingly difficult for American film companies to do business abroad.

And in the November 23, 1935, issue, page 61, it is said:

Behind this nationalism is the fight to keep foreign competition from swallowing the domestic markets and the press for international business. Since Americans are the heaviest exporters, with 60 percent of the world's playing time to their credit, the decrees place the brunt of the burden on the United States.

* * * * * * *

ARTISTRY HAMPERED

Artistic development of motion pictures is considerably hampered, too, by the objections to the filming of books and plays which may run afoul of national sensitiveness. * * *

* * * * * * *

"In addition to quotas, dubbing, and taxation regulations, European countries are quick to impose censorship on films which have a political tinge or are considered offensive to national customs and traditions.

* * * * * * *

"Quotas against American films are imposed by Germany, Great Britain, Italy, Austria, Hungary, Czechoslovakia, New South Wales, and New Zealand. France has no specific quotas with respect to American pictures, but foreign language films can be shown in only 5 theaters in Paris and 10 in the provinces. * * *

"Dubbing must be done locally in France, Italy, Germany, Austria, and Czechoslovakia, and those Governments exact a dubbing fee ranging from 9,000 marks in Germany to 25,000 lira in Italy and 20,000 kronen in Czechoslovakia on each film. Besides there are import duties, censorship cost, distribution charges, and other taxes. No subtitles are permitted, such as are seen in foreign language films in this country.

Of 315 foreign pictures released in France in 1934, 224 were American. These figures clarify attempts to pass drastic decrees governing the film industry which would be so stringent as to drive American film companies out of France, imposing as they did a 30-percent quota requirement, forcing French theaters to show a minimum of that number of feature films made domestically, giving in return an advantage in taxes to exhibitors.

* * * * * * *

European countries might regard our nominal footage duty on importations as a "restriction", but aside from this the United States is a wholly free and open-market subject only to investment and entertainment values. The progress made by European distributing companies in this country is pointed to as evidence of that American policy.

Restrictions against the importation of American films into foreign countries have increased by introduction of quality in addition to quantity quotas.

In the past American producers have met local quota requirements either by producing pictures in foreign countries, or by purchasing local pictures for as low a price as possible so as to keep the additional cost at a minimum. This is no longer feasible, however, because of a "quality quota", under which the foreign producer may not satisfy quota requirements where the local picture acquired is held to be inferior:

"* * * on the ground that their artistic or photographic merit, or their appeal to the interest of the public generally, or their general quality, is not sufficient to warrant their being taken into account for the purposes of computing the distributor's quota or the exhibitor's quota. * * *" (Australian Quota Act, 1935, sec. 3 [1] [g]).

The foreign producer is compelled to give up local production because there is no assurance that his pictures will come within the "quality quota." To satisfy quota requirements he is compelled to buy native product at a price that may be fixed by the Government (sec. 7 of Australian act).

To satisfy the exhibitor's quota, any exhibitor may reject foreign films (i. e., films which are neither British nor Australian) contracted for before the act was passed (sec. 8). He may also reject 25 percent of all such foreign films contracted for (sec. 9).

Foreign films imported and exhibited in the United States in 1933 totalled 113; in 1934 there were 147 and in 1935 the number increased to 190. Such importations for the past 2 years originated in the following countries (Variety, Jan. 1, 1936):

	1935	1934
German	59	59
Spanish	38	20
British	33	33
French	19	7
Russian	16	12
Hungarian	12	4
Swedish	5	4
Polish	3	4
Italian	3	1
Yiddish	1	3
Armenian	1	0
Totals	190	147

The Daily (London, Jan. 1, 1936), recognizing the handicaps of American producers in foreign countries as contrasted with the equality of foreign and American producers in the United States, says:

The foreign producer, having to pay an import duty to bring his negatives and prints into this country, finds himself the only element in business life which is then subject to another duty—the requirements of the Films Act.

* * * * * * *

On the other hand, when the British producer—or, for that matter, the producer of any other country—sends his product to America, he is only asked to pay the customary import duty, thus allowing him a free market for the distribution of his pictures.

Foreign nations, by means of suppression and censorship of the press, books, and motion pictures, are seeking to interfere with our democratic process of free inquiry, discussion, and expression in respect of all matters of public interest.

Unlike other countries, we have no national censorship laws. In the States and municipalities where we have censorship, it does not interfere with freedom of speech. Our censorship laws are limited generally to prohibiting obscene, indecent, immoral, inhuman, and sacrilegious matter, or matter of such a character which tends to corrupt morals or incite to crime.

It is the duty of Congress to safeguard our free system from the strait-jacketing influences of alien doctrines of suppression and censorship. Congress can protect our citizenry by appropriate retaliatory amendments to our copyright law. Once we adhere to the Bern Convention, Congress surrenders that power.

INTELLECTUAL SANCTIONS

Notwithstanding the Bern Convention, Italy by way of reprisal has banned copyrighted newspapers, books, and motion pictures, and has forbidden performance of plays of the nationals of the powers that voted for the sanctions against it as the aggressor in the Italian-Ethiopian conflict.

Says the New York Times (Dec. 10, 1935):

BRITISH NEWSPAPERS BANNED

Italy has inaugurated a policy of much greater severity toward newspapers that by unguarded comments on the Anglo-Italian and general European situations are deemed to increase rather than allay international tension. It was revealed today all British newspapers had been banned from Italy, with only four exceptions, including the Morning Post, Daily Express, Daily Mail, and Sunday Observer.

The question is now being examined whether subscribers to banned newspapers shall be allowed to receive their copies. They have not been doing so hitherto.

This ban on British newspapers is declared temporary, and it is said the advisability of repealing it will be examined every week.

Replying to an inquiry, the Ministry of Press and Propaganda said there was at present no idea of repealing the ban against the New York Times on account of its editorial policy.

The New York Times of January 3, 1936, reports:

ITALY ADMITS THE TIMES—LIFTS BAN ON NEWSPAPER—ENDS CURB ON CHICAGO TRIBUNE, TOO

ROME, January 2.—The ban on the New York Times, applied last June, was officially lifted today and the Ministry of Home Affairs has been instructed to cease seizing copies that come in through the mails. The Chicago Tribune, banned at the same time, is also again permitted to enter the country.

The initiative for today's action was attributed to Capt. Galeazzo Ciano, Minister of Press and Propaganda, who is in Rome on a brief leave from the Eritrean front. After having consulted the Italian Embassy in Washington he proposed to Premier Mussolini that the order be rescinded, and the Premier immediately agreed.

Under a new policy the government will decide week by week on the strength of the editorials and the news each paper publishes which will be allowed to enter the country and which will not. It is understood all Italian diplomatic representatives abroad have been instructed to send their recommendations in this regard to the Ministry of Press and Propaganda.

There is a possibility that sanctions will be applied against American copyright owners if Congress forbids oil and other articles capable of being used for war purposes to be exported to Italy under any new neutrality program. (New York Times, Jan. 4, 1936.)

Gayda, editor of the Giornale d'Italia, unofficial press spokesman for Premier Mussolini, opened the campaign of condemnation of President Roosevelt's stand on neutrality by the declaration (New York American, Jan. 7, 1936)—

Roosevelt's proposal (neutrality) would signify not only clear intervention by the United States in conflict against every principle of neutrality, but also their adherence to a League policy in direct submission to British policy.

Continues the New York American:

Premier Mussolini's approval of the bitter attacks [against President Roosevelt] was seen by observers because the Government suppresses newspapers when it disapproves what they say.

Says the Hollywood Reporter January 4, 1936:

ITALY BAN HITS U. S. PIX—EDICT AGAINST ALL FILMS WITH BRITISH FLAVOR—PARAMOUNT'S "BENGAL LANCER" FIRST KILLED

LONDON.—Many American pictures will be banned by Italy as a result of its newest edict on films, resulting from the League of Nations sanctions and the current friction with Great Britain.

The newest order issued not only bans British-produced pictures but also any others which are of British nationalistic flavor, no matter where or by whom made. The first victim of the ban is Paramount's "Lives of a Bengal Lancer."

Film observers here say that the new ban will seriously hurt the American companies so far as the Italian market is concerned, on account of the unusually large number of Hollywood films produced recently which extol British institutions and background and can be considered of a propaganda nature in the eyes of other countries.

Some of the recent pictures which have not yet played Italy and which are predicted to fall under the ban are "Mutiny on the Bounty", "Captain Blood", "Perfect Gentleman", and the two Dickens' pictures, "David Copperfield" and "Tale of Two Cities."

London film men look upon the situation as more serious than would be assumed on the surface, especially in view of the plans of American companies to come to England to make pictures for the European market.

RACIAL DISCRIMINATION—THE "ARYAN" DECREES

Germany, openly and notoriously in definance of treaty obligations, discriminates against the literary, cultural, and scientific works, including drama, motion pictures, music, and the plastic arts of non-Aryans.

The ban on the public pursuit of a person's artistic or cultural activities has been made to apply to foreign non-Aryans (New York Times, Feb. 2, 1936).

The New York Post (Jan. 16, 1936) reports:

RACE BANS ALSO HIT ALL FOREIGN CITIZENS

* * * * * * *

The Ministry of Propaganda has informed foreign consulates that the anti-Jewish laws apply to all Jews in Germany, including foreign nationals.

The statement was made in reply to protests by the consulates to the Ministry against an order requiring all Jews, German and foreign, to dispose of printing plants and publishing houses. * * *

ULTIMATUM TO PUBLISHERS

The Propaganda Ministry's order gave the publishers the alternative of either liquidating their businesses or selling them to Aryan citizens. The order hits a number of publishing houses of international reputation.

This destroys one of the fundamental rights granted under all copyright laws, namely, the right to publish and vend. American "non-Aryans" are barred from printing and selling their own copyright works in Germany.

To eliminate non-Aryans from the "intellectual and cultural life of Germany", foreign newspapers, books, music, and motion pictures have been barred from that country.

The New York American, January 30, 1936, states:

Hans Frank, minister without portfolio, told the German Academy's economic counsel: "We do not care what the world says about our Jewish legislation. * * * The Jew may do business in Germany unhampered, but he must under no circumstances deposit his intellectual excrements with us."

There is a law forbidding the publishing, selling, performing, or broadcasting of "Jewish music" no matter if it is Mendelssohn, Offenbach, or Gilbert, and in addition thereto there is a ban on "Negro jazz" (Variety, Jan. 1, 1936). "Negro jazz" is essentially the creation of American composers.

The American-made pictures starring the American comedian Eddie Cantor—Whoopee, the Kid from Spain, and Roman Scandals—have been banned by the Nazi Government.

Concerning such bannings and wholesale censorship of American pictures abroad, the Hollywood Reporter of December 24, 1935, says:

DEFY FOREIGN CENSORS—INDUSTRY UNITED ON STAND AGAINST EUROPEAN MEDDLERS; WILL APPLY OWN "SANCTIONS"

The film industry is all set to take a firm and united stand against the foreign countries which have recently been making unreasonable censorship demands on American films.

With bannings and wholesale censoring of pictures growing, the industry leaders, both here and in New York, realize the serious situation that will arise unless some means are taken to curb the practice. They have now reached a uniformity of mind not to knuckle down in future on any censorship demands that are at all unreasonable.

Officials of the various companies, both in the distribution and producing ends, have tacitly agreed to make an issue of the next flagrant case that arises, with talk of withholding all American pictures from the particular country involved in the same way that the industry stood together in withdrawing films from Mexico over the recent tax squabble.

The stand taken by Spain over the Paramount picture The Devil is a Woman was the first indication to the industry of just how serious a country's dictatorial policy could be. This, in conjunction with the Turkish stand on MGM's Musa Dagh, the Italian attitude on Warners' Stiletto, and the French dictates on Paths of Glory has aroused the top industry executives to a point where they are ready to stand together as a unit and fight the next flagrant issue with a boycott of the country involved.

A number of the nations have entered into alliances for mutual reciprocal action on films claiming to offend national sensibilities. So that if one nation declares itself to be offended on whatever slight grounds, all other nations are bound to apply sanctions against the aggressor picture company. The situation is reviewed in Variety, January 1, 1931:

INSULTS

Spain became worried about censorship and "insults" in films. Made alliances with Mexico, Nicaragua, and practically all the South American countries for mutual reciprocal action on films when "affronted." If any country anywhere makes a picture that any of the participant nations dislike, all of them mutually act against the offender. It's the first international film pact of the sort and affects all the Spanish-speaking countries of the world. Censorship was increasingly tough around the world but continued its curiously haphazard way, making decisions for producers difficult. Thus, a film which was banned in one spot was accepted with open arms in another. Hungary turned thumbs down on I Cover the Waterfront (UA), Caravan (Fox), Merry Widow (M-G). Madrid didn't like Don Juan (UA). Cuba objected to Rumba (Par.). China banned Bengal Lancer (Par.). Budapest also banned Whoopee (UA) and Rain (UA) Algeria banned Lancer. Sydney wouldn't let in G-Men (WB) or Let 'Em Have It (UA). Copenhagen nixed Little Miss Marker (Par.). Capetown refused Let 'Em Have It entrance. There were many more in many parts of the world.

It all wound up in one big scrap over Devil Is a Woman (Paramount) which Spain resented to the point that it threatened Paramount with a ban from the country of all its product if this picture wasn't removed from the world market. Paramount held out until the last minute. This all broke heaviest as Major Herron (Hays office) was in France on the decree law trouble. He rushed to Madrid, but the matter couldn't be straightened out easily. Only way out was to give in, and Herron used the phone to convince Paramount in New York. Picture was withdrawn from the world market.

Some nations have been charged with using the power of censorship as a means of mutilating American pictures for no other purpose than to destroy their box-office value. Says the Hollywood Reporter (Jan. 8, 1936):

AUSSIE CENSORS CHARGED WITH KNIFING UNITED STATES FILMS—MALICIOUS CUTS TO HELP OWN INDUSTRY

Increased evidence of foreign censors unreasonably cutting and eliminating American films in order to help their own picture industries has extended to Australia, according to producers. They notice a growing tendency there to mutilate American pictures since the Antipodes became active in building up its own film production.

Australian censors, it is claimed, are following the procedure of some European censors in ordering cuts for which there can be no excuse on the grounds of morality, politics, or injury to national pride; and to which no reason can be ascribed other than a malicious intent to lessen a picture's box-office popularity.

As a result of this growing tendency on the part of the censors of almost every country, it is no secret that the producers are growing more and more befuddled as just what will be or will not be accepted abroad. A check-up has shown that the same censors will allow one thing to be shown in one picture and yet delete it from another. This is proof to the American picture makers that censorship abroad is a hit-and-miss affair, almost wholly aimed at crippling American business.

One of the most flagrant instances lately of alleged unreasonableness in censorship in Australia is reported on Alice Adams, a Radio picture that got a 100-percent clean bill here from the Hays office, yet which has been ordered severely cut in that country.

Cuts were ordered in minor scenes, such as the moving of furniture around the room; Katherine Hepburn powdering her nose; Hepburn in a party dress; and other footage that had not the least sex implication or any connection with other legitimate reasons for deletion. One of the orders was to shorten certain dialogue between Hepburn and her leading man, a matter purely editorial and not within the legitimate scope of a censor.

These discriminations are of great concern to the American picture industry.

Two years ago American films averaged 60 percent of their net from the foreign markets. At one time it was higher, some countries being as high as 75 percent. (Variety, Jan. 1, 1936.)

But this has been badly cut by the various devices resorted to by foreign governments to restrict and curb American pictures.

These measures are very costly to American citizens because the cost of motion pictures varies from $15,000 to $2,000,000; for example, Mutiny on the Bounty. The average cost of producing a feature picture is $250,000 (U. S. Department of Commerce Reports in Motion Pictures Abroad, May 15, 1935).

The situation has been so critical that in some countries, notably Czechoslovakia and Mexico, American film companies withdrew from those markets.

GERMANY

Germany was the first country to adopt a quota law or "kontingent" (contingent licenses) directed against foreign films, particularly those coming from the United States. A German law of February 15, 1925, provided that no foreign films should be given a permit entitling them to be censored unless the importer agreed that it would distribute one German film of the same length as the foreign film for each foreign film imported.

As a result a traffic grew up in the purchase and sale of inferior German-made pictures which had no value, which were never distributed or exhibited but shelved. Their only use was to meet the "kontingent" requirement. These films could be bought for approximately $4,000—a sum really paid for the privilege of importing one foreign picture.

In addition to the purchase of a German picture to meet the "kontingent" picture requirement, a decree was issued in November 1934 by the Nazi Government fixing the price of kontingent licenses payable to the Government at 20,000 Rm., effective immediately.

The Film Daily Year Book of 1935 states at page 1055:

This price in effect places the German market for American films in the prohibitive class and may ultimately result in forcing a decision from the American companies either for a greater participation in domestic production, through producing themselves or distributing locally made product or shut up shop.

The Motion Picture Daily of November 13, 1934, carries the following article:

New tax may mean United States to quit Berlin.

Twenty thousand mark levy apt to prove last straw.

Withdrawal of American companies from Germany is a strong probability unless a new tax of 20,000 marks (approximately $8,000) on all features sent into that country is reduced or made noneffective. * * *

Several foreign managers were stunned by the news and at the outset refused to credit the information. While all of them declined to talk for publication, their remarks, made in private and independently of each other, hit it off in complete unanimity. Typical of the comment was:

"This looks like the last straw. This move appears to be a deliberate step to crowd us out of that market, which is O. K. with us. We can't get our money out of Berlin anyway, so what's the difference?"

Universal some months ago disposed of its German business. Warners are virtually out of the market, having been in the process of liquidation since the early days of the Hitler regime.

* * * Fear was expressed that the Berlin decision may influence identical action on the part of neighboring nations, such as Austria and Hungary.

All but three of the American film companies have discontinued their branches in Germany.

The New York Times, February 2, 1936, states that the severe restrictions placed upon foreign films through contingent regulations admit not an inch more of the celluloid strip than is absolutely necessary to fill the gap left open by the realm's own industry.

With the introduction of sound and talking films, it became necessary for American film manufacturers to remove the sound track containing dialogue in English and to substitute a sound track containing dialogue in the language of the country into which the film was imported. In order to accomplish this substitution, it is necessary to have the speeches of all actors duplicated in the particular foreign language, so that the substituted sound track will coincide with the lip movements of the actors whose original speech was in English. This process of substitution is called "dubbing."

Since 1932 Germany has required that all dubbing of films into German must be done in Germany, and that only 50 percent of the number of permits issued for importation of films may be used for the release of such dubbed films in Germany.

Permits may be issued for foreign educational and cultural sound films only on the basis of a simultaneous distribution of twice the length of German educational and cultural sound films.

Before contracts are closed granting the right to exhibit foreign films to German exhibitors, the film must be once publicly shown in Germany. This provision does not apply to domestic German productions. (Sec. 4, decree of June 28, 1932.)

The law provides that import permits may be refused for films, the producers of which distribute on the world market, films whose tendency or effect is detrimental to German prestige. The same applies to films in which actors appear who have appeared in other films that were adjudged detrimental to Germany.

The effect of these restrictions on the exportation of American pictures to Germany is reflected in the following tabulation showing imports of films into Germany since 1926:

1926	229
1927	192
1928	205
1929	142
1930	97
1931	80
1932	43
1933	68
1934	37
1935 (8 months)	22

Even if a film is admitted into Germany, there is no guaranty that the film can be distributed. It must be first approved by the censor, who may reject the film at his whim or caprice. Under the guise of censorship, many foreign films are kept out, notwithstanding the fact that the exporter has committed himself to the distribution of one German film for every foreign film imported and for which "kontingent" he has paid $4,000.

According to the United States Bureau of Foreign and Domestic Commerce, the German censor approved films of the following origin for the first 8 months of the year 1934-35:

	Feature films
Germany	87
United States	22
France	6
Austria	6
Czechoslovakia	5
England	3
Hungary	2
Denmark	1
Poland	1
Switzerland	1

In startling contrast with the German importations of 22 American pictures in 1935 are the importations of American films to other non-English-speaking countries for the same year:

	Total	American
Egypt	300	250
Greece	300	200
Palestine	200	150
Poland	600	300
Rumania	350	250
Yugoslavia	300	200

The requirement that foreign-made films are admitted into Germany against "kontingents" costing $4,000, together with the cost of "dubbing" and the cost of securing a permit to censor the film, coupled with the fact that there is no assurance that the film will be approved, is sufficient to keep all but a few very profitable American pictures out of Germany. These requirements make the importation of the average American picture unprofitable and prohibitive.

A film that has passed the censor may subsequently be barred under section 12 of the German film law of February 16, 1934, "in order to exclude from German film theaters all films which are not in harmony with the spirit of the new time" (Nazi regime). The law gives the Reichminister for Culture and Propaganda the power to cancel any decision of the censorship bureau by ordering a reexamination of any film and prohibiting the exhibition of the film pending the new decision of the censor. Where a reexamination for the censor is ordered, the ultimate fate of the film is a foregone conclusion. Such fate was meted out to Eddie Cantor's picture the Kid from Spain.

Retroactive laws have been passed revoking all licenses for importation granted prior to January 30, 1933. The revocation of such importation licenses is made notwithstanding the fact that the distributor has been compelled to pay the cost of acquiring a German film for each foreign film imported and to pay the cost of the censorship and "dubbing" in Germany.

All films admitted to Germany prior to January 30, 1933, must again be submitted to the censor, and a new fee paid, with a great likelihood that the film will be banned from Germany.

If a foreign (American) producer employs a non-Aryan writer, composer, director, or player for a picture for world-wide distribution and exhibition, he runs the risk of having the picture banned from Germany. The reason for this is given by the special deputy for supervising the cultural activities of non-Aryans, Hans Hinkl (Frankfurter Zeitung, Aug. 11, 1935; Geistiges Eigentum, vol. 1, no. 3, p. 323):

> The question as to our attitude toward the foreign film, in which Jewish artists are employed, is very simple and can be answered without equivocation. In the first place, our measures for the elimination of the Jewish influence on our cultural and artistic life are entirely an internal German affair which is not to be confused with questions of international film economy. Secondly, in a foreign country the Jews do not in intellectual and artistic fields hide behind straw men, because they may there express themselves openly and unhindered. On the contrary, if in other film-producing countries Jewish artists are employed, that is solely an internal affair of the respective countries.

Following out this view, the importer of a foreign film is required to furnish an affidavit to the German film censor listing each participant in the picture as to his being Aryan or non-Aryan—manifestly to assure the elimination of non-Aryans "from intellectual and cultural life."—New York Times, December 30, 1935.

> The most far-reaching measure to bend the cultural life of Germany to the purposes of an exclusive racialism was the establishment in September 22, 1933, of a Reich Chamber of Culture, with subdivisions devoted to literature, the press, broadcasting, the theater, music, and the plastic arts. * * * Exclusion from membership in the Chamber of Culture invoked a ban on the public pursuit of a person's artistic or cultural activities. * * * The Minister for Enlightenment and Propaganda ruled that non-Aryans were not entitled to admission to the Chamber, because non-Aryans did not possess the necessary reliability and capacity for cultural work (Annex, McDonald letter of resignation, p. 9).

Manifestly having excluded its own from engaging in these pursuits, the Nazi Government will not permit non-Aryans from other lands to disseminate in Germany their cultural, intellectual, and artistic works despite their copyrights.

The Motion Picture Daily (Mar. 18, 1935) states:

> German censors do not permit the importation of German-language talkers made in Budapest [Hungary] into Germany, on the ground that too much non-Aryan talent is employed.

Dr. Kurt Zimmereimer, court assessor in Berlin, states—Geistiges Eigentum [copyright], May 1935, volume 1, pages 56, 69:

> Any film which represents concepts at variance with the fundamental doctrines of the nationalist-socialist movement as expressed, e. g., in the 25 points, in the programmatic speeches of the leader, and in the writings of Alfred Rosenberg, are held to offend against National Socialist concepts. Films have been held to offend where the principal characters are played by Jewish performers, whatever their nationality, and where these performers are portrayed as heroes of sports and moral victors or where German emigrants are employed as leading players.

Even after a film has been imported and approved by the censor and has met all other requirements, there is no chance of securing payment owing to foreign exchange restrictions, such as "blocked" marks, bartering, and other restrictions intended to prevent the exportation of German currency. American producers secure payment for films shown in Germany in marks goods only for the purchase of German-made goods.—New York Times. January 9, 1936, page 30. This results in "dumping."

"Dumping" has caused price disruptions, creating havoc in our domestic market and tending to break down our wage scales and our standards of living (New York American, Feb. 10, 1936).

If our Government permits this practice, the United States will be swamped with German industrial products, sold necessarily at "dumping" prices, in competition with legitimate American industries, while the last ounce of financial advantage is being extracted by Germany from the large sums which American distributors must pay for the privilege of distributing their pictures in Germany.

This scheme was devised by Germany to assist German exports. If successfully pursued, other nations will follow the example.

An editorial in the New York Times of December 11, 1935, states:

> * * * No country in the world within the last few years has shown half as much ingenuity in devising new methods of blocking the free flow of world trade as Germany. She has taken the leadership in quotas, complicated "blocked" currency, bilateral dickering, and the requiring of special licenses to import. * * *
> * * * This drastic reduction of purchases from the United States was achieved by the German official policy of not permitting imports without special license.
> * * * All her ingenuity and lack of scruples in recent years in repudiating debts, rigidly controlling imports and subsidizing exports, have not helped her in creating an export excess.

The Supreme Court of Naumburg, Germany (Jan. 5, 1935) held that a native of Germany need not pay an uncontested debt to a foreign non-Aryan, on the ground that it would result in taking money out of Germany and placing it in the hands of such foreign non-Aryan (New York Post, Aug. 22, 1935). The decision reads:

> According to the actual purified conception of the law, a debtor is entitled to refuse execution of an obligation, even if that which is to be performed is neither contrary to law nor to morals, if it could be used, without cogent reason, for bringing parts of the national property, particularly immovables, into the hands of a non-Aryan foreigner and thereby deprive the national community.

Under this theory, any German could infringe at will the copyright of any non-Aryan American without making any payment for the piracy.

James G. McDonald, in resigning his League of Nations post as High Commissioner for Refugees Coming from Germany, pointed out this and similar decisions "explain why Jews and other 'non-Aryan' elements can no longer look to the law for protection of their elementary civil rights." (Annex accompanying Letter of Resignation, pp. 29–30.)

The term "non-Aryans" is not limited to Jews but is "a more comprehensive term which has disqualified numerous

persons who are Christians and have had no relations with the Jewish community" (New York Times, Dec. 30, 1935.) Of the treatment of non-Aryans by the German courts, Mr. McDonald states:

This development of their function has been made possible through the avowed abolition by the Nationalist Socialist regime of the three cornerstones of judicial morality: Equality of all men before the law; independence of judges, and the doctrine that only those acts are to come under the prohibitions of the law for which the law specifically provides (the maxim, in criminal law, nullum crimen nulla poena sine lege).

These fundamental guarantees of civilized justice have been rejected as non-German, "non-Aryan", and as Judeo-Roman in origin. * * *

Under the new Nuremberg legislation, the courts are bound to apply as a fundamental law the principle of the inequality of race and blood as a decisive judicial rule in all cases brought before them. The rights of a German "Aryan" citizen must, necessarily, be accorded the greatest weight in any judicial proceeding, and must be given precedence over those claimed by "non-Aryan."

This method of administering justice is in conformity with the definition of the law given by Alfred Rosenberg, leader of the department of foreign affairs of the National Socialist Party: "Law is what the 'Aryan' man deems to be right; legal wrong is what he rejects." The protection of the rights of the "Aryan" against the "non-Aryan" is, therefore, the principal purpose and function of the law and the courts. * * *

On the basis of these declarations, it may be concluded that apart from any specific legal disabilities imposed by legislation, the judges of Germany are bound by law and by the terms of their office to regard "non-Aryan" as a dangerous and fundamentally criminal element, devoid of morality, biological and intellectual inferiors, and deserving of no protection for whatever civil or legal rights they may still dare to claim. * * *

Whatever small minimal rights might still be claimed by Jews or non-Aryans, however strong the evidence presented, or clear the terms of the laws to which appeal was made, the courts of Germany have on racial grounds denied those rights, overlooked the evidence brought to sustain them, have, wherever possible, rendered the laws more harsh or have, wherever necessary, on their own authority filed the lacunae in the system of legislative discrimination.

What measure of redress can an American non-Aryan secure in the German courts against a German Aryan literary pirate? Of what earthly value is a copyright in a country where such shocking doctrines are practiced?

The German Government has excluded certain American, British, and other important newspapers from Germany, on the ground that at one time or another they carried news items or editorials not in harmony with Nazi doctrine and ideology.

Unless foreign non-German newspapers, books, and motion pictures are in sympathy with the Nazi doctrine and ideology and willingly goose-step to Nazi music, despite their copyrights, they are in danger of suppression in and exclusion from Germany.

The New York Post—December 24, 1935—reports the following penalties for importing foreign newspapers:

Nuremberg: A 20-year-old Catholic was sentenced to 15 months' imprisonment for importing foreign newspapers.

Cologne: A member of the Convent of St. Lagarus has been sentenced to 5 months' imprisonment for importing foreign newspapers.

Germany is notorious for ignoring treaty obligations. Says the New York Times, February 10, 1936, in article headed "Munich Cardinal Assails Nazi Press 'Lies' ":

The Cardinal declared it was time for responsible officials to see to it that the Government's [Germany] signature was honored.

He referred to the Concordat with the Vatican.

SPAIN

The Premier announced the Government's intention of setting up a quota system for foreign films; exempting all domestic film activity from any class of tax, direct or indirect, and requiring each exhibitor to present a certain proportion of native films.—Motion Picture Herald, December 28, 1935.

In March 1934 a proposed bill was submitted to the Council of Ministers placing restrictions on the importation and distribution of foreign films and providing for a 5-percent quota on exhibitors which may be increased every 6 months; prohibiting foreign-language films in Spain 6 months after promulgation as a law; requiring that foreign films be dubbed in Spain with 90 percent Spanish personnel; and taxing first and second run theaters one-half centimo per meter on foreign films and subsequent run theaters one-quarter centimo per meter on such films. The Minister of Industry and Commerce will be empowered to adopt such complementary measures as he deems convenient.

There is now a discriminatory turn-over tax against motion pictures produced in foreign countries. The tax on foreign pictures was 7½ percent as against the tax of 1½ percent on pictures produced in Spain. Commencing January 1, 1936, the tax on foreign pictures is reduced to 3 percent, while the tax on pictures produced in Spain remains 1½ percent.

All foreign exchange is controlled by the Spanish Government, and permits to export money are granted only as and when foreign currency is available.

Foreign companies must make application every week for permission to transfer money abroad. The delay in allocating foreign currency is very great and steadily increasing. The delay is now more than 11 months, such delay increasing at the rate of about 3 weeks every 2 months.

Under a decree published in the Gaceta de Madrid on October 27, 1935, the minister of the interior of Spain has been authorized to prohibit the exhibition of all motion pictures produced by companies which within or outside of Spain distribute pictures which tend to misrepresent historical facts, or to impair the prestige of Spanish institutions or personalities.

Prior to the pronouncement of this edict, Spain had barred the American picture The Devil Is a Woman on the ground that an officer of the civil guard was shown drinking in a cafe. (See New York Times of Nov. 24, 1935; Motion Picture Daily Nov. 1, 1935.)

Spain threatened to keep all Paramount pictures out of that country and to confiscate Paramount's prints unless The Devil Is a Woman was withdrawn from world circulation. Paramount was forced to withdraw the picture from world circulation and to destroy the master print because of the threat to ban all of its pictures from all Spanish-speaking countries, as well as from Spain, by reason of an agreement between such countries that if one Spanish-speaking country objects to a certain film, the producer company's product will be barred in the whole Spanish-speaking world.

The Motion Picture Herald (Nov. 23, 1935, p. 61) reports:

The Spanish Government issued an ultimatum threatening to confiscate all of Paramount's prints in that country and to bar the company's pictures from exhibition in Spain if the company refused to discontinue world circulation of the Marlene Dietrich picture and destroy the prints.

The American State Department interceded and, taking cognizance of the official protest over the "insults to the Spanish armed forces", advised Adolph Zukor, Paramount chairman, "to withdraw the film as soon as possible." While the Madrid Government described the edict as "very satisfactory", it has advised its embassies throughout the world to observe the progress of the withdrawal of the film and to expedite it where possible.

Paramount is taking steps immediately to comply with the demand and will negotiate individual settlements with exhibitor accounts who had the picture under contract but have not played it. The master print was burned last Thursday in the presence of the Spanish consul general in New York.

TURKEY

Turkey, following the example set by Spain, has threatened to bar the Metro-Goldwyn-Mayer picture, The Forty Days of Musa Dagh, which portrays Turkish maltreatment of Armenians during the Great War. The New York Times of November 24, 1935, says:

The case of Musa Dagh is engaging us at the moment, and it may be the final protest that will set off the explosion and force the Government to take some action. * * * If Turkey does bar American films because Metro makes Musa Dagh, the loss in itself will be slight. But one film must be made an issue. The feeling in Hollywood is that this picture, which gives evidence of being one of the greatest the industry has made, should serve as the means of bringing the whole thing into the open. There is nothing objectionable in the script. It is pro-Armenian rather than anti-Turkish. The studio has done everything it can, without distorting history, to put the Turks in as favorable a light as possible. But it does present facts.

Martin Quigley, editor of the Motion Picture Herald says (Motion Picture Herald, Dec. 7, 1935):

This incident of The Forty Days of Musa Dagh brings into sharp focus an exceedingly difficult problem which confronts mo-

tion-picture producers. The very existence of the motion picture is dependent upon the picturization of suitable story material. Such material is exceedingly scarce. There are instances of stories which contain excellent dramatic situations which must be sacrificed because of lack of suitability for the general audiences which comprise the patronage of motion-picture theaters. There are other stories which are essentially acceptable but for which no suitable treatments are to be found. In Musa Dagh, however, the material is of right character and it is a story that readily lends itself to motion-picture treatment. In addition, it has been one of the famous best sellers of recent years. But the Turkish Government says, "No."

The objection of the Turkish Government is based on the fact that the story portrays Turkish persecution of the Armenian people—an historical fact which is about as plain as, say, the German invasion of Belgium in 1914. Yet the Turkish Government, brushing aside the plain facts of history, ignoring the essential truth of the story, simply introduces arbitrary objection to which, of course, is added at least an intimation of exerting the full measure of its influence against the producer in event the story is produced.

In view of the negligible importance of the Turkish market and other markets directly influenced by Turkish authority, it would be easy for M-G-M to ignore the protest and proceed with the picture. But the complication does not end here. * * * Every foreign government which is friendly to Turkey might also accept Turkish representations and exclude the picture

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It is not too much to say that if existing circumstances are allowed to go on indefinitely, it will not be long before the producer becomes so hemmed in in his selection of story material that the result will be a severe curtailment in the interest and entertainment value of the motion picture.

FRANCE

The Hollywood Reporter of November 14, 1935, says:

WASHINGTON SEES FILMS AS FOREIGN-TREATY FOOTBALLS—FRANCE, TURKEY IN "MUSA DAGH" PACT.

* * * * * * *

According to State Department representatives in Europe, the matter of harnessing American films now quite often figures in political agreements between countries. It is reported that in a recent trade and political treaty between Turkey and France the matter of the filming of Musa Dagh by MGM figured prominently to the extent where France is said to have agreed to ban the showing of such a picture in that country if it is made into a picture.

MUSA DAGH TRADE

Musa Dagh treats of Turkish atrocities on Armenians during the regime of a former Turkish Government, but in no way could give offense to France. If the picture is made and France should ban it as called for in the reported agreement, it would be further proof to Washington that Hollywood-made films are to be used for bartering purposes in diplomatic negotiations between countries.

Similar agreements as to films exist between Spain and Spanish-language counties in South and Central America. If any one of these countries should object to anything in a picture, then, according to treaties, the picture is subject to banning by all the countries.

Only 94 "dubbed" films may be shown in France for each 6-month period. All "dubbing" must be done in France, within a period of 4 months from the date the request to "dub" is made, coupled with the payment of the required tax. Foreign pictures cannot be exhibited in their original version except in 5 theaters in Paris and 10 in the rest of France.

When pictures are dubbed, American copyrighted songs and musical scores must be eliminated, and French musical scores and songs substituted.

It costs about $20,000 to launch a "dubbed" film even modestly, including "dubbing" and printing costs.

Although American citizens have invested huge sums in engaging French studios and French labor, there is no assurance against further restrictions and burdens that may force them to withdraw from France.

In 1934 the duty on foreign films was increased 100 percent.

A decree formulated in 1935 required foreign producers of film to send to France a complete version of the film as made in the United States in English. Changes are often made here after a picture is completed and oftentimes after its first public showing. Notwithstanding such changes the complete film would have to be imported into France, only to have further changes made there. The decree would require all dubbed pictures to bear all the original English titles together with an exact translation into French. Exact translations, especially of idioms or colloquialisms often make little or no sense in a foreign tongue. This requirement can have no other object than to handicap films of foreign origin.

This decree also provided for the exclusion of all pictures of any producer, actor or author who at any time or in any place might publish, write, or produce anything that might be regarded as contrary to French national interests.

Article 36 of the decree would prohibit American—as well as other foreign—producers from distributing their own films in France.

Articles 39 and 40 of the decree required that 30 percent of all films exhibited must be made in France by French producers, actors, and authors.

The decree was finally held in abeyance but there is now a movement to revive it.

The Film Daily of September 24, 1935, reports the temporary demise of this decree as follows:

Last week they nearly pulled a fast one in France. A bill was hurried through and on the verge of signature that would have practically closed the industry to American product.

The Motion Picture Herald (Nov. 30, 1935) points out the possibility of the danger of the new decree as follows:

While the Government has permitted the decree for regulation of the industry to die, by refusing to give its approval, the menace has not been permanently removed. A law for governmental control will be proposed when the new Parliament comes into session, but for the present, at least, the industry has recovered its breath.

* * * * * * *

The sponsors of the measure had expected to begin by forcing all cinemas to show a minimum of 30 percent French films.

Americans would have been restricted on importations and a newly established national agency would have collected all the money due American companies for rental and the Americans might have been called upon to finance production of French films.

The unanimous protests caused Mario Roustan, Minister of National Education, to eliminate some of the most severe proposals, such as the national agency.

Even after compromise, however, the decree would have been a blow to American companies.

PETSCHE TO PRESENT NEW BILL

With the report that Maurice Petsche will present a new control bill before the new Parliament, there is every need of maintenance of the united front displayed by film interests.

The Motion Picture Daily (Dec. 24, 1935) has the following article:

SEE NEW FRENCH LAWS

PARIS, December 23.—French producers supported by labor and reform elements are planning new legislative assault on American film importations. The new measure which will probably be introduced at the winter session of Parliament is expected to parallel the provisions of the attempted decree law which was blocked last fall by French distributors and exhibitors working in conjunction with American film interests.

If the decree, which was suspended in October, should be reenacted, American motion-picture producers would be compelled to withdraw from France.

The French quota system was criticized by N. D. Golden in Film Outlook Abroad at the Turn of the Year (Film Daily Year Book, 1935, p. 1013) as follows:

In July 1934 the French quota, which formerly was on an annual basis, became a semiannual affair, and in November of 1934 a decree was published extending the regulations of July for the first 6 months of 1935. Short-term contingents of this type handicap American exporters in setting their sales program, as there is no telling what the next law will bring forth to curtail imports of American films.

ITALY

Italy forbids the showing of any film in any language other than Italian. Even film with Italian written subtitles but with foreign spoken dialog are forbidden. The result is that the track of all American films must be completely removed when imported into Italy and a complete Italian version substituted. This "dubbing" must be done in Italy by an exclusively Italian artistic and executive personnel.

For each film "dubbed" in Italy, a tax of 10 percent of the gross receipts must be paid. Originally, the maximum tax was 25,000 lire (about $2,025), and there was no tax for "dubbing" of short subjects. Recently, however, the maximum was removed, so that on a film that grosses 500,000 lire, a "dubbing" tax of 50,000 lire (about $4,050) must be paid.

On all films greater than 1,000 meters in length, a minimum tax of 15,000 lire (about $1,200) for each film must be paid, in any event.

Although the "dubbing" tax imposed upon foreign pictures was increased, there was a prohibition against passing this tax on to the exhibitor.

The Motion Picture Herald, March 31, 1934, says:

There are 300 foreign films needed in Italy every year at present. The cost of dubbing runs around lire 50,000 so that the total cost of dubbing 300 foreign films would be about 15,000,000 lire, of which 60 percent, or 9,000,000, would be paid by American companies.

$1,120,000 COST TO AMERICANS

Adding the cost of dubbing, 9,000,000 lire, to the total of the new tax of lire 5,000,000, we have a total of 14,000,000 lire (about $1,120,000), which American companies will have to spend in Italy to carry on their business.

Of course, the probable answer will lie in the direction of reduced American film exports to Italy. Only the big first-rate films, for which high rentals can be charged, will be exported. The reduction of film imports here generally considered likely will be from 25 to 40 percent.

All Italian theaters must show one Italian picture for every three foreign films. (Film Daily Year Book, 1935, p. 1061.)

The recent increase in the "dubbing" tax imposed an additional financial burden upon American film producers.

In October 1935 the importation of foreign films was further restricted by limiting them to 25 percent of the footage imported the preceding year. This applies only to films imported from America, Germany, Austria, and Hungary, since films from all other countries are barred by the application of Italian sanctions.

In applying sanctions, Italy has banned all British-made pictures, as well as American pictures dealing with British subjects. Among the American pictures banned by Italy are Lives of a Bengal Lancer and Clive of India.

CZECHOSLOVAKIA

On April 23, 1932, Czechoslovakia promulgated a decree retroactive to November 13, 1931, requiring of importers of film two permits for each film brought in, until a sufficient number had been acquired to cover features imported since November 13, 1931. The permits could be bought only from producers of domestic features at a price of 21,000 crowns ($840) each. Domestic producers were given seven permits by the Government for each sound feature produced in Czechoslovakia (not more than 120 foreign films to be imported into Czechoslovakia).

This regulation made the cost of importing pictures into Czechoslovakia prohibitive, with the result that all American film companies withdrew from that country. Prior to 1931 American film companies received $700,000 annually from distribution of pictures in Czechoslovakia.

Sam E. Woods, the American commercial attaché at Prague, states in the Department of Commerce publications of motion pictures abroad (Feb. 15, 1935):

AMERICANS LEAVE THE MARKET

As a result of the high prices charged for "kontingentscheine" [quota permits], the five American companies maintaining distributing organizations in Czechoslovakia found it unprofitable to bring in their products and stopped importing on May 5, 1932.

The shortage of American pictures was not serious during the first half of 1932, but it became more noticeable later in the year.

In 1933 the absence of American pictures resulted in serious disturbances, and local exhibitors approached the Government on several occasions, requesting that imports of American pictures be made possible.

On November 16, 1934, a new system was introduced, which is described as follows by Mr. Woods:

Under the new regime the quota system was abandoned and imports put on an unlimited basis. The erstwhile "kontingentscheine", were replaced by a registration fee of 20,000 crowns ($800) payable through the Czechoslovak Association of Film Industry and Trade into a special fund with the Provincial Bank of Bohemia, the fees to be used for subsidizing domestic production to the extent of 140,000 crowns ($5,600) per feature picture produced in the Czech language and an additional 40,000 crowns ($1,600) for each foreign language version of the film produced locally. Further provisions of the instruction stipulated that for every five sound features brought in during a 12-month period the importer was required to offer for distribution one cultural propaganda short produced according to the suggestion of the film advisory committee created under the new system. Imports of pictures were permitted only in the language of the country of origin and dubbing of imported pictures to be shown locally was permitted only in the Czechoslovak language. Importers of news reels had to include Czechoslovak subjects in a minimum of 20 percent of the total length.

Even this concession did not warrant the return of the American film companies, and a further concession was made enabling American companies to bring in one picture "dubbed" in German for every eight American features (for which a total registration fee of $6,400 must be paid). This gave American companies a limited market for pictures compulsorily "dubbed" in Germany.

All films imported into Czechoslovakia must be registered at the Association of the Film Industry and Commerce in Prague. The films must pass a precensorship board, which determines whether or not a film is suitable for the Czech market. If passed, a fee of 20,000 crowns, plus a "handling fee" of 200 crowns, must be paid for each film.

HUNGARY

The quota law of Hungary is similar to that which prevailed in Czechoslovakia from 1932 to 1934.

The quota is applied by requiring that at least 15 percent of all films exhibited must be Hungarian speaking. One-third of such pictures must be entirely Hungarian-made, and the remaining two-thirds may be produced in foreign countries but must be "dubbed" in Hungary.

All films must be censored. Feature films will be censored only upon presentation of import licenses. These licenses are issued only to those who produce or "dub" films in Hungary.

For every film produced or "dubbed" in Hungary, seven import licenses are issued. These licenses or permit tickets can be bought at a price between 1,000 and 1,300 pengoes (about $300).

Says Motion Picture Herald, October 26, 1935:

The second edict rules that features over 1,200 meters of length may be admitted only on presentation of one permit ticket. In other words, the producer of one Hungarian film or Hungarian language synchronization is entitled to import seven foreign pictures on the basis of the tickets received as a premium. Thus the local branches of American producing firms, which do not produce or synchronize pictures here, are compelled to buy the permit tickets from the local distributors who also go in for production. The market price of these permit tickets is between 1,000 and 1,300 pengoes (roughly, $300), meaning that local producers get a premium of 8,000 pengoes for each picture made or synchronized here, while importation expenses for nonproducing firms are increased on the average by 1,000 pengoes a picture.

The duties on the importation of films are as follows (Film Daily Yearbook, 1935, p. 1014):

In further modification of the original decree of 1932, Hungary in October 1934 raised the duty on films for which titles were prepared abroad from 50 fillérs to 1 pengo per meter. In addition there is charged a regular censorship fee of 4 fillérs per meter on films made in Hungary and 10 fillérs if made abroad. These funds are turned in to the Hungarian film fund, which is used to subsidize Hungarian production in competition with American films.

Says Motion Picture Herald (Jan. 4, 1936):

This is an extremely difficult market, owing chiefly to the strict currency decree which makes it almost impossible for local branches of American companies to take money out of the country. The other difficulty which American film companies have to cope with is the decree in accordance with which 10 percent, and from January on 15 percent, of the films shown must be Hungarian or locally synchronized in Hungarian. American distributing companies are collectively against such synchronization for two reasons. For one thing, it does not pay to have films synchronized for Hungary only. Then, again, Rumania, Czechoslovakia, and Yugoslavia refused for political reasons to admit films synchronized in Hungary, even though the Hungarians living in these countries would gladly welcome them. Secondly, if American companies should start synchronizing their pictures in Hungarian, other smaller countries would demand the same thing, citing the Hungarian example.

AUSTRIA

The quota system in Austria is similar to that in Hungary. The Motion Picture Herald (Jan. 4, 1936) states:

* * * The import is free except for the kontingent tax to be paid on distributed prints, which costs 1,560 schillings if the titles are made abroad, and 1,200 schillings if they are made in a local laboratory. In case of two prints, 2,160 schillings and 1,800 schillings are to be paid.

BELGIUM

It is proposed to establish first a quota—at first small, to be gradually increased—on Belgium cinemas, forcing them to show a fixed percentage of Belgian films.

GREAT BRITAIN

Great Britain has a quota law requiring at least 20 percent of the pictures distributed by any company to be British made. This means that for every four pictures imported into England one British picture must be acquired by the distributor.

Says the Motion Picture Daily (Dec. 23, 1935):

• • • The quota situation means that one-fifth of available dates are compulsorily filled with British films. The American distributor has open to him, for American films, only 80 percent of the market; the practical effect is much the same as if he were allowed to book only to 3,200 of the Kingdom's 4,000 houses. He approaches this artificially restricted market with a product compulsorily diluted by 20 percent of British films. To these difficulties of marketing are added the further one that, whereas the earning powers of big pictures tend to increase, due to the public's willingness to patronize them even in very late runs, the programmer becomes a more and more difficult problem. Where it is a question of just filling a date, the second-rate British picture is apt to get the business; it is not much worse as entertainment than the American, and it helped the exhibitor with his quota.

In addition to the quota on imports, there is a further quota applying to exhibitors. At least 20 percent of the pictures exhibited in each motion-picture theater must be British-made. As applied to smaller theaters, the actual operation of the quota requires that approximately 33 percent of the pictures shown be British.

Says the Daily (London, Jan. 1, 1936):

To qualify for quota at present, exhibitors practically have to rely upon features. As the act applies to the entire program, and we are unable to get sufficient good British shorts, it necessarily follows we must book that amount of features to come within the act. To the small hall which is showing 104 pictures a year at 2 a week, the quota is almost 1 in 3 in their features, which, on the face of it, is more than 20 percent.

No film may be exhibited in Great Britain unless it has previously been registered with the board of trade.

After a film has been registered it must be trade-shown before any contracts can be made for the licensing of the picture.

NEW ZEALAND

In New Zealand there is a 20-percent-quota law on the importation of films and a 20-percent quota on the exhibition of films.

AUSTRALIA

As of October 1, 1935, New South Wales adopted an import quota requiring the distribution of 5 percent of domestic films the first year and ranging up to 15 percent in the fifth year. Exhibitors are required to show 4 percent domestic pictures the first year, rising to 12½ percent in the fifth year. All quota films must be registered by the distributor within 7 days of the date of acquisition.

A similar law has been passed in Victoria, and it is expected that a similar bill will be introduced shortly in Queensland.

Says Motion Picture Herald (May 11, 1935):

British films receive preferential treatment under the provisions of the bill, as do the distributors of British films. British distributors in Australia are not obliged to release Australian-produced quota films, and exhibitors are not allowed to reject British pictures to make room for their Australian quota films, British product being exempted from the rejection clause.

Variety (Jan. 1, 1936) states:

AUSTRALIAN FILM QUOTA IN EFFECT JANUARY 1 IS TOUGH ON AMERICAN PICTS

• • • • • • •

That [film quota] doesn't make things easy for the Americans down here. They must have pictures, but if there aren't any they must make them. And, of course, the majority of American distributors don't want to go into local production. They feel that it is unnecessary expenditure and will tie up a lot of money which may or may not be returnable to them.

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What makes it even tougher from the standpoint of Americans down here is that even the production of a local film for quota purposes isn't enough. After a film is produced it must be submitted to a governmental jury which rules on its quality and has the right to reject it for quota or any distribution purposes if it doesn't figure the film "good enough." In other words, after spending coin for the production of a local film the film might be thrown on the scrap heap and still not qualify for either coin-return or quota-law satisfaction.

Another angle that distribs here point out as "inequitable" is that films acceptable in England for quota purposes there are not acceptable here. England, of course, will accept locally made films for the quota in England, but Americans are afraid that if they switch their production of British quota productions down here, England will reciprocate with some sort of tougher quota in London and complicate the problem even more.

BRAZIL

All exhibitors must show a minimum of 100 meters of Brazilian-made film at each performance.

All films must be censored, the fee being 400 reis per meter for foreign films, and one-half that sum for domestic films.

There is also a law requiring 50 percent of the music broadcast by Brazil stations and played in Brazil theaters, cafes, and restaurants to be by Brazilian composers.

MEXICO

High duties on the importation of foreign films and taxes on remittances to foreign countries have compelled American producers to withdraw from Mexico.

Film Daily (Dec. 17, 1935) states:

DEADLOCK OVER TAX CAUSING UNITED STATES FIRMS TO QUIT MEXICO

In view of their deadlock situation with the Mexican Government in negotiations designed to modify that country's excessive taxes, major American distributors have decided to shut up shop completely in Mexico and are giving their employees there the usual 2 weeks' notice. These companies suspended film deliveries on September 30, but retained their staffs.

There is a duty ranging from 25 to 75 pesos per kilo for each print of sound film imported.

A tax of 2 percent must be paid on all remittances to persons outside of Mexico. In addition, there is a 10-percent tax on the gross income of foreign motion-picture companies.

CANADA

In addition to all other taxes imposed by the Canadian law, a tax of 5 percent is imposed on all persons who are nonresidents of Canada in respect of all royalties payable to such nonresidents on account of the use in Canada of the copyrighted works of such nonresidents. The amount of the tax is required to be deducted by the Canadian debtor from the amount paid or credited to such nonresidents. Specifically, the tax applies as payable on royalties accruing from the sale of books, music, periodicals, newspapers, motion pictures, and so forth.

TRINIDAD

An ordinance was enacted in 1932 requiring that 20 percent of ordinary films and 50 percent of the newsreels exhibited shall be of British origin.

CONCLUSION

American film companies have a capital investment of $2,500,000,000. Twenty-eight thousand people are regularly employed in the production of motion pictures in the United States in addition to 25,000 extras or supernumeraries. Hollywood's annual pay roll is $75,000,000. The industry spends $120,000,000 annually for supplies and other requirements (U. S. Department of Commerce Reports on Motion Pictures Abroad, May 15, 1935).

The importance of the motion picture has been emphasized by President F. D. Roosevelt in these words:

You have done important work in an important field. Your program for the enhancement of the average quality of motion pictures, and particularly for their heightened usefulness in the educational and juvenile spheres, is to be commended. Intelligent friends of the motion picture should strive to direct its influence toward ends that are recognized as socially desirable.

While necessarily conforming to the normal requirements of entertainment, I believe that our motion pictures should be sane and salutary, enlightening and mentally stimulating, expressive of the best ideals of our community consciousness. This undoubtedly can be accomplished without subjecting the industry to onerous restrictions. (New York Times, Feb. 9, 1936.)

The production schedules for the 1935–36 season provide for 443 features pictures. (Variety, Jan. 15, 1936.)

The burdens now imposed upon the motion-picture industry in the form of quota laws, restrictions, prohibitions, and so

forth, show that it is of the greatest urgency that the House of Representatives should not adopt any bill designed to give foreign nations a strangle hold on this industry.

The frantic appeals of our Government officers to the offending nations to remedy these practices are met by the stereotyped and almost universally used diplomatic phrase, "Interference in internal policies and affairs by outside nations cannot be permitted."

Congress should be free from the restraints of the Bern Convention, so that it may place restrictions upon the protection afforded under the Copyright Act to the nationals of any country enacting discriminatory or oppressive measures against owners of American copyrights. The only power Congress has to effectively safeguard American copyrighted works against discrimination abroad is by amendment of the copyright laws if, as, and when the occasion arises. Adherence to the Bern Convention bars Congress from the exercise of this salutary power. Congress should not obligingly surrender this power and thereby lead foreign nations to believe that their discriminatory practices against American copyrighted works may continue with increased intensity and even multiply.

A refusal to pass the enabling act (the Duffy bill) for the avowed reason that the discriminations practiced against American copyrighted works by some nations are intolerable will be more effective than the futile and feeble protests of our foreign representatives. Defeat of the Duffy bill will make the nations which are so anxious for us to join the Bern Convention rudely awake to the fact that there is a limit to which these discriminations can go. [Applause.]

Mr. DALY. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. I yield to my distinguished colleague from Pennsylvania.

Mr. DALY. Am I correctly informed that the Copyright Act of 1909 contains the manufacturing clause the gentleman refers to, which compels the printing of all of these works in American printing establishments?

Mr. SIROVICH. That is right.

Mr. DALY. And that clause is in the Duffy bill as well?

Mr. SIROVICH. That is right; but Senator TRAMMELL offered the manufacturing clause on the floor of the Senate. It was not in the original Duffy bill. It is now in the Duffy bill, but I call attention to the fact that in order to enter the Bern Convention it must be taken out, otherwise we cannot be parties to that convention.

Mr. DALY. That is just the point I wanted to raise. The Duffy bill also would compel us to go into the Bern Convention.

Mr. SIROVICH. Yes.

Mr. DALY. And that would nullify the manufacturing clause.

Mr. SIROVICH. Yes; and the American Federation of Labor is for the manufacturing clause to protect 250,000 American printers and is against going into the Bern Convention.

Mr. DALY. I should also like to ask the gentleman from New York if the Copyright Act of 1909 does not contain the punitive damage clause of $250 to be paid to an association of composers known as the American Association by anyone who pirates or violates their copyright?

Mr. SIROVICH. That is true. Let me give you the history of the American Society of Composers, Authors, and Publishers. In 1909 the Supreme Court of the United States, through Judge Oliver Wendell Holmes, rendered a decision in the case of Victor Herbert, the great musical composer, against Shanley's Restaurant, in which he stated that anyone who used music for the public performance for profit must pay a royalty to the author and composer whose work he uses.

After that great decision was rendered by Judge Oliver Wendell Holmes most of the great authors and composers of our country assigned their copyrights to an organization which they founded and which they called the American Society of Composers, Authors, and Publishers. The purpose of this organization was to give the cumulative works of all these talented creative geniuses to anyone who is desirous of using their musical and artistic creations.

It was impossible for one author or composer to ascertain who was using his compositions in the different cities of our Nation. The cost of detecting those pirates who used music without having a license to do so would be beyond the financial resources of any author or composer. It is, therefore, the duty of this American Society of Composers, Authors, and Publishers to license every user of music in our country. The collected funds are then divided among the 45,000 authors and composers. Accordingly the 15,700 motion-picture houses pay royalties of 5 cents, 10 cents, and 15 cents a year for each seat and can use the millions of copies of music in their theaters. A theater that has 300 seats would pay 10 cents a year for a seat which would give a license of $30 a year to use the entire repertoire of this organization.

From all these motion-picture houses the American Society of Composers, Authors and Publishers collected $860,000 during the fiscal year 1935. Most of the hotels of the United States use music for the public performance for profit. People come there to eat and dance. The total amount of money collected from all the hotels of the United States for the utilization of the music that is in the catalogue of the American Society of Composers, Authors and Publishers is the sum of $186,000 a year for the fiscal year of 1935. Any hotel that has no orchestra pays no royalty. If a hotel, restaurant, cabaret, tavern, or saloon has only a radio set to bring in music no fee is charged by this society. It is only when an orchestra of more than two pieces with or without vaudeville entertainment is used in any of these hotels, restaurants, or taverns that a license fee is charged to collect royalties for the use of the compositions of 45,000 authors and composers. The minimum fee charge for a tavern is $20 a year. The average hotel pays $60 a year and can use all the music of these 45,000 authors and composers. The highest amount of money paid as a license fee to the American Society of Composers, Authors and Publishers is paid by the Waldorf-Astoria Hotel, that has eight large dance restaurants, wherein music is used for public performance for profit. This hotel pays $1,400 a year license fee. The 616 radio stations that use music from early morning, through the afternoon and late into the night, which have collected over $100,000,000 in advertisements, have paid to this society during the fiscal year 1935 the sum of only $2,500,000. So that the sum of between three million and a half and four million dollars represents the total amount that has been collected by the American Society of Composers, Authors and Publishers to be distributed amongst 45,000 authors and composers who have contributed to the entertainment of our American people in the homes, hearths, firesides, motion-picture theaters, hotels, and restaurants of our Nation.

When Congress in 1909 passed the last Copyright Act it inserted a statutory damage fee amounting to $250 as a minimum damage to anyone who would steal or pirate the music and infringe upon the rights of authors and composers. In 27 years since this copyright law was passed, in spite of all the propaganda which has saturated the offices of most of the Members of Congress, the amount of $8,800 has been levied against those who attempted to steal the music of our authors and composers. This statutory damage fee of $250 was placed upon the statute books simply to deter anyone from using property that did not rightfully, legally, and justly belong to him.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SIROVICH. May I have more time, Mr. BLANTON?

Mr. BLANTON. Mr. Chairman, how much time does the gentleman want?

Mr. SIROVICH. I should like to answer any question from any Member, and I think I need 20 minutes.

Mr. BLANTON. Mr. Chairman, I yield the gentleman 15 minutes more.

Mr. DALY. Am I correctly informed, I ask the gentleman from New York, that the Duffy bill eliminates that $250 punitive clause and substitutes a clause to the effect that the composer whose copyright has been violated and whose music has been stolen may have recourse only to what damages he can prove?

Mr. SIROVICH. The question that my distinguished friend from Pennsylvania has propounded to me contains the real meat in the coconut. The $250 minimum statutory fee, which is not contained in the Duffy bill, would be instrumental in destroying the only rights and protection that an American author and composer today possesses. This minimum statutory law was expressly put into the copyright bill to prevent thieves from stealing the copyrighted works of artists, composers, and writers. If you eliminate the $250 fee from a congressional bill, there would be no way of proving damages in any Federal court. Federal judges have decided over and over again that there is no way to prove damages an author would entail when his musical compositions are stolen. Honest men protect the property rights of their fellow citizens. This statutory fee of $250 is intended to protect the innocent composer against the deliberate thief who would illegally steal property that does not belong to him.

I appeal to the loyalty and to the justice of every Member of Congress when I say to you, help and protect the author by not abolishing the $250 minimum fee. It is the only thing that he has that will protect him from making the great pilgrimage over the hill to the poorhouse.

Several Members rose.

The CHAIRMAN. Does the gentleman yield further, and to whom?

Mr. SIROVICH. I yield to my friend from Washington [Mr. ZIONCHECK].

Mr. ZIONCHECK. Mr. Chairman, the gentleman made a statement a moment ago to the effect that under the Duffy bill an author who would produce a creative work, as the gentleman would—he is a dramatist and an author—would get only 2 cents, or at least would get only 1 cent, and someone else would get the other cent. Does not the Duffy bill provide that they must go to court if there is an infringement and prove damages, and if the damages are $20,000, then the author can recover $20,000, whereas under the present law the author can get only $5,000.

Mr. SIROVICH. Mr. Chairman, I yielded for a question and not for a speech.

Mr. ZIONCHECK. Then I will ask the question.

Mr. SIROVICH. Oh, the gentleman has asked the question. He has placed several questions in there, and which one does the gentleman want me to answer?

Mr. ZIONCHECK. This one.

Mr. SIROVICH. The first question that the gentleman asked was absolutely irrelevant to the second, because it dealt with compulsory licensing. In 1909 Congress inserted a section in the copyright law to the effect that when one manufactured a phonographic record, all the author could collect from the producer, the manufacturer of the record, was 2 cents, and one of those cents went to the author and one of them went to the manufacturer of the record. Mr. Chairman, that compulsory license of 2 cents was absolutely unconstitutional, because article 1, section 8, paragraph 8, of the Constitution, states that Congress shall have the power to promote the useful arts and sciences by securing to every author and every inventor for a limited number of years the exclusive right to his writings and discoveries. Therefore, if he has an exclusive right, then we have no right to hang a millstone of 2 cents around his neck, which is being used today in the greatest little Ethiopian joker in the Duffy bill, which protects mechanical reproduction through television and wired wireless records that will destroy the royalties of every author.

When television comes out you can take the work of any great orchestra or band and send it over the wired wireless, and give the author only 2 cents; and that is what, unconsciously, the gentleman from Washington is advocating, because I know Brother ZIONCHECK, and I know that he is not a bad-hearted fellow and is kind-hearted, generous, and fair, but he is being used as a tool today by exploiting and commercial interests against the greatest creative geniuses in our Nation.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield further?

Mr. SIROVICH. I gladly yield further to my good friend and colleague.

Mr. ZIONCHECK. The present copyright law, which has not been changed since 1909, provides for $250 minimum damages, regardless of how much damage is proved, and now let me ask a question: Has not the Ascap Corporation, or Association, used that particular provision as a club to blackmail people into damages?

Mr. SIROVICH. Let me answer that question. I want to say here and now that I resent once and for all the calling of the greatest writers of our country racketeers, gangsters, and crooks because they are fighting for justice and protection of their legal and constitutional rights. [Applause.] It is an outrage. These men, who are today the greatest writers——

Mr. ZIONCHECK. I never said anything about authors. I referred to the Ascap Corporation.

Mr. SIROVICH. The Ascap is an organization known as the American Society of Composers, Authors, and Publishers. They have such men on their roster as Victor Herbert, John Philip Sousa, Irving Berlin, George Gershwin, Gene Buck, Sigmund Romberg, Rudolph Friml, Rudy Vallee, George M. Cohan, Carrie Jacobs Bond, Fritz Kreisler, Rachmaninoff, and countless other men who are as eminent in their respective lines of endeavor as we are Members of Congress. They are working for their livelihood. They ought to be protected by you, and you ought not do what your State is doing in violating the law that was put there by Congress to protect the copyright rights of the creative talent of our Nation.

Mr. KRAMER. Will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. KRAMER. Does the gentleman know that in Germany Hitler has forbidden the showing of Charlie Chaplin's picture because there is a similarity of his mustache to Hitler's mustache? [Laughter.]

Mr. SIROVICH. Apropos of that question, it might interest my distinguished friend from California, since he visited Germany recently, to know that Adolf Hitler is the president of the Ehar Publishing Co. of Munich, Germany, which controls the largest printing plant of books, pamphlets, and periodicals in Germany. He is hoping our country will join the Bern Convention so that he can send English books printed in his printing establishment to the United States flooding the markets of our country and putting more unemployed printers upon the dole and relief.

It is estimated that Hitler draws at least $1,000,000 profit out of this business every year and invests this money in securities of foreign nations.

I want to call the attention of my distinguished colleague to the fact that in Germany and other of these dictatorial governments they insist on dubbing out of every selection of American authors and composers. They displace and take out the pictures of American men and women who may not be the Aryans that the German people want. The German Government wants you to join the Bern Convention. You Members of Congress who represent the greatest nation of the world are asked to vote your country into the League of Nations that is using vicious, cruel, and brutal sanctions against helpless men and women, whose only crime is the crime that they are using their brains to make the world better in which they live.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. BLANTON. Mr. Chairman, I ask that the rules be obeyed, that Members do not interpolate remarks unless they have the recognition of the Speaker.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. ZIONCHECK. The gentleman from New York was very much interested in the prohibition question. Now, there is some inconsistency in the question I am going to ask. This Ascap Corporation has sued beer parlors for using phonographic records, and has put a lot of them out of business. How can the gentleman reconcile his previous action?

Mr. SIROVICH. I reconcile that in the same way. For 10 years I stood upon the floor of this House, as a man who never drank and never smoked, fighting for the liberty and

freedom for those who wanted to have an opportunity of having the eighteenth amendment repealed.

I spoke scientifically on the basis that you could accomplish what you want through education and not through legislation. Let me send this message to the fine, honorable people of the State of Washington. In behalf of the American Society of Composers, Authors, and Publishers, I challenge any Member of Congress, at the expense of this society, to bring any owner of a tavern, beer saloon, hotel owner, or restaurant keeper before our committee to prove that one penny has been charged to them as a license fee unless they used an orchestra of two or more pieces for the public performance for profit. I repeat again, Mr. Chairman, I challenge you to bring any witness before the Committee on Patents and let him prove he has ever been called upon to pay one cent unless it was for a public performance for profit, in which an orchestra was used. I leave that to you, Mr. ZIONCHECK, and to any Member of Congress. We will have hearings for the next 3 weeks. Bring us one person to prove these allegations and the society will pay the expense.

Mr. ZIONCHECK. Will the gentleman yield further for a question?

Mr. BOILEAU. Will the gentleman not yield to me? He has yielded several times to the gentleman from Washington.

Mr. SIROVICH. I must yield to some other Members. I gladly yield to the gentleman from Wisconsin.

Mr. BOILEAU. I should like to say to the gentleman that in Wisconsin, in the last several years, the American Society of Authors, Composers, and Publishers, through their attorney in the State, arbitrarily places an assessment upon all dance halls and other places of public amusement in the State, who play this copyrighted music. It is an arbitrary figure. They will ask for $100 from some little isolated dance hall out in the country. When this payment is refused, there will be an offer to accept $50, and probably they will compromise at $60, or something like that.

It is an arbitrary system of collecting fees. I think the authors and composers should be protected, but I do not believe they should have the absolute right to say to a user of their music, "You pay what we ask you for this music, regardless of the number of dances you have", and give to the user or property owner no protection whatever. I know of one case where they sued a man operating a country dance hall for playing copyrighted music. They were unable to prove their case in court. The man came to me and asked me as a public official, more or less, to make an offer for him to the Society of Authors and Composers. I offered a certain amount—I think $25—for a year's license. They said they would not give him the privilege to play that music unless he paid $101 and some cents, which was the cost involved in the case they lost. They tried to hijack this man. That was not the authors and composers themselves, but it was done through their organization.

Mr. SIROVICH. Let me answer the gentleman's question as sincerely and earnestly as he has brought it to my attention, because we have had this testimony every day, and the gentleman knows what a personal esteem I have for his statements. Now, let us get the facts.

The State of Wisconsin has contributed to the American Society of Composers, Authors, and Publishers, for all of its hotels, restaurants, taverns, the sum of $10,000.

Mr. BOILEAU. Is that what goes to the attorneys or to the association?

Mr. SIROVICH. That goes to the society.

Mr. BOILEAU. That is, after the attorneys' fees are deducted?

Mr. SIROVICH. Let me answer the question. I will bring out the point the gentleman has in mind so clearly and fully that the gentleman will appreciate my answer.

Mr. BOILEAU. I thank the gentleman.

Mr. SIROVICH. The American Society of Composers, Authors, and Publishers in the State of Wisconsin have hundreds of tavern keepers. In New York we call a tavern keeper a beer-saloon keeper, who sells sandwiches, beer, refreshments, and whatever may be sold in an ordinary tavern. The tavern pays for its gas; the tavern pays for its electricity; it pays for its food; it pays for the liquor it sells. All that these authors and composers say to any tavern, not only in the gentleman's State but in all the country, is, in substance, this: "We want nothing from a tavern which uses no music. Neither do we want anything from it if it uses music that comes in on the radio for dancing and for entertainment. If it has one musician playing a violin or an accordion, we do not want anything from it. But, in God's name, if it uses five or six pieces of music to lure people in to hear a fine musical entertainment or to dance, and keeps on playing music that these creative geniuses have given to our country, it is no more than the right and the duty of that place to pay for the music it uses, the same as it pays for its beer, wine, or food." The minimum charge is $20, and the highest amount paid by any hotel in the United States is paid by the Waldorf-Astoria in New York, which pays $1,400 a year. This hotel has eight large music auditoriums and pays Rudy Vallee $5,000 a week and Paul Whiteman $4,500 a week. It assesses cover charges to all of its patrons.

This great big hotel that uses more music than any hotel in America, pays for all these things for a whole year only $1,400.

Mr. BOILEAU. Does the gentleman think it is fair to charge a little fellow $20 for holding one or two dances a year and probably not making $20 profit out of both of them? Notwithstanding this they have the arbitrary power of saying to the little fellow: "You must pay $20." They usually ask $100 but compromise on $20.

Mr. SIROVICH. I think the gentleman is absolutely right, but the great hotels have organized, they are here en masse now. They refuse to pay their just share to the authors and composers. A large hotel like the Waldorf-Astoria ought to pay at least from $5,000 to $10,000 a year. The little fellow ought to pay in conformity with his means; but what are these helpless authors and composers to do when they have an octopus, the greatest organization of America, united against them, flooding Members of Congress with all kinds of letters opposing them?

When a tavern keeper or hotel man is convicted of violating the copyright law, and fined the minimum statutory fee of $250, the American Society of Composers, Authors, and Publishers does not take this money. All they ask the offender to do is to take out a license which will enable him to use the music and compositions of the greatest and humblest composers. In addition to the license fee they make the offender pay the actual disbursements the society has made to the clerk of the court and to the marshal. They do not take any other fee from the hotel owner or restaurant or tavern keeper.

Mr. Chairman, as an author and dramatist, God reveals Himself to me and to my colleagues in three mysterious, mystical, and inexplicable ways: First, through the life of the universe, which we term "nature"; second, through the thoughts of man, which we term "art"; third, through the precision and exactness of the mind in correct thinking and observation, which we term "science." The cumulative contributions of everything that has been written regarding nature, science, and art constitutes the culture and civilization of the world.

Mr. Chairman, I appeal to you and through you to the membership of this House to help protect and aid the great scholars, authors, writers, and composers who have contributed to science, to art, to literature, to philosophy, and to statesmanship—to all those beautiful ideals that ennoble mankind—to give them adequate copyright protection that will enable them to bequeathe to posterity those magnificent contributions in the realm of literature and letters that will make the twentieth century stand out as the great literary age, where writers have been ennobled and mankind bettered for their having lived in it. [Applause.]

[Here the gavel fell.]

Mr. SIROVICH. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein certain excerpts from newspaper publications.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DITTER. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, a day or two ago the American Federation of Labor reported that in January we had 12,626,000 idle men and women in the United States, and that the number had increased by 1,229,000 from December to January. The federation statement pointed out that while unemployment always increased in January, the increase last year was but 699,000, or one-half, and that the increase in unemployment this year was exceeded only by the month of January 1931, when it was 1,328,000.

President William Green, of the American Federation of Labor, was quoted in Monday's papers as saying, and I quote:

> Industry is making no determined effort to put the unemployed to work, and is quite willing to shirk all responsibility for them.

I do not believe that President Green has put his finger on the real spot.

Mr. ROBSION of Kentucky. May I interrupt the gentleman to say that a recent report shows industry in the last 3 years has paid out $329,000,000,000 and only got back $220,000,000,000.

Mr. KNUTSON. I thank the gentleman. Mr. Chairman, I shall ask that I be not further interrupted, because my time is limited.

It is generally conceded that the cause is excessive taxation which makes production unprofitable and that in turn reduces employment to the lowest possible level.

Already the Federal and local Governments take from industry practically all its net earnings, in many instances not leaving enough to meet dividend requirements. That is the reason for much of the unemployment in this country, which is growing apace. That is the reason industry is restricting rather than expanding its activities. No individual or industry will expand when there is no profit in sight to provide the incentive.

American industry is pretty much in the same position as are the sons and daughters in a family, who work all week, bring their earnings home each Saturday night, only to have them taken by the father, who goes up town and spends their earnings in a glorious spree. Uncle Sam is on a spending spree. He is spending our money faster than we can earn it. He is throwing it away on unnecessary boondoggling projects, many of which cost millions of dollars and will never liquidate a single penny. At this point it may be pertinent to remind the House that the expenditures of the Federal Government exceed the total incomes of our farms by over $1,000,000,000.

As I see it, there is only one way whereby the unemployment situation in this country can be materially relieved, and that is for President Roosevelt to adopt a policy calling for rigid economy. Let him discontinue the uncompleted reclamation projects which cannot but aggravate our farm problem; also stop the Tennessee Valley project and the hundreds and hundreds of other projects that are slowly sapping the lifeblood of the American people in the form of confiscatory taxes.

I recognise that there is a certain fixed relief load that the Government must continue to carry for some time. However, there is altogether too much politics mixed in with the administration of relief and the overhead expense in carrying it out is altogether too great. It should be remembered that every dollar that is wasted in the administration of relief deprives some worthy individual of a necessity of life. We cannot and will not let our people starve, but we do protest most emphatically against needless and useless expenditures that are rapidly bankrupting the country.

How many of you Members realize that by July 1 our national debt will exceed by $3,000,000,000 the total value of all the farms in the United States and their improvements?

How many of you know that it cost one billion dollars more to run the Government last year than was taken off all the farms in the United States? These comparisons should bring home to each and everyone the true financial situation of our country.

The time has come to lay aside partisanship and to think of the future, unborn generations who will have to carry the crushing tax load that this Congress and administration have created for them to carry.

The time has come to forget patronage and pork for the home district; the time has come to think in terms of our country's future welfare and existence.

It must be apparent to all of you that even with our great resources there is a limit to what we can spend without endangering the credit structure of the country. If we borrow up to the limit, where will we find the money with which to finance the next great emergency, be it a war that threatens our national existence or an epidemic that may decimate our people for the lack of the very money that we are now squandering?

It is well known that one-third of the cost of necessities of life goes to taxes. Were it not for taxes a pair of shoes now retailing at $6 would only cost the buyer $4. I merely mention this to show how all this spending by the Federal Government, and its political subdivisions, is constantly making for a lower living standard among our people, who have to pay the fiddler.

My friends, I am speaking as an American, and I appeal to you as Americans to rise above partisanship in this hour when our country is threatened as it has not been threatened since the outbreak of the War between the States. America must be placed back on a sound basis of paying as we go, and that can only be done by substituting the pruning knife for the scoop shovel. [Applause.]

Mr. BLANTON. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. ZIONCHECK].

Mr. ZIONCHECK. Mr. Chairman, I did not know that the gentleman from New York was going to make one of his characteristic historical speeches today. I happened to be in a committee meeting and just came in for a moment and here he was.

Mr. Chairman, I filed petition—no. 26—to discharge the committee of which he is chairman from the further consideration of the so-called Duffy copyright bill which was passed in August of last year. He, as chairman of the Patents Committee, did not see fit to give this matter a hearing until I filed this petition. Then he got very much disturbed.

Hearings have been going on, somewhat in the nature of a circus I admit, and somewhat out of order, for I have never yet in my brief experience in Congress known of a committee to start hearings upon a bill and have the opponents of the bill testify first. The opponents, if you please, are testifying first.

Mr. Chairman, I will make a confession. I filed the petition there, but I do not know much about copyright law. I know more than I did awhile ago, because I have listened to the gentleman from New York, and he knows it by heart. I filed this petition because a radio company asked me to do it. It was at the instance of a radio station friendly to me, KOL, of Seattle, Wash., and some other companies. I never asked one Member to sign the petition. Personally, I signed it because I thought it was a good petition. May I say that if more signatures are not put on there this circus is going to continue until Congress adjourns, and no legislation will be enacted. It is somewhat of a pressure program and the distinguished and learned gentleman from New York is somewhat irritated now because he seems to think it is in the nature of a pinprick that prods him on. He is an author, he is a poet, and he admits it.

Mr. GRAY of Pennsylvania. Will the gentleman yield?

Mr. ZIONCHECK. I yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. Does the gentleman know that there has been a conference, which includes among others, two men from the Copyright Office, two men from the Department of State, and two men from the Department of Commerce, which conference has recommended a revision of the copyright laws?

Mr. ZIONCHECK. Yes; and the gentleman from New York is opposed to a revision unless it is his revision and no one else's.

Mr. Chairman, there is no question but what the Ascap has been a highjacking proposition. I do not mean all of the members thereof. They have good authors and fine people as members of the association, but that organization has made a racket of this proposition. In other words, as has been stated on the floor here, if you buy a musical record and play that record over the radio and someone turns on the radio in a little tavern out here some place, they are subject to prosecution and a possible fine of $250. The radio organization and the people who listen to it are all subject to a fine of $250 or more, whether they prove damages or not.

Mr. BOILEAU. Will the gentleman yield?

Mr. ZIONCHECK. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. Does not the gentleman believe that if the authors and composers are entitled to more protection than they have at this time, a charge should be levied against the radio company or the orchestra that plays the music, or any other agency that actually plays the music, rather than trying to charge the person who has the music transmitted into their own particular place of business?

Mr. ZIONCHECK. The radio companies want that. The theaters want that. The hotels want that. They say, "If we violate the law, sue us, but do not sue our customers. Do not bring a multiplicity of suits. Do not keep this club over our heads forever."

Mr. BOILEAU. It seems to me any protection the authors or composers might need they could get by charging a higher fee to the broadcasting facilities, for instance?

Mr. ZIONCHECK. The Duffy bill provides the damages may be $20,000 instead of $5,000. So it is giving them more benefit.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, inasmuch as what is here said may go out to some of the voters of the district, that they may be advised of their Representative's ideas and activities, and so criticize and offer suggestions as to his future conduct, let me repeat here the statement of which we are so well aware, but which is so often overlooked by political opponents at home. These remarks, if sent out to some of the folks of the district, will be printed at personal, not Government, expense, and the statement at the top of documents of this kind, "Not printed at Government expense", means just exactly what it says.

The Declaration of Independence is supposed to mark a period in our history. That Declaration came from the people of this country, directed to someone across the sea, telling him what they would not do longer. The Emancipation Proclamation that we heard about during the Civil War came from a great President of the United States and it was good news to our citizens.

The message which came down today, March 3, from the President of the United States was another emancipation proclamation. It freed Congress. No longer need we be "rubber stamps." If I read it correctly, it restores to Congress the privilege of appropriating money to pay bills which the President has incurred, or to pay debts contracted upon his recommendation. On page 2 of this message he states:

> I leave, of course, to the discretion of Congress the formulation of the appropriate taxes for the needed permanent revenue.

RUBBER-STAMP CONGRESS MADE APPROPRIATIONS

During the last 3 years we were told time and again how much we should appropriate, and when it should be appropriated. The total sum was named for us. We never needed to worry any about that, and it is to be hoped that the Republicans at least now will take some satisfaction in the fact that they are going to be permitted to take part in the legislative proceedings of this body. No longer do you need to wait for the administration or any of those connected with it to tell you what to do. A year or two ago, like babies unweaned, you were cradle-raised, and at times spoon-fed, wet-nursed, if need be, and put to bed. You were not required to work. You were not required to think. That was all done for you. The President told you, "Give me $4,880,000,000", and some of you, although you kicked a little, with the help of the gentlemen on the other side, gave him $4,880,000,000, and you gave him various other sums. All to be spent at his discretion, if he had any. So you had no strain on your minds during those months of trial and tribulation. It was all fixed for you; you did not like it; you objected. But you took it. He was given the money. He spent it, or a part of it at least, with the aid of a Tugwell, a Wallace, and a Harry Hopkins. He spent it for this, that, and the other. He primed the pump with it.

All of you who, in the heat of a campaign, have claimed to be farmers and householders know about priming a pump, especially the old wooden pump with the worn leather. You pour some water down through the spout or the top and you work the handle, and you hear it gurgle and sigh, and the water you poured in goes on down, and then you pour some more water in and you jerk the pump handle and pour and pour, and you sweat and cuss, but you do not get water, except a small part of what you have been putting in, and finally you discover your suction leather is worn out; it has no lifting power, you are wasting your time.

This was about the process this administration followed. If the figures of the American Federation of Labor's man are right, you did not reduce the unemployment very much, but you kept on priming the pump. You wasted millions, yes, billions of dollars.

NOW WE MUST PAY—AND HOW!

The dance is over; the fiddler must be paid. Tugwell, Wallace, Hopkins, and the rest of the boys have been dancing, and to expensive jazz music. Even up in my district they have been dancing, and they have been paying to teach them to dance.

Now we have to pay the bill and the President, in his generosity, magnanimously leaves it to the Congress, and I hope the Members on the Republican side who have been criticizing, the men who have been finding fault about having their right to legislate taken from them, who have been kicking about their lack of opportunity to exercise their ingenuity and display their wisdom to pass legislation, now realize that they have the chance, as in previous times, following Cleveland's administration and other Democratic administrations, when bills were piled up, when a deficit was created—they say history repeats itself—they had the chance, and once more we are going to have the grand and glorious opportunity to pay the bills, and you boys can go as far as you like in devising ways and means to meet the expenditures of these gentlemen who have been enjoying themselves at the peoples' expense, wasting, experimenting, at the taxpayers' expense. There is no question about that. The debt is there. Thirty billion dollars of it. New Dealers spent more than twenty billion of it.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield for a question.

Mr. CHURCH. Is it the intention now to prime the taxpayer and make him gurgle?

Mr. HOFFMAN. I thank the gentleman from Illinois for his contribution. I think the taxpayer has already been gurgling. The Literary Digest poll records something of his protest. But before the President gets through with him, the taxpayer will do something more than gurgle. By the time he pays for the whims and the fancies, the foolishness, the pleasantries, and the idiocies of the Tugwells and the Wallaces, the taxpayer will realize that the pleasing personality, the charming smile, the fireside chats, the sweet radio lullabies, have been among the most costly pleasures in all the world, and that once more, like Esau, the citizen has sold his birthright for a mess of pottage.

Mr. CHURCH. Beyond question, it has been expensive and wholly without benefit.

Mr. HOFFMAN. Now, I know what we are always asked, and the thought came in this morning in one of these Townsend letters—"What have you to offer?" They say,

"You often criticize, but you never offer any constructive criticism."

Is it constructive to suggest that you cut down your expenditures until they are within your income?

CONSTRUCTIVE SUGGESTIONS

Time and time again members of the minority have suggested this very thing; in fact, your own members have called your attention to your party pledge to reduce expenditures. Seldom is there opportunity for general debate that you do not hear the same suggestion, the same demand, and that from your own members. On the floor of Congress, Democrats suggest repeatedly, "What have you to offer?" That is a pertinent question. It has been answered many times.

Apparently, constructive suggestions are not recognized, or, more correctly, they are ignored. Constructive criticisms mean critical suggestions looking toward positive conclusions—bettering present conditions. Of these aplenty have been offered by me.

The "gimme" theory has been so universally advocated and, apparently, so widely adopted, that any idea, no matter how beneficial, is no longer regarded as constructive unless it involves the expenditure of more money for the benefit of a particular class, as distinguished from the people as a whole, or a grant of greater power, regardless of its effect.

Apparently those objecting to criticism believe that if a drowning man is pulled out of the water, instead of resuscitation by the emptying out of the water that is in him and the replacement of life-giving air, more water should be poured down him; that if a house is burning, the barn should also be set on fire; that a building, no matter how large, how flimsy, how ill-adapted to the purpose, can only be bettered by making it larger, higher, longer, and wider, regardless of its ultimate utility value.

Every farmer knows that constant cropping of land and the selling of the produce on the market, without any return to the soil, is destructive; but, if we suggest a rotation of crops, an occasional sowing of alfalfa and clover and plowing it under, that to some does not mean anything; it is not constructive.

Now, listen, those of you who are yelling about a failure to offer something constructive.

To the overburdened taxpayer, it is constructive to suggest that, instead of continuing to waste his money, to waste more of it, we let him keep, say, 20 to 25 percent of what he is paying by way of taxation. To the taxpayer, the property owner, translated, it means letting him keep—saving him—giving him, of his own money, if you will, 20 cents of every dollar you now take from him—the very thing which the Democratic platform of 1932 promised to do, but which this administration has failed to do.

If you are given 20 cents out of every dollar, that 20 cents saved will buy just as much as 20 cents given to you from some other source. That suggestion is constructive.

It is constructive to suggest that we have fewer laws and less officials to administer them, less bureaus and departments, and a lessening in the horde of public officials who are now crowding themselves here in Washington like sardines in a box, and who are scattered out all over the country, like a cloud of locusts, until it is said that one in every five is on the Government pay roll.

It is constructive to advocate that the Government have less to do with business, that its minions cease to visit you almost each hour of the day, telling you what to do, what not to do, interfering in your business, and charging you for useless advice and suggestions.

It is constructive to suggest that Government be honest, that it keep its promise. It is constructive to make an honest and a determined effort, as we have been doing, when we know the Government day after day is spending far more than it is receiving, and going deeper into debt, to cry out against such a procedure and ask and vote that we live within our income.

Can a Congressman be constructive only when he heeds the cry of special groups, advocates and votes for more and larger appropriations, when he knows our debt is piling up at the rate of $420,000 every hour, 24 hours of 6 days a week of every week in the year?

Can he only be of value to you if, instead of advocating honesty, economy, sanity in government, he continually yells his head off for this, that, or the other plan to give some group or groups, at the expense of the people as a whole, special rights and privileges, bonuses, pensions, or benefit payments?

To be a constructive Congressman must he get a scoop shovel and, with might and main, throw out broadcast over the land the money of the wage earner and the property owner, collected by the tax gatherers, to those who may make the loudest noise, the most persistent effort?

Should a Congressman be a broadcast sower of the funds collected from taxpayers by direct and indirect taxes?

It is constructive and it is disagreeable to stand on the floor of the House and object to appropriations giving someone another wad of money and to, day by day, vote against appropriations where the money is to be spent needlessly, where it is to be wasted in all sorts of silly enterprises, such as the teaching of dancing and bridge playing, telling the boys and girls how to skate and sing, building a $2,500 dog house, improving a race track, spending a half million to make bridle paths in the borough of Queens, N. Y., more attractive.

We have spent billions of dollars "to put people back to work", and still the unemployed list is practically the same. Our percentage of the unemployed returned to jobs is the lowest of any important country in the whole world, with the exception of one, Japan—this, notwithstanding the New Deal priming the pump, interference with which seems to be regarded only as destructive criticism.

It is time to drive or drill a well in some other locality. This one seems to be dry, and the priming process has resulted only in the partial recovery of a portion of the water poured in. The rest has gone down a dry hole, into the pockets of needless officeholders.

It is constructive to assure those who have developed our country, until today, in spite of all the squalling, the fault-finding, and the yapping, the common man is in better position here than he is anywhere else in all the world, that they may proceed, subject only to restrictions against unfair practices, to develop business, give employment, and restore prosperity.

It is constructive to suggest, as I did weeks ago by the introduction of a bill in Congress, that this Government quit purchasing silver at twice its world market price, when the only persons benefited were speculators and mine owners.

Is the height of constructive legislation reached when, and only when, the last dollar of the property owner, of the surplus of the businessman and manufacturer is taken from him and divided among those on relief—when we are all on relief? Is it not constructive to attempt to save the man and the woman who have a little something left from the greedy grasp of the tax collector?

Is it constructive to suggest that we cut down our expenditures until they come within our income, as I did on the floor of Congress some time ago? Is it constructive to suggest, as I did not long ago, that we levy taxes to pay our current bills in order that the people may know what their Government is costing them and so cut our garment according to the cloth we have?

THE PRESIDENT SPENDS—WE PAY

Today the President told us something that most of us have long known and had in mind. The taxpayer must pay for our extravagance. The President is the one who asked for the unheard-of appropriations, all to be spent under his direction, to satisfy his ideas; and now that the fiddler must be paid, he comes back to Congress, throws the bill in our faces, and saddles us with the unpleasant, disagreeable duty of determining when and how the money he spent with charming smile is to be replaced. His not to reason how nor when, his but to spend and spend—and come again for more and more—and on election day let you meet your political death because of the burden you must now put upon the people by tax.

Like Nero of old, he, Tugwell, Wallace, and Hopkins have had a glorious time spending and experimenting, wasting and

broadcasting the taxpayer's money, and now that the day of reckoning is at hand, the power of Congress is restored to it, to the end that the disagreeable and unpopular task of picking the pockets of the taxpayers may be performed by us, although he is the one who sent Congress on its spending mission. The prodigal son, having spent his substance in riotous living, is back waiting for the killing of the fatted calf; that is, the savings of the frugal and industrious individual and corporation, which he recommends we confiscate by taxation of their surplus, thus stripping them of their power to continue in business in times of depression.

We, like monkeys on the end of a string, collecting the pennies for the organ grinder, can take the pennies of those on the sidewalks, climb the porch supports and shake our tin cups in the faces of all, for surely the sweet music of his fireside chats, of his pleasing radio talks, must be paid for, and paid for by the sweat of those who labor.

Here is a little constructive criticism. Let me suggest to some of those who are going to cure all our ills by new-fangled notions, by the giving away of some more tax money—and, after all, it is tax money—that they take some of their own money and engage either in business, in a profession, in farming, or in manufacturing, and demonstrate their ability to do something other than to give off a cloud of hot air.

Is it constructive to have your N. R. A. so that no one dare establish a store or factory?

Mr. DINGELL. Certainly it was.

Mr. HOFFMAN. And it proved itself to be destructive to all the small-business men. As everyone knows, it died long before the Supreme Court killed it, long before your President pronounced a funeral oration over it. The gentleman would not know a constructive suggestion if he met one coming down the middle of the road.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. No; not until I finish giving the gentleman a few constructive ideas. Is it constructive to let Mr. Ford transact his business in the gentleman's own city and to let the other automobile factories which did not need any regulations through the N. R. A. drag the gentleman's city out of its indebtedness? Was that constructive?

Mr. DINGELL. The administration dragged the city out of debt.

Mr. HOFFMAN. Who did?

Mr. DINGELL. The business administration, before the gentleman was here.

Mr. HOFFMAN. Oh, the businessmen of Detroit, not the administration brought the city out of debt. Oh, no; all the administration ever did was to dig the hole deeper and deeper until now your President comes to us and says, "You provide the money." As he said, you are not going to get this tax money out of the rich. You are going to get it where the President said you would get it. The President said:

> Taxes are paid in the sweat of every man who labors. If they are excessive they are reflected in idle factories, tax-sold farms, and hence in hordes of hungry tramping the streets and seeking jobs in vain. Our people and our business cannot carry this excessive burden of taxation.

Mr. DINGELL. And the taxes will still be lower than they were under your administration.

Mr. KNUTSON. Mr. Chairman, I submit the gentleman should secure recognition from the Chair before he addresses the gentleman from Michigan.

The CHAIRMAN. Does the gentleman from Michigan yield?

Mr. DINGELL. Oh, the gentleman does not need any protection from the gentleman from Minnesota.

Mr. HOFFMAN. Mr. Chairman, the only kind of a Congressman the gentleman thinks has a constructive idea is the fellow who will come down here and vote away the shirt, the pants, the socks, the shoes, and the toenails of the taxpayer, crying for something more, just like the Townsend fellow said, "What have you to offer?" And by that is meant: What more, what larger amount can you offer, can you give? The only suggestion they recognize, the only suggestion the gentleman recognizes, is "Give us some more of the same. Instead of $200, give us $250 or $300 a month." That is what the gentleman wants.

Mr. DINGELL. Let us stick to the burning house.

Mr. HOFFMAN. Oh, sure; and the sinking ship. It would not be right to say that the rats are deserting the sinking ship, because that is not the proper way to refer to anyone, but watch the statesmen getting off the sinking hulk. Check the list, the long, long list, of the Democratic statesmen who have deserted, and are deserting, the New Deal pirate ship.

Perhaps the last to announce his independence is our own former Governor Comstock, of Michigan, who tells us in no unmistakable terms that "Black Flag" Jim Farley and the President do not keep even their political promises.

No; we have a few suggestions. We have tried to make them constructive. The distinguished gentleman from Texas [Mr. BLANTON] said in the beginning of last year, "I am with my President." I, too, am with the President this time, when, even though, in a spirit evidently of petty vindictiveness, he talks about taxes to pay our bills, for I believe in paying as we go, and he knew when he advocated these huge appropriations that some day the bill must be paid. And he knew that this Congress would vote to pay the bonus and to pay it now. And he knew, or he should have known, for he was told often enough, that the levying of the processing taxes, to which he now refers, was illegal and that the present deficit, growing out of the inability to collect those taxes, is due, not to the Supreme Court, but to the passage of an unconstitutional law upon which he insisted.

Do you gentlemen intend to stand by your President and vote to pay the debts which you helped him to incur? When he sends down his tax bill, are you ready to pay the fiddler for the music that he has been making? I am, if the music be discontinued, if needless expenditures are not made, if wasteful experiments be discontinued, the number of Federal employees and Government costs reduced, and the affairs of the Government conducted upon a businesslike basis. Are you?

Mr. DINGELL. Yes.

Mr. HOFFMAN. Yes; if you can put that on the millionaire and the international banker and the Wall Street fellow.

Mr. DINGELL. And the gentleman would want to put them on the workingman.

Mr. HOFFMAN. There is where they will come from; that is where your President says they will come from. Oh, you have tried to fool the workingman all these years, but you cannot do it any longer; and when these taxes come finally they will be paid from the things they eat and wear and the homes they own. That is where they will come from; and when they realize that, that will be the end of this present administration. [Applause.]

Mr. BLANTON. Mr. Chairman, with the permission of the gentleman from Pennsylvania, I yield 10 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to incorporate some excerpts and data.

The CHAIRMAN. Is there objection?

Mr. MICHENER. Reserving the right to object, what are the excerpts and data? That is a pretty broad provision.

Mr. BLANTON. With regard to matters that appear in the hearings on this District appropriation bill.

Mr. MICHENER. But that might include editorials or letters, or most anything.

Mr. BLANTON. If the gentleman objects, I will withdraw the request.

Mr. MICHENER. I will object unless the gentleman limits it to some field.

Mr. BLANTON. With regard to the various subject matters in this bill.

Mr. MICHENER. But does that include editorials, speeches, letters, and telegrams?

Mr. BLANTON. Only such things as are contained in the hearings.

Mr. MICHENER. Oh, there is no objection to that.

The CHAIRMAN. If there is no objection, it is so ordered.

There was no objection.

Mr. O'CONNOR. Mr. Chairman, I did not intend to address the Committee this afternoon, but after listening to the distinguished gentleman from Michigan [Mr. HOFFMAN] I am prompted to do so briefly.

Of course, I can appreciate how the gentleman and his Republican colleagues feel upon reading the President's message today. The President's message is directed toward obtaining the bulk of the needed revenue from a tax which primarily affects corporations. That is never pleasing to the minority party, and has never been in all their history, especially to the gentleman from Michigan and his colleagues from that State. When you talk about taxing the surpluses or undivided earnings of corporations, immediately there comes to their minds the names of certain huge corporations domiciled in that State.

I have today introduced a bill, H. R. 11589, to tax surplus incomes of corporations. I was prompted to do that by reason of the President's message. I introduced it in several Congresses. In the Seventy-second Congress it was H. R. 12643; in the Seventy-third Congress, H. R. 1698; and then I got worn out, not getting any action, and I did not introduce it in this Congress. The bill is designed to reach the income of our large corporations which they are concealing and withholding from both their stockholders and the Government through fanciful reserves for depreciation and depletion. Some of the abuses which the act is intended to prevent are indicated in section 5 (b).

It is estimated this act would raise this year between $500,000,000 and $1,000,000,000 of new revenues from sources which are unjustly and artfully escaping taxation. For example, it would collect many millions from the income of the United States Steel Corporation. The financial troubles of the United States Government are largely traceable to this sort of tax evasion by our large corporations, which the act is primarily designed to remedy.

For 1935 and subsequent years this act would raise some six hundred to one thousand millions of revenue annually. Incidentally it provides "dividend credits", which would operate powerfully to prevent the cutting of dividends and the reductions of wages which frequently accompany dividend cuts.

To prevent hardships, the act grants a specific exemption of $500,000 income to each corporation or affiliated group of corporations and wholly exempts banking and insurance institutions. The act will thus apply to less than 1,000 corporations out of the 500,000 which report to the Bureau of Internal Revenue. Conservative restrictions are placed on the deduction of "reserves", although deduction for all actual replacements is permitted. Liberal credit is also provided for dividends distributed, and by all these means the act is limited to the great corporations whose hoarding of funds has notoriously contributed to the depression.

The act provides also for reduction of normal tax rates from 4 and 8 percent to 1 and 2 percent. In addition it establishes credits for taxes paid to the States—like the credit now allowed against Federal estate taxes—thus rendering substantial assistance to the States in tax collection and incidentally relieving further the tax burden upon individuals. The estimates above given as to the productiveness of the tax are after allowance for these tax reductions and credits.

The proposed rate of taxation, 33⅓ percent, is high, but not in comparison with the newly established surtax rates. Without such an increase in the rate of corporate income taxation the new surtaxes will be universally evaded, except by salaried and professional classes. On the other hand, such high corporate rates are made practicable and justifiable only by the liberal credits allowed in the act to both corporations and individuals, and particularly by the elimination of existing double taxation of dividends. This measure rectifies the present disparity between individual and corporate rates and at the same time furnishes the means through which an early reduction of surtax rates may be attempted.

The proposed act offers the advantages of a sales tax without some of its disadvantages. A sales tax, unless shifted to the consumer, is simply a tax on gross income without deductions. This act permits deduction of all direct costs and also all actual overhead expenses, disallowing only certain overhead reserves which have been abused and are unnecessary.

The tax on corporate surplus income cannot be pyramided or shifted to the consumer. It will not add one cent to the cost of doing business. It will encourage liberal dividend and wage increases, thereby enlarging the buying power of the public. Without any inflation, it will presently force a half billion dollars of existing money into circulation, money now held in stagnant surpluses of giant corporations. Careful study has shown that it will not impose undue strain on corporate finances to pay the tax for 1935 or later years, but the act contains novel provisions to insure against exceptional hardship in any case.

The tax is needed to relieve stockholders, rectify injustices, restore the national credit, provide for necessary relief measures, and relieve the pressure for Federal and corporation wage cuts. It is submitted that at this time few other measures could do more to restore confidence, revive business, and stimulate the normal flow of money and commodities in commerce.

As I understand the President's message, the bill that I proposed in some prior Congresses reaches the same end by taxing the undivided income and accumulated surplus income of corporations, the largest one of which, if I recall correctly, is General Motors, which has more accumulated income than any bank in the world has undivided surplus. I may not be speaking as of this moment, but that was the situation in the past.

The United States Steel Corporation, which, if it had paid its right proportion of income tax in 1932 under such a bill, would have paid from ten to twelve million dollars more in taxes, but instead of distributing it in dividends to income-tax payers who might come within the surtax brackets, they retained it in their treasury and paid the income tax of 12 percent or whatever the rate then was. It is estimated that between a half billion and a billion dollars can be obtained from corporations in one year by this sort of a tax. If you will put that money into circulation, you will somewhat solve any problem, imaginary or otherwise, of the need of additional currency.

Further, if you can pry it loose from the chests of those corporations, you will increase the wages, because they will have less incentive to hoard that money, and instead of distributing it all in dividends, some of it will be reflected in wages.

Mr. SNELL. Will the gentleman yield for a short question?

Mr. O'CONNOR. I yield.

Mr. SNELL. Is it not a fact that a great deal of these surpluses have been distributed during the last few years in helping to keep business going during the depression, when they could not make money out of their businesses? A great many of those organizations, and I speak from very sad experience in regard to some of them, started this depression with a large surplus, but they have used all of that surplus during the depression and that is all that has kept them going. Had it not been for that, they would not have been able to employ the men they have employed during the depression, and conditions would have been much worse than they are. In other words, is the gentleman absolutely opposed to making some provision for the rainy day to come?

Mr. O'CONNOR. Oh, no. I do not follow how the gentleman conceives that the distributing of surplus would help the particular business to continue.

Mr. SNELL. The gentleman misunderstood me. I said the fact that they did not distribute all of their surplus gave them something to work on during the depression.

Mr. O'CONNOR. Oh, that may be. That is true to some extent. It is true that some corporations like the American Telephone & Telegraph Co. have continued their dividends of $9, in that instance, when they have only earned $7 or $8,

but holding on to the surplus does not help the business. Paying dividends out of surplus only goes to help the individual stockholders.

Mr. SNELL. Oh, no. Does it not help to keep men employed during the depression, whom they would not have employed if they had to depend upon their own earnings?

Mr. O'CONNOR. I do not follow at all how the surplus has kept men employed. I do say, and, of course, everybody agrees, that a reasonable surplus or reserve should be maintained. What is reasonable, of course, is for the determination of the people who know that. But it has been recognized for years that many of the huge surpluses have been maintained at the request of large taxpayers who were stockholders.

Some stockholders would be paying as high a tax as 50 percent on the dividend earnings of some of these corporations, whereas the money now is lying idle, and only the normal corporation tax is being paid on it.

Mr. SNELL. Mr. Chairman, will the gentleman yield further?

Mr. O'CONNOR. I yield.

Mr. SNELL. As I understand the proposed program from hearing the President's message read, it is that you are going to tax the surpluses of all these businesses regardless of whether the surplus is needed or not?

Mr. O'CONNOR. I do not believe that is so, and the bill I have introduced does not do so at all.

Mr. SNELL. What does the gentleman's bill provide?

Mr. O'CONNOR. It permits a reasonable reserve.

Mr. SNELL. Who is going to say what is a reasonable reserve?

Mr. O'CONNOR. That is set up in many instances in the present tax law.

Mr. SNELL. I do not know who can tell what a reasonable reserve is better than the man himself who is running the business and who knows something about the dangers and the probable future needs connected with the business.

Mr. O'CONNOR. If it were left to the man who runs the business, the Lord help the Government to get any tax at all. In all tax laws the Government has fixed some exemption after which the tax begins. This is done with individuals. A married man is allowed a reserve or exemption of $2,500.

Mr. SNELL. I maintain that one of the greatest assets to this country during the last 4 years has been the surplus reserves that were built up by carefully managed organizations and business companies.

Mr. O'CONNOR. That may be, but I do not think the gentleman will deny the fact that some corporations have deliberately refrained from paying taxes. Suppose we have one corporation in this country controlled by two men, and some of the other big ones are controlled by a few men, but assume the case where one individual controls a corporation and the corporation makes $1,000,000. Some such corporations make more than $1,000,000. If this money is not distributed all the corporation pays is the corporate income tax, whereas if it went to the individual he would pay the surtax.

Mr. SNELL. Mr. Chairman, will the gentleman yield further?

Mr. O'CONNOR. Yes.

Mr. SNELL. The gentleman is assuming a situation that may possibly exist in a few cases; but when a corporation tax bill is passed by Congress, it affects all corporations in the United States; and 99.99 percent are not covered by the situation used by the gentleman as his illustration.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

Mr. O'CONNOR. The gentleman knows from his own experience that the average corporation, the small corporation, has a hard time maintaining any surplus.

Mr. SNELL. I agree with that statement.

Mr. O'CONNOR. That has always been true more or less, but the earnings have been fairly distributed amongst the people interested. In the case of some of the larger corporations, however, where certain people own very substantial interests, the gentleman knows income has been piled up as surplus to avoid the tax that would be paid by the individual taxpayer if the surplus were distributed.

Mr. SNELL. There are not many corporations of that kind, are there?

Mr. O'CONNOR. I do not know, but no more will be hurt than there are.

Mr. SNELL. This applies to all large corporations, and a great many of these large corporations have hundreds of thousands of small stockholders. It is the money of these stockholders it is proposed to tax.

Mr. O'CONNOR. The gentleman will not know, of course, until the bill is presented to Congress how it is going to affect any corporation. I agree with the gentleman that there should be left a reasonable reserve, a reasonable surplus, to which the tax does not apply. These rules can be worked out just as they have been worked out in other features of the income-tax law.

We have heard a lot about taxes here from the gentleman from Pennsylvania [Mr. RICH] with his constant slogan, or bromide: "How are you going to pay for it?" He said the other day that the American people are demanding that we raise taxes to pay for these expenditures.

I wonder if the gentleman from Michigan [Mr. HOFFMAN] who just spoke, voted for the farm bill which makes $500,000,000 of these taxes necessary? I wonder if he voted for the bonus which makes another $120,000,000 necessary?

I wanted to ask the gentleman from Pennsylvania [Mr. RICH] the other day, when he was clamoring for a tax bill whether he would vote for it when it came in here. No Member of the minority, of course, is going to vote for a tax bill; they are going to play politics with it.

In the same breath they say, "Why do you not balance the Budget by raising taxes to meet every expenditure?"

Mr. TABER. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from New York.

Mr. TABER. Why not cut down some of these expenses, such as the $62,000,000 that the Senate added just the other day?

Mr. O'CONNOR. We cannot go back and take the bread which we gave to the American people. We cannot go back and take the roof from over the heads of the people. That money has been spent.

Mr. TABER. Does the gentleman call the reclamation projects, which are absolutely unnecessary, bread?

Mr. O'CONNOR. Well, I do not know whether they are unnecessary. The gentleman has always been interested in projects in up-State New York. They may not be reclamation projects, but there are other projects, such as rivers and harbors and things like that. When it touches home they are very necessary, the same as the reclamation projects are necessary to those particular parts of the country in which they are situated.

It is agreed by every critic of the administration that we should pay as we go, that we should levy the tax as we go along, and it does not lie in the mouth of anybody now to say: "I am against what you have done. You should try to replevin some of this money. Do not raise new taxes"—and at the same time admit that the taxes are necessary.

Mr. CRAWFORD. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If a corporation surplus-tax law was drawn along the line just indicated, is it not true it would practically not touch corporations which had been free in the distribution of dividends and which maintain a surplus reserve of a reasonable amount to carry on their operations?

Mr. O'CONNOR. It would not harm them at all.

Mr. CRAWFORD. It would only touch those corporations which carry an excess or heavy reserve for the purpose of meeting some emergency that may come 5, 10, 15, 20, or 25 years from now?

Mr. O'CONNOR. Yes; corporations that have evaded payment of taxes through this method.

Mr. Chairman, I yield back the balance of my time.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that all Members who speak on the pending bill may have permission to revise and extend their remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, the taxation of undivided profits, as I understand it, has given previous Congresses a great deal of concern. I dislike very much, because of the friendship and high regard I have for the gentleman from New York, who has just spoken, to take issue with him on this very important matter. Possibly I do not take issue with him on the purpose of his bill, but I think at this point it should be called to the attention of Members of the House and of the country at large that in the taxation of undivided earnings and profits we might be striking at the foundation of American business and industry.

From the time when Benjamin Franklin taught us that thrift was the most desirable thing in life, individuals, partnerships, and corporations have been laying aside for the rainy day, and they are continuing to do that. The gentleman referred to certain corporations in my State, and I assume he refers chiefly to the General Motors Corporation and the industries owned and controlled by Henry and Edsel Ford. But I wonder what would have happened to the employees of those companies or the subsidiary companies depending upon those two great industries for a livelihood had the General Motors Co. and the Ford Motor Co. not had some reserves which they had built up in their good years against the depression years? Instead of having 12,000,000 unemployed, we undoubtedly would have had twice that many unemployed.

In passing, may I say that this Nation owes a deep debt of gratitude to the courage, to the foresight, and to the business acumen with which the automobile industry pulled this Nation out of the depression. General Motors, Chrysler, Ford, and all of the other automobile manufacturers got together and agreed that they could not longer rely upon the Federal Government to alone restore business. In spite of the uncertainty in governmental policies which prevailed, despite the fact that they might have their profits taken away from them by confiscatory taxation attending the increasing deficits and a resultant unprecedented increase in the national debt, they decided to make a start. They pulled the textiles with them. They pulled the steel industry with them. At the present time, because of the foresight, the fortitude, and courage of the automobile industry, we are on the way toward the end of this depression.

Mr. Chairman, what did they do it with? They did not do that with the earnings of the current year. They did not do it with the expectation that their earnings would be sufficient within the 6 months' period succeeding to do it. They did it with the reserves which they had built up from their undivided profits. Messrs. Henry and Edsel Ford, Mr. Chryster and all of the stockholders of the Chrysler Co., and the innumerable, perhaps thousands, of stockholders of the General Motors Corporation forewent this temporary benefit that might have accrued to them as individuals and said, "We will take our share of this burden and put it into this pot which is represented in the surplus and reserves of this corporation, and instead of paying dividends on the stocks we will forego them temporarily and use them to give employment, which will create purchasing power, and thus help to bring the Nation out of the depression."

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. WOLCOTT. Mr. Chairman, they said to their directors, "Take the money that you would otherwise pay us as individuals and pull this country out of the depression, and we will take our chances on recuperating our temporary losses from future profits. In years to come we will recoup what temporary losses we have suffered today by reason of the fact you have taken this money you would otherwise pay us and invest in such a way that increased employment will result." This is what they did.

Now, Mr. Chairman, every concern must build up a reasonable reserve against losses. They must build up a reasonable surplus if employment in this Nation is to be anywhere near constant, and so I think we should approach this subject with a great deal of caution.

I could get up here and demagogue on the fact that, politically, I hope to see you Democrats adopt this program, because I could foresee and prophesy that there would not be a businessman with you on election day if you adopt such a policy; but I do not want to see this done. There is something greater in this than pure demagogy on your part or my part. We are striking at the very foundation of American industry, and I realize that when I stand up here today and try to come to the defense of American industry and business, I am doing it with the danger of being classified with the satellites of entrenched greed we have heard so much about. I am doing it at the expense of being called a follower of Wall Street doctrines. I am doing it at the expense, possibly, of rising in defense of the international banker; but, Mr. Chairman, the American Nation was built around the investments which the people put into industry expecting a fair return, and when the stockholders of corporations are perfectly satisfied to forego a temporary gain in order to build our economic structure higher and higher and continue to employ more men, I think the Congress of the United States should not do anything which will retard that progress, and I know that the gentleman from New York does not want to go as far in his bill as to make it impossible for our industries and our businesses to build up a reasonable reserve.

How, may I ask the gentleman from New York, is he going to determine whether the Ford industry or whether General Motors or whether Chrysler or whether the Murray body or any other concern must put aside $1,000,000 of reserve or whether they should put aside only $100,000 of reserve? They know their needs; they know their capital investment; they know their probable losses; they know that if they make a certain profit covering a period of 5 years they can expect to keep men employed during, we will say, 2 or 3 years in the lean period.

It is not for us to say what their reserves shall be. I am not so certain that it is for us to say—and this goes to the fundamentals of our democracy—what their profits shall be.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield there?

Mr. WOLCOTT. Yes.

Mr. O'CONNOR. Is the gentleman for a graduated income tax on individuals?

Mr. WOLCOTT. I think so.

Mr. O'CONNOR. Does the gentleman subscribe to the theory that one of the purposes of that is to reach gradually higher what really is a surplus over needs? Does not the same principle apply to some extent to a graduated income tax on corporations which has just been touched upon lately and is another theory that has been considered in this Congress for years?

Mr. WOLCOTT. As I understand the gentleman's suggestion, there is very little relationship between the graduated tax on corporation earnings and the undivided profits of corporations, and as to surpluses and reserves of corporations there is very little relationship between such taxes and a graduated tax on incomes. I do not pretend, as I know the gentleman is, to be an expert on taxation.

Mr. O'CONNOR. No; I am not an expert at all.

Mr. WOLCOTT. About the only experience I have had with taxation has been to try to pay my own taxes, and I have not been any too successful in that.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. O'CONNOR. I do not claim to know but very little about it. However, the gentleman does not claim, does he,

that the use of surplus or undivided profits is accountable for the increased business of the automobile industry?

Mr. WOLCOTT. Yes; I do.

Mr. O'CONNOR. Does that account for the sale of more cars?

Mr. WOLCOTT. Yes; because that surplus or that reserve was used by the automotive industry to go out and build up their market. They took their undivided profits and bought textiles with it, and they bought steel with it, and the steel industry bought coal and everything else that went along with it, which was used to build up their own market for the purchase of their own commodities.

Mr. O'CONNOR. Now, did it ever occur to the gentleman right there that the purchasing power or the money available with which to buy these new cars came from the United States Government directly, to a great extent, in payments to the farmers and from other policies of this administration in increasing farm income?

Mr. WOLCOTT. No; I do not realize anything of the kind.

Mr. O'CONNOR. The gentleman does not agree to that?

Mr. WOLCOTT. No; because I realize that your boondoggling activities by which you pay a man $40 a month or $30 a month, does not give him the wherewithal to buy a $25 five-year-old Ford, to say nothing about a new car.

Mr. O'CONNOR. I am talking about the farmers.

Mr. WOLCOTT. The farm population of this Nation today is not in a position to buy automobiles. The big sale of automobiles during the last 3 years has been made in the industrial centers, which have benefited by the investments of surpluses and reserves of the automobile industry in the commodities of the different localities.

Mr. O'CONNOR. And does that apply to New York City?

Mr. WOLCOTT. Yes; it applies to New York State. The farmer has benefited only by getting the dribblings from those industries, because they used the money paid for these cars to buy agricultural products.

Mr. O'CONNOR. And will the gentleman tell me what product the automobile industry buys in New York City? I have never heard of it, and the sales of automobiles in New York City, with industry probably as low in employment as any place in the country, have continually risen for 1 or 2 years.

Mr. WOLCOTT. Possibly I did not understand the gentleman's question. I do not know that the automobile industry buys one cent of stuff in New York City, but I do know that, if we build up ability to purchase automobiles in the United States, then the gentleman's city benefits probably more than any other locality in the United States from that.

Mr. O'CONNOR. It has probably benefited the least today of any part of the Nation.

Mr. WOLCOTT. Oh, I was up there 2 months ago, and they still were running streetcars and taxis, and they seemed to be getting around very comfortably.

Mr. KLEBERG. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. KLEBERG. For instance, Mr. Edgar Smith, vice president of the General Motors Export Corporation, might speak with authority as to the value of the farm programs to the automobile industry. If so, I suggest that the gentleman read an article I inserted into the RECORD by Mr. Smith in a speech delivered here by me on February 20, just passed. A table in the same speech on automobile registrations of 1932 and 1935 is also significant.

Mr. WOLCOTT. I might say in answer to the gentleman that we will never have permanent prosperity in the automobile industry until we do give the farmers purchasing power. That is what we are all striving to do. We realize that just as well as the gentleman does.

Mr. KLEBERG. Of course, but I did not want the gentleman to go astray.

Mr. WOLCOTT. And let me say further that when we do that, we perhaps will then have taken care of most of our economic ills.

Mr. ENGEL. And is it not a fact that General Motors is spending now in Michigan $50,000,000 out of that surplus, including a new factory in Grand Rapids, Mich., which will employ 2,000 people?

Mr. WOLCOTT. I understand that to be the case and I know that if it were not for the surplus of Chrysler and General Motors and Ford there would not be an automobile-parts factory running in my district today.

Mr. CRAWFORD. The gentleman does not mean to include General Motors in that list of corporations that do not pay dividends.

Mr. WOLCOTT. No.

Mr. CRAWFORD. Is it not true that with their liberal policy of making a distribution to their stockholders from time to time and the payment of cash dividends, they are contributing very liberally toward prosperity?

Mr. WOLCOTT. I understand that this is a taxation matter, and if they pay liberal dividends to stockholders, it enables stockholders in turn to pay that much more to the Federal Government from individual income.

Mr. CRAWFORD. And I think that is one corporation in the country that does pay liberal dividends.

Mr. HOFFMAN. And did not General Motors pay the men in their factory a bonus not long ago?

Mr. WOLCOTT. Yes; I understand they did.

Mr. HOFFMAN. Amounting to $25,000,000.

Mr. WOLCOTT. Instead of paying it as taxes into the Federal Treasury, they took all over their reasonable surplus and divided it in the form of a bonus to the workmen in their factories.

Mr. HOFFMAN. And that was something like $25,000,000?

Mr. WOLCOTT. I think so.

Mr. BANKHEAD. And does the gentleman take the astounding position that the increase of more than $3,000,000,000 in income of farmers last year over 1932 had no appreciable effect on the business of the country?

Mr. WOLCOTT. No; and if I did take that position, it would be astounding.

Mr. BANKHEAD. I understood the gentleman to take that position because the principal automobile sales were in the cities of the country.

Mr. WOLCOTT. Oh, no; I said the largest sales in the automotive industry were in the industrial centers. Of course, the agriculturalists were benefited by the purchase of automobiles because in those localities some of those benefits trickled down to the farmers and enabled them to buy more automobiles than they would have otherwise had the automobile industry not taken the lead in bringing us out of this depression. What I mean to convey is that if we remove the disparity between agricultural and industrial prices, then we will establish a permanent market, perhaps, among the agriculturalists for our automobile industry, and our economic ills will then take care of themselves.

Mr. HOFFMAN. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HOFFMAN. Is it not true that this increase in the income of the farmers came from crops that did not fall under the jurisdiction of the A. A. A.?

Mr. WOLCOTT. I think probably the gentleman is correct.

Mr. O'CONNOR. Will the gentleman yield further?

Mr. WOLCOTT. I yield.

Mr. O'CONNOR. If it is true that the export business in automobiles has increased during the last year or two, would the gentleman give any credit to the reciprocal-trade agreements for that?

Mr. WOLCOTT. No; I would not.

Mr. MICHENER. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. MICHENER. There has only been one reciprocal-trade agreement in effect long enough to have any effect. Is that not true?

Mr. WOLCOTT. That is true.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. BLANTON. Mr. Chairman, I yield 17 minutes to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks by inserting a table showing the number of banks in the United States from 1921 to 1935, the number of deposits in banks suspended from 1921 to 1935, and the number of licensed banks in the United States compared with the number of insured banks.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Chairman, because I belong to the most maligned and most demagoged committee in the House, one that I think has been the victim of more arguments without merit, it gives me pleasure to say a few words in regard to some of the constructive legislation that I think has come from that committee.

We have heard much criticism from our colleagues on the other side of the aisle in regard to the alleged mistakes of the Democratic Party.

Events have moved rapidly during the Presidency of Franklin D. Roosevelt; great problems have presented themselves; unusual remedies had to be applied to unprecedented conditions. It would certainly be very unusual if the party that has been compelled to meet this situation had made no mistakes.

However, there has been one legislative act that I do not think is subject to legitimate criticism—an act that has been far reaching in its effect, perhaps more far reaching than any other legislation we have passed, because upon it has been based the recovery we have attained.

Without the passage of this act a financial debacle unparalleled in history, I am confident, would have resulted.

President Roosevelt came into office on the 4th of March 1933. Confidence had been destroyed in our financial institutions. All the banks in the United States, because of the serious financial conditions that prevailed, were on March 6 ordered closed by Executive proclamation.

Not prosperity but a major catastrophe seemed to be just around the corner. The Emergency Banking Act was passed and became a law on March 9, 1933. The banks that could qualify were opened; confidence in our financial institutions, to a certain extent, was restored. The whole economic condition of the Nation seemed to change immediately.

The present attacks being made upon the fiscal policies of the administration appear to come from those who shouted the loudest for financial help in 1933. I am therefore prompted to remind them that if it were not for the help given by the Federal Government to our financial system the great economic recovery that has already been made would have been impossible.

The critics of the present administration seem to overlook the fact that almost all banks in the United States were in serious trouble when it went into office. They seem to forget that further catastrophe and ruin were averted by the prompt and courageous steps taken by President Roosevelt to restore the confidence of our people in the Nation's banks. To my mind, one of the outstanding achievements of the Democratic Party in its long record of meeting the needs of our citizens was the enactment of the plan of Federal Deposit Insurance Corporation to insure depositors from loss resulting from bank failures. The possibility of providing such insurance or guaranty of bank obligation had been discussed from time to time for more than a century. The adoption by the Federal Government in 1933 of the principle of insurance of deposits was the direct result of the severe banking crisis and of the large volume of bank deposits which had been lost or tied up in closed banks during the preceding 3 years. It was believed by those supporting the insurance of bank deposits that such insurance was essential for the reestablishment of confidence in the banking structure of the United States. It was also desired to provide a speedy method of release of deposits tied up in suspended banks.

To serve these purposes the Corporation was authorized to insure the deposits of banks operating under the laws of the United States or of any State, to act as receiver for closed banks, and to operate for a limited time new national banks chartered for the purpose of making available to depositors of closed banks the insured portions of their deposits. The Corporation was also authorized to purchase assets of and enabled to make loans to closed banks members of the Federal Reserve System.

It is recognized that a function of insurance organizations is to attempt to reduce the risk of loss from the contingencies against which protection is provided. The Federal Deposit Insurance Corporation has a direct financial responsibility in 95 percent of all the licensed commercial banks in the United States. Those responsible for the policies of the Corporation have been concerned, therefore, not merely with the expeditious settlement of claims of depositors in closed banks, but also with the problems of sound operation of insured banks and of reduction of losses resulting from bank failures.

The board of directors of the Corporation is now composed of Hon. Leo T. Crowley, chairman, who has frequently appeared before the Banking and Currency Committee. He has demonstrated fine capacity and a comprehensive grasp of the problems of this great Corporation; former Senator Phillips Lee Goldsborough; and Hon. J. F. T. O'Connor, Comptroller of the Currency. The personnel of the organization at the close of 1935 consisted of 742 employees, of whom 237 were in the Washington office, 505 in the field, and at the 12 regional offices throughout the country, as against 2,622 at the end of 1933 when there were 211 in Washington and 2,411 in the district offices.

The present financial set-up of the Insurance Corporation consists of capital stock, of which $150,000,000 is held by the Secretary of the Treasury, and about $140,000,000 subscribed by the 12 Federal Reserve banks. Under the existing law the banks which are members of the Corporation pay an assessment of one-twelfth of 1 percent of their total deposits, which amounts to about $33,000,000 a year. Under the Banking Act of 1935 the Corporation is authorized to issue obligations up to three times the amount received by it in payment of its capital stock and in payment of the assessments by insured banks for the year 1936. The Secretary of the Treasury and the Reconstruction Finance Corporation are also authorized to purchase securities issued by the Corporation in an amount not to exceed $250,000,000. It thus has a potential fund for the payment of losses of over a billion dollars.

Its financial statement as of the close of business on December 31, 1935, showed the following: Government securities owned, $297,386,836; its income from investments, including profit of about one and one-fourth of a million dollars from the sale of securities, amounted to $9,259,035; its administrative expenses were $2,613,072; deposit insurance losses and expenses totaled $3,509,029. The Corporation's daily income from investments, amounting to $22,000 a day, has been used to pay current losses and to create a reserve for future losses.

Estimates as of December 31, 1935, showed there were 14,207 banks insured by the Corporation out of a total of 15,722 banks in the entire United States. These insured banks had total deposits of over forty-two billions, of which over eighteen billions were insured. In other words, fifty-one millions of depositors were protected by deposit insurance. Fifty millions were fully insured by the $5,000 limit and 1,000,000 were partially insured. The 1,515 licensed banks which are not insured had deposits of ten billion. Of the total number of insured banks 5,395 were national banks, 1,001 were State banks which were members of the Federal Reserve System, and 7,801 were nonmember State banks. I should like to have permission at this point to insert a tabulation which gives a preliminary estimate of the number of insured and uninsured banks in each State.

These figures, to my mind, are eloquent proof of what can be accomplished by beneficent legislation and intelligent administration. As a member of the Banking and Currency Committee, I am naturally very happy to see this new agency play such an important and prominent part in the daily lives of our people and in the improvement and strengthening of our entire banking system.

These magnificent results were not reached, however, without a great deal of laborious work. The original directors of the Corporation first met on September 11, 1933, and were faced with the gigantic task of examining and qualifying over 7,800 State nonmember banks before January 1, 1934, the date upon which the temporary Federal deposit

insurance fund became effective. Without going into any great detail, it is sufficient for me to point out that this huge task was efficiently and expeditiously carried out with the help of a field force of over 2,500 people working out of the various 47 field offices which had to be set up.

The original law provided that all applying nonmember banks were to be insured upon the presentation of a certificate of solvency from the appropriate State supervising authority, and if they were found upon examination by the corporation to have assets sufficient to cover all liabilities to depositors and other creditors. About 1,000 banks were found to have insufficient assets to meet this test. They were, however, made eligible by the raising of local funds and the purchase by local interests of bad assets, and through the investment by the Reconstruction Finance Corporation of capital obligations. There were about 140 banks which could not gain admission.

The directors of the Corporation wisely decided early in 1934 to reexamine all the insured commercial banks which did not belong to the Federal Reserve System and which had been found to have a weak capital structure. As a result of these reexaminations more than 6,000 banks were rehabilitated by the purchase of capital obligations amounting to more than $800,000,000 by the Reconstruction Finance Corporation and through the contribution of local capital amounting to several hundred millions of dollars. By thus placing the insured banks in a strong capital position the Corporation was able to proceed with the plan of deposit insurance on a firm foundation. I am told that this program has now been largely completed so that, from the standpoint of capital structure, the banks of the country today are perhaps in a better condition than they have been for many years. The report of the Reconstruction Finance Corporation of January 20, 1936, by Jesse H. Jones, its chairman, contains the following:

Loans in the aggregate amount of $1,350,044,820.73 were authorized to 4,950 banks which were open when the loans were made; $1,142,590,340.69 of these authorizations were disbursed; and $975,587,748.53, or 85.4 percent, have been repaid. Loans to 1,170 of these banks that closed after the loans were made have been paid in full.

Of $1,071,348,339.23 disbursed for the purchase of preferred stock, capital notes, and debentures in 6,057 banks and trust companies, including $30,375,000 for nine insurance companies, $141,679,200.73 has been repaid.

Such authorizations were made to 6,840 banks and trust companies in the aggregate amount of $1,328,633,169.41.

Of $876,124,844.81 disbursed for distribution to depositors in closed banks, $630,399,741.51, or 72 percent, has been repaid. Total authorizations for this purpose have been $1,170,031,738.40. These sums, I understand, were advanced with the advice and in cooperation with the Federal Deposit Insurance Corporation.

While the Corporation was expending great efforts to better the condition of the banks which it insured, it was at the same time actively engaged in its attempts to bring about a greater unification and harmony between the Federal and State agencies charged with the supervision and regulation of the Nation's banks. It has done much to eliminate the criticisms which were aimed at the duplication of efforts of the different supervising authorities. It should be remembered that the Federal Deposit Insurance Corporation, except in rare cases, only examines those insured banks which do not belong to the Federal Reserve System; in other words, State banks. The Comptroller of the Currency examines the national banks and the Federal Reserve Board examines the State banks which belong to the Federal Reserve System. There is, thus, no real duplication by any of the Federal agencies, contrary to a misunderstanding which seems to exist in some quarters. The Corporation has gone out of its way to cooperate with the bank commissioners of the several States. This fine spirit of cooperation has met with splendid support. Many of the States are now using the examination form of the Corporation and are also conducting joint examinations with the field forces of this Federal Department. Many conferences have been held with the officials and members of the National Association of Supervisors of State Banks regarding mutual banking problems as well as with representatives of the American Bankers Association and the different State organizations.

Legislation to enable State banks to participate in the benefits of Federal deposit insurance has been prepared by the Corporation's legal department, which has been favorably acted upon in a great many States of the Union. I think it can be fairly said that the Corporation's activities in this and other matters have done much to bring about a better understanding and a more friendly spirit of cooperation on the part of State officials interested in the permanent improvement and stabilization of our country's banking system.

Perhaps the most impressive phase of the Corporation's functions has been the payment of the claims of depositors in the insured banks which have closed since January 1, 1934. A total of 33 insured institutions closed their doors for the 2-year period from January 1, 1934, to January 1, 1936. These banks had total deposits of $10,906,972 and insured deposits of $7,053,667. Approximately 32,379 depositors have been paid the sums due them. The total insured deposits paid reached the figure of $6,369,128.

When an insured bank closes the Corporation can discharge its liability to depositors by making available to each depositor a transfer deposit in a new bank in the same community or in another insured bank equal to the insured deposit of such depositor, and subject to withdrawal on demand, or in such other manner as the board of directors of the Corporation may prescribe. Whenever an insured national bank closes, the Comptroller of the Currency must appoint the Corporation receiver for such closed bank. The Corporation is authorized to act as receiver whenever an insured State bank closes and is eligible for such appointment in 30 States either by virtue of their general laws or special acts. In two States, Louisiana and Mississippi, the appointment of the Corporation as a receiver has been made mandatory.

Deposit insurance has changed the administration of bank receiverships particularly by the substitution of the Corporation as a single claimant in place of a large number of depositors whose accounts have been paid by the Corporation. The appointment of the Corporation as receiver simplifies procedure, eliminates duplication of records, and fixes responsibility for liquidation in the largest creditor whose interest is to obtain the maximum possible recovery. Under the law it is the duty of the Corporation as receiver of the closed insured bank "to realize upon the assets of such closed bank, having due regard for the condition of credit in the locality."

The striking contrast between this new and simple method and the procedure followed under the old practice is at once apparent. Probably one of the greatest compliments the American public has paid to the Insurance Corporation is the manner in which it now receives the news of the closing of an insured bank. It was only a few years ago when the closing of a bank meant trouble and disaster to a community. In those days a run upon a bank was looked upon with deep and universal apprehension. It not only embarrassed the particular institution involved but also brought worry to the depositors and management of the other banks in the locality. If the bank which had the run finally closed, there was no assurance that some of the neighboring banks might not have to do likewise. In any event, there was a long period of painful liquidation, which meant that the depositors had to wait months and even years to get back only a part of their funds. Instead of an orderly liquidation of the assets, there was ordinarily much forced selling, which imposed great hardships upon the economic life of the neighborhood.

Now when an insured bank closes the Deposit Insurance Corporation begins to pay the claims of depositors in full, usually within 10 days after the bank closes, in the absence of any legal complications. The Corporation, on account of

its vast resources, can afford to await the return of improved conditions before it attempts to reimburse itself for the claims it has paid. This has enabled it to effect almost 60 percent recovery in the 33 banks which have closed since January 1, 1934. In one case there was a recovery of 100 percent, and in a few others an almost equal amount.

I suppose the best place to get a true idea of the public's attitude toward the plan of Federal deposit insurance would be in those cities throughout the United States where the 33 closed insured banks are located. I have no doubt that any person seeking the truth would find that public opinion in those centers was all one way, namely, that deposit insurance has been the salvation of the depositors of those banks which failed during the last 2 years. Even in those parts of the country which have not had any failures of insured banks as yet there is almost a unanimous enthusiasm and good will for this protection to depositors. A recent impartial survey made by the National Emergency Council disclosed the interesting fact that out of some 38 States reporting every one was found to have been in favor of the plan of giving Federal protection to those who had money in the country's banks.

The results of 2 years' operations have demonstrated that the Insurance Corporation can and will be a powerful factor for good in the future development of our banking system. It is generally conceded that the amendments which have been made to the original law, and particularly those adopted at the last session of Congress, will go a long way toward making the permanent insurance law more effective. As of July 1, 1934, the insurance protection was increased from $2,500 to $5,000 for each depositor. This limitation was retained in the Banking Act of 1935 for the reason that more than 99 percent of all depositors are fully protected by this limit and because it was felt that the Corporation should not be subjected to an increased liability resulting from a higher maximum of insurance.

A regular payment by insured banks has replaced the original stock-subscription provision and the unlimited liability for assessments when losses occur. The premium has now been fixed at one-twelfth of 1 percent of the total deposits of the insured banks. Under the original law the assessment amounted to one-half of 1 percent of the insured deposits.

The Corporation has been given the power to protect itself against incurring excessive risks by controlling admissions to the fund and by dismissing from the insurance benefits any bank which is found to be engaging in unsound practices. Under the old law, if the bank was merely solvent, it was eligible for insurance. The standards of admission now embrace the convenience and needs of the community in which the bank is located, the capability and integrity of the management, its earnings possibilities, and the financial and general condition of the bank.

It has also been given the right to control capital changes, pass on mergers and consolidations, and to require insured banks to carry adequate burglary and fidelity insurance. Defalcation or burglary has been the principal cause of failure in the majority of insured banks which have already closed.

Another important provision added by the Banking Act of 1935 gives the Corporation the right to purchase assets of banks where such purchase will facilitate mergers and consolidations and thus avert a threatened loss to the Corporation or reduce its risk. This power has recently been exercised by the Corporation in Ann Arbor, Mich., and Bethlehem, Pa. If the banks involved in those cities had been allowed to close, it is certain that considerable distress would have been created and final loss to the Corporation would have been considerably greater than it will be under the arrangement agreed upon.

Other changes in the original law have been designed to give the Corporation greater flexibility in the payment of claims of depositors in order that these operations may be conducted with a maximum of efficiency and a minimum of expense and to facilitate the administration of the Corporation's affairs.

From January 1, 1934, to October 31, 1935, only 83 commercial banks with forty-five millions of deposits suspended. These dates cover the period from the inauguration of the plan of Federal deposit insurance to almost the end of its second year of operation. When you compare this showing with the number of closings of the years gone by, you begin to get a true picture of what deposit insurance has meant to this country. From January 1, 1865, the date of the commencement of our national banking system, to December 31, 1920, about 3,700 banks suspended operations. From January 1, 1921, to March 15, 1933, the date of the banking holiday, 11,225 banks closed. Approximately 4,500 banks closed from March 15, 1933, to December 31, 1933, including banks which closed during the banking holiday and were not licensed by April 12, 1933. In other words, from January 1, 1865, to December 31, 1933, nearly 20,000 banks were closed. Of these, about 10 percent were reorganized and reopened. The rest ceased to function. Over ten billions of dollars of deposits were involved. It is estimated that the depositors of the country suffered a loss of about three and one-half billions of dollars. In the face of these appalling losses, there is no wonder that people of this country are so strongly in favor of Federal protection for their deposits.

I submit that no other party in the history of this country has ever given more effective legislative and financial assistance to the American system of banking than has the present administration. While it is true that deposit insurance is no cure-all for the weaknesses of the banking system nor for the unstable business conditions which have in the past brought about periodic bank crises, nevertheless, it must be conceded that the banking program of the present administration has been effective and constructed upon a basis which enables the depositors of this country to place their money in banks secure in the belief that their funds are protected. Let those who are now finding fault with what has been done remember that.

There is no doubt that the passage of the bill creating the Federal Deposit Insurance Corporation is one of the greatest achievements of this or any other administration.

Its salutary effect is generally admitted by all of our citizens irrespective of party. It was a great constructive measure. It can be with reason said that it saved our institutions from the greatest financial catastrophe in the history of the Nation.

It will be interesting to consider what is the position of the Republican Party with reference to this measure.

The Republican national platform of 1932 contains the following:

> In contrast with the Republican policies and record we contrast those of the Democratic, as evidenced by the House of Representatives, under Democratic leadership and control, which includes (amongst other things) the guaranty of bank deposits.

Candor impels me to say that many Republican Members of the House voted for this measure and were heartily in favor of it. Many of the Republican members of the Banking and Currency Committee were very active in its support, and it is my recollection that it was unanimously reported favorably, but the Republican Party as a party, with its well-known characteristics, is officially on record as being opposed to it.

The Republican Party has become the party of opposition and obstruction. The prophet of old said, "Where there is no vision the people perish." This applies with equal force to political parties. Political parties when they become but the instruments of criticism, opposition, and obstruction lose their vision.

They then become seized with legislative blindness. I am not criticizing our Republican colleagues personally, but the party to which they belong has become the victim of that affliction.

The Republican Party has absolutely no constructive program itself, and it cannot see or appreciate constructive legislation when proposed by the Democratic Party.

The bitter denunciation of the Federal Deposit Insurance Corporation law by the Republican Party certainly weakens the effect of its constant criticism and bitter abuse of other Democratic measures.

Mr. FIESINGER. Will the gentleman yield?

Mr. SPENCE. I yield.

Mr. FIESINGER. The gentleman is a very valuable Member of this House. The question occurred to me whether the great metropolitan banks of the country are still opposed to this measure. I know they were at one time very hostile to it.

Mr. SPENCE. I do not know their attitude now, but at the time the bill was passed the metropolitan banks were bitterly opposed to it. Of course, the percentage of insurance with reference to the metropolitan banks—that is, the total amount of deposits—is not as high as it is in some of the other banks. The percentage of deposits insured in New York banks is 23 percent, but I feel that every dollar in every bank has the benefit of this insurance. [Applause.]

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

The statements referred to are as follows:

Preliminary report of Federal Deposit Insurance Corporation

NUMBER OF LICENSED BANKS IN THE UNITED STATES COMPARED WITH THE NUMBER OF INSURED BANKS AS OF DEC. 31, 1935

State	National banks licensed [1]	State Federal Reserve members licensed [1]	Nonmember banks			Mutual savings banks			All banks [2]			Percent insured to total
			Uninsured	Insured	Total licensed	Uninsured	Insured	Total licensed	Uninsured	Insured	Total	
Alabama	69	13	10	120	130				10	207	217	95.4
Arizona	8	3		5	5					16	16	100.0
Arkansas	50	7	9	156	165				9	213	222	95.9
California	123	16	10	106	116				10	245	255	96.1
Colorado	81	5	15	55	70				15	141	156	90.4
Connecticut	54	6	16	45	61	73		73	89	105	194	54.1
Delaware	16	4	2	24	26	2		2	4	44	48	91.7
District of Columbia	9	2		11	11					22	22	100.0
Florida	51	3	1	94	95				1	148	149	99.3
Georgia	57	25	22	176	198				22	258	280	92.1
Idaho	24	10	3	24	27				3	58	61	95.1
Illinois	209	66	19	502	521				19	866	885	97.9
Indiana	125	8	43	367	410	1	4	5	44	504	548	92.0
Iowa	118	26	76	438	514				76	582	658	88.4
Kansas	190	16	208	254	522				208	460	728	63.2
Kentucky	160	9	43	283	326				43	392	435	90.1
Louisiana	30	4	2	114	116				2	148	150	98.7
Maine	40	6	9	16	25	26	6	32	35	68	103	66.0
Maryland	63	10	3	111	114	11	2	13	14	186	200	93.0
Massachusetts	128	30	4	40	44	193		193	197	198	395	50.1
Michigan	84	91	28	274	302				28	449	477	94.1
Minnesota	305	15	36	429	465		1	1	36	650	686	94.8
Mississippi	25	3	10	171	181				10	199	209	95.2
Missouri	87	51	51	509	560				51	647	698	92.7
Montana	46	21	1	52	53				1	119	120	99.2
Nebraska	137	9	60	231	291				60	377	437	86.3
Nevada	6		1	3	4				1	9	10	90.0
New Hampshire	52	1	9	3	12	47		47	56	56	112	50.0
New Jersey	237	53	7	100	107	11	14	25	18	404	422	95.7
New Mexico	22	4	1	14	15				1	40	41	97.6
New York	459	119	8	190	198	133	2	135	141	770	911	84.5
North Carolina	44	10	2	182	184				2	236	238	99.2
North Dakota	66		11	127	138				11	193	204	94.9
Ohio	249	72	21	369	390		3	3	21	693	714	97.1
Oklahoma	214	1	18	173	191				18	388	406	95.6
Oregon	45	6	2	43	45		1	1	2	95	97	97.9
Pennsylvania	709	74	10	299	309	5	2	7	15	1,084	1,099	98.6
Rhode Island	12	2	7	2	9	9		9	16	16	32	50.0
South Carolina	29	4	33	88	121				33	112	145	77.2
South Dakota	52	23	1	124	125				1	199	200	99.5
Tennessee	72	5	10	238	248				10	315	325	96.9
Texas	455	53	79	305	384				79	813	892	91.1
Utah	13	19		27	27					59	59	100.0
Vermont	43			33	33		14	14		90	90	100.0
Virginia	132	24	4	166	170				4	322	326	98.8
Washington	63	26	9	93	102		3	3	9	185	194	95.4
West Virginia	79	19	11	72	83				11	170	181	93.9
Wisconsin	106	15	18	472	490	1	4	5	19	597	616	96.9
Wyoming	26	8		25	25					59	59	100.0
Total	[3] 5,395	1,001	[4] 1,005	7,755	8,758	512	56	568	[4] 1,515	14,297	15,722	90.4

[1] All banks members of Federal Reserve System are insured.
[2] Excludes 172 private banks and 58 Morris Plan and industrial banks.
[3] 2 Alaska banks and 1 Hawaii bank not members of the Federal Reserve System are insured, but not included herein.
[4] Includes 1 bank in New Hampshire which Rand McNally reports in process of liquidation.
Source: (1) Report of all insured banks issued by the Corporation. (2) Card records of uninsured banks maintained by the Division.

Number of banks

June 30	All banks [1]	Member banks		Nonmember banks	
		National	State	Mutual savings	Other
1921	30,560	8,150	1,595	634	20,181
1922	30,158	8,244	1,648	630	19,636
1923	29,823	8,336	1,620	628	19,349
1924	28,996	8,080	1,570	625	18,721
1925	28,479	8,066	1,472	622	18,318
1926	27,854	7,972	1,403	621	17,858
1927	26,765	7,790	1,309	618	17,048
1928	25,941	7,685	1,244	616	16,396
1929	25,110	7,530	1,177	611	15,792
1930	23,852	7,247	1,068	606	14,931
1931	21,903	6,800	982	600	13,521
1932	19,046	6,145	835	594	11,472
1933 [2]	14,519	4,897	709	576	8,337
1934	15,835	5,417	988	578	8,882
1935	15,994	5,425	985	571	9,013

[1] Includes national banks, State commercial banks and trust companies, mutual and stock savings banks, and all private and industrial banks included in abstracts issued by State banking departments.
[2] Beginning June 30, 1933, all figures (other than for mutual savings banks) relate to licensed banks only, with some exceptions as to nonmember banks.

Number and deposits of banks suspended, 1921–35

Year	Number	Deposits
1921	505	$172,188,000
1922	367	93,048,000
1923	646	149,601,000
1924	775	210,151,000
1925	618	167,555,000
1926	976	260,378,000
1927	669	199,329,000
1928	499	142,580,000
1929	659	230,643,000
1930	1,352	853,363,000
1931	2,294	1,690,669,000
1932	1,456	715,626,000
1933 [1]		
1934	57	36,937,000
1935	34	10,158,000

[1] Figures for bank suspensions in the year 1933 are difficult to put on a basis comparable with other years. From Jan. 1 to Mar. 15, 1933 (the time of the banking holiday) 449 banks with $215,341,000 of deposits suspended. On Apr. 12, 1933, there were 4,194 banks which had not been given licenses to operate on an unrestricted basis. These banks had $3,977,530,000 of deposits at the nearest call date prior to the banking holiday. It is known that 2,100 of these with deposits of $2,522,175,000 were subsequently placed in receivership or liquidation, and in the case of many of those which were reorganized or reopened in one way or another depositors did not receive the full amount of their claims. Of the banks which were licensed subsequent to the banking holiday 179 with deposits of $145,710,000 suspended between Mar. 16 and Dec. 31, 1933.

Mr. BLANTON. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. LAMNECK].

Mr. LAMNECK. Mr. Chairman, I am glad to see all Members in their seats ready and willing to hear what I have to say.

I want to discuss a matter today which, in my opinion, is most important. Since 1930, because of the depression, the Federal Government has been required to make enormous expenditures of money. During the Hoover administration the national debt was increased a little over $6,000,000,000, because the revenues derived from taxation were not sufficient to meet the regular operating expenses of Government and the emergency expenditures made necessary by the depression.

The Roosevelt administration has been faced with a similar situation. The net debt has been increased up to December 1, 1935, by about $6,000,000,000, because the taxes collected under this administration have been insufficient to meet the ordinary operating expenses plus the extraordinary expenses caused by the depression. I think the time has come when we must meet the issue squarely and fairly. We must either cut down the expenditures of the Federal Government to meet the income from taxation or we must increase the income. No Federal Government, no State government, no county government, no municipal government, and no individual or group of individuals can continue indefinitely to spend more than their income without facing the proposition sooner or later of disastrous results. It is for this reason that I bring this question before you.

Congress has unlimited power to levy taxes for the purposes of operating the Government under all its ramifications, as provided for by the Constitution, but has no power to levy taxes against its citizens for purposes of paying for activities not covered under the Constitution. The taxing power of Congress is covered by section 8 of the Constitution, which reads as follows:

> Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

This means that Congress can levy taxes to regulate commerce, to establish a uniform rule of naturalization, and uniform laws on the subject of bankruptcies; to coin money and regulate the value thereof; to provide for the punishment of counterfeiting; to establish post offices and post roads; to promote the progress of science by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries; to constitute tribunals inferior to the Supreme Court; to punish piracies and felonies on the high seas; to declare war; to support armies; to maintain a navy; to provide for the calling of the militia, and for governing such part of them as may be employed by the United States; to provide the necessary expenditures for the operation of the District Government; and further, to provide for the expenses incident to the executive, legislative, and judicial branches.

It is very plain to me that we have been collecting taxes from our citizens for a great many activities which, in my opinion, are not provided for under the Constitution, and for your information I desire to discuss this angle briefly. The Federal Government, during the fiscal year of 1935, made appropriations in grants to States and Territories under 22 different items, as follows:

1. Agricultural experiment stations.
2. Agricultural extension work.
3. Payments to States and Territories from the National Forest Fund.
4. Payments to school funds—Arizona and New Mexico.
5. Forest-fire cooperation.
6. Cooperative distribution of forest planting stock.
7. Cooperative construction of rural post roads.
8. Federal aid highway system.
9. National industrial recovery highway funds.
10. Colleges for agriculture and mechanic arts.
11. Payments to States from receipts under Mineral Leasing Act.
12. Five-, three-, and two-percent funds to States.
13. Payment to States under certain special funds.
14. Cooperative vocational education and rehabilitation.
15. United States Employment Service.
16. State marine schools.
17. American Printing House for the Blind.
18. National Guard.
19. Payments to States under Federal Water Power Act.
20. States and Territorial homes for disabled soldiers and sailors.
21. Federal Emergency Relief Administration grants.
22. Federal Emergency Administration of Public Works grants.

The expenditures by the Federal Government under these headings for the fiscal year ending June 30, 1935, are as follows:

Alabama	$39,450,166.46
Alaska	936,220.05
Arizona	13,085,787.77
Arkansas	35,444,356.52
California	107,555,783.21
Colorado	33,193,664.85
Connecticut	18,019,760.26
Delaware	3,202,676.50
District of Columbia	10,386,721.74
Florida	30,247,845.05
Georgia	40,863,490.67
Hawaii	4,534,747.04
Idaho	15,202,367.08
Illinois	130,386,521.06
Indiana	45,567,671.56
Iowa	26,534,665.73
Kansas	42,095,526.39
Kentucky	26,119,811.10
Louisiana	30,952,820.58
Maine	12,278,156.68
Maryland	22,212,645.68
Massachusetts	77,848,641.50
Michigan	78,196,590.13
Minnesota	62,448,564.10
Mississippi	27,377,332.13
Missouri	58,499,052.27
Montana	23,117,926.90
Nebraska	26,517,685.44
Nevada	7,278,506.27
New Hampshire	6,336,232.14
New Jersey	66,946,763.57
New Mexico	19,262,821.92
New York	285,378,465.91
North Carolina	32,994,765.72
North Dakota	29,676,262.71
Ohio	123,112,512.80
Oklahoma	39,183,391.37
Oregon	17,385,595.41
Pennsylvania	192,025,666.83
Philippine Islands	297.43
Puerto Rico	12,396,221.06
Rhode Island	5,976,176.94
South Carolina	23,736,874.09
South Dakota	32,447,402.83
Tennessee	30,390,269.37
Texas	88,682,605.48
Utah	17,006,357.81
Vermont	4,379,912.41
Virgin Islands	497,700.00
Virginia	23,073,115.39
Washington	27,649,248.45
West Virginia	26,844,255.14
Wisconsin	54,317,990.90
Wyoming	12,056,603.92

These Federal grants to States amount to the enormous sum of $2,221,313,214.34. This does not include any grants made to States under the Agricultural Adjustment Act, which I pointed out in my remarks on February 19, 1936, amounted to the enormous sum of $1,108,322,870.30, covering a period from May 12, 1933, to December 31, 1935. It is assumed that the expenditures made for this purpose for the fiscal year 1935 amounted to at least five or six hundred million dollars. Therefore our total grants to States during the fiscal year of 1935 amounted to approximately $2,750,000,000.

In my remarks on February 19, 1936, I showed that the total taxes collected by the Federal Government under income taxes, miscellaneous internal-revenue taxes, and agricultural adjustment taxes for the fiscal year of 1935 amounted to the enormous sum of $3,299,435,572.18. To this should be added other revenues, which brings the grand total to $3,800,467,201.96. It, therefore, will be seen that there was very little left from the general revenue funds of the Federal Government after the grants to States were made.

During the fiscal year of 1935 the regular expenses of Government required an expenditure of $3,721,234,634.76. The so-called expenditures not provided for in the Constitution amounted to $3,654,590,530.81, making the total expendi-

tures for the fiscal year of 1935, $7,375,825,165.57, or a net deficit of $3,575,357,963.61. Therefore, if the grants to States as made in 1935 were discontinued our revenues and our expenditures for the ordinary operating expenses of the Government would not be far apart, and with the increased business now apparent, no doubt in the next fiscal year would nearly reach a balance.

I am therefore of the opinion that we have reached the point where we must give consideration to the proposition of whether we are to continue these State grants or whether we are to discontinue them. If we continue them we must increase our revenues, and to a substantial amount—and by this I mean an increase of at least 100 percent from what they now are. If we discontinue them, we need no additional revenue, in my judgment. I am of the opinion that the States of this Union are in a position to take care of their own problems, and that it is not the function of the Federal Government to levy taxes against the citizens of a State and then pay back to the State only a portion of the taxes collected. Quite large sums of the amounts collected are dissipated by the Federal Government in enormous administrative expenses. If the States were left their own problems and were permitted to levy taxes for these same activities, I am honestly of the opinion that there could be a great saving made by them. After all, the taxes must be collected from the States in either event. Why not let the States do the job in the first place?

We are soon to have a tax bill, and all I know about it is the President's message and what I read in the newspapers. I am on the Ways and Means Committee, the committee of the House in which should originate all tax measures. I have not learned of a single member of the committee who knows definitely what it is to be. It is further reported that the tax bill is only to cover a levy that will pay the expenses that are to be entailed as a result of the Soil Conservation Act, which I and many others believe is unconstitutional, and the bonus; but no attention is being paid or contemplated in levying a tax which will pay for the general operating expenses of the Government. The general expenses of the Government, as I pointed out sometime ago, are now being paid by borrowed money. I am in favor of levying a tax for activities of the Government as provided for under the Constitution which will result in a balanced Budget, but I am not in favor of levying a tax which has for its purpose taxing one class of citizens for the benefit of another class.

I urge the Congress of the United States to give consideration to what our future policies shall be, which, as I see it, are as follows: Shall we confine the activities of the Federal Government to the items provided for under the Constitution, or shall we continue to do as we are now doing by adding a lot of expenses for activities which are not covered under the Constitution? The questions I humbly submit should receive the undivided attention of the legislative branch of the Government in the immediate future.

It is the duty of the legislative branch of the Government to provide taxes that will raise sufficient revenue for all appropriations passed. In fact, we have a statute on the books which expressly prohibits anyone else having anything to do with it unless expressly requested to do so. I quote the law:

> No estimate or request for an appropriation, and no request for an increase in an item for any such estimate or request, and no recommendation as to how the revenue needs of the Government should be met, shall be submitted to Congress or any committee thereof by any officer or employee of any department or establishment, unless at the request of either House of Congress.

In view of this fact I ask, Why should we be waiting for someone to suggest a tax plan?

This afternoon the Ways and Means Committee met. We delegated a subcommittee to consider sources of taxes that we should raise. In the President's message this afternoon he indicated some sources of revenue that might be reached. Among them was a tax on surpluses of industries. Right in connection with that I want to say that if we are ever going to put the unemployed in this country back to work on a sound substantial basis, it must be with industry. [Applause.]

Any tax law that destroys industry or that destroys the possibility for profit, and that takes away from industry its protection of a surplus, I say will lead to the destruction of industry. I venture the assertion that 75 or 80 percent of the business of this country has not made a nickel since 1929. Some big industries, as was pointed out today, may have made a great deal of profit, but, when you talk about business, Mr. Chairman, you are talking not only about big business but you are talking also about little business. I wish the time were here now when we would have more little business and not so much big business. I claim any taxing program that tends to destroy confidence in business, confidence in investments in business, is no good. That is what I have to say about that.

We hear some other programs suggested, such as the relevying of processing taxes. For what purpose? For the purpose of paying people for doing the things that we should not ask them to do. That is what we are levying taxes for. We should have considered the question of raising taxes to pay the Soil Erosion Act before we passed the bill. I did not vote for that bill. I cannot vote for a bill that tends to lower production in this country when I do not believe we have overproduction, with 30,000,000 people hungry. So I say the most important thing we have to consider is what we are going to tax. I am for a tax bill and I will vote for a tax bill, but I want a constructive tax bill; not one that will make conditions worse instead of making conditions better. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BLANTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NELSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 11581, the District of Columbia appropriation bill, 1937, had come to no resolution thereon.

CONSERVATION OF FLOODWATERS—THE ANSWER TO DROUGHT

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a plan for the conservation of flood waters set forth in a pamphlet issued by the conservation flood waters committee of the South Omaha Merchants' Association.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. McLAUGHLIN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following plan for the conservation of flood waters set forth in a pamphlet issued by the conservation of floodwaters committee of the South Omaha Merchants' Association:

Our purpose is to awaken in the people a sense of danger from drought which is no longer a dream but a menacing fact which has already taken a heavy toll and, no doubt, will continue with increasing violence if something is not done to relieve or prevent the scourge.

Up to this time nothing that gave any plausible promise of relief has been suggested, but now we have good reason to hope. The dread curse can be battled with by nature's own agencies and in time defeated and supplanted by conditions better than any in the past or than anyone less than an extreme optimist could have hoped for.

If the trouble has been caused by the drainage of our natural watersheds, as the intelligence of the country seems to think it has, then we know what can be done. It is simplicity itself, but it calls for action in the whole Middle West and south central Canada, if we can get Canada to cooperate.

Here is the plan (nothing to buy but labor, and Uncle Sam is looking for opportunities): We have lots of roads, and every road has two drainage ditches, one on each side. Our plan is to convert the drainage ditches into flood-water conservation pools. This can be done without increasing the danger of floods or any other danger. In fact, it will be a lessening factor. No dams are contemplated. Instead, it is proposed that swayes be scraped out in the present ditches 10 to 15 inches deep and as long as the contour of the ground will afford a fairly level base. These ponds may be divided in any lengths by leaving spaces untouched that would serve as dams. The better phases of these will suggest themselves as the work proceeds.

One of the very good features of this system is that the water can be impounded on the high ground from where it will naturally find its way down to the lower levels.

The chief barriers in the way of making this change in road ditches are found in the plans and specifications furnished State and county engineers by Federal and State highway commissioners. They specify drainage plans that are diametrically opposed to water conservation. Nothing constructive can be done before these ditch specifications are amended or removed, but this should be easy where the promise of so much good is apparent and no cause for opposition in sight.

This is not scandal. It is a healthy baby, but it won't travel alone or talk for itself. If you are a private citizen, talk. If you are a writer, don't forget. If you are a lawmaker, act. Push! Give the baby a hand. There is no promotive money. It is your interest. It is everyone's job and should be promoted with the most selfish aggressiveness.

There is an old-timer on this committee now almost 80 years old. The sweetest thing in the world to him would be to see this thing operating before he leaves. Let us see what we can do for him.

The heavy snowfall of 1936 may have a depressing effect on some who in case of a dry winter might be good boosters for our plan, or may be the basis for some to talk in opposition with apparent wisdom. But let us not be fooled or thwarted. This snow or any number of snows or rains, is not going to replace the water in the earth and bring it back to normal as long as our drainage conditions remain as they are.

In the face of all the big questions agitating the minds of the Government, its lawmakers, and the people generally, we believe this is the most important. What will all the others amount to if we continue to dry up and we get a few more years like 1934 or perhaps a series of them such as they had in South Dakota? If this plan is worked out, as we hope it will be, it may be the solution of unemployment. Better and more regular crops would be an irresistible inducement to the farmers who were driven from their homes by short crops and shorter prices. There would be lots of others who would want to farm if they could see an opportunity where by industry and frugality they could win a decent existence away from idleness and doles.

In the face of the inroads modern machinery is making in the many fields of labor, the thought of getting back to normal on present plans is just foolish. It just can't be. "Back to the farm" is the solution, and no one need fear overproduction. Give the farmer a chance to produce and consume and the country is safe. Destroy that and our beautiful America must become a Nation of idleness, pauperism, and crime.

Dr. A. L. Lugn, University of Nebraska, a national authority on underground water, is now preparing a favorable report upon the above plan.

Mr. Good Citizen, put in your best licks for the conservation of flood waters.

SOUTH OMAHA MERCHANTS ASSOCIATION,
JOHN FLYNN,
Chairman, Conservation Flood Waters Committee.

FILIPINO REPATRIATION

Mr. WELCH. Mr. Speaker, I ask unanimous consent to have published in the CONGRESSIONAL RECORD a statement by Mr. Edward W. Cahill, United States Commissioner of Immigration and Naturalization, at San Francisco, Calif., on the Filipino repatriation.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following statement by Mr. Edward W. Cahill, United States Commissioner of Immigration and Naturalization, at San Francisco, Calif., on Filipino Repatriation:

Because of the delay in the execution of the Filipino Repatriation Act, caused by lack of funds, I would now like to review, for the benefit of the Congressmen and their constituents, the reasons leading up to the passage of this act and its provisions. We might well analyze the reactions to the passage of the act on the part of the Filipinos themselves, and of those who are in contact with them in various ways, such as farm-labor contractors, large landowners and growers and their associations, employers of industrial and domestic labor, social and church organizations, missionaries, etc. We should also examine some of the false propaganda which has been disseminated with a view to preventing the full and free execution of the act.

This act is the result of an appeal made by large numbers of Filipinos to the President of the United States for free transportation to their homeland. A petition to the President of the United States, bearing the signature of thousands of Filipinos residing on the Pacific coast and engaged in agricultural pursuits, set forth the unfortunate predicament in which they found themselves, accused by labor of lowering the wage scale yet forced by the corporate growers and labor contractors to work for a lower wage than corresponding white labor, or to be subjected to mob violence, the destruction of their homes, and unwarranted arrest if they took any action to maintain a higher wage scale.

They also recited that they were losing thousands of dollars annually in unpaid wages for employment by citizens of foreign nations, who were organized and represented in this country and were taking advantage of the fact that the Filipinos were not similarly organized and represented as foreigners, nor had they American citizenship with its consequent protection.

This petition indicated that further obstacles to their proper adjustment to American conditions were racial prejudice and discrimination, although they had been educated in Americanized schools in the Philippines and encouraged to esteem and strive for American standards of civilization.

Finally they admitted that their hopes and ambitions which led them to come to America had not been fulfilled, and that they were now disillusioned by the unfortunate social and economic status to which they had been forced. Particularly they cited the wretched living conditions of the farm laborers, in direct violation of the State housing laws.

For all these reasons they petitioned the President to arrange that they might be repatriated at Government expense "so that we may work out our destiny and future among our own people, where we hope and trust that even though it may not afford all the seeming advantages of western civilization it may be more conducive to our future happiness."

The justice of this plea being recognized by the Government of the United States, an act known as the Filipino Repatriation Act (Public, No. 202, 74th Cong.), which I had the honor to introduce as H. R. 6464, was passed by the House of Representatives and the Senate, and was signed by President Roosevelt on July 10, 1935.

The intention of the Congress in passing this act was in harmony with its well-known and recognized policy of justice in granting to the Philippines their independence, an act unprecedented in history. The attitude of the United States toward our good neighbor, the Philippines, is that of friendship and good will, and this is evidenced in our relations with the individual Filipinos no less than toward the Philippines as a nation. This Filipino Repatriation Act is a big brotherly gesture of help and assistance to the Filipinos who have come to the United States and now find themselves in difficulties, whose friendship we have cherished and hope to maintain in the future, whether they decide to return to their homeland or to remain in the United States.

The provisions of the act are very simple. It provides that "Any native Filipino residing in any State or the District of Columbia on the effective date of this act (July 10, 1935) who desires to return to the Philippine Islands may apply to the Secretary of Labor * * * through any officer of the Immigration Service for the benefits of this act. Upon approval of such application the Secretary of Labor * * * shall certify * * * that such Filipino is eligible to be returned to the Philippine Islands under the terms of this act. Every Filipino who is so certified shall be entitled, at the expense of the United States, to transportation and maintenance from his present residence to a port on the west coast of the United States, and from such port to passage and maintenance to the port of Manila, Philippine Islands."

The act further provides that "no application for the benefits of this act shall be accepted by any officer of the Immigration Service after December 1, 1936"; and also that "nothing in this act shall be construed as authority to deport any native of the Philippine Islands, and no Filipino removed from continental United States under the provisions of this act shall hereafter be held to have been deported from the United States."

Therefore we see that the only qualifications necessary are that the Filipino who wishes to return to his homeland shall have been born in the Philippine Islands and that he was a resident of continental United States on July 10, 1935.

The application form is very simple and easy to fill out. There is no charge for it, and the Filipino does not need to pay anyone to help him fill it out, as this service will be given free in any immigration office. The only requirement which will cost the applicant any money is for four small pictures to identify him, which should cost very little.

The act sets a time limit on the repatriation program. The invitation for the free return is not indefinite. All applications must be received by the Immigration Service by December 1, 1936, and December 31, 1936, is the final date for departure from the United States under this plan.

When the application has been accepted by the Secretary of Labor arrangements will be made to send the applicant back to Manila from his present residence in continental United States, wherever that may be. The United States will pay his way from any point in the United States to a port on the Pacific coast and from there to Manila. This includes both transportation and maintenance for the journey.

The act specifically states that this is not deportation. It is purely a voluntary act on the part of any Filipino who wishes to take advantage of the generous offer of the United States Government. There are no strings attached to his acceptance of this offer.

That is all there is to the act. If anyone pretends that other qualifications are necessary he is misinformed. And if he spreads such misinformation he is interfering with the free and full execution of the act. This interference may be innocent, but there may also be certain factions who might wish to destroy the benefits of this act. The spread of this misinformation is working a hardship on the Filipinos. The United States Government wants it distinctly understood that any Filipino who wishes to return to his homeland is invited to apply for free transportation. The United States Government does not ask questions as

to the financial status of the applicant, nor his reasons for wishing to return.

Following the passage of this act the Immigration Service on the Pacific coast began to distribute application blanks, and would have carried on a more vigorous campaign to acquaint the Filipinos with this opportunity if funds had been available. In spite of the lack of funds and the consequent delay, it was interesting and remarkable how many Filipinos asked for application blanks and later sent them in.

The response of these Filipinos was one of gratitude and almost wonder at the generosity of the United States in offering this relief from their difficult situation in America. What had seemed an increasingly hopeless situation was now changed to a golden opportunity to return to their homeland at the very time that the new Commonwealth was being established, and every Filipino longed to take his rightful part in the development of the political and economic strength of his own nation.

The Filipinos, as a people, have a strong love of freedom. Fully appreciating their new liberty, they also recognize the grave responsibility that it carries, and they have committed themselves to a "new national effort for the realization of an ordered and equivalent society—a modest, well-principled effort to approximate a solution of the harassing problem of economic balance and distribution." Facing realities with courage, they need the full strength of their valiant and adventurous citizens whose initiative and desire for a greater opportunity prompted them earlier to come to the United States and now urges their return to their homeland.

Many Filipinos have expressed the thought that not only would they personally be far better off among their own people but also, with the experience and education they have gained in America, they can be of genuine assistance and advantage to the new Commonwealth by disseminating their knowledge to their brothers in the Philippines. Agricultural methods learned first-hand in the United States may be applied to great advantage in the Philippines in some of the districts which are now being actively colonized and cultivated in an attempt to make the Philippines more self-sustaining than they now are. The Government of the Philippine Commonwealth has stated that it will give a hearty welcome to these repatriates.

Many employers of labor like the Filipino because he has been willing to work for low wages and accept housing conditions which would be intolerable to American workers. Naturally, some of the large agricultural interests want to keep the Filipinos here. If large numbers of them should leave this country the employers would be faced with a shortage of cheap labor and the consequent necessity of paying higher wages.

Since the passage of the act those close to the situation have observed the publication of and heard the rumor of propaganda intended to discourage the Filipinos from wishing to return to their homeland. Several types of such propaganda, prejudicial to the full and free execution of the act, have already been detected.

One story published was to the effect that only those Filipinos who are indigent would be eligible to apply for the free transportation. This is entirely false. The matter of indigence is not mentioned in the act, nor is the financial status of the applicant questioned at all.

Another rumor which is being circulated is that if a Filipino takes advantage of this chance to return to the Philippines now he will never be allowed to return. This, too, is false. Any Filipino who later wishes to come back to the United States is at liberty to apply to the American consul in the Philippines for permission to come to the United States under the quota allotted to the Philippines, according to the same practice as is followed in other countries coming under quota regulations.

The propaganda being spread that the Filipinos will have to sign a promissory note payable to the United States to pay back the cost of their transportation to Manila is, of course, another entirely false statement. No reimbursement is asked or expected from the Filipinos.

Lest this false propaganda should fail, those responsible for it may also lay plans to persuade the Filipinos, indirectly, of course, that it will be to their advantage to remain in the United States. They may point out that prosperity is returning and offer the inducement of high wages to the Filipinos.

Examining this argument in the light of the facts of the seasonal farm labor, it must be recognized that this work is of very short duration, the picking of a certain crop lasting a few weeks or months at the most. Frequently the Filipinos are brought to a certain district before the crop is ready to be picked; a delay follows, in which they receive no wages and are expected to stand by patiently and await the time when the crop is ready. When the crop has been harvested, the employers then have no further interest in the workers. They are usually not hired direct, but through labor contractors, who receive their cut from the wages of the poor Filipinos. Then follow months of enforced idleness, when the Filipinos are without funds or opportunity to find work.

The big employers of field laborers want an abundant supply of cheap labor available when the crop is ready to be harvested. What happens to these laborers the other months of the year apparently does not interest them. Working under cover, these champions of cheap labor are employing civic bodies and even religious organizations to mislead, confuse, and deceive the Filipinos as to the intent of the United States in granting them this free transportation to the Philippines.

The difficulties of seasonal and migratory labor are serious enough, but another problem may soon appear, and that is the introduction of machines to replace human labor in picking vegetables. Already a lettuce-picking machine is demonstrating the trend in this direction. In one district where such machines have been installed, it is claimed that only half as many Filipino laborers will be used in 1936 as were employed in 1935. Such a development may come very rapidly, displacing the Filipinos permanently from such labor. If the machines are introduced widely during the next 5 years, a serious unemployment problem will develop among the Filipinos, and, having neglected this invitation of the United States to return free to their homeland, they may not receive another.

If any Filipinos are in doubt as to the provisions of the act or its application to their individual cases, they should go direct to the nearest immigration office, or write if they cannot go in person. Full information will be given free. The Filipinos should be on their guard against propaganda, coming from apparently innocent sources, which is not true and is aimed to defeat the purpose of this act and deprive the Filipinos of the benefit of this opportunity.

The United States Government is desirous of getting the information to all Filipinos who reside here that this Filipino Repatriation Act is in effect. When the time has passed for application to be made to take advantage of the act, we want to be sure that it will not be the fault of the United States Government or its agencies if any Filipino has not learned of the provisions of the act.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BROOKS, for 1 week, on account of illness in his family.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3227. An act to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931.

ADJOURNMENT

Mr. BLANTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p.m.) the House adjourned until tomorrow, Wednesday, March 4, 1936, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE POST OFFICE AND POST ROADS

(Wednesday, Mar. 4, 1936)

A hearing will be conducted by the whole committee Wednesday morning, March 4, at 10 a. m., on H. R. 2890, fixing annual compensation for postmasters of the fourth class.

(Thursday, Mar. 5, 1936)

A hearing will be conducted by Subcommittee No. 1 Thursday morning, March 5, at 10 a. m., on H. R. 2818, promotion of watchmen, messengers, and laborers.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

683. A letter from the executive secretary of the Public Utilities Commission of the District of Columbia, transmitting, pursuant to paragraph 5 of the Public Utilities Act of March 4, 1913, its approval in principle of H. R. 10724, "a bill to amend the charter of the Washington Gas Light Co., and for other purposes"; to the Committee on the District of Columbia.

684. A letter from the Secretary of War, transmitting a draft of a bill with two sections, the first section containing an amendment of article of war 50½, and the second section containing an amendment of article of war 70, which the War Department presents for consideration of Congress with a view to its enactment into law; to the Committee on Military Affairs.

685. A communication from the President of the United States, transmitting, pursuant to section 2 (a) (11) of the act of Congress approved March 24, 1934, entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes", copies of the laws enacted by the First National Assembly of the Philippines during its inaugural session, from November 25, 1935, to December 21, 1935; to the Committee on Insular Affairs.

686. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 29, 1936, submitting a report, together with accompanying papers and illustration, on a preliminary examination of Gafford Creek, Ark., with a view to the control of floods, authorized by act of Congress approved July 1, 1935; to the Committee on Flood Control.

687. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 29, 1936, submitting a report, together with accompanying papers on a preliminary examination of Morristown Harbor, N. Y., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

688. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 2, 1936, submitting a report, together with accompanying papers, on a preliminary examination of the Race, between Block Island Sound and Long Island, Conn., with a view to removing Valient Rock and other obstructions, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

689. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 2, 1936, submitting a report, together with accompanying papers, on a preliminary examination of channel from Pamlico Sound to Mill Creek, N. C., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

690. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 29, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Fair Haven Harbor, Mich., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

691. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 29, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Hillsboro Inlet, Broward County, Fla., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

692. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 2, 1936, submitting a report, together with accompanying papers, on a preliminary examination of waterway from Offatts Bayou to San Louis Pass, Galveston Island, Tex., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

693. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 2, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Chehalis River from the mouth of Skookumchuck River to the Grays Harbor County line, Washington, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

694. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 2, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Coan River, Va., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

695. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 29, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Cayuga Creek and Little River, Niagara Falls, N. Y., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

696. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 2, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Occupacia Creek, Va., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

697. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 2, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Port Huron Harbor, Mich., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

698. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 29, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Long Cove, Maine, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

699. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 29, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Waiska River, Mich., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLANTON: Committee on Appropriations. H. R. 11581. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes; without amendment (Rept. No. 2118). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Rules. House Resolution 435. A resolution for the consideration of H. R. 3263; without amendment (Rept. No. 2119). Referred to the House Calendar.

Mr. BLAND: Committee on Merchant Marine and Fisheries. House Joint Resolution 412. Joint resolution to authorize an investigation of the means of increasing capacity of the Panama Canal for future needs of interoceanic shipping, and for other purposes; without amendment (Rept. No. 2120). Referred to the Committee of the Whole House on the state of the Union.

Mr. PLUMLEY: Committee on Military Affairs. H. R. 3369. A bill for the relief of the State of Alabama; without amendment (Rept. No. 2121). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 11075. A bill to authorize the Secretary of War to lend War Department equipment for use at the Eighteenth National Convention of the American Legion at Cleveland, Ohio, during the month of September 1936; without amendment (Rept. No. 2122). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. S. 3281. An act to amend the act of February 16, 1929, entitled "An act to amend the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and the Public Health Service', approved June 10, 1922, as amended"; without amendment (Rept. No. 2123). Referred to the Committee of the Whole House on the state of the Union.

Mr. EDMISTON: Committee on Military Affairs. H. R. 10763. A bill to amend section 2 of the act entitled "An act to amend the National Defense Act", approved May 28, 1928; without amendment (Rept. No. 2124). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 10094. A bill to amend section 1 of the act entitled "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration; to provide for their orderly use, improvement, and development; to stabilize the livestock industry dependent upon the public range; and for

other purposes", approved June 28, 1934 (48 Stat. 1269); without amendment (Rept. No. 2125). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10538) for the relief of Richard Killman; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 10509) authorizing the President to present in the name of Congress a medal of honor to Harold R. Wood; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 11196) for the relief of Frank P. Barbour; Committee on Military Affairs discharged, and referred to the Committee on Merchant Marine and Fisheries.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLANTON: A bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes; to the Committee on Appropriations.

By Mr. MARTIN of Colorado: A bill (H. R. 11582) making appropriation for relief purposes; to the Committee on Appropriations.

By Mr. MITCHELL of Tennessee: A bill (H. R. 11583) to improve and complete the construction of the Cordell Hull Highway in Tennessee; to the Committee on Roads.

By Mr. VINSON of Georgia: A bill (H. R. 11584) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. DINGELL: A bill (H. R. 11585) to provide for the construction of one detachable composite aircraft suitable for the use of the Army Air Corps; to the Committee on Military Affairs.

By Mr. LEA of California: A bill (H. R. 11586) to authorize contracts for the use of water on the Orland reclamation project, Calif., and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. WHELCHEL: A bill (H. R. 11587) providing for refund of taxes collected under the Bankhead Act, and for other purposes; to the Committee on Agriculture.

By Mr. DICKSTEIN: A bill (H. R. 11588) to repeal the act approved July 12, 1932 (47 Stat. 656); to the Committee on Public Buildings and Grounds.

By Mr. O'CONNOR: A bill (H. R. 11589) to equalize taxation, prevent evasion, and provide revenue, and for other purposes; to the Committee on Ways and Means.

Also, a resolution (H. Res. 435) for the consideration of H. R. 3263; to the Committee on Rules.

By Mr. BUCKLER of Minnesota: Joint resolution (H. J. Res. 509) proposing an amendment to the Constitution to provide for the submission of certain judgments of the Supreme Court to the people; to the Committee on the Judiciary.

By Mr. DISNEY: Joint resolution (H. J. Res. 510) for the designation of certain streets or avenues in the Mall as Ohio, Missouri, Oklahoma, and Maine Avenues; to the Committee on the District of Columbia.

By Mr. SECREST: Joint resolution (H. J. Res. 511) creating a commission for the erection of a memorial building to the memory of the veterans of the Civil War to be known as the Ladies of the Grand Army of the Republic National Shrine Commission; to the Committee on the Library.

By Mr. KENNEDY of New York: Concurrent resolution (H. Con. Res. 44) providing that the Civil Service Commission publish and maintain certain information for public inspection, and for other purposes; to the Committee on the Civil Service.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New Jersey, favoring strict neutrality; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEITER: A bill (H. R. 11590) granting a pension to Julia Fisher; to the Committee on Invalid Pensions.

By Mr. BOYKIN: A bill (H. R. 11591) for the relief of R. L. Scott; to the Committee on Claims.

By Mr. CASEY: A bill (H. R. 11592) for the relief of Dominick Edward Lepore; to the Committee on Naval Affairs.

Also, a bill (H. R. 11593) for the relief of William Gionet; to the Committee on Claims.

Also, a bill (H. R. 11594) for the relief of John Inkinen; to the Committee on Claims.

By Mr. CHRISTIANSON: A bill (H. R. 11595) for the relief of Clarence Wolfkill; to the Committee on Military Affairs.

By Mr. GRISWOLD: A bill (H. R. 11596) for the relief of Edith Pauli Gardner; to the Committee on War Claims.

By Mr. LANHAM: A bill (H. R. 11597) for the relief of L. A. Peveler; to the Committee on Claims.

By Mr. LEE of Oklahoma: A bill (H. R. 11598) for the relief of John Hamilton; to the Committee on Military Affairs.

By Mr. McFARLANE: A bill (H. R. 11599) for the relief of George Washington Gilmore; to the Committee on Military Affairs.

By Mr. McLAUGHLIN: A bill (H. R. 11600) granting a pension to Eudora Elkins; to the Committee on Invalid Pensions.

By Mr. McLEOD: A bill (H. R. 11601) for the relief of Frank Peters; to the Committee on Military Affairs.

By Mr. PATTERSON: A bill (H. R. 11602) granting a pension to Laura Tucker; to the Committee on Invalid Pensions.

By Mr. RANDOLPH: A bill (H. R. 11603) for the relief of Jack J. Wick; to the Committee on Claims.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 11604) granting an increase of pension to Ellen G. Esken; to the Committee on Invalid Pensions.

By Mr. SPENCE: A bill (H. R. 11605) granting a pension to Margaret Jane Asberry; to the Committee on Invalid Pensions.

By Mr. STARNES: A bill (H. R. 11606) for the relief of Julia D. Penn; to the Committee on Claims.

By Mr. WERNER: A bill (H. R. 11607) granting a pension to Ben C. Ash; to the Committee on Pensions.

By Mr. WOLVERTON: A bill (H. R. 11608) granting an increase of pension to Sarah C. Wythe; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10362. By Mr. BLAND: Petition of 245 citizens of the First Congressional District of Virginia, requesting Congress to pass House bill 8739, to restore to the District of Columbia the prohibition law; to the Committee on the District of Columbia.

10363. By Mr. BLOOM: Petition of the teachers of Bayamon, P. R., urging that Puerto Rico be included in any new relief legislation, requesting an extension of the Federal Social Security Act, and favoring an amendment to the organic act so that a public-welfare department be created in Puerto Rico; to the Committee on Insular Affairs.

10364. Also, petition of the members of the Hudson Branch of the American League against War and Fascism, protesting against the passage of the Dies bill (H. R. 5921); to the Committee on Immigration and Naturalization.

10365. By Mr. CRAVENS: Petition of patrons of star route no. 47411 from Langley to New Hope via Athens, Ark., favoring enactment of legislation to indefinitely extend existing star-route contracts and increase the compensation thereon to an equal basis to that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10366. Also, petition of patrons of star route no. 2, Gillham to Dierks, Ark., favoring enactment of legislation to indefinitely extend existing star-route contracts and increase the compensation thereon to an equal basis to that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10367. By Mr. HILDEBRANDT: Resolution of the South Dakota State Federation of Labor, supporting the Pettengill bill (H. R. 3263); to the Committee on Interstate and Foreign Commerce.

10368. By Mr. LAMNECK: Petition of Mrs. E. C. Bolin, 210 Elmwood Avenue, Columbus, Ohio, president, Columbus Woman's Club, requesting early hearings on motion-picture bills now in Congress, and asking for adequate legal regulation for this industry, including not only the elimination of unfair trade practices but also higher moral standards of production such as those provided in the Culkin motion-picture bill (H. R. 2999); to the Committee on Interstate and Foreign Commerce.

10369. By Mr. MAIN: Petition of Mr. and Mrs. Neil Boekelos and 25 other citizens of Kalamazoo, Mich., and vicinity, requesting passage of an old-age pension law providing for $200 per month under certain terms and conditions; to the Committee on Ways and Means.

10370. Also, petition of George E. Walworth and 300 other citizens of Hillsdale, Mich., and vicinity, requesting passage of an old-age-pension law providing for $200 per month under certain terms and conditions; to the Committee on Ways and Means.

10371. By Mr. MARTIN of Massachusetts: Petition of Charles A. Jencks and other members of the Townsend Club of Norton, Mass., urging passage of the McGroarty bill; to the Committee on Ways and Means.

10372. By Mr. MORAN: Petition of citizens and patrons of star route no. 1290, operating between Lincolnville Center and Belfast, Maine; to the Committee on the Post Office and Post Roads.

10373. By Mr. PATTERSON: Petition of the Fredonia (Kans.) Women's Christian Temperance Union, signed by C. W. Thompson and 172 other citizens, of the Third District of Kansas, favoring the enactment of the Guyer bill (H. R. 8739) for liquor control in the District of Columbia; to the Committee on the District of Columbia.

10374. By Mr. PFEIFER: Petition of Abraham & Straus, Inc., Brooklyn, N. Y., concerning the Duffy copyright bill (S. 3047) with the Vandenberg amendment; to the Committee on Patents.

10375. By the SPEAKER: Petition of the Admiral Robert E. Coontz Post, No. 239, Inc., Veterans of Foreign Wars; to the Committee on Appropriations.

10376. Also, petition of the New Orleans Bar Association; to the Committee on the Library.

10377. Also, petition of the committee on citizenship and naturalization, Springfield, Ill.; to the Committee on Immigration and Naturalization.

SENATE

WEDNESDAY, MARCH 4, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, March 3, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Pope
Ashurst	Coolidge	Keyes	Radcliffe
Austin	Copeland	King	Reynolds
Bachman	Costigan	Logan	Robinson
Bailey	Couzens	Lonergan	Russell
Barbour	Davis	McAdoo	Schwellenbach
Barkley	Dickinson	McGill	Sheppard
Benson	Dieterich	McKellar	Shipstead
Bilbo	Donahey	McNary	Smith
Black	Duffy	Maloney	Steiwer
Bone	Fletcher	Metcalf	Thomas, Okla.
Borah	Frazier	Minton	Thomas, Utah
Bulkley	George	Moore	Townsend
Bulow	Gerry	Murphy	Trammell
Burke	Gibson	Murray	Truman
Byrd	Gore	Neely	Tydings
Byrnes	Guffey	Norbeck	Vandenberg
Capper	Hale	Norris	Van Nuys
Caraway	Harrison	Nye	Wagner
Carey	Hastings	O'Mahoney	Walsh
Chavez	Hatch	Overton	Wheeler
Clark	Hayden	Pittman	White

Mr. BYRD. I announce that my colleague the senior Senator from Virginia [Mr. GLASS] is absent because of illness in his family.

Mr. DIETERICH. I announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is unavoidably detained from the Senate.

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD] is absent because of illness, and that the Senator from Nevada [Mr. MCCARRAN], the Senator from West Virginia [Mr. HOLT], the Senator from New Hampshire [Mr. BROWN], and the Senator from Louisiana [Mrs. LONG] are unavoidably detained from the Senate.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

COTTON PRODUCTION IN THE UNITED STATES

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, transmitting, in compliance with Senate Resolution 222 (submitted by Mr. GORE, and agreed to Feb. 24, 1936), copy of the original draft of the manuscript entitled "Cotton Production in the United States", which, with the accompanying document, was referred to the Committee on Agriculture and Forestry.

MEMORIAL

The VICE PRESIDENT laid before the Senate the memorial of the Bankers Grange of Hillsdale County, Mich., remonstrating against the enactment of the bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mrs. CARAWAY, from the Committee on Commerce, to which was referred the bill (S. 813) authorizing the Secretary of Commerce to establish a fish-cultural station in Arizona, reported it with amendments and submitted a report (No. 1631) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 3950) to aid in defraying the expenses of the Fourteenth Triennial Convention of the World's Woman's Christian Temperance Union to be held in this country in June 1937, reported it with amendments and submitted a report (No. 1632) thereon.

PRINTING OF REVISED EDITION OF THE CONSTITUTION, ANNOTATED

Mr. ASHURST, from the Committee on the Judiciary, reported a concurrent resolution (S. Con. Res. 35), which was referred to the Committee on Printing, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Constitution of the United States of America (Annotated), including all amendments thereto, and with citations of the cases

of the Supreme Court of the United States construing its several provisions, collated under each separate provision, be compiled and revised up to date, and that the same shall be printed and bound; and that 3,000 copies shall be printed, of which 2,200 copies shall be for the use of the House of Representatives and 800 copies for the use of the Senate.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McGILL:

A bill (S. 4159) to amend the act entitled "An act for the retirement of employees in classified civil service, and for other purposes, approved May 22, 1920, and acts in amendment thereof", approved July 3, 1926, as amended; to the Committee on Civil Service.

A bill (S. 4160) for the relief of F. M. Loeffler; to the Committee on Claims.

By Mr. RUSSELL:

A bill (S. 4161) for the relief of Lon D. Worsham Co.; to the Committee on Claims.

By Mr. WHEELER:

A bill (S. 4162) for the relief of Arthur Graham; to the Committee on Claims.

By Mr. MINTON:

A bill (S. 4163) granting a pension to Mary Wilkins; and

A bill (S. 4164) granting a pension to Samuel Isgrigg (with accompanying papers); to the Committee on Pensions.

By Mr. KING:

A bill (S. 4165) amending section 1 (h) of the District of Columbia Unemployment Act; to the Committee on the District of Columbia.

By Mr. BULOW:

A bill (S. 4166) exempting certain positions in the District of Columbia from the compensation schedules of the Classification Act of 1923, as amended; to the Committee on Civil Service.

A bill (S. 4167) to change the rates of compensation of certain postmasters; and

A bill (S. 4168) relating to the compensation of certain postmasters; to the Committee on Post Offices and Post Roads.

By Mr. ASHURST:

A bill (S. 4169) to fix the compensation of the Director of the Federal Bureau of Investigation; to the Committee on the Judiciary.

By Mr. GEORGE:

A bill (S. 4170) granting a pension to Mary Wyse Benson; to the Committee on Pensions.

By Mr. BORAH and Mr. VAN NUYS:

A bill (S. 4171) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade, quality, and quantity, and for other purposes; to the Committee on the Judiciary.

By Mr. BURKE:

A bill (S. 4172) to provide for the reinstatement of retired officers of the Regular Army to active duty; to the Committee on Military Affairs.

A bill (S. 4173) to provide for the issuance of permanent contracts to all contractors and subcontractors on star routes; establishing a preferred list covering former contractors, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. WHEELER:

A bill (S. 4174) to foster and protect interstate commerce by authorizing the Interstate Commerce Commission to approve or disapprove of the consolidation or abandonment of carrier facilities of public service; to the Committee on Interstate Commerce.

(Mr. REYNOLDS introduced Senate bills 4175 and 4176, which were referred to the Committee on Civil Service, and appear under a separate heading.)

(Mr. REYNOLDS introduced Senate bill 4177, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. GUFFEY:

A joint resolution (S. J. Res. 224) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the landing of the Swedes in Delaware; to the Committee on Banking and Currency.

RETIREMENT OF CERTAIN GOVERNMENT EMPLOYEES

Mr. REYNOLDS. I ask unanimous consent to introduce a bill, and ask that it be referred to the Committee on Civil Service. I also ask that a short statement explaining the bill may be printed in the RECORD.

There being no objection, the bill (S. 4175) to provide for the retirement of certain employees of the Government was read twice by its title and referred to the Committee on Civil Service.

The explanatory statement was ordered to be printed in the RECORD, as follows:

This bill would provide that any civil-service employee between 64 and 70, with a civil-service status, who is contributing to the civil-service retirement fund, and who is an honorably discharged veteran of any war, serving 90 days and who has been in the Government service for more than 10 years but less than 30, shall upon application be retired by the President and shall receive the maximum retired pay of $1,200 now provided by law.

CREDIT FOR MILITARY SERVICE UNDER RETIREMENT ACT

Mr. REYNOLDS. I introduce another bill, and ask that it be referred to the Committee on Civil Service. I also ask that a short statement explaining the bill may be printed in the RECORD.

There being no objection, the bill (S. 4176) to amend the first paragraph of section 5 of the act entitled "An act for the retirement of the employees in the Classified Civil Service, and for other purposes", approved May 22, 1920, and acts in amendment thereof, was read twice by its title, and referred to the Committee on Civil Service.

The explanatory statement was ordered to be printed in the RECORD, as follows:

The object of this proposed amendment is to give to veteran Reserve officers of the Army, Navy, etc., credit for their services as such toward civil-service retirement, whether such services are active or inactive.

MERITS OF BILL

1. It is in recognition of and reward for military service in time of war; and will affect comparatively few, as it is limited to veterans of wars.

2. The proposed amendment is nothing more than a clarification of the law, as such services are covered by the section as it is. The section says that "periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States" shall count. There is nothing in the section about service being active; and the very fact that other laws relating to Reserve officers use the word "active" and this section does not, clearly indicates a legislative intent that honorable service alone is all that is required. The Reserve officer comes within its terms because he is commissioned "in the Army of the United States", as required by the national defense.

PAYMENT OF ADJUSTED COMPENSATION TO CERTAIN VETERANS

Mr. REYNOLDS. I introduce a further bill, and ask that it be referred to the Committee on Finance. I also ask that a short statement explaining the bill may be printed in the RECORD.

There being no objection, the bill (S. 4177) to extend the provisions of the World War Adjusted Compensation Act to certain veterans was read twice by its title, and referred to the Committee on Finance.

The explanatory statement was ordered to be printed in the RECORD, as follows:

This bill would provide for the payment of the adjusted compensation to those commissioned and warrant officers who performed home service not with troops and received commutation of quarters or of subsistence for the period of such service.

CHANGE OF REFERENCE

On motion of Mr. WHEELER, the Committee on Agriculture and Forestry was discharged from the further consideration of the bill (S. 4090) to amend the Farm Credit Act of 1935, to provide lower interest rates on Federal land-bank loans, and for other purposes, and it was referred to the Committee on Banking and Currency.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the

House had passed without amendment the following bills of the Senate:

S. 1111. An act for the relief of Alfred L. Hudson and Walter K. Jeffers;

S. 1683. An act for the relief of Robert L. Monk;

S. 1991. An act for the relief of Wilson G. Bingham;

S. 2469. An act for the relief of E. L. Hice and Lucy Hice;

S. 2590. An act for the relief of James E. McDonald;

S. 2618. An act for the relief of James M. Montgomery;

S. 2980. An act for the relief of Ruby Rardon;

S. 3001. An act for the relief of Walter F. Brittan;

S. 3274. An act for the relief of Mary Hobart;

S. 3399. An act for the relief of Rosalie Piar Sprecher (nee Rosa Piar); and

S. 3683. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 1124. An act for the relief of Anna Carroll Taussig;

S. 2188. An act for the relief of the estate of Frank B. Niles;

S. 2875. An act for the relief of J. A. Jones; and

S. 2961. An act for the relief of Peter Cymboluk.

The message further announced that the House had passed the following bills of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 1837. An act for the relief of W. W. Cook;

S. 2219. An act for the relief of Lt. D. A. Neuman, Pay Corps, United States Naval Reserve Force;

S. 2889. An act to authorize settlement, allowance, and payment of certain claims; and

S. 3173. An act to authorize and direct the Secretary of the Treasury to pay men formerly enlisted as members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard, for armory training during the period from November 1, 1932, to July 1, 1933.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 1439. An act for the relief of William Hayes;

H. R. 1440. An act for the relief of Arthur W. Bradshaw;

H. R. 1915. An act for the relief of Henry O. Goddard;

H. R. 2261. An act for the relief of Rosalie Rose;

H. R. 2262. An act for the relief of William H. Locke;

H. R. 2352. An act for the relief of Paul Burress;

H. R. 2387. An act for the relief of Julia Miller;

H. R. 2622. An act for the relief of M. Waring Harrison;

H. R. 3388. An act for the relief of Jessie D. Bowman;

H. R. 4085. An act for the relief of Joseph Watkins;

H. R. 4277. An act for the relief of James R. Russell;

H. R. 4362. An act for the relief of Patrick J. Leahy;

H. R. 4565. An act for the relief of Lucile Smith;

H. R. 4779. An act for the relief of Capt. Chester Gracie;

H. R. 4861. An act to confer jurisdiction on the Court of Claims to hear and determine the claim of Francesco Pacifico;

H. R. 4951. An act for the relief of the Moffat Coal Co.;

H. R. 4953. An act for the relief of Doris Lipscomb;

H. R. 4955. An act for the relief of the estate of Jennie Brenner;

H. R. 5819. An act for the relief of Ethel Smith McDaniel;

H. R. 5874. An act for the relief of Hugh B. Curry;

H. R. 5974. An act for the relief of Thelma L. Edmunds, Mrs. J. M. Padgett, Myrtis E. Posey, Mrs. J. D. Mathis, Sr., Fannie Harrison, Annie R. Colgan, and Grace Whitlock;

H. R. 6208. An act for the relief of Joseph Pethersky, of Port Deposit, Md.;

H. R. 6344. An act for the relief of the estate of John A. McGloin;

H. R. 6578. An act for the relief of Joseph A. Therry;

H. R. 6702. An act for the relief of Annie E. Daniels;

H. R. 6951. An act for the relief of Thomas J. English;

H. R. 6999. An act for the relief of Frank Rottkamp;

H. R. 7075. An act for the relief of Charles Somogi, Jr.;

H. R. 7256. An act for the relief of Perry H. Callahan and Malcolm W. Callahan;

H. R. 7270. An act for the relief of Clara Imbesi and Domenick Imbesi;

H. R. 7330. An act for the relief of Alfred T. Johnston;

H. R. 7468. An act for the relief of Izelda Boisoneau;

H. R. 7529. An act for the relief of Mariano Biondi;

H. R. 7790. An act for the relief of S. A. White;

H. R. 7963. An act for the relief of J. Edwin Hemphill;

H. R. 7996. An act for the relief of Sallie Gillespie;

H. R. 8028. An act for the relief of the Great Northern Railway Co.;

H. R. 8034. An act for the relief of Mae Pouland;

H. R. 8110. An act for the relief of Thomas F. Gardiner;

H. R. 8262. An act for the relief of Tom Rogers;

H. R. 8320. An act for the relief of Mrs. John H. Wilke;

H. R. 8321. An act for the relief of Julia Long;

H. R. 8322. An act for the relief of Merwin A. Kiel;

H. R. 8413. An act for the relief of Linda Wright Ward;

H. R. 8521. An act for the relief of Elsie O'Brine;

H. R. 8671. An act for the relief of R. H. Quynn, lieutenant, United States Navy;

H. R. 8685. An act for the relief of Edwin Pickard;

H. R. 8799. An act for the relief of John N. Hunter, Edmund M. Cook, Fred C. Putnam, Merchants National Bank of South Bend, Ind., and St. Joseph Loan & Trust Co., of South Bend, Ind.;

H. R. 9058. An act for the relief of the Baker-Whiteley Coal Co.;

H. R. 9170. An act for the relief of Montie Hermanson;

H. R. 9171. An act for the relief of Myrtle T. Grooms;

H. R. 9375. An act for the relief of certain disbursing officers and former disbursing officers of the United States Veterans' Administration;

H. R. 9379. An act for the relief of Capt. J. H. Merriam, Supply Corps, United States Navy;

H. R. 9380. An act for the relief of Edgar M. Barber, special disbursing agent, Paris, France, and Leo Martinuzzi, former customs clerk;

H. R. 9455. An act for the relief of Robert J. Mann;

H. R. 9995. An act to grant a renewal of patent no. 59560 relating to the emblem of the Disabled American Veterans of the World War;

H. R. 10265. An act to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their National Jamboree to be held during the summer of 1937;

H. R. 10521. An act for the relief of Joseph Mossew;

H. R. 11053. An act authorizing the President to present the Distinguished Service Medal to Commander Percy Tod, British Navy, and the Navy Cross to Lt. Comdr. Charles A. deW. Kitcat, British Navy;

H. R. 11164. An act for the relief of Arthur Van Gestel, alias Arthur Goodsell;

H. R. 11231. An act for the relief of Rasmus Bech;

H. R. 11425. An act for the relief of Gustava Hanna; and

H. J. Res. 388. Joint resolution to authorize the issuance of a reentry permit to Tomio Mori Moto and his readmission upon application while such permit remains valid.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 3227) to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931, and it was signed by the Vice President.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred or ordered to be placed on the calendar, as indicated below:

H. R. 1439. An act for the relief of William Hayes;

H. R. 1440. An act for the relief of Arthur W. Bradshaw;

H. R. 1915. An act for the relief of Henry O. Goddard;

H. R. 2261. An act for the relief of Rosalie Rose;

H. R. 2262. An act for the relief of William H. Locke;

H. R. 2352. An act for the relief of Paul Burress;

H. R. 2387. An act for the relief of Julia Miller;

H. R. 2622. An act for the relief of M. Waring Harrison;

H. R. 3388. An act for the relief of Jessie D. Bowman;

H. R. 4085. An act for the relief of Joseph Watkins;

H. R. 4277. An act for the relief of James R. Russell;

H. R. 4362. An act for the relief of Patrick J. Leahy;

H. R. 4565. An act for the relief of Lucile Smith;

H. R. 4779. An act for the relief of Capt. Chester Gracie;

H. R. 4861. An act to confer jurisdiction on the Court of Claims to hear and determine the claim of Francesco Pacifico;

H. R. 4951. An act for the relief of the Moffat Coal Co.;

H. R. 4953. An act for the relief of Doris Lipscomb;

H. R. 4955. An act for the relief of the estate of Jennie Brenner;

H. R. 5819. An act for the relief of Ethel Smith McDaniel;

H. R. 5874. An act for the relief of Hugh B. Curry;

H. R. 5974. An act for the relief of Thelma L. Edmunds, Mrs. J. M. Padgett, Myrtis E. Posey, Mrs. J. D. Mathis, Sr., Fannie Harrison, Annie R. Colgan, and Grace Whitlock;

H. R. 6208. An act for the relief of Joseph Pethersky, of Fort Deposit, Md.;

H. R. 6344. An act for the relief of the estate of John A. McGloin;

H. R. 6578. An act for the relief of Joseph A. Therry;

H. R. 6702. An act for the relief of Annie E. Daniels;

H. R. 6951. An act for the relief of Thomas J. English;

H. R. 6999. An act for the relief of Frank Rottkamp;

H. R. 7075. An act for the relief of Charles Somogi, Jr.;

H. R. 7256. An act for the relief of Perry H. Callahan and Malcolm W. Callahan;

H. R. 7270. An act for the relief of Clara Imbesi and Domenick Imbesi;

H. R. 7330. An act for the relief of Alfred T. Johnston;

H. R. 7468. An act for the relief of Izelda Boisoneau;

H. R. 7529. An act for the relief of Mariano Biondi;

H. R. 7790. An act for the relief of S. A. White;

H. R. 7963. An act for the relief of J. Edwin Hemphill;

H. R. 7996. An act for the relief of Sallie Gillespie;

H. R. 8028. An act for the relief of the Great Northern Railway Co.;

H. R. 8034. An act for the relief of Mae Pouland;

H. R. 8110. An act for the relief of Thomas F. Gardiner;

H. R. 8262. An act for the relief of Tom Rogers;

H. R. 8320. An act for the relief of Mrs. John H. Wilke;

H. R. 8321. An act for the relief of Julia Long;

H. R. 8322. An act for the relief of Merwin A. Kiel;

H. R. 8413. An act for the relief of Linda Wright Ward;

H. R. 8521. An act for the relief of Elsie O'Brine;

H. R. 8671. An act for the relief of R. H. Quynn, lieutenant, United States Navy;

H. R. 8685. An act for the relief of Edwin Pickard;

H. R. 8799. An act for the relief of John N. Hunter, Edmund M. Cook, Fred C. Putnam, Merchants National Bank of South Bend, Ind., and St. Joseph Loan & Trust Co., of South Bend, Ind.;

H. R. 9058. An act for the relief of the Baker-Whiteley Coal Co.;

H. R. 9170. An act for the relief of Montie Hermanson;

H. R. 9171. An act for the relief of Myrtle T. Grooms;

H. R. 9375. An act for the relief of certain disbursing officers and former disbursing officers of the United States Veterans' Administration;

H. R. 9379. An act for the relief of Capt. J. H. Merriam, Supply Corps, United States Navy;

H. R. 9380. An act for the relief of Edgar M. Barber, special disbursing agent, Paris, France, and Leo Martinuzzi, former customs clerk;

H. R. 9455. An act for the relief of Robert J. Mann;

H. R. 10521. An act for the relief of Joseph Mossew; and

H. R. 11231. An act for the relief of Rasmus Bech; to the Committee on Claims.

H. R. 9995. An act to grant a renewal of patent no. 59560, relating to the emblem of the Disabled American Veterans of the World War; to the Committee on Patents.

H. R. 11053. An act authorizing the President to present the Distinguished Service Medal to Commander Percy Tod, British Navy, and the Navy Cross to Lt. Comdr. Charles A. deW. Kitcat, British Navy; to the Committee on Naval Affairs.

H. R. 11164. An act for the relief of Arthur Van Gestel, alias Arthur Goodsell; to the Committee on Military Affairs.

H. R. 11425. An act for the relief of Gustava Hanna; to the calendar.

H. J. Res. 388. Joint resolution to authorize the issuance of a reentry permit to Tomio Mori Moto and his readmission upon application while such permit remains valid; to the Committee on Immigration.

ROAD TO PEACE—ADDRESS BY SENATOR POPE

Mr. COSTIGAN. Mr. President, the recent debate in the Senate on the neutrality resolution emphasized some of the obstacles, both national and international, to the fulfillment of the unquestionable peace aspirations and commitments of the American people. Speaking at Northwestern University, at Evanston, Ill., on February 25 last, the Senator from Idaho [Mr. POPE] delivered a timely and interesting address on this subject, taking as his title "The Road to Peace."

I ask unanimous consent that the address of the Senator from Idaho may be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

For many years I have had a vital interest in this subject. To fit the pattern of my thought, perhaps a more accurate phrasing would be the road to end destructive warfare among the nations of the world. I am convinced that no course of action will lead to any ideal state of peace. By this I mean that the struggle of men with each other and with the forces of Nature is the normal condition of life. Competition and rivalry are the basic elements of growth, achievement, and progress. Peace, in any sweet or passive sense, does not appear to be a condition of life in a living universe.

In the drama of life, where the actors are emotional and combative—some with base passions and motives—it does not seem likely that a very peaceful condition of society will ever exist.

Precisely for this reason human intelligence must build safeguards. Society must be organized to regulate and control itself. For thousands of years the process of building these safeguards has been going on, and will continue for many thousand years to come. It has taken the form of laws, agencies to enforce them, and constant vigilance in modifying them to meet changing conditions. It can be said, I think, that men's achievements, their progress toward better living conditions, and their improvement in behavior are proportionate to the degree of orderly security established through their institutions.

In the best-governed states comparative individual security with reasonable freedom to work and compete in a fair field has been accomplished. In such states men are free to fight injustice, greed, crime, and a host of social ills. Only senseless, lawless, and destructive fighting has in the main been eliminated.

It is from this point that we must start—toward the elimination of senseless, lawless, and destructive warfare among the nations of the world.

Is there a way to this end?

Is there a road to this sort of peace?

A consideration of our present state of affairs would seem the best way to approach an answer to the question.

The one common denominator of public thought which stands out in the mind of every observer is the desire to stay out of war. It cannot be said with accuracy that we desire peace at any price, but it can be said that the great majority desire peace at any price they can at present anticipate. The World War is in the memory of many now living, and they are anxious to stay out of another such war.

Bearing this preponderant public sentiment in mind, it may be worth while to consider briefly developments in Europe during the last year.

It has been realized for many years that Mussolini was building up a war machine and making preparations for war, but the world was shocked when he announced his intention of attacking Ethiopia. Some statesmen became alarmed; others thought his announcement a bluff. The State Department of the United States tried to dissuade Italy from violating the Kellogg Peace Pact.

Other nations, acting individually or through the League of Nations, tried by conciliation to prevent the war. Despite all this Mussolini invaded the territory of Ethiopia last fall.

When this event occurred the Congress had adopted a so-called neutrality bill which gave the President power to prohibit the sale of arms, ammunition, and implements of war, and Americans traveling on belligerent ships did so at their own risk. Such action was taken by Congress, not in the face of existing conflict, but in anticipation of war. When the Seventy-fourth Congress assembled in a second session in January the demand for further neutrality legislation was insistent.

If the American Government had conducted an experiment in staying out of war, it could have hoped for no circumstances more conducive to success, for Ethiopia is about as far removed from the United States geographically and commercially as any nation on earth. And yet the United States became almost immediately involved. The people of this country, isolated as they were from the scene of dispute, awoke one morning to read in their newspapers that an American corporation, the Standard Oil Co., through the very helpful Mr. Rickett, of England, had acquired oil and mineral concessions in Abyssinia.

Overnight the spotlight had shifted to the United States. Overnight our Nation was transformed from a disinterested spectator to leading actor in the Italian-Ethiopian dispute. After several anxious days of negotiation the State Department persuaded the Standard Oil to relinquish the concession. The incident serves vividly to illustrate the complexity of America's international relations. It serves vividly to show how this country may be involved in a dispute anywhere in the world. Since that time the Secretary of State has been kept busy with difficulties arising over the shipment of cargoes of oil and other war materials to Italy. He has been constantly trying to avoid entangling incidents.

It is generally conceded that Germany and Japan are awaiting Mussolini's success to undertake similar ventures themselves. Many responsible statesmen are convinced that on the success or failure of Mussolini will rest responsibility for another world war. Should another great war develop there would be the same likelihood of involvement that existed during the last World War.

The United States is playing no unimportant part in the whole situation. Shipments of war materials to Italy have largely increased during recent months. A 35-percent increase in shipments of oil took place in 1935 over those of 1934. In December 1935, the first month of the war, the United States shipped 446 percent more oil to Italy than in December 1934.

The people of this country, however, are anxious to stay out of war, and they desire the Congress to enact legislation that will keep them out. Following such legislation last session, the demand became insistent that Congress take further action.

There are, in general, three theories of foreign policy applicable to foreign wars or threats of war. First, an indiscriminate trade policy such as was pursued during the last war—that is to say, a policy permitting American exporters to trade with all belligerents and neutrals without restriction, except as to blockaded ports and seizure of contraband; second, to seek complete economic isolation by refusing to trade with any belligerent nation; and, third, the adoption of a policy of active cooperation with other nations in a system of collective security to prevent war.

Neutrality is generally defined as the status of a nation which refrains from participation in war between other states and maintains an attitude of impartiality in its dealings with such nations.

One could spend hours discussing the legal concepts of neutrality. One thing is quite certain: that in this modern world it is impossible for the people to maintain an impartial attitude toward a conflict in any part of the world. It is likewise certain that any action our country may take as a neutral will not be impartial in its effect upon the nations engaged in conflict. An effort is being made, therefore, to legislate neutrality under these unneutral conditions.

Furthermore, it is realized that when a war is in progress no one will insist upon the rights of a neutral except the neutral itself. The nation endeavoring to be neutral finds itself virtuous for virtue's sake and destined to tread the primrose path of international temptation.

The United States tried to remain neutral prior to its entry into the World War. Everyone knows the difficulties encountered. The disputes with Great Britain over violation of our neutrality rights are well known. The final break with Germany resulted from violations of our neutral rights. Our ships carrying goods, and some historians say munitions, to the Allies were sunk and our citizens on those ships were killed. This drew us into the war.

There may be some good reason to believe that belligerents in the next world war will not kill our citizens or sink our ships in carrying war materials to an enemy. But if there is, I am unable to find it. It is foolish to think that a nation fighting for its life will recognize our neutral rights and permit us to ship cotton, steel, or oil to its enemy. If we insist upon such rights, we can do one of two things: either permit our ships to be sunk and our citizens to be killed, or attempt to enforce our rights by war. We have tried this policy of legalistic neutrality many times and have become involved in every major European war in which a maritime power was involved since the formation of the Union.

The immediate alternative is a stricter neutrality. Under a doctrine of strict neutrality we would cease entirely the sale of any material which could be used in war to any belligerent. Materials which cannot be used in war are few. As a matter of fact, only cosmetics and ostrich feathers were omitted from the contraband lists of nations during the World War. The adventures of Mata Hari, the famous vamp of the German espionage system, casts some doubt on the cosmetics exception, and it is entirely likely that in the next war science will find a use for ostrich feathers as a camouflage.

To be precise, the doctrine of strict neutrality calls for a cessation of all trade and all commercial relations with nations involved in war. This is a perfectly safe and desirable course to follow until the war starts. Then trouble for the neutral begins. Neutrality begins to hurt. As it happens, America is not self-contained. The United States needs some 18 minerals and metals in which she is deficient. These are indispensable and must be purchased abroad. And surpluses of domestically produced commodities must be sold abroad if sold at all. It must be conceded that if our ships loaded with goods are kept off the seas there would be small chance of becoming involved in war, and American citizens would not be killed if kept at home. The nemesis of this plan, however, is a depression.

The United States tried this policy at one time in its history. In order to stay out of the Napoleonic war, in December 1807, Jefferson recommended, and Congress enacted, embargoes on exports and we stayed out of the war so long as these embargoes were in effect. As a result, however, commodity surpluses accumulated, piling up in our ports, prices declined, unemployment became widespread, and the New England States threatened to secede. The depression was so severe that eminent historians claim it was worse than participation in the war itself. Jefferson retired from the Presidency early in 1809, a disappointed and unpopular man, and Madison succeeded him. Within a few months the embargo acts were repealed, and foreign trade was resumed.

When our ships again took to the seas American property was destroyed, American seamen were impressed, American ships were sunk, and American citizens were killed. In other words, our neutral rights were again violated. A demand came from the American people to enforce our rights, and we entered the War of 1812.

Thus our Nation has tried the policy of indiscriminate trade with belligerents, and it has failed. Under it we got into war. We have tried the strict neutrality policy of preventing trade, and it has failed. Under it we got into a depression.

And so we have the dilemma of which both horns have been prodding the United States Congress. Our people do not want to go to war, neither do they want a depression. Congress, therefore, is seeking the elusive happy medium. The neutrality bills introduced in Congress proposed to stop trade in contraband and materials capable of use in war in amounts exceeding normal peacetime exports. It was sought, in other words, to permit enough trade to stay out of war and to retain enough trade to stay out of depression. This seemed to be a fair compromise and to offer a rocky path between Scylla and Charybdis. Such a policy was supported by the State Department and by the advocates of neutrality legislation. But these groups reckoned without their host.

During the hearings before the Foreign Relations Committee, Italian-Americans clamored to be heard. They are a small minority of the American people, of course, but they made their influence felt upon some Members of the Congress. They urged the doctrine of the freedom of the seas and incidentally reminded their Representatives that they had votes. The exporters were also active in protesting the legislation. It is they who will reap the profits of international conflict. Of course, they did not say their objection was based on the desire for profits. Their representatives advanced elaborate and profound arguments based upon the principles of history, economics, and sociology. They argued long and earnestly for the traditional policy of indiscriminate trade and freedom of the seas. They pointed to the vast economic loss of curtailing exports. They emphasized the shame and cowardice of Americans hiding from trouble when their rights were threatened.

In addition to these influences, it must be said there were many prominent men of unquestioned integrity who were convinced that the relinquishment of wartime trade would be unwise legislation. As a result of these objections, a bill was passed without restrictions upon trade, and recognizing the traditional rights of neutrals in that respect. The freedom of the seas had won.

It was said by those who had retreated to previously prepared positions that at the next session of Congress further legislation would be enacted, and I believe public sentiment will force the enactment of measures along the line of those proposed in the original neutrality bills. Their effect would be to reduce points of contact between our Nation and others. Whether they will keep us out of any war I do not know. There is certainly no assurance that any such legislation will have much permanent value as a road to peace.

What reason there is for believing that submarines of a nation fighting for its life will not sink a ship carrying war materials which are within the peacetime quota any less quickly than they will sink one carrying shipments in excess of such quotas, I am unable to see. Most of the hazards of trading during war between other nations will remain. The benefit of such legislation is simply that there will be fewer ships on the high seas at which torpedoes can be directed. Such legislation will reduce the incidents likely to lead to war. For this reason and for the reason that it will enable the United States to interfere less with other nations in a concerted effort to end the war, I have supported and will continue to support that sort of legislation.

This type of legislation is negative in character. It seeks to avoid contacts that will lead to involvement. In the past neutrality laws have been unsuccessful because all nations have been unwilling to

give up their claim to the goods of the world. Rules of international law have been ignored by nations fighting for their lives. Neutral rights have been and will be violated, and the neutral must either give them up or fight for them. Thus far in our history the United States has not given them up and has fought for them. There is now no way to enforce such rights under international law, and there will be no way until in the words of Locke there is a "known law and a common judge."

This brings us to the third theory by which a nation may seek to avoid war—that is, by preventing wars from starting by a system of organized international law enforcement. By this I mean an application of the principle of collective security under which all nations will steadily and effectively oppose that which they have previously declared to be illegal.

At the close of the World War an effort was made to establish an international organization for this purpose. The League of Nations was formed and later the World Court was established. The United States and a few other powerful nations have failed to give these organizations their support and the influence of such agencies has been limited accordingly. The Kellogg-Briand peace pact was adopted by all the great powers and most of the smaller ones, but it was merely a declaration of policy and provided no machinery for enforcing it. This pact has become the "forgotten man" in the present crisis. With a flagrant violation of that treaty, with the aggressor clearly determined, no action has been taken and probably none can be taken that will be of any effect. Its futility seems to be definitely established.

At the time of the ratification of this pact, Senator BORAH uttered these hopeful words:

"Another important result of such a treaty would be to enlist the support of the United States in cooperative action."

Marvel at that!

"Cooperative action against any nation which is guilty of a flagrant violation of this outlawry agreement."

Noble words those! The United States would join, he said, in cooperative action against the aggressor-violator of the pact. That was in 1925. No such words are spoken by my distinguished colleague today when the treaty has been violated.

The United States appears to be now in this interesting position: Congress has decided to postpone permanent neutrality legislation until 1937, leaving the rules of neutrality substantially as they were in 1914.

On February 12 a committee of experts appointed by the League of Nations reported that sanctions on oil would stop the Italian war machine in 3½ months "if the United States were to limit its (oil) exports to Italy to the normal level of exports prior to 1935." An oil embargo by the League would be rendered ineffective if the United States continues to furnish unlimited quantities of oil to Italy. The United States will nullify any attempt by the League to stop the war by embargo on oil. This means that League members must either refrain from joint efforts to restore peace by embargoes on war materials or establish a naval blockade of Italy. Such a naval blockade means war.

President Roosevelt said in his annual message to Congress on January 3:

"We seek to discourage the use by belligerent nations of any and all American products calculated to facilitate the prosecution of a war in quantities over and above our normal exports to them in times of peace."

The Secretary of State has in every practical way tried to discourage the export of war materials in unusual quantities. In spite of all this it now appears that the United States is in a position to frustrate the efforts of the fifty-odd nations to restore peace by depriving Italy of the means of making war. Ever since the World War the United States has expressed its desire for peace. It has made many gestures in the form of the Washington treaties, the Kellogg pact, and South American treaties.

If, through our action in exporting war materials to Italy, the League is unable to end the present war, our country will assume a heavy responsibility for future events. If the success of Italy should result in other aggressions, as most European statesmen believe it will result, that may lead to a world war, the responsibility of the United States is plain, and the increased danger of her involvement is only too obvious.

Some day I hope the American people will realize that the foreign entanglements that they have been taught to fear have long since been brought about by our exporters, our international bankers, and every type of commercial enterprise. It is to relieve our country of the danger of such entanglements that many people believe cooperative action is necessary. They believe the United States is not only in the world but of the world, and is obligated to assume her rightful share in the preservation of law and order in the world community.

At the beginning of this address I tried to point out that society has for thousands of years been building up a system of law and order in the various local communities in the world to establish security for the individual. Society found it necessary to take this course. No other way was discovered for men to live together. No other method has proved effective under which men could work and achieve. With all the differences of opinion that exist, and with all the grounds of controversy that are to be found, there is no substantial division of thought as to the desirability and necessity of maintaining agencies for the enforcement of law and order within the cities, counties, States, and nations of the world.

It has also been found that States may form a union and adopt a system of collective security as in our own far-flung country. No one will challenge the wisdom of those who were responsible for this union. No one now doubts the advantages of these organized States of North America. "A known law and a common judge" exists among these States with such beneficial results that no one would go back to disunion and anarchy.

When individuals or States have a dispute courts are ready at hand to make decisions. The principle of peaceful settlement of all controversies is as well established as the principle of government itself. Such a system is now taken for granted in all civilized countries, but in the history of its development there were many setbacks and many disappointments.

The operation of such a system is by no means perfect. Many injustices occur. Individual security is not complete. Men are still cheated, robbed, and murdered on occasion. Few there are, however, who would destroy the system and go back to those far off days when each man depended upon his club for protection. Nations are but groups of individuals. They are divided only by arbitrary boundary lines, and they have the same passions, hopes, desires, and aspirations as individuals.

It is true, of course, that there are differences of race, creed, tradition, language, and customs of living among the various nations; that is also true of individuals in all the great states.

I have no desire to interfere with the domestic affairs of my neighbor, but I do desire that any dispute arising between us be settled by law and not by violence. I have no desire to interfere with the domestic affairs of my neighbor nation, but I do desire that any disputes arising between nations shall be settled by law and not by war.

The record of the World Court, which has been in existence for many years, is altogether creditable. Like our own Supreme Court, which by judicial decision has ended many disputes between the States of the Union, the World Court has by judicial decision settled many disputes between the nations of the world. In every instance such decisions have been accepted and followed by the nations affected. There is certainly no more reason why disputes over boundary lines, treaties, or any other matter, arising between nations, should not yield to decision by a World Court than that disputes over boundary lines, contracts, or other matters should not yield to decision by courts within a nation.

It is not to be expected that the establishment of such a system of international law and order would end all disputes between nations or even avoid all violence between them, any more than such a system has ended all controversy between individuals and violence between them. All that can be expected is the development of a method to resolve such disputes and decrease violence and bring comparative security to the nations of the world, as such a method has brought comparative security to the individuals within nations.

It is not to be expected that all national greed or national selfishness will be eliminated by this or any other system, any more than individual greed or individual selfishness has been eliminated by a system of law and order in the community. All that can be expected is that such elements in national as in individual life may be imperfectly regulated and controlled.

This, in my opinion, is the road to peace, or to put it in a more satisfactory way for me, it is the road to end destructive warfare among the nations of the world. By following this road the United States would become a responsible, good neighbor.

NEW TAX PLAN—STATEMENT BY SENATOR BARBOUR

Mr. VANDENBERG. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the senior Senator from New Jersey [Mr. BARBOUR], which appeared in the Newark Evening News of yesterday, in relation to the New Deal tax plan.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the Newark Evening News of Mar. 3, 1936]

BARBOUR ARRAIGNS NEW DEAL TAX PLAN—WON'T LEND HIMSELF TO PROGRAM ENABLING WASTE TO GO ON, HE SAYS

WASHINGTON.—"I am not going to lend myself now to the hurried levying of additional taxes on top of those hurried levies last session simply to enable the New Deal to continue its wasteful experimentation and political extravagance."

That was the comment of Senator BARBOUR (Republican, New Jersey) today as his reaction to President Roosevelt's message to Congress requesting a $786,000,000 tax program. In a statement the senior New Jersey Senator said:

"In listening to the President's message on taxation I heard nothing about curtailing waste and extravagance. I heard nothing about any proposed curtailment of boondoggling. I heard nothing about reducing commissions and bureaus. I heard nothing about renewing the effort I suggested of making another try at collecting at least something on the foreign debts.

"I have heard nothing about how much remains of the $3,300,000,000 and $4,800,000,000 work-relief appropriations. I have heard nothing about when, where, and how such part of the huge authorizations as have been spent, were spent. And I certainly hear nothing about whatever is left, which is plenty, which need not be spent between now and election day except for political purposes.

DEMANDS EXPLANATION

There is much, much more that must be explained before I shall feel it my duty to pass on to the taxpayers of New Jersey and the Nation any such burden as is contained in this proposal or any

other proposal until I have all the facts and really know what I am doing.

Let us balance the Budget by all means. I will vote for the necessary taxes to do so and the American people will pay the price; but let us make sure we are really buying a balanced Budget.

If we assume, and I do not, that in the case of the bonus the payment of this debt (in the creation of which this Congress has no part) in the interest of "balancing" the Budget should have awaited the year 1945 let me point out that this inescapable obligation can be paid now and if need be financed until 1945 for probably less than $30,000,000 on the average, per year from now until 1945.

FOR ECONOMIES

I contend, however, that even that outlay need not necessarily be provided for if additional authorizations are canceled and sufficient economies are made. And who can challenge the assertion that countless economies can and should be made? Which is another way of saying that while the $120,000,000 suggestion in this connection would, of course, punish Congress, or rather the country, pretty handsomely for its "disobedience" it certainly is in no sense proven that this punishment is necessary even if sugar-coated with the disguise of Budget balancing.

I feel the same way about the A. A. A. processing tax element of the message. Even had I voted for this legislation, and I did not, I want to hear more about all those other equally pertinent considerations before I take part in this latest right-about-face of the New Deal.

ADDRESS BY FORMER SENATOR REED AT DEDICATION OF WILLIAM J. STONE MEMORIAL

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by former United States Senator James A. Reed, of Missouri, on the occasion of the dedication of the William Joel Stone Memorial at Nevada, Mo., on October 11, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

People of Missouri, we meet today to dedicate to the memory of a great Missourian this monument. The voice that once thrilled us with its eloquence has been stilled by the hand of death. For ears that once were delighted by the applause of multitudes, there is only the voiceless silence. What we do here today can bring to him no thrill of pleasure, no sentiment of satisfaction.

We dedicate this monument not so much to the man who was so long an idol of multitudes as to future generations. We hope that men and women yet unborn will from it gain the inspiration of nobility; an inspiration born of the life, the achievement, and the sacrifice of the great man whose memory this bronze is calculated to perpetuate.

In physical stature he towered above the mass of men; in intellect he was surpassed by none of his day and generation; in courage he was as unflinching as Damascus steel. His patriotism counted neither personal advantage nor personal peril.

His memory needs no vindication but the plain and simple truth as written not in a single act but in the long course of a splendid public career.

Endowed by nature with talents and ability which distinguished him among the members of his own profession, he could have pursued the path of the law and gathered to himself honors and riches that would have satisfied the desires of any man who merely longed for the comfort and luxuries of life. He had higher aims. From his youth he was consumed by a passionate desire to serve his country and his fellow men. Laying aside those things which appeal to most of us, wealth and the comforts and luxury wealth brings, he chose to serve his country and his people.

As Congressman, Governor, and Senator, he toiled incessantly at the tasks before him and, so far as money was concerned, died almost a pauper. He was rich alone in the satisfaction of a service well performed and in the esteem of the friends he loved.

No just or decent man ever suspected William Joel Stone of being swayed or controlled by any influence of cupidity or self-gain.

There is in every man's life a dominant influence which controls his destiny, and all else becomes subordinate to that ruling passion. The ruling passion in the life of William Joel Stone was love of country; to that exalted patriotism he subordinated all else. It was the pole star by which he guided his path down the long years of his public service. It was the sentiment which controlled him in the crucial hours to which I am about to advert.

The fall of 1914 witnessed the gathering of the black clouds of war—a war in which America had no direct interest, which she did not originate, and which was as foreign to us as the Southern Cross is to the North Pole. At first, and for a long time, the sentiment of America was profoundly fixed against any participation in that conflict. After we had witnessed and endured the sinking of the *Lusitania*, and many gross outrages upon our commerce and our dignity, the great mass of our people, all of our public officers, and executives, joined in the opinion that it was better to endure even great insult and wrong than to plunge our land into an international maelstrom of hate and carnage.

That opinion prevailed universally until a period 30 days before we actually entered the conflict. Aggravating causes had intervened, opinion began to shift, and within a month's time the storm broke in America. If ever there was an hour when calm and deliberate judgment should have been exercised it was when the President declared that a state of war existed and that the time had come for stern resistance. I do not here criticize the President for his attitude; I make no comment upon the fact that opinion suddenly swerved; that the wind almost overnight shifted from the temperate to the torrid zone and brought with it an uncontrollable heat and excitement.

But this, I say, was a time for calm reflection and for mature judgment. It was a time above all others when reason should not abdicate her throne and give place to the excited spirit of the mob. I thought then, I think now, that we had reached a situation where America was obliged to enter the war; but I thought then, as I think now, it was a time when honest men might honestly differ.

To William Joel Stone, the argument was against America's embroiling itself in the great world conflict. He invisioned the terrible consequences of war and balanced them against national pride and the excitement of the moment. Almost alone he stood, a solitary figure, contending against our entrance upon a conflict, the dire results of which his great intellect saw more clearly than his conferees. That act required the highest degree of courage—a courage greater than that which fires the heart of the man who goes forth to single combat for his life. I admire, as perhaps few others admire, the men who in the rare atmosphere thousands of feet above the earth in airplanes fought out, for life or death, battles with their enemies. But greater than that courage is the heroic self-denial of one who in pursuit of duty will endure the hatred and contempt of his fellowmen.

Amidst the storms which broke William Joel Stone stood a unique and, as I have said, almost a solitary figure.

When others set their sails with the wind and joined the cry of the mob; when they obediently went to their master's heel and thought only of their personal fortunes, William Joel Stone stood erect and indomitable, his keen eyes fixed on the constellation of duty to country and to his fellowmen. He knew that friends would forsake him, that the forked tongue of slander would spit its poison on his character, that the dogs of hate would snarl at his heels by day and by night, that perhaps his great name and his splendid life work would all be shrouded in a veil of popular ignominy, and that he might go down to his death amidst the jeers of malice and the sneers of ignorance.

All this he knew and felt; all this his keen and sensitive nature suffered; all this he endured because his duty to flag and country demanded the sacrifice.

Bravely he met the crucifixion; unflinchingly he bore the cross; calmly he awaited a possible day of vindication—and then the sudden stroke of death and the magnificent earthly temple crumbled and as brave and fine a soul as ever dwelt in an earthly tabernacle took its flight into the unexplored stretches of the universe that lie beyond the horizon of life. When he spoke against the war every shaft of malice, of hate, and of venom was aimed at his devoted head. It was charged from press and pulpit, from street hustings to legislative halls, that in the conflict he had sided with Germany, that he was "pro-German." In his long life there was no possible evidence to adduce in support of that false and venomous charge save this: That during the campaign for Mr. Wilson's second election he had been in conference with noted German-American leaders, among others Herman Ritter, previously treasurer of the Democratic National Committee. It was charged falsely that these German-Americans were in sympathy with Germany and against the United States.

The German-American citizens to whom I refer, and who were representative of millions of such citizens, had regarded the acts of the American Government before our entrance into the war as unfair to Germany and as favorable to her antagonist, England. They laid this policy and their resentment of it at the feet of the President.

We Democrats were all desirous of the reelection of Mr. Wilson; our national convention committed us to the policy of peace. I shall never forget the nominating speech of Governor Glenn, in which he urged that we should keep free of the European conflict, and illustrated his masterpiece by recounting various grave offenses committed against our Government in the past, and in each case winding up with a sentence, "Did we fight? We did not; we negotiated." And so the convention, under the inspiration of that great speech, took the position that the Democratic Party and its candidate would keep us out of the European war.

In the campaign which ensued, however, we found tens of thousands of German-Americans who did not believe we had maintained a position of neutrality abandoning our party and these, as I have said, were led by Herman Ritter, treasurer of the Democratic Party.

There was a feeling of genuine alarm, and it was conceived that the German-American exodus from the Democratic Party must be stopped. Senator Stone was selected as the one man possessed of the diplomatic ability to arrest that desertion. He was sent to New York and other places to confer with those who could be classed as German-American citizens; sent for the purpose of assuring them that the success of the Democratic Party and the reelection of Mr. Wilson assured us a continued position of neutrality. Who sent him? Not the rank and file, not the unthinking multitude, not the uninformed; he was sent by high authorities in the Democratic Party and by high authorities in the Nation. He went at their solicitation. He bore with him a letter from a high official, now dead and therefore whose name I shall not call; a letter to be presented to these dissatisfied German-Americans, the import of which was that our Government had been able so far to escape the conflict and that the writer had no doubt it would be able to continue a position of absolute neutrality. That was the message

delivered by Senator Stone to these German-American citizens of New York and elsewhere. He performed his mission; the exodus from the Democratic Party was arrested and largely stopped. Plainly, therefore, he "spoke as one having authority and not as the scribes."

Of all this I make no criticism; times and conditions changed, but, in the opinion of William Joel Stone, did not change to the extent warranting a radically different policy than I have outlined.

But, people of Missouri, when the storm broke about Stone's head, when he was accused of being pro-German and not pro-American, they searched his life and they could find nothing but patriotic acts, nothing but love of flag and country, and then was brought forward, in dearth of anything else, those conferences with German-Americans, and it was asserted that the visits to these German-Americans, made under the circumstances I have detailed, were evidence of a plotting at that time by Senator Stone with these German-Americans in the interest of Germany and against the interests of the United States. In ordinary times such charges would have been borne away by the idle winds, but in the excitement of the hour they were treated as indisputable evidence of guilt. And so the cartoonists pictured this devoted son of Missouri and of America as a serpent thrusting his poisoned fangs into the heart of the Republic, as a cormorant perched upon the branch of a dead tree and waiting to devour the bodies of American soldiers and American citizens.

All this Senator Stone was required to endure, and this is the pity of it all—that from those who had sent him there never came a voice of vindication, there never came a word to the effect, "We sent him there and upon a purely political mission." Why did Senator Stone not utter a protest; why did he not publish the letter of authority which he bore? I answer, the war was on, and, although against entering the war, once we were in the war he gave his soul and life's energies to make our arms triumphant, just as Robert E. Lee was loyal to the cause of the South, although not approving the act of rebellion. Accordingly Senator Stone would do nothing, would say nothing, that might in any degree militate against the popularity of the war or the war policies of our Government.

And so with a nobility which I have never seen equaled, he maintained his silence and endured the scourge. Let the truth at last be known—and here at the foot of his monument I lay this tribute—he endured and suffered because he loved his country more than he loved himself.

He was not deceived. I repeat, he knew the criticism and abuse that would be visited upon him, that he was probably consigning himself to political and popular oblivion, but he stood like a sentinel at his post, preferring to endure abuse and calumny rather than utter a word of explanation. It makes no difference today whether he should or should not have voted for the war—one thing we know: that the hopes which inspired us as we entered that terrible conflict have all turned to ashes.

We started to make "a war to end war." There have been nothing but wars from that day to this, and even as I speak the massed hordes of Italy are marching forward to destroy the liberty of a people whose history runs back for 3,000 years.

We were told that the war would "make the world safe for democracy", and dictatorship rears its head over more than half of Europe. Its cloven foot is pressed upon the breasts of suffering millions. Our own Government has undergone an unbelievable change.

I attribute to Senator Stone no gift of prophecy, but I do say that his ability for logical reasoning, his understanding of the relation of cause and effect, enabled him to foresee the results to which the eyes of most men were blind. He said to me, as he said to Senator CLARK, "We will never have the old Republic. I do not hesitate because of the cost, although it will be billions where the uninformed are talking of millions. I do not hesitate because it will cost the lives of thousands of American boys, although I would not sacrifice one American boy's life for all of the hordes of Europe and Asia, but we will never have the old Republic."

And so, whether you count him prophet or politician or statesman, I ask you all, did he not behold the future better than all his critics and all his conferees?

ADDRESS BY GOVERNOR PARK AT DEDICATION OF WILLIAM J. STONE MEMORIAL

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Gov. Guy B. Park, of Missouri, on the occasion of the dedication of the William Joel Stone Memorial at Nevada, Mo., on October 11, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

During the regular 1933 session of our State legislature an act was passed directing the appointment of a commission to be known as the William Joel Stone Monument Commission, with authority to select a monument in memory of William Joel Stone at some suitable site in the city of Nevada, to be determined by the commission after a conference with members of the County Court of Vernon County. An accompanying appropriation of $15,000 was made and power given the commission to receive donations.

Under the authority conferred upon the Governor by this act Senator BENNETT CHAMP CLARK, whose distinguished father was a lifelong political and personal friend and ally of Senator Stone; Hon. John T. Harding, a fellow countian and intimate friend of the Stone family; and Hon. Richard K. Phelps, representative in the legislature from Vernon County and author of the act creating the commission, were appointed members of the commission. After thorough study and research and consultation with skilled sculptors and artisans, Mr. Frederick Hibbard, of Chicago, a former Missourian and one of the world's famous sculptors, was chosen to cast the bronze statue; and the firm Wright & Wright, of Kansas City, noted architects, selected to design it; and Mr. Bruce, of Fort Scott, Kans., to construct the pedestal.

We now view with satisfaction and admiration the finished product of the genius and handiwork of those to whom this labor of love was entrusted; and in accepting the memorial on behalf of the people of Missouri, may I express to the members of the commission and to the craftsmen and to those who so generously contributed otherwise sincere thanks and genuine appreciation. You have done well.

The monument, appropriately located on the site of the courthouse in which the young lawyer started a notable professional career, is graceful in its symmetry, of dignified proportions and design; and the bronze statute, a striking likeness of the man whose memory we are gathered to honor. Our children and our children's children for generations to come will view it with pride and admiration and learn the lessons of honor, fidelity, and patriotism.

With the passage of the changing seasons through the lapse of the years to come, the solid granite base will crumble into dust and the proud figure totter on its base and fall and be destroyed, but the deeds and examples and teachings of this great statesman, patriotic citizen, loyal friend, and devoted husband and father will live on through the ages. The value of his services to his State and Nation is not limited by the span of his useful life.

William Joel Stone was one of our country's greatest Democrats. He was one of our greatest Governors. Inaugurated Governor January 9, 1893, his administration faced a financial panic and a depression, and he was confronted with serious and difficult problems. Governors of adjoining and nearby States found it necessary to call out troops to suppress riots and control conditions arising from railroad and mine strikers. Governor Stone, by his tact and diplomacy, brought order in Missouri without resorting to arms. In spite of the panic, his term ended with the State in a better financial condition than when he went into office. He championed the rights of the people against corporate interests. He fought to rid Missouri of professional lobbyists.

In a message to the legislature delivered at a special session on April 23, 1895, he said, in part: "A fair and intelligent presentation of the views of those having interests at stake, so far from being forbidden, should be invited. But a band of lobbyists organized and maintained as a permanent institution, to hang about public offices and the halls of legislation, with the sole object of interfering with public affairs, and with authority to use any means, however questionable, to promote their ends, is altogether another thing. That kind of thing is wrong, wholly and irretrievably wrong."

At the end of a fight, he succeeded in having passed through the legislature what is known as the fellow servants' bill, a notable accomplishment.

No better way occurs to me to convey to my hearers the ideals of Governor Stone than to quote briefly some of his public utterances.

In his inaugural address he said, in part: "In practical administration we should exercise simplicity without boorishness, economy without parsimony, courage without audacity, candor without gush, diplomacy without deception, publicity without indiscretion, and patriotism without pretense", and in the same message, illustrative of his lofty purposes, he said: "The honor and good name of the State should be as precious to every Missourian as those of his wife and daughter. Our highest ambition should be to excel in honest and capable service, striving each to do his utmost in the exaltation of the Commonwealth."

And this classic is found in his farewell address to the legislature: "No man is worthy to fill a public station who consents to do wrong, however great the temptation; or fears to do right, no matter who or what he antagonizes."

Governor Stone attended the University of Missouri, which, in later years, bestowed upon him the honorary degree of doctor of laws in recognition of his attainments. And he was a friend of the university. "A great progressive university cannot be created in a day, or by a word; nor can it be sustained by alms. It cannot thrive as a mendicant. If it prospers, it must have ample means to support it." These were the words of Governor Stone.

And his attitude toward the public-school system of Missouri was forcibly expressed in his first biennial message to the legislature on January 1, 1895. I quote: "No State has done or is doing more for public education through the agencies of the common schools than ours. And I feel safe in saying that no fact in our history does more to honor the people, or to exalt the State than this; and nothing should furnish greater cause for pleasure and pride to every patriotic Missourian."

His public addresses were classics filled with wisdom; chaste in diction and masterful in delivery. He was our inheritance from Kentucky with its traditions and culture, and was truly a courtly gentleman of the old southern school. Politically he was without fear and loved a fight, no man in Missouri excelled him "on the stump" in the heat of a campaign.

His distinguished career was the result of his strength and courage to do right and to oppose wrong. He had, and merited,

the confidence and love of all Missourians, and in their hearts he is enshrined. This vast gathering of neighbors and of friends and admirers from all sections of the State is an inspiring sight and a worthy tribute to a great man.

THE A. A. A. IN MONTANA

Mr. WHEELER. Mr. President, I ask to have inserted in the RECORD an article prepared by Mr. Lewis Penwell, collector of internal revenue for the district of Montana, and printed in the Western Progressive, of Helena, Mont., of February 28, 1936. I wish to call particular attention to the Biblical quotation from Ruth, chapter 1, verse 1, with which the article begins and which is as follows:

Now, it came to pass in the days when the judges ruled that there was famine in the land.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Now it came to pass in the days when the judges ruled that there was famine in the land. (Ruth 1: 1.)

There has recently been received in the office of the collector of internal revenue for the district of Montana a statement compiled in Washington of all income-tax collections for the calendar year 1935. It discloses the interesting fact that in the matter of percentage of increase in income-tax collections in 1935 over the prior year, Montana heads the list, and is first in the entire United States.

There is no surer barometer of the prosperity of a State than the income-tax collections. The fact that the percentage of increase in income-tax collections in Montana is the highest in the United States clearly indicates that Montana has and is enjoying a greater rise in prosperity than any other State, and that the increase in prosperity for the past year has been more rapid than in any other State.

To anyone living here in the State and who is familiar with the circumstances, it must be abundantly apparent that this astonishing result has been brought about by the recovery policies of the Roosevelt administration; and a very large part of the credit for Montana's revival must be given to the Agricultural Adjustment Act and its intelligent administration in this State.

As President Roosevelt has recently said, human memories are short-lived. But all of us who were familiar with the agricultural conditions in Montana recall that during the dark days of 1932 and the first few months in 1933 agriculture in this State was flat on its back, the result of conditions which had been constantly growing worse for more than 10 years. By the beginning of 1933 practically every farmer and rancher in the State was broke. His taxes for the past several years had not been paid, he owed interest and back payments on his mortgage, in most instances he owed the local bank, and in practically every instance he owed the local store such a substantial amount for the necessities of life that his credit had either been shut off or was in jeopardy. Foreclosures were being resisted with violence by the so-called Farm Holiday Association and other radical organizations. Unemployment in towns and cities had reached its maximum; local civic organizations, composed of members who could ill afford it, were organizing soup kitchens and temporary relief agencies to ward off rioting and looting; the chain-bank organizations had drained the State of savings by sale to the public of worthless securities. These conditions continued to grow worse to such an extent that by the time Roosevelt was inaugurated on the 4th day of March 1933 practically all the banks in the State were either closed or were immediately closed by Roosevelt in order to stop panicky runs and to save them from utter ruin. Nor was this unfortunate situation limited to Montana. Throughout the Middle West and in practically all States which were predominantly agricultural the farmers were desperate, were barricading highways to enforce their demands for better prices for farm products, destroying food, dumping milk, and in one case went so far as to get a rope around the neck of a district judge in an earnest attempt to hang him to forfend a foreclosure.

This unfortunate situation in the spring of 1933 had been almost wholly brought about by prices for farm products so low that nowhere near the cost of production could be gotten for ordinary farm commodities. For instance, wheat was selling for 25 and 30 cents a bushel and hogs were 4 cents. All this in the face of enormous agricultural surpluses which the public did not have the means to buy.

This was the picture of agriculture when Roosevelt was inaugurated on the 4th of March 1933. Because agriculture was the largest single industry in the country, and because he had repeatedly, during the campaign, promised to bring about the necessary changes to better the situation, he addressed himself to the problem of straightening out the banks first and agriculture next.

An analysis of the whole agricultural problem disclosed the fact that during the war and for a short time afterward the farmers of the Nation were encouraged to grow the largest possible crops, because the surplus, whatever it was, was being purchased by foreign countries to whom we were loaning the money to make the purchases. This continued as long as we continued to loan the money; but when we stopped the loans, they stopped the purchases and the surplus began to pile up. As wheat is the principal crop which is most affected and which affects the most people, it will be used as an illustration of what the problem was and how it was solved. It was demonstrated that there were some 50,000,000 acres too much wheat being grown in the United States, and that this surplus acreage was piling up the surplus wheat and lowering the price. It was pointed out that unless something was done this condition would continue indefinitely and until the surplus acreage was eliminated. There were two ways to do it—either it had to be done by some sort of concerted action carried out on a national scale, or it could be done through the slower and more painful process of allowing a sufficient number of farmers to starve to death to bring about the desired reduction in acreage and surplus. It was shown that if all the wheat acreage in the United States were reduced some 15 percent, it would eliminate 50,000,000 surplus acres, cut down the wheat surplus, and that it ought to raise the price to what it had been prior to the war, when it was sufficiently high to make the growing of wheat a profitable business.

The wheat farmers were equipped to grow wheat, and practically nothing else; they had no organization of their own which would have enabled them to have taken the course used by manufacturers, namely, close down until the surplus was eliminated. The only possible way a general reduction in wheat acreage could be brought about throughout the entire Nation was to induce the farmer, as far as possible, to agree voluntarily to a 15-percent reduction in acreage in consideration for his being paid in cash for so doing. Hence the so-called processing tax, which in the case of wheat amounted to 30 cents a bushel, collected from the processor, who in this instance was the miller, the collections to be made by the Bureau of Internal Revenue, the proceeds to be turned over to the Agricultural Adjustment Administration to be paid to the farmer in cash in proportion to his wheat acreage in recent years.

This in brief was the processing tax which was designed to have two primary beneficial effects: One, to put some immediate cash into the farmer's pockets to enable him to survive—to hold onto his farm, to pay his pressing bills, and to put in another crop; and, second, the hoped-for effect of raising the price of wheat from an average price of about 30 cents a bushel in Montana to the pre-war level of a dollar or more.

This law was quickly put on the books and quickly put into effect. During the entire time it was in operation in Montana there was paid to the farmers in cash from processing taxes on all commodities affected by the tax something in excess of $12,000,000. So efficiently was the matter handled that the flow of money to the farmers was effected quickly. No one got a great deal out of it, but because all farmers grow some wheat they all got something; it enabled them to pay bills to country storekeepers, which in turn enabled them to pay their bills; the money went into circulation from the bottom up; it went into general circulation—with the effect that there was an immediate emergence from the universal despondency, and everywhere there was a feeling of optimism and hope.

The distribution of the wheat allotments was in the largest amounts to those counties in northern and northeastern Montana. The allotments ranged from $250,000 to $600,000 per year in each of those counties. This was the section of the State where the drought had been at its worst and which was the most in need of assistance.

The years 1933 and 1934 were not good crop years, due to the partial continuance of the drought. Nineteen hundred and thirty-five was a good crop year in most parts of Montana. The farmers not only got good crops generally, but the plan had so disposed of the national wheat surplus that the price went up to around $1 a bushel, and the farmers got excellent prices as well as excellent crops.

In other words, in those 3 short years, due almost wholly to the benign effects of the processing taxes, agriculture has gone from the extreme bottom of the economic ladder up to a greatly improved condition; and, if not interfered with, would provide a stability for agriculture which would make it comparable with industrial activities. It is agriculture in Montana beyond anything else which has pulled the State out of the depression, and it was the prompt and intelligent application of the Agricultural Adjustment Act that did it.

Montana has been used in the foregoing illustration because the writer is most familiar with the conditions in that State, and wheat has been used as an illustration because it is the most important crop. Conditions as outlined above have prevailed, and similar results have been obtained, in other wheat-growing States, such as Kansas, Nebraska, the Dakotas, Idaho, Washington, and Oregon. The corn-hog tax in the Middle Western States, and the cotton and tobacco taxes in the South, have had similar effects in those localities.

Vast as these benefits are to agriculture, the story is not half told until attention is called to the fact that, now that the farmer has gotten back his old-time purchasing power, it has had an electric effect throughout the entire Nation. He is beginning now to buy those things which have been denied him for the past decade. His purchasing power has started the wheels of industry all over the Nation. The automobiles from Michigan, the stoves from Illinois, the clocks from Connecticut, now being bought by farmers in huge quantities, are being manufactured by labor which is now in turn able to buy and pay for the food the farmer produces. It is agriculture, as a result of the A. A. A., which has literally pulled the Nation out of the depression.

It is resented by the farmers as a class, and it is resented by labor as a class, that the majority of the Supreme Court has seen fit to say that the A. A. A. is unconstitutional. Without something to take its place, the return to the old conditions would

certainly produce the same results, as in the past. Surpluses would again pile up, farm prices would again go down to the same starvation levels, the farmer would be without his purchasing power, again both the farmers and labor would be on the rocks, and the country would be in another depression.

Fortunately, we have a courageous militant President who sees the situation clearly as it is; and fortunately we have a Congress as anxious as the President to pass some legislation which will stand the constitutional test and reflect the will of the vast majority of the voters of the Nation.

No one in Montana wants to go back to the 30-cent wheat and 4-cent hogs and the business conditions concomitant to those starvation prices.

AMERICAN LEGION VIEWS ON DEPORTATION OF ALIENS

Mr. REYNOLDS. Mr. President, I ask permission to have printed in the RECORD an article entitled "American Legion Asks Deportation of All Red Aliens", being an item issued by the International News Service.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICAN LEGION ASKS DEPORTATION OF ALL RED ALIENS—MILLION ALIENS SEEKING OVERTHROW OF UNITED STATES, VETERANS CHARGE

INDIANAPOLIS, IND., February 26.—Charges that Communists are planning definitely for the overthrow of the United States Government are made in a book published by the national Americanism division of the American Legion here today.

The book, representing 2 years of research on the part of the Legion into subversive activities in the United States, was written by Homer L. Chaillaux, former department commander of the California American Legion and now national Americanism director, and Charles M. Wilson, wounded Thirty-third Division veteran of Illinois, who is assistant to Chaillaux.

Chaillaux said in the book that the plot to undermine and overthrow the United States Government is being fostered by approximately 1,000,000 Communists in the United States.

He said:

"In 1928 there were 36,017 Communist ballots cast in a general election in this country. In 1932 the total had increased to 248,523. This did not include ballots in 16 States where Communists are barred from the ballot as not being an American political party. There are more Communists in the United States today than there were in Russia when the Czar was overthrown.

"There are more than 7,000,000 aliens in the United States. Of this number, 3,000,000 are here illegally. Industry should hire Americans first and all aliens engaged in criminal activities should be deported."

Reiteration of the Legion's anti-Communist program adopted at its 1935 convention at St. Louis, Mo., also was embodied in the book.

These recommendations were:

1. Halting all immigration for 10 years.
2. Immediate deportation of all alien-born persons who are members of any society, group, or organization that proposes to overthrow the Government by force or violence.
3. Immediate deportation of all destitute aliens.
4. Immediate deportation of all aliens who have entered this country illegally.
5. Compulsory fingerprinting of all persons residing in the United States.

RURAL ELECTRIFICATION

The Senate resumed the consideration of the bill (S. 3483) to provide for rural electrification, and for other purposes.

Mr. KING. Mr. President, I offer an amendment in the nature of a substitute for the pending bill.

The VICE PRESIDENT. The Chair understands the Senator from Nebraska desires to have considered at this time the amendments which have been passed over?

Mr. NORRIS. Yes; I wish to have considered the amendments which have been passed over.

The VICE PRESIDENT. The first amendment which was passed over will be stated.

The first amendment passed over was, on page 2, line 3, after the semicolon, to insert the words "in cooperation with the Federal Power Commission."

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. NORRIS. Mr. President, the Senator from Utah [Mr. KING] requested that that amendment be passed over, he being opposed to it. After consultation with the R. E. A., and considering the question as to whether that amendment would not have the effect of increasing the authority of the Federal Power Commission, I concluded, as the R. E. A. did not desire the amendment, anyway, that I would ask the Senate to reject it.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

The VICE PRESIDENT. The clerk will state the next amendment passed over.

Mr. KING. Mr. President, would it conform to the views of the Senator from Nebraska if I should have read at the desk or should myself read the amendment in the nature of a substitute which I have offered this morning?

Mr. NORRIS. At this time?

Mr. KING. Yes. It would, I think, throw a little light upon some of the questions involved.

Mr. NORRIS. I should like first to proceed with the amendments which have been passed over. For instance, the next amendment was offered by the Senator from Utah, and I am going to ask the Senate to agree to it. There is another amendment which went over relating to the Civil Service. I should like to dispose of these amendments.

Mr. KING. I should be glad to conform to the wishes of the Senator.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Oregon.

Mr. McNARY. When the civil-service proposal was made previously I suggested the elimination of the language inserted by the committee, which I think met with the approval of the Senator from Nebraska.

Mr. NORRIS. Yes.

Mr. McNARY. Then later a modification was made which I am willing to accept. I believe the Senator from Michigan [Mr. COUZENS] and the Senator from Wisconsin [Mr. LA FOLLETTE] desire to be present when that amendment comes up for consideration. I ask the Senator from Nebraska to keep that in mind.

Mr. NORRIS. I do not know if they desire to be heard on that amendment or another amendment.

Mr. McNARY. No; it is on the civil-service amendment. I think both the Senator from Michigan and the Senator from Wisconsin would like to be present when the civil-service amendment comes up.

Mr. NORRIS. Very well. I ask that the next committee amendment may be stated.

The VICE PRESIDENT. The next committee amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment, on page 4, line 8, it is proposed to strike out the word "forty" and insert the word "twenty-five", so as to make the clause read:

Such loans shall be on such terms and conditions relating to the expenditure of the moneys loaned and the security therefor as the Administrator shall determine: *Provided, however,* That all such loans shall be self-liquidating within a period of not to exceed 25 years, and shall bear interest at a rate not to exceed 3 percent per annum.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The VICE PRESIDENT. The next committee amendment will be stated.

The LEGISLATIVE CLERK. In section 5, page 4, line 13, it is proposed to strike out the words "consumers of electric energy along the lines or systems financed under the provisions of section 4, and for the acquisition and installation of electrical and plumbing appliances and equipment by such consumers" and to insert in lieu thereof the words "persons in rural areas and the acquisition and installation of electrical and plumbing appliances and equipment by such persons."

Mr. NORRIS. Mr. President, I may say to the Senator from Utah [Mr. KING] that the reason for the bill's going over was primarily, as I understand, to permit the Reconstruction Finance Corporation, the Budget, the President, a representative of the R. E. A., and myself to have a conference. At that conference we agreed on a new section 3.

Mr. KING. Is the Senator referring to section 3?

Mr. NORRIS. I was mistaken. I thought the amendment that was stated was in section 3, but I see now it is in section 5.

Mr. KING. In the conference which has occurred, as the Senator has said, between very distinguished persons, was any suggestion made of an amendment to section 5?

Mr. NORRIS. No; there was no amendment suggested to section 5. The committee amendment in section 5 is now the pending question.

Mr. KING. The Senator insists that the words "plumbing appliances and equipment" shall be retained?

Mr. NORRIS. Yes; I do. I should very much dislike to see them stricken out. In other words, I should like to have the committee amendment agreed to as it is.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. DICKINSON. Mr. President, I desire to take up another matter for a few moments.

Mr. NORRIS. Will not the Senator let us act on the amendment just stated?

The VICE PRESIDENT. The Chair understands the Senator from Utah desires to be heard on that amendment.

Mr. KING. Yes; I wish to discuss the amendment briefly.

Mr. NORRIS. Very well.

THIRD ANNIVERSARY OF THE NEW DEAL

Mr. DICKINSON. Mr. President, today the third anniversary of the New Deal should be properly memorialized. In the entire annals of our history, no period can be found which offers such a strange compound of muddled thinking, contradictory purposes, and callous political exploitation of a nation's distress.

Three years ago a spirit of high national exaltation ushered in what the President proclaimed was to be a "new order of things." No administration ever had more unified popular support. Yet today the entire Nation is indignant and disillusioned. Its faith has been betrayed.

Three years ago all Democratic hearts turned hopefully toward Washington. The Capitol was thronged with loyal members of the party, each with credentials properly endorsed for Jim Farley's consideration, and each anxious to share in the "more abundant life", then about to begin.

Yet today many of those same Democrats are equally indignant and disillusioned. Nothing remains of the party of Jefferson, of Jackson, of Cleveland, or Wilson, except its label. Some strange new magic elixir has been substituted for that political faith on which so many generations have been reared. These Democrats feel that they, too, have been betrayed and, so believing, they threaten "to take a walk."

That inauguration day of 3 years ago is worth recalling briefly, for forthcoming events have a way of casting their own shadows before.

Such an auspicious occasion should have been welcomed with smiling skies. Instead, the New Deal began under dark and overhanging clouds, on a day that was raw and blustery; and it has been raw and blustery ever since, with the barometer falling steadily.

What ravages a short 3 years have made in the embattled hosts of Jeffersonian Democrats. They basked for a little while in the President's radiant smile. Many of them now belong to the administration's legion of "forgotten men." As we approach November's solemn referendum, how frayed and drooping are the banners which once were held aloft so confidently. Even that peerless crusader against the "money changers" and "entrenched greed" seems worried and harassed.

For it is apparent to the impartial observer that the "money changers" defy expulsion from the temple. Likewise, entrenched greed still flourishes without hindrance of the antitrust laws. Indeed, monopolies are better entrenched than they have ever been.

Eleven million men still tramping the streets in search of work make a bitter jest of recovery. We have the word of the junior Senator from West Virginia [Mr. HOLT] for it that the administration of relief has sunk to the level of political panhandling.

Fifteen billions have been squandered in 3 years in waste and reckless extravagance. Meanwhile prosperity remains elusively "around the corner", and in the same old "dreary street" which so aroused Candidate Roosevelt's scorn in 1932. But promises cannot restart the wheels of industry, nor is human nature gullible forever.

Today the public has become suspicious of those who, posing always as the self-righteous, are so eager to be their neighbor's jailers. Adrift at sea without chart or compass, the public anxiously scans the horizon, searching for old familiar headlands.

Rising through the mists of the "morning after" are seen those grim twin peaks of inflation and crushing taxation. The thrill of a grand "cruise to nowhere"—such as the steamship companies advertise—is gone, and the passengers yearn for that feeling of the good, solid earth underfoot. They have lost their taste for adventure. Mr. Roosevelt's careless tacking, first to the right and then to the left, is no longer so much fun.

I am led to these observations by a book which is released today. I recommend it to the thoughtful consideration of every Member of this Chamber. It is called "Roosevelt Revealed", and it provides a rapid, moving, running survey of the 3 years this country has just been through. It is written by a lifelong Jeffersonian Democrat, a southerner. I offer it as a fitting memorial to this third anniversary of the New Deal.

James C. Young renders a service to the country in Roosevelt Revealed. He clarifies and defines what has seemed almost undefinable. I am practically a daily spectator myself, but this book has helped to give me a coherent idea of our 3 years' adventure.

It is impressive to learn that many supposed creations of the New Deal are not in the least new. Even the "forgotten man" was originally a different sort of person. Let me cite the author of this book, who writes (p. 28):

> It is curious how this phrase has been changed in its application. More than 50 years ago a Yale professor of economics, William Graham Sumner, invented the term for a different purpose. He referred to the man who pays the bill.
>
> "A large part of our legislation consists in making a job for somebody, * * *" wrote the professor. "* * * those who eat and produce not live at the expense of those who labor and produce. * * * The forgotten man is weighted down with the cost and burden of the schemes for making everybody happy, with the cost of public beneficence, with the support of all the loafers, with the loss of all the economic quackery, with the cost of all the jobs. Let us remember him a little while. Let us take some of the burdens off him."
>
> Struck by the ring of Professor Sumner's phrase—

Says Mr. Young—

> and disregarding its significance, Mr. Roosevelt adapted the forgotten man as a campaign slogan which captivated the imagination of millions. Every citizen who found himself troubled by the times became a forgotten man in his own mind. It was a phrase inducing to sympathy for one's self an appealing pastime.

There are many surprising things in this book of revelations which concern matters of deeper import than campaign phrases. Let me refer to the author's examination of the farm bill as originally passed. I need not express my own views of that measure, which may be somewhat familiar to you. But heed the words of the author (p. 34):

> There are cunning clauses in the bill, bestowing extraordinary powers under calming words. It is not an honest measure, resorting to subterfuges. For instance, the Secretary of Agriculture, with the approval of the President, may have authority to make "* * * regulations with the force and effect of law." * * * A deliberate effort to remove jurisdiction from the courts and, should any court attempt to enforce its authority, to raise doubts whether jurisdiction can be had (p. 35). * * * There will be only time for 4 hours of debate. Four hours and no amendments. Democracy takes scarcely so long to sign away the American birthright; the bill is passed; no bell tolls a knell for liberty.

If there should be any Member present who does not agree with this estimate, let me remind him that it is not my opinion alone which I express, nor that of the author alone, but that of the Supreme Court of the United States.

Looking back to those days of 1933, when the administration was very young and its energies boundless, Mr. Young considers the matter of pigs (p. 84):

> This waning August is a season of hurried events—

He says:

> Not the least shall be the slaughter of the innocents. Secretary Wallace, whose head bumps the stars, decides overnight that the hog-buying program must be got under way. It is launched, and promptly, to appease complaining farmers who speak bitterly of higher farm prices but meager benefits. * * * Administrative experts, being sharp-eyed men, do their utmost in behalf of payments to farmers. * * * Roundly, there will be 11,000,000 fewer members of the hog family to supply the Nation with pork chops, hams, and lard (p. 85).

These figures point the way to an economic victory such as the world never contemplated. The future market is to be put up, while those unwanted hogs are put out of the way. Meat purchased by the Government shall be converted into fertilizer, although we have too many acres of everything under cultivation, according to the New Deal. But we shall find use for the fertilizer, if no better one than dumping it into the Mississippi, as will be done with thousands of tons of hog meat, having no place to put it. An economic victory without compare.

It is well that the memory of such matters should be preserved. It will endure eternally as a monument to the folly of man. Sad, indeed, that the Nation should have had to pay, or engage to pay, uncounted billions for experiments foredoomed at their origin, as any sensible man should have seen!

It may be argued that, no matter how ill-advised, these experiments were undertaken in good faith. It has been my observation that we speak of good faith when there is nothing else left to say; and it has been the special trait of New Deal proponents to profess good faith. Heed the author again (p. 88):

Before the New Deal burst upon the world most Government workers were being brought under control of the civil service, a hard-won equality of opportunity. Sponsors of the New Deal maintained that they required more latitude. No rank and file of civil-service workers could comprehend the higher conceptions of the New Deal or feel the flair of its inspiration. The Congress was implored to correct this deficiency. What less could the Congress do?

A clause began to appear in enabling measures that appointments should be made "* * * without regard to the provisions of the civil-service laws"; a clause included in setting up the National Recovery Administration, the Reconstruction Finance Corporation, the Home Owners' Loan Corporation, the Tennessee Valley Authority, the United States Employment Service, and a score more adjuncts of government. Frantically the rush began.

I am sorry that I cannot read to the Senate the whole of this book. Here is a terse, straightforward record of the New Deal. It would be no less than painful to conduct you through the pages of N. R. A., with its buyers' drives, its fines, and imprisonments for all and sundry. Every movement to repress the natural rights of man sooner or later produces its martyr—and martyrdom is fatal to autocracies. Mr. Young does not fail to remind us of Mr. Maged, the New Jersey tailor, who has his niche of fame, the martyr of the N. R. A.

In this connection, recalling one of the Presidential valedictories, the author quotes Mr. Roosevelt (p. 177):

"Plausible self-seekers and theoretical die-hards will tell you of the loss of individual liberty. Answer this question also out of the facts of your own life. Have you lost any of your rights or liberty or constitutional freedom of action and choice? Turn to the Bill of Rights of the Constitution, which I have solemnly sworn to maintain and under which your freedom rests secure. Read each provision of the Bill of Rights and ask yourself whether you personally have suffered the impairment of a single jot of these great assurances. I have no question in my mind as to what your answer will be. The record is written in the experience of your own personal lives" (p. 178).

A valedictory in the grand manner—

Comments Mr. Young, this plain Jeffersonian—

it would be worth while to know what Mr. Maged lost during those 3 days in jail because he chose to press one suit of clothes for a nickel less than the Government decreed. Suppose that he should "turn to the Bill of Rights of the Constitution" * * * and then assume that he should "read each provision * * *" and ask himself whether he had personally "* * * suffered the impairment of a single jot of these great assurances." It would be interesting to know the record "written in the experience" of his own life.

Mr. Roosevelt presents a study in character—

Continues the author—

exhibiting stubbornness of purpose unusual for a man of his bent. Essentially an imaginative man, in his mind the flash of ideas is dazzling. Hence his policies undergo swift and astonishing changes. Yet he is adamant upon his one policy likely to prove most futile—the re-creation of a price level accidental within itself and a reflection of conditions which no longer exist. Indeed, a price level brought about by the same forces of ebb and flow still in operation.

I will not ask Senators on the other side to follow me through the mazes of the gold and silver legislation as I have had to follow them. But in this book is demonstrated, step by step, the futility of those policies. Permit me one quotation from Mr. Li Ming, chairman of the Bank of China and a visitor to these shores just before we seized upon the silver illusion (p. 169):

We would like to buy billions of dollars' worth of goods from you—

Says Mr. Ming—

but I read with amazement that sympathetic friends in America have advocated that it could be done by the increase of our purchasing power through increasing your price for silver. We are very appreciative of the sincerity and sympathetic attitude of these friends toward us, but, as a banker, I cannot accept this extreme kindness without expressing at least our feelings toward the matter.

China, like every other country, pays for her imports chiefly by her exports. The silver in our possession, no matter how large the amount, does not help much in her purchases abroad. The theory that by raising the price of silver, China would be able to buy more in America is not economically sound. The effect, if any, would be very short lived, as China could not long afford to pay for American imports of commodities with her existing supply of silver.

That warning, mind you, was delivered on our own doorstep and before the fact, not afterward. How sound it has proved you may judge by the results. As one of them, China officially protested to the American Government against the wrecking of her currency. As another result, we have not obtained increased trade, but actually lost it.

All this and a great deal more is told by Mr. Young in Roosevelt Revealed, a patient and painstaking picture of our times, which I understand was 3 years in the writing. The author does some bits of character portrayal that many of you will enjoy; and his glance toward the future should induce thought.

Admittedly the pressure of events has been of the sternest sort.

He says:

In confronting these events Mr. Roosevelt has undertaken to find solutions in two directions, one corrective, one constructive. He has had no patience with the suggestion that reform might wait upon recovery, but has been determined upon simultaneous reform and recovery. Also there is something of vengeance in New Deal philosophy, which may be human enough but hardly statesmanship.

Worst of all, Mr. Roosevelt has been in haste, both as to reform and recovery. Plans that might have done well enough if left to ripen and mature, have proved abortive by reason of this very haste. Then the New Deal, assuming to wear a robe of purity, has shown no regard for the property and the rights of citizens, for the institutions of American Government, for the protests of minorities.

Once termed the Kerensky of this revolution—if it is a revolution—Mr. Roosevelt seems more likely to fill the niche of a Mirabeau. Kerensky, after all, was a moderate revolutionist. Mr. Roosevelt essays to blend the fire of radicalism with the oil of conservatism. In attempting that feat more than one man has lost an empire, among them Mirabeau, who pawned and sacrificed the kingdom of France, along with his own life, opening the way to a little Corsican—first and greatest of modern dictators.

Our old social order has slipped from its moorings. We are outward bound. Whose hand shall guide the helm?

One man gravely takes counsel with himself upon that issue—with himself and his destiny—Franklin Delano Roosevelt.

Mr. DICKINSON subsequently said: Mr. President, in connection with my remarks delivered earlier today I ask unanimous consent to have printed in the RECORD an editorial from this morning's Washington Herald entitled "Three Years of Roosevelt."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Herald of Mar. 4, 1936]

THREE YEARS OF ROOSEVELT

Three years ago today President Roosevelt was inaugurated.

That the institutions of the country have survived is due to the Supreme Court of the United States, which unanimously, on May 27, 1935, stopped a socialistic "experiment" that eventually would have destroyed the Constitution and every vestige of individual liberty.

When Roosevelt was inaugurated he was confronted by a great emergency, the third that has confronted this country—1861, 1918, 1932–33.

When the first two emergencies were over the country returned to its normal constitutional principles.

But it remained for President Roosevelt to use an emergency to attempt to transform a constitutional America into an America fashioned on the worst Old World lines.

The power temporarily delegated to him by Congress he attempted to make permanent.

He surrounded himself with many men who were openly inimical to every traditional American principle.

Elected on a platform which reaffirmed traditional Democratic doctrines, in 3 years the country has seen its most vital planks repudiated with a cynical contempt for public opinion unparalleled except by the autocratic rulers of Russia, Germany, and Italy.

One of his first acts was to fasten on the country the N. R. A., a system of universal regimentation of business and regulation of private contracts and individual actions borrowed from Moscow and Berlin.

Measure after measure thereafter, emanating from the White House or the Cabinet, has been modeled on the N. R. A.—the steady absorption of congressional and judicial powers into the hands of a centralized autocracy.

We have seen in 3 years the Constitution and the Supreme Court denounced by a President of the United States as relics of "the horse-and-buggy era of the eighteenth century."

We have seen the President of the United States advise Congress to pass a bill whether it considered it constitutional or not.

We have seen one session of Congress alone, on orders from the White House, appropriate the enormous sum of $10,000,000,000 to create, under the mask of relief, a political army of nearly 10,000,000 persons.

We have seen, also at the demand of the White House, Congress write a check for $4,880,000,000 on the Treasury of the United States to be spent without any accounting by the President to anyone—and no questions asked.

We have seen the administration force a "tax bill" through a subservient Congress that was not for the purpose of raising revenue but was purely a raid on the successful, a spite measure, a reprisal against legitimate criticism in the best traditions of the European dictators.

In 3 years of Roosevelt and his visionary ill-advisers the public debt has risen from $23,000,000,000 to $32,000,000,000—and it is now headed toward the $40,000,000,000 mark.

In 3 years of the Roosevelt administration the Government has spent $22,000,000,000—a sum within $2,000,000,000 of the combined expenses of the Government under all our Presidents from Washington to Taft. At present estimates for the next fiscal year the expenditures will rise to $29,000,000,000.

After 3 years the deficit—$3,234,507,392—remains almost exactly where it was in 1933 in spite of the solemn promises of the Democratic platform and the President himself to balance the Budget.

This incompetency in managing the finances of a great country has gone on—and is still going on—in spite of raid after raid on the pocketbooks of the poor and rich in the shape of taxes.

Three years of Roosevelt have seen the merit system in the civil service flung overboard and the public service flooded with incompetent officeholders who are being Tammanyized for the next election.

In 3 years the country has heard some of the President's Cabinet officers making soap-box speeches, and at least one of them haranguing the farmers and laborers to "surge forward", upset our form of government, and substitute for it a form of communistic Fascism.

We have a Postmaster General, who is also chairman of the Democratic National Committee, whose political machinations have now given birth to a new word—Farleyize.

During the last 3 years we have been nearly dragged into the ill-smelling League of Nations through the trap door of the World Court. It was defeated by a vigilant public opinion.

Treaties have been made by a naive Secretary of State which have made us the dumping ground of all the cheap-labor products of the world and reduced our own exports to a new low level.

We have invited Russia, our arch enemy, into our house.

Delegation of autocratic powers has been demanded by a President of the United States under the guise of a neutrality act, the certain effect of which would have been to plunge us into foreign wars.

After 3 years of the expenditure of billions of dollars to pull our people out of the depression, 16,000,000 persons are still on relief, millions are boondoggling over crackpot schemes under red, pink, and yellow overseers, and H. O. L. C. is still confiscating homes.

In fine, we have had 3 years of what might be called a comic-opera administration if it were not just 100 percent more tragic in its implications than comic.

It has been 3 years of regimentation, confiscatory taxes, crackpot experiments, autocracy, communistic blather, deficits, debts, broken promises.

The American people must make up their minds this year whether this gross travesty on the genius of our Government is to continue or whether the American traditions are to prevail.

Mr. ROBINSON. Mr. President, I have attempted to listen with sincere attention to the statement just read by the Senator from Iowa [Mr. DICKINSON]. It was not possible to hear all he said, because of the noise in the Chamber and in the galleries. As I understood his remarks, he challenged a comparison between conditions that exist now and those that existed 3 years ago, when the Roosevelt administration came into power.

I accept that challenge, and maintain with fervor that, in spite of all the Senator from Iowa has said, conditions have so markedly improved that even the politically blind should be able to take note of the improvement.

The Senator from Iowa has quoted at length from a volume published, I believe he said, by some southern banker. I wonder whether he and the banker whom he quotes recall the conditions which existed March 4, 1933, and I wonder whether they are familiar with the conditions which prevail now with respect to banking.

At the beginning of the present administration the majority of the banks, both State and national, were in receiverships, or were threatened with receiverships, and those which were not clearly insolvent were in fear of runs which would change their status. It is recalled that some time following March 4, 1933, a southern banker came to Washington and appealed to me to use my alleged influence to secure for his bank financial assistance from the Government. He stated that unless such assistance could be afforded his bank would become insolvent by reason of a threatened run by depositors, and that enormous sums would be lost to them. I went with him to the Reconstruction Finance Corporation, and in good faith laid before that body the conditions as represented by the banker. A loan was made, the Government went to the rescue of the corporation, and the corporation continued its operations uninterrupted.

Within less than 2 years that institution was on so sound a basis that the same banker who came here and appealed for help was quoted in the press as making a speech in which he stated that what he objected to was the Government's interference in private business. All he thought was necessary was for the Government to repeal the act providing for a limited guaranty of deposits and leave the bankers alone. He went further and said that he wanted the United States Government taken out of all business that could be conducted by private agencies. What he feared was that true Jeffersonian principles would be neglected and forgotten if the Government continued to extend aid to enterprises and to individuals.

Mr. President, that is a sample of what would result from the conclusions of the Senator from Iowa. The very men who marched on Washington with pallid faces and trembling lips and appealed to Roosevelt and the administration to aid them and save their businesses are now most clamorous in objecting to the Government's extending the same aid to others which they received and which enabled them to survive.

If such arguments are to prevail, either in economics or in politics, then the country must take the responsibility. Bankers who saw the institutions with which they were connected threatened with ruin and with destruction and who appealed for and received Government aid, now that they are prosperous again and their depositors are confident and safe by reason of Government action, ought to hesitate in criticizing and condemning the administration which saved them and their property.

The Senator from Iowa has a good deal to say about "true Jeffersonian principles." I wonder what he knows about Jeffersonian or Democratic principles. I wonder how the Senator from Iowa is constituted a judge of what is Democratic and what is not Democratic. Never before in his life did he indicate any sympathy for Democratic principles. Now he, with other Republicans, including a former chairman of the Republican National Committee and including the distinguished candidate for President from Michigan, is appealing to Democrats to make a coalition with the Republicans; appealing to "true Democrats", as if the Republicans making the appeal were ready to confess themselves Democrats. But Mr. Hilles says, "We cannot change our name. In order to make this coalition we will do anything you ask except change our name from 'Republican' to something else. We want to be known as we have been known, although"—impliedly—"we are willing to be really Democrats."

Mr. President, I question the right of the Senator from Iowa, I question the capacity of the Senator from Iowa, to decide what is Democratic and to decide who are true Democrats.

In 1933, at the beginning of the present administration, this country was confronted with a condition which had resulted as a culmination of the measures and the policies for which the Senator from Iowa stood and stands. In all his criticism this morning he has proposed no substitute for New Deal measures. He has not suggested what should be done or what shall be done. He has merely made the general declaration that prosperity is still "around the corner."

I accept the challenge implied in that statement. The country on the whole is now prosperous. I have, not with me, it is true, but for use on another occasion in the early future, an almost limitless number of press reports going into detail, showing what improvement has occurred during the 3 years in which the Democratic administration has been in power. Many businesses have become admittedly prosperous. They boast of their prosperity.

The Senator, in condemning what has been done, quoted an authority which said that many of these measures were wholesome, desirable, and worthy of approval, but that they had been put into effect too hastily, implying that we should have been as slow in acting as was the Hoover administration. I suppose the Senator from Iowa meant to imply that we should have done nothing, as President Hoover did, that we should have waited for prosperity to come "around the corner." The trouble was that prosperity was going further and further behind the corner. It did not come when they anticipated. It did not come when it was expected, and conditions constantly grew worse.

While mistakes have been made—and I admit them—while confusion has occurred, the one thing of which I am proudest, and the one thought I would impress on the mind of the Senator from Iowa, is that the best feature of the recovery has been the promptness with which new measures have been devised and carried into effect. Delay would have been dangerous and destructive. In the haste with which we acted, if we made mistakes, we were afforded the opportunity later of correcting them. But it was the do-nothing policy, the standstill against the tide that was threatening to become overwhelming that brought this country into the condition of which the Senator from Iowa apparently is proud when he refers to the conditions which existed prior to the Roosevelt administration.

If Senators will read the records, if they will examine the press reports and the reports of the great business agencies throughout the Nation, they will find that the country on the whole is now prosperous. Business has already revived, and the business agencies to which the Senator from Iowa may refer for information are boastful of the very wholesome conditions which exist.

This effort to condemn what has been done, without a constructive suggestion, without a proposal to substitute something in lieu of it, implies that the Senator is still in accord with the Hoover policies, and if that is the attitude to be taken by those to whom the Senator appealed they are not entitled to call themselves or to be called even by the Senator from Iowa true Jeffersonian Democrats.

Jefferson was a great liberal, a great progressive. He served his time with patience, patriotism, and signal ability. In this time the country is fortunate in having as the head of the Nation one who, while accomplishing significant reforms, also stimulates and inspires confidence.

The Senator from Iowa quoted approvingly a complaint that reform has proceeded along with recovery, as if it could occur in any other way. Anyone who has had experience in either private affairs or in public affairs knows that the only time when reform can be accomplished is when the necessity for it is most apparent. If you wait until that necessity disappears you will have no reform.

The Senator cannot appeal to Democrats. He may appeal to Republicans. But for every Democrat, every man who calls himself a Democrat he takes away from the support of this administration, we will accept three former Republicans who are giving it their support.

Mr. DICKINSON. Mr. President, I desire now to refer to just a few things which I did not include in my former statement. The first thing I desire to do is to recommend to the majority leader that he read this book, Roosevelt Revealed. Mr. Young is not a banker. He is a good solid southern Jeffersonian Democrat.

Mr. ROBINSON. How does the Senator from Iowa assume that he has the right to determine who is a good Democrat?

Mr. DICKINSON. I am taking his word for it.

Mr. ROBINSON. Oh, the Senator is taking his word for it!

Mr. DICKINSON. I think I have the right to do that. So far as I am concerned, I wish to say to the majority leader that no suggestion of coalition has ever come from me. If anyone wants to leave the ranks of our opponents let him come to us.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. ROBINSON. The Senator then does not approve the suggestion made by his colleague, our mutual friend the Senator from Michigan [Mr. VANDENBERG], in an address recently delivered in New York in which he appealed to true Democrats to join the Republicans? Is that true?

Mr. DICKINSON. I do not believe in any coalition at all. I believe the Democratic Party can fight its own battles and the Republican Party can fight its own battles, and we will fight it out on those lines, so far as I am concerned.

Mr. ROBINSON. Mr. President, will the Senator further yield?

Mr. DICKINSON. I yield.

Mr. ROBINSON. Of course, the Senator from Iowa knows, and all those who are well-informed know, that without some coalition the Republican Party, for which the Senator from Iowa stands as one of the few Republicans in this body, will have no chance at all in the next election.

Will the Senator now yield for another question?

Mr. DICKINSON. Will not the Senator let me answer one before he puts another?

Mr. ROBINSON. I should like to have the Senator have the whole thought which is in my mind before him; but, of course, if he wishes to answer that question, I will refrain for the present. I wanted to ask him in the same connection whether he disapproved or approved of the attitude of Mr. Hilles, former chairman of the Republican National Committee, who in this morning's press—I read it in the Washington Post—made a strong appeal to Democrats to join with Republicans for the defeat of the present administration, and who at the same time said that one thing Republicans cannot be asked to do was to change their name?

Mr. DICKINSON. Is the Senator through now?

Mr. ROBINSON. Well, I was asking the question, and the Senator seems anxious to answer.

Mr. DICKINSON. Let me suggest to the Senator that if there are any Democrats who are so dissatisfied with the nest as it has been befouled by this administration that they think they should desert it and find a happier home, we bid them welcome in the Republican ranks.

Mr. ROBINSON. Mr. President——

Mr. DICKINSON. O Mr. President, I desire to present a few facts and figures.

Mr. ROBINSON. The Senator does not wish to yield? Very well; the Senator has the right not to yield.

Mr. DICKINSON. I desire to give a few facts and figures. I have heard of this famous prosperity. I want to know what kind of prosperity we are having. This administration makes me think of the man who borrowed all the money he could, and then spent it lavishly until it was all gone.

Let me read now a few facts and figures from the Federal Reserve report of February 1936. I find that on June 30, 1932, the total securities of all classes in possession of the Federal Reserve banks was $11,414,000,000. Of that, $5,628,000,000 was in Federal securities and $5,784,000,000 in other securities, meaning individual loans, corporation loans, and other types of securities.

What has happened in these 3 years? The Government securities and securities guaranteed by the Government now possessed by those same banks amount to the total sum of $12,268,000,000, or $6,640,000,000 in increased indebtedness of the Government.

During that same period, which is from June 30, 1932, to December 31, 1935, individual loans decreased from $5,786,-

000,000 to $5,506,000,000, or a decrease of $280,000,000. Therefore what this administration is doing is feeding into the financial institution of the Nation Government securities, borrowed money, and as evidence of that let us turn to the Treasury statement which just came to our desks this morning.

The national debt has now reached the enormous sum of $30,519,000,000. I have heard it suggested that some bankers have said we could increase the national debt to $50,000,000,000, but to date no man has ever ventured the names of the bankers, and if any bankers have made such a statement, to date their names have not been given to the public for its information.

The increase of our national debt is right along the line I have been suggesting, and now we find that there is on the threshold of the Capitol the demand that we raise additional taxes to the amount of one-billion-three-hundred-and-some million dollars. I wonder whether or not we are getting full value received for the expenditures which are being made?

The last report of the American Federation of Labor shows that 12,600,000 men are still out of work. That is as great a number of men as were out of work before this spending program was inaugurated.

We also find that our national debt has increased to the extent shown by the figures just read to the Senate.

I advise the majority leader to read Mr. Young's book, as it will make plain to him where the governmental policies of the past 3 years have gradually been taking us. In Roosevelt Revealed, Mr. Young has painted a very good word picture of exactly what is happening.

Now I find that great emphasis is being laid on the suggestion of an increasing prosperity. How does it happen that, despite all this prosperity, we find the same number of men unemployed as were idle 3 years ago, before the administration started on its spending spree? How does it happen that all along the line we find that money is being spent with a prodigal hand; and spent for what? Read the record, including the report of the junior Senator from West Virginia [Mr. HOLT] as to W. P. A. conditions in that State.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. DICKINSON. I yield.

Mr. ROBINSON. Does the Senator maintain that the country is not in a better condition now than it was March 4, 1933, and prior thereto?

Mr. DICKINSON. Will the Senator repeat his question?

Mr. ROBINSON. Does the Senator maintain that the United States is not in a better position now than it was during the latter part of the Hoover administration ending March 4, 1933?

Mr. DICKINSON. Personally, I think we are in a much more dangerous situation, because we have had a debt imposed on us that future generations will never be able to pay. Of course, if the Senator is in favor of trying to borrow our way back to prosperity, then I cannot argue with him; but, in my judgment, every time the administration borrows more money and wastes it on more Government projects, wastes it on boondoggling, wastes it on a thousand and one other types of endeavor that are now being undertaken by the Federal Government, it is going to make a very serious mistake, and instead of encouraging recovery it will be retarding recovery at the expense of future generations. As a famous man said only a little while ago, "Blessed are the young, for they shall inherit the national debt." That national debt is the very thing I am suggesting to the Senator from Arkansas. He may talk all he wishes to about the banks, but 82 percent of the banks opened up within 3 weeks after they were closed, and there was not a single, solitary change in the securities in the portfolios of any of the banks, which is evidence that many of them did not need to be closed.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. DICKINSON. I yield.

Mr. ROBINSON. Now I ask the Senator the same question that I last asked him, and inquire whether he will answer it. Does the Senator maintain that the country is not more prosperous now than it was when the Roosevelt administration came into power?

Mr. DICKINSON. I do not believe that prosperity can be ascribed to any country where the economic betterment has been secured only by an increase of the national debt, and, therefore, my answer is no.

Mr. ROBINSON. Very well. The Senator then thinks that the country is not so prosperous as it was when his party surrendered control?

Mr. DICKINSON. That depends on the Senator's definition of prosperity.

Mr. ROBINSON. I use the term——

Mr. DICKINSON. I want to say to the Senator from Arkansas that whenever prosperity is defined as going into debt and spending more money it is always found that a headache is coming; and we are now approaching the period when that headache is near at hand.

Mr. ROBINSON. With the Senator's permission, he having the floor, I use the term "prosperity" in its ordinary and accepted sense. When I speak of prosperity I have in mind the general condition of business throughout the Nation. I have asked the Senator twice the question, whether he believes the country is more prosperous now than it was on March 4, 1933. He said that he does not; he has answered no. That, I call to the attention of my hearers, means that he prefers the conditions that existed when Mr. Hoover went out of office to those which exist at the present time; and that is the issue which I desire to make.

With the Senator's permission, I will add that if the people of the country accept the viewpoint of the Senator from Iowa, and would rather have Hooverism than Roosevelteism; if they believe the Senator from Iowa is correct, and that conditions now are less prosperous than they were on March 4, 1933, it logically means not the elevation to power of my good friend, my first choice for the Republican nomination, the Senator from Iowa [Mr. DICKINSON] [laughter], nor the elevation of my second choice for the Republican nomination, the Senator from Michigan [Mr. VANDENBERG]; it means the reelection of Mr. Hoover. The Senator may take a part of his time to answer that, if he chooses to do so.

Mr. DICKINSON. As a matter of fact, we are not going to fight over the battle of 1932 in the year 1936. We are going to fight over the mess which the present administration has made of government since it came into power. [Laughter.]

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. DICKINSON. I should like to make my own speech, but yield.

Mr. ROBINSON. How did the Senator vote on the A. A. A.?

Mr. DICKINSON. I voted for it, with a straight statement as to why I voted for it.

Mr. ROBINSON. Yes; but the Senator voted for it?

Mr. DICKINSON. Yes.

Mr. ROBINSON. Then the Senator certainly desired it to pass. That is the reason he wants to forget the battles that have come and gone; he wants a new battlefield and a new issue, and he is struggling hard to find one. I do not blame him for it.

Mr. DICKINSON. I want to restate my position with reference to the A. A. A., if that will be any consolation to the Senator from Arkansas.

Mr. ROBINSON. If the Senator will yield, I think all that the Senator can say is answered by the admission that he voted for the A. A. A. If he was not for it, if he did not believe in it, let him take until the election next November to explain why he cast an insincere vote.

Mr. DICKINSON. As a matter of fact, Mr. President, I stated at the time when I voted for the A. A. A. that I was for the refinancing of farm mortgages.

Mr. ROBINSON rose.

Mr. DICKINSON. I am not going to yield for just a moment. Almost every time I utter a sentence it takes

the Senator from Arkansas 10 minutes to answer it. Therefore I should like to have a little time to state my own position.

As is customary under the present administration, about seven things are put in one bill. In the A. A. A. there were at least three. I stated openly that I was opposed to the processing tax, and I have never retracted that position. I stated openly, and I restate it now, that the allotment control of acreage would never control prices. Those were the two phases of the A. A. A. which I said I was against.

Mr. ROBINSON rose.

Mr. DICKINSON. I do not yield.

Mr. ROBINSON. I have not asked the Senator to yield, but I was going to.

Mr. DICKINSON. I should like for a little while to make my own speech. As a matter of fact, I have never changed the position to which I have referred. Now, the present administration, again carrying out the bunglesome and boodling type of legislation which they have been framing, put through a piece of legislation that involves an appropriation of $440,000,000 for soil conservation for what they point out is the hiatus between the time of the passage of the law and the time they are going to have a real conservation program put into effect. It is being stated in the press of Iowa now that $10 an acre is going to be paid to farmers to change their farm programs from the production of regular crops to the production of legumes. What is that? It is absolutely nothing but a matter of trying to continue the very type of influence they have been trying to exert for the past 2 years, and the Supreme Court will never have a chance to pass upon that phase of the bill between now and the time the votes are cast next November.

Mr. ROBINSON. Now will the Senator yield for a question?

Mr. DICKINSON. I yield.

Mr. ROBINSON. I thank the Senator. The Senator voted for the Agricultural Adjustment Act?

Mr. DICKINSON. And against the amendments.

Mr. ROBINSON. The Senator admits it. He now says his vote for the A. A. A. was justified on the ground of some relatively minor provisions that were in the bill.

Mr. DICKINSON. Let me ask the Senator from Arkansas, does he think an appropriation of $440,000,000, with the delegation of authority to the Secretary of Agriculture to spend it for anything he sees fit to spend it for, is a minor provision in the bill?

Mr. ROBINSON. I am inquiring now about the Senator's attitude toward the Agricultural Adjustment Act. I was just about to conclude my statement.

Mr. DICKINSON. Would the Senator say the processing tax was a minor provision of the A. A. A.?

Mr. ROBINSON. No; but the Senator voted for it.

Mr. DICKINSON. I did not vote for the processing tax.

Mr. ROBINSON. That is the point I am making. The Senator has at last seen the light. The point I am making is that the measure of overshadowing importance in the Agricultural Adjustment Act was, just as the title of the act implied, a proposal or a process or a method for revitalizing agriculture and raising and sustaining agricultural prices, including a processing tax. The Senator voted for the bill. Now I ask him if he maintains that the Agricultural Adjustment Act did not have the effect of increasing the prices of agricultural products?

Mr. DICKINSON. It did not; and the best proof of it is the fact that since that act has been held to be unconstitutional prices have not declined.

Mr. ROBINSON. Mr. President, I do not think that that is a material consideration.

Mr. DICKINSON. Mr. President, before the Senator goes further, I refuse to yield further at this time. I wish to put a few figures in the RECORD with reference to the A. A. A.

Mr. ROBINSON. Will not the Senator let me conclude my answer?

Mr. DICKINSON. The Senator has already asked a question that ought to be answered. Let me answer it, and then I will yield again.

Mr. ROBINSON. Very well. The Senator has a perfect right to decline to yield.

Mr. DICKINSON. Page 4 of the Daily Treasury Statement for March 2, shows that there has been an allocation of $18,339,000,000 for emergency matters. Of that total, $1,819,000,000 was used under the Agricultural Adjustment Act. There was on hand $404,000,000 at the time the A. A. A. Act was held to be unconstitutional, showing that the expenditures were $1,415,000,000. The processing tax, which I have always contended was unconstitutional, brought in revenues of $941,000,000. Therefore, the taxpayers of this country are required to pay back out of borrowed money, $474,000,000; and that is without any processing tax refund. Yet proponents of the legislation are bragging about that experiment that has resulted in taxing the taxpayers—on the face of returns to date—to the amount of $474,000,000. What is more, on the $941,000,000 paid in processing taxes, it will be found that there will be claims for refunds of a large amount. Therefore, the present administration, by putting through a piece of legislation which was clearly unconstitutional and never should have been considered, in 2 years and 4 months has imposed on the taxpayers of this country $941,000,000 that has been paid in processing taxes, and also $475,000,000 that has been lost in the administration of the bill; and, on top of that, there is an additional liability of $296,000,000 for which the Congress appropriated the other day; and on top of that there will be claims for refunds of practically all the $941,000,000 which was paid in as processing taxes.

I hope that is a "noble experiment" in the mind of the senior Senator from Arkansas. I hope he "points with pride" to that kind of management of the affairs of the taxpayers of the country. God knows we will be bankrupt if that course shall continue very long.

Mr. ROBINSON. Mr. President, will the Senator yield now for a question?

Mr. DICKINSON. Yes; I yield.

Mr. ROBINSON. The Senator has just said that when the Agricultural Adjustment Act passed it was clearly unconstitutional. Do I quote the Senator correctly?

Mr. DICKINSON. The processing tax was clearly unconstitutional.

Mr. ROBINSON. That was in the act, too?

Mr. DICKINSON. Yes; that was in the original act.

Mr. ROBINSON. That was part of the act?

Mr. DICKINSON. Yes.

Mr. ROBINSON. Then, will the Senator take the time to tell the Senate why he voted for an act containing provisions that were clearly unconstitutional? If he knew it to be unconstitutional when he voted for it, how does he justify himself, under his oath as a Member of this body, in voting for an act which was clearly unconstitutional?

Mr. DICKINSON. Will the Senator let me answer?

Mr. ROBINSON. Certainly.

Mr. DICKINSON. Because title 2 was clearly constitutional, and title 2 and title 1 are not related to each other in any possible way. I stated openly I was opposed to title 1 and in favor of title 2. The type of legislation sponsored by the Senator's party is the worst bungled type this country has ever seen, for the reason that they put five or six different provisions in every bill to make a hodgepodge of it, to see if they can get sufficient votes to pass it. A Senator has to vote for things he likes in such a measure and must state his opposition to the things he does not like, which I did.

Mr. ROBINSON. Then, the Senator declares that in order to support a provision in a bill which was constitutional and which he favored, he voted for another provision in the bill which he knew was unconstitutional and which he did not favor?

Mr. DICKINSON. The bill contained a provision that a declaration of the invalidity of one title should not affect the other title. That is perfectly good legislation. That is a perfectly consistent position to anybody except the Senator from Arkansas.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. ROBINSON. That last sentence I challenge. I doubt if anyone who hears this debate would agree that a Senator is justified in voting for a bill which contains a major unconstitutional provision in order to support in the bill another provision which is constitutional. If the Senator makes that issue, I am willing to accept it and meet it.

Mr. DICKINSON. Permit me to reply in my own time, in view of the fact that I am yielding to the Senator in my time. If his statement is correct, he will find more Senators on his side of the Chamber than on this side who think a measure of that kind can be put through on such a basis. Its constitutionality caused great worry on the other side of the Chamber, because many Democrats voting for it knew the A. A. A., the processing taxes, and the allotment contract plan were absolutely unconstitutional, and many of them expressed themselves accordingly, as I understand.

Mr. ROBINSON. Mr. President, will the Senator yield further?

Mr. DICKINSON. I yield.

Mr. ROBINSON. Of course, some of them voted against the bill probably on that theory, but it is inconceivable to me that a Senator who regards a provision unconstitutional would vote for the bill if he was convinced a major provision of the bill was unconstitutional.

Mr. DICKINSON. Title II is a perfectly constitutional provision. No one claims it to be unconstitutional. A Senator has no way, when the question comes before us on the passage of the bill, by which he can vote for one provision and vote against another.

Mr. ROBINSON. The Senator cast the vote I referred to, which was not a vote for one title or another, but a vote for the bill. Will the Senator tell us how he voted on the bill amending the Agricultural Act which was passed last July?

Mr. DICKINSON. I was paired against it and was not present. I was paired with the Senator from Illinois [Mr. DIETERICH].

Mr. ROBINSON. The Senator did not vote?

Mr. DICKINSON. I did not vote; but I stated I was against the measure and made a speech against it on the same theory I have expressed here today.

Mr. ROBINSON. But the Senator did not vote?

Mr. DICKINSON. I did not vote. I was paired.

Mr. ROBINSON. Mr. President, will the Senator yield further in that connection?

Mr. DICKINSON. I yield.

Mr. ROBINSON. I have before me the RECORD furnished me by the Senator from South Carolina [Mr. BYRNES] showing, as the Senator stated, that he did not vote on the bill amending the Agricultural Act which was passed July 23, 1935. He has said that he was paired against the bill.

Mr. DICKINSON. I did not say the pair was against the bill. I stated I was against the amendments and made a speech accordingly. I think the pair was a general pair with the Senator from Illinois [Mr. DIETERICH].

Mr. ROBINSON. That is according to the CONGRESSIONAL RECORD, at page 11688.

Mr. DICKINSON. I do not think a statement was made as to how I would vote.

Mr. ROBINSON. There was no announcement as to how either Senator would vote.

Mr. DICKINSON. Mr. President, of course if it be any consolation to the senior Senator from Arkansas, I shall be glad to obtain a review of my legislative record and present it to him to read at his leisure. So far as I know, there is nothing to conceal about my record.

Mr. ROBINSON. Mr. President, will the Senator permit me to respond to that statement?

Mr. DICKINSON. Certainly.

Mr. ROBINSON. I am already too familiar with the Senator's record to derive any pleasure from reading it as a whole. [Laughter.]

Mr. DICKINSON. The book which I presented today came to my desk. I think it contains some valuable information. I recommend its reading on the part not only of those who think they may have something to say against the present administration but also on the part of those whose duty it is going to be to try to defend the administration. Therefore I conclude my remarks by saying that I hope at least the senior Senator from Arkansas will avail himself of the opportunity of reading the book; and if he has not a copy, I shall be glad to present him with one.

Mr. ROBINSON. I thank the Senator for his advice, but I do not need it.

Mr. BONE obtained the floor.

Mr. MINTON. Mr. President, will the Senator from Washington yield to me for a moment?

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Indiana?

Mr. BONE. I yield.

Mr. MINTON. The Senator from Iowa suggested we are going somewhere, we know not where, that the Democratic administration has made a mess of things, and he has read some figures. As indicative of where we may be going and how we are doing, I should like to read some figures into the RECORD which I am taking from the CONGRESSIONAL RECORD of January 27, 1936, page 1030.

These figures show that unemployment under the Hoover administration increased 313 percent and declined 36 percent under Roosevelt.

Cotton declined 61 percent in price under Hoover and advanced 92 percent under Roosevelt.

Wheat declined 59 percent under Hoover and advanced 111 percent under Roosevelt.

Corn declined 73 percent under Hoover and advanced 152 percent under Roosevelt.

Industrial production declined 44 percent under Hoover and advanced 51 percent under Roosevelt.

Steel production declined 70 percent under Hoover and advanced 257 percent under Roosevelt.

Automobile registration declined 66 percent under Hoover and advanced 326 percent under Roosevelt.

Wholesale prices declined 34 percent under Hoover and advanced 33 percent under Roosevelt.

Total exports declined 56 percent under Hoover and advanced 33 percent under Roosevelt.

Total imports declined 52 percent under Hoover and advanced 37 percent under Roosevelt.

The list of stocks on the average declined 75 percent under Hoover and advanced 134 percent under Roosevelt.

Mr. DUFFY. Mr. President, will the Senator from Washington yield so that I may propound a question to the Senator from Indiana?

Mr. BONE. I yield for that purpose.

Mr. DUFFY. I am familiar with the figures the Senator is reading, and I think it should be stated the drop in stock-market prices was not for the whole period of the Hoover administration, but the figure is taken 6 months after the stock-market crash of 1929, in October. Therefore, when we say 75-percent decline it should be understood it was for 6 months after the big stock-market crash.

Mr. MINTON. I thank the Senator for the suggestion, because I have not been reading dates, but the dates are March 1, 1930, to March 1, 1933, which was under the Hoover administration.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. DICKINSON. Will the Senator from Indiana kindly add to his statement that all that was done on borrowed money at the expense of the taxpayers?

Mr. MINTON. Well, it has been done.

Mr. DICKINSON. On borrowed money?

Mr. MINTON. The money was probably borrowed from the very people who have profited by it.

The list of bonds over the same period of time on the average declined under Hoover 22 percent and advanced 22 percent under Roosevelt.

Power production declined under Hoover 9 percent and increased 19 percent under Roosevelt.

RURAL ELECTRIFICATION

The Senate resumed the consideration of the bill (S. 3483) to provide for rural electrification, and for other purposes.

Mr. BONE. Mr. President, I desire to discuss briefly Senate bill 3483, introduced by the Senator from Nebraska [Mr. NORRIS], to provide for rural electrification in this country.

I do not care to discuss the merits of the bill particularly, but merely to point out some of the wholesome things which I think may be accomplished under it for farmers in some districts where the thing I am about to describe may be done by the farmers themselves.

Before proceeding to discuss this aspect of rural electrification, however, I should like to say to my good friend the Senator from Arkansas [Mr. ROBINSON] that I think he is a bit more concerned over the statements of the Senator from Iowa [Mr. DICKINSON], in quoting bankers, than a lot of us are, because it is my sincere hope that the Republican Party and all of the Republican Party's candidates for the Presidency on the other side of the aisle will continue to quote bankers from now until the election in November. If they do, and I hope they will, I am satisfied in my own mind of exactly what will happen then, if I read aright the attitude of mind of the average American voter.

I suspect we may all agree that bankers are in many instances—possibly most instances—very fine gentlemen, good husbands, good fathers, and certainly very excellent providers; but there is a very general feeling abroad in this land that if the bankers of this country were ever really happy over anything, the mass of the American people should be in a panic, for there would certainly be "something rotten in Denmark."

I repeat, I am very happy that our Republican brethren are quoting bankers. I hope that out in our western country Republican machine leaders will continue to quote bankers as their evidence that this administration ought to be supplanted. If we are fortunate enough to have them continue to do that—I am fearful they will suspect the trap they are getting themselves into and quit—if they continue to do that, I have no doubt as to exactly what is going to happen to the dear old Republican Party in the ides of November.

The American people owe a great debt of gratitude to the able senior Senator from Nebraska [Mr. NORRIS]. I have been fearful that he might be disposed not to seek reelection to this body, because it would be a great tragedy were he to decide not to seek reelection. The American people should love him for the things he has done, for the work he has accomplished, for his stark courage, which is more than physical courage. It was a high moral courage, exhibited here year in and year out, in battling for things that a great many timid men were afraid even to discuss. So, while the opportunity is mine to say this, I take advantage of it. I want to express my own very great appreciation of the things this man has done, and I feel assured that I express the appreciation of the good, fine people of my State for the magnificent results of the work of GEORGE NORRIS, of Nebraska.

Mr. President, the bill which he has introduced here is, in my judgment, one of the most important pieces of legislation this Congress could enact. It fills a vital place in the scheme of rural electrification. I wish I had time here today—and I am not going to burden my brethren with a full recital of the facts—I merely want to tell you some few facts of rural electrification as accomplished by the private power companies of this country. I think you will be tempted to agree with me that it is about as nasty and somber and sordid a picture of exploitation of the farmers as has ever been accomplished under the American flag. I refer to it before setting forth some of the facts concerning the so-called farmer lines owned and operated by farmers in the State of Washington.

I am adding these facts to the RECORD, not because I think it is necessary in order to carry this bill to a successful conclusion in this body, but because I want the farmers in the United States to know what has been successfully accomplished by their own brethren in the State of Washington in respect of rural electrification.

My own city of Tacoma is the successful operator of a great municipal electric system. It owns three hydraulic plants of very large size, and two big steam-generating plants. I think I am not immodest in saying that it is the finest municipal electric system in this country. Incidentally, it is one of the most successfully operated, from a financial standpoint, to be found within the confines of the United States. Tacoma provides its people with the cheapest light and power rates in the United States. But, Mr. President, it has done something more; and because it has accomplished the additional thing I am about to describe, I want to be very certain that the farmers around the United States who are situated where they can have access to power lines may be able to do what the farmers in my own country of Pierce, in the State of Washington, have been doing with the aid of this great publicly owned power system of Tacoma.

When Tacoma built its first hydraulic generating plant back in 1908—or began it in that year, finishing it in 1912—the farmers near Tacoma wanted some of the cheap power, because it had been clearly indicated that Tacoma was going to enjoy cheap power rates. So a great many farmer groups about the environs of Tacoma, and clear out 50 and 60 miles from the city, met together to determine how they might have some of this cheap power that the people of the city of Tacoma were enjoying. A private electric concern wanted 14 cents a kilowatt-hour for electric current to be supplied the farmers in the event it built out into their section. It demanded of the farmers that if it built the lines the farmers should pay for all the lines built into their rural sections and then deed those lines back to the private power companies. In other words, the farmer was asked to build the rural line out of his own scanty purse and then convey the property to the private power company. This sort of thing was done repeatedly all over the country. The poor farmer was asked to build all the rural lines, deed them to the company, and then pay interest and dividends on the capitalization reflected by the cost of those lines, which was an excessive cost, and then, on top of all that, pay a profit on the electric energy being sold to him.

It has been my experience, good or bad, to try a great many criminal cases; and I say to the Members of the Senate that I have never run across a second-story operator or a three-card-monte man or a shell-game artist who had half as good a racket as the private power companies of this country have had and enjoyed in this rural electrification program. I have had hundreds of letters from farmers describing this shameless racket. I solicited the letters, so that I might have the story direct from the victims, in order that I might have the cold, hard facts in my files. "Rural electrification" as practiced by the Power Trust is a misnomer; it is rural electrocution of the farmer's pocketbook.

Power companies would go to a group of farmers out in the country who wanted power and say, "All right; we will build a power line out to you, but you must pay $200, $300, $400, or $500", the sum being all the traffic would stand, the hijackers having no morals, or, if they had any, they were the morals of buzzards. The poor farmer would say, "Well, I must have electricity. Therefore I will pay that price"; and a group of them would go together on the venture. The company would put its operatives out into the country and string its wires and put up its pole lines, and then each farmer was required, as a condition precedent to getting the current, to sign a contract, frequently for 3 years, and in many instances to take an electric range to build up a power load on the line, and then sign an instrument conveying to the power company any right, title, or interest which he had or claimed in that line, paid for by his own money.

One does not have to be a lawyer to understand the simple, elemental fact that a rural system so built was in fact built by the farmer and paid for by him. But it became the property of the power company. If there is a man in this body who ever examined the rate structure of a power company, or knows anything about it, or who has tried a rate case, he knows that these companies carried the cost of that line, padded as it was, into the rate base of the company, which is its valuation for rate-making purposes, and thereafter the farmer, who had built the line, was compelled to pay interest and dividends on his gift! I defy anybody in this body to name a single business operation in this country which is colder, harder, or more ruthless than that.

Who do you think originated that kind of a brace game? It was none other than Sammy Insull, the Power Trust tycoon in Chicago, whose escape from the penitentiary I think is one of the things that will reflect no credit on court operations in this country. It was Sammy Insull who first suggested selling Power Trust stock to the public, so that a little fellow who bought a share of stock would be an enemy of public ownership, because, forsooth, he was getting $5 or $6 a year out of his $100 investment. The great Insull structure was built up by that kind of high-pressure fakery, that high-pressure salesmanship, with the aid of Halsey, Stuart in Chicago, and the "Old Counselor" with his soft and mellow voice. Do you remember the "Old Counselor", who used to go on the radio every week on a national hook-up and take the suckers for a cleaning? This is a harsh indictment, but I should make it a great deal harsher. I used to listen to the "Old Counselor." He was said to be a college professor, getting $50 a week for selling this Insull trash over the radio to the poor victims, who were misled by his smooth Power Trust propaganda.

But for years and years and years, my brethren of the Senate, the private power companies of this country hijacked, cleaned, bilked, and skinned the American farmer by the cold, ruthless process I have described; and I say to you right now that in my solemn judgment at least 90 percent of the rural electrification in this country which private power companies boast they accomplished was accomplished solely and wholly and only at the expense of the poor farmers of the United States.

Yet power companies boast that they did it; that they brought electricity to the farms of this country. They did not do it. The farmer did it out of his own scanty purse, at prices which were an outrage.

But what happened to certain farmers of Pierce County, Wash.? They refused to become the victims of this sort of legalized highjackery.

The farmers of Pierce County formed themselves into a number of corporate organizations created under a State law which forbade the issuance of stock. Each member of one of these corporations got a membership certificate which evidenced his interest in the corporation. Such corporations are not permitted to pay dividends to members, their sole purpose being, under the law, to buy whatever the corporation was authorized under the law to purchase, commodities of various kinds, and to distribute such commodities to the members without profit flowing to the corporation. If incidentally some profits are accumulated, the law permits the corporation to distribute the profits to the members. But it must be an incidental operation.

The result was that in my county alone 8 or 10 of these farmer corporations were created, beginning in 1912, and going down through to the year 1926. They now have several thousand members. They built their own little distribution systems, each of the farmers putting in from $75 to $100 as his membership fee. From this fund there was constructed for him a distribution system in which he was a partner. His little corporation went to the county commissioners and sought and got a franchise to build power lines along the roads of Pierce County. Then the company was ready to do business. These little companies sell accessories, such as ranges, motors, pumps, and the like to their members at cost. The beauty of this system lies in the fact that when the farmer pays for his rural lines he owns them. He is not compelled to deed his valuable property to an eastern power combine.

The city of Tacoma agreed to and has for years sold energy to these farmer companies at rates equal to the lowest rates charged by the city, the industrial power rate. It begins at 2 cents a kilowatt-hour and goes down to 1¼ mills per kilowatt-hour, so that the more the little farmer line uses, the cheaper the current will be to farmer members who divide the cost on the basis of use.

The last figures I saw, as to one little line, showed an average cost of 7 mills per kilowatt-hour at the bus bar, which literally meant that when the corporation took the current at the city line it cost it 7 mills, and it divided that cost among its members.

Those little farmer companies have been very successful. They operate as any private corporation would operate, except that they do not make profit. They issue no stock. There is none of this high-pressure operation, such as Sam Insull put over. That farmers could be bilked in this shameless fashion is a reproach to the law, and it will cause people to rise up and anathematize law through our entire generation. It is an unfortunate thing for the law that such practices have been tolerated in a civilized land.

I want to give one or two examples of the service rendered by these corporations. A few years ago I was out on the mountain road east of the city of Tacoma looking over the lines of a little mutual system known as the Elmhurst Mutual Co., one of these little farmer outfits. It is my recollection that each farmer had paid about $75 for a membership in that corporation. Let us see what he got for his $75.

Suppose the farmer had bought a share of stock in one of the Insull companies for $100. He would have received $6 a year if he had had 6-percent preferred stock. For his $100 tied up in that stock he would have received $6 a year. Let us see what he got from the Elmhurst mutual power system.

Captain Waldwick ran a ranch out there, said to be the largest chicken ranch in the United States. In 1 month he used on that ranch 13,000 kilowatt-hours of electric current. For that he paid the Elmhurst Mutual Co. $130.80. The rate was 5 cents a kilowatt-hour for the first 20 kilowatt-hours, and then 1 cent a kilowatt-hour for all over that.

I ask any member of this body, I care not who he may be, to ask any farmer anywhere in this country east of the Mississippi River what 13,000 kilowatt-hours of current would cost a farmer, and the answer will astonish you. The little mutual system delivered it to a member for $130.80. I compared that with private companies which would have charged up to $600 for that service. For his $75 investment this man was getting the cheapest electric energy in the world, cheaper than the rate at which the company in any city in the United States would sell it to him today. And his membership gave him a continuing right to enjoy this cheap rate from his own line. And his little power line was on the tax rolls just like any other property.

Talk about Washington, D. C., having cheap electric energy! This city's electrical rates contrasted with the farmer rates out in Pierce County do not make a very healthy showing for the Potomac Electric Power Co., which claims to give the people here the cheapest heat and power rates in this country. Yet 50 miles from Tacoma, away out in the sticks, little farm homes are getting electric energy at rates lower than those charged in Washington, D. C. The farmer is now getting an adequate return for his money in Pierce County. His investment pays big dividends in the form of cheap rates.

If the farmer uses any large amount of electric energy at all, if he uses it for pumping, or for lighting the chicken house, or running motors, doing anything of that sort, his saving on his little investment of $75 or $100 is many times what his interest and dividends would amount to on a hundred-dollar investment with any private power company in the United States. I have used these figures from one end of this country to the other, and I have yet to find a private power man rise and demonstrate in the figures involved in the rate structures of those companies anything that would disprove the statement.

Mr. President, I hope the farmers of the United States who are located in States or in localities or communities where they have access to any pool of power whatever will, in the event that they cannot get their current in any other way, form themselves into corporate bodies, build their own lines, and go into the power business.

These little mutual companies out in my section of the country were able to string their own transmission lines for a cost of about $600 a mile. That is an interesting figure. Contrast that with what private power companies

have charged farmers for rural extensions, and you will begin to realize what an awful graft this thing has been.

The farmer can render that service to himself if the private power company refuses to sell him energy at a reasonable figure, which is quite likely to be the case. In the State of Washington private power companies in many sections are now refusing to make what I think is a decent wholesale rate to power districts which are in process of formation; so it is evident that in other States where there is not the public-ownership sentiment and the great public plants we have in Washington, the farmers will have difficulty in getting a good wholesale rate. The company may charge the farmers 2 or 3 cents a kilowatt-hour where the former transmission line takes the current, which price would represent nothing but the sheerest sort of extortion.

Before I conclude, I want to point out one of the reasons why it has been impossible in this country to have cheap rural rates. I think the Middle West Utilities, the Insull bubble, is an outstanding example of the necessity for a bill like that introduced by the Senator from Nebraska [Mr. NORRIS]. Not only is this Insull bubble an indictment of the business methods of these power companies, which smell to high heaven, but it illustrates another point raised by the Senator from Iowa [Mr. DICKINSON] in his speech a moment ago.

I have an editorial here taken from the Hearst Seattle Post Intelligencer, dated February 20, 1933. At that time Mr. Hearst's papers were having a great deal to say about holding companies and their operation, and later on I intend to use some of these editorials in remarks I want to make. Here is an editorial by Mr. Hearst on the Insull bubble. He refers in this editorial, which is a full page spread, to Mr. Young and Mr. Dawes, and their helplessness and sadness over the Insull mess. This is what Mr. Hearst had to say about Mr. Insull, who has so thoroughly skinned the farmers of this country for the past 15 or 20 years in his rural-electrification fake:

It seems to be a fact that our people see clearly only in retrospect. When some great fraud is being carried through its successive phases under their very eyes, they are apt to be scornful of warnings, forgetful of past fleecings, eager to subscribe, and thus enroll themselves as victims.

Bear in mind Mr. Hearst is talking about the fellow who developed this highjacking of the farmers through charging twice what the rural lines were worth, then adding this inflated value to the rate base, and skinning the farmer even to the third and fourth generation. Insull was a past-master in robbing the farmers of this country. I continue reading from the Hearst editorial:

This happens over and over again. The shrewd calculations of the swindling promoters are vindicated by the never-failing gullibility of the people.

When the inevitable collapse comes and the fraudulent character of the enterprise is so plainly shown that to deny it is futile, it is too late for salvage.

That is just emphasizing one of the points made by the Senator from Iowa. "We must not have reform," say the Republicans. No; let us go back to all the old evils again. In the name of all that is holy and in the name of Americanism, do not reform the crooks. Let them skin the people again as in the days of Hoover and Coolidge. Mr. Hearst says here that gullibility of the American people is never failing in quality and quantity.

It is too late for salvage, says Mr. Hearst, after the thing happens.

We organize protective committees, which find nothing to protect. Investigations ensue and facts no longer doubted or disputed are laboriously established—facts which we should have known without being told and which were from the outset plain to the initiated.

Take the testimony elicited by the Senate Committee on Banking and Currency with relation to the collapse of the Insull utilities.

And here we bring it down to our own hearthstones in the United States Senate.

"I think Samuel Insull," said Owen D. Young, who was a witness before the committee, "was very largely the victim of the complicated structure that he had created. He was unable to comprehend all the ramifications of that complicated structure. I think it is impossible for anyone to get an accurate picture of the Insull set-up."

In fact, he regarded it equally impossible for anyone to work out an accounting system for the Insull group which would not be misleading even to the directors themselves.

Mr. President, even the Insull group members and the Insull directors did not themselves know what this thing was all about. They had created such a complicated structure, such a financial monstrosity, with such a structure of interrelated corporations and organizations superimposed one upon the other that the Insull lawyers did not know what the whole thing was about, and yet that gang of thieves were out selling stocks to the American people and nobody went to jail. Halsey, Stuart & Co. had their dear "Old Counselor" speaking on the radio advising the American people to buy Insull stock, and yet the very ones who operated this financial monstrosity did not know what it was all about.

I continue reading from the Hearst editorial:

And he added—

This is Mr. Young speaking—

that since the complexities of his creation were incomprehensible to Mr. Insull himself—

Were any Senators in Chicago during the flowering out of the Insull empire? If you had then dared to lift your voice against "Sammy" Insull, the respectables of Chicago would have requested you to leave that city. "Sammy" Insull was a god in Chicago. The fellow who cleaned investors of this country out of a billion dollars, whose crash brought suicide to dozens of people—oh, before it all happened you would not have dared to lift your puny voice against that sacrosanct personality known as "Sammy" Insull.

And he added that since the complexities of his creation were incomprehensible to Mr. Insull himself, "how could the public which purchased the securities" be expected to comprehend it?

How indeed!

If "Sammy" Insull himself could not comprehend it, how could the public comprehend it!

The public never did comprehend it, nor the receivers or the courts whom the fleeing Insulls left to unravel the tangle.

Even to the trained eye of Owen D. Young, author of the famous "Young plan", the maze of intercorporate ownerships and relations was beyond understanding.

"I remember the feeling of helplessness," testified Mr. Young, "that came over me when I began in February 1931 to examine the structure."

And yet, although groping in this impenetrable confusion, Mr. Young recommended the company of which he is chairman to lend the Insull Utility Investment, Inc., the Corporation Securities Co., also one of the companies in the Insull maze, and the Middle West Utilities Co., an aggregate of $2,000,000 as late as December 30, 1931, and accepted as collateral various stocks and securities of this befuddled and incomprehensible "corporate structure."

Long before this the Hearst papers had denounced this "complicated structure", so-called by Mr. Young, as a vicious maze and a Cretian labyrinth.

Now I come back to the Senator from Iowa [Mr. DICKINSON], who wants to be President so bad that it forces him to grieve incessantly at the thought that he will not be. He has the nerve to stand up here and talk about the necessity of not having reform. I wonder what the Senator from Iowa thinks about this Insull thing? Does he want to reform that kind of hijacking business? Can it be that the Republican Party is so committed to the corruptions of that sort of aggregated and concentrated wealth that it does not want any reform at all. They advocate and bellow from every platform in this country that we must not have reform even though the thing we would reform is a stench in the nostrils of decency. Do they want these leeches, these gamblers in the welfare of the American people to go along in the old way and not to be whipped into reforming in the slightest degree? And yet that is what has been advocated and that is what is now being advocated from many a Republican platform. I heard the Senator from Iowa suggest this morning that we must not have reform with recovery. This seems to have been advocated by the banker whom the Senator quoted. Of course the banker does not want reform. The pickings were very good when the sucker list was long and juicy. All they had to do was

to get sucker lists out of the banks, find out who among the widows and the orphans had money in savings accounts, and then, using those lists, sell the poor suckers securities of the high-pressure days.

I have in my desk a list of some 36 or 38 kinds of securities sold by these power companies, and I defy anybody to know what the various kinds of securities mean or what were the priorities of the various securities. The financial experts, so-called, were unable to tell what the priorities were in the various stocks and bonds of these organizations and superimposed organizations.

I continue reading from the Hearst editorial:

The question was propounded in their columns: "What possible explanation that squares with reason or good intent can be offered for such a masterpiece of designed confusion?"

Is it now to be found in the testimony of Charles G. Dawes, author of the famous Dawes plan, that the Central Republic Bank & Trust Co., of which he at various times has been president and chairman, made 41 loans to various of the Insull companies in the total sum of nearly $12,000,000—more than 50 percent of the bank's capital and surplus, although the law limited specific loans to 15 percent?

Mr. Dawes is the very able gentleman who came down here and had himself made head of the Reconstruction Finance Corporation, and who certainly has no reason to feel badly over the result of his connection with the Reconstruction Finance Corporation.

A convenient way, indeed, to evade the banking law!

Do not reform these fellows! For God's sake, do nothing to keep this gang from looting the American people again the minute the hand of the law is withdrawn! So runs the Republican theory.

A single company could borrow and a bank could lend but 15 percent at most of the bank's capital and surplus. But here was the Insull utility enterprise, a single entity, with more than a hundred constituent companies in successive layers of interrelationship as subsidiaries, sub-subsidiaries, even down to sub-, sub-, sub-, subsidiaries. Each might independently negotiate bank loans, regardless of the fact that they were in truth loans to a single interest, and of a total in amount exceeding the percentage of the bank's resources allowed by law.

Do not do anything! Follow the good old Republican theory of not laying profane hands on the bad boys! Do not reform anything. Let us pour our public money to save these fellows, as we have done, with a prodigal hand, and let the taxpayers provide the money with which to help these fellows and to lift them out of the slough of economic despond into which their nefarious plans have plunged them. But do not reform abuses. There is about as much chance of reforming them in their hearts and souls as there is of reforming the appetite of a Bengal tiger.

It was painful for Mr. Dawes to admit that the principle, if not the letter, of the banking law had been violated by the Central Republic Bank & Trust Co. An observation made by him at the close of his testimony reveals this.

"I think," said he, "a feeling of sadness should come over any bankers who had a part in the negotiation of loans to the Insull utility companies."

In fact, the distinguished authors of the Dawes plan and the Young plan for solving German reparations and intergovernmental debts have extracted a great deal of gloom from the Insull collapse.

With Dawes it is "a feeling of sadness." With Young it is "a feeling of helplessness."

Great statesmanship! The smart boys who fixed up everything! They got everything all fixed. And it is this type of men, my friends of the Senate, who have been guiding this country in paths of glory with their transcendent genius, for lo, these many years, and it is this same gang that now comes down to us with their hands soiled, and with unlimited gall and brazen effrontery and tell us that we must not reform their oblique business practices. If they were reformed as most of the people of this country would like them to be reformed, they certainly would be reformed and stay reformed. Perhaps it is a fortunate thing that a great many Members of Congress do not share my views or there would be a reformation which would in truth and in fact do some real reforming.

The feeling—

Says Mr. Hearst—

of the investing public who have lost their shirts in the Insull bubble and have no means of exchanging worthless Insull securities for Reconstruction Finance Corporation loans is one both of sadness and helplessness.

They are sadder than the bankers of whom General Dawes speaks, and more helpless than Mr. Owen D. Young can at any time have felt.

Mr. Hearst in that editorial was dealing with a thing which typifies above everything else in this country the necessity for making this power crowd be very good on this rural electrification business, and once and for all time establishing a set-up of law in this country that will permit the average farm citizen to have that vital social necessity known as electricity at a price within reason.

I remember when the power fight out in my State started electric rates were 14 to 16 cents a kilowatt-hour in some places in that State. Rural rates have been reduced in places to around 3 and 3½ cents per kilowatt-hour. It took a bitter fight over a period of years to get those rates down. I want to say to the people of this country that no other piece of legislation that could be offered will be a greater inducement to a lowering of rural rates than the adoption of the bill sponsored by the able Senator from Nebraska.

It is not necessary for me to say anything in support of the bill. It will pass the Senate, and I hope it goes through the House. My only hope is that when the bill is passed the farmers of this country will take full and complete advantage of it, that so far as possible they will establish public ownership in all rural areas, and that they buy power either from public connections or from power companies if they cannot find city connections in case they start their own systems. In that way, and only in that way, will our farmers be able to get cheap energy on their farms.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). The question is on agreeing to the amendment of the committee.

Mr. KING. What is the amendment? Let it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 4, line 13, after the words "premises of", it is proposed to strike out "consumers of electric energy along the lines or systems financed under the provisions of section 4, and for the acquisition and installation of electrical and plumbing appliances and equipment by such consumers", and in lieu thereof to insert "persons in rural areas and the acquisition and installation of electrical and plumbing appliances and equipment by such persons."

Mr. KING. Mr. President, I desire to submit some general observations relative to governmental expenditures before addressing myself to the pending measure.

Experience demonstrates that efforts to limit Federal expenditures or restrain the Government from engaging in activities beyond its power are futile. However, I have believed that many measures which have been presented to the Senate should not pass, at least without protest. The increasing demands made upon Congress for appropriations in aid of local matters and not founded upon the constitutional power conferred upon Congress have too often been affirmatively acted upon. That many of the grants to States, to local subdivisions, and to private persons are without warrant I cannot help but believe; but the courts have been reluctant to restrain the spending power of Congress or to scrutinize the purposes for which appropriations are made. The taxing power of Congress, particularly since the adoption of the sixteenth amendment, would seem to be unlimited, or at least it is by many contended to be unlimited, and with no restrictions or checks upon Congress in the levying of taxes, it is contended that, as a necessary corollary, appropriations may be made for almost any purpose determined upon by Congress.

Undoubtedly, in federal governments, as stated by Prof. W. Y. Elliott, of Harvard University, battle lines are being drawn "with the radicals pressing for federal centralization and the conservatives turning to states' rights." But his position, if I understand him, is that the centralizing forces

will prevail. As one of the reasons for this view he states that—

> The purse strings of the Nation, untied by the income-tax amendment (the sixteenth), remain in the hands of the voters—that is to say, in the politics of pressure groups * * * and logrolling. What cannot be accomplished directly will be undertaken by indirection—to wit, by the contingent bribery of Federal subsidies. The Supreme Court is estopped from controlling the income tax, inheritance tax, and the like.

He further adds that—

> Oddly enough, it was Jackson, so often treated as the great debaucher of our politics through the spoils system of patronage, who, just over a century ago, made the most effective stand against this system.

Professor Corwin, in his work entitled "Twilight of the Supreme Court", refers to the success of the spending power of Congress in eluding all constitutional limitations. He confesses that it produces an atmosphere of unreality, and adds that—

> * * * With the National Government today in the possession of the power to expend the social product for any purposes that seem good to it; the power to make itself the universal and exclusive creditor of private business, with all that this would imply of control; the power to inflate the currency to any extent; the power to go into any business whatsoever—what becomes of judicial review, conceived as a system of throwing about the property right a special protection "against the mere power of numbers" and for perpetuating a certain type of organization? * * *

But Professor Elliott suggests that Professor Corwin may be wrong and that the Court may be bold enough to reverse precedents and take a bold stand on the spending power which would rule out Federal subsidies to the States. There are some who may agree with the thought expressed by Professor Elliott when he stated that there has been an "ironical reversal of policies which is making the Republicans good Jeffersonians, so far, at least, as the doctrine of States' rights."

Mr. President, in my opinion the bill before us can find no support under the Constitution of the United States; but it will find support from many upon the theory that there are no restrictions upon the power of Congress to appropriate funds from the Federal Treasury. They will contend that under the general-welfare clause that any appropriation may be made that deals with social, economic, or political matters, and that Congress is the sole interpreter of the meaning of the words "general welfare."

Mr. President, I propose now to review some of the appropriations which have been made by the Federal Government, and the results of such appropriations, with a view to awakening some interest upon the part of the Senate concerning public expenditures and the enormous deficits which have resulted from the stupendous appropriations made by Congress.

For a number of years the financial condition in the United States has been unsatisfactory. The Federal Government, the States and their political subdivisions, corporations, and individuals incurred obligations which they could not and did not meet. Borrowings were resorted to, bonds and notes were issued, and mortgages to secure payment of the same were executed. Defaults occurred in the payment of obligations, and thousands of individuals and corporations were forced into courts of bankruptcy. Enormous deficits were created by the Federal Government as well as by States and their political subdivisions, and the tax burden was increased in order to maintain their honor and credit. Prudent individuals as well as governments prepare their budgets and plan to meet necessary obligations and avoid deficits.

For a number of years students of government have devoted much study to National, State, and municipal budgets, and have endeavored to arouse public officials as well as the people to the imperative necessity of economy in public affairs and of the adoption of revenue measures that would insure balanced budgets.

In 1921 Congress enacted a law providing for a budgetary system and requiring the executive department to prepare and submit balanced statements dealing with the receipts and expenditures of the Government. The enormous indebtedness incurred by the Federal Government and the States and their political subdivisions, aggregating approximately $50,000,000,000, reveals that ample provisions have not been made to meet the appropriations made. During the World War the Federal Government incurred heavy obligations, but after the war resolutely directed its efforts to reduce the public debt. During the past few years the public debt has been increased until today it exceeds $31,000,000,000. The credit of governments must be maintained; and no government may indefinitely spend in excess of its income without impairing its credit.

Unfortunately, there are those who exhibit no concern in fiscal policies, and in the adoption of measures which will maintain the credit of the Government. Persistent demands are made for larger appropriations, and for the entrance of the Government into fields of activity which belong exclusively, under our theory of government, to individuals and private endeavor. It is time that we should take stock of the financial condition of the Government and determine to support only sound fiscal policies and enforce rigid economy in all branches of the Government.

The official estimate of revenue submitted to Congress last January for the fiscal year ending June 30, 1936, was for $4,000,000,000. During the last session of Congress a revenue bill was enacted which it is expected will increase the revenues by one-quarter of a billion dollars in a full year of operation. The act, however, was made prospective, and practically no revenue would be obtained therefrom during the fiscal year 1936. In any event, this small additional revenue is quite unimportant in view of the stupendous appropriations to meet governmental expenditures.

In January last Federal expenditures for the fiscal year 1936 were estimated to be eight and a half billion dollars, in round figures. However, appropriations made during the last session of Congress, including unexpended balances of previous appropriations made available for 1936, total the enormous sum of $10,073,000,000. If this huge sum is expended in the fiscal year 1936 it means that the Government will spend $2.50 for every dollar it receives in income. Even if only eight billion of the ten billion dollars appropriated are expended the Government will have spent twice as much as its income.

Continued deficits of this character will sooner or later injure the credit of the Government and seriously affect business and industry. How long can the Government continue a policy of spending double what it receives?

I call attention to the fact that in 1931 the expenditures of the Government were one and a fourth times larger than its income; in 1932 the Government expended two and a half times its income; in 1933 the Government expenditures were two and a third times its income; in 1934 its expenditures were two and a fourth times as large as its income; and in 1935 its expenditures were nearly twice as large as its income. In other words, for the past 5 years the Government has been expending, on an average, twice the amount of its revenues; and for 1936 it was proposed that the Government expend from two to two and a half times as much as the Federal income; and though taxes have been increased, and the income of the Government, because of improved economic conditions, is greater, the Federal Government will have a deficit of from four and a half to six billion dollars.

To aid in visualizing the total of these enormous expenses, I invite attention to the fact that the gross expenditures of the Federal Government during the 5 years of the Civil War—that is, from 1861 to 1865—were less than $3,500,000,000.

An examination of the state of the public debt must convince all thoughtful individuals of the imperative necessity of adopting measures that will soon balance the National Budget. The public debt on September 24 of last year approximated $30,000,000,000, and I was advised this morning from the Treasury Department that the public debt now exceeds $31,000,000,000. I may say that this huge amount exceeds by $3,000,000,000 the wartime peak of 1919, and represents an increase of public indebtedness since 1930 of more than $14,000,000,000.

History furnishes indisputable proof of the difficulty encountered by governments in reducing their financial obligations. Adam Smith, in speaking of public debts, stated:

> When national debts have once been accumulated to a certain degree there is scarce, I believe, a single instance of their having been fairly and completely paid. The liberation of the public revenue, if it has ever been brought about at all, has always been brought about by bankruptcy—sometimes by an avowed one, but always by a real one, though frequently by pretended payment.

I might add, Mr. President, in passing that the experience of the United States with nations indebted to it furnishes support for the statement just quoted.

There are many who believe that we are approaching the danger point in the accumulation of our national debt. Whether this view is warranted, it is certain that with the staggering public, private, and corporate indebtedness, aggregating, as some statisticians and economists declare, approximately $175,000,000,000, the indebtedness of the United States is so large as to demand the most serious attention of Congress and the people, and the adoption of policies that will materially reduce Government expenses and lay the foundation for annual reduction of the public debt. Every effort should be made to balance the Budget, and by that I mean that Government income should be sufficiently large not only to meet current expenses but materially to reduce outstanding indebtedness. A sound fiscal policy must be adopted, and such a policy must provide adequate revenues to meet all appropriations and, as stated, materially to reduce bonded indebtedness.

The only hope for a balanced Budget, in my opinion, lies in business recovery and reduced Federal expenses; and any tax system or governmental policy that delays or prevents business recovery will add to the dangers of the situation; and increased deficits, if long continued, will lead to the impairment of the credit not only of the Government but indirectly, if not directly, of States and individuals, and finally to inflation and bankruptcy.

The heavy tax burdens laid upon the people by the Federal Government are not the only burdens which they are compelled to bear. The States and their political subdivisions impose heavy direct and indirect taxes, but the taxes collected by the Federal and State Governments will be inadequate to meet appropriations made by them. There is every indication that the expenditures by the governments referred to for the present fiscal year—1936—will exceed $17,000,000,000; and for the next fiscal year, unless there are immediate reforms inaugurated, expenditures will be made and obligations incurred in excess of that huge sum.

That means that from 25 to 32 percent of the entire income of the American people will be demanded to meet National, State, and local tax requirements, if revenues and expenditures are held in balance.

I submit that the tax burdens imposed upon the American people are too great. Before the war it was estimated that the entire cost of the National, State, and local governments was less than 8 percent of the national income, but, as stated, the exactions now are more than 25 percent of the entire income.

There are more than 182,000 tax units in the United States. Vast armies of officials, Federal, State, and local—and I might add their number is increasing—penetrate every nook and corner of the land for the purpose of finding sources of taxation. I am advised that there are now more than 1,500,000 persons on the Federal pay rolls, whose compensation approximates $1,300,000,000 annually.

Only a few years ago the entire annual expenditures of the Federal Government were but $700,000,000. It now requires nearly double that amount to meet the annual compensation of Federal employees.

There are too many tax units, too many bureaus, agencies, departments, and tax-eating organizations. There should be within the States a consolidation of taxing units, including counties and school districts and various political and quasi-political subdivisions. One of the imperative reforms in our Federal and State governmental systems is the reduction of the cost of government.

With increases in expenditures and taxes, businessmen are filled with uncertainty; they cannot plan with reference to their business activities; and this results in diminished production and decreased employment.

When I speak of "businessmen", I include in that term employees as well as employers, as employees must know what their tax burdens, whether direct or indirect, will be in order to determine their course. Profits must be realized in order to expand business and furnish employment to people, but, in the face of constantly mounting costs of government and increases in governmental activities and in the number of bureaus, organizations, and agencies, with the consequent demand for a larger personnel, it is manifest that increased revenues will be required, thus creating a condition disturbing to business and injurious to the public as a whole. Excessive taxes, while they seriously affect corporations and business, also affect stockholders and bondholders and the entire social and economic life of the people. Potential taxation seriously affects budget making, and in this situation business will doubt whether it can carry on while the mills continually grind out grists of innovations and additional taxes.

It is known that if the Government is prodigal and wasteful, the conduct of State and local governments is influenced. Undoubtedly, there is a psychological effect following enormous and wasteful appropriations by the Federal Government. States and municipalities, and for that matter individuals, are influenced by grandiose schemes and large appropriations on the part of the Federal Government. Today there is an army of experts and so-called economists who are trying to devise new schemes of taxation and new avenues for public expenditures. They urge that additional sources of revenue be found; and the doctrinaires and pseudo experts approve measures confiscatory and oppressive.

We are familiar with the tax measures in France in the days of the Bourbon Kings, as well as in other countries of that period, under which everything under the sun was taxed, and, indeed, the sunlight itself did not escape.

I mentioned the numerous tax-levying, tax-gathering, and tax-spending bodies. The Federal Government—48 States; 3,062 counties; 19,769 townships; 17,769 cities, villages, and boroughs; and 128,548 school districts; and more than 14,500 other civil divisions and tax-collecting agencies. There are duplications and overlapping of tax agencies, the result of which is that some products and transactions are taxed seven or eight times. Many of these forms of taxation, however, are narcotic in character, and the people slumber while their property is being taken from them and their pockets are being picked.

Perhaps the people are to blame for the mounting costs of government and the staggering deficits which are created. Certainly the demands upon the Federal Government for intrusion into the States and local governments have multiplied, and in part are due to the intercession—if not demands—of the people.

Some thoughtful persons contend that there is a subsidence of that fine spirit of individualism, self-reliance, and initiative so indispensable to the preservation of individual liberty and the maintenance of democratic institutions.

Referring to the $10,000,000,000 appropriated by the Federal Government for the fiscal year 1936, if it is expended—as undoubtedly it will be—it will represent an expenditure of $80 for every man, woman, and child in the United States; and, in addition, as I have indicated, there are the States, counties, municipalities, and other subdivisions, quasi and otherwise, of a public character.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Michigan?

Mr. KING. I yield.

Mr. VANDENBERG. The Senator suggested what is to happen "if" it is expended. I suggest to him that one of the phases of the situation, as I see it, is that under our more recent methods of making anonymous lump-sum appropriations it is utterly impossible for Congress to have an intelligent understanding of what the spending program is. The

Treasury statement on our desks this morning shows $6,000,000,000 of unexpended balances at the present moment, yet we are told we must raise $1,000,000,000 of additional taxes, although we have not the slightest conception of what the sum total of our available resources is because of this new system of subletting our spending prerogative and transferring it from the Congress to the Executive. It seems to me we must correct fundamentally the method of our appropriations and spending before we can hope to make the correction for which the Senator now pleads, and which I believe is the answer.

Mr. KING. I do not disagree with the Senator. An example that falls within the category referred to by the Senator is furnished by the project to construct a canal across the State of Florida which, when completed, will cost several hundred million dollars. Congress has not authorized this project, and I believe that if it were submitted for congressional approval it would find few supporters, at least in this body.

In 1800 our per-capita expenditures were only $2.03; in 1840 they were $1.42; in 1860 they were $2.01; in 1880 they were $5.34; in 1900 they were $6.85; in 1910 they were $7.54; in 1922 they were $34.54; in 1926 they were $30.76; in 1930 they were $32.42; in 1935 they were $60.18; and we are now proposing to spend $80 per capita for this fiscal year.

It is obvious, from the bills before Congress and the appropriations already made, that the per-capita expenditures for the next fiscal year—1937—will exceed $80 and perhaps will reach $90 per capita.

Mr. President, these enormous expenditures should be discontinued. In my opinion, the Federal Government should withdraw from many of the fields in which it is operating and surrender to the States, individuals, and communities the control of activities which properly belong to them. Unnecessary activities must be abandoned; duplication must be eliminated and economy must be practiced in every branch of the Government.

Referring to the Federal expenditures for the fiscal year 1935 aggregating $7,376,000,000, a portion of this sum constitutes the general expenditures of the Government and the second provides for emergency expenditures. An examination of the so-called regular expenditures of the Government reveals that they are too large, and I think it may be said that some of the expenditures which fall within the category of emergency demands are beyond reasonable requirements. The first step in Budget balancing calls for the reduction of expenditures regardless of whether they fall into the category of general expenditures or emergency expenditures.

I repeat the Federal Government is weighted down with burdens, organizations, and agencies, and an army of employees. More than 31 organizations have been created during the past 2 or 3 years with a large personnel, and the costs of these additional agencies tend to swell the appropriation of $10,000,000,000 for the fiscal year 1936.

If the Federal Government shall confine itself within its proper sphere and reduce bureaus and Federal agencies and the number of Federal employees, additional taxes will not be required.

Unfortunately that course is not being pursued, and the result is that additional taxes are deemed to be necessary. Yesterday a message was received from the President of the United States which pointed out the importance of additional revenue and the sources from which considerably more than a billion dollars of additional taxes might be raised.

Mr. President, many worthy citizens of our country are departing from the views and philosophy of an earlier period. Instead of the view that their obligation is to do something for the Government, the obligation rests upon the Government to do something for them. The truer philosophy, of course, is that there must be reciprocal relations—the Government within its limited boundaries serving the people and the people giving loyal support and aid to the Government. It is the view of many that requests, if not demands, are being made upon the Federal Government for bounties, subsidies, and gratuities which may not be acceded to if the executive and legislative branches of the Government function within their proper sphere and within constitutional limitations.

It is manifest that if Congress responds to every request or demand submitted for Federal appropriations, expenditures by the Federal Government will be increased, heavier burdens of taxation imposed upon the people, and annual deficits materially increased.

Mr. President, it is to be hoped that there will be a diminution in the requests for Federal appropriations and that the American people will realize that the return of prosperity will be delayed if the spending policy of the Federal Government is not materially modified.

Mr. President, if the Democratic platform of 1932 is regarded there are ample grounds for belief that additional taxes will not be required to meet governmental expenses and to make contributions to the reduction of the national debt. Let me read part of the platform. I am afraid some of us Democrats have forgotten it:

> We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 percent in the cost of Federal Government; and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

Secretary Morgenthau in 1935 declared that—

> The national welfare demands that when the emergency has passed, sufficient income be raised to meet current expenditures and to make substantial reductions in the debt. The time has come to move in that direction. I hope that is true.

Many persons believe that projects now engaging the attention of the Federal Government—among them the Resettlement Administration, the Rural Rehabilitation Administration, and the Rural Electrification Administration—will continue long after the appropriations now made shall have been exhausted, and that pressure will result in additional appropriations being made, the result of which will be further deficits and additional taxes.

Experience has shown the impossibility of getting rid of bureaus and agencies and of organizations created by the Federal Government to engage in activities of a public character, or activities which fall within the sphere of private endeavor. We all know that Federal organizations are immortal, and excuses and pretexts are found to justify granting them immortality.

In considering the question of balancing the Budget, there must be taken into consideration contingent liabilities which the Government may be called upon to meet, which aggregate more than $4,300,000,000.

The Federal Government has guaranteed the bonds issued by certain agencies. Thus there are contingent liabilities which may be incurred by the Federal Government in case the agencies assuming such liabilities are unable to meet their obligations. So far as the Federal Government is concerned, these liabilities might be termed secondary liabilities.

One of these relates to the bonds issued under the Federal Farm Mortgage Act. Under that act, the Federal Farm Mortgage Corporation was authorized to issue bonds up to $2,000,000,000. These bonds are guaranteed as to both principal and interest by the Federal Government in case the Federal Farm Mortgage Corporation is unable to meet its liabilities.

As of August 31, 1935, the assets of this Corporation amounted to $1,512,000,000, and the bonds outstanding on that date amounted to $1,282,000,000. There is a possibility that the Government will have to pay some of these bonds. This is a factor which ought to be considered in connection with Budget balancing.

Turning to the Federal Housing Corporation, we find a somewhat similar situation. The Administrator of that organization is given authority, upon application of the mortgagee, to insure both existing mortgages and new mortgages to be issued up to the amount of $2,000,000,000. In addition, he is authorized to insure financial institutions against losses which they sustain as a result of loans and advances

of credit in connection with such mortgages in an amount not to exceed in the aggregate $200,000,000.

There is, of course, a possibility that the Government might be required to assume some of the liabilities incurred from this source. Then, too, should be mentioned the Home Owners' Loan bonds, guaranteed as to principal and interest. While these obligations are fully protected by the assets of the corporation at the present time, there is a possibility that the Government might be forced to meet some part of the obligation, aggregating $2,758,000,000.

The Tennessee Valley Authority has been given power to issue bonds not to exceed in the aggregate $50,000,000 outstanding at any one time. These bonds also are guaranteed by the Federal Government as to both principal and interest. I do not know what number of bonds have been issued up to the present time. Nevertheless, if there should be default in any of the bonds so issued, the obligation to meet them would rest upon the Federal Government.

Now let us return and face frankly the Budget problem. We know that for the fiscal year 1936 revenues were originally estimated at $4,000,000,000 and expenditures at $8,500,000,000. But Congress appropriated more than $8,500,000,000. My recollection is that approximately $10,000,000,000 were appropriated for 1936. No one knows what the appropriations for 1937 will be. I inquired at the office of the Director of the Budget this morning as to the aggregate expenditures which would be made and was informed that it was impossible to determine. Since the Budget message of the President was transmitted to Congress several weeks ago, a measure known as the bonus bill was passed over the President's veto, carrying an appropriation of nearly $2,000,000,000.

A few days ago Congress passed a measure carrying an annual appropriation of $450,000,000 for farm relief. In my opinion it is a more drastic bill than the A. A. A. Act recently declared unconstitutional by the Supreme Court; it confers autocratic power upon an executive official, creates a vast organization which will bestride the land and formulate and enforce rules, regulations, and policies, many of which will be oppressive and which will seek bureaucratic control of agriculture and the regimentation of millions of American citizens.

But these are not the only measures calling for large appropriations. The so-called rural electrification bill now before us demands a billion dollars. Before Congress adjourns there will be appropriations of considerably more than a billion dollars for the Army and Navy for the next fiscal year. Within a few days the Senate will consider a House bill which carries considerably more than $150,000,000 for the Department of Agriculture, and I might add in passing that the Department of Agriculture will receive 30 percent of all the custom receipts collected by the Government of the United States. There will be many other measures enacted into law before Congress adjourns, carrying in the aggregate hundreds of millions of dollars.

It is certain that the appropriations which will be made and authorized by Congress before adjournment will exceed $10,000,000,000, a sum greater than that authorized for the fiscal year 1936.

When will this spending period terminate? No one seems to know and but few seem to care. We look with indifference upon these increasing demands and fail to make provision to meet the deficits which are being created and to mitigate the burdens of taxation which so heavily bear down upon the backs of the taxpayers of the United States.

Mr. President, I think a plank should be inserted in the next Democratic platform reaffirming the position taken in the 1932 platform.

Unfortunately, there are many other uncertain and contingent factors which make it impossible to determine when the Budget will be balanced, or what additional taxes will be required to accomplish that result, and also to make reasonable annual payments in reduction of the national debt. For instance, it is claimed by some that when the $4,000,000,000 for relief is exhausted, additional Federal funds will be required; and I have been told within the past few days that we shall be called upon to appropriate $2,000,000,000 or more for emergency relief for the next fiscal year. That will have to be provided for, and that will swell the figures beyond the enormous aggregate to which I called attention.

Mr. President, these uncertainties will have repercussions in business and industrial fields. They will retard recovery, and thus diminish Federal revenues.

If additional taxes are to be imposed, there are few sources from which they can be obtained. Some will insist upon a Federal sales tax. I have opposed the Federal Government collecting revenue from a general sales tax. Obviously, individual and corporate incomes will be the principal fountains from which additional revenue can or will be obtained.

If the pledges of the Democratic Party are fulfilled, and the expenses of Government drastically reduced; if the plans and schemes for the socialization of industry and the projection of the Federal Government into the fields of legitimate and private endeavor are abandoned; if the country has not only a "breathing spell" but full and complete opportunity for growth and development and progress, and for the exercise of the initiative, genius, and courage of the American people; then there would be no demand for increased taxes, and the Federal Budget would within a short period be balanced, and the obligations of the Government fully provided for.

The safety of this Republic depends upon adherence to the Constitution and to the ideals of democracy.

Unfortunately there are evidences of a growing dependence of many Americans upon the Federal Government and of their willingness to weaken, if not destroy, the States and lose themselves individually in the swirling waters of a powerful socialistic or nationalistic government. It is only necessary to refer to the appeals which are made by individuals, local communities, and even States for the Federal Government to intervene in their individual or local affairs and take over the responsibilities which belong to them and to their State governments.

The issue in the days of Lincoln was the preservation of the Federal Government. The important issue now is the preservation of individual liberty and the rights of sovereign States.

It has been said by a great historian that the most fragile of all forms of government is that of a democracy; and fears have been entertained by great Americans, as well as by statesmen in other lands, that this Republic would be unable to meet the storm and stress to which it would be subjected. Some Americans, forgetting what democracy is, and the limitations upon the authority of the Federal Government, point to autocratic and strongly centralized governments across the seas as examples which, in some respects, we should follow. Limitations imposed in the Federal Constitution they would disregard. It is not uncommon to hear from persons with bureaucratic authority, and charged with duties to execute the laws, a demand that our form of government shall be changed in order to meet their socialistic or Nazi views.

There are too many persons in public life who are unfavorable to democratic institutions and to the precepts handed down to us by Jefferson and the fathers of this Republic. They would aggrandize the Federal Government, increase bureaucratic authority, make Congress subservient to the whims and caprices of executive agencies, and individuals holding a little brief authority, who are indifferent to their oaths and have no regard for the spirit of this Republic.

There are teachers, we are told, who hesitate to take an oath to support and defend the Constitution of the United States. Are there persons in official positions who have mental reservations when they accept executive positions and fill some niche in a bureaucratic organization? It is worthy of note that some who are most critical of the judicial branch of the Government are those who are most insistent upon finding precedents in autocratic and socialistic governments as guides for their official conduct.

If the Federal Government and its agencies confine their activities within limits prescribed by the Constitution of the United States, there will be continued revival in busi-

ness, improved conditions in our industrial and economic life, a renaissance in local self-government, and a revitalization of the States. The expenses of the Federal Government will be reduced when it confines its operation and authority within the sphere for which it was created.

A message of the President that won for him almost universal approval was known as the "economy message." It called for reduction of several hundred millions of dollars in Government expenditures and for consolidation of Federal agencies. If the speech of the President delivered at Sioux City, Iowa, September 29, 1932, were followed, important and beneficial results would flow to the country. He stated that he would use his position "to discuss up and down the country in all seasons, and at all times, the duty of reducing taxes, of increasing the efficiency of the Government, of cutting out the underbrush around our governmental structure, of getting the most public service for every dollar paid by taxation."

If we are to balance the Budget and relieve the people of the burden of taxation, I repeat, the Government must retrench and not attempt too many functions, particularly functions which belong to the States and to local communities and to individuals. There can be no real relief until the Government retrenches, eliminates waste, duplication of activities, and unnecessary bureaus, and brings about a reduction of the staggering cost of government. We should not forget the words of Washington when he declared:

> * * * Toward the preservation of your Government and the permanency of your present happy state it is requisite * * * that you resist with care the spirit of innovation upon its principles, however specious the pretexts.
>
> One method of assault may be to effect in the forms of the Constitution alterations which will impair the energy of the system, and thus to undermine what cannot be directly overthrown. * * *

Undoubtedly there are in public positions and in some of our colleges individuals who are dissatisfied with our form of government and who, by usurpation if they could, and if not by change in the Constitution, would embark this Republic upon the sea of socialism or upon a road that leads to a totalitarian state. They are enamored of the spirit of regimentation and discipline that will only end by destroying the sovereignty of the States and bringing all the people within the control of Federal bureaus and agencies. They distrust the people and their competency to govern themselves. They are unwilling that individuals shall order and determine their own lives and that local self-government shall function and bring to fruition those ideals of liberty and justice which are the products of genuine democratic institutions.

George Washington foresaw that there would be elements within the Republic that would develop a spirit of encroachment tending * * * to consolidate the powers in all the departments in one, and thus to create, whatever be the form of government, a real despotism * * * just estimate of that love of power and proneness to abuse it which predominates in the human heart, is sufficient to satisfy us of the truth of this position. * * *

I repeat, there are forces among us that would consolidate all governmental authority and power in the Federal Government and create a real despotism.

The future of this Republic is assured if the liberty of individuals, the right of local self-government, the integrity and sovereignty of the States are not interfered with, and if the Federal Government confines its authority to that field prescribed by the Constitution of the United States. Our country is too large to have all of its affairs directed by a single government.

If the American people will adhere to the views expressed by Jefferson in his inaugural address, the future of this Republic is assured, its prestige will grow, and it will be regarded in all the world as the standard bearer of liberty and justice and democratic principles. Jefferson's statement was:

> * * * The support of the State governments in all their rights as the most competent administrations for our domestic concerns and the surest bulwarks against antirepublican tendencies. * * *

He wrote that:

> * * * Not by the consolidation or concentration of powers but by their distribution, that good government is effected. * * *

And he added:

> Were we directed from Washington when to sow and when to reap we should soon want bread. * * *

We will balance our Budget and maintain the credit of the country if these precepts are carried out.

I cannot refrain from quoting Jefferson:

> * * * Every government degenerates when trusted to the rulers of the people alone. The people themselves, therefore, are its only safe depositories. * * * Agriculture, manufactures, commerce, and navigation, the four pillars of our prosperity, are the most thriving when left free to individual enterprise. * * *

And, he advocated:

> * * * Economy in public expense, that labor may be lightly burdened. * * *

There are forces furtively if not openly working to convert this Republic into a socialistic or powerful centralized regime.

The covert attacks upon the Constitution, which will be made upon the plea that the Federal Government must be made stronger and States weakened and the rights of individuals impaired, are a menace to honest and legitimate business, disturbing to patriotic citizens, and constitute impediments to economic and industrial development, some of the rewards of which will be increased financial improvement and greater resources for the Federal Government as well as for individuals and communities.

The present Chief Justice of the Supreme Court in a recent decision reproduces some of the views of Washington when he says:

> The Constitution established a National Government with powers deemed to be adequate, as they have proved to be in war and peace, but these powers of the National Government are limited by the constitutional grants. Those who act under these grants are not at liberty to transcend the imposed limits because they believe that more or different power is necessary. Such assertions of extra-constitutional authority were anticipated and precluded by the explicit terms of the tenth amendment—"the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people."

The forces to which I have adverted undoubtedly seek the establishment of a powerful government which may control the lives and views and conduct of individuals, and which will have authority through taxation and otherwise to control industry and the economic and industrial life of the people. The balancing of the Budget is important, but it is more important to preserve the Republic against assaults from within and against the subtle and sinister forces which seek to change the Government which our fathers gave us to one which Washington characterized as despotic.

ANNA CARROLL TAUSSIG

The PRESIDING OFFICER (Mr. MINTON in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1124) for the relief of Anna Carroll Taussig, which was, on page 1, line 7, after "sustained", to insert "on April 21, 1918, in the city of Philadelphia, Pa."

Mr. DAVIS. I move that the Senate concur in the House amendment.

The motion was agreed to.

VACATIONS FOR GOVERNMENT EMPLOYEES—CONFERENCE REPORT

Mr. BULOW submitted the following report, which was ordered to lie on the table:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8458) to provide for vacations to Government employees, and for other purposes, having met, after a full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
>
> That the Senate recede from its amendments numbered 9, 10, and 12, and agree to same.
>
> That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, and 4, and agree to same.
>
> Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to same with an amendment, as follows: In lieu of the Senate amendment, strike out "July 1, 1936" and insert "January 1, 1936." And the Senate agree to the same.
>
> Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with amendments, as follows: In lieu of the matter proposed to be inserted by the Senate, change the amendment to read as follows: "Before issuing such regulations, which shall be issued within three months from the date of approval of this Act,

the heads of departments and independent establishments shall meet and consult among themselves, and make such regulations as nearly uniform as possible so that all employees, temporary or permanent, in all departments and independent establishments shall receive like treatment as nearly as may be practicable: *Provided*, That heads of departments and independent establishments may appoint a subcommittee to draft such regulations", and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, which struck out section 3 of the House bill, and agree to substitute a section, as follows:

"SEC. 3. Each head of a department or independent establishment shall keep a record of all work performed, in excess of the work required by departmental regulations issued in conformance with section 2 hereof, for the period commencing July 1, 1936, and ending December 31, 1936, and shall report same to the Civil Service Commission at the end of each month. The Civil Service Commission shall make a report of such record to the Congress on or before January 31, 1937."

And the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to same with an amendment, as follows: Strike out "3" inserted by the Senate and insert "4"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to same with amendments, as follows: Before the word "wholly" inserted by the Senate also insert the word "either", and before the word "owned" in this section also insert the word "wholly"; and the Senate agree to the same.

WILLIAM J. BULOW,
KENNETH MCKELLAR,
WALLACE H. WHITE, JR.,
Managers on the part of the Senate.

ROBERT RAMSPECK,
WILLIAM I. SIROVICH,
FREDERICK H. LEHLBACH,
Managers on the part of the House.

SICK LEAVE OF CIVILIAN EMPLOYEES—CONFERENCE REPORT

Mr. BULOW submitted the following report, which was ordered to lie on the table:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8459) to standardize sick leave and extend it to all civilian employees, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 6, and 7, and agree to same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to same with an amendment, as follows: In lieu of "July 1, 1936", inserted by the Senate, substitute "January 1, 1936"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to same with an amendment, as follows: In lieu of "July 1, 1936", inserted by the Senate, substitute "January 1, 1936"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to same with an amendment, as follows: Strike out the word "sixty" inserted by the Senate and insert in lieu thereof the word "ninety"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to same with amendments, as follows: Before the word "wholly" inserted by the Senate, also insert the word "either"; and before the word "owned" in this section, also insert the word "wholly"; and the Senate agree to the same.

W. J. BULOW,
KENNETH MCKELLAR,
WALLACE H. WHITE, JR.,
Managers on the part of the Senate.

ROBERT RAMSPECK,
WILLIAM I. SIROVICH,
FREDERICK R. LEHLBACH,
Managers on the part of the House.

RURAL ELECTRIFICATION

The Senate resumed the consideration of the bill (S. 3483) to provide for rural electrification, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 4, beginning in line 13 and ending in line 19.

Mr. KING. Mr. President, before the pending committee amendment is acted upon, in order that the amendment, in the nature of a substitute, which I have offered may be before the Senate, I now ask leave to have the substitute read at the desk, because if all the pending committee amendments are agreed to it might lead to a modification of the substitute I have offered.

Mr. NORRIS. Mr. President, of course, I do not object to the substitute offered by the Senator from Utah being read now, because the Senator can, if he desires, have it read, but as a matter of fact the substitute cannot be taken up and acted upon until we get through with all the committee amendments.

Mr. KING. I understand that.

Mr. NORRIS. I have no objection to the substitute being read at this time.

Mr. KING. May I suggest to my friend from Nebraska that if we know what the substitute is it may determine our attitude toward certain amendments.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Pope
Ashurst	Coolidge	Keyes	Radcliffe
Austin	Copeland	King	Reynolds
Bachman	Costigan	Logan	Robinson
Bailey	Couzens	Lonergan	Russell
Barbour	Davis	McAdoo	Schwellenbach
Barkley	Dickinson	McGill	Sheppard
Benson	Dieterich	McKellar	Shipstead
Bilbo	Donahey	McNary	Smith
Black	Duffy	Maloney	Steiwer
Bone	Fletcher	Metcalf	Thomas, Okla.
Borah	Frazier	Minton	Thomas, Utah
Bulkley	George	Moore	Townsend
Bulow	Gerry	Murphy	Trammell
Burke	Gibson	Murray	Truman
Byrd	Gore	Neely	Tydings
Byrnes	Guffey	Norbeck	Vandenberg
Capper	Hale	Norris	Van Nuys
Caraway	Harrison	Nye	Wagner
Carey	Hastings	O'Mahoney	Walsh
Chavez	Hatch	Overton	Wheeler
Clark	Hayden	Pittman	White

The PRESIDING OFFICER. Eighty-eight Senators have answered to their names. A quorum is present.

Without objection, the clerk will read the amendment, in the nature of a substitute, offered by the Senator from Utah [Mr. KING].

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and in lieu thereof to insert the following:

That there is hereby created and established an agency of the United States to be known as the Rural Electrification Administration, all of the powers of which shall be exercised by an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of 10 years, and who shall receive a salary of $8,000 per year. This act may be cited as the Rural Electrification Act of 1936.

SEC. 2. The Administrator is authorized and empowered to aid in the several States and Territories of the United States in the electrification of rural areas not receiving central station electric light and power service, by making loans as hereinafter provided; to make, or cause to be made, studies, investigations, and reports concerning the condition and progress of the electrification of rural areas in the several States and Territories; and to publish information with respect thereto.

SEC. 3. There is hereby authorized to be appropriated, out of any money not otherwise appropriated, for the fiscal year ending June 30, 1937, and for each of the 9 years thereafter, the sum of $10,000,000 for the purpose of making the loans hereinafter provided. Out of such annual appropriations the Administrator is authorized to make loans in the several States and Territories, as herein authorized, in such amounts for each State and Territory as in the opinion of the Administrator may be effectively employed for the purposes of this act, but in the distribution of such loans among the several States and Territories due regard shall be given to their rural population and the number of their farms not then receiving central station electric light and power service: *Provided, however*, That no more than 10 percent of any such appropriation may be employed in any one State or in all the Territories. The appropriation for any fiscal year shall be available after the end of such fiscal year for the disbursement of funds on loans, commitments, or agreements to make loans consummated within each fiscal year.

SEC. 4. The Administrator is authorized and empowered, from the sums hereinbefore authorized to be appropriated, to make loans to individuals and to private cooperative, nonprofit, or limited-dividend corporations and associations organized under the laws of any State or Territory of the United States for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems for the furnishing of electric energy to persons in rural areas who are not

receiving central station electric light and power service and for whom such service may not be furnished or made available by competing private enterprise.

Such loans shall be on such terms and conditions relating to the expenditure of the moneys loaned and the security therefor as the Administrator shall determine: *Provided, however,* That all such loans shall be self-liquidating within a period of not to exceed 20 years, and shall bear interest at a rate not to exceed 3 percent per annum. Each borrower who obtains a loan under this section shall agree to repay the loan on an amortization plan by means of a fixed number of annual or semiannual installments sufficient to repay the principal of the loan and interest thereon within a period of not to exceed 20 years, and the Administrator shall require as a condition of any such loan that the borrower shall set aside as reserves an annual amount sufficient to provide for such repayment within the agreed period.

SEC. 5. The Administrator is authorized and empowered, from the sums hereinbefore authorized to be appropriated, to make loans for the purpose of financing the wiring of the premises of consumers of electric energy along the lines or systems financed under the provisions of section 4. Such loans may be made to any of the borrowers of funds loaned under the provisions of section 4 to individual consumers or to any person, firm, or corporation supplying or installing the said wiring. Such loans shall be for such terms, subject to such conditions, and so secured as reasonably to assure repayment thereof, and shall be at a rate of interest not exceeding 3 percent per annum. Each borrower who obtains a loan under this section shall agree to repay the loan on an amortization plan by means of a fixed number of annual or semiannual installments sufficient to repay the principal of the loan and interest thereon within a period of not to exceed 6 years, and the Administrator shall require as a condition of any such loan that the borrower shall set aside as reserves an annual amount sufficient to provide for such repayment within the agreed period.

SEC. 6. For the purpose of administering this act and for the purpose of making the studies, investigations, publications, and reports herein provided for, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1937, and for each of the 9 years thereafter, the sum of $300,000.

SEC. 7. The Administrator is authorized and empowered to bid for and purchase at any foreclosure or other sale, or otherwise to acquire, property pledged or mortgaged to secure any loan made pursuant to this act; to pay the purchase price and any costs and expenses incurred in connection therewith from the sums authorized to be appropriated in section 3 of this act; to accept title to any property so purchased or acquired in the name of the United States of America; to operate or lease such property for such period as may be deemed necessary or advisable to protect the investment therein, but not to exceed 5 years after the acquisition thereof; and to sell such property so purchased or acquired upon such terms and for such consideration as the Administrator shall determine to be reasonable.

SEC. 8. The administration of loans and contracts entered into by the Rural Electrification Administration established by Executive Order No. 7037, dated May 11, 1935, shall, on July 1, 1936, be vested by the President in the Administrator authorized to be appointed by this act; and the provisions of this act shall apply to said loans and contracts to the extent that said provisions are not inconsistent therewith: *Provided,* That the total amount of moneys which may be obligated by such Rural Electrification Administration (including moneys heretofore made available to it) shall not exceed $10,000,000. The President may transfer to the Rural Electrification Administration created by this act the jurisdiction and control of the records, property (including office equipment), and personnel used or employed in the exercise and performance of the functions of the Rural Electrification Administration established by such Executive order.

SEC. 9. This act shall be administered entirely on a nonpartisan basis, and in the appointment of officials, the selection of employees, and in the promotion of any such officials or employees no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency without regard to the provisions of civil-service laws applicable to officers and employees of the United States. If the Administrator herein provided for is found by the President of the United States to be guilty of a violation of this act, he shall be removed from office by the President, and any appointee or selection of officials or employees made by the Administrator who is found guilty of a violation of this act shall be removed by the Administrator.

SEC. 10. The Administrator shall present annually to the Congress as soon as practicable after the 1st day of January in each year a full report of his activities under this act.

SEC. 11. In order to carry out the provisions of this act the Administrator may accept and utilize such voluntary and uncompensated services of Federal, State, and local officers and employees as are available, and he may appoint such officers and employees as he may find necessary, and prescribe their duties. The Administrator may make such expenditures as are appropriate and necessary to carry out the provisions of this act.

SEC. 12. The Administrator is authorized and empowered to extend the time of payment of interest or principal of any obligation created pursuant to this act: *Provided, however,* That with respect to any loan made under section 4 the payment of interest or principal shall not be extended more than 5 years after such payment shall have become due, and with respect to any loan made under section 5 the payment of principal or interest shall not be extended more than 2 years after such payment shall have become due.

SEC. 13. As used in this act, the term "rural area" shall be deemed to mean any area of the United States not included within the boundaries of any city, village, or borough having a population in excess of 1,500 inhabitants, and such term shall be deemed to include both the farm and nonfarm population thereof; the term "farm" shall be deemed to mean a farm as defined in the publications of the Bureau of the Census; the term "person" shall be deemed to mean any natural person, firm, corporation, or association.

SEC. 14. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 15. Of the sums appropriated by the Emergency Relief Appropriation Act of 1935, an amount equal to the difference between the maximum amount authorized to be made available under such act for rural electrification and the total amount made available to the Rural Electrification Administration pursuant to section 8 of this act shall be covered into the Treasury as miscellaneous receipts.

Mr. NORRIS. Mr. President, the pending amendment is on page 4. I hope the Senate will agree to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. COUZENS. May we have the amendment read?

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 4, line 13, after the words "premises of", it is proposed to strike out "consumers of electric energy along the lines or systems financed under the provisions of section 4, and for the acquisition and installation of electrical and plumbing appliances and equipment by such consumers" and in lieu thereof to insert "persons in rural areas and the acquisition and installation of electrical and plumbing appliances and equipment by such persons."

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment passed over will be stated.

The CHIEF CLERK. On page 7, line 14, after the word "duties", it is proposed to insert:

The Administrator may make such expenditures (including expenditures for personal services; supplies and equipment; lawbooks and books of reference; directories and periodicals; travel expenses; rental at the seat of government and elsewhere; the purchase, operation, or maintenance of passenger-carrying vehicles; and printing and binding) as are appropriate and necessary to carry out the provisions of this act.

Mr. O'MAHONEY. Mr. President, when this amendment was discussed last week I took occasion to express to the Senate and to the Senator from Nebraska some doubt as to the need of such a provision, in the belief that it constitutes a release of the Administrator for rural electrification from certain general restrictions contained in the general law respecting the expenditure of public funds.

During the days which have passed since that time I have undertaken to look up some of those restrictions, and I find that there are at least eight, and possibly more, general laws restricting the expenditure of public funds which, so far as the Rural Electrification Administration is concerned, would be repealed by this provision; and it seems to me that the necessity for such repeal is not at all clear.

The general rule with respect to the appropriation of funds for any Government department is that the head of the particular department, bureau, or commission shall make representations, first to the Bureau of the Budget, and then to the respective Appropriations Committees of the two Houses of Congress. When the commissions or departments come before the Budget Bureau or before the Appropriations Committees they are called upon to show the necessity for the respective appropriations. If they can make the showing, then there is no question at all about the appropriation being made. The effect of this provision, however, would be that all the limitations which are placed upon the expenditure of contingent funds and the expenditure of lump-sum funds would be without effect so far as the Rural Electrification Administration is concerned.

What possible reason can there be for waiving for the proposed Rural Electrification Administration these provisions which apply to the principal executive departments?

Section 628 of title 31, United States Code, provides as follows:

Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others.

That provision was adopted in the Tenth Congress of the United States; it became a part of our law on March 3, 1809, and has ever since been the law of the United States. It was reenacted in a slightly changed form by the act of February 12, 1868, and has not been altered since. It appears to me that the purpose of that act is sound and salutary and that it should not be abandoned except for good and sufficient reasons in an emergency.

Let me call the attention of the Senator from Nebraska to the fact that the first exemption contained in his amendment, in line 15, is from the restrictions upon expenditures for personal services. What is the law with respect to expenditures for personal services? It is to be found in title 5, section 46, of the United States Code:

No civil officer, clerk, draftsman, copyist, messenger, assistant messenger, mechanic, watchman, laborer, or other employee shall be employed at the seat of government in any executive department or subordinate bureau or office thereof or be paid from any appropriation made for contingent expenses, or for any specific or general purpose, unless such employment is authorized and payment therefor provided in the law granting the appropriation, and then only for services actually rendered in connection with and for the purposes of the appropriation from which payment is made, and at the rate of compensation provided for in chapter 13 of this title.

That provision of the law was adopted in 1882. It is a wise and proper statute. There is no reason that I can see why the Administrator of Rural Electrification should be exempted from it, no reason why he should not come before the Appropriations Committee of the House or the Appropriations Committee of the Senate and make his showing of the need for expenditure for personal services, just as the regular departments do. If he makes the proper showing, then the committees of Congress will grant the appropriation that is necessary for the purposes of his bureau. Under the provisions of the bill there is authorized an appropriation of $100,000,000 a year, and under this amendment it would be possible to make a lump-sum appropriation from which the Administrator would be able to make arrangements for the employment of any personal assistants he may choose in violation of that general provision.

There is another statute having to do with personal services, title 31, section 674, of the United States Code:

No moneys appropriated for contingent, incidental, or miscellaneous purposes shall be expended or paid for official or clerical compensation.

Is there any reason why that provision should be waived, so far as the Rural Electrification Administration is concerned? Why should he be exempted from the general provision that Congress has imposed upon the expenditure of contingent appropriations?

The point of the whole business is that for many years past executive bureaus and commissions have been seeking to avoid these general restrictions. They find them a little cumbersome perhaps. They find it distasteful to explain to Congress how they spend the appropriations. They dislike to go before the Budget Bureau; they feel uncertain when they come before the appropriation committees of Congress and fear that some restraint may be imposed upon them. So they ask Congress to waive the congressional right to have its committees carefully check these expenditures. Why should Congress give up this right, this duty to scrutinize expenditures? It is no excuse to say that the general purpose is good. The better the purpose, the more reason for scrutiny. Only in an emergency should there be a waiver of these general laws. When an emergency arises, of course, Congress may then properly grant general waiver or general exemption.

Another provision of the amendment offered by the committee would exempt the Administrator from the laws governing the purchase of law books and books of reference, directories, and periodicals.

This is the statute with respect to these two features, found in title 31, section 678 of the United States Code:

Law books, books of reference, and periodicals for use of any executive department or other Government establishment not under an executive department, at the seat of government, shall not be purchased or paid for from any appropriation made for contingent expenses or for any specific or general purpose unless such purchase is authorized and payment therefor specifically provided in the law granting the appropriation (Mar. 15, 1898, ch. 68, sec. 3, 30 Stat. 316).

Can it be said that there is any reason why that particular provision of law should be waived with respect to the Rural Electrification Administration? It does not seem to me that any substantial case can be made out for such a waiver.

With respect to newspapers, title 5, section 102, of the United States Code, provides:

The amount expended in any one year for newspapers, for any department, except the Department of State, including all bureaus and offices connected therewith, shall not exceed $100, except where otherwise specifically authorized by law.

Is there any reason why the Administrator of Rural Electrification, if he wants to buy newspapers in excess of $100, should not make out his case to the proper committees of Congress?

That section of the statute (U. S. C., title 5, sec. 102) continues:

But the foregoing provision shall not apply to the subscriptions to newspapers by the military-information division. No executive officer, other than the heads of departments, shall apply more than $30, annually, out of the contingent fund under his control, to pay for newspapers, pamphlets, periodicals, or other books or prints not necessary for the business of his office (R. S., secs. 192, 1779; Mar. 2, 1903, c. 975, 32 Stat. 929; June 22, 1906, c. 3514, sec. 7, 34 Stat. 449).

This provision of the bill now being considered would have the result of permitting subordinates in the Rural Electrification Administration to make expenditures in excess of $30 for any newspaper or periodical such subordinate thought might be necessary or pleasant for him to read.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. COUZENS. Has the Senator any general provision of law covering the purchase of passenger-carrying vehicles?

Mr. O'MAHONEY. Yes; I have. I am just coming to that. I am presenting the general statutes in the order in which they are presented in the amendment.

Observe, the next exemption in the committee amendment, line 17, covers traveling expenses. Of all things, traveling expenses! The very necessary restriction on traveling expenses is to be found in section 73 of title 5, United States Code, as follows:

Except as otherwise provided by law, only actual traveling expenses shall be allowed to any person holding employment or appointment under the United States, except marshals, district attorneys, and clerks of the courts of the United States, and their deputies.

I did not have the opportunity to find out why an exemption was granted to United States marshals.

Mr. NORRIS. Mr. President, would the Senator like to have the bill go over a week so he can find that out?

Mr. O'MAHONEY. Not at all. There is no necessity for it. I want this bill to pass, so I want no delay. The argument against the exemption from laws to prevent waste is clear enough without seeking additional time to discover why officers charged with the duty of arresting criminals are exempted.

All allowances for mileages and transportation in excess of the amount actually paid, except as above excepted, are declared illegal; and no credit shall be allowed to any of the disbursing officers of the United States for payment or allowances in violation of this section.

Again I submit that there is no reason why the Administrator of Rural Electrification, if he desires to allow traveling expenses, should not come before the appropriate committees of Congress and make his showing.

There is another exemption, "rental at the seat of Government and elsewhere", to be found in lines 17 and 18 of the amendment. The statute on that point is section 34, title 40, of the United States Code:

No contract shall be made for the rent of any building or part of any building, to be used for the purposes of the Government in the District of Columbia, until an appropriation therefor shall have been made in terms by Congress, and this clause shall be regarded as notice to all contractors or lessors of any such building or any part of building.

In other words, under the general law, before the head of any governmental agency may rent a building or an office he must come to Congress and obtain a specific appropriation for that purpose. Under the amendment it would be unnecessary for the head of the Rural Electrification Administration to obtain a specific appropriation. All he would have to do would be to hire any quarters he chose and pay for them out of his contingent fund or out of a lump-sum appropriation.

With respect to motor vehicles, referred to by the Senator from Michigan [Mr. COUZENS] a moment ago, the amendment provides in effect that the general law shall be waived for "the purchase, operation, or maintenance of passenger-carrying vehicles."

What does the Rural Electrification Administration avoid in that provision of the amendment? Let me call attention to section 78, title 5, of the United States Code, as follows:

No appropriation made in any act shall be available for the purchase of any motor-propelled or horse-drawn, passenger-carrying vehicle for the service of any of the executive departments or other Government establishments, or any branch of the Government service, unless specific authority is given therefor. There shall not be expended out of any appropriation made by Congress any sum for purchase, maintenance, repair, or operation of motor-propelled or horse-drawn, passenger-carrying vehicles for any branch of the public service of the United States unless the same is specifically authorized by law. In the estimates for each fiscal year there shall be submitted in detail estimates for such necessary appropriations as are intended to be used for purchase, maintenance, repair, or operation of all motor-propelled or horse-drawn, passenger-carrying vehicles, specifying the sums required, the public purposes for which said vehicles are intended, and the officials or employees by whom the same are to be used. (July 16, 1914, c. 141, sec. 5, 38 Stat. 508.)

Is not that obviously a perfectly sound provision of law? Is there any reason under heaven why the Administrator of Rural Electrification should not come to Congress when he wants to buy automobiles or maintain them, and show the reason therefor, as provided in this statute?

In the estimates for each fiscal year there shall be submitted in detail estimates for such necessary appropriations as are intended to be used for purchase, maintenance, repair—

And so forth.

Why should this Administration be exempted from the necessity which lies upon all the regular departments of the Government to make such estimates? Is there any reason why the Rural Electrification Administration should be freer in the expenditure of money for motor vehicles than is the Department of State, for example, or the Department of Justice? If this amendment is adopted, the new bureau may buy one or a dozen automobiles for every county in the country. Why should Congress control such expenditures?

The next and last provision in the amendment is for printing and binding. This is covered by section 219 of title 44, United States Code.

No head of any executive department, or of any bureau, branch, or office of the Government, shall cause to be printed, nor shall the Public Printer print, any document or matter except that which is authorized by law and necessary to the public business; and executive officers, before transmitting their annual reports, shall carefully examine the same and all accompanying documents, and exclude therefrom all matter, including engravings, maps, drawings, and illustrations, except such as they shall certify in their letters transmitting such reports are necessary and relate entirely to the transaction of the public business.

The purpose of that statute was to prevent what every Member of Congress knows to be a serious abuse in the printing and circulation of documents and circulars of various kinds.

This provision prohibits the Public Printer from publishing any document for which specific appropriation has not been made; but this exemption, if I read it correctly, would enable the Administrator of Rural Electrification to set up his own printing establishment, and publish documents and print circulars there, to be sent out in violation of general law.

Every Member of Congress knows perfectly well that the mail is literally flooded with useless publications which are being sent out from almost every branch of the Government. That is an abuse which has been going on for a quarter of a century. Congress, recognizing the existence of this abuse, has adopted the rule that no Member of the Senate or of the House may insert in the CONGRESSIONAL RECORD matter more than two pages in length without first obtaining a special estimate therefor. Yet here we undertake, by this provision, to exempt the head of the Rural Electrification Administration from this very wise restriction.

Mr. President, it seems to me to be perfectly clear that there is no need for this amendment. Failure to adopt the amendment will not defeat the purposes of the bill at all. The purposes of the bill are altogether laudable; but there is no reason why the head of the Rural Electrification Administration should be exempted from those wise restrictions which Congress, from the very beginning of the Government, has undertaken to throw around the expenditure of public funds. The amendment should be defeated.

Mr. KING. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. KING. Does not the Senator think there is greater necessity for the position he takes when we find in this bill an authorization, without any check or balance or control, for the appropriation of $5,000,000 a year for the administrative expenses of this organization?

It seems to me the position of the Senator from Wyoming is absolutely correct.

Mr. NORRIS. Mr. President, I discussed this amendment the other day; and I am not going to go over the ground again, even though the amendment be left out of the bill. It seems to me the Senate ought to have been satisfied with the discussion which then took place; but, of course, under our rules we may discuss the amendment a while today, and put it over until tomorrow, and have a long treatise on general law when it again comes up. I called attention the other day, however, to the fact that in many instances the amendment is an exact copy, word for word, of the provisions inserted in the acts creating practically every kind of activity for which Congress has provided.

When I introduced the pending bill I did not think that provision was necessary. It came in as an amendment suggested by the draftsman, for the reason that Congress had put that language, or that language in effect, in practically every kind of legislation it had passed. I listened to the Senator from Wyoming, whose remarks show that he has given a great deal of attention to this matter, for he has looked up these laws. I heard him read some of the laws; and while formerly I should not have cared if this amendment had been rejected, after hearing some of the laws the Senator cited I am rather convinced that it is absolutely necessary to put the amendment in the bill.

The Senator from Wyoming read several statutes which said that no appropriation should be allowed unless the act creating the agency that asked for the appropriation contained a provision that such a thing would be allowed.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. O'MAHONEY. There was no such provision in any of the statutes I read.

Mr. NORRIS. Then I did not hear the Senator aright.

Mr. O'MAHONEY. The provision in each case was "unless specifically authorized in the appropriating act."

Mr. NORRIS. If that is true, then I anticipate this will be the procedure, whether the amendment stays in or goes out of the bill.

This agency will go before the Appropriations Committee every year and will lay its cards on the table. I disliked to bring about delay in the administration of this particular bill when, on the face of the matter, I could not see any reason why it should be put over and put over and put over, and debated and debated and debated, without talking very much about the bill itself, and why day after day should go

by without taking any action, when as a matter of fact I have shown here, and I could show again if I were willing to take the time of the Senate, that the same language has been going into all similar acts. It is in the statutes creating all the organizations that have been established recently. I had a list of them. It is in the RECORD. I read the names of a great many of them, not all of them, but they are in the RECORD as a part of the debate.

Now, when we come to rural electrification, all at once Congress becomes technical and says, "No; we do not wish to have any printing and binding done. We do not wish to have any personal services rendered. We do not wish to have any automobiles provided. We do not wish to have anything done. We are going to put rural electrification on the spot. We can have these things provided in every other activity of this great Government, but when we come to rural electrification for the farmers of the country, they cannot have these things. Keep them out!"

Mr. President, I am going to suggest an amendment to the amendment which I think will satisfy these critics. If not, I hope the Senate will vote, and vote the amendment in or out.

I move that the amendment, beginning on line 14, page 7, be amended by inserting, after the word "Administrator", the words "within appropriations therefor", so that the amendment will read:

> The Administrator, within appropriations therefor, may make such expenditures—

And so forth.

I should like to ask the Senator from Wyoming whether that will not satisfy him.

Mr. O'MAHONEY. Mr. President, that would not reach the point I have raised, because my criticism of this amendment is not at all against the bill, as the Senator has assumed it is. I shall be very glad to cooperate with the Senator from Nebraska in urging the passage of the pending measure. I believe just as strongly as he does that the farmers of the country should have the benefits of the bill; but this amendment, which has nothing whatever to do with the merits of rural electrification, would permit the expenditure of lump-sum appropriations and the expenditure of contingent funds in a manner prohibited by law for all the regular establishments.

The particular Government establishments to which the Senator referred the other day were, for the most part, those which were set up for the purposes of the emergency which confronted us in March 1933. We are not dealing with an emergency now.

Of course, when emergency bureaus were set up to handle an emergency situation it was necessary to grant these exemptions, but when we undertake to set up, as this bill does, a practically permanent establishment, then we are meeting a very different situation.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly. I know very well the Senator can refer to several more or less permanent establishments which have this waiver. I may say to him that the first exemption I was able to find for any permanent establishment of government was for the Bureau of Mines in 1910. But that exemption was not nearly so comprehensive as this. It provided principally for books and stationery.

The next general exemption appears to have been adopted by the act of August 8, 1917, which created the Waterways Commission. This law authorized certain appropriations, but it will be observed that, unlike the pending amendment, it provided that the exemption should apply only to the small sum of $100,000, which was made available for the initiation of the work.

Let me quote the provisions of the act of August 8, 1917:

> The Commission is authorized to employ, or retain, and fix the compensation for the services of such engineers, transportation experts, experts in water development and utilization, and constructors of eminence as it may deem necessary to make such investigations and to carry out the purposes of this section. And in order to defray the expenses made necessary by the provisions of this section there is hereby authorized to be appropriated such sums as Congress may hereafter determine, and the sum of $100,000 is hereby appropriated, available until expended, to be paid out upon warrants drawn on the Secretary of the Treasury by the chairman of said Commission.

Now, this is the exemption:

> The Commission shall have power to make every expenditure requisite for and incident to its authorized work, and to employ in the District of Columbia and in the field such clerical, legal, engineering, artistic, and expert services as it may deem advisable, including the payment of per diem in lieu of subsistence for employees engaged in field work or traveling on official business, rent of offices in the District of Columbia and in the field, and the purchase of books, maps, and office equipment.

What I am complaining about with respect to the pending measure, if I may say so to the Senator from Nebraska, is that without submitting its requests to any committee of the Congress this bureau may expend its entire contingent fund, or if a lump-sum appropriation should be made, the entire amount of that sum, without regard to the very wise restrictions of general law. We should not overlook that during the years the various executive bureaus have been asking wider and wider and wider powers with respect to the expenditure of public funds.

The only possible effect of rejecting the committee amendment to the pending measure will be to require the Administrator of Rural Electrification to go before the appropriate committees of the Congress and show his case every year. It seems to me there is no reason why that should not be done.

Mr. NORRIS. That is what would be done under the amendment.

Mr. O'MAHONEY. It would not cover the cases of lump-sum appropriations or appropriations for contingent funds.

Mr. NORRIS. It would cover everything that is mentioned in the amendment.

Mr. O'MAHONEY. No; an appropriation for a contingent purpose would be an appropriation within which these expenditures could be made.

Mr. NORRIS. Mr. President, I said before that I was not going to rehearse the arguments again, but the Senator has made the same argument today that he made before, that here is something which is permanent, and he excuses the insertion of the language into the other acts because some of the activities thereby created were temporary.

In the first place, the activity created here is not permanent. It lacks only a year or two or being more permanent than many of the things which the Senator has called temporary.

I take out of my desk several laws at random, and the first one I pick up is the law referring to the Federal Power Commission. That is a permanent part of the Government of the United States, as permanent as a statute can make it. It is not as permanent as though it were provided for in the Constitution, I concede, but I know of nothing in the statutory law that is more permanent than that.

Let us read the language employed in that act:

> The Commission may make such expenditures, including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, books of reference, and for printing and binding, as are necessary to execute its functions.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. O'MAHONEY. The Senator will notice that there is no exemption there with respect to passenger-carrying vehicles.

Mr. NORRIS. No; there is nothing said here about passenger-carrying vehicles.

Mr. O'MAHONEY. There is no exemption there with respect to rent.

Mr. NORRIS. But the things that are mentioned are mentioned in my amendment. If we should examine the other statutes we would find in one or more of them everything covered here.

Mr. O'MAHONEY. The argument of the Senator may be answered by the mere statement that that provision of the Federal Power Commission Act, and the similar provisions in other recent acts, including the Home Owners' Loan Act, ought to be repealed. There is no way of preserving the

Budget system if every new bureau is to obtain an exemption from general law.

Mr. NORRIS. Mr. President, it is to be regretted that the able Senators who are so ready to criticize and spend so much time to find fault with this particular rural-electrification measure were not on their toes at the time we passed all these other laws.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. COUZENS. May I suggest that there is a difference between the act the Senator just read, the Federal Power Commission Act, and this bill, because this bill carries a blanket appropriation of $5,000,000 a year for 10 years, which may be spent for these purposes. There is no such provision in the Federal Power Commission Act, and that is quite a difference.

Mr. NORRIS. If the Senator will give me attention, this bill does not carry an appropriation. There is no appropriation provided in the bill. If the Senate shall agree to the amendment I shall offer after a while, if we ever get to it, there will not be an appropriation necessary for 2 years after the bill shall be enacted. But there is a difference between an appropriation and authorization of an appropriation. The appropriation will have to be made every year when we come to take up any bill which provides for the continuance of this particular activity among various governmental activities. It could not go on a day if there were not an annual appropriation. They would not have any money. They could not get any money except by an appropriation.

I would expect it, and I will expect it whether this amendment goes in or out; but I am of the opinion that an appropriation, even if it were put in with this language left out, would be subject to a point of order under some of the statutes which the Senator has read here this afternoon; and we would find ourselves in such shape that we could not appropriate for any of these purposes.

I wish to call the attention of the Senate to the fact that some of these items are necessary unless we are to handicap the administration of the rural-electrification service very materially. For instance, under the order under which they exist they now publish literature which is sent out to the farmers who want to organize telling them how to organize, calling their attention to what to do, what steps are necessary to be taken, giving them information which, if they had to write it out every time, would double the expense for stenographic services.

Mr. O'MAHONEY. Is there any reason why they could not get that permission every year?

Mr. NORRIS. None whatever; and that is just what they will do; and they will never do anything until they get the appropriations.

Mr. O'MAHONEY. May I say to the Senator that if this amendment is rejected, more of the money appropriated will be used for the farmers and less for administrative expenses than if the amendment which the Senator proposes shall be adopted. It ought not to be a part of this bill. There is absolutely no sense in maintaining a Budget Bureau or of Congress going through the form of making appropriations if bureaus are to be freed from restrictions upon expenditure which all experience proves are not only wise but necessary.

There is not the slightest necessity for furnishing every subordinate in the Rural Electrification Administration with an automobile. We can obtain the objectives of this legislation without giving the Administrator a free hand in the expenditure of public funds.

Mr. COUZENS. Mr. President, may I suggest that if the Senator is going to modify the provision as to using $5,000,000 a year for overhead expenses, that ought to be dealt with before we pass upon this other matter. I have no objection to this provision of the bill if it is clearly understood that they are to go to the Budget each year and come to Congress.

Mr. NORRIS. Does not the Senator think the language I have offered relieves it of any possible doubt?

Mr. COUZENS. I think it does; but I do not like to have blanket authority for $5,000,000 a year if we are to have this other language, anyway.

Mr. NORRIS. Very well. Let this amendment go over, and let us come back to it after we act on the other amendments.

Mr. COUZENS. I think that would be better, because they are tied together.

Mr. NORRIS. I ask unanimous consent that the consideration of the pending amendment be postponed temporarily.

Mr. O'MAHONEY. Mr. President, the Senator a few moments ago complained because a request was made last week that the amendment go over. My own feeling is that we will get further if we proceed at once. There is no reason why this argument should all be renewed tomorrow or the next day. The argument has been made now. The Senate ought to know the merits of the debate. I see no reason why we should have any further delay.

Mr. NORRIS. If the Senator objects, of course, it will not go over. Let us have a vote.

Mr. COUZENS. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CLARK in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Keyes	Radcliffe
Austin	Connally	King	Reynolds
Bachman	Copeland	Logan	Robinson
Bailey	Costigan	Lonergan	Russell
Barbour	Couzens	McGill	Schwellenbach
Barkley	Davis	McKellar	Sheppard
Benson	Dickinson	McNary	Shipstead
Bilbo	Donahey	Maloney	Smith
Black	Duffy	Metcalf	Steiwer
Bone	Fletcher	Minton	Thomas, Okla.
Borah	Frazier	Moore	Thomas, Utah
Bulkley	George	Murray	Townsend
Bulow	Gerry	Neely	Trammell
Burke	Gibson	Norbeck	Truman
Byrd	Gore	Norris	Vandenberg
Byrnes	Guffey	Nye	Van Nuys
Capper	Hale	O'Mahoney	Wagner
Caraway	Hastings	Overton	Walsh
Carey	Hatch	Pittman	Wheeler
Chavez	Hayden	Pope	White

The PRESIDING OFFICER. Eighty Senators have answered to their names. A quorum is present. The question is on the amendment of the Senator from Nebraska [Mr. NORRIS] to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment on page 7, beginning in line 14 and ending with line 21.

Mr. NORRIS. Mr. President, I cannot help but wonder why it is that Senators who are so anxious to have these appropriations made should vote against the amendment. In framing the amendment an endeavor was made fully to comply with their request. I simply desire to say to Senators now that this debate has been going on for 2 full days, and there is no need of discussing the question further.

I ask for a yea-and-nay vote on the pending committee amendment.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. SHIPSTEAD (when his name was called). I have a pair with the senior Senator from Virginia [Mr. GLASS]. I find I may transfer my pair to the senior Senator from Wisconsin [Mr. LA FOLLETTE], and am at liberty to vote. I vote "yea."

Mr. METCALF (when his name was called). I have a general pair with the senior Senator from Maryland [Mr. TYDINGS]. Not knowing how he would vote on this question, I withhold my vote.

Mr. McNARY (when his name was called). I have a general pair with the Senator from Mississippi [Mr. HARRISON], who is unavoidably detained. I am informed, however, that if present he would vote on this question as I intend to vote. I, therefore, am at liberty to vote. I vote "yea."

The roll call was concluded.

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD] is detained on account of illness.

I also announce that the Senator from Arizona [Mr. ASHURST], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Illinois [Mr. DIETERICH], the Senator from California [Mr. MCADOO], the Senator from Iowa [Mr. MURPHY], the Senator from South Carolina [Mr. SMITH], and the Senator from Maryland [Mr. TYDINGS] are detained in an important committee meeting.

I further announce that the Senator from Nevada [Mr. MCCARRAN], the Senator from New Hampshire [Mr. BROWN], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LEWIS], and the Senator from Louisiana [Mrs. LONG] are unavoidably detained.

Mr. BYRD. I announce that my colleague [Mr. GLASS] is detained on account of illness in his family.

The result was announced—yeas 41, nays 37, as follows:

YEAS—41

Bachman	Caraway	Murray	Sheppard
Barkley	Connally	Neely	Shipstead
Benson	Costigan	Norbeck	Steiwer
Bilbo	Donahey	Norris	Thomas, Okla.
Black	Fletcher	Nye	Thomas, Utah
Bone	Frazier	Overton	Trammell
Borah	Gibson	Pittman	Van Nuys
Bulow	Hatch	Pope	Wheeler
Burke	McGill	Robinson	
Byrnes	McNary	Russell	
Capper	Minton	Schwellenbach	

NAYS—37

Adams	Couzens	Hayden	Reynolds
Austin	Davis	Keyes	Townsend
Bailey	Dickinson	King	Truman
Barbour	Duffy	Logan	Vandenberg
Bulkley	George	Lonergan	Wagner
Byrd	Gerry	McKellar	Walsh
Carey	Gore	Maloney	White
Chavez	Guffey	Moore	
Clark	Hale	O'Mahoney	
Copeland	Hastings	Radcliffe	

NOT VOTING—18

Ashurst	Glass	Lewis	Murphy
Bankhead	Harrison	Long	Smith
Brown	Holt	McAdoo	Tydings
Coolidge	Johnson	McCarran	
Dieterich	La Follette	Metcalf	

So the committee amendment was agreed to.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NORRIS. Was there not an amendment passed over that came after the word "may" in line 12, page 7?

The PRESIDING OFFICER. The Chair is informed that there was another amendment which will be stated.

The LEGISLATIVE CLERK. On page 7, line 12, after the word "may", it is proposed to strike out the words "may appoint such officers and employees as he may find necessary, and prescribe their duties" and insert in lieu thereof the following: "without regard to the provisions of the civil-service laws applicable to officers and employees of the United States, appoint and fix the compensation of attorneys, engineers, and other experts, and he may, subject to the civil-service laws, appoint such other officers and employees as he may find necessary and prescribe their duties", so as to make the clause read:

SEC. 11. In order to carry out the provisions of this act the Administrator may accept and utilize such voluntary and uncompensated services of Federal, State, and local officers and employees as are available, and he may, without regard to the provisions of the civil-service laws applicable to officers and employees of the United States, appoint and fix the compensation of attorneys, engineers, and other experts, and he may, subject to the civil-service laws, appoint such other officers and employees as he may find necessary and prescribe their duties.

Mr. NORRIS. Mr. President, the amendment was offered by me the other day. As I offered it then I did not have the word "other" between the words "such" and "officers", but I later included the word as the clerk has just read it.

The PRESIDING OFFICER. The Senator has a right to modify his own amendment. The question is on the amendment of the Senator from Nebraska as modified.

Mr. SHIPSTEAD. Mr. President, as I heard the amendment read I got the impression that civil-service appointments are not made compulsory. Am I right in that understanding?

Mr. NORRIS. I think not. Civil-service appointments are compulsory in grades below those of experts and attorneys, who are not included in the civil-service appointments.

Mr. SHIPSTEAD. But as I understood the amendment, after exempting the experts and lawyers, it seemed to me that it is provided that the administrator may appoint other employees without regard to the civil-service laws.

Mr. NORRIS. There may not be anyone to appoint, but if he does find it necessary to appoint anyone, the appointment is subject to the law. He may appoint other officers or other officials, not in the exempted class, under the civil-service requirement. In other words, he might not find it necessary to appoint anybody, and of course if he did not he would not appoint anyone.

Mr. SHIPSTEAD. Does the Senator feel that makes it necessary, if he appoints anyone in that category, that it shall be done under the civil-service law?

Mr. NORRIS. I think there is no doubt about that.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska as modified.

The amendment was agreed to.

Mr. NORRIS. Mr. President, I believe that is all of the committee amendments. I have an amendment now which proposes to strike out section 3 of the bill and insert a new section. The amendment was agreed to in a conference with the Reconstruction Finance Corporation, the R. E. A., the Budget, and the President. I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 9, it is proposed to strike out section 3 and in lieu thereof to insert the following:

SEC. 3. (a) The Reconstruction Finance Corporation is hereby authorized and directed to make loans to the Administrator, upon his request, approved by the President, not exceeding in aggregate amount $50,000,000 in each of the fiscal years ending, respectively, June 30, 1937, and June 30, 1938, with interest at 3 percent per annum, upon the security of the obligations of borrowers from the Administrator appointed pursuant to the provisions of this act or from the Administrator of the Rural Electrification Administration established by Executive Order No. 7037: *Provided*, That no such loan shall be in an amount exceeding 85 percent of the principal amount outstanding of the obligations constituting the security therefor: *And provided further*, That such obligations incurred for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems shall be fully amortized over a period not to exceed 25 years, and that the maturity of such obligations incurred for the purpose of financing the wiring of premises and the acquisition and installation of electrical and plumbing appliances and equipment shall not exceed two-thirds of the assured life thereof and generally not more than 5 years. The Administrator is hereby authorized to make all such endorsements, to execute all such instruments, and to do all such acts and things as shall be necessary to effect the valid transfer and assignment to the Reconstruction Finance Corporation of all such obligations.

(b) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1939, and for each of the 7 years thereafter, the sum of $40,000,000 for the purposes of this act as hereinafter provided.

(c) Fifty percent of the annual sums herein made available or appropriated for the purposes of this act shall be allotted yearly by the Administrator for loans in the several States in the proportion which the number of their farms not then receiving central-station electric service bears to the total number of farms of the United States not then receiving such service. The Administrator shall, within 90 days after the beginning of each fiscal year, determine for each State and for the United States the number of farms not then receiving such service.

(d) The remaining 50 percent of such annual sums shall be available for loans in the several States and in the Territories, without allotment as hereinabove provided, in such amounts for each State and Territory as, in the opinion of the Administrator, may be effectively employed for the purposes of this act, and to carry out the provisions of section 7: *Provided, however*, That not more than 10 percent of said unallotted annual sums may be employed in any one State, or in all of the Territories.

(e) If any part of the annual sums made available for the purposes of this act shall not be loaned or obligated during the fiscal year for which such sums are made available, such unexpended or unobligated sums shall be available for loans by the Administrator in the following year or years, without allotment: *Provided, however*, That not more than 10 percent of said sums

may be employed in any one State or in all of the Territories: *And provided further*, That no loans shall be made by the Reconstruction Finance Corporation to the Administrator after June 30, 1938.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska.

Mr. NORRIS. Mr. President, this amendment is offered in place of section 3 of the bill. In the first place, it cuts down the amount from $100,000,000 a year to $50,000,000 a year for 2 years; and for the remainder of the time the amendment authorizes an appropriation of $40,000,000 a year. It also provides, instead of authorizing an appropriation for the first 2 years, that the Administrator shall get the money from the Reconstruction Finance Corporation for the first 2 years. The rate of interest is just the same. That is not different; but the Reconstruction Finance Corporation is to turn the money over to the Administrator, instead of having a direct appropriation.

That is to last for 2 years. After that the procedure under the bill is to be just the same as now provided, except that the amount is cut to $40,000,000 a year instead of $100,000,000.

There is another difference between the bill and the amendment. Section 3 of the bill provides for the yearly allocation by the Administrator of $70,000,000 for loans in the several States. Of course, since the amount is cut down, that figure had to be changed; and it is done in the way of percentages, instead of by naming a direct sum.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. NORRIS. I do.

Mr. BORAH. The sum total authorized to be appropriated in the section proposed to be stricken out is about $900,000,000; is it not?

Mr. NORRIS. Yes.

Mr. BORAH. And under the amendment it is how much?

Mr. NORRIS. It is $50,000,000 a year for 2 years, and $40,000,000 a year for 7 years.

Mr. BORAH. How is this money ultimately to be raised? In the first instance, it is to be borrowed from the Reconstruction Finance Corporation?

Mr. NORRIS. Yes.

Mr. BORAH. Are bonds to be issued at any time?

Mr. NORRIS. No; no bonds are to be issued. The money is to be borrowed from the Reconstruction Finance Corporation and loaned to these organizations. It may be loaned to cities, municipalites, and other subdivisions of government and organizations of farmers. Of course it is contemplated that practically all of it will be loaned to farmers who organize rural lines. They will organize under the incorporation laws of the State, and the loans will be made to them. In addition to that, loans may be made out of this fund for wiring houses and providing electric fixtures and pumping appliances.

There is one other difference which occurs to me now which I did not mention before. The amendment provides for amortization of the loans over a period of 25 years, and in the case of loans for wiring and electric appliances it provides that the time for which the loans may be made shall not exceed two-thirds of the life of the appliances, and usually shall be 5 years.

I think those are the only differences between this amendment and the section as we had it before.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. Yes; I yield.

Mr. KING. Where will the Reconstruction Finance Corporation obtain the $50,000,000 which is authorized to be appropriated for each of the first 2 years?

Mr. NORRIS. They will obtain the $50,000,000 in just the same way that they obtained all other money.

Mr. KING. The total amount borrowed from the Reconstruction Finance Corporation will be $100,000,000?

Mr. NORRIS. The total amount will be $100,000,000 in the 2 years; yes.

Mr. KING. Where will the Reconstruction Finance Corporation get the money?

Mr. NORRIS. They will get the money they loan to these organizations at the same place where they get the money they loan to a bank or to a railroad. That means that the money has been appropriated by Congress. After all, the origin of the money is just the same, and it will not cost any more. There will be this difference only:

The money in the possession of the Reconstruction Finance Corporation has been already appropriated to them. During the first 2 years they will loan $100,000,000 of it to the Rural Electrification Administration at 3-percent interest, and they are required to take the securities of the Rural Electrification Administration and loan them only 85 percent of the par value of those securities. The securities will consist of the notes I have mentioned, taken for the construction of the rural lines, and also for electric appliances.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Oregon?

Mr. NORRIS. I do.

Mr. McNARY. Has the amendment of the Senator from Nebraska been printed?

Mr. NORRIS. No; it has not.

Mr. McNARY. Then I may be pardoned for asking this question, although the Senator may have answered it:

Is the application for a loan under the terms of the amendment to be made direct to the Administrator of the Rural Electrification Commission, or is it to be made to the Reconstruction Finance Corporation?

Mr. NORRIS. It is to be made to the Rural Electrification Administration. The Reconstruction Finance Corporation will have nothing to do with making the loan. They are required under the amendment, however, to loan to the Rural Electrification Administration $100,000,000 in 2 years—$50,000,000 a year—upon the securities which the Rural Electrification Administration shall turn over to them on the basis of 85 percent of their par value.

Mr. McNARY. I naturally assumed that the Reconstruction Finance Corporation would finally pass on the value of the securities.

Mr. NORRIS. No; the Reconstruction Finance Corporation is not to pass on the value of the securities.

Mr. McNARY. Then is the amendment so framed that if the securities are satisfactory to the Rural Electrification Administrator, the Reconstruction Finance Corporation must loan the money to him upon the securities, whether or not the Reconstruction Finance Corporation believes them to be adequate?

Mr. NORRIS. If the Administrator certifies to them, if the Administrator is satisfied, he is to be entitled to borrow from the Reconstruction Finance Corporation 85 percent of the par value of the securities.

Mr. McNARY. I recall that when the Reconstruction Finance Corporation Act was before us, there was a phrase in it to the effect that loans should be made only upon adequate security. Suppose the members of the Reconstruction Finance Corporation should believe the security was not adequate?

Mr. NORRIS. As a matter of fact, under the bill as it was originally framed there would have been no such thing as borrowing money from the Reconstruction Finance Corporation.

Mr. McNARY. I appreciate that.

Mr. NORRIS. Of course, the Reconstruction Finance Corporation funds come out of the same pocket that this money would have come out of if it had been appropriated. Before, we authorized appropriations to that amount; and when the money was appropriated the Administrator of the Rural Electrification Administration was to loan it at 3 percent to build the different systems of electric devices, and take them as security. He practically will do that under this amendment, except that he is to get the money from the Reconstruction Finance Corporation instead of getting it from appropriations.

Mr. McNARY. I recall the authority granted to the Administrator in the original bill. In this amendment I understand it is provided that for 2 years the money is to be borrowed from the Reconstruction Finance Corporation by the Administrator. Then the question naturally arises, whose judgment would be followed as a business proposition?

Mr. NORRIS. There is not any doubt about that. I am not trying to conceal anything.

Mr. McNARY. No; I appreciate that.

Mr. NORRIS. The judgment of the Rural Electrification Administrator is the judgment that would prevail.

Mr. McNARY. Then does the amendment fit into the philosophy of the act creating the Reconstruction Finance Corporation?

Mr. NORRIS. I would not say that it does or that it does not. To my mind, that is immaterial.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska.

Mr. COUZENS. Mr. President, may I ask the Senator whether he proposes to change that provision of the bill which would appropriate $5,000,000 a year for overhead expenses?

Mr. NORRIS. Yes.

Mr. COUZENS. That is relevant, I think, to action on the pending amendment.

Mr. NORRIS. As soon as I can get to it, that is one of the amendments I shall offer.

Mr. McNARY. Mr. President, I desire to go forward with the bill as rapidly as possible, but I wonder whether the Senator wants the Senate to act upon his amendment now, or whether he would be willing to have it printed and taken up the first thing in the morning.

Mr. NORRIS. Mr. President, I should rather proceed with it now. Of course, it is up to the Senate; the Senate can do anything it pleases, but I should like to have the bill passed tonight, if that can be done.

Suppose I make a suggestion to the Senator, and see if it meets with his approval. I have quite a number of amendments to offer, some of them made necessary if the pending amendment shall be agreed to. I do not think any of them is of any importance except the one to which the Senator from Michigan has called attention. I wonder whether it would be agreeable to pass over the pending amendment temporarily and take up the other amendments and dispose of them, so as, if possible, to have nothing left undone except action on the pending amendment.

Mr. McNARY. There are a number of Senators absent from this side of the Chamber. I thought that, inasmuch as the amendment had not been printed, it might in the interest of fairness be wise to postpone action until the amendment had been printed. Speaking for myself, I should be willing to pass the amendment over until tomorrow and consider other amendments, so long as we do not finally dispose of the pending amendment. Is that the question propounded to the Senator from Oregon?

Mr. KING. Mr. President, will the Senator yield?

Mr. McNARY. I should like to have an answer, first, from the Senator from Nebraska.

Mr. NORRIS. What is the question?

Mr. McNARY. I understood the Senator to be willing to pass the pending amendment over for the day and let the Senate consider other amendments.

Mr. NORRIS. That is correct.

Mr. McNARY. I have no objection.

Mr. NORRIS. I should like to have the Senator from Utah, if he is to make a speech on the amendment, do so tonight. Let us go on that far.

Mr. KING. No; I think this amendment is too important to pass on tonight.

Mr. NORRIS. The Senator desires to speak on it tomorrow?

Mr. KING. Yes. I shall have a substitute to offer, and on the substitute I shall speak for 20 minutes or half an hour, and on the pending amendment just a few moments.

I should like to have my substitute printed so that Senators may have a chance to read it, and then, since the pending amendment is vital, and is a most important part of the bill, I should like also to have it printed, so that the Senate may have both the amendment and my proposed substitute before us tomorrow when it meets.

Mr. NORRIS. Mr. President, I am going to ask that the Senate take up the amendment to which the Senator from Michigan called attention, and which has no connection whatever with the pending amendment. We might just as well dispose of that tonight as to take it up afterward.

The amendment is on page 5, in lines 7, 8, and 9, to strike out the language "for the fiscal year ending June 30, 1937, and for each of the 9 years thereafter the sum of $5,000,000" and to insert in lieu thereof the words "such sums as shall be necessary."

The PRESIDING OFFICER. The Senator from Nebraska temporarily withdraws the pending amendment, and offers an amendment, which the clerk will report.

Mr. BORAH. Pending the reading of the amendment, may I ask the Senator what the effect of it would be?

Mr. NORRIS. As the bill now stands, it authorizes an appropriation every year of $5,000,000. No one knows just how much this activity will take, but that would be the limit. Many Senators have objected to that large amount, and I myself think it is too large. The amendment I am offering simply authorizes an appropriation of as much as Congress may deem necessary every year.

Mr. BORAH. This is simply an authorization?

Mr. NORRIS. It is.

Mr. KING. Mr. President, will the Senator permit an inquiry?

Mr. NORRIS. Certainly.

Mr. KING. Who will determine the necessity?

Mr. NORRIS. The appropriations committees will have that in charge.

Mr. KING. That is in conformance with the law. I have no objection to that.

Mr. ROBINSON. Mr. President, I believe the amendment proposed by the Senator from Nebraska is a substantial improvement on the language in the bill.

The PRESIDING OFFICER. The Senator from Nebraska offers an amendment, which will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 5, line 7, after the word "appropriated", to strike out the words "for the fiscal year ending June 30, 1937, and for each of the 9 years thereafter, the sum of $5,000,000" and to insert in lieu thereof the words "such sums as shall be necessary."

Mr. CONNALLY. Mr. President, who is going to say what is necessary?

Mr. NORRIS. The Committees on Appropriations.

Mr. CONNALLY. Does the Senator from Nebraska think that kind of authorization, which leaves it all open, is really an authorization at all?

Mr. NORRIS. Oh, yes; I think so.

Mr. CONNALLY. I know it is technically, but it is not within the spirit or theory of authorizations. The theory of authorizations is that we are going to set a limit somewhere, and then within that limit we can appropriate.

Mr. NORRIS. If we set a limit I would feel that it ought to be set high, but if an appropriation may become necessary before we can get the appropriation the request must come through the Committee on Appropriations.

Mr. CONNALLY. Of course, I understand that, but it seems to me that it is contrary to the spirit of the theory of authorizations, because where there is an authorization we know somewhere in the neighborhood of what we are going to spend.

Mr. ROBINSON. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield.

Mr. ROBINSON. I agree with the Senator's proposition that where the amount necessary is known, or can be known, the authorization ought to be specific. In this case I do not know how it would be possible to determine what will be the actual cost of administering the act, say, a year or two from now.

Mr. CONNALLY. Mr. President, will the Senator from Nebraska modify the amendment so as to make it read "not exceeding" some sum; set some sort of limit?

Mr. NORRIS. I had in the bill a limit of $5,000,000, and Senators want that taken out, and now the Senator from Texas wants to put it back. I am between two fires. I myself think it ought to be out. I like the provision much better the way it would be under the amendment than the other way.

If the Senate put the figure at $500, for instance, we know that would not be enough. But no one, so far as I know, can tell just exactly what is going to be necessary, and what is necessary this year may not be necessary next year. In order to get the appropriations it would always be necessary to go to the Committees on Appropriations.

Mr. BYRNES. Mr. President, will the Senator from Texas yield to me?

Mr. CONNALLY. I yield.

Mr. BYRNES. I was going to say what the Senator from Nebraska just stated, that, after all, this would be an authorization, and it would have to come to the Committees on Appropriations.

Mr. CONNALLY. Exactly. The Senator from South Carolina is on the Committee on Appropriations of the Senate, and, of course, he would be there to watch it. But a lot of us will not be on the Committee on Appropriations.

Mr. BYRNES. The Senator will be in the Senate and will be able to pass on it when it comes to the Senate.

Mr. CONNALLY. Being in the Senate and being on the Committee on Appropriations, when dealing with appropriations, are different things. I am not concerned with this particular item in this particular bill, but I am concerned with the practice of the Senate in adopting a policy of making blanket authorizations without knowing how much money we are to spend or what the limit is to be, for this reason. We would then make the Committee on Appropriations the absolute arbiter not only of the appropriations strictly, but the very question of our policy involved in every kind of a bill which comes before the Committee on Appropriations. I think it is a bad practice.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. PITTMAN. Does not the Senator think the Senator would be protected by his power at any time to offer an amendment restricting the amount of the appropriation?

Mr. CONNALLY. That is a beautiful theory. The Senator from Nevada has advanced a beautiful theory. Of course, the Senate, in the final analysis, is the master of what shall be done, but every Senator who knows anything about conditions knows that when a powerful committee comes on this floor with a recommendation for an appropriation, or any other matter which has been considered in the committee, it commands respect, and influence, and power.

The members of the committee are sitting on the floor watching the bill. Some job hunter has two or three of the Senators out in the cloakroom or out in the reception room. Other Senators may be engaged in committees. The bell rings, and they rush in. The question is "How shall we vote?" "We will vote with the committee." Then, of course, the whole thing is over. If any Senator is prepared to dispute that, I should like to have him rise in his place, and I will discuss the matter with him.

Mr. KING. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. KING. I am afraid the Senator followed that advice a moment ago and voted with the committee. If he had voted with the Senator from Wyoming [Mr. O'MAHONEY], we should not have had this impasse.

Mr. CONNALLY. I thank the Senator. The Senator from Texas claims no superiority over other Senators. The Senator from Texas is very much flattered if he may be regarded as just an average Senator. I am talking of just what the average Senator does. The Senator from Utah, in making the very unfounded charge he has made, simply illustrates my point that the average Senator rushes in and wants to know from the leader or from the chairman of the committee, "What is my vote?" Then he waits until the roll call is completed and rises and solemnly votes "yea" or "nay" without knowing anything about the merits of the question except what the chairman of the committee has told him.

I am for the pending bill. The Senator from Utah charges that I voted with the Senator from Nebraska awhile ago, and assigns that as a grievous error on my part. I am for the Senator's bill; but I do not want to adopt the practice here of making authorization for whatever may be necessary, for whatever we want to do hereafter, and all that kind of loose general language, because it just leaves the barn door wide open.

I have in my pocket a statement by the Republican National Committee, complaining bitterly that the administration has not spent all of the $4,880,000,000 that was appropriated. It just shows that when we have blanket authorizations there is always somebody getting up and demanding that the money be spent. Here is a press release headed "Republican National Committee"; and what is the complaint? I should like to have the attention of the Senator from Oregon [Mr. MCNARY].

The complaint is:

> Of the $4,880,000,000 appropriated by Congress last session to enable the President to carry on his Federal relief program in all its phases—

Listen:

> only $1,672,394,306.18 actually had been expended by December 31, 1935. The Relief Appropriation Act was signed by the President April 8, 1935; the funds appropriated became "immediately available and to remain available until June 30, 1937."

Those are the solemn words of a great party, through the Republican National Committee. I cannot quote all its words, because the statement is not only prolix but contradictory and confusing.

But, Mr. President, it illustrates what I was pointing out a moment ago. The present administration, if it desired to do so, could squander $4,000,000,000, and it has spent only $1,672,000,000. Now, we have the officials of a great political party in this country coming out and demanding to know why the administration has not spent all of the $4,880,000,000. The same thing will happen under the program we are now considering. If we make a blanket authorization, if we leave the barn door open, everyone who wants a project in the United States will be here demanding of the Appropriations Committee to open the flood gates saying, "Give us some more money", and they probably will have the backing of a great political party which hopes to get back into power demanding that the administration squander and turn loose $4,800,000,000 when it needs to spend only $1,672,000,000.

I return to this complaint of the National Republican Committee. What does all this failure to spend this money mean? Does it mean economy? No; not according to the Republican National Committee. Does it mean conserving the people's resources? Oh, no; it does not mean that! Does it mean halting this wild orgy of spending about which they talk so much? Oh, no! Here is what it means. The Republican National Committee says:

> This means that in the 9-month period ended December 31 last, the President and all his "spendingmasters general", doing their utmost, were able to spend only one-third of the amount which Congress appropriated, and that there remained at the disposal of the President for expenditure during the remaining 6 months of the period covered by the act, the 6 months ending June 30 next, two-thirds of the total relief appropriation.

What an outrage! What an outrage upon the rights of the American people! says the Republican National Committee. The present administration has spent only one-third of the money it might have spent! The Republican National Committee arraigns the administration at the bar of public opinion. It pillories it before the country as being inept, as being not responsive to the public interest. It should have poured out all of the $4,880,000,000, according to the theory of the Republican National Committee.

I quote further from the Republican National Committee:

> These astonishing facts—

They know that if they had been in power they would have poured it all out, and therefore the fact that the administration has conserved some of this money and still has it in the Treasury is an astonishing fact.

These astonishing facts, and others as startling, are found in the President's own report to Congress on the administration of the Federal Emergency Relief Act of 1935, a report, by the way, which for some unexplained reason never has been made public, having been kept under cover by the Vice President and by the Speaker of the House, to whose custody it was entrusted.

Then the Republican National Committee quotes the Relief Act itself. Then it goes on to complain bitterly:

All this means that the spending program of the administration, other than through Harry Hopkins and the Civilian Conservation Corps, has all but collapsed. The money is not being spent.

Think about it! The Republican National Committee say that the money in the Treasury is not being spent. So, then, what do they say? They make an attack on the bill of the Senator from Nebraska, and they say:

Rural electrification was another activity taken care of by Congress when it earmarked $100,000,000 for carrying electricity to the farms that have been depending upon the old coal-oil lamp. The President thought this was altogether too liberal and cut the allocation to a mere $8,774,231. Actually, up to December 31, rural electrification had expended only $310,239 and incurred obligations amounting to slightly more than that amount. At the pace it is going, rural electrification will make only a slight dent in its allocation by the end of the fiscal year, and most of the hundred million set aside by Congress will remain unexpended unless it is transferred to other agencies.

That statement is just in line with what I said a moment ago when I pointed out what would be likely to happen if we made an authorization such as is provided in the pending measure. Here is a great political party complaining that the money already appropriated for rural electrification has not all been spent. When we open up the gates here, and leave the barn door open by providing unlimited amount, it takes no vivid imagination, it requires no vision of a poet or of a novelist to envision the fact that the same influences will be here demanding more and more and more money, because here we have the solemn complaint of the Republican National Committee denouncing the administration, attacking President Roosevelt, assailing the Congress, laying at the doorway of the Senate and of the House a solemn protest, and making the indictment that, although the administration might have spent $4,800,000,000 if it had desired, it has been derelict in that it did not pour out that money without reason; that it has disregarded the interests of the people. Then when someone proposes that we ought to increase our taxes to balance the Budget, the same people come back and denounce the proposed levy of taxes as a waste of the people's money.

With one breath the responsible officials of the Republican Party denounce the administration for economy, for frugality, for a concern for the Treasury and the people's interests, and in the next breath demand that the Budget be balanced. Then when we proceed to attempt to balance the Budget by laying on new taxes they hold up their hands and cry to high heaven, "Do not levy any more taxes." Their doctrine seems to be that of an eminent Republican Congressman from east Tennessee, whose political creed was that he was always against all taxes, but heroically in favor of all appropriations.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. I yield.

Mr. BARKLEY. I desire to ask the Senator if he does not think that probably the criticism of the Republican committee for failure to spend this money is based on their desire to have criticized if it had been spent?

Mr. CONNALLY. Oh, to be sure, but it was not spent and so they could not criticize because we had spent it, and therefore, feeling that they had to criticize something, they criticized the fact that the administration had not spent it.

Mr. BARKLEY. The failure to spend deprives them of the opportunity to criticize if it had been expended, in which they then would have indulged.

Mr. CONNALLY. In other words, when there is a burning desire, an irresistible impulse, a sort of dipsomanical yearning to do something in the way of criticism, if one cannot find a vulnerable point for some affirmative action, he must certainly hunt for some negative action about which he may complain.

Mr. President, of all the remarkable political documents which have come to my attention within the past 3 vivid, stirring years, this press release of the Republican National Committee heads them all. The Republican Party has had a great and traditional history. It is a great party. It has produced many great men. At times it has rendered great public service to the country. But has it sunk so low in these stirring times, has it sunk so low in its hunger for power and in its ambition to return to the seats of the mighty, that it would issue a complaint like that which I have read?

O Mr. President, how desperate men must become, how great the craving for the fleshpots must be, if in their desperation they can find nothing upon which to base an attack or assault upon the President and the administration except that they have not spent $4,800,000,000 when they might have done so. When we reflect upon some of the transactions of that great party in the past, when I think of some of its lurid history, I can understand how some of its subordinates, some of the privates in its ranks, some of those who attain to moderate stations, could hunger for the right to spend $4,800,000,000. I can understand how their imagination could vividly portray what a saturnalia of spending, what an orgy of giving the boys their reward, would be presented to them if they could but have in their hands the expenditure of $4,800,000,000. When they contemplate the administration and the President, they say, "My God, what an opportunity! Oh, what an opportunity! The President has $4,800,000,000 at his command to spend, and the poor fellow has spent only $1,672,000,000. Oh, how he has overlooked that opportunity! Oh, that we had in the White House a man with vision and stature enough to rise to his opportunities and spend all the money in the Treasury!"

Mr. President, I commend these thoughts to the Senator from Nebraska in connection with the suggestion which I made about an unlimited authorization, because he can readily see what would take place if some administrations were in power.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska.

The amendment was agreed to.

Mr. NORRIS. Mr. President, the Chair stated a moment ago that the Senator from Nebraska had temporarily withdrawn his amendment. I should like to have the RECORD show that I have now reoffered the amendment.

Mr. ROBINSON. Mr. President, may I make the suggestion that the bill be printed with all amendments which have been agreed to?

Mr. NORRIS. Very well, but I should like to have the RECORD show that my amendment has been offered and is pending.

The PRESIDING OFFICER. The amendment of the Senator from Nebraska will be printed and lie on the table and will be considered the pending amendment. Without objection, the request of the Senator from Arkansas for the printing of the bill with all amendments adopted is granted.

Mr. WALSH. I offer an amendment which I ask to have printed and lie on the table.

The amendment intended to be proposed by Mr. WALSH was ordered to lie on the table and to be printed in the RECORD, as follows:

On page 6, line 14, after the word "order", to insert the following: "The provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) shall apply to any purchase made in expending funds loaned pursuant to the provisions of this act when the aggregate amount involved is more than $500."

Mr. WALSH. Mr. President, in connection with the amendment which I have just offered, I ask permission to have printed in the RECORD an explanation thereof.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE AMENDMENT

The purpose of this amendment is to make it mandatory that electricity be made available to rural families at the lowest possible cost. Revised Statute 3709 reads as follows:

"All purchases and contracts for supplies or services, in any of the departments of the Government, except for personal services, shall be made by advertising a sufficient time previously for proposals respecting the same, when the public exigencies do not require the immediate delivery of the articles, or performance of the service. When immediate delivery or performance is required by the public exigency, the articles or service required may be procured by open purchase or contract, at the places and in the manner in which such articles are usually bought and sold, or such services engaged, between individuals."

Under this law the Comptroller General of the United States has held that Government contracts must be awarded to the "lowest responsible bidder." It has possibly been assumed by the proponents of this legislation that Revised Statute 3709 applies to the loans authorized by this legislation. It has developed, however, that the expenditure of loans made by Federal agencies to States, municipalities, corporations, and associations organized under the laws of any State or Territory of the United States are not subject to Revised Statute 3709. In this connection the Comptroller General of the United States, in a decision no. A-67149, dated November 20, 1935, held that "questions relative to the use of funds loaned or granted to States, etc., under the terms of title II of the National Industrial Recovery Act of June 16, 1933, are not for determination by this office in the same manner as are questions relative to the use of appropriated moneys in connection with contracts let by the United States. The matter here involved is primarily for consideration by the Federal Emergency Administration of Public Works and the State authorities." The Comptroller General rendered this decision in connection with a letter submitted to him protesting the rejection by the State of Rhode Island of a bid in the sum of $32,412.90, and the acceptance of a bid nearly $7,000 higher in the amount of $39,252. The work involved the use of funds obtained from the P. W. A., and, as pointed out above, because the contract was between the State of Rhode Island and a private contractor the Comptroller General stated he lacked jurisdiction because the contract was not "let by the United States." The same situation prevails in connection with loans made by the Rural Electrification Administration, and will prevail in connection with the hundreds of millions to be spent under this bill if this amendment is not adopted.

The funds provided in this bill are to be loaned to "States, Territories, and subdivisions and agencies thereof, municipalities and peoples' utility districts, cooperative nonprofit or limited dividend corporations and associations organized under the laws of any State or Territory of the United States." None of the above groups eligible for loans who will use the funds authorized are agencies of the Federal Government, and therefore their contracts for the expenditure of these funds will not be "contracts let by the United States", and will not, therefore, be subject to the provisions of Revised Statute 3709.

The funds now being used by the present Rural Electrification Administration were appropriated in Public Resolution No. 11, Seventy-fourth Congress, known as the Emergency Relief Appropriation Act of 1935. Section 2 of that act contains the following language:

"The provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) shall not apply to any purchase made or service procured in carrying out the provisions of this joint resolution when the aggregate amount involved is less than $300."

The proposed amendment is based on the above language taken from the Emergency Relief Appropriation Act of 1935. Purchases and services in an amount less than $500 are exempt from the provisions of Revised Statute 3709 in the proposed amendment because it is not deemed advisable or feasible to make the loans in section 5 of the proposed legislation subject to that statute. The loans in section 5 are to be made for the purpose of financing the wiring of residences of consumers of electrical energy and for the acquisition and installation of electrical and plumbing appliances and equipment for such consumers. It would not be practical or reasonable to expect such borrowers to hold bids and make awards to the lowest responsible bidder. However, it does seem advisable to make purchases of materials and acquisition of services in excess of $500 which will apply largely to the loans authorized in section 4 for the "construction and operation of generating plants and electric transmission and distribution lines or systems" subject to this principle.

Both R. E. A. and P. W. A. have established as part of their administrative policy the principle of requiring borrowers to award contracts to the "lowest responsible bidder." In most instances this policy has been adhered to by borrowers as a result of the insistence of these agencies. These agencies were emergency agencies, however, whereas the Rural Electrification Administration to be established by this bill is a semi-permanent agency of the Federal Government. This amendment will insure the construction and operation of generating plants and electric transmission and distribution lines or systems at the lowest reasonable cost. The use of these funds in any other manner would defeat the primary purpose of this legislation. The cheaper satisfactory generating plants and distribution systems can be constructed and operated, the lower the cost of electricity to the rural consumers who are to be benefited.

A copy of the Comptroller General's decision, no. A-67149, follows:

NOVEMBER 20.

CUNNINGHAM, SEMONOFF & KELLY, Esqs.,
301 Frosvenor Building, Providence, R. I.

GENTLEMEN: Referring to your letter of October 30, 1935, receipt of which was acknowledged November 5, you are advised that there has been investigated your protest against the rejection of a proposal submitted by Bolduc in the sum of $32,412.90, and the acceptance of a proposal submitted by the New England Machine & Electric Co. in the amount of $39,252 for lighting the Hillsgrove Airport at Hillsgrove, R. I.

The Federal Emergency Administrator of Public Works reported in a letter of November 14, 1935, that the contract was between the State of Rhode Island and the New England Machine & Electric Co.; that, while certain Federal funds were made available to the State of Rhode Island for the purpose, the contract was a State contract and that questions as to the validity and legality of the contract and its award are now involved in litigation instituted in the courts of the State of Rhode Island.

Questions relative to the use of funds loaned or granted to States, etc., under the terms of title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200 et seq.), are not for determination by this office in the same manner as are questions relative to the use of appropriated moneys in connection with contracts let by the United States. The matter here involved is primarily for consideration by the Federal Emergency Administration of Public Works and the State authorities.

There appears no further action this office properly may take in this matter.

Respectfully,

J. R. MCCARL,
Comptroller General of the United States.

FRANK B. NILES

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2188) for the relief of the estate of Frank B. Niles, which was, on page 1, line 8, after "Niles", to insert "now deceased."

Mr. BULKLEY. I move that the Senate agree to the amendment of the House.

The motion was agreed to.

PETER CYMBOLUK

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2961) for the relief of Peter Cymboluk, which was, on page 1, line 6, to strike out "representing" and insert "in full settlement of his claim against the United States for."

Mr. MINTON. I move that the Senate agree to the amendment of the House.

The motion was agreed to.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CLARK in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. GUFFEY, from the Committee on Commerce, reported favorably the nomination of Stuart A. Rice, of Pennsylvania, to be chairman of the Central Statistical Board.

Mr. ASHURST, from the Committee on the Judiciary, reported favorably the nomination of John C. Riley, of Arkansas, to be United States marshal, western district of Arkansas, vice Cooper Hudspeth, whose term expires April 5, 1936.

Mr. KING, from the Committee on the Judiciary, reported favorably the nomination of Golden W. Bell, of California, to be Assistant Solicitor General.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the calendar.

JOHN C. RILEY

Mr. ROBINSON. Mr. President, the nomination of John C. Riley, of Arkansas, to be United States marshal for the western district of Arkansas has just been reported favorably from the Judiciary Committee. I ask unanimous consent for the immediate consideration of the nomination.

The PRESIDING OFFICER. The nomination will be read.

The legislative clerk read the nomination of John C. Riley, of Arkansas, to be United States marshal for the western district of Arkansas.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. ROBINSON. I ask that the President be notified.

The PRESIDING OFFICER. Without objection, the President will be notified.

THE CALENDAR—POSTMASTERS

The PRESIDING OFFICER. The calendar is in order.

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 48 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 5, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 4 (legislative day of Feb. 24), 1936

PUBLIC WORKS ADMINISTRATION

James W. Carey, of Washington, to be State engineer inspector for the Public Works Administration in Washington.

UNITED STATES ATTORNEY

Lamar Hardy, of New York, to be United States attorney, southern district of New York. (Mr. Hardy is now serving under a recess appointment.)

UNITED STATES MARSHAL

John C. Riley, of Arkansas, to be United States marshal, western district of Arkansas, vice Cooper Hudspeth, whose terms expires April 5, 1936.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 4 (legislative day of Feb. 24), 1936

UNITED STATES MARSHAL

John C. Riley to be United States marshal, western district of Arkansas.

POSTMASTERS

ARKANSAS

Belle M. Westbrook, Beebe.
William D. Fowler, Brinkley.
James Thweatt, De Valls Bluff.

INDIANA

Clarence H. Andres, Batesville.
Edward H. Scales, Petersburg.
Roy Beck, Tipton.
Perry R. Moore, Zionsville.

KENTUCKY

Mattie Blackwell, Dixon.
Davis N. Thomas, McKee.
Joseph B. Ellington, Nortonville.
Lucy W. Dyer, Sturgis.

MICHIGAN

Max P. Ladwig, Baroda.
Claar M. Bedinger, Berrien Springs.
William M. Story, Bloomfield Hills.
Gustav H. Knaak, Jr., Bridgman.
A. Glenn Haslett, Buchanan.
Thomas R. Bradford, Burr Oak.
Frank Mandigo, Centerville.
Harry C. DeField, Coloma.
George W. Pidgeon, Constantine.
Herbert H. Creagan, Decatur.
Gladys E. Gaskill, Delton.
George C. Du Vall, Fennville.
Clara Woodruff, Freeland.
Bernard R. Micks, Gladstone.
Nina May Chapman, Kenton.
Lydia E. Wilkinson, Lakeside.
Irwell Brody, Lawton.
Gerald P. Riley, Mendon.
Clifford A. Gardner, Middleville.
Fred C. Franz, Niles.
William F. Murphy, St. Joseph.
Archie G. O'Neal, Saugatuck.
Harold E. Merritt, South Haven.
John E. Bommerscheim, Three Oaks.
John F. Cross, Three Rivers.
Wilbur E. Davis, Vandalia.
John R. Crumb, Watervliet.

NEW YORK

Hattie D. Lyon, East Setauket.
Frank P. Morstatt, Garnerville.
Walter E. Slattery, Lima.
John P. Samascott, Loudonville.
James F. Cronin, Portville.
E. Edward DeCamp, Smallwood.
Edward N. Skinner, Westfield.

NORTH CAROLINA

Emma P. Chambers, Warsaw.

TENNESSEE

Myrtis F. Ramer, Bethel Springs.
Richard M. Austin, Decherd.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 4, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, Thou art our Father and Thy love goes far out beyond our dreams; all glory be unto Thy excellent name. Help us to walk with Thee and bind our feebleness to Thy strength. The touch of Thy hand upon us will shelter, save, and redeem us; let us taste and see that the Lord is good. O spare us from that one false note which may go on working and producing and which we cannot bring back. Blessed Lord, while our joys are at times touched with pain and shadows fall upon our brightest hours, with confidence may we lift our hearts to Thee and say, "God is good." Impress us that while Thou art God it is always right to do right. There can be no world, star, nor universe where it is not best to do right. Hearken, Heavenly Father; cleanse us from secret faults; keep back Thy servants from presumptuous sins; let them not have dominion over us; then we shall be upright and we shall be innocent from the great transgression. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8886. An act to authorize the coinage of 50-cent pieces in commemoration of the sesquicentennial anniversary of the founding of the city of Columbia, S. C.

The SPEAKER. Under the special order for today, the Chair recognizes the gentleman from Ohio [Mr. HARLAN] for 15 minutes.

PERMISSION TO ADDRESS THE HOUSE

Mr. HARLAN. Mr. Speaker, on the Speaker's table is a petition pertaining to a bill which would raise the Smoot-Hawley tariff rates on dairy products and poultry from two to three and one-third times. The bill is so extreme; it could just as well provide that hereafter no dairy products, eggs, or poultry shall be imported into the United States. [Applause.]

However, this absurd bill does certainly reflect some localized back-home demand or it would not be here. The creation of this demand merits our attention. This demand is the direct product of as skillful a campaign of falsehood and baseless alarm as this country has ever witnessed. It has been engineered by political experts who know the deadly effectiveness of an emotional appeal. They know that if the emotions of fear or patriotism or avarice are once aroused, reason and common sense make a rapid exit.

Two of the weakest Presidents we have had since the Civil War were swept into office by a wave of fear created by the cry, "Save the Constitution." In each case, following the election, those patriots who directed the campaign and pulled the ropes entered upon such a carousal of corruption and an orgy of governmental debauchery as few countries would tolerate.

Those who with simulated fear shriek "communism" or "dictatorship" hope that the people in panic will forget the suffering and near revolution that governmental imbecility brought to our very doorsills 3 years ago.

Those tariff profiteers who, since the World War, have sucked the very lifeblood out of agriculture and have mercilessly exploited labor, are now screaming "free trade" and "save our living standard" every time they mention trade reciprocity. Their obvious purpose is to freeze with fright their former victims and give legitimate nonchiseling industry an emotional spasm.

The bill on the Speaker's table is backed by a part of the dairy industry under such influence. This industry has seen the wholesale price of butter, cheese, live cattle, hides, and beef more than double in the past 3 years, and the wholesale price of milk increase 66 cents a hundred. It has seen the sale value of livestock, with dairy and livestock products, increase a billion two hundred million dollars annually, and yet when the Government, through reciprocity treaties, begins to restore the tariff duties existing from 1922 to 1929, a period of the highest dairy prosperity, it yields to politically fomented cries of alarm and joins forces with the tariff despoilers who have always been the worst enemies of agriculture. It hears the cry of "wolf" and does not stop to examine the facts.

A congressional dairy spokesman the other day gave us a list of imports from Canada showing a great increase for January 1936 over January 1935. Five of the items on that list were not even touched by the reciprocity treaty, but a frightened dairyman is not supposed to discover that obvious fact.

Our House of Representatives fortunately does not absorb all the tariff fallacies. I direct your attention to a part of the debate in Parliament at Ottawa relative to the trade agreement with the United States:

Mr. Bennett said, "My Government could have made an agreement like this one."

"Then why don't you do it?" a liberal member shouted.

"Because," Bennett replied amidst conservative applause, "I prefer my country to office." He added, "I oppose this agreement because it sacrifices Canada, because it is detrimental to Canadian industry, and because it gives everything we had to give and gets little in return."

Our Canadian imports have increased to $20,130,000; our exports in the meantime have increased to $26,285,000. But exports are something that these political fright mongers do not like for the voters to notice. It is also true that our imports from Canada have increased 15 percent, while our exports have increased only 13½ percent, but at the same time our imports from the world at large, most of which has not been affected by reciprocity treaties at all, have increased 24 percent, while our exports have increased only 7 percent. Those people who still cherish that mythical favorable balance of trade will see that we are preserving that condition far better with Canada under reciprocity than we are with the rest of the world under the Smoot-Hawley tariff.

One of our congressional brothers recently reciting this 24-percent increase in imports as against a 7-percent increase in exports trembled with fright, shed buckets of metaphorical tears, and wailed that our reciprocity treaties were destroying our precious favorable balance of trade. The cold facts, cleared of cheap and simulated emotion, are that by the end of 1935 the total imports upon which reciprocity reductions had been granted amounted to $110,000,000. These same imports in 1934 accounted for $79,000,000. Now, if we assume, contrary to fact, that these reductions were in effect during all of 1935, and also assume, contrary to fact, that neither drought nor industrial recovery affected this increase in the least, then this increase of $31,000,000 on duty-reduced goods could not possibly have accounted for more than one-twelfth of our import increases. Eleven-twelfths were imported under the Smoot-Hawley Tariff Act.

Obviously we shall have to look beyond our reciprocity treaties to find out why our favorable balance of trade is disappearing. A debtor nation that becomes a creditor nation, that shuts off immigration, increases its merchant marine, and stops giving away money in the form of fake foreign investments will lose its so-called favorable balance of trade, let the tariff walls reach the clouds or completely disappear.

From '22 to '29 we had our highest peacetime favorable balance of trade. Our new reciprocity rates merely reestablish tariff conditions existing at that time. If tariffs create favorable trade balances, reestablishing these former rates ought to bring a huge success.

The dairy industry also would do well to recall that its greatest peacetime period of prosperity existed under this former tariff law. If we believe that this prosperity was due to the tariff, why not try the old rates over again before we adopt embargoes or any new tariff tinkering? But the proponents of the pending bill say that the dairy industry is entitled to a total embargo. It ought, they say, to have the complete home market. That seems reasonable on its face, but what about the $13,600,000 of annual dairy exports? Not to mention the $15,800,000 of cured leather? Shall that market be preserved also? If so, can we expect industry to pay for all these exports by permitting only industrial imports? Human beings are not made that way. If the dairy industry gets a watertight embargo, manufacturing will insist on the same, and your dairy exports will be wiped out.

All of the evidence is that the prosperity of the dairy business depends upon the general prosperity of the country far more than on any tariff duties. From '13 to '22 feeder cattle were imported free of duty; from '22 to '29 the highest duty was 2 cents; after '30 the duty was 3 cents. Yet the prosperity of this business has steadily declined as the duty rose.

In '29 the average butter price was 45 cents; the tariff was then raised from 12 to 14 cents a pound, and the butter price reached a low of 15 cents a pound. In '26 the butter tariff was 8 cents, while the wholesale price was 47 cents. There seems to be no basic connection to be established between the tariff and the price.

In 1931, under a high-tariff administration, our Department of Commerce published a pamphlet—The Outlook for the Dairy Industry. This showed clearly that the price of

butter fluctuated with the size of pay rolls. It also pointed out that the consumption of milk varies directly with the size of the family income, and declines as employment drops.

There is no single group amongst us that has such a stake in the revival of our general exports as dairymen, even aside from their own valuable export industry. Farmers who can no longer sell their cotton, corn, or tobacco abroad graze their fields. City workers thrown out of employment by the decline of export markets go to small farm plots and purchase a cow or a goat. Under the prepanic tariff rates, which we are trying to reestablish through reciprocity, our exports amounted to $5,000,000,000 and supported from two and a half to three million families. Let us get those families back to buying milk, cheese, butter, and meat, and the dairy problem is solved.

The American Creamery and Poultry Produce Review knows wherein the interest of this business lies. It says:

THE CANADIAN TRADE AGREEMENT

The Review unhesitatingly applauds as sound policy in principle the trade agreement recently consummated between Washington and the Dominion of Canada. The concessions made will, it is true, adversely affect at least for a time, certain enterprises and industries on both sides of the border. But the advantages of cultivating larger commercial relationships with a good neighbor whose manner of living, whose trend of thought, whose ideals and ideas of government, and whose prevailing tongue are very nearly identical with our own must be apparent.

Friendship and a mutual appreciation of a common interest in peace grow with trade and with a general realization of business interdependence. We look forward to the day when the border line separating us from Our Lady of the Snows can, with mutual benefit, be made as innocent of restrictions as it is today innocent of fortifications and instruments of war.

But the tariff agitators say that the lower reciprocity rates have already injured the cheese market, causing a price decline of 3 cents per pound during February. They neglect to say, however, that during the same time butter and milk increased in price; they also forget that even with this decline the average cheese price for January 1936 was 2 cents higher than the average for January 1935 when there was no reciprocity treaty. The decline in the cheese market was due to very obvious causes entirely apart from the tariff.

[Here the gavel fell.]

By unanimous consent Mr. HARLAN was granted 5 additional minutes.

Mr. MARSHALL and Mr. ANDRESEN rose.

Mr. HARLAN. I yield to my Buckeye colleague, the gentleman from Ohio.

Mr. MARSHALL. I hesitate to quibble with a good neighbor of mine——

Mr. HARLAN. Go ahead.

Mr. MARSHALL. Since the gentleman spoke about the criticism of the reciprocity tariffs being prompted by emotion, I just want to ask the gentleman whether or not there had come to his desk in the last day or so the report of the National Paper Board Association, since in the gentleman's district there are so many manufacturers of paper board.

Mr. HARLAN. It has not.

Mr. MARSHALL. That is not prompted by emotion.

Mr. HARLAN. I cannot yield any more—my time is so short.

During the latter part of 1935, long before the Canada treaty, cheese prices were high as compared with butter prices. This stimulated cheese production, which in December amounted to 38,800,000 pounds, the greatest production of cheese ever recorded in that month. Cold-storage holdings of cheese on February 1 were 78,200,000 pounds as compared with 71,000,000 pounds a year earlier and a 5-year average of 60,600,000 pounds. The price of cheese either had to fall or the consumption of cheese had to increase to an unprecedented level—trade agreement or no trade agreement.

This cheese argument, which ignores essential facts and misinterprets those given, is a fine example of all the tariff hokum that has been injected into the CONGRESSIONAL RECORD in recent months.

The reiteration of that old saw about our wage scale being dependent upon a high tariff is as well permeated with cheese as the cheese argument itself. In 1784 Benjamin Franklin had this to say of the wage scale in America:

Several of the princes of Europe, having of late formed an opinion of advantage to arise by producing all commodities and manufactures within their own dominions so as to diminish or render useless their importations have endeavored to entice workmen from other countries by high salaries, privileges, etc., * * *. This, however, has rarely been done in America * * * labor being generally too dear there. And when the governments have been solicited to support such schemes by * * * imposing duties on importation of such goods, it has been generally refused. * * * Hence it is that artisans generally live better and more easily in America than in Europe.

Alexander Hamilton, in his report on manufactures in 1791, had this to say:

* * * these and similar causes conspire to produce and for a long time must continue to occasion a scarcity of hands for manufacturing occupations and a dearness of labor generally.

A high wage scale was here before any tariff and has stayed here since, due to the high productivity of our labor, rich resources, favorable climate, unlimited power, and inventive genius. Because of these conditions there is no labor in the world, however cheap, that can compete with ours in occupations suitable to our race, our country, and climate. Take rice, the great product of coolie labor; we sell quantities of it on the oriental market. Japan is our second best customer for rice, although our wage rate is 20 times as great as that of the Chinese producer, and we have a tremendous shipping disadvantage to overcome.

In 1927 our Labor Department made a survey of the worsted industry in the United States, England, and Germany. The Yankees tended from 4 to 12 looms; abroad, even where automatic looms had been installed, the workers tended one or two. The yardage produced in shorter hours here were 400, England 212, Germany 147.

Our 1929 census shows the average wage paid in 36 typical exporting industries which sell on a world market and get no benefit from tariff, to be $1,704 per year, while the average wage of 36 typical protected industries which owe their wages to tariff to be $1,109 per worker. Of the 72 industries the highest average wage in the protected group is only slightly greater than the lowest in the industries not depending upon protection.

Dr. Taussig, of Harvard University, says:

Those countries have high money wages whose labor is efficient in producing exported commodities and whose exported commodities command a high price in the world market.

The Tariff Commission in 1922, under a Republican administration, reported on the window-glass industry in the United States and Belgium. The average American worker produced 5.2 boxes per day as compared to 3.5 boxes in Belgium. Our plate-glass workers had an even greater advantage, and since 1922 this advantage has increased. The International Labor Office in 1931 found America to have the same advantage in the coal-mining industry. All of those foreign countries that have surrounded us by a veritable cordon of tariff walls because their labor costs cannot compete with ours know what they are doing.

All this does not mean, however, that if drastic reductions were made in the tariff duties and our whole industrial system disorganized, labor, like all the rest of us, would not suffer. Such a step would be little less than economic suicide, and it is because everyone realizes this that the labor exploiters and political ballyhoo artists continue to shout "free trade" and make such dire prophecies before each reciprocity treaty is completed. Reciprocity measures are prepanic tariffs; nothing else. There is no free trade in it.

So far all of these gloomy prophecies have been decided duds. We were told that the Belgium treaty would ruin the steel business, yet the American Exporter for February 1936 contains the following:

That agreement became effective May 1, yet by November steel production in the United States was the largest of any November since 1929.

Nor did prices suffer from imported steel. The Iron Age Composite price of iron and steel products at the end of the year was the highest since 1930. Moreover, rumors of price advances to take effect early in the new year were persistent.

And as the new year opened general business was at the highest level in 5 years.

The gentleman from Minnesota [Mr. KNUTSON] the other day used up a lot of synthetic emotion over the Match Trust, ruined, he said, by reciprocity. A dispatch in the Washington Post of January 24 reads as follows:

Stockholders and regularly employed workers of Diamond Match Co. shared in an extra dividend declared today by directors. The regular semiannual dividend on the preferred stock, amounting to 75 cents a share, and an interim dividend of 50 cents a common share were declared by directors, payable March 2 to stock of record February 15. In addition, an interim disbursement of 25 cents a common share was ordered, payable June 1 to stock of record May 15.

At the same time directors ordered a labor dividend of the same total amount as the extra, about $325,000, paid to employees of the concern, exclusive of the management and the high-salaried group.

The Cuban treaty produced prophecies of ruin to our beet-sugar industry, yet this industry has marketed at profitable prices all it could produce and was wholly unable to reach its allowed quota. The Swiss treaty was designated as the ruination of our watch business, yet the New York Journal of Commerce for January 21 contains the following:

The American Watch Assemblers' Association has sent a telegram to Secretary of State Cordell Hull praising the proposed reciprocal-trade treaty between this country and Switzerland and expressing the view that it will tend to create a better spirit of cooperation between the two countries and help to curb smuggling of foreign watch parts, it was announced yesterday by Samuel L. Kuhn, executive secretary of the organization.

The telegram said that the association believed that the treaty will increase commerce between the two countries and "be of material benefit to American business firms, workers, and consumers."

In reference to the treaty as a whole, the New York Herald Tribune, a bitter antiadministration paper, on February 27 said:

* * * Considered impartially and as a whole, it is surely a gratifying response to Mr. Hull's labors and excellent proof that reciprocity pays. The volume of trade is still, of course, a mere fraction of what it became in the late twenties. Years, probably, must elapse before it attains again its proportions in that halcyon era. However, the climb seems to have begun, and if and as it accelerates let us bear in mind that it is subject to quite as much protection as that afforded by the Fordney-McCumber tariff. That was considered ample at the time. We know of no sound reason why it should not be so considered today.

Mr. Harper Sibley, president of the United States Chamber of Commerce, in addressing the Canadian Chamber of Commerce, says:

Examples of Canada and the United States in recent years have been much of a beacon light to a world floundering in a sea of trade restrictions. * * * The world had been watching efforts of Secretary of State Cordell Hull to bring about wider interchange of products between the United States and countries with which it traded. * * * That treaty has had great world significance. It has signaled the willingness of Canada and the United States to work for greater trade liberation.

As against all of this, the price of cheese dropped 3 cents in January. "Save the Constitution." "We are flooded with imports." "Labor is being pauperized." "The red flag of Moscow is supplanting the Stars and Stripes." "Free trade is here." "We are bankrupt." "Our liberty is gone." So is your old man. [Applause.]

STATUTE LAW VERSUS ECONOMIC LAW

Mr. MAPES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio speech made last night by the gentleman from Connecticut [Mr. MERRITT].

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MAPES. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address delivered over the radio last night by the gentleman from Connecticut, Mr. MERRITT:

It is strange how slow the human race has been in perceiving and acknowledging that this world and its inhabitants are part of a universe governed by law. When the Old Testament was written, natural phenomena were generally considered to be special acts of God, either intended to show His pleasure or displeasure with something which man had done. In the middle of the sixteenth century Copernicus proved, contrary to general belief, that the earth revolved about the sun. But 150 years had elapsed before it was safe for anyone to express belief in the Copernican theory.

In the same way it took ages to convince the world that the human body and human life were governed by law so that the practice of medicine came to be a science instead of magic.

It is to be noted that in both the above instances men were dealing with physical science and concrete facts which could definitely be proved, but when we come to questions of human conduct and human relations we get into a more difficult field.

Because no human being acts or reacts uniformly even under the same conditions, and when one variable being is dealing with another, and, still more, when one class or nation is dealing with another class or nation, the problem contains an infinite number of variables. The wise young men who originated and tried to manage N. R. A. found out even before the Supreme Court declared the scheme was opposed to constitutional law that it was contrary also to human nature and to economic law. They supposed that all that was necessary was for them to decide what they thought was the proper way to conduct business and then to write a statute to put their plan into action. But they soon found that so far from fitting all business it did not fit any business. The Board which was ruling N. R. A. was soon swamped with problems and conditions which they were obliged to consider and straighten out so business could proceed. Before the Board was put out by the Court it had issued literally tens of thousands of orders to meet these difficulties, and N. R. A. was practically dead because it was contrary to the economic law of supply and demand and also because business must be conducted by those who are skilled in it.

The force of economic law was shown also by the fact that as soon as N. R. A. was killed business came to life and has been growing ever since.

It is also a law of economics that wealth can only be created by labor which produces objects useful to the human race in greater quantity than current consumption. Thus in early ages the tribe or family who had more skins or wool or corn than they needed for their own use were capitalists and on the road to wealth. These useful articles were exchanged by barter until, by the advances of civilization, they became so numerous that it was necessary to agree upon some common medium of exchange, whether beads or wampum or, finally, gold; or, in the last century or two, paper which was supposed to represent gold. This medium of exchange called money has been the cause and the inflating gas of many financial bubbles and dreams of wealth and of numerous attempts by various nations in different eras to alter or overcome economic law by statute law.

All these bubbles have burst and the inflating gas has blown away, leaving nothing behind but disappointed hopes, privation, and suffering. And, as I said in the beginning, the strange thing is that in this matter of money one generation does not learn from another. But when as a result of war or commercial catastrophe a depression occurs it is certain that various cure-alls will appear and equally certain that every one of them will contain a provision in some form to make by law something out of nothing.

The experience of France with the paper assignats, at the end of the eighteenth century, or of Germany after the great war, mean nothing to the schemers. They can always point out to their own satisfaction where their scheme is perfect and will avoid the troubles of all previous schemes.

The panic of 1929 and the following depression have run true to form and we have had many schemes such as the Patman bonus bill or the Frazier-Lemke bill which would issue billions of new money which would not cost anyone anything but would enable everyone to live in peace and plenty.

The authors of these plans do not see that with the issue of large quantities of fiat money, call it by any name you will, prices will rise and the value of the money will go down, so that inevitably more money will be required and issued until it is worth nothing and then comes universal bankruptcy.

The fundamental fallacy in all these utopian schemes is that the money is fiat money, that is, the money is not produced as the result of business exchanges or by labor, but is issued only as the result of a statute. Its amount is not limited by business requirements but may be indefinitely increased by legislative fiat, so that inevitably and invariably more and more so-called money, based on nothing is issued, and, being based on nothing, is in the end worth nothing.

Do not forget that by the collapse resulting from such inflation not only are new debts and new business affected, but all investments by savings banks, insurance companies, hospitals, and colleges are endangered. No greater calamity can befall a nation, especially a commercial nation like the United States, than the collapse of Government credit.

This leads to the consideration of perhaps the wildest scheme which has ever been proposed in a civilized nation. I refer, of course, to the so-called Townsend plan, which proposes that the United States pay to every citizen 60 years of age or more a monthly pension of $200, with the requirement that the pensioner agrees to spend all the money within the United States during the next 30 days after its receipt.

It is not creditable to the intelligence of the citizens of this country that the Townsend plan has received as much attention as it has received and, through the so-called Townsend clubs, has gathered together an enormous number of people who favor, or think they favor, the plan and who are pursuing their Senators and Members of Congress to make it into law. So far as my observation and conversation with other New England Members of

Congress go, the plan has made relatively small progress and few conquests in New England. I am not surprised by this, because New England people from colonial times have been sensible and hard-working people who, from their own experience, know that material value must in some way or other be the result of human labor and cannot be produced by fiat of the Congress or any other body. I need not make any extended argument about the Townsend plan, but will quote a few figures just to show its utter impossibility. The figures are taken from official reports and computations of the Bureau of Foreign and Domestic Commerce and the National Bureau of Economic Research.

Just to take 1 year, the estimated number of persons who were 60 years and over in 1934 was 11,445,000. The total pensions required under the Townsend plan would have been $27,468,000,000. The estimated national income paid out for pensions, including Townsend and other Government activities, would have been $50,189,000,000. The estimated national income remaining for the nonpensioned population would have been $22,721,000,000. The estimated number of persons under 60 years of age was 115,000,000. So that the per-capita income of those doing no work and receiving pensions would have been $2,400, while the number of people who worked and whose taxes produced these pensions would get $197 a year. That is to say, the 11,000,000 people who did no work would receive $2,400 per annum per person, while the nearly 115,000,000 people who did work and had to support those who did not work would be receiving $197 a year. The Townsend people talk about a 2- or 3-percent transaction tax to raise the necessary amount, but figures show that in 1934, to raise the necessary amount, the tax would have been 26 percent, which is obviously absurd.

I do not think any explanations or argument or words can add to what the above figures show as to the absurdity of the suggestion and the absolute impossibility of the plan.

Other favorite schemes for making everybody happy and comfortable by law without any work on their part are the enormous housing projects and power projects which are being financed by the Federal Government. The one which has excited the greatest interest is the Tennessee Valley Authority, which has utilized the enormous dam across the Tennessee River which was built for war purposes. The Supreme Court has decided that under certain circumstances the United States is justified in selling its surplus power. But the plans of the Tennessee Valley Authority go far beyond the authority which the Supreme Court says is legal.

They are building houses for whole communities and are proposing to erect power stations to furnish power for the purpose of what they call a "yardstick" in order to test whether the rates of private companies are fair or not.

Leaving aside questions of constitutional power, I submit that under economic law it cannot be for the benefit of the people of the country as a whole to have its Government erect dams or power houses for the production of power or light or for any other purpose in regions which are already fully supplied with power. The effect of expenditures of this sort by the Government will be to destroy the capital investments of the companies already producing and furnishing the power. Advocates of these Government projects justify anything they may wish to do simply by saying that the owners of existing power or light plants are corporations, the inference being that all corporations are evil. As a matter of fact, these power and light corporations have been of inestimable value by developing sections of the country otherwise barren and by greatly improving the scale of living. They are owned by hundreds of thousands of individual investors and by insurance companies and savings banks representing other thousands of widows and orphans. The United States not only violates moral and economic law, but also the United States Constitution by taking property without due process of law.

New England is peculiarly interested in and affected by these governmental transgressions of economic law. This is because New England is an industrial center, and industry and manufacturing are so complicated and so interwoven with all other activities of the Nation that the effects of these economic sins are felt directly and at once in New England. I need only point out from official figures that in 1933, which was a depression year, so that the figures are lower than normal, the total value of industrial products in the six New England States was over $3,000,000,000; total number of workers employed in industry were 798,000; and the industrial wages paid were nearly $700,000,000.

I hope I have made clear that neither individuals nor statute law can successfully evade or encroach upon economic law any more than upon physical law. Good intentions will not suffice. If, with the best intentions, a man grasps a live electric wire, he will nevertheless be burned or killed. If a statute runs afoul of economic law, it will fail.

LEAVE TO ADDRESS THE HOUSE

Mr. BOILEAU. Mr. Speaker, I ask unanimous consent that tomorrow immediately after the reading of the Journal and disposition of matters on the Speaker's table, I may be allowed to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. BLANTON. Reserving the right to object, my purpose is only to preserve the time of the House set apart for the appropriation bill. My friend from Pennsylvania [Mr. DITTER] is one of the most generous men in the House in yielding time. I am sure he will grant all the time the gentleman from Wisconsin wishes in general debate.

Mr. BOILEAU. My purpose is to give the dairyman's viewpoint on the subject covered by the gentleman from Ohio [Mr. HARLAN].

Mr. BLANTON. The gentleman can get time after the mace is taken down. What difference does it make whether he says "Mr. Speaker" or "Mr. Chairman" after the mace is taken down?

Mr. BOILEAU. It seems to me that the gentleman from Texas is the last one who ought to object to my making a reply to the gentleman from Ohio. Mr. Speaker, I am going to insist on my request.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ROOSEVELT AND THE DEMOCRATIC PLATFORM

Mr. ROGERS of New Hampshire. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech delivered by James A. Farley before the Democratic Club in Manchester, N. H.

Mr. RICH. Mr. Speaker, I reserve the right to object. Is that Mr. Farley, the Postmaster General?

Mr. ROGERS of New Hampshire. Yes.

Mr. RICH. Or the Democratic national committeeman?

Mr. BLANTON. Both of them; and he is good at each.

The SPEAKER. Is there objection?

There was no objection.

Mr. ROGERS of New Hampshire. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the address of Hon. James A. Farley, chairman of the Democratic National Committee, at a dinner sponsored by the Young Democratic Clubs of New Hampshire, at Manchester, N. H., on Monday evening, March 2, 1936, and broadcasted over the Yankee network, as follows:

It is a pleasure tonight to join with the young Democrats of New Hampshire in opening a campaign that will bring victory to our party and victory to the Nation. I am indebted to the radio company for this opportunity to place the facts before the people of New England.

This meeting tonight is significant. The people of New Hampshire played a prominent part in founding the Democratic Party and in promoting Andrew Jackson's policies of freedom and justice for all classes and all sections. The party is still the guardian of those principles.

An overwhelming majority of young voters are behind President Roosevelt because he is trying to ensure them a chance to work and a chance to earn a living. But they are confused by unfair attacks upon the President coming from individuals and groups who have their own selfish interests to promote.

I suggest that we follow the excellent proposal made by President Roosevelt himself in his Jackson Day dinner speech. He asked each one of his hearers to appoint himself or herself a committee of one to get the facts. Suppose tonight, in the limited time we have, we carry out his suggestion regarding one of the main charges hurled against the present administration.

It is my privilege, as chairman of the Democratic National Committee, to report to you good people on the work of our party in power. President Roosevelt pledged himself if elected to promote recovery, to check deflation, and to save the great mass of the American people from losing their homes, their savings, and their jobs. He carried out that task in magnificent fashion, and with justified pride we place his record before the voters of the Nation.

President Roosevelt is now under attack because someone made the pretended discovery that he failed to carry out a plank in the Democratic platform, which pledged a 25-percent reduction in the ordinary running expenses of the Federal Government. He is being held up to scorn as a man who failed to keep his promises and who ignored the platform on which he was elected.

I challenge the accuracy of that statement. Let us examine the facts.

On March 5, 1933, 1 day after he entered the White House, President Roosevelt issued a call for a special session of Congress to carry out the platform on which he and the Democratic Members of that body were elected. In response to his call Congress was in session a little over 3 months, and in that time it made a record for constructive achievement which will compare with any in history. Among other things, at the request of the President, Congress enacted an economy bill carrying out his pledge to reduce the normal expenditures of government by 25 percent.

It was done in the only way it could be done at that time—by reducing the salaries of Federal employees and by cutting down the compensation allowances to American war veterans. President Roosevelt carried out his platform pledge honorably and well.

But the people of the country had undergone a change of viewpoint. The Democratic platform was written in June 1932 as a

standard of government for normal times, but as a result of the Hoover depression the economic and social life of the country was in a state of complete confusion and chaos. The people wisely decided that this country was never going to pull itself out of a terrifying economic swamp by taking a few dollars away from war veterans and low-paid Federal workers. They had had enough of deflation, and they said so in so many words.

In March 1934 the country was slowly recovering under the wise policies of the administration and the economy bill was erased from the statute books over the veto of President Roosevelt. The Members of Congress who overrode that veto came before the voters of the country in the fall of that year and most of them were reelected and vindicated by the voters.

That, my friends, is the true story. The American people repealed that plank in the Democratic platform after President Roosevelt had carried out his pledged word to enact it into law. The will of the people is supreme in this country, and let me say that it will always prevail over that Democratic platform plank or any other plank that ever was written or ever will be written.

But a few of the very newspapers that were then urging Congress to override the veto are now falsely accusing the Chief Executive of failing to keep his pledged word to the people.

Now, let us paint the picture a bit clearer. Among those who voted to restore salaries and payments to the veterans were Senator WALSH, of Massachusetts, an able party leader, and many of the Democratic Congressmen from that State and other New England States. They voted their convictions and the people upheld them in doing so although our political foes are too timid to criticize them.

Now let us complete the picture. The New England Members of the Senate who voted to destroy that plank in the Democratic platform included HALE and WHITE, of Maine; AUSTIN and GIBSON, of Vermont; KEYES, of New Hampshire; and WALCOTT, of Connecticut, every one a Republican. From the State of Massachusetts alone, seven Republican Representatives cast their votes to override the President's veto, including Representative EDITH NOURSE ROGERS, Representative MARTIN, and Representative ALLEN TREADWAY, the man with the strong voice who is always talking about Coolidge economy. That is the record.

A few weeks ago a number of people from this section of the country journeyed to Washington to attend a sumptuous banquet of the now discredited American Liberty League. There were 18 guests present from the neighboring State of Massachusetts, and of that group one was a Democrat and the rest were Republicans. That's about the correct proportion of the league, 1 part Democratic to 17 parts Republican.

Under the kindly patronage of the Du Ponts, they gathered in the golden banquet hall, under the glittering chandelier, surrounded by the trappings of great wealth, to warn the American people that the Nation was going to ruin because a Democratic President had failed to cut 25 percent from the normal expenses of government.

And who do you suppose were among the guests? Why the guests included Congresswoman ROGERS, Representative MARTIN, and a number of other Republicans from other parts of the country who voted to destroy the economy bill. Just imagine the Liberty Leaguers entering into an unholy alliance with Republicans who voted to rip up the economy plank and all of them pointing to the White House to say "You did it."

I am going to quote you now from an editorial which appeared just after the veto was overridden. I quote:

"In the momentous action of Congress in overriding President Roosevelt's veto of the independent offices bill the employees of the Government in every branch win a restoration of pay which for thousands will bridge the gap between income and cost of living. From the Government's faithful workers the thanks to Congress will be generous and heartfelt."

So, then, we have examined the evidence and we submit the facts. I ask the fair-minded people of New England to sit in judgment. Is that newspaper justified in falsifying the record against the President of the United States?

Let me say that in giving the facts I left out the names of several other gentlemen who voted to override the President's veto. The CONGRESSIONAL RECORD in the coming campaign is going to prove an unhappy reference book for several Republican hopefuls who are now casting longing eyes toward the White House.

Every man and woman who listens to my voice tonight is just as capable of determining what Mr. Roosevelt has done to rescue and restore the economic life of this country as are the self-appointed critics and writers who presume to instruct you on how to vote. The facts speak for themselves. No President in recent history has a record of constructive achievement to equal that of the present occupant of the White House. When you read these bitter attacks, just ask yourself this question: "Who said that?" A little reflection will convince you that these attacks come from the very men who 3 years ago were pleading with the President to adopt his present policies in order to resume their business and their investments.

Yes; in 3 years we have passed from economic confusion and despair under the Hoover administration to sound and substantial improvement in our growing economic and commercial life. We can go about the business of living without the constant haunting fear of loss of savings, loss of homes, and loss of jobs. We have gone a long way under the policies of Mr. Roosevelt, and we are going the rest of the way.

And yet, in the face of those undeniable facts, we hear the unfair charge made that the administration has nothing left but its spending policies. A recent radio speaker even went so far as to ask the men and women now engaged on Federal work projects, because there is no room for them in private life, if they desire to be supported for the rest of their lives by the Federal Government. Now, let's examine the facts about relief expenditures.

A recent survey showed that more than 70 percent of the funds supplied to the miscalled Liberty League come from the Du Ponts and their allies in the automotive and other industries. Now, as a direct result of the Roosevelt policies in reviving the buying power of the workers, the farmers, and the great white-collar class, the automotive industry is having the greatest period of prosperity in its history. Only last week Alfred P. Sloan, Jr., president of General Motors, announced that 25,000 employees will get more than $11,000,000 in cash and stock under the company's savings and investment plan.

A recent report of the Du Pont company itself disclosed that last year's profits amounted to $55,676,000, which the conservative Wall Street Journal said were the largest in the history of a company which has existed for more than a century.

We rejoice over the good times being enjoyed by the investors and the workers in the automotive industry, and the Roosevelt administration is proud of the fact that it has fostered that prosperity. There is no man too rich or too poor to be denied his rights under this administration.

But, unfortunately, those financial statements fail to disclose the other side of the picture. In a recent magazine article, Senator ROBERT WAGNER, of New York, one of the keenest and sanest students of the American economic system, pointed out that while the automotive output increased 45 percent in 1935 over 1934, the increase in employment was only 8.3 percent. That fact is distressing. The use of labor-saving machinery has made it impossible for many good men and women to find reemployment in the motor industry. The recital of these facts is not intended as a criticism of the men directing the autmotive industry.

We know that a similar condition exists in other places. We know that one of the grave problems confronting the communities of New England is the fact that even with industry reviving it is difficult to find places for all the men and women who want to earn a living, which is the basis of all human rights. These are the same law-abiding people who have always lived here. They have not changed, but conditions have changed over which they have no control.

And yet it is the fashion in some quarters to belabor those people, and to ask them if they wish to be supported forever by Uncle Sam. Why not ask the same question of the members of the Liberty League? The Du Ponts have been rewarded, and richly rewarded, by the paternal actions of the Federal Government for more than a century and everyone knows that fact. Their lobbyists swarm over Washington like mosquitoes over a swamp. They are go-getters and I never yet heard of the Du Ponts complaining because Congress passed laws to help their financial interests.

I agree with a well-known newspaper writer who said the Liberty League is a league of fat cats who gulp down all the cream and are now afraid someone else might get some of the milk.

Oh, I know and you know what the advocates of the old order will offer as an answer to these undeniable facts. They will bring out the moth-eaten argument that if the Government will only abandon the unemployed, then business will boom and the problem will take care of itself. That theory is called recovery by faith.

The same theory was employed extensively by a former President, whose novel pronouncement that recovery was "just around the corner" later became a byword among hard-pressed people who were suffering from the effects of the depression. The simple fact is that this complex problem of unemployment is one of the most fundamental to confront us, and it won't be solved by bland and meaningless statements about returning to first principles.

We pass on now to the major plank in the platform of those who disagree with us on the methods now being pursued to promote recovery. They want, as far as I can make out, an abrupt ending of emergency expenditures and on top of that a 25-percent reduction in the normal operating expenses of the Federal Government.

We are willing to meet any group or any political party on that issue. I say that the sudden adoption of such a policy would mean economic suicide for New England. It would freeze up the economic life of this section, upset the processes of recovery, and send us tumbling back toward the desperate economic conditions that prevailed during the last part of the Hoover administration.

Make no mistake about it, the upward swing in business and industry now in progress is a direct result of New Deal policies and not the result of these so-called natural forces of recovery which no one has ever been able to define. In your own cities and towns you know right this minute of the funds being expended to care for the unemployed and the destitute who otherwise would be compelled to seek relief from municipal and State funds and private charities. I say this money now being expended by the Federal Government is the measure between good times and desperate times in New England.

After the long strain of the depression the merchants in this section of the country are making money again and their books have passed out of the red and into the black. The retailers, the storekeepers, the butchers, the bakers, the doctors, and the dentists who go to make up the great middle class are tasting good times again because the people have money to spend and can pay their bills.

The merchants are able to pay for advertising and thus keep the newspapers going. The white-collar workers have jobs and are

able to support themselves and their families. Withdraw the emergency relief money now being sent into New England by Uncle Sam, and I say it would be the most cruel blow that could be struck against the great mass of people.

There is an erroneous notion going around that relief money helps only the unemployed, and that if Uncle Sam would only let them shift for themselves, business would boom, the problem would be solved, and everyone would be happy again. That's a grave error. The fact is that Federal spending has done more for the great middle class than it has for any other group. The unemployed are getting subsistence wages, but the small-business men and the professional classes are beginning to enjoy a measure of good times.

The actual fact is that under the emergency appropriations voted by Congress actually more than $825,000,000 has come into New England in the hectic battle to turn the tide and restore prosperity. That money saved a tremendous number of merchants and manufacturers from ruin, and a good portion of it today is resting in the bank accounts of thrifty citizens. It wasn't thrown away as our opponents would have you believe. That money prevented an unbelievable amount of suffering. Can any fair-minded man criticize President Roosevelt for having the courage to adopt such a policy?

But these administration critics go further than that. They demand a 25-percent cut in the normal operating expenses of government in addition to choking off relief spending. I wonder if these people have ever figured out what such a policy would mean to New England?

Senator FRED BROWN, Congressman WILLIAM N. ROGERS, my very good friend Senator WALSH, and other Democratic Senators and Representatives from this section are now working night and day, with the help of President Roosevelt, to build up the American Navy, which was shamefully neglected by Republican administrations in the most prosperous period of our country. This policy will promote national defense and it will provide employment in the great shipyards of New England. Now it is pretty generally agreed that you can't make substantial cuts in the Treasury Department, you can't make substantial cuts in the Justice Department, and you can't reduce the cost of distributing the mails one notch below what it is at the present time. You have seen that Congress has refused to cut salaries or slash the compensation now going to war veterans.

One method of cutting Government expenses now being strongly pushed is to slash to the bone the program for building up the Navy to the strength it should have. Just figure out for yourself what such a deflation policy would mean to the navy yards at Boston and Portsmouth and to other New England shipyards. More than $20,000,000 in Public Works money has been spent, or is being spent, in the shipyards of Massachusetts alone. To cut the naval expenditures would hit New England harder than any other section of the country.

So I say, the next time you listen to one of these high-sounding speeches about returning to sound party principles, ask the gentleman to be specific. Let him state just what American workingman he wants thrown back into the soup lines and what businessmen and merchants he wants tossed back into the red.

These critics of the administration are smart politicians, and they know that unless President Roosevelt is reelected, a Republican will succeed him in the White House. The next question is, What will that party do about emergency spending? I'm now going to quote you from a radio address by Representative ROBERT L. BACON, of New York, who spoke as a Republican member of the House Appropriations Committee under the auspices of the Republican congressional committee. He said:

"I agree that the cost of relief largely must be paid out of the Federal Treasury, because States, cities, and counties to a great degree have exhausted their resources."

Let me add that what Congressman BACON said has been said by virtually every responsible Republican leader in public life.

The fact is President Roosevelt is now accomplishing one of the most vital acts of statesmanship in recent political history. He is carefully protecting the Nation's credit, sponsoring policies to revive industry, and at the same time carrying out the moral obligation to care for the unemployed who are unable to care for themselves.

These critics remind me of the man who stood on the bridge and tried to poke the captain's elbow as he brought the ship safely into port after a long and stormy voyage. The country is fortunate in having a strong hand at the tiller when there are men about who like to rock the boat.

So, then, my friends, let us look to the future with confidence. We can get behind Mr. Roosevelt in the knowledge that in backing his candidacy we are doing the country a real public service.

We have reviewed the facts and the facts support our case. We have shown that our President has courageously pursued the policies which are restoring the Nation's economic life while those who profit the most by his efforts are trying to hamper him at every step.

My final word is, don't vote against yourself. Let the voters of America look about them and see the chaos and confusion which exist in the world today while we forge steadily forward under the New Deal.

Remember that the flaming spirit of the President revived the optimism and the confidence of America while timid men stood by and wondered what to do.

Confident that victory will be his in November, I feel certain that New Hampshire will cast its electoral vote for the greatest living Democrat and the ablest statesman in the world—Franklin Delano Roosevelt.

THE BATTLE AGAINST INDUSTRIAL REACTION

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a speech I made last night.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAVERICK. Mr. Speaker, under leave granted to extend my remarks in the RECORD I include the following address which I delivered at the Amalgamated Center, Philadelphia, Pa., Tuesday, March 3, 1936:

Mr. Chairman, my subject tonight is the Battle Against Industrial Reaction. The subject is so broad that it concerns everything in the ordinary life of America—and the world. To speak merely on the subject of industry by itself would be of no interest or benefit. So I shall discuss the subject in relation to problems that affect the whole Nation. Reaction is now brutal and stupid, and has been throughout history. Even though we have advanced rapidly in the sciences, reactionary groups refuse to understand or believe the lessons of history. And I address you as plain, ordinary Americans interested in everyone else.

I shall attempt to discuss our present serious problems in the light of the constant battle of the people against industrial reaction; the necessity for the conservation of our agricultural and natural resources; the preservation of the rights of labor; and the relation of all these things to the Constitution of the United States; the right of civil liberties and the necessity, in our battle against industrial reaction, of staying out of war. For war is the result of misgovernment, unfair economic practices, fascism, imperialism, and selfish nationalism. Let the world know that this organization stands for and demands for all classes of people, peaceful and well-ordered government; civil, economic, and political justice.

Let us discuss first the attitude of some of those now yelling loudest for liberty; let us talk about the Constitution, laws, and customs under which we live. The reactionaries have had control of the world nearly all the time; occasionally they are ousted. But they have been known, tagged, and properly labeled ever since our forefathers created a rude alphabet.

The enemies of progress in America furnish enough examples. Lincoln knew these people; Jefferson knew them; every decent man who has ever lived has known this group of blind, hateful, despicable people who, being cruel and selfish, are so ignorant as to believe that they can maintain their society, their monopolistic rights as against all humanity and forever. Let me tell you what Lincoln said of this class of people. He said as follows:

"The shepherd drives the wolf from the sheep's throat, for which the sheep thanks the shepherd as his liberator, while the wolf denounces him for the same act as the destroyer of liberty."

This is a perfect description of the Liberty League.

I shall quote Lincoln later in this speech, but let me read that over again and let you understand what this really means.

What does it mean? Well, you can figure it out as well as I can: That the wolf, the Liberty League, denounces anyone—that is, you yourselves, or your organization, the party which may support you, the President when he tries to help you, or anyone who helps you. Yes; this wolf who is at the throat of the American people, he it is who denounces your own organization, yourselves, your friends, and the people themselves who want liberty as the destroyers of liberty. They are firebugs who denounce the fireman who is protecting the home owner. They would destroy your unions and substitute the company unions; they would wolf you if they could.

It is a practice now to charge others who have some courage or originality with some "ism", or of spreading "subversive" doctrines. Let them call us what they please. This is my country, your country; we have a right to talk, think, vote, and act, and we will do it. I am talking in my native language—the American language—so that we will understand each other, and so everyone else will understand us. Take the American Constitution. It was written by human beings, and was not handed down to us from on high. And the judges of the Supreme Court are human beings like you or me. If a member of this audience were appointed to the Supreme Court, his political viewpoint would probably not change at all; he would take his political viewpoints with him to the Supreme Court, just as the corporation lawyers who go there take their views with them. And remember, though courts are a necessary function of any government, times change, views change, and people have a right to adjust their own government to their own will.

Certain classes, however, utilize the Constitution of the United States to prevent even the very mild laws which we of Congress have passed to attempt to alleviate somewhat the hardships which the producing mass of the people have been suffering, even in the so-called prosperous periods. The prosperous period was bad enough, but the suffering has been accentuated during the depression. And with the industrial reaction going on with the stupidity of those who control the great industrial wealth of the Nation, we, of course, know that a final break-down must come, and there is little chance of getting out of the depression unless we do something to meet essential problems face to face. Never before has it been so apparent that labor and the people in general must lose their battle if they depend solely upon an industrial or union arm. They must enter the field for all purposes as free-born American citizens, free to live, free to have a decent standard of living, free to educate their children, and free to have political rights and civil

liberties. They cannot fight this battle successfully with just one hand and without strong organization.

Why is this? The enemies of labor and the people are using both hands, and, I might say, feet, along with their native shrewdness. Today the forces of reaction are rushing to the courts, with high-paid lawyers and their writs, injunctions, mandamuses, and octopussic processes, in order that they be protected in their privileges as a "constitutional right." These high-paid lawyers are sharp and well trained; they have the friendship of the press; they have the privileges of wide publicity; they attempt in every possible way to subvert the courts in advance, to intimidate the Congress, State legislatures, public officials; to intimidate citizens; to intimidate those who work. They have "held"—I say "held" in quotation marks—the National Labor Relations Act as "unconstitutional", these Liberty Leaguers, these contemptuous, overbearing, arrogant men, who themselves show contempt for our institutions. They have done so in defiance of fair play and decent legal ethics, but that means nothing to them.

It would seem, therefore, that any man who lives in this country, such as you who work for a living, would be a simpleton and a coward not to protect his own rights and the rights of his children.

The National Labor Board is practically at a standstill in its efforts not merely to secure better wages and hours for our citizens, but merely to protect them in the right to organize themselves to secure such conditions. Around 40 decisions favoring labor's right to organize have been appealed to the courts by the reactionaries who, through company unions or outright breakup of all organization by the intimidation and gangsterism brought about through the hiring of organized thugs, have attempted to keep their workers from forming independent labor organizations.

Let us consider this and other problems in connection with the Constitution. It is ironical to see the Constitution, formed in 1787 when there wasn't an industry in the country, being appealed to in these 150 years after to protect the monopoly finance-machine industrialists. They think the Constitution was written expressly for them; that their machines and machine control of our lives must have all been handed over to them when the Constitution was written.

It is even more ironical when one knows why the Constitution was formed the way it was in 1787. But let me not criticize our Constitution; it is mine and yours; let Woodrow Wilson say it. No one could accuse him of being a radical, and yet he frankly told us regarding the forming of the Constitution:

"The Government had in fact been founded upon the initiative of and primarily in the interests of the wealthy and mercantile classes."

And this was not merely an opinion of the late President of the United States. If you will come down to Washington, I'll take you over to the Library and show you from original records that those who formed the Constitution said that they had formed it primarily to protect property.

And here I'd like to make a side remark: Some day we will understand more clearly the difference between human rights and property rights, or we will find there isn't any. Those who think only of property have organized the American Liberty League. They stole a word and twisted it around. We think of liberty, and, if we are to be hypocritical like they, let us organize the American Property League. By that we will demand that everyone shall have property. But, after all, it is not hypocrisy; for if a man has property, liberty seems to take care of itself. Has not a man a right to own property, or, to put it differently, the right to the production of wealth from property, if he is willing to work? Surely, we all ought to have that right, if we admit that human beings have a right to live as such under human institutions. Concerning our concepts of "liberty" and "property", sometimes I wonder if it isn't half a dozen of one and six of another. In any event let us know what we are talking about; what kind of property we are talking about and what kind of liberty we are talking about. Has a man liberty, for instance, to starve his fellow citizens? Has he a property right to use his property so that it would degrade or starve another? I should think not. I should think that liberty consists in the right of living, and living like human beings—and the Declaration of Independence says so. The ownership of property at least consists of its not preventing other people from living like human beings.

But let me go on with the Constitution. I suppose that when the Constitution was created it was natural for it to be fashioned as it was. Society was entirely different then from now. Land ownership was possible, and production proceeded from the land. The modern machine has changed this. And there have been more changes in the structure of society between the fashioning of the Constitution and today than there had been between the Stone Age of mankind and the year 1787, when 39 men signed a Constitution which today is being used to govern the affairs of 125,000,000 men, women, and children in an entirely different world.

Now, Thomas Jefferson, the author of the Declaration of Independence, was a scientist as well as a statesman. He knew that the one sure thing of life was change. That was the reason why in the first hundred and eleven words of the Declaration he was careful to stress the fact that whenever any form of government did not bring life, liberty, and happiness to the people they should alter or abolish it—changing the governmental structure so that it would bring life, liberty, and happiness. That was also the reason why in 1816 he warned his countrymen against veneration for any man-made document. One thing which aroused this great thinker was the constant attempts of the governing class in each generation "to beat the living with the bones of the dead." Here's what he said 27 years after the Government was founded on the present Constitution:

"Some men look at constitutions with sanctimonious reverence and deem them like the ark of the covenant, too sacred to be touched. They ascribe to men of the preceding age a wisdom more than human, and suppose what they did to be beyond amendment. I knew that age well; I belonged to it; and labored with it. It deserved well of its country. It was very like the present, but without the experience of the present; and 40 years of experience in government is worth a century of book reading; and this they would say themselves were they to rise from the dead."

And yet we see the people whom Jefferson hated digging up his corpse and obscenely parading it about as their own. They are doing the very thing Jefferson warned against; they are beating the living with the bones of the dead; worse, they are doing it falsely.

As to the Supreme Court, which has usurped powers never given it in the Constitution, Jefferson never minced words in his criticism of this usurpation, on one occasion calling the Supreme Court "the thieves of jurisdiction." In our attempts to create veneration for this Court and thus keep its decisions from being criticized we have been careful not to give publicity to many of Jefferson's statements about the Court. In 1820 Jefferson dealt with the matter in the following searching manner:

"You seem to consider the judges as the ultimate arbiters of all constitutional questions; a very dangerous doctrine indeed, and one which would place us under the despotism of an oligarchy. Our judges are as honest as other men, and not more so. They have, with others, the same passions for party, for power, and privileges of their corps. Their maxim is 'a good judge amplifies his jurisdiction', and their power is the more dangerous as they are in office for life, and not responsible as the other functionaries are to the elective control. * * * When the legislative or executive functionaries act unconstitutionally they are responsible to the people in their elective capacity. The exemptions of the judges from that is dangerous enough. I know no safe depository of the ultimate powers of the society but the people themselves; and if we think them not enlightened enough to exercise it with a wholesome discretion, the remedy is not to take it from them but to inform their discretion by education. This is the due corrective of abuses of constitutional power."

Remember, I am quoting the words of Thomas Jefferson, great American President, whose corpse has been kidnaped by the Liberty Leaguers.

Jefferson was not content with this, as someone having said the court was at least honest in its decisions, Jefferson had this to say:

"I repeat that I do not charge the judges with willful and ill-intentioned error; but honest error must be arrested where its toleration leads to public ruin. As for the safety of society, we commit honest maniacs to Bedlam, so judges should be withdrawn from their bench, whose erroneous biases are leading us to dissolution. It may, indeed, injure them in fame or fortune; but it saves the Republic, which is the first and supreme law."

Probably you will ask, "Why has all this been kept from general circulation while all most of us ever read about Jefferson's utterances are just general statements?" My answer to this is that it is an old game, as old as recorded history, to get people to venerate institutions under which they are governed so that they will not be apt to examine into them.

And of the past, it's the same old game of misinterpreting our ancestors and taking their utterances and twisting them around. The reactionaries of days gone by were the great friends of Hamilton and demanded that the States have no rights. Now they think the trend has changed; they put their pious utterances under a false demand for States' rights, the Constitution, and the Supreme Court. The rights of humanity and the freedom of speech and press, the preservation of the Union as a whole, and the general welfare are not mentioned.

Let me mention Lincoln again. When he was President of the United States he had no more false veneration for the Supreme Court or the Constitution than Jefferson had. His inaugural address shows this: "This country with its institutions belongs to the people who inhabit it." Not to those who used to live or who are going to live, but to this generation. Laws should be made for the living. And those who are going to come after us must also have the right to change and progress. That's what they should do, just as we, the living, should change those institutions which were made by those now dead if such institutions don't serve us efficiently now.

The views of Lincoln on the courts and Constitution after practical experience of them are not the only statements our publicists have kept quiet regarding the utterances of this great man. He was the one President who had a lot to say about the right of labor, and way back in the forties, when he was in Congress, he had something to say that you won't find emblazoned anywhere on any monument erected to him; and I'll give big odds that the Liberty League won't use it in the coming campaign. Here it is:

"If we except the light and air of heaven, no good thing has been or can be enjoyed by us without having first cost labor. And inasmuch as most good things are produced by labor, it follows that all such things of right belong to those whose labor has produced them. But it has so happened, in all ages of the world, that some have labored, and others have, without labor, enjoyed a large proportion of the fruits. This is wrong and should not continue. To secure to each laborer the whole product of his labor, or as nearly as possible, is a worthy object of any good government."

The utterances of both Jefferson and Lincoln, which I have quoted, would be true even if they had never said them. I am certainly myself not going "to beat the living with the bones of the dead", but the reactionaries of this country have had the immense impudence to try and hide between these two great figures of the past in an attempt to fool the people, so that they can rule them and the more efficiently rob them. I have, therefore, just quoted a few statements of these two ex-Presidents, which the reactionary industrial and political groups do not want to have publicized.

The industrial reaction is led by the United States Chamber of Commerce, the Liberty League, and others; these are great industrialists who flatter and cajole the small merchants and average citizen against their own interests. As late as Saturday the National Manufacturers' Association denounced everything or anything of a progressive nature suggested in the United States. They denounced the Walsh bill requiring the N. R. A. wage scales on Government jobs, the Ellenbogen textile bill, the Robinson-Patman bill to protect small merchants, the 30-hour week—everything. At the same time they want to restrict ordinary civil liberties, the right of freedom of speech and press.

And I believe this is the most pressing danger with which we must take an active part in the battle against industrial reaction at this time. This effort by the industrial groups and reactionaries to violate the fundamental rights of civil liberties guaranteed in the Constitution must be met face to face. They weep and yell over their property rights guaranteed in the Constitution, but they say nothing about the Bill of Rights as also a part of the Constitution. The Bill of Rights gives us the right of freedom of speech and press, it provides against unreasonable searches and seizures, it permits us to travel from place to place; in other words, it gives us the ordinary human rights which we have regarded as obviously a part of normal American life. But everywhere in our country civil liberties are being subverted and broken down. In certain counties, cities, and States the worst forms of persecution known in Russia are practiced. These smaller units of government, in defiance of law, exercise the arrogated power of deportation and of permitting or not permitting citizens to enter their borders. In other words, the binding power of the Constitution, among other things, originally unified this Nation, and yet in many instances respect for the Constitution and the Government of the United States is broken down so badly by industrial and selfish groups that certain small governmental units which are controlled by these same selfish groups consider themselves as independent nations, with the right to imprison and jail anyone who cares to use his constitutional right to travel into their rotting principalities, if one is so unfortunate as to find it necessary to go there.

Everywhere we see all kinds of suppression against those who teach—and certainly we, who expect to live like human beings, desire that the rights of the teachers to teach the truth and to live honorably and respectably should be protected because we want our children to learn and to improve themselves. We see everywhere the suppression of the freedom of speech, the "red" hunts (which are alleged to be against Communists), but which are really against any progressive tendency of the people to protect their economic rights. In some thirty-odd States we have supressive legislation either against teachers or the citizens, or both. In Congress we have numerous laws introduced for the purpose of suppressing civil liberties. We have the military disaffection bill and the Kramer sedition bill. These are laws similar to the ones passed in Europe just preceding the World War—for instance, in Germany, which made the military supreme. Although it does not seem probable at this time, if we permit laws to be passed and suppressive actions to be continued by the Government, or any of its subdivisions, like counties, States, or cities, we are heading straightway for the military miseries and faults of the Old World. The whole world is filled with trouble and travail and hatred and malice. Civil liberties have been lost nearly everywhere, and the only place where any civil liberties are left at all seems to be in the British Empire and the United States of America. So let us keep our civil liberties; let us demand them and maintain them; and possibly, through the exercise of civil liberties, we can progress and change and thereby eventually obtain our economic rights; and, since I speak to you not as labor unionists but only as Americans, these liberties are for all of us—for those whom we hate as well.

For all of us, I said, and I mean the members of the United States Chamber of Commerce—the organization which leads the battle against civil liberties and the battle for industrial reaction. Let us maintain liberty even for the prostitutes of liberty—the so-called American Liberty League, who are indirectly backing the chamber of commerce in their attempt to set up the industrial reaction by the gag and military suppression. Let us keep our record straight, fight for true Americanism, and see to it that our enemies have these fundamental liberties as well as ourselves, and though we fight at a disadvantage, we can win with truth and sincerity on our side.

Agriculture, I said in the beginning, is as important to you as to the farmer. Likewise, if the resources of the Nation are not conserved, it will destroy you as well as those who live away from the cities. But even the conservation of our resources is opposed by the reactionaries. They oppose every effort to save our rapidly eroding lands, forests, and rivers. Now, understand this: Unless you maintain the rights and liberties, the producing power, and the purchasing power of the agricultural classes you will have no producing power or liberty yourselves.

The Tennessee Valley Authority is opposed by the reactionaries. Let me tell you about the Tennessee Valley Authority. The utilities and industrial groups hired Newton Baker for $50,000 to say it was unconstitutional. This was used as propaganda to beat down on the public and subvert the courts, as they later did with the Wagner Labor Act. But the Supreme Court held the T. V. A. constitutional in spite of this. But let us discuss T. V. A. and public utilities in general from an economic viewpoint and their importance to the people of the United States.

Public utilities proceed from the natural resources, so the Tennessee Valley Authority is a good example. It is, in fact, probably the most important endeavor in the United States. Specifically, it is public ownership of public resources. I recognize it as a public-ownership project and favor that principle of government. I also want my people in the South to have a better standard of living. Now, the coal workers have been told that the T. V. A. is harmful to them because then the people who live in the South—that is, in Tennessee and six or seven other Southern States that surround it—could have water power—that is, electricity made from the water belonging to God and the people—and would, therefore, harm the coal business. This is the worst kind of nonsense, and the most criminal nonsense it is possible to put before the American people. In those States live many people who have had a low standard of living and practically no purchasing power for over a hundred years. There are several million people who will directly benefit by the Tennessee Valley Authority—the building of dams, the prevention of soil erosion, reforestation work—and these people's purchasing power will give to them such a higher standard of living that they can buy the products of the people of Philadelphia, of New York, and of the great industrial centers. Prosperity in one place does not hurt prosperity in another place. Prosperity here helps prosperity in the South. Prosperity in the South helps prosperity here. And I come here to plead for economic justice for my people in the South. They are entitled to it, and I know you favor it.

The old idea of industrial reaction, the old idea of one-profit group, a great industrialist, was to make a lot of profit out of low wages and to sell to other groups with greater purchasing power. But we know now that if wages are depreciated in one place it has its ultimate and deadly effect on another. Hence, our fight against industrial reaction is to preserve the rights of people living all over the United States, and thus the T. V. A. and it great work is as important to you as to the people who live in the valley.

Basically the T. V. A. concerns the matter of conservation of our natural resources. But I am going to tell you of a visit, not in the South but out in the West, over the lands of the Indians, and which does not concern T. V. A. at all. I saw there Indian pueblos which have stood for hundreds of years; I saw Indian pueblos which had been covered by sand and eroded soil for centuries. I saw others that were suffering from soil erosion.

I mention this because this pueblo is blowing and washing away and being exploited from within and from without. This is true of all America. Our lands are being blown and washed away and if we lose the productivity of the soil neither decent farm life nor city life can be maintained.

This latter phase of nature's destruction is our part in the battle against industrial reaction. The power groups have not sense enough to see that they are destroying themselves by refusing to see these fundamental factors. In the T. V. A., in various functions over the country, conservation is impossible except through the Government of the United States. Thinking only of temporary profits they are unwilling to cooperate in the saving of our country as a whole, not realizing that ultimate destruction will include them as well.

Now, what is the point that I have to make on the subject of conservation? The point is, of course, that we must save our country; and in order for you to understand that I am not trying to violate any constitution or any law, let it be understood that common sense dictates that constitutions and laws should be so written and so made that we can conserve our soil. If we do not, we will be lost as a Nation, we will be destroyed; so let's make our Constitution and laws to suit the needs of the people; let us have sense enough to save ourselves, and to govern ourselves sensibly.

Another stumbling block in the pathway of ordered human life, and another thing which we must consider in battling the industrial reaction, is the matter of war. Are we going to let those old buzzards, those same old obscene devils, put our children into another war? Personally, I say that we should not permit it. The war lords have done everything to defeat any effort for peace. Human races, as you know, have no hate toward each other. Seen in this audience are people of English, French, Polish, German, Lithuanian, Jewish races—every descent on earth. I am from the South and you from somewhere else—and yet there is not a person here who hates another one because of his racial descent or place of birth. We are all Americans, all human beings, sitting under one roof. We do not necessarily personally love each other, but we do have one binding power—we have the binding power of our children, humanity, common feelings. Every person in this audience loves his own children, and, by the same token, others. You may not have a child, but you know what the love of childhood is, because whether you have any yourself or not, you have a mother and father whom you love and who you know love you, if they still live. Hence we know that for human beings to go to war and kill each other is absolutely unnatural, it is improper, it is useless, it is wasteful, it is hateful, it is destructive of civilization and everything that's good.

We must stay out of war. The war lords have defeated every effort—the League of Nations, the World Court, all collective action. The eagles of imperialism rise high above the people. The eagles of imperialism are raised today all over the world. We

hear of murders—new kinds of murders—military murders. All over the world hundreds of millions, tens of billions of dollars, are being put into armament. There is an armament race on the earth. Now, since the League of Nations has been defeated, the World Court defeated, I fear very much that we cannot enter those associations at this time, because if we do, so certainly shall we get into war. So let us, at least for the time, stay out of war; do it by neutrality and sacrifice, but stay out at all cost.

All of the things we have talked about are deep and fundamental. But in simple language, what is it we want and why are we living?

Well, what I want is to have a decent country in which to live, for me and my children and for all those who come after me. I want my own children—and now I look at this thing selfishly—to have a chance to work hard for a living, to have a little happiness, a decent house, a decent education, and some luxuries in life. That is what you want; that is all anybody should want. But remember, you are entitled to it, and I am entitled to it, and we are entitled to an equal opportunity for our children. There is no such equal opportunity now in the United States of America. There may never be absolute equality of opportunities, but that should be our goal.

Let us first take the class that is unemployed, the 11,000,000 people—30,000,000 or more, including families. As human beings they and their children are deprived of their rights because of the economic condition of the country. Outside considerations of humanity, and looking at the unemployed wholly from a selfish viewpoint, we want them to be employed because we need them to maintain a purchasing power which will be beneficial to those of us who are fortunate enough to be employed.

Let us approach our problems with the romance of the Three Musketeers—all for one and one for all. But let us likewise approach the subject from the common-sense and cold-blooded viewpoint of efficient organization and intelligent action, for we must realize that the only way that we can survive is by letting all the rest of humanity survive. And we survive by sensible organization, by intelligent grouping—and I think that the idea of industrial organization, of industrial unionization, is, from my viewpoint, the only way. Nearly every protection that has been given the American citizen has been removed by the intensity of the industrial reaction, and this has occurred as one legislative protection after another set up by the people's representatives is removed by the courts, and after one economic structure after another breaks down. I cannot attribute this wholly to the Constitution, nor to any one particular phase, but I do not consider myself as telling you anything but the obvious and simple truth when I say it should be changed to meet the needs of the people—and when the people want it changed.

As citizens of a country supposed to be free, let us make it free by conserving the soil by which we live and by preserving the producing power and liberties of the agricultural classes; let us consider justice to sharecroppers and tenants and their right and our right to organize and to gain justice for ourselves. Let us face our common enemies, whether they are called Tories or Liberty Leaguers, or by what they really are: let us, as free-born human beings and American citizens, use our brains, our hearts, and our fists for justice to all men of good will.

THE NAZI REGIME IN GERMANY

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an address which I delivered before the Argo Lodge, B'nai B'rith, Jewish Community Center, in Washington, D. C., on Wednesday, February 26, 1936.

The SPEAKER. Is there objection?

There was no objection.

Mr. KRAMER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address made by me before the Argo Lodge, No. 413, B'nai B'rith, Jewish Community Center, Washington, D. C., Wednesday, February 26, 1936:

Friends, it is an honor for me, indeed, to have an opportunity to address your organization tonight. Realizing that it could not be possible that you wished me to discuss the flowers and wonders of California, and emphasize our wonderful sunshine, I have been requested to make some statements with reference to my recent experiences on the continent, and principally in Germany.

I have also been requested to say a few words to you, insofar as I am permitted to divulge, on what has transpired before the Committee on Un-American Activities, whose primary object was to investigate nazi-ism in the United States. This committee was encouraged by various federations and organizations, who also brought to our attention the transgressions hurled upon people of the United States, and particularly the atrocities hurled upon the Jewish race.

We also found many letters of communication between German leaders abroad to their officials in New York, Chicago, and various other cities of the United States. I call your attention, particularly, to the manner in which these communications between Gizzobel and Buckholz and others were passed.

Now, I come to an organization known as the Silver Shirts. The Honorable JOHN W. MCCORMACK, chairman of the Committee on Un-American Activities, designated me as chairman of the subcommittee to take up this particular subject, and I want to say to you that it was a most interesting undertaking, which, I believe you will admit, was brought to a very satisfactory conclusion. To show you the connection, although there seemed to be complete denial, between the Nazi and the Silver Shirt organization, we found in our investigation that Pelley and Von Lillienfeld Toal, the adjunct of the Silver Shirts, were allied with each other.

Justice in Germany, my dear friends, has become the slave of nazi-ism. The judges there submit to Nazi terror and are anxious to exercise the same terror against all Nazi opponents who come before them. Any remarks about their leader Hitler have been found by the German Supreme Court to be legal grounds for divorce. A court recently ruled that marriages between Jews and non-Jews would be regarded as an immoral relationship. The new German penal court has become an instrument of terror closely resembling the days of barbarism. It will feature capital punishment, return of the early laws, and civil death—meaning the ostracizing and outlawing of persons not in accord with the Nazi regime.

Its main blows are directed against independent labor and anti-military-minded people, who will be subjected to the death penalty in time of war and to life imprisonment in time of impending war.

All rules of civilization have been trampled on as well as those of justice, inasmuch as they are being used to protect the greedy Nazis. The new law bluntly states that the killings from excusable violent emotions, such as the Nazi method against their opponents, will be justified. For instance, the Nazi Burgomaster Bauer, at Bavaria, was acquitted of perjury and embezzlement charges, although the most overwhelming proof of his guilt had been presented, and even though the Nazi prosecutor was forced to admit that Bauer was guilty in at least a half dozen cases and that he committed perjury as a witness.

The terror in the educational field has been mainly exercised against the Jews, which cannot be lightly passed by. According to my information, the official figure of the non-Aryan students at the German universities decreased from in excess of 3,900 in the pre-Hitler year of 1932, to less than 1,900 in the summer of 1933, which was a few months after Hitler had taken power. In the following winter there was not a single Jewish student admitted to the universities. At the same time only 590 out of a total of 87,000 male students were Jewish, and less than 15 of those attending were permitted to attend regular classes. Of a total of 1,500 women students, approximately 200 were Jewish, and since then the figures have decreased considerably. As another illustration of the recent Hitler terror, I might call your attention to the Nazi executions. From June 1933 to June 1934, 212 anti-Nazis were put to death.

Prison sentences of approximately 130,000 years were imposed on 280,000 persons. In other words, the prison terms meted out to anti-Nazis during the first year of Hitler terror averaged 1 day for each of the approximately 35,000,000 adults of Germany, and these figures reflect only the regular penitentiary offenses inflicted by the courts.

No account has been taken of the innumerable murders and other atrocious acts of Nazi violence, nor the blood purge of June 30, 1934, nor the hundreds of persons shot while trying to escape. Neither are the hundreds of thousands of prisoners considered who are herded together in the concentration camps. In the same year in excess of 13,000 German citizens, of which most of them were German Jews, were deprived of their citizenship. I understand that the period from June 1934 to the summer of 1935 was less cruel and violent; in fact, during my 3 weeks in Germany I found only a few occasions where these atrocities and hardships were being imposed, and this was upon the people of the Memel territory, although in January 1935 there were prison sentences totaling approximately 675 years, indicating that there was still an acceleration of the terror wave. During the first half of the year 1935 there were total sentences in excess of 5,600 years at hard labor passed against approximately 2,400 offenders, most of whom, of course, were people of the Jewish race.

I have found, however, throughout entire Germany that all business houses, large and small, display notices on their windows and doors, stating that theirs is a German business (Deutscher gescheft—"no Jews allowed here"). This rule is very rigidly enforced among the restaurants, department stores, doctors, and other business and professional enterprises. Unless one is born in Germany, of German parentage, he is prohibited from transacting business except amongst the Jewish race. A German who has intermarried in the Jewish race is also prohibited from associating with others. They are confined to their own class; in the same sense, as I might say, that cattle are segregated in stockyards—bringing humiliation and disgrace upon the Jewish race in a most unnecessary and inhuman manner.

Children are parading on streets singing Heil Hitler.

There are many Nazi movements against churches and religion. There are many priests and ministers of the Catholic and Protestant churches confined in concentration camps and prisons. Severe punishment of long imprisonment and heavy fines has been imposed upon most of them. The arrests, of course, are being recorded daily under the pretext of violation of German foreign-exchange regulations. The Nazi regime has struck a civil blow, as you know, at the Catholic opposition. Many monks and nuns have been arrested and chained in solitary confinement for years. Here, I might say, that many of them scarcely knew of Adolph Hitler nor the foreign-exchange laws; however, heavy penalties were meted out to them, and many of them are very old and not in good health.

The conflict between the church and the Reich is assuming serious proportions. One of the latest blows has been the compulsory transfer of tens of thousands of children to nonreligious schools, as well as the arrest of members of the Catholic Youth Organization, who were returning from Rome. The Catholic youngsters were stripped of their uniforms and their religious medals and emblems.

There have been daily reports of the various hardships and other atrocities which were imposed not only upon the Jewish race but upon all persons opposed to the Nazi regime by General Goehring, who is making a very serious attack on catholicism all along the line and ordering authorities to apply all of their strength against the Catholic clergy and youth-organization whose activities are considered inimical to the Nazi state.

The era in which we live will decide whether the forces of brutal contempt for the intellectual life will prevail over those which have brought us to our present degree of civilization. That may seem like a strong statement, but there are signs and portents, grave signals of danger which make the thinking man wonder whether civilization is at the end of the road.

Slowly but surely all of the things which we hold dear as free men in this great Nation are being taken away from the peoples of Europe. Every day we read and wonder how nations of culture, whose great men have contributed to the progress of all the races, can retreat step by step into barbarism. For that is what is taking place today.

Remember this when you read of a public official being attacked for defending Americanism. The foundation stones of our form of government would be scattered by the artifices of dictators outside our borders who realize that the United States of America is the only land left to protect the rights of a free people.

There are those among us, well-meaning idealists, some of them, who think all problems would be solved if we pooled our interests with those of the hypocrites who would destroy us. Those are the danger signals I speak of. Beware of those who would risk losing what we have in a futile attempt to reform a greedy world which would devour us.

Recently a bill was passed in the United States Senate in an effort to have us join the Bern Convention, which is supposed to protect the rights of authors all over the world. On the face of it this seems innocent enough. But what do we find when we look into the details of this seemingly innocent enterprise? We find in the background the same schemers who would destroy our freedom and reduce us to the status of European mental slaves.

The obvious purpose of the Bern Convention is to prevent discrimination in one country against the copyrighted works of authors who are nationals of another country. That is all well and good. But you cannot trust European schemers when they come here prating of idealism. Foreign nations are clamoring that we join the Bern Convention in order to eliminate the so-called manufacturing clause from the existing copyright laws. If this scheme became successful, some 225,000 American printers would be thrown out of work because foreign nations would dump their printed works in the English language for circulation in cutthroat competition with American labor. Think of it! And such legislation is passed in this free country under the pressure of foreign hypocrites.

Can you imagine our free, thinking writers sitting down at the Bern Convention to discuss intellectual integrity with representatives of Mr. Hitler's government? How far would they get? How can we explain our free press to Hitler or the heads of any other nation in Europe where freedom of thought and speech are looked upon as a joke. How can we reconcile ourselves in dealing with those who have fallen so far back into barbarism that they would take away from us the prized possessions of our Constitution, freedom of speech, freedom of religion, and freedom of the press? We do not talk the same language with them, and until they can see it our way we never will.

Our children read the works of the great poet Heine, the works of Goethe, hear the glorious music of Wagner, and then are told by us that the nation which produced these geniuses exiles the great Einstein because he happens to be a Jew, that it exiles all Jews, throws out Thomas Mann, one of the greatest of living authors, and would go back to the age of tooth and claw.

Our newspapers are a daily record of the collapse of civilization in the land of the dictators. Reporters from foreign countries who tell the truth in Germany are expelled. Catholic priests are jailed for worshiping according to their own light. Thus does Hitler rule. One thousand newspapers are suspended because their editors dare to tell the facts. Reich law has become an official's whim. More than a half million people have been deprived of their political rights, their civil status, and while facing exile have become wards of the state, to be kicked about. The land of Wagner has become a musical joke. Hitler has ordered classical operettas, but the Aryan laws prohibit such tonics as Offenbach's Orpheus and his Tales of Hoffman. Oscar Straus' Waltze Dream cannot even be played, nor can the people hear the catchy tunes of Leo Fall. Jewish composers, Jewish actors, and Jewish producers are supposed to have been eliminated from the face of the earth.

An official order bars Jews from teaching music, on the grounds that they are not members of the Reich Music Chamber. It forbids even private instruction by Jews. Jewish war veterans and families of Jewish soldiers who died in the war for the fatherland are ordered to vacate the apartment houses specially built for them by request of the late President Von Hindenburg.

Charles Chaplin pictures are now being prohibited because there is a mustache resemblance of Hitler.

Let us beware of entering any combination with any nation which has ceased to rank as a civilized country. There is no room here for those who believe in pogrom methods and ghetto-making. What can be more shameful, for instance, than the desperate plight of the Jews in Germany who will have to transfer their mass population to scattered points of the earth? Not only are they to be expelled, but their money and their goods are to be retained. Such is civilization outside of our borders.

What have we in common with nations which, on a mere whim, ban our great newspapers from their borders. We read, for instance, of the policy of great severity inaugurated by Italy against foreign newspapers which may not always agree with her policies. The great New York Times was banned by Italy, also the Chicago Tribune. At one time, only a month ago, all British newspapers with the exception of four were banned from Italy. In this free country all this is difficult for us to understand, but there is very little freedom of the press left in this world; and where there is, there is freedom of the people.

In the face of all these destructive censorships of the freedom of the creative mind you may imagine what would happen to our motion-picture industry if it were caught in the trap of an international combination. American film companies have a capital investment of $2,500,000,000, and 28,000 people are regularly employed in the production of motion pictures in the United States, in addition to 25,000 extras. Hollywood's annual pay roll is $75,000,000, and the industry spends annually $120,000,000 for supplies and other requirements. The burdens now imposed upon our motion-picture industry in the form of quota laws, restrictions, and prohibitions show that it is the greatest urgency that we do not adopt any bill that will give foreign nations a further stranglehold on us. Congress should be free from the restraints of the Bern Convention, so that it may place restrictions upon the protection afforded under the Copyright Act to the nationals of any country enacting discriminatory laws or oppressive measures against owners of American copyrights. That is no more than fair to us if we are to protect ourselves from those who would even pick the gold from our teeth. Why throw our rights away? We have seen enough of the turmoil in Europe to know what would have happened to us if we had joined the League of Nations. The Bern Convention is one of the many trapdoors in which we are expected to slip.

The only power Congress has to effectively safeguard American copyrighted works against discrimination abroad is by amendment of the copyright laws, if, as, and when the occasion arises. Adherence to the Bern Convention bars Congress from the exercise of this salutary power. Congress should not obligingly surrender this power and thereby lead foreign nations to believe that their discriminatory practices against American copyrighted works may continue with increased intensity and even multiply.

It is about time we began to think of our own rights. We have sacrificed the flower of our manhood on the fields of Europe for an ideal; we have poured out billions of dollars which we will never get back; and, in return, we are surrounded by greed and envy. Charity begins at home, my friends, particularly if it is to protect the best things in life which are essentially American—freedom of religion; freedom of speech; freedom of the press; and a free will to pursue our own happiness without interference from upstarts who are trying to drag Europe back into the Dark Ages.

Think of these things when you see the Stars and Stripes floating in the breeze. The red, white, and blue has never meant more to a free people than it does today in this world crisis. Friends, this is just a brief illustration of what is going on in Germany, a country that was once one of the greatest civilized nations of the world.

And until I visited Germany recently I did not realize the great injustice being done the Jewish people in that country. I had constantly read and heard of this inhuman fight against the Jewish people by the powers that be in Germany, but I did not realize to what extent it was carried on.

Everything possible is being done by Hitler and Hitlerism to humiliate and degrade the Jewish people. It is a crime for a gentile young woman to associate or to be seen with a Jew. The Jewish people are being segregated and treated in much the same manner that is accorded a person afflicted with smallpox in America. They are humiliated and insulted in public places. They are unwanted and unwelcome in the park, the theater, restaurant, railway stations, and all public places. Never before did I realize what a low-caste Hindu in India suffered at the hand of the high castes. The degradation of the Jews by the Hitlerites showed me what it was.

The spirit of Hitlerism must be destroyed. It is not the rank and file of the German people who are fighting the Jewish people. The average German man and woman are a fine, home-loving people, but they are being led, directed, and driven by a group of selfish bigoted politicians who happened to get the reins of control of government into their hands and are making a terrific fight against the Jewish people to keep the attention of the home-loving German people from dwelling too much on the crude, selfish efforts made to loot Germany by the politicians in charge.

They have degraded the Jewish people in Germany. They have hurt and humiliated their families and children, but, thank God, they cannot, and will not, destroy the spirit and morale of the Jew. This will live forever.

THE TOWNSEND PLAN

Mr. SOUTH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to insert in the RECORD a reply which I made to one of my constituents, chairman of a Townsend group, and to include three excerpts from H. R. 7154.

The SPEAKER. Is there objection?

There was no objection.

Mr. SOUTH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter written by me to one of my constituents:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 2, 1936.

Mr. H. L. HARDEMAN,
President, San Angelo Townsend Club,
San Angelo, Tex.

MY DEAR MR. HARDEMAN: I am in receipt of a letter as of February 18, from the San Angelo Townsend Club, signed by you as president, and Mrs. Joe Haney as secretary. I have read this letter very carefully, the last paragraph of which reads as follows:

"We ask your unprejudiced consideration of this plan and its claims, and we would be pleased to have a definite commitment from you as to your present and future attitude toward this proposed legislation, that we may rightly inform your constituents in this regard."

Since this movement has a considerable following throughout the country, and since your club has requested a definite commitment from me as to my views with reference to the adoption of the plan, I am writing you somewhat at length in order that my position may be fully understood by my constituents.

Every right-thinking person must evidently deplore the unhappy condition in which this country found itself a few years ago, and from which it has not entirely recovered. There is no good reason why a few individuals and concerns should so completely dominate and control the destinies of the great majority of our citizens; there is no good reason why millions in America should be deprived of sufficient food and clothing when we have a surplus of both in this country.

This does not mean, however, that a cure for this economic disorder is to be found in every suggested panacea or utopian dream which is advanced merely because the condition itself can easily be pointed out, and is condemned by every right-thinking person. The Townsend plan, which is offered by you "as a genuine program for economic security", makes a strong appeal to the imagination. It immediately stirs our sympathies, for few there are who begrudge those in declining years comfort and ease. It arouses hope of relief in those whose burdens are heavy, and upon whom the care of the aged has fallen, or will fall, and as has been said before, "The wish is father to the thought." We should bear in mind that a wish, however noble, cannot be substituted for clear thinking.

Let us analyze the Townsend plan; it proposes to pay $200 per month to every citizen of the United States 60 years of age and over, who is not receiving from any source a net income in excess of $2,400 per year, and requires that such person shall not engage in any gainful pursuit, and provides that the total amount received shall be spent during the current calendar month in which it is received, or within 5 days thereafter. In 1930 there were 10,479,028 persons in the United States 60 years of age or over out of a total population of 122,775,046. Of course, all of these people would not apply for the pension. It is generally agreed by both the proponents and opponents of the Townsend plan that 8,000,000 or more would apply for the pension if the plan should be adopted, and that the cost per year would amount to at least $20,000,000,000.

As shown by the Department of Commerce, the annual income for 1935 was considerably less than $50,000,000,000. Thus, to pay the annual cost of the Townsend plan would require approximately 40 percent of the annual income and about eight times the present normal revenue of the Federal Government received through taxation. I have just called on the Bureau of Agricultural Economics and am advised that the total income from all agricultural products, which includes vegetables, fruit, poultry, and products of the farm and ranch, for the year 1933 was $6,406,000,000; for 1934, $7,266,000,000; and for 1935, $8,110,000,000. This represents the efforts of some 30,000,000 people, and yet the total income for the 3 years mentioned would barely be enough to pay the cost of the Townsend plan for 1 year. Do you believe that our people can stand a tax, for this or any other purpose, which will amount to almost three times the total income of our farms and ranches?

Suppose you attempt to apply this proposition to any given local area. And even if the amount could be raised, which I am not conceding, is there any justification for taking from the meager incomes of families who have children to clothe, feed, and send to school, doctor and medicine bills to pay, and other expenses incident to rearing a family, one-fifth or more of what they receive in order that some older person whose family is already reared and educated may have an income four or five times as great as the income of the family so contributing? If the Townsend plan were adopted this condition would exist in a great many instances. The income of the average wage earner for the period 1910–29 was $42.60 per month. The Townsend plan would pay a pension of $200 per month, or more than four times the average income of a wage earner.

I am well aware that Dr. Townsend and his followers claim that the adoption of this plan would result in increased production and that everyone would profit as a result. It is my belief, however, that we can neither spend nor tax ourselves into prosperity. The few months immediately preceding the recent crash witnessed the most lavish spending this country has ever seen, and, instead of increased prosperity, we saw the beginning of economic chaos and ruin. I am sure you do not contend that the taxing feature of this plan has any efficacy, except that of producing revenue, the spending of which is calculated to speed up business and increase production.

Do you not think that a more equitable and a less burdensome and destructive means of raising revenue could be devised than a transaction sales tax, from which it is admitted the major portion of the money for financing this plan is to be raised? An increase of one-tenth in the personal income taxes paid during 1935 (for the year 1934) would have amounted to less than $51,000,000, and it is estimated that the 2 percent on gifts and inheritances would yield not much more than $25,000,000 annually. Quoting from page 4, beginning at section 2, of H. R. 7154, the revised McGroarty bill, now pending before Congress, which the Townsend followers are sponsoring:

"(a) There is hereby levied a tax of 2 percent upon the fair gross dollar value of each transaction done within the United States and Territories; also, in addition to all other taxes, a tax equal to one-tenth of the tax levied upon all incomes under the provisions of the Revenue Act of 1934 or any amendment thereto; also, in addition to all other taxes, a tax of 2 percent upon the fair dollar value of all transfers of property by devise, bequest, or other testamentary disposition or legal descent and distribution of property, as now or hereafter taxable under the provisions of the Revenue Act of 1934 or any amendment thereto; and also, in addition to all other taxes, a tax of 2 percent upon the fair gross dollar value of every gift in excess of the fair value of $500."

In this connection it is well to inquire what is meant by the term "transaction." On page 2 of the bill, beginning at section 1, this term is defined as follows:

"The term 'transaction' for the purposes of this act shall be defined so as to include the sale, barter, and/or exchange of either or both real or personal property, including any right, interest, easement, or privilege of commercial value therein or related thereto, whether actually made at the time, or only then agreed to be made, and whether under executed or executory contract or otherwise; also including all charges for interest, rent commissions, fees, and any other pecuniary benefit of any kind directly or indirectly derived from or for any loan, deposit, rental, lease, pledge, or any other use or forbearance of money or property; and also including the rendering or performance of any service for monetary or other commercially valuable consideration, whether by a person or otherwise, including all personal service."

If the plan proposed a simple 2-percent sales tax this would, of course, be quite different. The tax proposed in this bill is a tax of 2 percent on every transaction. Take, for example, a pair of overalls which retails for $2. The purchaser would pay 4 cents tax, but the transaction tax does not end there. When the farmer planted the cotton from which the garment was made, this 2-percent tax was added to the cost of the cottonseed; likewise 2 percent on all wages paid by him, including the picking and ginning. The cotton buyer would pay 2 percent; also the manufacturer, the wholesaler, who would in turn charge 2 percent to the retailer, as above stated. Under this plan you will note that the tax is made specifically applicable to barter and exchange, so that the value of property or articles traded or exchanged would be taxed. It specifically taxes wages, salaries, rents, and all other transactions of whatever nature.

We must not lose sight of the fact that taxes are taxes and must be paid by someone, and in turn added to the cost of the things which are bought and sold. Taxes collected under the Townsend plan would be just as burdensome as taxes for other purposes. The poor, the lame, the halt, the blind, as well as the more fortunate, cannot escape its operation. The average annual cost of this enormous tax burden would equal at least $160 for every man, woman, and child in the United States. The present per-capita tax, including school, road, city, county, State, and Federal is estimated at $122. Fortunately, the present tax burden is by no means equally distributed on a per-capita basis; some individuals paying more than $1,000,000, and many paying no tax at all. A vast majority of the people throughout our section of the country pay no Federal tax, or practically none. The $160 average required to finance the Townsend plan would be a Federal tax and, as stated before, no one would be able to escape it. It would increase the present total taxes of our people over 150 percent, and every dollar of this enormous sum would represent the surrender of some taxpayer's labor, or property, or both.

Dr. Townsend and his followers insist that the adoption of this plan will insure prosperity and plenty far beyond what we have ever experienced. It should be remembered that every dollar which the farmer and wage earner contributes to this cause will reduce the amount which he has to spend just that much. He will be further impoverished by the excessive tax which he will be forced to pay on everything he buys. I believe it to be my duty, as a Member of Congress, to sponsor legislation which will insure the greatest good to the greatest number. It must be evident to you, from my analysis of the Townsend plan as above given, that I do not believe it meets this test. In other words, I cannot support the Townsend plan because I believe it would work a distinct hardship on more than 92 percent of our people for the supposed benefit of less than 8 percent.

I wonder if you have given some study to the social credit plan sponsored by Mr. William Aberhart, who was elected Premier of Alberta, Canada, on June 22, 1935. Mr. Aberhart's party was voted into power because he, as its spokesman, had promised to pay every adult citizen of Alberta $25 per month. Children, upon attaining the age of 16 years were promised $5 per month, the amount to be increased each year until it reached $25. This plan evidently appealed to the voters, but, now that the gentleman is in office committed to the plan, he has been unable to find the revenue with

which to pay it, although thousands have demanded immediate payment. He now estimates that it will be some 18 months or 2 years before the plan can be put into operation. His plan evidently sounded good to many, coming from a demagogue, a politician, or from some uninformed persons who didn't know what it was all about. When given a chance, it hasn't worked, but has only made bad matters worse.

In my opinion, the social-security law recently enacted by Congress, if given a fair chance, will take care of the situation reasonably well. Later on, if the Federal Government can afford to pay more than the $15, as provided in this law, additional amounts can be provided by subsequent legislation. I consider it much better to promise something substantial, which can be realized, than to sponsor a plan which promises much, and, in my opinion, will be able to accomplish nothing of value.

Very sincerely yours,

CHAS. L. SOUTH.

PUBLIC OWNERSHIP AND COOPERATION IS A REMEDY

Mr. COLDEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. COLDEN. Mr. Speaker, the rugged individualists who have enriched themselves by special privilege and who have reduced millions of our people to ragged individuals, are flooding the country with propaganda denouncing the attempts of Government control of its economic policies. Such organizations as the United States Chamber of Commerce, the National Economy League, the American Liberty League, and similar organizations, including the Power Trust, the lawless holding companies—the wolves of our economic life disguising themselves with the innocence of lambs, are using all the instruments of public information and all the agencies of communication to poison the mind of the public against the New Deal, in its efforts to curb racketeering and other means of exploitation that wring from the workers their meager earnings and savings.

Big shots of business and their satellites, including an ex-President, politicians, and puppets of every caliber, from pea shooters and popguns on up to the millionaires and billionaires, are pulling invisible wires and firing vocal broadsides to disrupt and to defeat the plans of the New Deal to bring under control the financial brigands who have scuttled industry, crucified labor, and preyed upon the consumer and investor for many years.

THE BIG BOYS FLIP-FLOP

These overfed, overrich, overlords are howling about extravagance, Government interference in business, and holding up their hands in holy pretense in defense of the Constitution, yet these same hypocritical highbinders were the first to rush to the Government for help after the October crash of 1929. Billions of Government funds were poured out to save the banks, insurance companies, railroads, and other enterprises which had been their pawns. Then these selfish and greedy privileged interests, who were rescued from bankruptcy and ruin, applauded and sang songs of praise. But when the New Deal extended relief to the forgotten man, fed the hungry, aided the destitute, and furnished work for the unemployed, then psalms of praise were changed to volleys of vituperation and tirades of misrepresentation. Avarice and greed have no hesitation to bribe and subsidize, to falsify, and to betray in order to defame, depose, and destroy the leaders of the crusade for a New Deal. Who would have believed before the 1929 catastrophe that the plunderbund of our country was so venal and so treacherous?

WE DWELT IN CORRUPT CONTENT

In spite of the torrents of propaganda that are flowing out from the printing presses and the public platform, a large number of the wide-awake progressive citizens of this country realize the deceit and the hypocrisy of a privileged few and are aware of the seriousness of the crisis that now faces the American people. These wholesale attacks against the Roosevelt administration have a tendency to draw a clean-cut line between those who believe that the Government is for a few and those who believe in a Government for the many. For years special privilege has fattened itself by discriminating tariff laws, by privileged banking laws, the legal and financial advantages of corporation laws, and by the monopolization of industry and enterprise; and we as individuals accepted with indifference, and like our cities and Commonwealths, dwelt in corrupt content.

THE POWER TRUST DEFIES LAW

Probably the most outstanding defiance by corporations of the laws of this country is the open violation of the holding utility companies and the Power Trust in flouting the President, Congress, and the laws of these United States. Not only have many powerful corporations refused to register with the Security and Exchange Commission, as required by the Wheeler-Rayburn Act, but they have brought numerous suits for the purpose of cluttering up the courts and to thwart justice. The great Power Trust endeavors to hide its crimes behind the Constitution by a cloak of hypocrisy and clever deceit.

HOPSON AND HIS HENCHMEN

Remember the story of Hopson? He is the type of the frenzied financier who rushed to the Constitution for a refuge and yodeled for help against the New Deal and yapped about the "brain trust." It was his henchmen that sent hundreds of thousands of telegrams and letters to Members of Congress to defeat the Wheeler-Rayburn bill. It was his unscrupulous gang that used the voices and messages of the dead to defend his voracious greed and to defeat justice. He was the witness who ducked and dodged, slipped and sneaked about for weeks to evade the utility investigation. He was the white-livered, yellow-hearted patriot who participated in millions of profits while his widow and orphan investors did not receive a dime. Now, the Government has filed claims for many millions against this defiant rugged individualist for unpaid income taxes. How much longer will the common citizen tolerate this sort of fraud, hypocrisy, and bamboozlement? Listen to the bawling about the Constitution. Like the farmer's calf, the bigger it grows the louder it bawls. This is the sort of double-faced patriotism that weeps for the widows and orphans he has robbed, howls about communism he has created, and seeks the protection of the Constitution and the law he has flagrantly defied.

Giant corporations of the Power Trust expended millions to defeat the Wheeler-Rayburn bill on the floor of Congress. Senator BLACK, the chairman of the Senate investigating committee, estimated that the holding companies expended approximately $5,000,000 for the defeat of legislation the only purpose of which was to give some degree of protection to both the investor and the consumer upon which the Power Trust has been preying, feeding, and fattening.

FILCHING MILLIONS

To show the mercenary and greedy character of the corporation life of our country, one needs but to refer to the report of the investigations of the Federal Trade Commission, supplemented by the hearings held by committees in the Senate and the House on the activities of some of these giant corporations. For example, it was discovered that the Electric Bond & Share Co. in the year 1927 assessed its operating companies over $9,000,000 for supervision and for performing services for which the holding company had incurred but a little more than four million for these same services. Thus a clear profit of about $5,000,000 was exacted from the investors and the consumers and pocketed by the holding company by methods that would make the ordinary stick-up man look like a piker. This is but one of numerous examples of fraud and deceit. And such as these wail about their constitutional rights and blast the New Deal from every corner.

A LONG ISLAND STEAL

Just recently a New York State Senate committee in investigating utilities made the following statement about a Long Island lighting company. The utility company paid $1,500,000 for one of its properties. This same company valued this property at $670,000 to the tax assessor and it was so assessed, but for the purpose of fixing the rates to the consumer who pays for the light and power the valuation was placed at $4,000,000. Thus these manipulators placed a value on the property about six times as high to the public for rate making as it did to the State for taxpaying purposes.

Four brilliant and superoperators and principal stockholders, in adding an operating plant to their company, took off a slice of $85,000 each as a commission for turning over a company that they owned to another company which they owned. Can anybody figure out a worse gamble and financial legerdemain? These same financial tricksters paid $11,000,000 in dividends in 9 years on a $3,000,000 investment, or more than 360 percent, or more than 40 percent per year, while some consumers were forced to reduce or to cut off light and power because of their depressing circumstances.

JUSTICE MISCARRIES

The Insull financial farce of Chicago is one of the outstanding examples of the predatory career of unregulated and unrestrained holding utility companies. After the Insulls, by hook and crook, amassed a stupendous holding company of $2,000,000,000, by which numerous prosperous operating companies were entangled and milked of their earnings, in addition to the selling of millions upon millions of worthless stock to widows, orphans, and other innocent investors, the bubble burst. The debacle exposed dreams of frenzied finance, the reckless violation of law and business morality, and subtle, shady practices. The Insulls fled to foreign lands. After many months Samuel Insull was captured in Greece at great expense. Brought home a prisoner, he was tried and acquitted by the courts. The citizen asks, Why and how? This is an example of the futility of regulation.

CORRUPTION A WEAPON

So far have parasites of privilege, the devotees of greed, wandered from the straight and narrow path of fair dealing and economic justice that they have poured millions into the itching palms of perverted publishers who issue screeds about the "raw deal", "soak the thrifty", "soak the successful", "soak the saving", and other deceptive slogans of the demagogue and the charlatan. The slimy finger of greed has even reached the pulpit in some instances, has betrayed the professor in his study, and has spread its poison into the school textbooks of the country. There is no power under the blue canopy that these propagandists have not used to pollute and to poison the mind of the people of this Nation.

REGULATION A FAILURE

The effort to control holding companies by the State and Nation has been one of disappointment and disrepute. Scarcely a State in the Union that has tried to regulate utilities and corporations but has had numerous examples of the defeat of justice, and the rights and the security of the public. But a few months ago the entire country was startled with the exposure of a Colorado corporation that had purchased the influence of a prominent Denver newspaper in a gas franchise controversy at a cost of about $350,000. No doubt there are hundreds of similar instances of the corruption of the public press throughout this country. Many of the violent attacks upon President Roosevelt and the New Deal are provoked by those who have been bought and paid for and violate the trust that devolves upon every honest and patriotic publisher to his readers.

Lawless corporations have not only corrupted newspapers, magazines, and other avenues of public thought, but they have insidiously entered politics, have controlled governors, judges, boards of supervisors, State legislators, and officials have disclosed that millions of dollars have been spent by the Power Trust to influence officials and public opinion in order to gain valuable franchises and other objectives which serve their greed. Scarcely a great city in this country but at some time in its history has been found reeking with corruption and being sapped by the parasites of privilege. The political machinations of these greedy groups are constantly maneuvered on the political field and behind party lines to promote their puppets and to destroy the patriots who endeavor to restrain them.

THE GROWTH OF CORPORATIONS

Berle and Means, in their illuminating volume entitled "The Modern Corporation and Private Property", discloses an amazing story of the growth of the corporations. It gives us the interesting information that in 1800 there were but 335 private corporations in this country. Their ownership at that time was largely confined to highways, bridges, and canals. That 130 years later, in 1930, 14 railway corporations operated 87 percent of the first-class mileage of the Nation. That in 1930, 200 corporations had assets of more than one hundred million each, and that 15 corporations had a capitalization exceeding one billion each. That 200 corporations had assets of more than $81,000,000,000, or practically 22 percent of the entire wealth of the country. That these 200 corporations, less than seven one-hundredths of 1 percent, controlled nearly one-half of the corporate wealth of the United States, and that 2,000 persons controlled one-half of the industry of the country.

THE CONCENTRATION OF WEALTH

One of the most alarming results of this unparalleled growth of corporations is that the savings of the Nation are passing from the individual to great corporations and a few individuals. Our Capacity to Consume, published by the Brookings Institution, discloses the startling statistics that in 1929 the savings of 10 percent of the individuals having the highest income were 86 percent of the total savings of that year, while the 80 percent of the population with the lower incomes were able to save but 2 percent of the entire savings of the country. Leo T. Crowley, Chairman of the Board of Federal Deposit Insurance Corporation, made the statement on February 21, 1935, before the House Committee on Banking and Currency, that 1.6 percent of the depositors in the banks of the United States owned 65 percent of all the deposits in the 15,119 banks operating under the F. D. I. C. at that time. An analysis of these statements clearly discloses that the wealth and savings of great corporations are piling up at a tremendous pace, while the average individual has been obliged to consume all of his earnings and is less and less able to set aside savings for age and adversity. This situation arouses the demand for social security, including adequate pensions for the aged and unemployed, who have produced the wealth of this country and have been stripped of their earnings and their savings and their investment. Millions have been reduced to an economic twilight on the verge of penury, deprived of everything but the bare necessities of life, while a few soar on golden wings to heights of opulence and luxury never before known in the history of the world.

IS THERE A REMEDY?

The disappointed and defeated citizen who believes in fair dealing and a new deal in which all may participate frequently asks the question, "What can we do about it?" There is an answer. There is a remedy. The only way out is by cooperation and the public ownership of public utilities and all other agencies that are monopolistic in character. If every community and city in this land owned and operated its light and power, water and gas, and other public-service agencies, it would remove the defiance of the law. It would eliminate a prolific source of corruption in our Government; it would afford the investor security for his earnings, a fair price to the consumer, and better wages for the worker.

In addition to public ownership or production for use and not for profit, another very much desired reform would be to socialize great corporations. Every corporation in America doing interstate business should be compelled to take out a license with the Federal Trade Commission, or some other agency of the Federal Government, and be compelled to protect the investor, to abide by a living standard of wages, and reasonable hours, to eliminate child labor, and to recognize the right of the workers to organize and to have a hearing of their grievances, and to be fair to the consumer.

Coteries and cliques of exploiters should be prevented from amassing the voting power of a corporation and from denying a single stockholder a voice in its affairs. No corporation should be allowed to accrue enormous surpluses that rightfully belong to the investors, the workers, and the consumers. Is there any legitimate reason why the worker should not participate in the dividends of a corporation as well as the investor? It has been the custom of most corporations to pay to the worker and to the investor only what circumstances

impelled them to pay, while huge salaries and swollen profits flowed into pockets of a favored and select few.

Is there any legitimate reason why a few bankers should enjoy the control and profit of the credit and the credit currency that rightfully belongs to all of the people? The Constitution says "Congress shall have power to coin money and to regulate the value thereof." Here is an opportunity for the Economy and the Liberty Leagues to demand that Congress exercise its rights in behalf of all the people. The Federal Reserve banking system should be owned and controlled by the Federal Government and every dollar of paper currency be issued by it. Too long have the people of this country suffered by the control of money and credit for the profit of a privileged few. Many of the governments of the world own and control the banking system and the issue of credit money in the interest of the Government and the people instead of the system of our country, which enables selfish financiers to control the bank money and the bank credit of our Nation. No reform is so necessary and so fundamental as the Government control of banking, currency, and credit.

WHAT IS THE ANSWER?

In order to eliminate the unequal distribution of wealth, the piling up of great fortunes on the one hand and the reduction to poverty on the other, drastic forms must be initiated. Instead of economic life being dominated for the benefit of a few, there must be opportunity and security for all. Why should a few men in any city operate gas companies, light and power companies for their individual profit and wring swollen gain from the pockets of many whose wages are small and whose comforts are meager? Public ownership is a complete answer. It is within the reach of the voters of every city of America. There may be local obstacles, but a determined public can remove them. Constitutions and laws can and should be molded to serve the welfare of the people.

LOS ANGELES AN EXAMPLE

Public ownership is not an idle term nor an untested theory. The city of Los Angeles is an outstanding example of what can be achieved by municipal ownership, production for use and not for profit. In 1898 Los Angeles, which had practically given away its water system at an early date, repurchased it at a cost of $2,000,000. The system was inadequate and inefficient, but the city began rebuilding and improving it and gave the consumers a reduction of 63 percent in domestic rates. The city, the bungalow owners, built an aqueduct 250 miles in length at a cost of $25,000,000. Today the people of Los Angeles enjoy mountain water at a cost of 13 cents per 100 cubic feet, as compared with an average of 18 cents charged in 183 of the largest cities of the United States, most of which pump their water from nearby rivers and lakes.

The water plant of Los Angeles has been expanded with great rapidity to keep up with the population that has grown by leaps and bounds. Because of the large area of the city, and the use of water for irrigating purposes, the demand has been greater upon the capacity of the plant and the need of improvements than possibly in any other city in the world. Reduction after reduction has been made in the water rates. Notwithstanding these reductions and the tremendous improvement program that has been carried out, today the people of Los Angeles have an equity built up from the earnings of its water plant of nearly $80,000,000. The assets of the entire plant is approximately $150,000,000, and the municipal water bureau of Los Angeles has gradually reduced the indebtedness from earnings to approximately $70,000,000.

LIGHT AND POWER

Los Angeles has achieved similar results in the ownership of its power and light. The city of Los Angeles embarked on this enterprise in 1916. It now has a plant of light and power with assets of about $96,000,000, with outstanding bonds of about $38,000,000, leaving an equity of over $50,000,000, built out of the earnings of the system. This substantial equity has been built up in spite of the opposition and the antagonism of rival private utilities along with repeated reduction in the rates to the consumer.

Los Angeles is not alone in its adventure into municipal ownership. The publicly owned system of light and power by the Province of Ontario, the outstanding enterprise of Tacoma, Wash., the success of the Tennessee Valley Authority program, are supplemented by hundreds of examples of municipal enterprises scattered throughout the country. Boulder Dam is another public project with great promise.

OTHER CITIES SUCCEED

Some cities have found the ownership of light and power so profitable that they are paying their entire municipal expenses from the proceeds. This system cannot be defended as a just system of taxation, but it does prove the great profits that are exacted under private ownership from these enterprises. Mifflinburg, Pa.; Chanute, Kans.; Bloomfield, Iowa, and a number of other communities are among those who have eliminated all city taxes by the profits of public ownership of the local utilities. In a recent list filed in the Congressional Library, Oklahoma is given credit for 55 cities without taxes because of the profits of municipal ownership; Kansas, 7; Indiana, 3; Michigan, Iowa, Minnesota, Wisconsin, Nebraska, 2 each; Georgia, Texas, Vermont, Idaho, Washington, New York, New Jersey, Wyoming, and Pennsylvania each have 1 tax-free city because of the blessings of public ownership.

The Burns & McDonald Engineering Co., of Kansas City, Mo., have compiled some enlightening figures showing the profits of municipally owned light and power plants for the year 1934. These facts, which are more potent to the thinking citizen than the Power Trust propaganda that floods the columns of the public press, are as follows:

	Net earnings
Los Angeles	$7,267,374.33
Cleveland	1,661,726.74
Seattle	3,381,403.80
Tacoma	1,624,111.02
Pasadena	871,262.58
Springfield, Ill	338,749.91
Jamestown, N. Y	429,964.96
Colorado Springs	512,664.07
Winnipeg, Canada	2,034,865.39
Glendale, Calif	550,930.92

Note that Pasadena has a population of about 76,000; Tacoma, 107,000; Springfield, 72,000; Glendale, 63,000; Colorado Springs, 33,000; and Winnipeg, 209,000. Not only do these municipal plants earn enormous profits that rapidly pay off the cost of the plants and extensions and improvements, but the consumers enjoy better rates.

SUCCESS IN KANSAS

The city of Chanute, Kans., owns and operates its water, power, and gas plants. The population of Chanute is about 10,000, and no city taxes have been assessed or paid since 1930. All city expenses have been paid from the surplus profits of the city-owned utilities. Not only do these utility profits pay for police, fire, and health protection, but also the maintenance of the streets, parks, playgrounds, airport, municipal band, and other facilities of a progressive city.

The rates charged in Chanute for gas are 45 cents per thousand cubic feet for the first 10,000 feet to 30 cents per thousand about 100,000 feet. The water rate begins at 25 cents per 100 cubic feet to 1,201 cubic feet and to as low as 8 cents in large quantities. The lighting rate is 6 cents per kilowatt for the first 50 kilowatts and the power rate 3½ cents per kilowatt. The lighting rate for over 100 kilowatts is 4 cents and the power rates are as low as 9 mills per kilowatt. A rural rate is extended to surrounding farms at 4 cents per kilowatt for 100 or more.

PUBLIC SERVICE VERSUS PRIVATE PROFIT

The private utility has but one objective—profit for the owners. It is a noticeable fact that the early development of municipal ownership has been in the field of water supplies. The reason is evident. Under private ownership and profits the water supply was frequently inadequate or was dangerous to the health of the community. As a matter of health and sanitation a plentiful supply of pure water was necessary for the health of the inhabitants. Consequently these communities were forced to purchase and operate these plants in order to supply themselves with good and

abundant water. The first purpose in a municipal water plant, or any other publicly owned institution, is service to the public at the least expense so that all may avail themselves of its benefits. This illustrates the great fundamental difference of private ownership for profit as against public ownership for service and for the widest application of its use. It is an application of that new maxim of economics—"production for use and not for profit."

A SOUND INVESTMENT

Another marked advantage in public ownership is that the investor in the bonds of a municipal plant rarely suffers a loss of any kind and rarely misses a dividend. The investor in municipal securities has a sound investment, in striking contrast to the investor in private companies, the assets and the earnings of which are subject to racketeering manipulation and speculation in order to add to the profits of the few who are in control. Not only is the investor better protected under public ownership but the consumers enjoy a better service at a less cost. The rapid growth of industry in Los Angeles, and in other cities that own and operate their own plants, has been largely due to the cheaper light and power afforded by their communities.

What is true of the investor and the consumer also applies to the worker. The worker for a municipal plant is usually assured better wages, and at least more permanent employment, than is his fellow worker employed by a private company. The municipal plants do not have the heavy overhead, the earnings are not drained off by high salaries, and there is a more uniform distribution of the earnings among the investors, the consumers and the workers, than in the privately owned plants. The income is not piped off to New York and other financial centers, but remains in circulation in the home town.

CAPITALIZATION FAVORS PUBLIC OWNERSHIP

One of the decided advantages of public ownership is in the capitalization of its enterprises. Private companies sell both stocks and bonds and frequently dispose of more stock than the assets of the company warrant. "Watered stock" is a current term in the language of the utility business. It indicates that someone has been oversold and eventually must suffer loss, and that somebody is profiteering by selling stocks that have no corresponding value back of them. In public ownership no such term is known. When bonds are sold to build, or to purchase a private plant, or for improvements to a publicly owned plant, every dollar is accounted for. There is something tangible behind the bonds of a municipality or other political subdivision that engages in a public-utility enterprise. On the other hand, the private utility issues preferred stocks and common stocks, and then usually mortgages its assets to their full capacity by the issue of bonds. Thus the private utility must meet the interest on its bonds and pay dividends on the stocks, thus having a double liability.

Whenever the private utility desires to make improvements, it usually makes no attempt to provide for these improvements out of the earnings, but issues more stocks, more bonds. The result is that the investors are buying more watered securities, the consumers paying higher rates, and the profiteers and manipulators are pocketing higher and greater profits. The public utility must establish a sinking fund and make provision for paying off its bonds year by year. The result is that the publicly owned utility is constantly reducing its capitalization, while the private utility is continuously increasing its liabilities.

Take the case of the Long Island company, to which previous reference has been made. Its owners lifted its valuation millions of dollars and the profits drained into the pockets of the manipulators. Under public ownership this plant would have paid for itself within a few years, thereby giving its consumers a rate that would be but a fraction of the amount exacted by the private utility.

LOWER RATE OF INTEREST

Not only has the publicly owned plant no dividends to pay on stocks and no bonuses and prizes to divide among the profiteers but it is paying its indebtedness on an amortized plan that will eventually eliminate its entire capitalization. Furthermore, the municipality can usually borrow its money at a lower rate than can the private utility, thus reducing the cost of overhead. The city plant buys no franchises and pays no direct taxes, but in most instances the publicly owned plants furnish free water for public buildings and for fire protection, free lights for municipal buildings and street purposes, and contributes much more to the community than does the private company in direct taxes.

NO SLUSH FUNDS

The publicly owned companies are not required to provide slush funds to pay political workers in city elections or to bribe city or other public officials. The publicly owned company does not have to pay heavy promotion fees nor expensive bonuses to banks or make contributions to corrupt politicians, so the advantages from the standpoint of better service, lower rates to the consumer, better and more uniform wages to the employee, and cleaner politics are all on the side of public ownership.

These benefits which are evident in the public ownership and operation of water and light and power should be sufficient to point out similar benefits in the operation of gas companies, transportation, and communication. Here is one of the problems of the country that is rooted in the life of every community. If these communities are awakened and grapple with those who profiteer on them and bring such enterprises within their ownership and control, then with a public that is educated in the fundamentals of public ownership it would be much easier and would remove many of the difficulties in the way of a State program of utilities and enterprises that exercise a monopoly within its boundaries.

VALUE OF COOPERATION

Public ownership is merely a means of cooperation of the people of a community, a county, a State, or the Nation. Cooperation has made great strides in many countries of the world, but it has lagged in the United States. Public ownership of railroads, telegraphs, telephones, all sorts of utilities, and of private enterprises exists throughout many countries of the world. The government ownership of railroads is quite common in foreign countries.

In foreign nations cooperative movements without the aid or direction of the Government have made remarkable progress. The Rochdale system in England is one of the great cooperative movements of the world. It is a remarkable institution. Cooperation in savings, in building, in insurance, are other features of the economic life of the peoples of Great Britain. The people of Sweden, through cooperatives, have crushed monopolies that were oppressive and exacting. The Danish farmer and dairyman have worked from tenancy and poverty to independence and prosperity by a great cooperative system that not only controls the production but the marketing of their products. Germany is another field of rich results from cooperation. In Japan, Kagawa, the Christian leader, declares that Christianity is cooperation, and practices his own doctrine by establishing cooperatives to help his fellow men to arise from the economic mire that has kept them in poverty and impaired their lives with disease and crime.

PRODUCTION FOR USE

Aside from the financial value of cooperative marketing for fruit growers, dairymen, and farmers, industrial and agricultural cooperation is proving of exceptional value to the unemployment problem in southern California. A number of communities have organized cooperatives in which unemployed find a livelihood. Necessity has fostered these cooperatives. Many aged and even infirm find employment in these enterprises since it enables them to labor as many hours and days as their health and strength permit. Each is paid by the hour in the products of the cooperatives.

Vegetable farms are cultivated, surplus fruit gathered, not only for present use but is canned in large quantities for future use. Others do baking or sewing, make furniture and other useful articles. Trucks exchange fish on the water front for fruit in the interior. These co-ops have had insufficient finances to develop the greater possibilities of this plan. Cash must be had for trucks, tires, gas, fuel, and

other necessities since the co-ops do not sell in the open market. But this experiment deserves careful nourishment and is one road out of relief to self-maintenance and an independent livelihood. This cooperative system has given birth to the movement of "production for use and not for profit" which has been denounced and misrepresented by its capitalistic and reactionary opponents.

In California the citrus growers have a cooperative organization that produces and markets a great volume of fruit that reaches the consumers of the world. Other producers in California are following this trail blazed by the pioneers in cooperation on the Pacific coast. In some States of the Union splendid results have been secured in cooperation in the production of milk and its products. Under the operation of the Milk Trust huge profits and huge salaries have been wrung from the farmer and the consumer. In many localities the farmer realizes 5 or 6 cents per gallon for his milk, and ekes out a scanty subsistence, while the consumers in nearby cities pay from 12 to 15 cents per quart, robbing babies of their needed food and families of a necessity, while those who control distribution and marketing fatten and revel in exorbitant profits.

LESSONS FROM EXPERIENCE

Public ownership and control of the public schools and our Postal System have been so long established that no one ever thinks of either as a Utopian dream. There was a time when the highways were toll roads and turnpikes with a tax at every turn. Bridges were once under private ownership, but who for a moment would want to turn back from the free highway and the free bridge? Private ownership of natural monopolies has been disastrous to the investor and expensive and burdensome to the consumer. Attempted regulation has been far from satisfactory. Public ownership has given greater security to the investor, more uniform employment, and better wages to the worker, and better service and lower cost to the consumer. It rids the public of a source of corrupt politics and raises the responsibility, intelligence, and comfort of the citizenship.

One of the greatest needs in this country is collective thinking and cooperative action. Today with our national resources monopolized by a few, our public lands exhausted, there is a demand for a new vision, new methods, and a New Deal. The constitutional guaranty of free speech and the right of franchise is materially impaired when the citizen is deprived of an opportunity to eat, to be clothed, and to be sheltered. One of the goals of America should be a decent home for every American. No man is free unless he has food and clothing and a home that fortifies him in security and enables him to speak and to worship and to vote unshackled by poverty, hunger, and fear.

STAND FIRM FOR PROGRESS

The early Pilgrims came to America for religious freedom. They braved the dangers of uncharted seas and the wilds of unknown lands to speak their own thoughts and to worship according to the dictates of conscience. Deprived of their inalienable rights of life, liberty, and the pursuit of happiness, they carried on a savage war with Great Britain and won political freedom. It is the obligation of this generation to demand social security and economic freedom and to march forward to a new era and a new destiny of peace, progress, and prosperity for all.

The hope of America is in progress and in liberalism. Fate has given us a matchless, progressive leader, Franklin D. Roosevelt. He has dared to espouse the cause of the forgotten man. For more than 3 years he has pushed forward. Reaction, privilege, and greed are arrayed against him in the approaching campaign, the most important economic struggle that has ever faced America. We may choose financial toryism or economic equality, industrial peonage or security. Hesitation, doubt, indifference, personal ambition, fusses and fights, feuds and factions, splits and schisms, must be cast aside if we are to win. Shall we quibble and quarrel and waste our energies in political dissension ending in inevitable ruin? Or shall we rally with courage and unity and march forward to victory and the common weal with Roosevelt?

EXTENSION OF REMARKS

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short poem on the cattle industry.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, for the present to any inclusion of outside matter.

CORRECTION

Mr. RICH. Mr. Speaker, I ask unanimous consent that I may change a statement made in the remarks I delivered on Thursday last, wherein I said the Speaker of the House was an honest man. That is objected to by the gentleman from Missouri [Mr. COCHRAN]. I did not intend to infer that the Speaker was the only honest man in the House. We presume that the chairmen of the various committees I mentioned last Thursday are honest men, and we know they ought to do honest things and cut down the expenditures of the various departments of Government if we are ever going to balance the Budget. The Democratic platform promised it to the American people, and we hope they will be honest men—not only on the Democratic side of the House and the Republican side as well, but with their constituents back home and make good their promises.

ORDER OF BUSINESS

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for half a minute in order to make an announcement.

The SPEAKER. Is there objection?

Mr. WHITE. Mr. Speaker, I reserve the right to object to remind the gentleman from New York [Mr. SNELL], the leader of the minority, that he just agreed to a unanimous-consent request where a Member asked to include a radio address delivered by an outside party.

Mr. SNELL. Mr. Speaker, it is not in order for the gentleman from Idaho to lecture the minority leader. The minority leader will take care of himself.

The SPEAKER. The gentleman from Texas asks unanimous consent to proceed for half a minute. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, under the order of the House general debate will run along today, and I hope that Members who wish to speak will get time, those on the minority side from the gentleman from Pennsylvania [Mr. DITTER] and those on this side from me, because tomorrow we are going to ask that the debate be confined to the bill. Those who want to participate in general debate today ought to take advantage of the situation.

ELMER H. ACKERSON (H. DOC. NO. 421)

The SPEAKER laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I return herewith without my approval H. R. 5876, entitled "An act for the relief of Elmer H. Ackerson."

The bill provides that in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Elmer H. Ackerson, who was a member of Caisson Company No. 2, One Hundred and Seventeenth Ammunition Train, attached to Company L, One Hundred and Sixty-eighth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 27th day of May, 1918, and notwithstanding any provisions to the contrary in the act relating to pensions approved April 26, 1898, as amended by the act approved May 11, 1908.

The records in the case show that this man was dishonorably discharged on account of the offense to which he plead guilty, thereby eliminating himself from service in the Army during the most critical part of the war. I do not feel justified, therefore, in approving this bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 4, 1936.*

The SPEAKER. The objections of the President will be spread at large in the Journal.

Mr. HILL of Alabama. Mr. Speaker, I move that the bill and the message be referred to the Committee on Military Affairs and ordered printed.

The motion was agreed to.

ORVILLE E. CLARK (H. DOC. NO. 420)

The SPEAKER also laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I return herewith without my approval H. R. 1867, entitled "An act for the relief of Orville E. Clark."

The bill provides that the said Orville E. Clark, a former officer in the United States Army, shall be paid out of any money in the Treasury not otherwise appropriated, the sum of $240, representing the 1 month's pay authorized by section 9, act of May 18, 1917, and not received by him upon his honorable discharge from the service on March 4, 1918, under the provisions of the above act.

In view of the interpretation placed upon section 9, act of May 18, 1917, by the War Department and the Comptroller General, the beneficiary of this bill is clearly not entitled to the sum named therein.

I therefore disapprove the bill for that reason.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 4, 1936.*

The SPEAKER. The objections of the President will be spread at large in the Journal.

Mr. HILL of Alabama. Mr. Speaker, I move that the bill and the message be referred to the Committee on Military Affairs and ordered printed.

The motion was agreed to.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1937

Mr. BLANTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11581) making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the District of Columbia appropriation bill, with Mr. NELSON in the chair.

The Clerk read the title of the bill.

Mr. BLANTON. Mr. Chairman, if our colleagues will look on pages 19 to 48 of the hearings, they will find a long list of prominent citizens in Washington, and officials, many of them with salaries ranging from $15,000 to $75,000 a year, together with the exact amount of taxes that they pay to the District.

Gentlemen will see that upon some very fine limousines here, there is only about $2 property tax.

One of the reasons that our committee had that matter looked into was because of the following communication that came from a prominent citizen of Washington, and I think it will be very interesting to the membership to know about it. The letter is as follows:

WASHINGTON, D. C., *January 8, 1936.*

DEAR MR. BLANTON: I was born in Washington, have lived here continuously for more than 50 years, and both of my parents were born in Washington. As a native I have the right to speak with authority on local affairs.

For many years the Washington newspapers have concertedly poisoned the minds of the people here with the unjustified belief that they are "voiceless" and are "overtaxed", and are "mistreated" by Congress, when there is no justice whatever in the contention. I own property in Baltimore, Philadelphia, and New York, and know that during the past 50 years the people of Washington have been better treated and least taxed than anywhere else in the United States. I know that the native residents of Washington are not sympathetic with and do not approve of this continual clamor carried on by the papers here.

If you will make an investigation of the taxes paid by the Washington Herald-Times, and Mrs. Eleanor Patterson, and by the Washington Star and the Noyes, and by Mrs. Agnes Meyer and her husband, Eugene Meyer, and their recently acquired Washington Post, and by the Washington News, and the United States News, and Labor, you will find that their properties are rendered at an assessed value far below that which they are really worth, and that none of them would sell their property for twice the amount of its assessed value.

I would suggest that you check up on the amount of taxes paid by a number of the leading citizens here, and by the officials of the District government, and you will ascertain that none of them would sell their property for twice its assessed value.

The native Washington people realize that this is the seat of government, acquired by the United States for that special purpose, and that it is and should be absolutely controlled by the Government, and we want to pay just taxes the same as all citizens elsewhere pay. We don't want gratuities from the Government, which throughout its history has always been most generous with Washington people. We are behind you and Mr. CANNON in your efforts to conserve our tax money, and to prevent waste and extravagance, and we appreciate the fact that you have kept our tax rate very low. While you are at liberty to use the above suggestions I have given you, I will ask you not to divulge my name, as my expressing views not in accord with those of the papers might injure my business.

I ask my colleagues to look up this long list of prominent citizens whose salaries range from $15,000 to $75,000 a year and see just what taxes they and the Washington newspapers are paying.

THE FALLACIES UNDERLYING THE ADMINISTRATION'S FOREIGN-TRADE POLICY AND SOME STARTLING FACTS IN RELATION THERETO

Mr. DITTER. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include therein a letter from a Member of Congress and my reply thereto, and also a table from a report made by the former trade adviser to the President.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Chairman, the remarks I intend to make I designate under the title "The fallacies underlying the administration's foreign-trade policy and some startling facts in relation thereto."

I think I am in possession of some very interesting as well as some startling facts, which for the most part I do not believe have previously been referred to on this floor.

My remarks will in part be based upon some of the printed statements made by the President's former foreign-trade adviser, Mr. George N. Peek. It would seem that Mr. Peek was one of the practical men of great business ability brought into this administration in order to place his wise judgment and valuable experience at the call of the administration. But in the course of time he found himself so much at variance with the foreign-trade policies that, after making a number of able reports to the President of the United States, the last one a criticism of the Canadian reciprocity treaty or agreement, he resigned. Now, perhaps he is willing that the wisdom he offered in the form of advice should be used by others. Therefore, while I possibly may not refer to Mr. Peek again in the course of my remarks, I wish to say that some of the ideas I shall present to the House at this time appear in his printed pamphlets, letters, and public addresses.

I say these are startling facts, and they prove conclusively the fallacy of the present foreign-trade program and the damage it is doing and will continue to do to American agriculture, industry, and labor.

TRADE-TREATY LEGISLATION PROMISED INCREASED EXPORTS

When the Democratic majority in 1934 unconstitutionally surrendered its tariff and treaty powers to the President, they did so upon the representation that such action would result in finding a market for our surplus commodities.

The argument was advanced that by reducing tariffs and allowing increased foreign imports, we would benefit by a corresponding increase in exports. That is the definite doctrine that every one of these Democratic supporters of the reciprocal tariff has expostulated here on this floor. I think the gentleman who spoke at the opening of the House this

morning [Mr. HARLAN] undoubtedly advocated that principle here today. It was further stated that unless this were done foreign countries would not have the necessary dollar exchange with which to purchase goods in this country.

Let us see what happened. Here is the first startling fact that I want to call to your attention:

PRESENT POLICY BASED ON MISTAKEN PREMISE

Although in 1935 we increased our foreign purchases by 24 percent, and although in addition we purchased over $2,000,000,000 worth of foreign gold and silver at inflated prices, which was paid for in American dollars or credits, foreign countries only increased their purchases of goods in our market by approximately 7 percent.

Our gold and silver purchases under the administration's program turned our favorable balance of merchandise trade, amounting to $234,000,000, into a net unfavorable balance of trade amounting to $1,800,000,000. One would naturally suppose that this surplus of dollar exchange in the hands of foreign countries would have been reflected in increased purchases of American goods, but instead it was invested in American securities or left on deposit. There is no reciprocal trade in that proposition, and that is exactly what happened.

Therefore, I lay down as a startling fact that these trade-treaty programs are based upon a mistaken premise.

OUR UNFAVORABLE TRADE BALANCE SETTLED IN SECURITIES RATHER THAN INCREASED EXPORTS

Mr. Peek, in his reports to the President as foreign-trade adviser, has analyzed our international position in detail for the year 1934. In setting up a balance, he includes not only imports and exports of merchandise but movements of gold and silver, expenditures abroad by American tourists, immigrant remittances, interest and dividend payments, and services bought and sold. His analysis shows that the net result of our total foreign transactions in 1934 placed this country in debt to the world in the amount of $970,000,000. This tremendous obligation was settled, not by the sale to foreign countries of additional goods and services but by the transfer of stocks, bonds, and other equities.

The details of these transactions are set forth by Mr. Peek in a table appearing in his letter to the President on foreign trade and the international investment position of the United States, dated April 30, 1935. I include the table at this point for the information of the House.

FOREIGN TRADE DURING 1934

1. We sold to the world goods in the amount of		$2,133,000,000
We bought from the world goods in the amount of		1,655,000,000
Thereby placing the world in debt to us for goods in the amount of		478,000,000
2. Our tourists spent abroad and our immigrants, charitable organizations, and others sent abroad the net amount of		352,000,000
Leaving a balance owed to us of		126,000,000
3. Services sold to the world and miscellaneous items amounted to	$264,000,000	
Services bought from the world and miscellaneous items amounted to	274,000,000	
Decreasing the balance owed to us by		10,000,000
Leaving a balance owed to us of		116,000,000
4. Interest and dividends received from—		
Foreign bonds held in United States	$217,000,000	
Foreign bonds (interest funded)	13,000,000	
Direct investments abroad	125,000,000	
Short-term banking funds abroad	25,000,000	
Stock-transfer taxes, commissions, etc	10,000,000	
A total of	390,000,000	
Less interest and dividends paid	125,000,000	
Increased the balance owed to us by		265,000,000
Leaving a balance owed to us by the world for goods, services, interest, and dividends of		381,000,000

FOREIGN TRADE DURING 1934—continued

5. We bought gold (including earmarking) in the net amount of	$1,217,000,000	
We bought silver in the net amount of	86,000,000	
We bought paper currency in the net amount of	48,000,000	
A total of		$1,351,000,000
Thereby placing us in debt to the world in 1934 in the amount of		970,000,000

We paid this debt to the world by the transfer to foreigners of capital assets owned by us in the net amount of $970,000,000.

I want to repeat Mr. Peek's finding. It is too startling not to repeat. This tremendous obligation was not settled by the sale to foreign countries of additional American goods, as promised under the so-called reciprocal-treaty method, but it was settled by the transfer of stocks and bonds and other equities. We furnished them with capital, but they took securities instead of goods.

INCREASED IMPORTS NO GUARANTY OF INCREASED EXPORTS

Aside from proving that without further reductions in our tariff, foreign countries already have at their disposal considerably more dollar exchange than they need to cover their purchases from this country, the foregoing facts show that we cannot expand our foreign trade simply by placing increased purchasing power in the hands of other countries, whether effected through increased imports of merchandise or the purchase of gold and silver. The investment of this increased foreign purchasing power in stocks and bonds is of no benefit to agriculture, industry, or labor. Moreover, there is nothing to indicate that further exchange placed at their disposal would be otherwise employed.

SECRETARY WALLACE ADMITS RISKS OF TRADE-TREATY PROGRAM

Let me emphasize this startling fact, that the investment of foreign purchasing power in stocks and bonds is of no benefit whatsoever to agriculture, industry, or labor; it simply takes capital out of our country which is our own money. Even my favorite antagonist—I differ with him very materially and constantly—Secretary Wallace, admits the fallacy of the trade-agreements program in the following language, and I quote from page 10 of his annual report for 1934:

> But the foreign-trade program would involve the risk of producing results other than those expected. We cannot know in advance the probable effect on prices and employment in industry. Nor can we foretell precisely the compensating benefit to agriculture. Asking industry and labor to make sacrifices for agriculture demands some assurance that the farmer will benefit. The purchasing power which foreigners would obtain in the United States market were they permitted to sell more goods here might be left on deposit, or invested in American securities, or devoted largely to the purchase of nonagricultural goods.

It now appears that Secretary Wallace was somewhat of a prophet, since the risk to which he referred has in fact resulted. The foreign-trade program has produced effects other than those contemplated, to the detriment not alone of agriculture but of industry and labor as well. The sacrifices which one group has been forced to make for the others have produced no appreciable benefits. Our losses exceed our gains. The increased purchasing power which we have given to foreign countries by lowering our tariff and importing billions of dollars worth of gold and silver at inflated prices has not been used in the purchase of American goods, either agricultural or manufactured, but has been left on deposit or invested in American securities, as Secretary Wallace feared.

The foregoing startling facts prove that the administration's tariff policy is based upon an absolutely erroneous and false premise in assuming that an increase in imports, whether effected by reductions in tariff duties or otherwise, will necessarily result in an increase of foreign purchases in this country. This is the first startling fact to which I wish to call your attention.

NO OBLIGATION ON FOREIGN COUNTRIES TO BUY OUR GOODS

Another startling fact has to do with a fundamental weakness in the trade agreements themselves, namely, that they do not guarantee any increased market for our export products.

There is no obligation imposed upon any country with whom we have negotiated trade agreements to take a single dollar's worth of our merchandise. The sole effect of the agreements is to provide for reciprocal reductions in duties, but whether any actual movement of goods will result depends upon many factors, one of the most important of which is our ability to meet world prices. However, there is no question about the movement of goods into our own market, treaties or no treaties. Even commodities on which duties have not been reduced have been flooding the domestic market from abroad, displacing the products of our own farms and factories and taking work away from our own labor. With a wholesale reduction in duties being made under the trade agreements, this movement of goods from abroad will materially increase, and we will be left holding the bag while foreign countries use our money to buy the goods they want in other markets.

JOKER IN NETHERLAND AGREEMENT

I have said that the trade treaties contain no obligation to purchase our goods. There is one exception, however, which is found in the agreement with the Netherlands, but it contains the prettiest little joker you ever read. The obligation is hedged in such terms as to be absolutely meaningless so far as any definite commitment is concerned. I refer to the undertaking on the part of the Netherlands to purchase American wheat and flour equivalent to 5 percent of their domestic consumption, which contains the following proviso in the case of wheat and a similar one in the case of flour:

Provided, That the price of milling wheat originating in the United States of America is competitive with the world price for milling wheat of comparable grade and quality.

Is not that just splendid? If this is the only basis upon which we can sell to the Netherlands, the agreement will be of no particular benefit to our farmers or millers. If we must sell at the world price we might as well ship our wheat and flour to the London market to begin with and avoid the necessity of giving up any concession for such an empty obligation.

NO SWAPPING OF GOODS UNDER TRADE TREATIES

The trade treaties are frequently referred to as "Yankee swaps", but this is a misnomer. No swapping is involved. No merchandise changes hands by virtue of the agreements. We simply reduce our tariff rates in return for what we think are reciprocal concessions by the other country, and then, while watching foreign countries rush to take advantage of their opportunity to supply our market with increased quantities of goods, to the detriment of our own producers, we fervently pray that we will be enabled to secure a larger slice of the foreign market. So far our prayers have been unanswered.

It may be true that some export industries have benefited by reason of these trade treaties, but their gain has been more than offset by the loss resulting to domestic industries, both agricultural and manufacturing, and to American labor, by reason of the displacement of their products in the home market. I have frequently pointed out that while our export trade with Cuba increased $21,000,000 in the first 12 months of its operation, our imports from Cuba in the same period increased $103,000,000, or virtually 5 to 1. The first 6 months' operation of the Belgian agreement showed a 3-to-1 increase of imports over exports.

Simply giving foreign countries the wherewithall to buy our goods does not mean that they will do so. Unless our purchases from them are made contingent upon their making purchases from us, they will be inclined to take our money and buy where they please and what they please, just as they are now doing. This is the inherent weakness of the present trade program.

TREATY CONCESSIONS AMOUNT TO HORIZONTAL TARIFF REDUCTIONS

Another startling fact has to do with the application of the most-favored-nation principle to the reductions made under all the trade treaties except the exclusive agreement with Cuba. For all practical purposes, the reductions in duty made under an agreement with a particular country are tantamount to a horizontal tariff revision, because all other countries are entitled to the reduced rates without giving us any compensating concessions in return. Germany is the only country to whom the President has denied the benefit of the reduced rates.

The State Department has attempted to minimize the effect of this policy by saying that the concessions are made only with respect to articles of which the country with whom the particular agreement is negotiated is the chief source of supply. However, this is not a fact, as even a casual inspection of the list of concessions will show. The result is that the concessions in duty are frequently more beneficial to other countries than the one with whom the agreement was entered into, and, of course, we receive no reciprocal concessions from them.

CONCESSIONS UNLAWFULLY EXTENDED TO MANY COUNTRIES

While the Reciprocal Tariff Act specifically authorizes the President to generalize the duty reductions in favor of other countries, his authority is limited to extend such concessions to countries which do not discriminate against us. In view of the fact that many countries have entered into bilateral agreements with other countries, to which the United States is not a party, and from the benefits of which it is excluded, it is clear that the President has exceeded his authority in generalizing the reciprocal-tariff concessions to all but one country.

We have records of 290 such agreements. Certainly the act did not contemplate our extending most-favored-nation treatment to any country which did not extend most-favored-nation treatment to us, yet the President has done so. England gets the benefit of our concessions to other countries without giving us any concessions in return, although she has extended concessions to other countries under some 32 bilateral trade agreements. France has 79 such agreements, Italy 35, Russia 13, Japan 7, and so on.

VIOLATIONS OF OUR MOST-FAVORED-NATION TREATIES

Mr. WOODRUFF. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Michigan.

Mr. WOODRUFF. I hope the gentleman will also refer to the number of violations of the treaties by the countries with whom we have a most-favored-nation treaty. I call his attention to the fact that Mr. Peek, whom he has quoted at some length, will gladly supply the gentleman with the needed information if he does not have it at hand.

Mr. TREADWAY. I have examined Mr. Peek's list. It shows that of the 290 exclusive bilateral trade agreements in operation between foreign countries, from the benefits of which the United States is excluded, more than two-thirds were entered into by 20 different countries with which the United States has unconditional most-favored-nation treaty commitments. Our failure to receive the benefit of these trade treaties is a direct violation of our existing treaties, and even if we had no such treaties with these countries they are not entitled to the benefit of our tariff concessions because they are, in fact, discriminating against our commerce.

EVEN JAPAN GETS BENEFIT OF REDUCED RATES

Our keenest competition now is coming from Japan and existing duties are in all cases inadequate; yet Japan is given the benefit of our concessions although we receive no concessions whatever from that country. Could there be anything more unfair to our textile industries than to have to compete with Japan not only under inadequate rates of duty as laid down by law but, in addition to that, under reduced rates by reason of concessions made to other countries? Every kind of cotton products are being manufactured there at costs entirely out of all comparison to our costs. I have recently visited mills in that country and have some idea of their costs.

TRADE TREATIES NOT IN ANY SENSE RECIPROCAL

When our concessions are extended universally to all but one country without requiring equivalent concessions in return, the trade treaties can hardly be referred to as "reciprocal." That term is used to describe a mutual benefit; in other words, giving and receiving. A fair exchange is implied, but we give much and receive little or nothing. I cannot believe that the Democratic majority in Congress,

in enacting the Reciprocal Tariff Act, ever intended that our concessions should be gratuitously extended to all countries. It is bad enough to give concessions to one country when it involves a risk as to whether we will benefit from the concessions granted to us, but when we receive concessions from one and extend concessions to all we cannot expect to make any net gain. It would be hopeless under the circumstances. The policy of generalizing rate reductions only adds to the injury which the trade-agreements program is doing to American producers and, through them, to the American people as a whole.

The extension of the most-favored-nation principle upon an unconditional basis has been bitterly criticized. In order to protect ourselves we should require a quid pro quo for our concessions. Internationalists like those now in charge of the trade-treaty program raise the argument that conditional most-favored-nation treatment would amount to discrimination. However, if there is anything discriminatory about asking all nations to pay the same or an equivalent price for our tariff concessions, I am unable to see it.

INTERNATIONALISTIC OBJECTIVE OF TRADE-TREATY NEGOTIATORS

This brings us to a consideration of the true purpose of the trade-agreements program. Is it really intended as a means of expanding the export market of our producers, or does it have some other purpose which was not mentioned at the time its enactment was sought and obtained? We have been hearing a great deal of late from State Department spokesmen which leads us to the conclusion that the authority conferred by the act is being used for effecting an objective not contemplated by Congress and upon which it has never passed. This is another startling fact.

In the January issue of the magazine, Foreign Affairs, there is an article by the distinguished internationalist, Dr. Henry F. Grady, who, of course, is the chief of the trade-agreement section of the Department of State—another college professor with an international viewpoint. He was brought here all the way from California by the administration. He may not have as many decorations from foreign countries as his colleague in the State Department, Dr. Sayre, but he sees eye to eye with him.

AVOWED PURPOSE IS AMELIORATION OF WORLD SITUATION; NOT EXPANSION OF EXPORTS

In his magazine article Dr. Grady discloses the real objective which the State Department seeks to accomplish by the negotiation of these trade treaties. He says:

> Our objective is the general amelioration of the world situation.

Do you see anything in that sentence indicating an interest in the industries of this country? It has been obvious to me all along that the program was not intended for the benefit of American agriculture, industry, and labor, but that it would merely serve as a vehicle for the Secretary of State to put into effect his idealistic notions about free trade and internationalism. Now, we have a frank admission by the gentleman who is in direct charge of the negotiation of the trade agreements that what is really being sought is the "general amelioration of the world situation." This is a startling fact.

Secretary Hull has himself shown that he is more interested in improving world conditions than he is in looking after the welfare of our own people and the needs of American industry and agriculture. In a letter to the chairman of the Ways and Means Committee, under date of April 12, 1935, and referring to the agitation for protection against increasing Japanese imports, Secretary Hull said:

> In my opinion it is not only unwise as a general policy to yield to the demand for greater restrictions upon imports but would be particularly unfortunate at this time, since such action could not but weaken the leadership of the administration in the efforts it is making to reduce the many restrictions hampering the flow of international trade.

This is just another way of saying that the leadership of the administration in world affairs is more important than the protection of American agriculture, industry, and labor.

In a recent address before the Institute of World Affairs at Riverside, Calif., Dr. Grady gave some further light upon the true purpose of the administration's trade program. I quote:

> This new policy, as I have said, coming in this period of strong isolationist sentiment, is of an importance that can hardly be exaggerated. This policy departs from the old by accepting the principles that our tariff rates are a matter of concern to other countries.

Let me repeat that—

> • • • that our tariff rates are a matter of concern to other countries.

This is more internationalist doctrine. It is absolutely contrary to our national policy from the beginning of our Government, which the State Department now is upsetting.

I continue with the quotation:

> We must recognize this fact if we expect them to recognize our vital concern in their tariff policies. We are now adjusting tariff rates to an important degree by agreement with other countries. We are bound by contracts with a number of countries now and will be bound with a great many other countries against certain types of legislative action that would be inimical to the trade interests of other countries.

I suppose all legislative tariff action is inimical to the trade interests of other countries when it seeks to protect the home market for Americans. These theoretical internationalists in the State Department, however, are making trade treaties that will be satisfactory to other countries but inimical to the trade interests of our own people. That is perfectly proper according to their opinion. They do not care a rap about the people in this country.

I call attention to the fact that we are bound by these contracts with other countries, and, no matter how bad Congress may want to restore or increase any duties covered by the trade agreements, its hands are tied.

WE ARE NOW MESHING OUR DOMESTIC ECONOMY INTO WORLD ECONOMY, SAYS DR. GRADY

The remarks of Dr. Grady which I have already quoted have been very illuminating, but I think the following statement in his recent California address takes the prize:

> We are, to a greater degree than ever before, meshing our domestic economy into world economy.

Think of it!

Now we know what we are in for. In spite of all the lessons we have learned from past experience in mixing up our own affairs with those of the rest of the world, we find that we are now meshing our domestic economy into world economy more than ever before. This is the greatest gem from that modest internationalist, Dr. Grady, who never had to face a pay roll in his life. Here is another admission that the administration has lost sight of the real purpose for which the trade-agreement legislation was enacted.

TREATY NEGOTIATORS NOT SEEKING NET BENEFITS TO UNITED STATES TRADE

If further evidence is needed, it can readily be supplied. The Assistant Secretary of State, Dr. Sayre, has recently written a pamphlet for the World Peace Foundation entitled "America Must Act", in which he joins his associates in setting forth the administration's conception of the purpose of the trade-agreements program. Here is what Professor Sayre has to say:

> If the purpose for which the act was passed is to be attained, our methods must be broader than mere "horse trading." We must make of the act an instrumentality for throwing the weight of American power and influence against the disastrous world movement toward economic nationalism.

Quoting further from Professor Sayre:

> What matters is not selfish trade advantages gained by individual nations over their competitors, but the gradual liberalization of world trade through the adoption of similar programs by other nations.

Thus Professor Sayre, who is Secretary Hull's right-hand man in the negotiation of the foreign-trade agreements, discloses that the administration is not especially seeking through them, to gain any advantage for this country, but that it is primarily interested in setting an example for the rest of the world. Thus it is clear that our producers are simply being made a martyr or goat in the effort to reform

the world. They are left to hold the bag while foreign countries get all the benefits. It has been very apparent from the beginning that this was the effect of the trade agreements, but I had not supposed before that it was their real objective.

REGULATION OF FOREIGN TRADE A CONGRESSIONAL PREROGATIVE

Those in charge of the trade-agreements program not only have their own ideas as to the objectives to be attained by it, but they also have certain very definite ideas as to who is best able to make adjustments in our tariff duties and regulate our foreign trade. Ever since the beginning of our Government, Congress has always heretofore exercised its prerogative in this matter. While we have had reciprocal agreements in the past, Congress has always laid down in advance the articles with respect to which negotiations might be entered into with foreign countries and the specific reductions in duty which could be offered, or else it has given the Executive a free hand and then reserved the right to approve or reject the agreements when negotiated.

The House of Representatives, as well as the Senate, has retained this right in such cases. Under the flexible tariff provisions of the 1922 and 1930 Tariff Acts, Congress gave the Executive certain powers with respect to increasing or decreasing duties, but only after laying down a definite rule or yardstick by which the President was bound in making the necessary adjustments to conform thereto.

Under the Reciprocal Tariff Act the President has a free hand. He is unrestrained either as to the articles on which duties can be reduced or as to the basis upon which the reductions may be made. This constitutes an unconstitutional delegation of legislative power, and the act will undoubtedly be invalidated when the Supreme Court has an opportunity to consider it.

LEGISLATIVE TARIFF MAKING BELITTLED BY TREATY NEGOTIATORS

In his article in Foreign Affairs magazine, to which I have previously adverted, Dr. Grady has this to say about the relative ability of Congress and those now in charge of the trade-agreements program to adjust tariff duties and regulate foreign trade:

We will do it more carefully and scientifically than is possible by legislative action.

Think of that! What a startling statement! They can do it "more carefully and scientifically than is possible by legislative action." They will do it more carefully in the interest of these internationalists he is so proud of, but they will not do it as carefully as we could do it under the open forum of discussion here rather than the star-chamber procedure under which they do business. Industry and agriculture cannot state their case to the people who make up these schedules. They have no contact with them. They do not even know what schedules are being considered.

Mr. KNUTSON. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Is it not possible that Dr. Grady is right because, in negotiating these treaties, the State Department will not be under the compulsion of giving any consideration to local domestic needs anywhere?

Mr. TREADWAY. They show that attitude. He has a bigger field than the United States. He is an internationalist and wants to mesh the economy of foreign countries in with ours. In other words, the whole situation is this: What goods we admit to this country from foreign countries we must produce under similar conditions to those existing abroad. In other words, my friend's constituents out in Minnesota would have to work under the same conditions that the coolie labor of Japan work under.

Mr. KNUTSON. Well, they are becoming reconciled to that already.

Mr. TREADWAY. Well, we are not reconciled to it in New England. We want to retain a little of our standard of living that formerly existed in New England, but Secretary Wallace evidently does not want us to retain any. Of course, when you get right down to brass tacks on this whole proposition the real fact of the case is that these men are following the advice, suggestion, and the authority of our Secretary of State, who is a great man, but who is as big an internationalist as there is in the United States today. I like him—everything but his policies.

TARIFF MAKING TOO COMPLEX FOR CONGRESS, SAYS DR. GRADY

Here is another gem from Dr. Grady's California speech:

The principles which actuate those responsible for the trade-agreements program in making concessions on our tariff rates are not those of the comparative costs of production formula, for the logic and implication of this formula is the suppression of international trade.

* * * * * * *

The experts responsible for carrying out the details of the program take the greatest care in the selection of items. * * * It is inevitable that the conduct of our international economic relations because of the great complexity and difficulty of the task, should be intrusted to competent experts.

What conceit on the part of Dr. Grady and his so-called "experts." Who do they think they are, anyway? Although the authority to reduce tariff duties gives the possessor the power of life and death over every domestic industry dependent upon tariff protection, Dr. Grady feels that this power is in more competent hands when placed with his secret trade-agreements committee, which is not responsible to the people and which conducts its negotiations with foreign countries behind closed doors in star-chamber proceedings, than when exercised by the elected representatives of the people in Congress. His contempt for the legislative method of tariff making is, of course, shared by all of those who now have a hand in the reciprocal negotiations. I regret that the Democratic majority in Congress have not the backbone to reassert their legislative function in regard to the tariff and put these usurpers in their proper place.

DUTIES ON FARM PRODUCTS REDUCED DESPITE PRESIDENT'S PROMISE

In his Baltimore speech of October 26, 1932, Candidate Roosevelt said:

I know of no effective excessively high duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program.

In spite of this promise by the President, he has signed a number of trade agreements negotiated by Dr. Grady and his so-called experts in which the duties on a long list of farm products have been reduced as much as 50 percent. The very first agreement negotiated—that with Cuba—provided for reductions on a number of agricultural commodities, including sugar, tobacco, honey, corn, and certain fruits and vegetables, including grapefruit, potatoes, and tomatoes. Under the Canadian agreement, reductions as high as 50 percent were made on cattle, dairy cows, cream, Cheddar cheese, poultry, horses, maple sugar, apples, strawberries, blueberries, cherries, grass and clover seeds, peas, potatoes, turnips, and hay. Substantial reductions were also made on forestry products. The agreement with the Netherlands provides for reductions on such agricultural products as potato starch, tobacco, cheese, pearl barley, and certain garden products. Under the agreement with Switzerland the duty was reduced on Swiss cheese. And so on.

These reductions in the duty on agricultural products not only show that Dr. Grady and his associates are not confining their operations to reducing excessive duties, but in addition constitute a direct reversal of the President's pledge to the farmers in his Baltimore speech—just another broken promise on the part of the administration.

If the President knew of no rates that were too high on farm products, why did he permit the Secretary of State and his understrappers to change the rates that he stated were all right? He must have found out differently since he got hold of Dr. Sayre and this Dr. Grady.

OUR DIMINISHING EXPORT BALANCE

I have referred to the objectives sought to be attained by those in charge of the trade-agreements program. There is one objective which I have thus far omitted to mention which has to do with our diminishing favorable balance of merchandise trade. To begin with, let me give you the comparative figures on our foreign trade for the years 1934–35:

Merchandise exports:	
1935	$2,282,000,000
1934	2,133,000,000
Increase (7 percent)	149,000,000
Merchandise imports:	
1935	2,047,000,000
1934	1,655,000,000
Increase (24 percent)	392,000,000
Excess of exports over imports:	
1935	235,000,000
1934	478,000,000
Decrease (51 percent)	243,000,000

Last November Assistant Secretary of State Sayre made a most remarkable address at the Marine Exhibition in New York City. Significantly the address was made on International Day, so the professor must have felt at home. It was entitled "Increased Exports with a Diminishing Export Balance: An Omen of Sound Recovery."

In the course of this address Professor Sayre said:

> We are coming within striking distance of a balance between exports and imports. This may be but a temporary phenomenon. * * * But at least we are moving in the right direction. And it is of high importance that this balance is being reached, not through a reduction of exports * * * but through a substantial increase of imports * * *.

What kind of doctrine is this to preach? The professor is elated at the fact that our imports are increasing faster than our exports. He is pleased over the fact that our favorable balance of trade is fast diminishing. He regards this as an "omen of sound recovery", though through what process of reasoning I am not aware. At last, however, we know what the tariff tinkerers are trying to accomplish. Here we have additional evidence that the administration is more interested in surrendering our home market to foreigners than in increasing the foreign market for our exports. In other words, we are just playing Santa Claus to the world, and the American farmer, manufacturer, and workingman are paying the bill.

INCREASED IMPORTS NO OMEN OF RECOVERY

It seems to me there is some inconsistency in what the treaty negotiators are trying to do. On the one hand, they profess to be interested in a foreign market for our surplus products. This was the excuse for the enactment of the trade-treaty legislation. We were told that only by the negotiation of trade treaties could our export trade be restored. Yet now we find one of the chief proponents of the present policy exulting over the fact that our foreign purchases are increasing faster than our foreign sales. It does not make sense.

I disagree entirely with Professor Sayre's suggestion that a diminishing favorable export balance is an omen of sound recovery. There can be no net gain to this country when our imports last year increased nearly $400,000,000, while our exports increased only $150,000,000. Would anyone argue that the increased importation of $400,000,000 worth of foreign goods put any of the 12,000,000 unemployed in this country to work? Would anyone contend that the tremendous increase in agricultural imports is helping to solve the farm problem? Of course, such a suggestion is utterly ridiculous, yet that is the implication of Professor Sayre's remarks.

GREATEST GAINS IN EXPORT TRADE WITH NONTREATY COUNTRIES

Another fallacy in connection with the trade-treaty program has to do with the extent to which these treaties were responsible for the slight increase in exports last year. If anyone thinks that this increase was due principally to increased shipments of our goods to the treaty countries, they are entirely mistaken. Let me give you the facts:

During 1935, 3 of the 10 trade treaties which have been negotiated became effective, namely, those with Belgium, Haiti, and Sweden. Our exports to these countries in 1935 increased $12,500,000, as against increased imports from them amounting to $16,200,000. It is, of course, quite apparent that the increase in exports to these treaty countries does not begin to account for the total increase in exports of $149,000,000 to all countries.

We had no trade treaty with the United Kingdom, but our exports to England, Scotland, and Ireland last year increased by $50,000,000. Our exports to Canada increased $21,000,000 without benefit of the trade agreement with that country which did not become effective until January 1 of this year. Our exports to Australia, another nontreaty county, increased nearly $14,000,000, or more than the combined total of the increase in the case of the treaty countries referred to. In the case of Mexico, our exports increased $10,000,000, and so on.

These startling facts prove that the trade treaties are needless and ineffective, as well as a bad bargain, since the greatest gains in our export trade were attributable to countries with whom no treaties were in effect and were realized at no cost or injury to domestic producers. The relatively small increase in our exports to treaty countries may or may not have resulted from the reciprocal program, but in any event the damage done to American industry and agriculture by these treaties is far too great a price to pay therefor.

SUMMARY OF STARTLING FACTS PRESENTED

To summarize my remarks thus far: The first startling fact I called to your attention was that the administration's tariff policy was founded on a false premise, because it erroneously assumed that by creating additional purchasing power in the hands of foreign countries we would necessarily benefit by increased exports. I showed that, although as a result of our gold and silver purchases and other international transactions foreign countries already had more than enough dollar exchange than was necessary to cover their purchases from us, they were using this surplus dollar exchange for the purchase of securities rather than American goods.

The next startling fact I pointed out was that the trade agreements which the President is negotiating with foreign countries contain a fundamental weakness, in that they do not guarantee any increased market for our export products, but only provide for reciprocal reductions in duties which may or may not enable us to sell more goods abroad, although certain to result in increased foreign importations to the detriment of our own producers.

The next startling fact to which I referred was that the President has exceeded his authority under the Reciprocal Tariff Act in gratuitously extending the concessions made under the treaties to all countries except Germany, since many other countries in fact discriminate against our commerce and hence under the law are not entitled to most-favored-nation treatment.

I next called attention to the startling fact that those in direct charge of the trade-treaty program had disregarded the stated purpose of the act to restore our export trade in favor of other objectives of their own choosing, including such purposes as the "general amelioration of the world situation."

Finally, I called attention to the startling fact that the largest proportion of our increased export trade was attributable to countries with whom no trade treaties were in effect.

These facts demonstrate the unsound, fallacious, and erroneous premises upon which the trade-treaty program is based, the defects in the treaties themselves and in the methods and manner of their negotiation, and the failure of those in charge to adhere to the primary purpose for which the program was inaugurated.

CONGRESS SHOULD HAVE SAY IN TREATY NEGOTIATIONS

My objections to the Reciprocal Tariff Act and the trade treaties made under its authority are well known to the House. I have stated them repeatedly, and it is unnecessary for me to reiterate them now. However, I will say this:

If we are going to have trade treaties with foreign countries involving reductions in our tariff duties, they should be subject to approval by Congress before becoming operative as they have in prior years. As an alternative, Congress should prescribe the precise articles and the precise concessions in duty thereon which could be used as a basis for reciprocal trade negotiations with foreign countries as was done under the McKinley Tariff Act of 1890. As another alternative, Congress could enact a two-column tariff, as was provided under the Tariff Act of 1909, with one schedule of

rates for countries granting us most-favored-nation treatment and a higher schedule for countries discriminating against our commerce. The present scheme is supposed to be of this character, but of course it is not the creature of Congress, and only one country is made to pay the higher rates, whereas many others ought to be doing so. At all events, tariff making should be restored to the hands of the elected representatives of the people, where it constitutionally belongs.

NO NEED FOR WHOLESALE TARIFF REDUCTIONS

So far as the effect of our present tariff duties upon foreign trade is concerned, I do not see how they can be regarded as any undue limitation. Two-thirds of our imports upon a value basis are given free entry into the domestic market. What other country can say as much? That our present tariff structure has not operated as an unreasonable restriction on foreign commerce is proven by the fact that our imports of dutiable products are now 56 percent of the 1923–25 level, whereas our free imports are only 52 percent.

If, however, any of the duties are too high, they may be adjusted to a proper level under the so-called flexible tariff provisions of the 1930 Tariff Act. There is no need for wholesale and indiscriminate reductions, and certainly reductions below the difference in foreign and domestic production costs such as are now being made cannot be justified.

WE SHOULD GIVE DOMESTIC PRODUCERS FIRST CHANCE TO SUPPLY DOMESTIC MARKET

It is not fair to American agriculture nor in the interest of the general welfare of our people to permit the importation from abroad of huge quantities of farm products which our own farmers can and do produce. The administration is now preparing to spend $500,000,000 per year in controlling farm production, yet at the same time it is reducing duties on farm commodities and permitting foreign producers to absorb more and more of the American market. Why not reverse the procedure? Give the American farmer the first opportunity to supply the domestic market and we will not need so much crop curtailment.

Many American mills and factories are operating on reduced schedules or are shut down altogether. Why not give them a chance to produce more of the goods we consume here at home instead of letting foreign producers have a constantly increasing share of the business?

According to figures made public by the American Federation of Labor within the last few days, some 12,626,000 men are now unemployed, an increase of more than 1,200,000 since December. Why not give these men a job producing some of the goods we need instead of letting foreign workmen have the job?

SMALL INCREASE IN HOME TRADE EQUAL TO LARGE INCREASE IN FOREIGN TRADE

Despite all that the free traders in the State Department are saying, the wealth and prosperity of our country depends primarily upon the home market, in which we normally consume 90 percent of what we produce. A relatively small increase in our domestic trade is the equivalent of a relatively large increase in our foreign trade. If our own people could be put to work producing the things we need here at home, it would go a long way toward solving our problems. If we can restore our domestic trade, our foreign trade will pretty much take care of itself. The repeal of the iniquitous reciprocal tariff law and the abrogation of the treaties made thereunder would be a step in this direction. I strongly advocate such action, and ever since the beginning of the present session have had a bill pending for that purpose.

TARIFF MAKING BY PROFESSORS IS ON WAY OUT

I think there is no question that in the approaching months the people back home are going to know more about these methods of getting their trade away from them under professorial theories of internationalism than they do today, and when they do some of these professors will be allowed to go back to their institutions of learning and will no longer be responsible for either the fiscal or industrial policies of this country. [Applause.]

LETTER FROM A COLLEAGUE AND MY REPLY THERETO

Under leave to extend my remarks, I include the following letter from one of our esteemed colleagues asking certain questions in regard to the operation and method of negotiating foreign-trade treaties, together with my reply thereto:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 27, 1936.

Hon. ALLEN T. TREADWAY,
Member of Congress, House of Representatives,
Washington, D. C.

MY DEAR COLLEAGUE: Your many years' experience as a member of the Committee on Ways and Means qualifies you to give authentic information in reference to our tariff policy and practices.

As you know, the automotive industry occupies a large place in the Michigan industrial field, and I am receiving inquiries from constituents concerning the reciprocal trade agreements being negotiated with foreign countries. I shall appreciate, therefore, very much your giving me some information.

1. To what extent are reciprocal trade agreements with foreign nations secretly made? Please advise in general terms the procedure. My constituent has been advised that there is no secrecy in connection with the forming of these treaties, that open hearings are held, and that American exporters are fully advised as to just what is going on.

2. What is the effect of the favored-nations clause in these treaties? Does this clause give the same benefits to all nations excepting Germany as is given to the negotiating country, or does the benefit given to such country inure only to those countries entering into trade agreements with the United States?

3. Where a certain quota is given in a reciprocal treaty, like a quota on cattle with Canada, what effect does that quota have on the other countries? For instance, if Canada is permitted to bring into this country a given number of cattle on the free list, would such a provision permit Mexico to bring a like number of cattle? In short, what would be the effect of this quota consideration on countries other than the signatory country?

Possibly I am imposing upon you, but when one becomes an expert he must pay something for the honor. In this case it is the information desired.

Sincerely yours,

EARL C. MICHENER, M. C.

FEBRUARY 25, 1936.

Hon. EARL C. MICHENER,
House of Representatives, Washington, D. C.

MY DEAR COLLEAGUE: You have asked me several questions as the result of a letter you have received from one of your constituents who has inquired about the methods of making reciprocal-tariff agreements and their general effect in connection with our interchange of foreign trade.

You are, of course, aware that the Secretary of State advocated, when a Member of Congress, as low tariff rates as were consistent with virtually free-trade views. Soon after he became Secretary of State he caused to be introduced the so-called reciprocal-trade agreement legislation. This legislation authorized the President to negotiate foreign trade agreements with other countries, whereby our tariff rates could be reduced not to exceed 50 percent, irrespective of any differences in foreign and domestic production costs, which is the usual yardstick in determining such rates.

The Republican Members of Congress strenuously opposed this legislation on various grounds, of which two are outstanding: First, it was maintained that no distinction could be made between trade agreements and treaties, which under the Constitution must be approved by the Senate before becoming operative. Second, that the tariff reductions would be extremely injurious to our own industries by sacrificing our rich domestic market for illusory foreign markets. Parenthetically, let me say that experience has proved this contention to be absolutely correct, as our export trade last year only increased 7 percent over 1934, whereas our import trade increased 24 percent.

Ten trade treaties have thus far been negotiated and eight of them are now in effect. The agreement with Honduras will become operative on March 2, while that with Colombia must be ratified by the legislative body of that country. Only the Cuban agreement has been in effect long enough to show any results, it having become operative on September 3, 1934. In the following 12-month period our exports to Cuba increased $21,000,000 over the previous 12 months, whereas our imports from Cuba in the same period increased $103,000,000. Thus for every $1 of export trade gained our domestic producers (principally sugar-beet farmers) had to give up $5 of trade in the domestic market.

Let me proceed to the method of preparation of the so-called trade agreements or treaties. Representatives of countries with whom we desire to enter into negotiations, or who desire to enter into negotiations with us, are invited to come here. A list is prepared of imports and exports between this country and the country with whom we are negotiating. Notice is given through the press of the intention of this Government to negotiate with the particular country. No intimation is given of the products which may be affected by the proposed agreement.

If you happen to be engaged in any line of industry which is engaged in the production of goods entering into the channels of commerce between the two countries you may have a hearing before the so-called Committee on Reciprocal Information, which

has been set up for this purpose. This is a semiprivate hearing, as only those directly interested are permitted to attend. This committee, however, has no function except to conduct the hearings. The actual negotiation of the trade agreements is carried on by a secret and ever-changing committee in the State Department, called the Interdepartmental Trade Agreements Committee. Industry never has any contact with this group. Its sessions with representatives of foreign governments are carried on behind closed doors. Not even Members of Congress, on whom the Constitution imposes the power of imposing tariff duties and regulating foreign commerce, can find out what goes on in these star-chamber proceedings. Until an agreement has been signed by the President and published through the press, no one knows what products will be affected except those carrying on the negotiations.

Foreign representatives, by securing in advance the list of items on which the rates will be reduced, can use this information to their advantage by offering American purchasers of their goods reduced prices before the announcement of the new rates is publicly made.

Months of study and public hearings have previously been given in the preparation of tariff legislation. Importers have been given a chance to testify, as well as home producers, and each knew the other's evidence. The rates were written by the representatives of the people, as the Constitution provides. There was no secrecy such as surrounds the negotiation of the foreign-trade agreements.

Second, as to the extension of benefits under the trade agreements to other countries, your correspondent is distinctly in error in his conception of this feature. A rate made under an agreement with one country is extended generally to every other country (Germany alone excepted), so that the negotiation of a trade agreement amounts to a horizontal reduction of the rates affected. A tariff concession granted, for instance, to Belgium is applicable to imports from other countries without their giving us any equivalent concession for our exports in return. This feature of the law has been subject to almost universal criticism.

Third, as to the effect of the quota provisions imposed under some treaties, 'the quota provision of the Canadian treaty limiting to a certain number the cattle which may be imported at the reduced rate applies generally to all countries. Thus, Mexico might conceivably ship into this country at the reduced rate the entire quota before Canadian shippers could do so. In such a contingency, Canada would receive no benefit from the reduction. However, this is rather unlikely. Nevertheless, Mexico and Argentina and other cattle-producing countries will be entitled to the reduced rate until the quota has been exhausted.

One feature of the quota system is often overlooked. I refer to the fact that while the reduction applies only to a limited quantity, a partial benefit extends over a much larger quantity. For example, the statutory duty on Canadian cream is 56.6 cents per gallon. The treaty rate is 35 cents on the first 1,500,000 gallons imported. This is a saving of 21.6 cents per gallon. If 3,000,000 gallons are shipped into this country, one-half at the lower rate and one-half at the higher rate, the Canadian shipper still saves an average of nearly 11 cents per gallon. On 6,000,000 gallons, one-quarter at the lower rate and three-quarters at the higher rate, he would still save approximately 5½ cents.

No matter how adverse may be the effect of a trade treaty upon our domestic industries, Congress has no power to modify or reject them. Under the spur of the President, it has delegated its authority over treaties and tariff rates to him, so that when the trade agreements are entered into they are binding upon this country, although in many instances they do not become binding upon the foreign country until ratified by its legislative body.

On the whole, it may be said that while the reciprocal trade agreements may have resulted in a benefit to the export trade of certain American industries, they have resulted in a net loss to American industry in general. It cannot benefit export industries in the end to increase their exports at the expense of their domestic sales. The prosperity of every industry within our borders is primarily dependent upon the general prosperity of the people at large, and they cannot be prosperous if we are going to buy abroad the products of the farm and factory which can be and are produced at home. We have in this country the greatest and richest home market on earth, in which we consume 90 percent of what we produce, and it seems to me that any legislation which has the effect of sacrificing this fertile market for lean foreign markets is detrimental to the best interests of the country.

Very truly yours,

ALLEN T. TREADWAY, M. C.

Mr. DITTER. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, I am going to take advantage of the liberal rules of the House with respect to general debate on an appropriation bill and endeavor to call the attention of the members of the Committee to a state of affairs recently developed which, in my humble judgment, is extraordinary. I am tempted to touch upon this question because there is pending before the Committee on Rules a resolution introduced on January 15 last by the gentleman from Massachusetts [Mr. CONNERY] calling for an investigation of the Federal Communications Commission.

I have no information whatsoever touching upon the matters specifically mentioned in Mr. CONNERY'S resolution, but, as that resolution calls not only for an investigation of certain specific matters but also for a general investigation, I think I am justified in calling attention to it and, incidentally, urging its favorable consideration by the members of the Rules Committee, if for no other reason than the events which have been occurring during the last few months and which have come to light today.

In order that this matter may be brought before the members of the Committee I desire to read from today's issue of the New York Herald Tribune a portion of a dispatch from Washington, dated March 3:

Mass seizure of the telegraphic correspondence of more than a thousand corporations, law firms, and well-known individuals opposed, both in general to the New Deal, and, specifically, to its public-utilities policies, has been practiced by the Senate Lobby Investigating Committee, it was learned today.

Scores of thousands of the telegrams have been obtained by direct subpena on the two telegraph companies, Western Union and Postal Telegraph; but, just to make assurance doubly sure, it was also learned the committee persuaded the Federal Communications Commission to do a large share of its work for it.

The Commission, which was given access to the books and records of companies under its supervision by the act which established it, marched into the telegraph companies' Washington offices during the recess of Congress. There, at the instigation of Senator HUGO L. BLACK, Democrat, of Alabama, chairman of the Lobby Committee, Commission clerks copied some 13,000 messages in the offices of Western Union alone.

Among these was a complete file of the wires sent from and received at the local offices of the American Liberty League, as well as much other material without apparent relation to the attempts to influence Congress against public-utilities regulation—the subject now being investigated by the Black committee. Although the Federal Communications Commission is without authorization to examine its subject companies' files except for its own purposes, the telegrams copied by its clerks in the Washington offices have been turned over to the Black committee.

For these telegrams collected by courtesy of the Communications Commission no subpenas were issued. The Commission clerks merely copied off the wires as they were handed to them, in response to their requests. The telegrams were removed from the Western Union and Postal offices en masse, and the companies were not informed as to what telegrams had been taken and what left.

My information is, Mr. Chairman, that tens and tens of thousands of telegrams passing between citizens have been seized by the Communications Commission. They have been pawed over and examined. No warrant has been issued for the seizure of this private correspondence; no search warrant emanating from any court of competent jurisdiction. A Commission of the Government has taken upon itself the power to step into the offices of the Western Union Co. or the Postal Telegraph and to say, for example, "We want a copy of every telegram sent by John Smith or to John Smith", and the companies, fearful of the regulatory power of the Commission over them, have handed over these copies.

Mr. Chairman, it strikes me that we have reached a strange stage in the development of demoralization when, without a search warrant issued by a competent court, a Commission of the United States Government can seize private correspondence without limit and restraint and make any use of it it pleases.

Let us assume, for example, that a political-minded Attorney General of the United States, desiring some information about the private conduct of a citizen, shall ask the Federal Communications Commission to search all Western Union and Postal offices in the United States and turn over to him, the Attorney General, all telegrams filed by or addressed to that citizen. What would be said about it?

Mr. COCHRAN. Will the gentleman yield?

Mr. WADSWORTH. For a question.

Mr. COCHRAN. Does not the gentleman feel that the Western Union is just as much to blame for giving up those telegrams to the Commission without a subpena or warrant as the Commission is to be blamed for asking for the telegrams?

Mr. WADSWORTH. I am not here to distribute the blame. I understand the Western Union protested against subpenas issued to them by the Black committee. I am not here to construe the power of the investigation committee of the Senate. I am here to emphasize the fact that this procedure went beyond the exercise of power by the com-

mittee of the Senate. It went to a point where a commission of the Government seized correspondence which it had no right to take. It may be that the Western Union is culpable in obeying the order of the Commission, but you must remember that the Western Union is under the regulatory authority of the Commission. And I think I am not exaggerating the situation which exists in industry today when I say that it is in a state of terror. Perhaps the Western Union ought to have resisted.

An action was started only yesterday in this connection. Here are the facts: Notice was sent to the Western Union, I believe, that all the telegraphic correspondence of the law firm in Chicago known as Winston, Strawn & Shaw must be handed over. I understand that Mr. Silas Strawn, having notice that such was the intention of the Commission or the Black committee, I forget which, served notice on the Western Union that if it obeyed such an order he would bring suit; and I am further informed that only yesterday he did start an action to enjoin the Western Union from surrendering his private telegraphic correspondence and that of his firm.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. COCHRAN. I do not challenge the right of the Senate committee to secure the correspondence, but I do challenge the right of the Communications Commission to go to a corporation and get correspondence whenever it desires without some real good reason for it. The Commission is limited by law in its operations.

Mr. WADSWORTH. I agree with the gentleman from Missouri. It may be that the Commission bases its action upon the power given to it in the law which established the Commission. I have the honor to serve on the Committee on Interstate and Foreign Commerce of this body, from which committee emanated the legislation which grants to the Federal Communications Commission the regulatory powers to be exercised over telegraph, telephone, radio, and cable companies. I hold in my hand a copy of the Communications Act of 1934, and I call the attention of members of the Committee to paragraph (c) of section 220.

Section 220 is headed "Accounts, records, and memoranda."

(c) The Commission shall at all times have access to and the right of inspection and examination of all accounts, records, and memoranda, including all documents, papers, and correspondence now or hereafter existing.

I submit that those "records", "accounts", and "memoranda" and "papers" are the papers of the company and its officers and not the copies of the telegrams of citizens.

Mr. COCHRAN. Nor did Congress intend any such thing.

Mr. WADSWORTH. And Congress had no intention of clothing any branch of our Government with the power of search and seizure. In fact, Congress cannot do so under the Constitution, in view of the fourth amendment. There is one more sentence that I desire to read from that section.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. RANKIN. Does the gentleman contend that a grand jury in a State could not subpena those telegrams and examine them?

Mr. WADSWORTH. Certainly it could under a court order.

Mr. RANKIN. The Government has all the power in the District of Columbia that a State and Federal Government both would have inside a State. This is part of the executive branch of the Government, and the Senate of the United States is conducting an inquiry into the corruption that is alleged to have taken place last year around this Capitol in respect to all this power propaganda.

Mr. WADSWORTH. I am not yielding for a speech.

Mr. RANKIN. Why have they not the right to go into these records and find out who is guilty of misconduct in trying to block this legislation?

Mr. WADSWORTH. I am astounded at the implications of the question of the gentleman from Mississippi. I am not a lawyer, not even admitted to the bar.

Mr. RANKIN. Perhaps that is the reason the gentleman is astounded at my question.

Mr. WADSWORTH. We have reached an extraordinary stage, as I said at the beginning, when the executive power in our Government assumes to itself the right to seize private correspondence without any court procedure whatsoever, without any warrant. If this thing can be done by the Communications Commission, it can be done by any branch of the executive department, upon the theory that they are searching for something, and on that theory alone.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DITTER. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. WADSWORTH. It is written plainly in the Constitution that the people shall be free from unreasonable searches and seizures. It seems to me that men of thoughtful habits would better do a little thinking.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. MAY. By way of an answer to the question of the gentleman from Mississippi [Mr. RANKIN], I make this observation in the gentleman's time. Nobody questions the power of the courts of this country to issue process, either criminal or civil, and enforce it, but here is an executive bureau of the Government that possesses no judicial functions and no judicial authority which has invaded and overridden the constitutional guaranty of the citizen from unreasonable searches and seizures of his personal property without due process of law. The distinction is clear, and any ordinary lawyer, much less a distinguished lawyer like the gentleman from Mississippi, must see the difference.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. RANKIN. Suppose they had been letters written by these lawyers and sent through the mail and they had been in violation of the postal laws, would not the postal authorities have had the right to have gone into them under a subpena by a Senate committee?

Mr. WADSWORTH. No; not without permission of a court.

Mr. RANKIN. How are you ever going to catch men who violate the postal laws?

Mr. WADSWORTH. As I understand it, you must make at least a prima-facie case, go before a court, and have a judge say that there is some prima-facie evidence here, and "we grant you permission to search the effects of the person."

Mr. RANKIN. Oh, they have searched letters going through the post office ever since this Government began, without appealing to a court. They have a right to do it.

Mr. MILLER. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. MILLER. Is not the proper limit to be placed upon the authority even of a committee of Congress investigating a matter, that they have a right to use such power as is necessary to supplement the testimony of a particular witness and not the constitutional power to make a blanket investigation of the business of any man or of any corporation?

Mr. WADSWORTH. I should say that was a proper distinction.

Mr. MILLER. Is that not the limit of their authority?

Mr. WADSWORTH. I would say that is a proper distinction with respect to the powers of an investigating committee of the Congress. I am speaking of this exercise of power by a Federal commission.

Mr. MILLER. I agree that any Federal commission does not have the right to go in and make a blanket investigation or demand the surrender of documents that come to that corporation in the prosecution of a business.

Mr. WADSWORTH. That is just what has been done; the blanket seizure of tens and tens of thousands of telegrams, many of them private in character; nearly all of them confidential or private in character, and, to my knowledge, some of them passing between husband and wife.

Mr. CREAL. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. CREAL. I presume that all these private telegrams where John wired Mary he had missed his train are the ones that are making all the fuss, and those which had deadly propaganda in them, they did not care about their seizure? The complaint is really coming from those private citizens who wired about trifling matters?

Mr. WADSWORTH. In answer to the gentleman, I will say the complaint is coming from me; just from me. I do not know whether any of my telegrams have been seized or not. It is quite possible that they have. No one knows what telegrams have been seized. No one knows what those telegrams relate to. I venture to say that the overwhelming majority of the telegrams seized had nothing to do with the public-utilities contest here last year.

Mr. CONNERY. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. CONNERY. I understand my colleague from New York [Mr. WADSWORTH] has endorsed my resolution for a thorough investigation of that Federal Commission?

Mr. WADSWORTH. I think we need it.

Mr. CONNERY. Furthermore, if the gentleman will permit me, does not the gentleman think a thorough investigation by Congress should be made of a commission against whom an accusation has been made that a man could be handled for between twenty-five and fifty thousand dollars, and then the commission sent out five members to investigate themselves on the proposition and then brought back a report and refused to make the report public?

Mr. WADSWORTH. I should say that that was evidence sufficient to warrant an investigation.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. DITTER. Mr. Chairman, I yield the gentleman from New York 2 additional minutes.

Mr. GILCHRIST. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. GILCHRIST. Is it not true that even a court has no power to go out on a fishing expedition for evidence, by bringing in private correspondence, but before a writ will issue from any court there must be something before it to show what is proposed to be shown, and that that thing proposed to be shown is relevant to the inquiry?

Mr. WADSWORTH. That is my understanding, of course.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. ANDREWS of New York. I am interested in the observation made by the gentleman that he endorsed the resolution introduced by the gentleman from Massachusetts [Mr. CONNERY]. I find that resolution was introduced on January 15. I think it would be of interest to the House if we might know why the Rules Committee has seen fit to shelve this resolution going on now 7 weeks. I hope some Member on the Democratic side, and preferably some member of the Rules Committee, will give us some explanation of why Mr. CONNERY's resolution has not been heard and some action taken upon it.

Mr. COCHRAN. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Missouri.

Mr. COCHRAN. Can the gentleman say whether the Federal Communications Commission loaned some of its employees to the Senate investigating committee and that they were working under the direction of the Senate investigating committee, or whether they were working under the direction of the Federal Communications Commission? That, I think, is extremely important.

Mr. WADSWORTH. My understanding is they were working directly under the orders of the Federal Communications Commission when they went into this office and copied the telegrams.

Mr. RANKIN. But they were working for the Senate committee, were they not?

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. BLANTON. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Chairman, 2 years ago the last Congress appointed a special committee, of which I was chairman, to investigate certain subversive activities in the United States. The committee proceeded with extreme care, having a profound appreciation of the value of character and reputation. For that reason every witness that we examined was first called into executive session, in order that we might determine whether or not there was any justification for calling any of those witnesses in public session. This policy was followed on the theory that once a witness is called before a committee, even if the evidence shows there was no justification or occasion, there are people who believe that the witness must be guilty, otherwise he or she would not have been called before the committee. During our investigation we required that the evidence received must be in accordance with the rules of evidence applicable in courts of law, establishing stricter rules than investigating committees ordinarily do, or ordinarily should. As a result of our investigation we showed that efforts were being made to try and group certain Americans in this country into one organization responsive to dictates from abroad, not for the purpose of changing our form of government but for the purpose of affecting our internal and external policies in accordance with the will of the Nazi leaders of Germany and in response to commands from abroad. As a result of aroused public opinion—I am a great believer in public opinion—those activities ceased.

We also investigated other un-American activities, intolerant organizations within, and their efforts to try to array American against American, because of race, color, or creed; and we were successful again, through the voice of public opinion, in breaking up a number of these organizations.

We investigated other un-American activities—subversive activities—to find out the extent to which the Communist movement in this country was undertaking to undermine the institutions of Government, which we all value, and which we have received as a heritage from the fathers of the Constitution, and from the past generations of Americans. This is the first time I have made a speech on the floor on the committee's work, because I realized that inflammatory remarks might prompt legislation which might go too far in the direction of the right.

As a result of our investigations our committee made two recommendations with reference to communism; one, making it a crime for anyone to knowingly and willfully—mark these words, "knowingly and willfully"—advocate the overthrow of the Government, our Government, the United States Government, by force and violence. The word "advocate" as construed by the Supreme Court means "in a manner to incite." When used in a penal statute it has a different meaning from the ordinarily accepted meaning. While it was not necessary in itself, we included in the bill also the additional burden of proof that the Government must prove that it is an intentional and willful advocacy of the overthrow of Government by force and violence.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MARCANTONIO. I know the gentleman to be an able lawyer. I do not say this lightly; I mean it. I ask the gentleman as an able lawyer if he does not know that an act making mere advocacy illegal would be unconstitutional?

Mr. McCORMACK. The gentleman is discussing something I am not discussing.

Mr. MARCANTONIO. Just a moment. The reason I asked that question is to lead to just one further question.

Mr. McCORMACK. The question is whether the use of the word "advocacy" in a penal statute would be constitutional. It would be constitutional if the Congress passed it. The gentleman evidently has in mind the Gitlow case arising under a New York statute.

Mr. MARCANTONIO. The Gitlow conviction was sustained because the court believed his advocacy constituted incitement.

Mr. McCORMACK. I do not want to get into an argument with the gentleman, because I respect my friend and respect his opinions; I respect his position; but I have only 20 minutes' time in which to present a very large subject. I have something definite in mind in speaking now, to show that certain arguments advanced against these bills are wrong.

Mr. MARCANTONIO. It is not argumentative but merely prefatory to a further question.

Mr. McCORMACK. I do not care to be drawn into an argument; I have not the time for it.

Mr. MARCANTONIO. May I not ask the gentleman just this question?

Mr. McCORMACK. Yes.

Mr. MARCANTONIO. Since it is agreed that to make mere advocacy unlawful is unconstitutional and that such legislation would be upheld when the advocacy becomes incitement, can the gentleman state to this House when mere advocacy ceases and when incitement begins?

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. MARCANTONIO. I prefer to have the distinguished gentleman from Massachusetts answer that question. He is a real and able lawyer.

Mr. McCORMACK. I yield to the gentleman from Texas.

Mr. BLANTON. Mr. Chairman, I think every loyal American in the United States appreciates the splendid work our colleague from Massachusetts has done. Does he know that right here in Washington today there is a Communist school that will not let a policeman enter, that is teaching communism all the time? Does he know that the Daily Worker in New York, which is a renowned Communist paper, with connections with Russia, has its reporters right in our press gallery, accredited to our press gallery here in the House? Does the gentleman know that in spite of all his committee has done to stop communism, that one of the most dangerous Communists in the United States, who is the spokesman for Soviet Russia, is to speak over the radio tomorrow night? He is a representative of the Daily Worker who has direct connection with Russia and is to speak over the radio on a national hook-up?

Mr. McCORMACK. I hope the gentleman intends to yield me additional time.

Mr. MAVERICK. Does the gentleman object to a representative of the Communist press in the gallery or to his speaking over the radio?

Mr. BLANTON. Yes; absolutely. If I had my way about it they would be kicked out of the press gallery.

Mr. MAVERICK. Mr. Chairman, I object to the gentleman from Texas [Mr. BLANTON] answering. Besides it is a "she."

Mr. BLANTON. There is one of both, a "he" and a "she."

Mr. McCORMACK. The two gentlemen from Texas can argue that out between themselves, but not in my time.

Mr. MAVERICK. Mr. Chairman, will the gentleman let me ask just one simple question?

Mr. McCORMACK. Well, now, I have great admiration for Texas.

Mr. MAVERICK. And I have for Massachusetts. My ancestors came there in sixteen something, twenty, or thirty; they owned East Boston.

Mr. McCORMACK. But I shall let the Texans settle their own quarrel between themselves.

Mr. MAVERICK. I am quarrelling with you. [Laughter.]

I want to ask the gentleman if he objects to a representative of the Daily Worker being in the gallery?

Mr. McCORMACK. That is between the two gentlemen from Texas. I am not here to talk about that. I am here to talk about something else.

The gentleman asked a pertinent question with reference to the difference between "advocacy" and "incitement." Under a criminal statute there must be intent. Advocacy means in a manner to incite. There must be proof. Now, it may be said, What is to stop a United States attorney from indicting and a grand jury from returning an indictment and a jury from finding the man guilty? The answer to that is the other constitutional right that any of us has, which is the right to a trial by jury.

Suppose I was arrested for attempting to commit robbery. Assume further I am not in as fortunate a position as I am today but, like millions of Americans who are economically depressed through no fault of their own as a result of the depression, I do not have the background that some others fortunately are able to point to. I may be arrested on suspicion and the person who has been held up identifies me in the line. What is my defense? What is my right? What right of protection have I?

I have, just as anyone will have if indicted for violating a law of this kind, or any other law, the right to a trial by jury. The experience of mankind for hundreds of years points to the fact that that approximates the greatest degree of justice and satisfaction—not complete justice—not complete satisfaction, because that is impossible where anything is administered through human beings. But it approximates justice, and it is the constitutional right we have when charged with the commission of crime. It is the best safeguard of our liberties. In fact, it is the only safeguard any American has when charged with crime.

Mr. MAPES. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. MAPES. The gentleman was facing the other way at the moment and we did not clearly understand on this side the difference, as the gentleman stated it, in the interpretation or definition of the word "advocacy" when used in a criminal statute and the general understanding of the word. Will the gentleman repeat his statement as to that?

Mr. McCORMACK. Advocacy under a penal statute, as construed by the Supreme Court in the Gitlow case, does not mean a philosophical discussion; it does not mean an essay; it does not mean an academic discussion; it does not mean a debate; it does not mean books being published. It means something being said or written the purpose of which is to incite others. In other words, the burden of proof is such that there must be shown not only an intent, and as we all know as lawyers intent is inferred from acts, but there must be, so far as the burden of proof is concerned for all practical purposes, the commission of an overt act.

Mr. Chairman, this is the first time I have discussed the two recommendations of the committee, the other recommendation being the so-called disaffection bill introduced by myself at the request of the Navy Department and having the concurrence of the War Department. It has the recommendation of the committee. It was referred to the Military Affairs Committee and reported out by that committee. The Kramer bill, which has the recommendation of the special committee, making it a crime to knowingly and willfully advocate the overthrow of the Government by violence and force, was referred to the Judiciary Committee and reported out by them. They are both now on the calendar and pending before the Rules Committee. It is on the doorstep of the Rules Committee, under which committee a rule must be obtained before the House can give consideration to either one or both of these bills.

Mr. Chairman, a lot of statements have been made as to what these bills will do, referring particularly to the so-called disaffection bills. The purpose I had in rising today was to refute some of the misstatements of fact made in connection therewith. Whether made honestly or otherwise, they constitute misrepresentations of the fact just the same.

Mr. MOTT. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Oregon.

Mr. MOTT. The gentleman has interpreted advocacy, as used in his bill, to mean really the commission of an overt act. May I ask the gentleman why he does not write that language into the bill and make the commission of an overt act a requirement for prosecution under the act?

Mr. McCORMACK. The result is practically the same. The language used is very plain and simple.

Mr. MARCANTONIO. The language is on the statute books now. We have insurrection and other similar statutes on the books at present.

Mr. McCORMACK. Mr. Chairman, coming back to what I said prior to yielding, my purpose in rising was to refute some of the erroneous reasons advanced against this bill. I have no controversy with anyone who opposes either or both of these bills. They have a right to do that, and I respect their right, but I condemn the characterization by slurring names of Members, or anyone, or organizations who are fighting for the passage of these bills.

A man who characterizes other men should not live in a glass house, because he is likely to be characterized himself. So, whatever discussions we have, let us have them on a broad, honorable plane. Let those who favor the bill argue their reasons. Let those who are against the bill argue their objections to it. Members may be for either one or both of these bills. There can be an honest difference of opinion, and Members can take a position either way. Although I may disagree with them, I can respect their position; but when some start to impugn the motives of others, then it goes too far. It is wrong. It is not decent. It permits of recrimination, a course I dislike to engage in.

Mr. Chairman, what are some of the arguments advanced against this bill? My good friend from Texas [Mr. MAVERICK] included in the CONGRESSIONAL RECORD of February 25 a copy of a speech he made in an adjoining city to the effect that one could be found guilty if the disaffection bill became a law if he argued against increased appropriations. That is not a correct statement, unintentionally so, I realize, but incorrect.

The argument has been made that this measure affects the pacifist movement of those good women and men who believe in pacifism. Now, I may disagree with them, but I respect their rights and their views. This has nothing to do with them and does not affect them in the least.

The argument has been made that if some woman or some man, believing in pacifism, should try to tell a young man not to join the Army or the Navy, they would be violating the provisions of this bill. This is not correct.

The argument has been made that if some mother wrote to her son in the Army about some law or regulation, this would be a violation of the law. This is not correct.

The argument has been sent out, and many honest, fine American citizens have obtained a misunderstanding of the bill as a result of it, that if they were to protest against a law or regulation governing the Army or the Navy, they would be violating the law. This is not a correct statement.

The disaffection bill, so called, confines itself to those who act in a manner to incite disaffection in our armed forces, the Army or Navy; not the National Guard, as amended by the Military Affairs Committee of the House upon my own recommendation.

What is wrong with this? What is wrong with the Kramer bill?

Furthermore, there is a tendency these days for anybody who says anything about America, or who might make an American speech, to have the charge hurled at him that he is a Fascist.

Mr. LAMNECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. LAMNECK. I have had a lot of correspondence about these two bills, and those who are opposed to their passage argue that there is plenty of existing law to cover the points that are contained in these two pieces of legislation, and I should like to ask the gentleman what he has to say about that.

Mr. McCORMACK. Well, I will just give the gentleman some evidence.

Several months ago a naval vessel was on the west coast and two Communists went on the vessel distributing literature urging the enlisted men to disobedience. It is not a question of whether communism can accomplish its purpose or not; it is attempting to do so. If anybody is arrested for attempting to commit robbery or arson, if found guilty, he is incarcerated and punished. In the case I have just mentioned our officials could not prosecute those Communists.

Only within the past two weeks, two more Communists went aboard a vessel on the west coast distributing literature to incite disobedience, and they were arrested. There is no Federal law covering it and the United States attorney had to release them. He could not prefer charges against them, because there is no Federal law covering the subject.

I hope this answers my friend's question.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. MAAS. What is the purpose in opposing the passage of this law unless they want the right to incite our armed forces to disobedience? [Applause.]

Mr. BLANTON. That observation exactly covers the case.

Mr. McCORMACK. Yes; exactly.

No American need fear either one of these bills or need fear that his right of freedom of speech is involved in any way under the language of knowingly and willfully advocating the overthrow of government by force and violence.

What about freedom of religious conscience? Could anyone say that their constitutional right of freedom of religious conscience is impaired or destroyed if Congress were to pass a law making it a crime for any man or woman to marry more than once, to have more than one wife or husband at the same time, and yet those who advocate the overthrow of government contend that they have a right of freedom of speech when they are trying to destroy that right—the great right of freedom of speech which our institutions of government guarantee. [Applause.]

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I yield the gentleman from Massachusetts 5 additional minutes.

Mr. COLE of Maryland. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. COLE of Maryland. Is the gentleman's bill, which we know as the McCormack bill, identical with the Tydings bill which passed the Senate?

Mr. McCORMACK. No. As originally introduced, they were. Senator TYDINGS and I introduced the bill for the Navy Department, and the War Department concurred, although I am frank in stating I understand from reliable sources that Secretary Dern has shifted his position. I am frank in making that statement; yet he sent up a letter strongly endorsing the bill. I might also say that this is consistent with Secretary Dern's handling of General Hagood. [Laughter and applause.]

Mr. COLE of Maryland. Mr. Chairman, will the gentleman yield further?

Mr. McCORMACK. Before yielding may I say that when a Secretary of War or any other member of the Cabinet sends a letter to the Congress endorsing a bill and then changes his position, that man loses the confidence of every Member of both branches of Congress. They cannot rely on his word in the future. They cannot rely on the consistency of his position. Whether Members agree with this bill or not, he has done something which has destroyed his effectiveness in the minds of the Members of Congress.

I now yield to the gentleman.

Mr. COLE of Maryland. Although the bill introduced by the gentleman and the bill which passed the Senate, known as the Tydings bill, are not identical, do they not in theory accomplish the same purpose?

Mr. McCORMACK. Yes.

Mr. COLE of Maryland. Am I further right in the assumption, as I gathered from the papers, that since the passage of the bill in the Senate, which is identical in purpose with the gentleman's bill, the Senator from Maryland has withdrawn his support of the measure?

Mr. McCORMACK. I do not want to pass on that.

Mr. COLE of Maryland. Does not the gentleman know whether he has?

Mr. McCORMACK. I do not know from my personal knowledge. I read the newspapers, of course, just the same as the gentleman does.

Mr. COX. Has the gentleman read into his speech the Dern letter?

Mr. McCORMACK. I intend to put that into the RECORD; yes. I insert the letter at this point. Also the letter of the Secretary of the Navy:

WAR DEPARTMENT,
Washington, D. C., February 28, 1935.

Hon. JOHN J. McSWAIN,
Chairman, Committee on Military Affairs,
House of Representatives.

DEAR MR. McSWAIN: Careful consideration has been given to the bill (H. R. 5845) to make better provision for the government of the military and naval forces of the United States by the suppression of attempts to incite the members thereof to disobedience.

The War Department heartily concurs in the aim of the bill submitted for report. Such an act would have the effect of protecting members of the armed forces from insidious propaganda, oral and printed, urging disloyal and disobedient conduct among them. Its provisions constitute a reasonable and proper restriction which may be placed by Congress upon the freedom of contact of civilians with members of the Government's armed forces.

A law of this nature does not violate the constitutional guaranties of freedom of the press, for that guaranty does not extend to protection of him who counsels and encourages the violation of the law as it exists. Nor, for the same reasons, does it appear that the guaranty of freedom of speech would be violated.

For the above-stated reasons the War Department favors the passage of the bill.

Sincerely yours,

GEO. H. DERN, *Secretary of War.*

NAVY DEPARTMENT,
Washington, February 28, 1935.

THE CHAIRMAN, COMMITTEE ON MILITARY AFFAIRS,
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: The Navy Department has noted that the bill (H. R. 5845) to make better provision for the government of the military and naval forces of the United States by the suppression of attempts to incite the members thereof to disobedience has been referred to your committee for consideration.

The Navy Department is heartily in accord with the purpose of this bill. Literature of a nature subversive to the Government has been distributed, in increasing quantities in recent years, to the personnel of the Navy. The literature, apparently emanating from Communist organizations, seeks to undermine the morale of the Navy by urging disloyalty and disobedience of laws and regulations for the government of the Navy.

Existing law is inadequate to curb this propaganda. The pamphlets and leaflets are carefully worded to avoid the insurrection and sedition provisions of the Criminal Code (U. S. C., title 18, secs. 4 and 6), and the publishers likewise escape the penalties of sections 344 and 345 of title 18, United States Code, by avoiding use of the mails.

The bill (H. R. 5845), it is believed, will protect the armed forces of the United States from the contaminating influences of propaganda which has as its ultimate object the overthrow of our Government by force. The proposed legislation does not infringe upon the rights of free speech or of a free press. It does not prevent any person from advocating a change in existing laws by lawful means. It does, however, prevent persons from urging members of the armed forces to violate the laws and regulations by which they are governed.

The Navy Department recommends the enactment of the bill H. R. 5845.

Sincerely yours,

CLAUDE A. SWANSON.

Mr. SCOTT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. SCOTT. I hope the gentleman does not mean to say that if a man changes his mind he would have less of the confidence of the people who might have listened to him theretofore?

Mr. McCORMACK. I mean this, so that there will be no misunderstanding. When Secretary Dern or any other Secretary sends out a letter endorsing a bill and that letter is considered by the members of a committee and the Secretary changes his position, then I simply say that Members and committees in the future cannot place complete confidence in any recommendations that later come from that source. Of course, all I know about it is from what I have seen in the newspapers. I did send him a letter asking him about it, but I have not received a reply as yet.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. BLANTON. When recently I made a speech in favor of the Kramer bill, and in favor of the gentleman's bill, I received vicious threats from many Communists from all over the United States; from New York, Pittsburgh, Cleveland, San Francisco, Detroit, and Chicago, threatening me and trying to bulldoze me. They hope by threats to scare and change people. If I should change my position through fear of such threats what would the gentleman then say about changing attitudes?

Mr. McCORMICK. The question of my good friend answers itself.

Mr. BLANTON. Sometimes such threats scare some men into changes.

Mr. McCORMACK. Not you. Your courage is unquestionable. As bearing on the question of the necessity for legislation, I wish to compliment my friend from Texas [Mr. MAVERICK]. Mr. MAVERICK himself introduced a bill aimed in the same direction, though not the same as the bill which I introduced at the request of the Navy Department, the War Department concurring. The gentleman from Texas [Mr. MAVERICK] introduced H. R. 6733 on March 14, 1935, and the bill is a short one. It is as follows:

Be it enacted, etc., That section 45 of the Criminal Code, as amended, is hereby amended to read as follows:

"SEC. 45. Whoever shall go upon any military or naval reservation, ship, army post, shipyard, fort, or military or naval arsenal, or any military or naval property owned by the Federal Government of the United States, for any purposes prohibited by law or military or naval regulations made in pursuance of law, or whoever shall reenter or be found within any such reservation, ship, army post, shipyard, fort, or military or naval arsenal, or any military or naval property owned by the Federal Government of the United States, after having been removed therefrom or ordered not to reenter by any officer or person in command or charge thereof, shall be fined not more than $500 or imprisoned not more than 6 months, or both."

I agree with my friend. The first part of that bill is good. The second part gives the officer in command too much power. I assume, however, that the parts are related, but under the second provision, as I construe it, if it were to pass—and I do not think the gentleman intended it—if an officer, without authority of law or of regulation, ordered you or me out of a navy yard and if we came in again, we could be found guilty under the bill, although the officer himself, in giving the order to us had no authority either by law or regulation to do so. However, I assume the gentleman did not mean that, so I shall place a broad and liberal construction upon the latter part of his bill.

Mr. MAVERICK. I call attention to the fact that that law is practically in effect now. It is an amendment changing a few words. It concerns the military establishment and their discipline.

Mr. McCORMACK. But it shows that the gentleman thought a law was necessary. It showed the gentleman considered additional legislation necessary.

Mr. MAVERICK. No; I did not, and I will explain later.

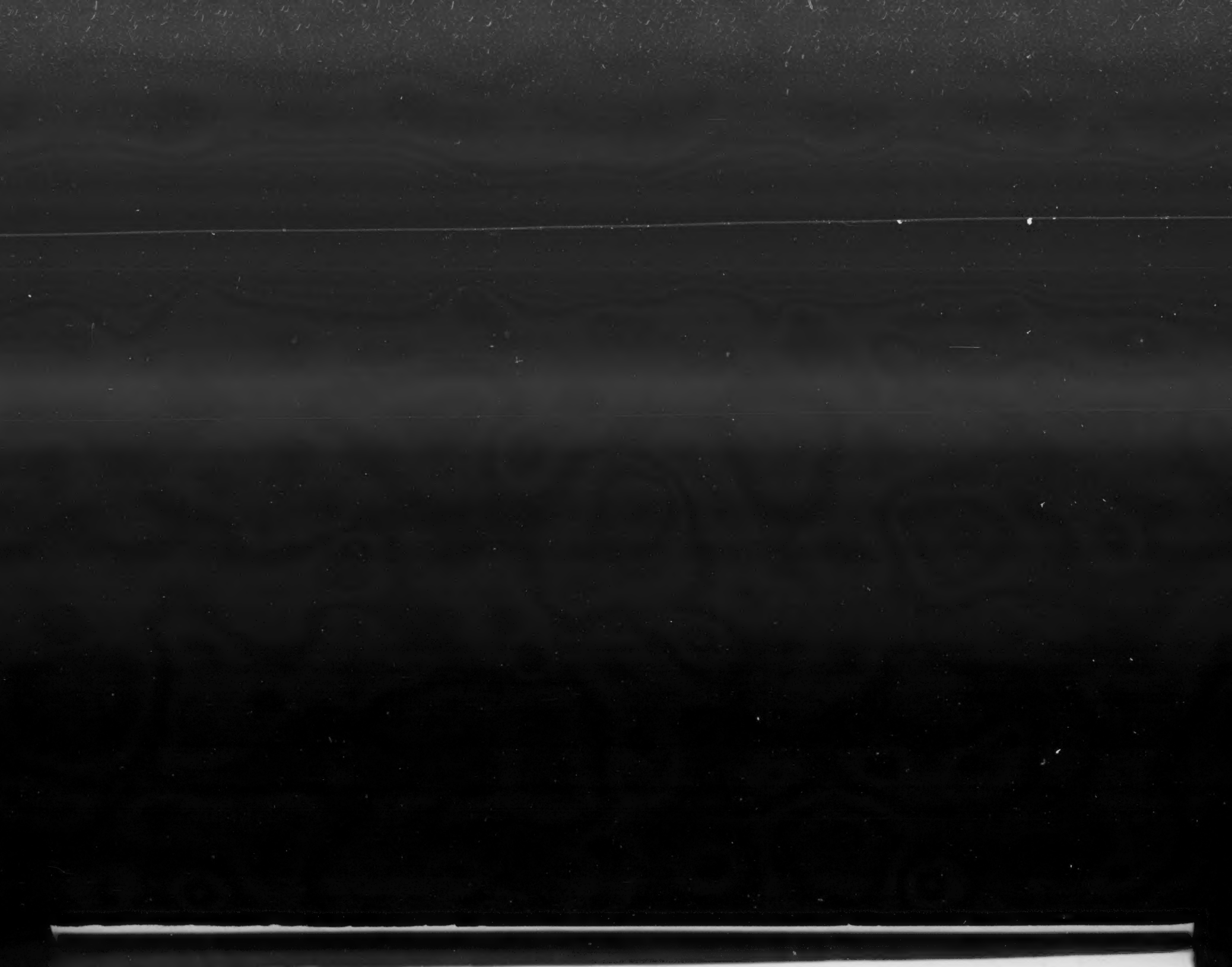
Mr. McCORMACK. Then why did you introduce the bill?

Mr. Chairman, where is the opposition? Here is a petition of the League Against War and Fascism. That does not say the League Against War, Communism and Fascism, but it is the League Against War and Fascism—a Communist organization. That is where the opposition comes from. Many fine Americans are deceived; many fine Americans misunderstand the purpose of both laws because of the bill being misrepresented by its enemies, and being misunderstood by others. My purpose is to clarify the situation. This legislation is aimed in the direction of preserving, not destroying, the institutions of Government which we have inherited. [Applause.]

Mr. DITTER. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman and members of the Committee, the drafting of reciprocity agreements goes merrily on, and it seems there can be nothing done about it. We surrendered all our rights along this line when we gave the authority to the executive branch of our Government.

It seems that reciprocity agreements are all drafted with utter disregard to the effect that it may have on the majority of the citizens of our country. I am sorry to say, but it seems that they are drafted right in the face of information that



shows they will adversely affect certain lines of industry in our country.

While we are helpless to do anything about it, it is our duty to bring to the attention of the people of the country some of the adverse effects of these reciprocity agreements, and particularly when one receives communications from the people in his own district with whom he is acquainted, in which they set forth in detail just how these measures affect their business and the people in the community that depend on that industry.

In my district and county is a manufactory of paper and paper board. It is an industry that has been operating there for nearly a century. Only a day or so ago I received from the president of that concern—a man whom I have known for years—a communication calling to my attention the report of the National Paper Board and Paper Manufacturers of America. It is a report compiled by this association, and it sets forth an analysis of the trade agreements which affect the paper industries in the country.

I wish to call attention to one or two things in that report.

I have no quarrel with my neighbor and colleague [Mr. HARLAN] as to these reciprocity agreements, but the claim is made by him that certain selfish interests are preying on the emotions of our people in opposition to these agreements.

This report of the National Paper Board Association is not confined to emotions. It is a cold-blooded analysis of their effect on its business. There are three reciprocity agreements that particularly affect their industry. I want to mention briefly one or two concrete illustrations.

The reciprocity agreement with Belgium, in effect May 1, 1935; the Switzerland agreement, effective August 6; and the third, the Netherlands agreement, effective February 1, 1936, which was only a few days ago.

As regards the agreement with the Netherlands, effective only a month ago, it is called to our attention that this is the most notable example of the policy of the administration to reduce commodity rates in the face of careful studies of competitive conditions in Holland and the United States. Two important items were affected by this agreement: Bristol board, chiefly produced in New England, and nine-point straw paper for the corrugated-box industry, largely a product of Illinois, Indiana, and Ohio.

They go out from these paper mills with their trucks and haul in the straw from the farmers after they have threshed, and it is out of that straw that this strawboard is made.

In the case of bristol, because of the severe competition which had existed in some grades, the House Ways and Means Committee made a radical departure in the phraseology of the act of 1922, which provided a rate of duty of 3 cents per pound and 15 percent ad valorem for bristol made on a Fourdrinier machine. This bristol is made in various qualities on both cylinder and Fourdrinier machines, and the act of 1930 included cylinder bristol at the rate formerly fixed for the Fourdrinier-machine product, instead of the old rate of 10 percent as cardboard, under which it had been imported. Importers immediately protested to the United States Customs Courts against the higher rate, and after 3 years in the courts a final decision was rendered by the United States Court of Customs and Patent Appeals holding cylinder bristol to be properly dutiable at 3 cents per pound and 15 percent. The trade agreement with the Netherlands, chief exporter of this product, reduced the rate of duty to 2 cents per pound and 10 percent on all low-priced bristols, this agreement being consummated after the court had decided on the duty rate for this commodity. Inasmuch as the new rate only became effective February 1, there is as yet no indication of the probable results on the American market.

But the point is they go ahead and reduce this rate in spite of findings of that kind that it should not be reduced.

Now, as regards the manufacture of straw into strawboard, which is used to make boxes for shipping, and so forth, with which you are all familiar, I want to call attention to this: That the strawboard mills in the 3 years ending 1935 produced an average of 312,228 tons of this material. About 1½ tons of straw are required to make a ton of paper, so that the straw consumption in those years averaged 468,342 tons. About one-half a ton of straw per acre is the usual product. So that the new Netherland agreement will have an adverse effect on the farmer selling straw from 936,684 acres.

Strawboard from Holland is being offered at $37 per ton, duty paid, as compared with the domestic price of $46 to $47. In order to meet the competition the domestic producers will be forced to reduce the price paid for the domestic straw to nearly the entire difference of $10 per ton, the alternative being to discontinue production and purchase of any of the straw formerly consumed. The only ray of hope to the domestic industry is the fact that the Dutch mills, though nearly as numerous as the American, cannot supply the entire needs of the American market. The foreign product, however, will be imported in sufficient quantities to fix the American price of not only straw but chestnut, pine, and kraft paper, which is also produced here.

Now, Mr. Chairman, if we do not do anything about the reciprocity authority that has been granted to the executive branch of the Government and which is being misused to the detriment of the people of this country, I know when there is going to be something done about it. It is going to be done by the voters at the next election. The administration has done some things for the farmer. I do not quite understand it, but they have an idea that so long as under the A. A. A. or the new soil-erosion bill they can mail out checks to the farmers they will retain their friendship, believing that this administration is their friend. At the same time they will be doing these other things that are so detrimental, but not quite so visible, because the farmer is not in a position to understand just what is being done to him.

Mr. KNUTSON. Will the gentleman yield?

Mr. MARSHALL. I yield.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. TABER. I yield the gentleman 2 additional minutes, Mr. Chairman.

Mr. KNUTSON. Supplementing what the gentleman has said, I should like to call his attention to the fact that as a result of importations from Canada the paper mills at Sartell, Little Falls, Brainerd, Cloquet, and Grand Rapids, all situated within the State of Minnesota, have been compelled to discontinue the manufacture of newsprint. Some plants are completely closed down and others have converted into kraft-paper making. Of course, it is only a question of time until we will have a surplus of kraft paper in this country, and it will no longer be profitable to produce kraft paper. Then they will have to close down or find something else. The whole trouble with the administration's reciprocal-trade policy, as I see it, is that it dislocates, seriously, industry in this country.

Mr. MARSHALL. The gentleman is quite right.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. JENKINS of Ohio. Does the gentleman know what proportion of straw produced in his great agricultural district is now being bought by these paper mills?

Mr. MARSHALL. The farmer, of course, does not sell all of his straw. He keeps a certain amount of straw for stable purposes—bedding, and so forth.

Mr. JENKINS of Ohio. In other words, would there be any market for all the surplus straw if it were not for these mills?

Mr. MARSHALL. There has always been a ready market for all surplus straw in my county to the paper mill at Cedarville, Ohio. In fact, they have to ship straw in there. They cannot be supplied locally.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. BLANTON. Mr. Chairman, our distinguished colleague the gentleman from New York [Mr. CURLEY] is to make his maiden speech this afternoon. I yield him 10 minutes for this purpose. I hope you give him a glad hand. [Applause.]

Mr. CURLEY. Mr. Chairman, at the outset I wish to state that I am indeed very grateful for the opportunity to emphasize the thought that was in my mind on the 3d day of January, when I stood in the Well of this House, raised my right hand before the Speaker, and swore to support the Constitution of the United States and to well and truly per-

form such duties as devolved upon me during the course of my term of office as a Member of Congress; and I am glad today to make my first brief address to the Members of the Congress. I am not at all strange to legislative halls. It has been my proud privilege to serve for 20 years in the board of aldermen of the great city of New York, the same district I now represent in the Congress, a district that was so ably represented by my predecessor, the late Anthony J. Griffin, who made such a brilliant and distinguished record for himself and his constituents.

Mr. Chairman, I come before the Committee today as a result of a situation—an aggravated situation, I might call it—that has grown by leaps and bounds in the district I represent.

Two events have transpired in this country in the past week that should attract the attention of every true American. Both events clearly indicate this country is headed toward destruction unless an immediate check is made on the forces undermining our Government, both within and without.

In one case Robert L. Ripley, outstanding American cartoonist, whose honesty has never been questioned, has been refused permission to enter Russia. The Soviet Government has barred its doors to Mr. Ripley because he, in a radio address last April, described conditions in Russia as he saw them.

In contrast to this we have the amazing spectacle of a Communist who tomorrow will have an opportunity of spreading more poison among our people. This Communist—Earl Browder, head of the Communist Party in America—will speak over the Nation-wide Columbia broadcasting chain.

Here, then, we have the two cases. They afford us a concrete example of the manner in which our citizens are treated by Russia, and the supine way in which we coddle an enemy within our gates.

Not only do we invite foreigners to our country, but also we feed them, clothe them, put them on relief, and give them jobs that belong to Americans. Still this is not enough for us big-hearted Americans. After feeding these aliens, giving them a chance for life under a democratic system of government which they despise and which they would like to tear down, we encourage them to line up their cohorts and destroy us.

Are we to continue this? Is there no way to check the spread of this poison among our people when Browder talks tomorrow?

Ripley is a cartoonist for the Hearst newspapers. He committed no offense against the Soviet Government. He did not advocate overthrowing communism. He did not discuss the merits or demerits of a dictatorship. He merely told radio listeners what he saw in the capacity of a reporter. For the "crime" of reporting facts, therefore, he is to be punished by not being allowed to visit the country on a world tour he had planned.

His disbarment is one of the most atrocious and reprehensible of the many vicious schemes Soviet Russia has created for the protection of a dictatorship and the spread of communism throughout the world. The "red's" action is merely a barrage sent up to protect their nefarious system of propaganda. We have been told so much in this country about the social and economic progress being made in the land of the Reds. Ripley exploded those false statements in one blow.

The Russians' action in closing their door to Mr. Ripley merely serves to prove that the facts he related on the radio are true. Otherwise why do they not allow him to visit the country? They know well that Ripley in another visit would get additional information on conditions behind the smoke screen of propaganda behind which Russia hides herself.

But the Ripley case may yet have its good effects, although it is a pity an outstanding American is punished for relating facts. The Ripley case will once again focus the attention of the American people on the crying need for stricter enforcement of our immigration laws and the great need for sweeping legislation which would rid this country of the thousands of alien crooks and scoundrels prowling our streets, ever anxious for the opportunity to strike and drive us from our homes.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I yield 3 additional minutes to the gentleman from New York.

Mr. Chairman, will the gentleman yield?

Mr. CURLEY. I yield.

Mr. BLANTON. Does the gentleman know that communistic Soviet Russia has executed and put to death more people than lost their lives during the entire period of the World War?

Mr. CURLEY. I have so read.

Mr. BLANTON. That is a fact.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield for a question?

Mr. CURLEY. I cannot yield; my time is too limited.

Mr. MARCANTONIO. The gentleman yielded to the gentleman from Texas. I am his neighbor.

Mr. CURLEY. I yielded to the gentleman from Texas because he is the chairman of the committee and was courteous enough to grant me additional time. I shall be glad to debate the question with the gentleman on some other occasion when we have more time. The gentleman and I are not strangers to each other.

Mr. Chairman, fortunately, few Americans tomorrow will listen to Communist Browder. We are too busy right now in getting our own house into shape in a democratic manner without listening to the claptrap panaceas to be offered by crackpot and vicious spokesmen for a crackpot scheme. Americans know too well that communism means starvation, loss of liberty, social misery, and tragedy. They are not interested in a form of government that means the breaking up of the home, tearing down of churches, and the persecution of those who would speak in opposition. It would seem, therefore, that Communist Browder will be talking to himself when he goes on the air tomorrow through the incredible kindness of the Columbia Broadcasting Co. A nose on the grindstone is worth two on the air.

But I should like to call attention to the fact that in the dangerous inroads being made in this country by foul speeches only one voice in America rises in opposition. That is the voice of William Randolph Hearst, a true American and a publisher who has kept the faith.

It is not an exaggeration to say that were it not for the stern warnings carried in the Hearst newspapers—in editorials that the man on the street can understand—this country today might be under the domination of the Soviet Government. Russia, too, is aware of this and there is no man in the world today they fear more.

All true Americans owe a debt of gratitude to Mr. Hearst. He has been fighting for years for the protection of our country against the inroads of Socialists, Communists, and others who would destroy us. He has defended his country at all times and against great odds.

Time after time we have been on the brink of destruction by allying ourselves with foreign powers for world peace. Each time the force of the great chain of Hearst newspapers has been thrown against such an alliance and we have been saved.

No history of this era would be complete without a complete record of Mr. Hearst's achievements and the many accomplishments for his country. Year after year and day after day he wields his mighty pen, the sharpest defense weapon yet devised by man, in the interests of his country. Unselfish and indefatigable, he will be ranked with the other patriots of this land of freedom. Others before his time set up the democracy. He has preserved against many onslaughts every stone in that great citadel.

As long as there is a Hearst newspaper printed communism will never get a foothold on this country. [Applause.]

Mr. BLANTON. Mr. Chairman, I yield 12 minutes to the gentleman from Indiana [Mr. LUDLOW], a member of the Committee on Appropriations.

Mr. LUDLOW. Mr. Chairman, I have asked my good friend the gentleman from Texas [Mr. BLANTON] for this brief allotment of time in order that I may remind members

that we are allowing precious time to slip away without doing anything to keep our boys from being dragged into the terrible hell of war in foreign lands.

This session of Congress is proceeding rapidly toward its close and instead of doing something effective to keep America out of war we are drifting, drifting, drifting as if to confess that we are utterly supine, helpless, and pathetically unable to deal with the situation.

With memories of war's agonies and the cataclysm of evils in its wake still haunting and oppressing us, and with the prospect of another world war now full upon us, we Members of Congress have no excuse for temporizing. We must show vision, iniative, and high moral courage if we are to keep America from becoming involved in another war.

I have filed at the Clerk's desk discharge petition no. 28 to discharge the Committee on the Judiciary from further control of House Joint Resolution No. 167, the resolution I have introduced for a constitutional amendment to give the people a right to vote on a declaration of war and to take the profit out of war.

Give the men who have to fight and, if need be, to die, and their wives and mothers the right to vote on a declaration of war, and America will never enter another war that is not a righteous war and a war of defense.

Take the profit out of war and there will be few wars. This House already has gone on record in favor of taking the profit out of war by statute. The bill we passed at the last session is languishing in a pigeonhole of a Senate committee, and the probability is it will never see the light of day. My resolution proposes to do by constitutional amendment substantially what the bill we passed last year proposed to do by statute. The purpose to be achieved can never be accomplished by statute, for the reason that influences that maneuver a country into war can, and will, repeal in a jiffy all statutes that conflict with their aims. Only a constitutional amendment has the permanency and stability necessary to take the profit out of war. I believe the constitutional amendment I have proposed presents in concentrated form the best plan yet advanced to save America free from war's entanglements. I believe also that early action on the resolution is imperatively necessary to make peace secure. Under the existing poor excuse of a neutrality law our exporters can sell war supplies—not strictly munitions—in unlimited quantities to warring nations and thus bind us to the fortunes of belligerents in a way that is almost certain to drag us into any war of magnitude. At this moment the outlook that we may be sucked into war is terrifying.

If we listen to the heartthrobs of wives and mothers we will adopt my resolution. If we place peace above the fleshpots of profit, we will move without delay to bring my resolution out of committee to the floor of this House for debate and action.

My chief purpose in arising to address the House therefore is to plead with colleagues on both sides of the aisle to sign discharge petition no. 28 in order that in the face of imminent national danger we may break the spell of lassitude and inaction that grips us and do something worthwhile to save our country from being drawn into another horrible war.

The antiwar resolution I have introduced is not one of the panaceas that are floating around Washington in such numberless variety. It should not be confused with them. It is a sound proposition. It is a forelooking proposition. It is fundamental. It is in harmony with the humanitarian concept that must have come down to Thomas Jefferson from the very throne of divinity when he wrote into the immortal Declaration the precious doctrine that "all men are created equal." My proposed amendment makes all of our citizens equal when it comes to the most important of all decisions—the decision that signs the death warrant of our fine young men. On account of lack of means of communication a referendum on war was not practical in the time of Jefferson. Now when the fast trains, the airplanes, the automobile and modern highways, the telegraph and telephone and radio have annihilated time and space, it is practical.

In pleading for my resolution I am not thinking entirely of the splendid young men who are the potential cannon fodder of the Nation, great as is my concern for them, but beyond them I am thinking of the fathers and mothers, the sisters and the precious little ones whose hearts will be torn and who will be tragically victimized if we become embroiled in another war. Surely there must be statesmanship enough in Congress to erect at this very session some safeguards to protect the peace that America so much craves.

The discharge petition which I filed has been on the Clerk's desk several days. I am sadly, sorrowfully, disappointed because so few members have signed it. I beg you not to dismiss this proposal in an offhand way from your minds as something impractical and unworthy. It is both practical and worthy. Please look into it. Read the hearings before the Judiciary Subcommittee—a copy of which I sent to each Member—and see how it is supported by thinking people, by men and women of thought and purpose all over the country, and by humble people of the rank and file who are hoping and praying that never again will they be subjected to the awful ordeal of war. The resolution I have introduced is not only needed to establish the principle of equality that those who have to suffer and die and pay the stifling costs of war shall have a vote on war, but it is especially needed at this time to retrieve the principle of taking the profit out of war, for which this Chamber went on record last year and which is being strangled to death in another body.

I believe that all of the Members of this House are sincerely, conscientiously, prayerfully interested in seeking that our boys are kept out of slaughter pens in foreign countries, but to achieve results we must pin our thought and sentiment to some definite proposal, and with all of the earnestness I can command I plead with you to sign discharge petition no. 28, so that my resolution may be brought before the House for consideration on its merits. [Applause.]

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, sometimes I cannot escape the conviction that there must be a lot of Presbyterians in this body, because they always make for the rear seats. But if they expect to hear this good gospel they will have to come down in the front seats, because I hear the droning in the Chamber that reminds me of the days of old Ichabod Crane teaching school in Sleepy Hollow—you remember the drone that came from the windows of the schoolroom in the spring afternoon? So I shall address myself particularly to the good brethren who are gracing the baptismal seats this afternoon.

I want to speak for a little while on the Interior Department appropriation bill which will be coming back in the form of a conference report, perhaps this week or early next week. We passed that bill in the House on the last day of January, and it contained $81,000,000. It was passed in the Senate on the last day of February, and it contained $144,000,000. Somehow or other, like little Topsy, it just grew $62,000,000 over on the Senate side. Now, $62,000,000 may be pin money to a lot of people, particularly to some of our good followers of the New Deal, but to one of frugal extraction like myself, who used to receive a penny to spend when he was a boy, with the admonition of his mother not to spend it all in one place, $62,000,000 is more than pin money. In fact, I was so intrigued with this increase in appropriations that I began to examine this report and I found that $57,600,000 was credited to the Bureau of Reclamation. On breaking down the report I found that the Senate had given these additional millions of dollars to eight Western States covering 16 different reclamation projects. We ought to go back a little bit in discussing this appropriation for reclamation and consider very briefly what we have done in the last 2 or 3 years with respect to agriculture.

We passed the Agricultural Adjustment Act on the theory that there was an existing surplus. It was said that too many farm products were being produced in the country; that our domestic purchasing power had been impaired; that our foreign markets were gone, and, therefore, it became

necessary to pay good hard cash in order to retire a lot of this acreage out of cultivation. The record will show that when the Agricultural Adjustment Act winds up its affairs it will have expended $1,408,000,000 and that it has contracted out of production of money crops, such as corn, wheat, tobacco, and cotton, substantially 44,000,000 acres of some of the finest land in the country.

We became reduction conscious and were aware of the fact that when they were speaking of reclamation and irrigation projects that there ought to be some consistency in this policy as measured by the basic theory of the Agricultural Adjustment Act. So in the appropriation bills for the Interior Department for 1935, 1936, and 1937 we put in a little phrase or clause providing that—

None of these appropriations shall be expended to investigate the feasibility and economic soundness of any new irrigation project.

That was a fine thing, and I was rather satisfied with it, not realizing that down in some of the departments, out of emergency funds, they would allocate $50,000 or $60,000 to explore some new unit or explore some new project and somehow nullify the phrase by giving a strange twist to the word "new." By virtue of the exploratory work I suppose it became old. So this provision in the Interior Department appropriation bill did not apply or, at least, did not prevent additional acreage from being added to our farm domain.

It would seem, therefore, that the provision that we inserted in these bills was, after all, nothing more than an idle gesture. Now we have passed the Soil Conservation Act, and I observe from the newspapers Mr. Wallace says he is going to undertake to retire 50,000,000 acres of land from money-producing crops and put those acres to rest or into soil-conserving and soil-enriching crops, which is nothing more than another name for control. We know that as well as anyone. You can call it by any other name, but it still remains control, on the theory that we cannot permit the granaries and the elevators to fill up with grain in the next year or two because it will break down prices, ruin the agricultural purchasing power, and have a very deleterious effect on the unemployment situation in the country. Everyone knows that that condition is already bad enough, with twelve and two-thirds millions out of work, according to the report of the American Federation of Labor. It all works in a cycle; yet the fact remains that the new measure is very fundamentally and essentially a control measure. It aims to prevent overproduction by retiring, controlling, and rotating existing acreage.

If that be the case, and if we are going out to the States of Illinois, Iowa, Kansas, Missouri, and other States and there pay good money, which has been taken out of the Federal Treasury—which fact was emphasized in the President's message yesterday when he estimated the annual cost of the adjusted-farm program at somewhere in the neighborhood of $500,000,000—with which to retire acreage, then I contend that there must be a pretty good reason for bringing in any new acreage whatsoever into cultivation. There can be no consistency in a program which seeks to go into some of the States and pay the taxpayers' money to the farmers to take acreage out of cultivation and then spend money out of the same Treasury to bring new acreage into cultivation.

When I look over this report on the new Interior Department appropriation bill, in which more than $57,000,000 has been added to some of these so-called irrigation projects out in the West, I swear, for the life of me, I cannot see the consistency of it. I appreciate that one can live with a proposal, a policy, or a theory to the point where he develops a kind of psychological blind spot. One sometimes has to go back and reexamine the original sources and reasons to find out whether one is all wrong and whether one is out of step with the world. I contend there is no consistency in such a program and for this $57,000,000 appropriation to bring new land into cultivation. Let us look at some of the projects that come under this authorization:

First, there is the Gila project in Arizona. I examined the justification report of the Department of the Interior, and when you get all through with it you will find a program authorized which is going to run for perhaps 20 or 25 years and will bring 585,000 acres into cultivation when the thing is finally completed. It will cost from $75 to $150 per acre to develop that land into productive farms, and when developed it will produce alfalfa, seed, flax, cotton, sorghum, and so forth. We have ample land for such purposes already.

There is the Salt River project, providing 10,000 new acres. There is the Central Valley project in California, part of which is being cultivated at the present time, some of it in an indifferent fashion, but when they get all through they will enhance the fertility of over 800,000 acres in this project. Total cost for this will be about $170,000,000. There is the Grand Valley project, 10,000 new acres. There is the Boise project of 47,000 acres, which is a new unit in an old project. There is the Deschutes project in Oregon, 50,000 acres; then the Grand Coulee project, 1,200,000 acres; and the Columbia Basin project, 1,500,000 acres. Some may contend this is not new acreage, but if you go back and examine the report and read the Senate hearings you will find that some of them are new units to existing irrigation projects. Others are being indifferently farmed at the present time, so that they cannot be considered as a part of our real present tillable domain. The rest of it will be virgin soil brought into cultivation.

Mr. Chairman, if they are going to spend $57,000,000 to add six, seven, eight, or ten million acres to the tillable domain of this country, what is the sense of dipping into the same Treasury and spending so much per acre to retire the fertile lands in the Illinois Valley? There is no consistency in it whatsoever, and I say that the Members of the House ought to take cognizance of the fact, when the conference report comes up for consideration. It ought to be thoroughly considered and these matters should be impressed upon the attention of the Members of the House.

May I refer to one other item? They may contend that the power to be developed in connection with these projects will bring in sufficient revenue to make it self-supporting and self-liquidating. Even if it were true, it could be no justification for spending money to reduce acreage and reduce production on the one hand, out of public funds, and bring more acreage into production out of the same public funds on the other.

I was very much interested in the colloquy of two Senators who were on that committee with respect to the power proposal on the Grand Coulee. The Interior Department had in mind first to build a big dam, to cost $120,000,000, and then they thought they would build the foundations for a big dam and construct a small dam on top at a cost of $63,000,000. The big dam would develop two and a half million horsepower, while the little dam would develop 420,000 horsepower. Somebody asked the question whether there would be an immediate market for 420,000 horsepower, and Mr. Walter, of the Reclamation Bureau, said, "Not at this time", or until they could get some kind of industrial development out there, and it might be a long time before they could get sufficient development to use enough power to make this a self-liquidating project.

What is true of the Grand Coulee will be true of some of these other dams, and one of the intriguing things about all this is that we now face the possibility, after having built these huge dams, to impound water in order to make more fertile some of that western soil and to generate power, that the Bonneville Dam power and the Grand Coulee Dam power will be in direct competition; and you are going to have the strange spectacle of a dam built by the War Department being in competition with one that is under the jurisdiction of the Bureau of Reclamation. Thus one day Uncle Sam is going to compete with himself to find customers for a lot of the electric power generated out there, and even the western Senators themselves know it and have intimated as much in the course of the hearings on this bill.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. In just a moment.

Finally, they justify this, I suppose, by saying it was put in the Budget. The very first statement in the hearings before the Senate committee recited that portion of the

Budget which made allowance for this $57,600,000 for this proposition, but I say to you that the Budget is not infallible, and we are not enjoined to follow the Budget just because a few budgeteers had the idea that this $57,600,000 should be expended. It seems to me altogether silly and inconsistent that we should expend $57,000,000 to enlarge our tillable domain because a few budgeteers made an allowance for this amount. It will be throwing good money after bad. How much more sensible it would be if we simply canceled off some of this investment for exploratory and investigational work and said, "We have sunk this money out there; we will kiss it goodbye; but we will not throw any additional dollars after it now that we are going to expend $500,000,000 a year to control production and take cash money crops out of production on perhaps 50,000,000 acres of the finest land in the country.

I now yield to the gentleman from California.

Mr. COLDEN. I would like to ask the gentleman from Illinois if he has forgotten some of the past history of his own State. The Government has established a protective-tariff system by which the industries of Illinois have developed and thrived to which all the States have contributed.

Mr. DIRKSEN. What has that to do with irrigation?

Mr. COLDEN. And in the early history of Illinois the Government gave a great deal of land to encourage the building of railways in Illinois. All of these appropriation bills always contain something for the State of Illinois. We appropriated $2,000,000 for the World's Fair in Chicago for the benefit of Illinois and other States. Why is there not the same reason for the encouragement of the development of the arid lands of the West? Are we not simply using the money in a different way for the development of the resources of one of our States?

Mr. DIRKSEN. Taking the gentleman's illustration about contributing $2,000,000 to the Century of Progress in Chicago, if we had taken $5,000,000 to lure all the people who had gone to Chicago to Montreal, Canada, while the Century of Progress was in operation, you would have a situation on all fours with spending $500,000,000 to retire 50,000,000 acres of land every year and then spending an additional $57,000,000 to bring new acreage into cultivation and to lay the foundation for the expenditure of hundreds of millions of dollars to enlarge our agricultural domain. There is the inconsistency in this program.

I have sought on every occasion to cooperate in the development and adoption of a farm program. We all appreciated the necessity for some form of program to bring relief to agriculture at a time when prices were ruinously low. I wonder, however, what Illinois farmers will say when they pause to reflect that while the Government was paying them $35,000,000 in 1935 for rental and benefit payments, that same Government was abetting the development of new acreage out in the Arizona desert with public funds which may ultimately mean that existing farmers may not be able to cultivate their full acreage of fertile midwestern soil for years to come. To them this $57,000,000 and the other millions to follow it may look like an insurance policy that there will always be a surplus and a farm problem.

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. CULKIN. The gentleman referred to a $52,000,000 appropriation in connection with these items which the Senate put in this bill——

Mr. DIRKSEN. Fifty-seven million dollars.

Mr. CULKIN. Does the gentleman know that the completion of these projects will cost the Government an additional $450,000,000?

Mr. DIRKSEN. I know there is a single project for which $22,000,000 has been allocated that is going to cost $170,000,000, and that is only 1 out of 16.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Chairman, I desire to call the attention of the House to an order of the Post Office Department touching an agricultural interest and having some connection with the bill.

For many years, and since the memory of man runneth not to the contrary, creameries and manufacturers and processors of milk, by their haulers, have collected cream and milk from the farmers and have taken it to the creamery or to the processing plant or to the cheese factory, where the milk is weighed and tested for butterfat content; and then tomorrow by the hand of the same hauler a check is delivered to the farmer in payment of the milk or cream which the hauler got yesterday.

Now, the delivery of that check does not cost the Post Office Department one cent. The hauler does not even so much as use the private mail box of the farmer out on the highway. He simply brings the check from the creamery and gives it to the farmer or leaves it at the farmer's home all without any expense to the Postal Department whatsoever, and without using any postal equipment or facilities of any kind or character. Recently and during this past summer a new activity or order has been instituted under an act that was passed in 1934.

This new activity or order has been put out against the delivery of these checks, and provides that delivery must not be made by the ordinary cream hauler any more; and that the creamery or cheese factory must pay 3 cents by way of postage on each check so delivered. This statement must be limited somewhat, as I will describe later. The added expense involved in this new system involves not only the 3 cents for extra postage which must be paid on the delivery of the check but it also involves added expense for extra office help, the cost of additional stationery and of envelopes, and the annoyance attending such a useless administrative detail.

To show you how important that is, I will call attention to a little creamery in my district in a village of only about 800 people. I live only a few miles from there, and they came to me and said that that thing would cost them $2,100 a year.

If you accept this figure as typical, I am sure that there are in my district 50 or 60 such milk processors, creameries, or cheese factories. If there are 200 districts like that in the United States, then this thing is bringing to the Post Office Department two or three million dollars in money for service of the Postal Department which it does not perform. It is a charge on the farmer, because the processor is sure to take it out of his overhead, and it is reflected back upon the producer. Why penalize, in such an unjust and unwarranted way, the farmer or the producer of milk?

This new tax is reflected back upon him because of an act which Congress passed in 1934 that was designed to give the Postal Department—and properly designed to give the Department—a monopoly of the postal business. In passing, I will explain that the act does not apply to a case where there are less than 25 letters delivered at one time, but this exception is of no benefit to our creameries and cheese factories. It does not apply to them. That bill was passed under unanimous consent on consent day. When it first came up, in May 1934, it was challenged, and someone asked that it be postponed for a week. It came up finally on May 14, 1934, and at that time it was under some suspicion. My good friend the gentleman from New York [Mr. TABER] asked some questions about it, but it was then stated by way of reply that the bill was for the purpose of getting the big fellows, such as the Western Union, who were out delivering letters by bicycle boys, and that the purpose of the bill was to correct that sort of an evil and nothing else. It was so stated on the floor by those in charge of the bill, and there was not the slightest suggestion that the bill could be used or would be used for the purposes to which it has now been applied.

I exonerate these gentlemen from any duplicity whatsoever. They believed what they said. I know they did. I do not charge them with any bad faith. But when it came to putting it into force, we find that the Post Office Department ruled that those checks which I have described are prohibited by that act, and therefore that these creameries or factories must pay for each check 3 cents postage to the Government for a service which the Government does not perform. That adds to the charges which the farmers must

meet. If I take your hat, for instance, from the Democratic rack out here in the cloak room, where they always have good hats, and I wear it away, that is all right, and there is no injustice, or bad faith, or evil conduct if I did it by mistake. But after I find out that I have the wrong hat, then I cannot defend any longer by claiming that it was all a mistake. I am bound to bring your hat back and restore it to you, am I not? I must no longer wear your hat. The same thing is true about this legislation. When it is discovered that it is doing the thing that we were promised it was not intended to do and which its sponsors promised on the floor that it would not do, we ought all to rise up on our hind legs and protest it and repeal it. We ought to demand that somebody restore the hat.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. Yes.

Mr. MILLER. Are any of the mail facilities of the Government being used in the delivery of those checks in the first instance?

Mr. GILCHRIST. Absolutely not. There is not a thing used by way of mail facilities. The cream hauler brings the check back to the farmer. He does not even use the farmer's rural mail box out in the highway.

Mr. MILLER. Then does this order go to the effect of simply preventing the delivery of a check to a farmer or other person in that manner without requiring the payment of postage?

Mr. GILCHRIST. That is correct. The gentleman's supposition is true. I want now to show what the order has in it. There are some limitations in the order.

Mr. WEARIN. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. Yes.

Mr. WEARIN. I recently have had some business with the Post Office Department right along this line, and it is my understanding that if the cream hauler is an employee of the company for whom he is delivering the check by the month, they are not subject to assessment on the part of the Post Office Department. If he is a contractor and hauling for one concern or for more, then they are subject to assessment.

Mr. GILCHRIST. I was going to point out what the order contains. The gentleman is correct in saying that the regulations of the Department contain a provision that if the hauler is an actual employee of the creamery, then he can deliver the check free, but he must be an actual hired employee. But the point here is that the man is scarcely ever an employee of the creamery. He is under some sort of a commission agreement. He is doing it by contract, and, therefore, he does not come within the limitation which the gentleman from Iowa has pointed out. Neither can he be made an employee. He should not be made an employee; and why? Because, first, it is for the advantage of the creamery that the man who hauls the cream or milk should have an interest in getting business; and if he is simply a salaried man who is paid by the month, then he does not have that direct and personal interest to the extent which he otherwise would have. He does not perform the service within the creamery or within sight of any superior officer, and no officer can, or can attempt to, direct his personal behavior or movements. Secondly, if he is an employee, then the creamery must immediately be liable for any damage that the man may do on the highway or elsewhere, and the creamery will have to pay a large-sized premium to some concern for protection against highway accidents. The creamery will be compelled to take out and pay for public liability indemnity contracts to insure against any damage to persons and property that may result from the acts of a man who is never within the personal direction of any superior officer. Thirdly, the creamery will have to pay under our social-security laws another premium or assessment for the purpose of meeting the tax or excise which is put upon employers. Fourth, another proposition is that the creamery will also have to pay workmen's compensation under the laws of the several States upon that man.

But finally let me say that the business is not done that way. It cannot be done that way successfully. The combined experience of most of these creameries leads them to adopt a policy under which the hauler is not made an employee. He ought not to be made an employee. In the vast majority of cases he is a contractor. That is the way they want to do their business. What difference does it make to the Post Office Department whether the man who delivers these checks is doing it under some kind of a commission contract or whether he is an employee? There is no reason that I can see why in one case we should pay postage upon checks which the Postal Department does not handle and does not even know about and in the other we should not.

There is another limitation or qualification in this postal order. Let me say the recent directions have been sent out since this discussion or agitation began. The most recent statement of the Department was made under date of January 25 this year. This discussion arose before that and my bill was introduced before that. They now say—and probably did formerly—that if the check is an instrument, like a deed or contract, then it can be delivered free, even though it be done by the cream hauler who is not an actual employee. They distinguish between what is a letter or package and what is an instrument. If it is classified as a letter, then it must pay postage; but if it is an instrument then it need not do so. What possible difference can this make? A rose by another name would smell as sweet, would it not? When we get down to brass tacks there is no reason why creameries or milk producers or farmers should be charged postage for delivering a check which the Government does not handle, while at the same time a law firm or big banker is able to deliver instruments or deeds or contracts without being charged in any way.

I am told that there is some legal or scientific distinction under which checks containing any information are not instruments but are letters, because there is embraced within the check some informative material. They say that if the creamery will incorporate this information as to butter content and weight which the farmer must and should have into the body of the check, then the check can be delivered without paying the Government a 3-cent postage rate; but if you put this same information on the perforated edge of a check so that it can be torn off, then it becomes a letter and not an instrument. You must not have it upon any perforated stub so as to permit it to be separated from the body of the check itself. But the trouble with this is that if you incorporate this same information within the body of the check itself then when the farmer cashes the check he loses the information. He loses the record. He wants to keep that information. He wants to know just what his milk or cream record is, and he wants this thing as evidence of what he is accomplishing in the dairy section of his farm and business. Again I ask, What difference can it make to the Government? If the information is put on line 5 or 6 on the check, it is "okey dokey", but if it is put at the side of the check it becomes a wicked violation of the prerogatives of our dear old Uncle Sam. Someone told me that once upon a time in 1846, some 90 years ago, an inferior Federal court promulgated some such a foolish distinction and that there has been no later decision so far as he can ascertain. I do not care whether there are later precedents or not. In any event it is a foolish and unwarranted distinction. The lawyer who exhumed this buried precedent from the skeletal debris of ancient technical legal opinion is no doubt entitled to credit for his patience and his diligence and his profound legal discernment. How lawyers do love to discover a venerable and hoary precedent, especially if it be one which has neither sense nor rhyme nor reason.

The present bill has been before the committee, and I have been told that a hearing will be given. I think the gentlemen are acting in good faith in making that statement, and I believe we will have a hearing in this matter very soon. It has been stated, however, that the committee is now waiting for a report from the Postal Department. The bill was introduced on the 25th of January, and up to this time there has been no such report. At least there was not when I last inquired about it. I think everyone is acting in good faith. I again insist that I impute no

wrong to any man or to any department. Let this be distinctly understood. But why should farmers have to pay the Government for a service which the Government does not perform? That is the kernel in the nut. Certainly there is no excuse for it, especially when we know that the act of May 1934 was passed under the circumstances I have tried to describe to you.

I therefore call it to the attention of the Members on both sides in the hope that the bill may receive their favor when it comes before this Congress for a vote. I impute no wrong to anybody, not even the Department or the lawyers. But it is time to right a wrong.

The bill as introduced by me relates only to cooperatives, but I can see no reason why its benefits should not be extended to all processors of milk. Of course I do not want the bill to be amended unto its death and thereby be betrayed by a kiss.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GILCHRIST] has expired.

Mr. BLANTON. Mr. Chairman, I yield 20 minutes to my colleague from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Chairman, I reaffirm and reassert that the military-disaffection bill and the Kramer bill are a direct danger to the freedom of the press and speech of this country, and should be defeated. The consideration of this character of legislation is generally connected with emotional hysteria, and I hope that we will stick to the subject as much as possible when we discuss it. We hear every subject under the sun when we talk about this, including appeals to patriotism and the emotions.

We hear, also, a great deal in Congress about Communists, and we hear a lot from the Republicans about the Democrats being Communists. Our inhibitions on the Democratic side are such that we are called Communists so much that we must talk about somebody, so we talk of Russian communism. The Republicans do not worry to talk about Russian communism; they take their inhibitions out on us Democrats.

Speaking seriously, I notice the Republicans have not gotten into this great jamboree on communism, this great battle against imaginary Red windmills. This kind of warfare is safe, for neither physical nor mental courage is needed, and all you need is lots of wind and good lungs. Of course, everybody is opposed to communism. But I think we Democrats could do a lot better, rather than having personal controversies among ourselves all the time, by devoting ourselves to the real economic questions before the country. I do not mean to say that we Democrats have less sense than the Republicans, but the Republicans do have sense enough not to enter into these usual combats of Democrats against Democrats, and beating the bushes for Reds for having nothing else to do.

SAN ANTONIO HAS MEXICANS—AND THE ALAMO, CRADLE OF TEXAS LIBERTY

I am going to talk about the Tydings-McCormack military-disaffection bill and the Kramer bill.

Mr. BLANTON. Will the gentleman yield for a question just before he goes into that?

Mr. MAVERICK. Just one question.

Mr. BLANTON. Would my colleague mind telling us how many Mexicans he has in the city of San Antonio?

Mr. MAVERICK. I should like to say that I realize——

Mr. BLANTON. Ninety thousand.

Mr. MAVERICK. Now you gave me this time and you be quiet. I am going to answer that question. You gave me this time. Let me have it. I realize that the gentleman is going into the very thing I am talking about. He is trying to personally embarrass me. I want to tell you I have 90,000 Mexicans in my district and they are just as good as you are. [Laughter.] They are decent American citizens. I do not consider that to be relevant to what I am talking about. I do not consider it fair in any way whatsoever. Now I am not going to yield any further, Mr. Chairman.

Mr. BLANTON. My colleague knows that I am very friendly with the officials of the Republic of Mexico, and from this floor I have defended it from many assaults.

Mr. MAVERICK. I am willing to admit this; but I must let it be known that the Americans of Mexican extraction who live in my district are Christian people, trying to be good citizens and to educate their children; I commend them to all fair men.

SENATOR TYDINGS AND SECRETARY DERN WITHDRAW SUPPORT OF MILITARY-DISAFFECTION BILL

But, to continue on the subject, the Tydings-McCormack disaffection bill had the backing of Senator TYDINGS in the first place. He introduced it. But Senator TYDINGS withdrew his support of this bill, and he is not for the bill any further. So there is no chance of this bill passing the Senate even if it does pass the House. Further, the Secretary of War has withdrawn his support of this bill, so the War Department is not behind it. I have talked to not less than 15 or 20 high-ranking officers of the Army and they are not in favor of it. They know it is wrong and none of them wants the legislation.

Now, the point I want to make is this: I am not in favor of giving up democratic processes of government and turning communistic and fascistic to fight communism and fascism. We must maintain our democratic processes, and democratic processes include not only the body of the Constitution but the bill of rights, and that part of it gives liberty of speech and press and protects us against unreasonable searches and seizures.

The gentleman from Massachusetts [Mr. MCCORMACK] mentioned the fact that I had introduced a bill concerning discipline at military posts. It is a fact. I did so. It is H. R. 6733. It is an amendment of existing law, not a new law like the military-disaffection bill or the Kramer bill.

The point I wish to stress is that this bill which I introduced concerns military discipline on the posts. I take the position that the Army has the right to take care of the discipline in its posts and that the civilians are a separate part of the population. Each part of the population should attend to its own business.

Section 45, concerning which I introduced a short amendment of the Criminal Code, protects the Military and Naval Establishments. This makes it illegal for undesirable persons to go on military posts and provides penalties. It has been held for years and years that this referred to military, naval, or marine posts; but in order to make sure that all parts of the service are protected I added the word "naval." That is the only real difference between the bill I introduced and the present law; it is to make it clear that it covers all branches of the service.

WHY NEW LAWS WHEN WE HAVE PLENTY NOW?

I think it is well, when we are talking about these laws that we remember what was in the minds of the men who introduced them. The gentleman from Massachusetts [Mr. MCCORMACK] said in the hearings on the Kramer bill that all we can do is to rely on 12 men, the jury. He said it in his speech today. I am going to try to show that during the war-time and war hysteria that the misapplication of law by many judges was a great grievance and the juries were also subject to the war hysteria. Then the gentleman from Massachusetts referred to emotional utterances; he spoke of the emotionalism of a depression. On the other hand, he said, in effect, if the circumstances show that there is a cold, deliberate plot, something must be done about it. The point I am trying to make is that, while he makes this distinction in his argument, he does not make them in his bill. If a man makes an emotional utterance there is no necessity for his bill, for, as I understand it, his bill does not contemplate that; but if there is such a thing as a cold-blooded or a hot-blooded plot or any kind of plot whatsoever, or conspiracy to violate the law, it is covered by the law already existing at this time. (See below I, Laws in Effect Now.)

I refer also to the testimony of the gentleman from New York [Mr. DICKSTEIN] given at the same hearing on the Kramer bill. He gave his reasons for wanting the law passed. He said the Communists said they did not want Dickstein to make the laws. They wanted to be the Government. He said they had a school where 2,500 students received instruction, and so on. Then Mr. DICKSTEIN said, "The Communists parade up and down the street with a brass band and a red flag." He said also that they go further—

they even sell pamphlets, they even sell little books. Oh, my! And one of his other reasons was that if you did not buy these books they would give them to you.

SHALL A CARTOON OF THE PRESIDENT OVERTHROW THE GOVERNMENT OF THE UNITED STATES?

Then the gentleman from California [Mr. KRAMER], in his testimony for his bill, said:

Here is one of the documents which is put out by them. It is supposed to be the President of the United States with the most vicious type of propaganda.

Here is what I said in reply:

That is a pretty good cartoon of the President; that is not obscene, but it is funny.

Do you think a man should be sent to the penitentiary for drawing a funny picture of the President? Mr. Roosevelt is a broad-minded man. I think he would enjoy it.

Then Mr. KRAMER said:

You do not find the legitimate press with a cartoon of that type. They do not use that kind of propaganda to go out and teach the overthrow of the Government of the United States.

Note that the gentleman from California said that that was not a legitimate use of a cartoon; that it was used in propaganda teaching the overthrow of the Government. A cartoon of the President to overthrow the Government! Imagine that! This indicates, of course, how far they intend to go with this type of legislation. Draw a funny picture, and go to prison for it! Is not that a little Hitleresque?

Mr. Chairman, it was a swell cartoon; it looked just like the President. I see no reason to lose sleep over it.

Mr. KRAMER. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. KRAMER. Will the gentleman explain what the cartoon said down below it? The gentleman said it was a fine picture of the President. I am surprised that the gentleman would stand on the floor here as a Democrat, as a supporter of this administration and take that attitude toward our President.

Mr. MAVERICK. Do not talk nonsense, Mr. KRAMER.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield there?

Mr. MAVERICK. Yes; I yield.

Mr. MARCANTONIO. As a matter of fact, the attitude of the gentleman and some other gentlemen who are advocating this legislation is one of competing with Mr. Hearst on the question of communism.

[Several Members rose.]

Mr. BANKHEAD. Mr. Chairman, I rise to a point of order. It is an absolute violation of the rules of the House governing debate to have remarks interjected without the consent of the gentleman who holds the floor. It certainly does not contribute anything to the dignity of the proceedings of the Committee or the clarification of issues, and I hope gentlemen will observe the rule.

Mr. MARCANTONIO. But the gentleman from Texas had yielded to me.

Mr. O'CONNOR. Mr. Chairman, supplementing what the distinguished majority leader has said, there is a bad practice in this House of the stenographer taking down words which are said not under the rules of the House. The Chair should instruct the stenographer not to take down the words used by the gentleman from California in answer to my colleague from New York.

The CHAIRMAN. Under the rule the gentleman holding the floor has the privilege of striking from his remarks such words.

Mr. BLANTON. Mr. Chairman, answering the gentleman from Alabama on the point of order, the stenographers have to take down everything that is said. They cannot discriminate.

The CHAIRMAN. The gentleman from Texas will proceed.

Mr. MAVERICK. I yield to the gentleman from New York.

Mr. MARCANTONIO. Many of the people who are supporting this type of legislation are in complete concurrence with Mr. Hearst on the question of communism. I now ask the gentleman if these same people concur with Mr. Hearst when he characterizes the administration of the President of the United States as communistic?

Mr. MAVERICK. Does the gentleman from California want to answer that?

Mr. KRAMER. No; I will let the gentleman from Texas answer that. He has been schooled with the gentleman from New York.

Mr. MAVERICK. Just answer yes or no, or obey the rule and sit down.

Mr. KRAMER. I will obey the rule.

Mr. MAVERICK. Well, then, I will now answer the proposition mentioned by the gentleman from California, who appears to think I ought to be ashamed because there appears a cartoon of the President of the United States, and that I thought it was good. I should imagine the President himself would enjoy it. Putting people in prison for cartoons! That is where blind Democrats go. If we have a blind obedience to the President of the United States and we get to the point that we are so thin skinned we cannot permit the drawing of a cartoon of the President of the United States but upon pain of 10 years in a Federal jail, the Republicans will very rightfully make fools out of us. That is my answer to that question. [Applause.] Why be tin-horn Fascists when we can be free-born American Democrats?

ANCESTORS—AMONG THEM JEFFERSON, WHO DID NOT LIKE SEDITION LAWS

Our forefathers are mentioned quite frequently around here. In fact, Jefferson called that "beating the living with the bones of the dead"; and it is getting to be a practice. The worse thing about our ancestors is that most of them are being misinterpreted. So I am going to read to you what Thomas Jefferson actually said about the subject of sedition and sedition laws. He stated in reference to a certain case:

I found a prosecution going on against Duane for an offense against the Senate founded on the Sedition Act. I affirm that act to be no law, because in opposition to the Constitution; and I shall treat it as a nullity, wherever it comes in the way of my function.

In other words, the President of the United States said he would not obey the law because it was against the Constitution. He stated further:

The ground on which I acted in the cases of Duane, Callender, and others (was) that the sedition law was unconstitutional and null, and that my obligation to execute what was law, involved that of not suffering rights secured by valid laws to be prostrated by what was no law.

Mr. Chairman, my personal opinion is that these laws—the military disaffection and Kramer bills—concerning the violation of freedom of speech and press are absolutely unconstitutional. If they are not unconstitutional there will be unconstitutional methods used in connection with their execution. They are, in my opinion, likely to cause a train of abuses in violation of the spirit of the Constitution, if not directly. The execution of such laws will certainly be in violation of the spirit of democracy.

OVERT ACT AND ADVOCACY; ONCE AGAIN EXPLAINED

A lot of talk has been indulged in with reference to overt acts and advocacy. There is not a law on the statute books today that gives the country the power to prohibit the mere advocacy of the violation of the law. For instance, take during the prohibition era. Everyone knows millions advocated freely that the Prohibition Act should be violated and many millions of people did violate the act. To use a very cruel and bitter language, we may advocate murder and assassination. I do not approve, of course, the advocacy of those things, but people can advocate what they please when it is not accompanied by an overt act. You have heard it said many times, "There should be a revolution." Should we get all in a dither about it and pass some suppressive laws?

Now, the reason advocacy is not made a crime is because it is such a vague term. It is often confused with prophesy, with the expression of opinion and with hope. As such an utterance is entirely subjective, the law, which cannot read what is in a man's mind, requires (in order that it be definite and clear that it be accompanied by an overt act before it

will punish the utterer. But, and this point cannot be emphasized too strongly, it does not punish the words, the speech—the advocacy, it punishes the act. If one "advocates" murder, unless some act is done in furtherance of the advocacy, or the people to whom were addressed the remarks do something about it, the utterer is guilty of no crime. But—get this—when the advocacy is such that anyone acts or makes the slightest move to carry out the suggestion, the one who caused it is clearly guilty with them, and responsible for their actions as an accessory. That you may understand the law is fully sufficient in general criminal law now. Even if nothing takes place one may be guilty of a conspiracy to commit a crime. But the existing law on conspiracy is clear—there must be what is construed as an overt act in furtherance of the conspiracy.

It is therefore established that the law in its wisdom, and in preservation of fundamental rights that we all recognize, will refuse to punish anyone for what is in his mind, or for what he thinks, as atrocious as it may be, unless it has clear and convincing evidence, beyond a reasonable doubt, that an act has taken place which will endanger the community. Any other course would be the first step toward a tyrannical supervision of our innermost thoughts, giving the oppressive agent or government the right to make such conclusion as they please.

In order to persecute us I would suggest my colleagues make a study of "Nazi Justice", which is an abandonment of established rules of evidence and fair play, where the defendant is prosecuted on a basis of what really the prosecutor cares to interpret into the defendant's mind, who is by circumstances presumed to be guilty. Let us stick to the American ideal of well-ordered justice, established rules of evidence, and fair play. And let us not go in for mind reading and fortune telling for the purpose of sending people to prison. Nothing is more repugnant to our American sense of liberty than jailing someone for what may be in their mind.

Mr. Chairman, if we concern ourselves with loose talk, advocacy, and all kinds of things like that, we are going to get ourselves off the track altogether. We will stop making laws and become a menace to the country. We must know that actual crime consists in a conspiracy to commit a crime, an attempt to commit a crime, or the commission of the crime itself. This is followed by accessory before the fact and accessory after the fact. It has nothing to do with mere advocacy.

READING OF DECLARATION OF INDEPENDENCE WILL BE A FELONY UNDER KRAMER ACT

I want to point out that under the Kramer Act, when you get right down to it, it would be a violation of the law to read the Declaration of Independence of the United States because it says, for instance, "whenever any form of government becomes destructive of these ends it is the right of the people to alter or to abolish it and to institute a new government." That is similar, but couched in different words, to words, offensive to me and offensive to you, used by Mr. Gitlow, who has been mentioned today, "that it is necessary to destroy the parliamentary state and construct a new state of the organized producers, which will deprive the bourgeoisie of political power and function as a revolutionary dictatorship of the proletariat."

That sounds terrible; at least it is a quiz-quoz of Marxian nonsense no American understands. Of course, I really do not understand what it means, and I do not think anybody in the House does either, although you are intelligent men. But he does say "we must destroy the parliamentary state." That is what this Communist stated.

SHALL WE DESTROY PARLIAMENTARY GOVERNMENT TO PRESERVE IT?

But, I say, should we first destroy parliamentary government—and freedom of speech, which is included—in order to protect it? Why, certainly not. We went to war to end wars. We did not end wars. We went to war to save the world for democracy, and we have not very much democracy left throughout the world today.

Mr. Chairman, I want to maintain our democratic institutions.

Mr. McCORMACK. Will the gentleman yield?

Mr. MAVERICK. I gladly yield to my friend, the gentleman from Massachusetts.

Mr. McCORMACK. I want to get the gentleman's viewpoint, and I respect it. Do I understand the gentleman believes freedom of speech gives me the right to lie about a person if I care to do so?

Mr. MAVERICK. Yes.

Mr. McCORMACK. That I can advocate violence——

Mr. MAVERICK. The Liberty League lies about the Democratic Party all the time, and I am in favor of that.

Mr. McCORMACK. I am asking a basic question. In other words, the gentleman believes I can go outside of his house and incite a crowd to burn his house?

Mr. MAVERICK. No. I do not say that.

Mr. McCORMACK. If I make the statement, "MAVERICK's house should be burned. I am not saying you should burn it, but it should be burned", and somebody goes there and burns it, the gentleman thinks that is all right?

Mr. MAVERICK. The gentleman could advocate the burning of a house.

Mr. McCORMACK. What is the difference, so far as it being a crime is concerned, between advocating the burning of the gentleman's house, or for somebody who has not the least love for our Government advocating the destruction of our form of government?

Mr. MAVERICK. That is exactly the point I have been trying to make. There is not any difference. As I have shown before, there is no question that it is perfectly legal for anyone to merely advocate that houses should be burned. Of course, should you raise a ruckus in front of my house, you would be arrested for disturbing the peace. But to go on with the burning—the advocacy becomes illegal when as a result there is some move or act started to burn the house. If you merely make a speech and nothing is done, you would violate no law, unless it be you are jailed for the noise of your voice or disorderly conduct.

It seems to me that the same principle of law should apply, and does apply today, with respect to the advocacy of the overthrow of the Government by force and violence. Apart from the fact that nobody does advocate any such thing, under our guaranty of freedom of speech one has a right to advocate the forceful overthrow of the Government. If anyone does anything about it, starts collecting guns or ammunition, or takes any step, however slight and be it ever so removed from the ultimate object, even establishes headquarters, an overt act will have taken place and would be punished under laws on our statute books in existence for generations. Every conceivable danger to our Government is well covered now.

I want to read what Thomas Jefferson said, because it is more important than anything I have to say anyway.

SEDITIOUS TALK (?) BY GREAT PRESIDENTS

Here is what Thomas Jefferson said:

I like a little rebellion now and then. The spirit of resistance to government is so valuable on certain occasions I wish it to be always kept alive. It will often be exercised when wrong, but better so than not to be exercised at all.

The greatest Democrat of them all said this.

Abraham Lincoln said:

This country, with its institutions, belongs to the people who inhabit it. And whenever they shall grow weary of the existing government they can exercise their constitutional right of amending or their revolutionary right to dismember or overthrow it.

It was a Republican who said this.

Now, beyond any question of doubt, if any man should rise on the Republican side and quote his President, Mr. Lincoln, or if anyone on our side should quote Thomas Jefferson, we would both go to jail in a body if we said it anywhere except on the floor of the House. That is, any American would be sent to the penitentiary for quoting two great Presidents.

MANY WORDS IS A COAT OF MANY COLORS TO MAKE THE PUNISHMENT FIT THE "CRIME"

Now, I am going to read to you what this law provides. It says, "Advises, counsels, urges, or solicits a man to disobey." I looked these words up in the dictionary.

Advise is to view; observe; hence, to bring into view; consider, ponder, devise. To give advice to.

In other words, if you were to give advice to a man that might lead him to disobey a law or should you make an "observation leading to", you would run afoul of this law. The slightest intimation or suggestion could easily put you behind the bars; you could be interpreted straight into jail.

Counsel is to give advice to; to advise; admonish or instruct, as a person. To advise or recommend, as an act or course.

Urge is to press the mind or will of; to ply with motives, arguments, persuasion, or importunity. To present in an earnest or pressing manner; to press upon attention; to insist upon.

Solicit is to ask earnestly; to make petition to; to apply to for something. To endeavor to obtain by asking or pleading; to plead for. To urge the claims of; to advocate; plead; to act as solicitor for or with reference to.

For instance, the definition says, "ask earnestly"; and if you were being shot down by a National Guards man, if you were to ask him earnestly not to murder you, you could be sent to the penitentiary if he did not murder you first. Read the language of that bill and the various shades of the words I have just given you. There would be dozens of ways and dozens of combinations of ways for you to violate the law in the light of those words.

NATIONAL GUARD INCLUDED IN MILITARY DISAFFECTION ACT

I now want to make this further statement, since it comes to my mind at this time: The National Guard is included in this act because the National Guard is a part of the United States Army. There is no mention in the Constitution of the United States of the National Guard. There is not any such thing as a national guard under the Constitution of the United States. National guard is a statutory expression, and the National Guard is controlled by the Government of the United States, and therefore the National Guard is included in the Army.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. McCORMACK. If it is included, certainly I have made every effort to exclude it; and if the bill ever comes up and I have my opinion about whether it will come up or not, I would do everything I could to see that the bill is so limited.

Mr. MAVERICK. I will say to the gentleman I do not think the National Guard can be excluded, because by all the statutes and precedents it is a part of the Army of the United States. (See below II, National Guard.)

MAINTAIN MILITARY DISCIPLINE, BUT LET CIVIL GOVERNMENT ALWAYS BE SUPREME

Now, I want to make this further point:

The second section of the military disaffection bill concerns searches and seizures of the civilian population, and it cites the provisions of the Sedition Act of the World War. The search-and-seizure portion cited in the Military Disaffection Act says:

> An act to punish acts of interference with foreign relations, neutrality, and to foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes.

I wanted to make this plain, so we would understand the wide implications of this law as it concerns every strata of our life. I do not care what the Army does about its discipline. They have the Court Martial Manual and the Navy has the Navy Manual, and they can maintain discipline and they always have, except during the Civil War, when my ancestors and the ancestors of a large portion of my friends from the South did not like the Union very well for 4 years; but with the exception of that time the Army and the Navy have conducted the Army and the Navy in a disciplined manner, indicating they are capable of continuing to do so.

It is proper for the United States Army to have strong powers of military discipline with their own Court Martial Manual and with laws such as are already enacted to maintain discipline within the military forces, but it is highly improper to, in effect, grant additional powers over the civilian population. As I said, the second section of the bill concerns searches and seizures of the civilian population, and all that printing and publishing, and all that consulting and urging and advising that you read about is against the civilian population and not against the military. I have stated many times, and do not care to take your time in long examples, that the officers of the Army and Navy are capable of maintaining discipline and can do almost anything with the laws they have; the enlisted men are patriotic, and they do not need this new suppressive law. To enact this law merely raises the possibility of military power over the civilian population. You say that it is not likely to happen here, and yet, if we look at the history of the break-down of certain countries and the break-down of what democratic processes they had, it was gradual. I hope, then, that we will always keep our military separate from our civilian life; that civil government will always be supreme, and, at the same time, we will have the proper respect for the Army and permit them to maintain their discipline without giving them unnecessary power over the civil government.

MEXICANS AGAIN, THOUGH THEY HAVE NOTHING TO DO WITH THE SUBJECT

Mr. BLANTON. Would my colleague yield for two short questions if I yielded him some time?

Mr. MAVERICK. No; that is too hard a bargain. I am not going to be embarrassed.

Mr. BLANTON. I will do it, anyway.

Mr. Chairman, I yield my colleague 5 additional minutes.

Mr. MAVERICK. Then I yield. [Laughter and applause.]

Mr. BLANTON. I want to ask my colleague, in all fairness, because he is fair, if it is not a fact that every time any Member here has tried to interfere with the orderly procedure of the Mexican Government I have always risen in my place here and defended the Mexican Government in having the right to conduct its government like it pleases?

Mr. MAVERICK. Yes.

Mr. BLANTON. The other question is this: Is it not a fact that there is communism in Mexico, and they have the right to allow it there if they want to, and that the Mexicans in San Antonio believe just as the Mexicans in Mexico believe?

Mr. MAVERICK. No, sir; no, sir. I want to tell you the reason I resented your asking me questions first. It was because the question was unfair and because you wanted to embarrass me and a substantial portion of the people of my district. I want to say this about the Mexicans, or Americans of Mexican extraction, in my district. The Mexicans in my district are like the people who live in any other part of the United States. They are like the people who live in New York or Philadelphia or anywhere else. They may be poverty-stricken; they may be poor; but they do their best. I have the same prejudices as any Texan about Mexicans, because, of course, my grandfather signed the declaration of independence of Texas and we ran the Mexicans under Santa Ana out, but I prefer to live peacefully with my fellow man, irrespective of race or religion, and I want to tell you that the Mexicans in my district are better founded in many respects than some of the American people, because they study the Constitution, they go to school and try to improve themselves, and because they love it and they appreciate living in a free country. They worship God like you and I. This is my answer to that question.

LEGAL EFFECT UNDER CONDITIONS OF HYSTERIA DESCRIBED

Now, let me get back to the question. Under the Espionage Act we remember that they put Eugene Debs in jail for 10 years. The result was that after they put him in jail we had a Republican President, and Debs was pardoned by that Republican President. That shows all the good it does when you pass this kind of a law.

We know that at that time there was sweeping over the country all kinds of war hysteria. There were several thousands of cases of that kind and hundreds of convictions, but they were all or most of them pardoned. It did not do any good.

Now get this specific fact, in order that we may understand the present type of legislation, so that we can make

a correct and accurate analogy. The Wartime Espionage Act was directly designed to affect the inciting of the armed forces to disaffection. We are told by the proponents of the present bill that there will be certain safeguards, but I must call attention to the fact that the Espionage Act as a criminal statute exhibited the very first thing that the courts themselves were swept away by wartime hysteria—the same hysteria that led to the enactment of such legislation and that cast aside common-law principles and laid down as a test of guilt under the act that words to be criminal needed only to have had a bare tendency to cause unrest. I say this in the light of the present law and the many different shades of meaning of all the words I gave in the first part of my talk. But returning to the Espionage Act, the intention of the utterer, the crucial test of an utterance in common law, became a mere form, since it was inferred from any indirect injurious effect which the court—that the judge and the jury—that the 12 men might read into the words so uttered. In this case, after all the words with shades of meaning I have mentioned, and after further use of the word "intent" in the statute, and the further use of the words to incite disaffection, and "publishes or distributes any book, pamphlet, paper, print, article, letter, or other writing", there can, by a combination of words and usages and the different processes which are here mentioned, be an interpretation into almost anything.

EXAMPLES OF HOW EASY IT IS TO GET IN PRISON

In the case of United States against Stokes, Rose Pastor Stokes was sentenced to 10 years in the Federal penitentiary for saying, "I am for the people and the Government is for the profiteer." Many of us have said worse than that.

Here is what you would do, under the law proposed, to a Republican if he said the President is for communistic principles and putting us into bankruptcy. He (Mr. MAVERICK pointed to a Republican) would get 10 years for saying that. [Laughter.]

A minister in Vermont, G. H. Waldron, was given 15 years for distributing pamphlets containing such seditious matters as "better a thousand times to die a Christian than to kill his fellow."

D. T. Blodgett, in Iowa, was given 20 years for circulating a pamphlet urging the voters of Iowa not to reelect the Congressman who voted for conscription and reprinting an argument of Thomas E. Watson—I believe he was from Georgia—which originally appeared in the CONGRESSIONAL RECORD. Anyhow, it was an opinion concerning the constitutionality of the Draft Act.

In other words, in this case a man was sentenced to the penitentiary for quoting the CONGRESSIONAL RECORD. Just think of that! On general principles the court may have been right in putting a man in jail for reading the CONGRESSIONAL RECORD. [Laughter.] But it is not a good thing. After all, let us realize the serious consequences of such legislation.

In Minnesota, under the Minnesota Espionage Act, similar to the Federal statute, it was held a crime to discourage women from knitting by the remark, "No soldier ever sees these socks" (*State* v. *Freerks*, 140 Minn. 349). (See below III, More Easy Ways to Get in Prison.)

LET US KEEP COOL, AND DO NOT MAKE MARTYRS

There are hundreds of these cases, but the most celebrated one I have already mentioned, that of Eugene V. Debs, Socialist leader. He was convicted for making a speech to a convention of Socialists in Canton, Ohio. His language was in no way designed for soldiers, nor did he in any way urge disobedience to laws, nor did he urge his hearers to resist the Draft Act, objectionable as he considered it. At his trial he said:

> I abhor war. I would oppose the war if I stood alone. When I think of a cold glittering steel bayonet being plunged in the white quivering flesh of a human being, I recoil with horror.

I have told you the rest, and you know it, anyway. He went to the Federal penitentiary and was let out by President Harding because of the demand of the public. People got excited and put others in jail; when they cooled down, they wanted these others, who had become "martyrs", out. So do not let us get "hot" in the first place; let us keep cool, and do not make any martyrs; let us preserve the democratic processes.

Let me again state a specific objection to the military disaffection bill. It concerns civilians more than it does the soldiers or sailors, for the Army already has enough laws. The point is that under wartime prosecutions not a single direct attempt to incite disaffection was ever proved; and with all the rigamarole and quiz-quoz of words that I have just given, the effect of the present laws might very likely be worse. Under the sedition acts of the war, the intent of the utterer was never considered; the only criterion was whether the court and jury believed that the words uttered had a tendency which might cause unrest.

LET US ATTACK THE REAL PROBLEMS

I want to make a final appeal. It is my honest opinion that the American people are tired of hearing about communism. What they want to know is what we are going to do with about 12,000,000 unemployed, and when you take the women and children there are about 30,000,000 unemployed citizens. What are a few Communists—they say there are 30,000 in America—going to do to our American people? Could we not better spend our time considering the problems of the 30,000,000?

When a Communist gets up to talk, you cannot even tell what he is talking about. I go around to these open forums, and somebody gets up and says, "Do you not belief dat ve vill nefer have a country until ve have de dictatorship of de proletariat?" How in God's name could a man—with only one idea anyway—ever have any influence in this country? I tell you that it is wrong for us to get up here and try to break down democratic processes in order to defeat the Communists. They say that over in Russia if you say anything out of the way they put you in jail. Shall we follow the Communists and be like them in order to prove that we are not? Certainly not.

So I beg of you gentlemen, let us forget about these things; and I hope the gentlemen who favor these bills will not be offended by what I have said and come back and have more and more speeches so we can save our faces. Let us cut this stuff out and get down to legislation. [Applause.]

Mr. KELLER. Does the gentleman really believe that this House is going to consider either one of those bills?

Mr. MAVERICK. I hope not; I do not think so.

I

CONCERNING THE ADEQUACY OF LAWS NOW IN EFFECT; NO MORE NECESSARY

Mr. Chairman, I have been asked the question by people who really want to know if there is any legal necessity for this law. I shall give a list of a few of the laws concerning this matter, but first I shall state that there is absolutely no necessity for this law, because the Army and the Navy have their Court Martial Manuals, and the powers contained are absolute and almost unlimited. The Court Martial Manual and strictly military law have always been sufficient to maintain good discipline except, as I stated, during the Civil War; and no law similar to this would have stopped that war. Russia, you know, had millions of troops with every law imaginable preventing military disaffection; so did Germany; but both armies revolted, and none of their military disaffection bills did any good. I am not here concerned with the world; I make the positive statement that existing laws adequately punish disaffection, mutiny, or disobedience in the Army or Navy or conspiracies among civilians to incite disobedience.

Another objection to these sedition laws is that they give, in my opinion, unreasonable rights of search and seizure and powers over the civilian population not intended in the Constitution, not necessary, wholly undesirable, and found to be undesirable historically in this country through the Alien and Sedition Acts and the laws during the World War. I further make the positive statement that if laws already in effect are utilized and adequately enforced it is utterly inconceivable how any attempts on the loyalty of the Army and Navy can go unpunished.

Here are some of the laws: Title 18, Sixth United States Code (Criminal Code), provides:

Seditious conspiracy: If two or more persons in any State or Territory, or in any place subject to the jurisdiction of the United States, conspire to overthrow, put down, or to destroy by force the Government of the United States, or to levy war against them, or to oppose by force the authority thereof, or by force to prevent, hinder, or delay the execution of any law of the United States, or by force to seize, take, or possess any property of the United States contrary to the authority thereof, they shall each be fined not more than $5,000, or imprisoned not more than 6 years, or both (R. S., sec. 5336; Mar. 4, 1909, ch. 321, sec. 6, 35 Stat. 1089).

This statute was successfully invoked in *Wells* v. *United States* (257 Fed. 605) to punish four persons for having conspired by force to prevent, hinder, or delay the execution of certain Federal statutes—the declaration of war against Germany and others. The case arose before the Espionage Act became effective. Section 6 was used to punish defendants who had collaborated in the preparation and distribution of a certain anticonscription circular urging forcible resistance to conscription.

The court said:

It was not necessary to show that force was actually employed, but only that there was a conspiracy entered into that contemplated the employment of force as a means to the accomplishment of a common purpose to oppose the execution of a law of the United States or the authority of the Government to prosecute the war (614).

So much for the law making it punishable for two or more to conspire to urge forcible resistance to law. It was and is equally punishable for a single individual to incite to forcible resistance to law. Thus section 4 of title 18, United States Code (Criminal Code, sec. 4), provides as follows:

Inciting rebellion or insurrection: Whoever incites, cets on foot, assists, or engages in any rebellion or insurrection against the authority of the United States or the laws thereof, or gives aid or comfort thereto, shall be imprisoned not more than 10 years or fined not more than $10,000, or both; and shall, moreover, be incapable of holding any office under the United States (R. S. sec. 5334; Mar. 4, 1909, c. 321, sec. 4, 35 Stat. 1088).

Two further provisions of the Criminal Code were successfully relied on by the Government in securing the conviction of Emma Goldman (*Goldman* v. *U. S.*, 245 U. S. 474, 1917). These were sections 37 and 332 of the then Criminal Code, now, respectively, sections 88 and 550 of title 18. The statutes were designed to punish bare conspiracies to commit any offense against the United States.

Emma Goldman was held guilty of violating these laws by conspiring to induce persons subject to the draft act to refuse to register. Under section 37 the doing of overt acts in furtherance of the conspiracy was held to be unlawful "irrespective of whether the result of the conspiracy has been to accomplish its illegal end" (p. 477).

The additional statutory safeguards are:

Section 94, title 18, punishing enticing desertion from the Army and Navy.

34 U. S. C. A., section 1200, permitting infliction of court-martial penalty on Navy men found guilty of uttering seditious words.

10 U. S. C. A., section 1538, providing the death penalty for mutiny or joining in a seditious uprising for any person subject to military law.

18 U. S. C. A., section 483, punishing incitement to mutiny on the high seas.

18 U. S. C. A., section 484, punishing the actual mutiny.

Under these provisions of the law, together with the treason provisions of the Constittuion (sec. 3, art. III) what serious interference with military authority cannot be dealt with? All such situations can easily be handled under present laws.

In addition to all these various laws are numerous statutes that would appear to cover the problem. Mailing of matter of this nature to the members of the Army or Navy would be covered by title 18, sections 343, 344, and 345 of the United States Code. Also, reference is made to section 44 (U. S. C., title 18, sec. 96); punishing anyone who trespasses upon or interferes with any fortification, harbor defense, and so forth, or who shall willfully—

Violate any duly authorized and promulgated order or regulation of the President governing persons or vessels within the limits of defensive sea areas, which defensive sea areas are hereby authorized to be established by order of the President from time to time as may be necessary in his discretion for purposes of national defense.

Also, section 45 (U. S. C., T. 18, S. 97), gives sweeping power to the military authorities to punish anyone who may be found upon any military reservation, and so forth, "for any purpose prohibited by military law or regulation." This gives complete authority to the military over all areas of their own, and the Navy is given the additional power heretofore recited in which the President may set up any defensive areas desired, with such regulations as he believes necessary.

II

The National Guard is a part of the Army and will come under terms of military-disaffection bill.

THE NATIONAL GUARD IS A PART OF THE ARMY AND WILL COME UNDER TERMS OF MILITARY DISAFFECTION BILL

Concerning the National Guard's being a part of the United States Army, I stated in the main body of my debate that there is nothing in the Constitution that mentions the National Guard, and that name is merely an adopted name and merely forms a part of the military forces of the United States, or the Army, and is a part of the armed forces of the Nation.

In fact, there are numerous decisions to the effect that the National Guard is a reserve component of the Army; annual appropriations are made by the Federal Government; property and disbursing officers are deemed officers of the Federal Government.

Moreover, the National Guard Act of 1933, recently amended to permit the President to transfer the commissioned personnel of the guard from any State to another at his pleasure, clearly makes the organization an actual part of the United States Army and, in conjunction with the powers granted in this bill, would place such Federal use of the National Guard above public criticism. The discipline and training of the National Guard must conform to the United States Army—without any doubt, the National Guard is a part of the Army, and the decisions are not carried herewith for the sake of brevity. It is believed also likely that the Coast Guard service and the Marine Corps will be considered a part of the Navy. I believe this will not be doubted.

In other words, although the Military Affairs Committee has eliminated certain words in the original bill, there has been no change in meaning whatsoever. It has been stated that these changes were made on behalf of labor organizations, since they did not wish the National Guard used in strikes. However, the statute is still an outright threat to organized labor as written, because the guard is a part of the Army.

There is no question that for organizational and functional set-up the National Guard is a part of the United States Army and is primarily subject in all cases to requisitioning by the Federal Government. I make these statements because wide opposition originally developed against the bill concerning the possibility of using the National Guard in strikes, where they could use this statute in an oppressive way to intimidate and to punish the civilian population, its newspapers, labor organizations, and in all manner possible, and I am glad to admit that the author of the bill omitted the words "National Guard" so that the National Guard would not be included. However, I think you will believe, from what information I have given you and from any study you might make on the subject, that it will be impossible to eliminate the National Guard from the terms of the statute.

III

MORE EASY WAYS TO GET IN PRISON

In the case of United States against "The Spirit of '76" the producer of a moving picture called "The Spirit of '76" received a 10-year sentence and was fined $5,000 because the film portrayed the Wyoming massacre. It was not alleged that the objectionable scenes were false, nor was it shown at the trial that any soldiers or sailors were in the audience

that saw the picture, but the conviction was justified on the ground that the film was "calculated reasonably so to incite or inflame the passions of our people, or some of them, that they will be deterred from giving the full measure of sympathy, assistance, or sacrifice that is due to Great Britain as an ally of ours" and "to make us a little bit slack in our loyalty to Great Britain in this great catastrophe." The judge said that—

History is history and fact is fact, but the occasion was not suited to historical truthfulness since the picture might have the effect of sowing dissention among our people and create animosity or want of confidence toward us and our allies.

United States against Price was a prosecution under a section infrequently used under the Espionage Act which punished false statements. The defendants were convicted for circulating a Socialist pamphlet denouncing the war and pointing to socialism as a remedy. The prosecution made much of the statement, which was as follows:

Our entry into it (the war) was determined by the certainty that if the Allies did not win, J. P. Morgan's loan to the Allies will be repudiated and those American investors who bought on his promises would be hooked.

Would the results have been the same had the defendants had at their disposal the testimony elicited from Mr. Morgan during the recent Senate investigation? The point is that with these gag bills the application would be made in peace time. The vaguest criticisms would constitute violation of these laws.

Not only were legal principles disturbed to obtain prosecution, but the judges themselves, carried away by the hysteria, did not stop at splitting legal hairs, or, from time to time, keep up the pretense of maintaining an even judicial temperament. It was not uncommon for them to indulge in such bursts of passion, as did Judge Aldrich, of New Hampshire, in his charge to the jury in the case of United States against Tanbert:

Out West they are hanging men for saying such things as this man is accused of saying. They are feeling outraged by such expression to such an extent that they are taking the law into their own hands. Now, this is a very bad thing to do. We don't want that in New Hampshire, but we do want a courageous enforcement of the law. (Bulletin, Department of Justice, 108.)

But it was not the judge who served 3 years in the penitentiary for inciting to disaffection; it was the defendant who was, need it be added, convicted under the Espionage Act for obstructing the sale of Liberty bonds by saying:

This is a Morgan war, and not a war of the people.

The theory of the prosecution, if they needed one, with such a charge to the jury, was that despite the fact that there was nothing in the Espionage Act that mentioned Liberty bonds, the Army could not be raised unless bonds were sold, and an interference with bond sales was therefore an interference with the military forces. Strangely enough, no attempt was ever made to prosecute Judge Aldrich for advocating violence. Under the proposed statutes one could be presumably prosecuted for saying thousands of different things about the present administration that have been uttered in the last 2 or 3 years.

In May 1918 it became still easier to get into jail, when the Espionage Act was amended and nine new offenses were added. By this time the Attorney General with the cooperation of the American Protective League—does not this sound something like the Liberty League?—created with his approval, and although a self-supporting organization and without official standing, cooperating with the Bureau of Investigation had at his disposal approximately 250,000 disloyalty hunters. By this time his office was receiving an average of over 1,500 complaints daily. In his annual report for 1918 he stated:

Hundreds of articles or passages from newspapers, pamphlets, books and printed matter, transcripts of speeches, reports of private conversations, etc., have been reported to the department for decision as to whether or not the matter justified prosecution under the Espionage Act.

Lots of it did, and for expressing disbelief in conscription in a private conversation, Paul Bosko, of Parksburg, W. Va., received a 15-year sentence. In Sioux Falls, S. Dak., a 10-year sentence and a $10,000 fine was imposed for writing a letter to a friend in which opposition to the Liberty loan was expressed. In New York, Arthur Roth expressed his private opinions and received 5 years for seditious utterances—the evidence being obtained from an intercepted letter. In Tucson, Ariz., two Italian laborers were given 2 and 3 years for possessing "seditious" leaflets. Three aged Germans in a small shoe-repair shop were convicted on the basis of a dictograph record. A German-American who refused to buy a Liberty bond because he did not wish either side to win was sent to jail. This case was later reversed; but the point is, such laws ought not to be enacted, because they lead to so many abuses.

In Montana, Albert Brooks received from 7 to 15 years for violating the State Sedition Act in giving away a copy of a book called "War and the Workers." In Atlantic, Iowa, W. T. Woodward got 6 months plus a $600 fine for belonging to a "people's council." Even in Alaska, Bruce Rogers was convicted under a sedition law for saying, "We must make the world safe for democracy even if we have to 'beau' the Goddess of Liberty." The acme of patriotic fervor was finally reached in a western city, where the police warned strikers that they would be held for treason (punishable by death) if they did not return to work.

Where States failed to enact special legislation existing laws punishing disorderly conduct, unlawful assembly, and so forth, and so forth, were stretched and strained in all directions to include any kind of critical utterances. In New York a young man got a year and 20 days in prison for a remark that he would rather go to prison than be drafted in the Army. For spitting on the sidewalk Fred Cammer was given a 3-months' sentence because some Italian—not American—officers were standing nearby. In California, James Ross, speaking against the draft, was tarred and feathered—allegedly by public officials—then he was given 3 months in jail, plus a $300 fine, for disturbing the peace. In Martinez, Calif., Fred Masson got 6 months for speaking disloyally—whatever that is—of the Red Cross. In Chicago a man who refused to stand up at the playing of the Star-Spangled Banner was fined $50. In Indiana a Socialist lawyer was disbarred for pacifistic speeches. In St. Paul, F. A. Webster was dismissed from the post-office service because he furnished bail for three men who had been indicted for failing to register for the draft.

On November 11, 1918, the armistice was declared, but the Government carried on despite the fact that the Espionage Act was limited by its terms to "when the United States is at war." Arrests were perhaps not so frequent, but prosecutions continued on the same hysterical plane. The most prominent case was that of Dr. Morris Zucker, who was sentenced to serve 15 years in prison for a speech which he made on Thanksgiving Day following the cessation of hostilities. Before the appeal from his conviction could be heard by the Supreme Court he was pardoned by President Wilson.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. BLANTON. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. McCLELLAN].

Mr. McCLELLAN. Mr. Chairman, I requested this time so that I might direct the attention of Members to something I think of grave concern to every American citizen, something that should receive the attention of every Member of this House. We have already heard some discussion of communism this afternoon and I regret that I am unable to follow the suggestion made by the gentleman from Texas [Mr. MAVERICK], who just preceded me, that we forget about communism. I say, God forbid that real Americans should ever forget about the menace of communism. [Applause.] This morning when I read in the Washington Herald an editorial entitled "Communism and the Columbia Broadcasting System", and when I reread it and began to understand the full significance of what is transpiring in America, and the subject that that editorial deals with, I was aroused I believe to a keener sense of my duties and responsibilities as a representative in this legislative body than

I have heretofore felt since I took the oath of office. At first thought it occurred to me, what is communism? This editorial announces that tomorrow the head of the Communist Party in America is to have the free use of one of the greatest broadcasting chain radio systems that we have for the purpose of disseminating information about Russian communism, not only information about it, but to preach to Americans the doctrine of the destruction of free Christian institutions. When I read that I thought it was time for Congress to take some action.

I inquired today and learned from the authorities of the Federal Communications Commission that there are letters and telegrams pouring in to it now from American people throughout the Nation protesting the free use of these facilities being made available to public enemies of this Government. I join with all true Americans in that protest. I do not know how far we can go or just what can be done, but I say to you that if we are helpless, if the Federal Communications Commission does not now have under the law authority to prohibit the broadcasting of this doctrine of destruction and overthrow of the very Government that patriots by the thousands and millions have died to establish, build, and maintain, then God pity us, I do not know how we are going to be saved. As an American citizen, and as a Member of this Congress, I resent the action of the Columbia Broadcasting System making available its facilities free to those who want to preach the doctrine of Soviet communism and of destruction of our system of government to American citizens. The boys who wore the khaki in the World War went across to foreign soil to fight a war to make the world safe for democracy. Whether we failed in making it safe for democracy may be debatable, but we do know that we preserved America, and on their behalf I denounce the action of this broadcasting system that is making available its facilities for the purpose of aiding an organized public enemy. [Applause.]

I go further. I say to you out of profound reverence and gratitude to those who have made that flag possible, to those who have secured to you and me and passed on to us the heritage that gives us the right today to assemble and worship Almighty God as we please, and to have free institutions of learning, I denounce the action of the Columbia Broadcasting System for aiding and abetting a public enemy that seeks to invade this Nation by the dissemination of its poisonous propaganda.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. McCLELLAN. Yes.

Mr. PIERCE. Is the gentleman aware that the doctrine he is now preaching, if it had been in existence some years ago and been in force, there would have been no flag, there would have been no America, no independence? Goodness gracious, what do you know about Russia?

Mr. McCLELLAN. Does the gentleman want to make a speech in my time?

Mr. PIERCE. No; but I think the gentleman is giving vent to a lot of fuss and feathers about nothing.

Mr. McCLELLAN. Well, I am glad that the gentleman needs enlightenment. What the gentleman has in mind is the doctrine of free speech, I suppose.

Mr. PIERCE. Yes.

Mr. McCLELLAN. Does the gentleman say that we ought to sit here idle and let those who are seeking to gain control of this Government for the sole purpose of destroying free speech get control of it by the use of these facilities?

If that is all you know about Russia and communism then you really need to be enlightened. [Applause.]

Mr. PIERCE. How do you know what you are saying is true?

Mr. McCLELLAN. How do you know it is not?

Mr. McCORMACK. Will the gentleman yield?

Mr. McCLELLAN. I yield.

Mr. McCORMACK. The gentleman from Oregon [Mr. PIERCE] has raised a question which has been advanced and which many people honestly misunderstand. When the framers of the Constitution revolted, they revolted; they did not claim they had a right to urge revolution under the guise of freedom of speech. They revolted and engaged in a revolution. If they had been apprehended they would have been tried as traitors.

Mr. McCLELLAN. Mr. Chairman, at this time I ask unanimous consent to revise and extend my remarks and insert in the RECORD this editorial about which I have spoken.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

Mr. SCOTT. I object to the editorial, but not to the revising of the gentleman's remarks.

The CHAIRMAN. Does the Chair hear objection?

Mr. SCOTT. Mr. Chairman, I object.

Mr. McCLELLAN. I invite the gentleman from California to read it. It has some good Americanism in it. I regret I do not have time to read it, but I think it ought to go into the RECORD so that all American people may have an opportunity to read it.

Mr. BLANTON. Mr. Chairman, so that my friend will not be denied the right of free speech, about which our friend from California talks much, I yield the gentleman 3 additional minutes, so that, in spite of the objection, he may let us know what said editorial embraces.

Mr. McCLELLAN. We go out and build battleships, manufacture cannons and airplanes, and we spend billions on equipping and maintaining an Army and Navy to defend us against enemies who might attack us in time of war. Have we not the desire and courage and power and statesmanship to prevent, in times of peace, the formation and prosecution of a conspiracy for our ultimate destruction by force and revolution? I say to you that if they gain any hold at all they will advocate revolution. That is their aim and purpose.

Mr. Chairman, I desire, as a Member of this Congress, to go on record today by answering in the affirmative that I think we ought to have, as Members of Congress and the representatives of our people at home, the desire, the courage, the will, and the determination to take such affirmative action by legislation or otherwise, as may be expedient and necessary, to prevent them from ever gaining a foothold in this Nation.

Mr. BLANTON. Will the gentleman yield?

Mr. McCLELLAN. I yield.

Mr. BLANTON. Will the gentleman tell us what is in that editorial to the printing of which the gentleman from California [Mr. SCOTT] objected?

Mr. McCLELLAN. I do not have time to read it.

Mr. BLANTON. You can tell us what is in the editorial.

Mr. McCLELLAN. I will answer the gentleman by saying that it points out that this man Browder, who is the head of the American Communist Party, is to speak tomorrow, and has the free use of the facilities of this chain broadcasting company. He has announced, or his paper, the Daily Worker, the official organ of that organization, has announced that for the first time in the history of the American (Communist) party the millions of the American people will have an opportunity to hear the program—and note what the program really is—of that party direct from the foremost American authority on communism.

Local stations which are part of the Columbia system should be urged to pick up this broadcast. Organizations should arrange mass meetings where workers and farmers can be brought together to hear this important speech.

Oh, we may well expect that his remarks will be mild at first, but we do not have to speculate as to the motive that prompts this address or the results this enemy of our Government hopes to achieve.

And I may say further to my colleague from Texas [Mr. BLANTON] and to the other Members of this House that the author of this editorial points out previous public declarations of this man, Earl Browder, and also of articles contained in the Daily Worker, the official organ of the Communist Party in America, as recently as December 9, 1935, in which they advocate "the dictatorship of the proletariat and the power of the soviets" in America and in which they advocate the establishment of "one party—and for building the transition to the revolutionary struggle for a soviet America."

I heartily commend this paper for its great patriotic service in the publishing of this editorial and in calling this matter to the attention of the American people, and I endorse every statement made and every assertion contained therein. Communism is the very antithesis of democracy. It is the oil of regimentation that will not mix with the pure waters of religious and economic freedom. I make my choice and cast my lot with democracy. And I invite you, my colleagues, to read this editorial and join with me in protesting the un-American conduct and act of the Columbia Broadcasting Co. in surrendering to this organization the availability and use of its powerful facilities for the dissemination of this un-American propaganda.

This action on the part of the Columbia Broadcasting System and its president, William S. Paley, constitutes a flagrant insult and defiance to every believer in Almighty God and every lover of our Christian institutions. The leaders of the Communist Party and powers in Russia are atheists. In that country the worship of Almighty God is forbidden. Religious liberty has been completely trampled and destroyed. If it is their purpose to overthrow our American Government and institute instead these principles, policies, and doctrines that now obtain in Soviet Russia, as their official organ, the Daily Worker, has proclaimed, as quoted in this editorial, then I say to you that any action of this organization and its leaders and the emissaries of the Soviet Government toward the accomplishment of this design constitutes treason in the extreme. It is an offense that I cannot tolerate and which I most emphatically, unreservedly, and irrevocably condemn. [Applause.]

This man Browder, during the time the American soldiers were wearing khaki and fighting in France, was serving in a Federal penitentiary for being a slacker. That is the stripe of Americanism they now tell us ought to be granted free speech to overthrow the very Government the World War soldiers fought to preserve. I say to you I will not go along with that sort of "ism" and neither will I condone it by silence. I believe in preserving these institutions, and I shall raise my voice on every occasion and against any man who attacks and seeks to destroy all that we have built for the freedom and happiness of our people during our 160 years of national existence.

Mr. McSWAIN. Will the gentleman yield?

Mr. McCLELLAN. I yield.

Mr. McSWAIN. Is it not a fact that advocating the overthrow of our Government by force and violence is substantially and virtually treason?

Mr. McCLELLAN. It is treason, and the act of the Columbia Broadcasting Co. in making use of its facilities free for that purpose is little if anything less than treason itself.

Mr. McSWAIN. Is not treason a greater crime than murder? Would anybody under the sun sustain and support anybody who would broadcast or publish a paper advertising murder?

Mr. McCLELLAN. Certainly not. Talk about freedom of speech! Freedom of speech ends when and wherever the conversation of the persons talking advocates the overthrow of this Government by force and violence begins. Whenever the conversation runs in that direction, there is no license or right that I recognize as being superior to my duty and yours of preventing the accomplishment of such a design. It is the same proposition of a man walking down the street and saying to you, "Governor PIERCE, I have a right to wave my arms. That is my individual liberty, and I propose to do as I please and exercise it." But you will immediately warn and admonish him, "Yes; but your individual liberty ends where the point of my nose begins." [Laughter.]

So I say their liberty ends where the safety and preservation of our national existence and democratic form of government begins.

Mr. BLANTON. Will the gentleman yield?

Mr. McCLELLAN. I yield.

Mr. BLANTON. As a matter of fact, illustrating what those who oppose the McCormack and Kramer bills mean by free speech, when the gentleman, being a representative of the people, wanted to read an editorial, one of the advocates of this free speech, who objects to the Kramer and McCormack bills, the gentleman from California [Mr. SCOTT], objected to his extending the editorial?

Mr. McCLELLAN. That is true. [Applause.]

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. BLANTON. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I asked for this time in order, in my humble way, to answer the remarks made by the gentleman from New York [Mr. WADSWORTH] a while ago when he attacked the Federal Communications Commission for complying with a subpena issued by a senatorial committee, commanding them to seize certain telegrams that had been passed in connection with the corrupt lobbying campaign carried on by certain public utilities during the last session of Congress.

Permit me to remind you that the telegraph company is a public utility over which the Communications Commission has certain powers of supervision. The Senate of the United States, acting within its constitutional rights, instituted an investigation of a system of corrupt propaganda carried on by certain utilities, largely power companies, and holding companies, last year for the purpose of influencing the Congress of the United States. When certain participants in that campaign were called before the senatorial committee they had forgotten everything. You will remember that one of their chief spokesmen, one of the chief offenders, could not remember anything. When they asked him for certain records he admitted that they had been destroyed. The committee called for these telegrams and were told they had been burned, evidently for the purpose of keeping the Senate of the United States from getting hold of them.

It is a matter of common knowledge that one of the chief offenders was hiding out here in Washington in order to keep from appearing before that Senate committee to testify in that investigation. So the committee, acting within its constitutional rights issued this subpena and had the Federal Communications Commission seize the copies of these telegrams in order that they might be produced as evidence, in place of the originals which had been misplaced or destroyed.

The gentleman from New York [Mr. WADSWORTH] talks about the innocent victim, the man who sends an innocent telegram. This man is not being disturbed and he is not the one who is kicking. The man who is being disturbed, and who is doing the kicking, is the man who was using the telegraph company for the purpose of corruptly influencing the Congress of the United States.

Thousands and thousands of these telegrams were forged. Others reveal misconduct tending to undermine the very foundation of our Government.

My prediction is that if the Senate is let alone they will go a long way toward putting a stop to such corrupt lobbying as well as to the wholesale plundering of the consumers of electric light and power and the robbing of innocent people of this country through the sale of worthless watered stocks.

So I say, Mr. Chairman, that the Federal Communications Commission was absolutely within its rights, and instead of being subject to criticism they should be supported for doing their duty in this matter.

Now these utilities threaten to go into court and try to enjoin the Senate of the United States. These people, who have been guilty of the most corrupt lobby that ever took place around this Capitol, now threaten to go into court to try to prevent the Senate of the United States from getting the facts. They have gone all over this country trying to perpetuate government by injunction. They have gone into the lower courts in nearly every State of the Union and enjoined, or attempted to enjoin, cities, towns, communities, and local power associations that are trying to protect the people against the highway robbery that has been perpetrated in light and power rates.

Now they brazenly come in, when the Senate of the United States uncovers this evidence of corruption. Then we hear a great cry of protest on the part of those indi-

viduals who do not seem to want these corrupt lobbyists brought to justice.

I say, Mr. Chairman, that the Senate of the United States is within its rights, and the Federal Communications Commission is within its rights; and together they are rendering one of the greatest services that has ever been rendered the American people in your day and mine. [Applause.]

Mr. MAVERICK. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein certain excerpts from the hearings to which I referred.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SNELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SNELL. Was not general permission to revise and extend granted to all who speak on this bill?

The CHAIRMAN. The gentleman is correct in that statement.

Mr. RANKIN. That allows but 5 days. I want more time. The usual permission to revise and extend is good for 30 days.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr RICH].

Mr. RICH. Mr. Chairman, 3 years ago we inaugurated the President of the United States. [Applause.] No doubt the President of the United States should celebrate. [Applause.] But what should he celebrate?

Mr. Chairman, I call attention to the Democratic platform wherein promises were made for the consolidation of offices. The promise was made therein to balance the Budget. The promise was made therein for sound money. The Democrats promised to enforce the Sherman antitrust laws, and there were many other promises.

But read the record for the past 3 years and compare that record with what the Democratic platform promised. Do they compare? I say no. Then there is the statement of the President of the United States that "I pledge myself to that platform." Now, you Democratic Members should hold you heads in shame, because the only thing you have to celebrate today is the fact that the President of the United States and the Democratic Congress has carried out the socialistic platform. Now applaud that.

Mr. Chairman, may I call attention to the statement of the President in his message to the Congress of yesterday:

> On January 3, 1936, in my annual Budget message to the Congress I pointed out that without the item for relief the Budget was in balance. Since that time an important item of revenue has been eliminated through a decision of the Supreme Court and an additional annual charge has been placed on the Treasury through the enactment of the Adjusted Compensation Payment Act.

He wants to blame the fact the Budget is not balanced on the Supreme Court of the United States and the fact that the Congress passed the Adjusted Compensation Act, which gave to the soldiers their just compensation. Is not that a ridiculous thing for the President to do?

May I read to the Members the statement made by Mr. Morgenthau, Secretary of the Treasury, as of January 4, 1936, the day after the President of the United States read the address to this session of Congress? This statement shows that from the previous July 1 until January 4, 1936, the total receipts were $1,930,294,619.28, the total expenditures $3,839,743,113.32, and that the excess of expenditures over receipts was $1,909,448,494.04. You see how he had the Budget balanced? Well, it is not in balance at all by about $2,000,000,000, and the President knew it.

The President then made this statement, in referring to his message of January 3, 1936:

> If we are to maintain this clear-cut and sound policy, it is incumbent upon us to make good to the Federal Treasury both the loss of revenue caused by the Supreme Court decision and the increase in expenses caused by the Adjusted Compensation Act. I emphasize that adherence to consistent policy calls for such action.

See how he tries to blame the Supreme Court for his own acts; too bad he tried to misinform the people.

I want to read now from the statement of the Federal Treasury as of March 2, 1936, the day before the President delivered this message, showing the inconsistency of this man. We find from Mr. Morgenthau's Secretary of the Treasury statement as of that date the total receipts were $2,364,021,675.45 and the total expenditures $4,781,964,921.16.

In other words, by that time we had spent more than we received by $2,417,943,245.71. The statement shows that from January 4 until March 2 we had spent more than we received by $508,494,751.67. Still going in the red fast.

That is the consistency of the President of the United States. I think you ought to celebrate this anniversary. [Applause.] You certainly have not anything but shame to celebrate.

I am going to read further from this message delivered on the 3d of this month:

> Permanent Treasury income of $500,000,000 is required to offset expenditures which will be made annually as a result of the Soil Conservation and Domestic Allotment Act recently enacted by the Congress and approved by me; and an additional sum recurring annually for 9 years will be required to amortize the total cost of the Adjusted Compensation Payment Act.
>
> The net effect of paying the veterans' bonus in 1936, instead of 1945, is to add an annual charge of $120,000,000 to the $160,000,000 already in the Budget.

Think of the absurdity of that statement! How in the world can this Government spend $8,000,000,000, take in by taxation $4,000,000,000, then try to collect the sum of $620,000,000, and balance the Budget? It is a ridiculous statement.

Now, here is what I want to call to the attention of the majority leader of the House, as well as the members of the committee: First, may I say that I have not anything against the majority leader [Mr. BANKHEAD] or any other Member of this House; but I do condemn the things that are being done by the Members of the House. We must cut expenditures of the departments.

We have passed now five appropriation bills. The independent offices appropriation bill was millions of dollars greater this year than a year ago. We have appropriated in the Interior Department appropriation bill a sum much larger than a year ago by millions of dollars; and the Senate over there, as stated this afternoon, have added many, many millions of dollars to it since. The Treasury and Post Office Department appropriation bill is greater by millions and millions of dollars. The War Department appropriation bill is greater by millions and millions of dollars this year than last. The Department of Agriculture appropriation bill that we passed is greater by millions of dollars this year than last. The District of Columbia appropriation bill, which we are considering at the present time, is greater by over a million dollars.

Mr. Chairman, where are we going to head in at? When will we stop this extravagance? I want to say that we have talked about responsibility. Whose responsibility? Whose, Mr. BANKHEAD? Is it yours or is it the Members of this House?

Mr. BANKHEAD. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BANKHEAD. Mr. Chairman, I am not sensitive about the matter, but I am a little meticulous about observance of the rules of the House, and it is a direct violation of the rules of the House for a Member to refer directly by name to any Member upon the floor, and I shall have to give the gentleman a little preliminary schooling on the rules of the House and I may add to it a little later on. The gentleman should say, "The gentleman from Alabama."

The CHAIRMAN. The Chair confirms the statement of the gentleman from Alabama and sustains the point of order.

Mr. HARLAN. Mr. Chairman, as an additional point of order and with respect to the same point of order made by the gentleman from Alabama, following parliamentary practice and under the rules of the House, the gentleman should not, from the floor, even address the gentleman from Alabama directly, but should direct all of his remarks to the Chairman or the Speaker.

The CHAIRMAN. The gentleman is correct.

Mr. RICH. It is all right to sustain the point of order, because I will take out Mr. BANKHEAD'S name. I would not do anything to hurt him, but I want to show that this is the responsibility of someone. We will in the future refer to the majority leader.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. RICH. No; I do not yield now. I have not the time.

This question of balancing the Budget is a serious question and involves the very thing we are now talking about—the enormous expenditures of Government money. The President says the Budget is balanced. Every one of you knows this is not true. I know it, and so do you; and we are coming in here now and increasing every one of these appropriation bills and getting further away from a balanced Budget.

Now, if you do not have this responsibility as individuals, then the Democratic Party has the responsibility, because it promised this to the country; and in the name of the flag that we love we should preserve our country, because we are certainly not going to get any place if we do not. We are on the road to bankruptcy, and the majority leader knows it. Why does not he stop it?

Let me now call your attention to the fact that the President of the United States asked that we adopt some form of tax bill. Let me show you what has happened with reference to taxes in this country in the past few years.

Mr. PARSONS. Mr. Chairman, will the gentleman yield for a question on the public debt?

Mr. RICH. I do not yield. I have made that statement several times. If the gentleman will get me some time after my 10 minutes I will yield to him.

In 1920 the direct taxes were 72½ percent and the indirect taxes 27½ percent.

In 1929 the direct taxes were 68½ percent and the indirect taxes were 31½ percent.

In 1932 the direct taxes were 58½ percent and the indirect taxes 41½ percent.

In 1933 the direct taxes were 42 percent and the indirect taxes were 58 percent.

In 1934 the direct taxes were 34 percent and the indirect taxes were 66 percent.

In 1935 the direct taxes were 38½ percent and the indirect taxes were 61½ percent.

Now what are we trying to do? On the recommendations made by the President of the United States we are trying to give you more indirect taxes. In other words, you want to fool the people of this country, and that is all there is to it. You are afraid, and you have not the backbone or the manliness to stand up here and adopt the right kind of a tax bill and then go back to the people of the country and say that if we are going to have this ruthless expenditure of money somebody has to pay the bill, so you must be taxed again.

I do not care whether you take it from the richest men in this country if you say you have got to tear them down in order to get it, or apply a direct tax of some kind, but you will have to balance the Budget, and the only way to do that is to get in as much money as you are spending; and I may tell you right now that I supported that iniquitous tax bill you had up last year to preserve the country, but I am not going to do the same thing this year unless you do a good job and bring in the right kind of tax bill. If you do that, then we will give it every consideration under the sun.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman from Pennsylvania 5 additional minutes.

Mr. RICH. Mr. Chairman, we are placing upon the youth of America, the boys and girls who are in high schools and other institutions of learning in our country who have not yet gone into active life, a burden that is going to wreck them, and it is a crime. I tell you it is a crime that we stand here and permit these ruthless appropriations to go on, because those children will never be able to stand the great debt we are handing down to them, and I maintain that if we are sensible now, the Ways and Means Committee will give due hearings and deliberation to a proper kind of tax bill that will try to increase our income, and if the Congress, including the majority leader and members of the various committees, will say to the membership of the House that we must stop our ruthless expenditure of funds, then there is a possibility that we may be able to get our Government in good working order and condition.

I want to help you over here on the Democratic side, and I want to do the right thing. I think more of country than self or party. I have tried to cut down these expenses, and I have tried to help you raise funds, but you must remember that our responsibility is for today, and we have obligations to our constituents; we have the obligation to preserve our Nation, we owe an obligation to the children who are coming on, and we must try to do these things in a sound, sensible, and businesslike way.

Whenever the head of a big business organization has a general manager and an assistant general manager, foreman and an assistant foreman, they tell the foreman that they must cut down expenses and operate on sound business principles. They do it. That is the duty of the majority leader now, to handle the business in a sensible business way. Tell your committee chairmen to cut their expenses, not to increase them. If we will do that in the House of Representatives, we then can have it said of us that we are a sensible, sane organization and trying to do the right thing. If you do not do it, it is a shame and a crime.

You know and I know that we have put the power that belongs to a Member of Congress into the hands of the President of the United States, where it does not belong. You passed it. He comes here and says to us, "I want $3,000,000,000, I want $6,000,000,000, I want $9,000,000,000; and he gave the country to believe that that was something new, that it was a "new deal." You gave him what he wanted, and I know that a good many Members on your side and the Members on our side of the House are sorry that you did it.

Mr. BLANTON. Will the gentleman yield?

Mr. RICH. Is my time up, Mr. Chairman?

The CHAIRMAN. The gentleman has 1 minute more.

Mr. RICH. Then I will take that 1 minute and then yield to the gentleman from Texas.

Mr. BANKHEAD. The gentleman was proceeding to lecture us about something.

Mr. RICH. I was lecturing the majority leader—and all in authority in the House of Representatives—because he did not assume his responsibility and tell the committee chairmen that they should not bring in such enormous expenditures—expenditures greater than we had last year.

Now, the President said that we have balanced the Budget. That is not true, as I have shown by Treasury statements of his own Secretary of the Treasury.

I hope that we will get to the point where the business will be done on a sound and sane basis. Now, I will yield to the gentleman from Texas.

Mr. BLANTON. I will yield the gentleman an additional minute. I want to ask my friend if it is not a fact that 2 weeks ago I read into the RECORD a letter from his brother and partner from Woolrich, Pa., stating that last year, 1935, that the gentleman's firm in Woolrich, Pa., had the best year that they had had in their 105 years of existence?

Mr. RICH. I want to say that that is true. [Applause.] We did it in spite of this administration. If I wanted to accept that as an advertisement, I might say that you remember the old saying that if a man builds a better mouse trap than his neighbor the world will make a beaten path to his doorway. That is what they are doing with this merchandise. If you want to give me that advertisement, I am not soliciting any free advertising, and the gentleman from Texas knows it. But I want to say, gentlemen, that we should get down to serious business—and this is serious business—of running the Government on a sound financial policy. It is so serious that we ought to get down onto a sound, safe, sane basis, and do it at once—no delay. [Applause.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, in the discussion of the Kramer-Tydings-McCormack bills this afternoon, a great deal was said with reference to communism and many other isms. As I see it the issue involved in both the Kramer bill and the Tydings-McCormack bill is not what is communism or what is any other ism, but the issue involved in the proposed legislation is the preservation of the Bill of Rights in the Constitution of the United States. I take this opportunity to read the first amendment to the Constitution of the United States, which is well known to many of you:

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble and to petition the Government for a redress of grievances.

In the Kramer bill it is proposed to make it a crime to willfully and knowingly advocate the overthrow of the Government by force and violence. In considering that legislation, I think it is necessary that we bear in mind whether or not the enactment of that law or the Tydings-McCormack law violates the first amendment of the Constitution of the United States. If it does violate this amendment, then clearly it should not be adopted.

The Supreme Court of the United States has repeatedly held that a law making unlawful mere advocacy of the overthrow of the Government by force and violence violates the first amendment, and that only when the advocacy of the overthrow of the Government by force and violence is intended as incitement is such a law not in contravention of this amendment.

Hence, the only basis for the upholding by the Court of statutes similar to the Kramer bill has been that such statutes dealt with incitement to overthrow the Government and not mere advocacy. In other words, the Court has held, especially in the Gitlow case, that "to willfully and knowingly advocate the overthrow of the Government by force and violence" meant to willfully and knowingly incite the overthrow of the Government by force and violence. The language of the Court has plainly indicated that if the statutes were intended to make mere advocacy unlawful, then the statutes would be null and void. The reason for such distinction is that one may advocate the overthrow of the Government by force and violence, such a right being guaranteed in the first amendment, and is supported historically by a long line of great Americans, such as Jefferson, Lincoln, and Mr. Justice Holmes. However, such advocacy must not constitute incitement. The Government has a perfect right to protect itself against overt acts and incitement. However, the weakness in the reasoning of this decision lies in the difficulty of drawing the line of demarcation between mere advocacy and incitement.

The question which I now propound to the intelligent advocates of this legislation and not to the professional flag wavers and modern witch burners is, When does mere advocacy cease and when does incitement begin?

The gentleman from Massachusetts [Mr. MCCORMACK], whom I consider one of the very few earnest and intelligent advocates of this legislation, has stated that this question should be left to a jury. Very well, but that does not answer my question; it merely evades it. What happens when we enact a law which creates this dilemma? Can we not conceive the grave danger inherent in the necessity of having to decide this problem which would be forced on us by this type of legislation? A jury may find it to be incitement when one merely advocates. A juror is bound to be influenced by the mores and the taboos of his period. In other words, a person will be accused of advocating a certain ism, and a definition will be given to that ism, and that definition will be widespread throughout the country by some portions of the press, and a jury will send that person advocating that ism to jail, even though he is not inciting the overthrow of the Government by force and violence. Illustrative of what the author of this bill himself [Mr. KRAMER] would consider the ceasing of mere advocacy and the beginning of the incitement is found on pages 35 and 36 of the hearings on the Kramer bill before the Judiciary Committee. According to his own testimony some of the reasons he wants us to enact this law are because of some signs he saw carried in a parade of unemployed workers in California. Then he urged on the committee some cartoons lampooning the President as reasons for the necessity of his bill becoming law.

Of course, these reasons seem silly to many of you, as they did to a large number of the members of the committee. Yet here we have the author of the bill himself urging the committee to report his bill favorably so that the people who did the silly things he described could be sent to jail. This may seem funny, but it is nevertheless very dangerous. It clearly demonstrates the danger of trying to decide what is mere advocacy and what is incitement. Incitement today might mean communism tomorrow, socialism the day after, pacifism, and, finally, organized labor, especially when it is on strike. The passage of the Kramer bill would be the most dangerous blow to organized labor in America. In other words, are we going to leave it to a jury to fix the line of demarcation? When does mere advocacy cease and when does incitement begin, and what constitutes incitement? In some places it might mean a labor strike; as a matter of fact, this Kramer bill could be effectively used against labor leaders and pickets during an industrial disturbance. A speech is made by a labor leader. His words would be, for instance, to the effect that labor must fight to win. Assume he uses similar phrases. Assume that the National Guard is out. Feeling is running high. The employers start waving the flag. The Hearst press starts preaching the Hearst type of patriotism. What chance would the labor leader have before a jury living in such an atmosphere? My next point is, What is the reason for this law? You cannot make the mere advocacy of the overthrow of the Government by force and violence unlawful. Many of you say that is not your intention, but you say let us make it unlawful to incite. What is the necessity for such a law? Is it to protect our Government and its institutions from violence? Let us see if we need such a law to do this, assuming that our Government and institutions are in danger. We have ample legislation. We have insurrection statutes in practically every State as well as Federal insurrection statutes. We also have statutes dealing with riots, statutes dealing with treason, statutes dealing with assault and battery and other forms of violence.

There is every conceivable statute which would cover the situation with regard to the violent overthrow of our Government and its institutions. If one person incites another to do a certain act, if that act is unlawful, then that person can be sent to jail today without this legislation. Furthermore, we have the Army and the Navy, the National Guard, the police, and finally and most important, the American people. So that we become rather suspicious as to the purpose behind the legislation. It is not really to protect our Government and our institutions from insurrection, but it is really, as I suspect the purpose is on the part of some of the advocates, to deprive certain people of the right to speak their minds on certain economic and social subjects. Once and for all—and there has been a great deal of jesting about this—I am not a Communist. I am a Republican, sincerely believing in the teachings of Abraham Lincoln. I say that I believe the Communists, the Socialists, the Republicans, and the Democrats have a perfect right to advocate what they believe in, and that there should be no law depriving them of that right. [Applause.] This type of legislation is not really aimed to protect our Government and its institutions, because it is not necessary and would be only cumulative legislation to achieve such a purpose, but it is aimed at depriving certain minorities of their rights to express themselves on the various economic and social questions confronting our country. It is aimed by many of its advocates to suppress protests on the part of the oppressed, forgotten men and women, and the unemployed. It is aimed at labor when labor becomes militant on the economic front.

I realize that there are some abuses of freedom of speech. Are those abuses of freedom of speech so numerous or so

dangerous that they warrant a curtailment of freedom of speech? I ask you to bear in mind, to contrast, and to weigh the abuses that result from freedom of speech and the evils that result from a curtailment of freedom of speech. The evils resulting from the curtailment of freedom of speech far outweigh the abuses. This has been the experience of every democratic people throughout the world, and that is why laws such as the Kramer bill are rare in democracies. Think of England and Hyde Park—England, with her centuries of experience.

Then let the history of this country speak for itself. We remember the history of the alien and sedition acts which the Federalists forced on this country. The abuses that resulted from that curtailment of freedom of speech were so enormous that they swept out of existence for all time a political party which was dominant.

This is no time to curtail freedom of speech. This is a period in the history of our country when the greatest freedom of speech should prevail. Never before in the history of our country have economic and social questions so agitated our people. With the 12,000,000 unemployed, with thousands of farms being foreclosed, the situation demands not suppression in any form but the fullest and freest expression. Let us call a halt to the consideration of this type of legislation and let us turn our attention to adequate employment, direct and work relief, relief to the farmers, genuine social security, and fight the danger of war and reaction. There is no danger to our governmental institutions. The subversive element in this country constitutes an infinitesimal minority in the ranks of the so-called liberals and radicals, with no strength and no power to bring about the overthrow of the Government by force and violence. Mr. Chairman, if there ever was a danger to our basic democratic institutions, if there ever was a real subversive danger to these institutions, it does not come from the left, it does not come from the radicals, it does not come from the liberals; it comes from the right, from the extreme reactionaries.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MARCANTONIO. The real danger to our cherished institutions comes from the organized reactionaries in America who are ready, even with violence, to overthrow our Government and establish a dictatorship of reaction in this country. Labor, the farmers, and the unemployed are liberty-loving Americans. They need freedom of speech; they need unlimited freedom of speech at this time more than ever before. When you curtail, under the guise of such legislation as this, the right of these groups to free speech or the right of the minorities, even the radical minorities, to freedom of speech, you are playing directly into the hands of those reactionaries who would establish a dictatorship of reaction in this country.

The issue, as I see it, is not communism. It is not whether communism is right or wrong. It is not whether socialism is right or wrong. The issue here is not the correctness of any ism. The issue is whether or not we should curtail freedom of speech at this time when it is needed more than ever before in order to preserve our basic democratic principles. Have not labor, the farmers, and the unemployed a right to agitate? Do they not have a perfect right to protest and exercise their right to petition their Government? Then, why enact laws which are unnecessary and which will curtail these rights when they are most needed? But the moment one of this group protests, immediately they are called dangerous radicals and the subversive elements in the country. They are not subversive elements. The unemployed, for instance, love America. They want to protect America. They want to build up America. They want to restore this Government back to the hands of the people and keep it away from the reactionaries. It is those unemployed who are really making a fight for our fundamental institutions and for the protection of our basic democratic principles.

Mr. LUCAS. Will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. LUCAS. The gentleman has said that certain reactionary individuals or organizations are seeking to set up a dictatorship in this country, rather than the unemployed. Will the gentleman tell the Members of the House just who he has in mind?

Mr. MARCANTONIO. Yes. I say that the tactics of the Hearsts, of the Liberty League, of many of the chambers of commerce throughout the United States, of the American Manufacturers Association, of the American Bankers Association point irresistibly to this conclusion. They are forming a united front to overthrow the basic fundamental democratic principles of the United States. So that the danger does not come from the unemployed, labor, the organized farmers, or the radical minority, but it comes from those elements. Curtail freedom of speech, and you play right into the hands of these reactionaries in this country.

Mr. LUCAS. Do those organizations advocate the overthrow of this Government by force?

Mr. MARCANTONIO. Oh, they do not have to advocate it. They do not have to say, "We advocate the overthrow of the Government by force and violence." No. The first thing they will advocate is the suppression of the Bill of Rights of the Constitution of the United States. That means, curtail free speech. They will try to deprive labor of the right to organize, strike, and demand better conditions. They will do their best to keep the farmers from organizing. They will try to control the press and the machines of both political parties. They will seek legislation guaranteeing to themselves an economic dictatorship of America's economic life. When opposition is felt by them, due to our democratic institutions, their next step will be to try to set up a political dictatorship of reaction.

Mr. HARLAN. Will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. HARLAN. I agree very much with the remarks of the gentleman, but I was wondering how the gentleman in New York City could be elected on the Republican ticket with his sentiments?

Mr. MARCANTONIO. The Republican Party is a great party. The Republican Party is big enough to hold gentlemen like Ogden Mills and Vito Marcantonio within its folds. [Applause and laughter.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, I rise this afternoon to remind the House that a citizen of Illinois but a native of Kentucky, who once served in this historic body from 1847 to 1849, stood on the front steps of this Capitol Building 75 years ago today and took the oath of office as the sixteenth President of the United States—Abraham Lincoln. [Applause.]

The country that then faced him was one torn with dissension, for a number of the States had seceded from the Union, and the threat of civil strife was heard on every hand. A description of what took place that afternoon I have found in a little book which, summed up in these few lines, will give some idea to us, who now live, of the condition that existed then, and the temper and mind of the people who lived in that historic day.

It was March 4, 1861; and I find that the carriage which contained President Buchanan and the incoming or the new President, Lincoln, as it was driven up Pennsylvania Avenue, had an escort of cavalry on either side, a regiment of soldiers before it, and riflemen were placed on the roofs of the buildings along Pennsylvania Avenue in order to preserve peace and order as the inaugural procession proceeded to this Capitol Building. Light cavalry, batteries, and cannon had been placed on the Capitol Grounds, and I am informed by a reliable source that beneath the very steps on which Lincoln stood 75 years ago today General Scott had placed a regiment of soldiers, had concealed them there in order

to subdue or prevent riot or disturbance in the audience that had gathered to hear the inaugural address.

It was a bright, clear, sunny day, just like the one we are enjoying here in Washington this afternoon. About 30,000 people had collected to hear the new President's address. In the group were 34 girls dressed in white to represent the 34 States that then made up the National Union.

I have given the substance of a few lines in order that we may have an accurate picture of what took place. This account says the procession was large and imposing; riflemen in squads had been placed upon the roofs of commanding buildings and houses along Pennsylvania Avenue with orders to watch the windows on opposite sides and to fire at anyone making an attempt to fire upon the Presidential party. On the brow of the hill near the north entrance to the Capitol was stationed a light battery of artillery, and near this General Scott remained a careful observer of all that passed during the entire ceremony.

Chief Justice Taney who, 5 years previously, had delivered the Dred Scott decision, administered the oath of office. The Thirty-sixth Congress closed at 12 o'clock noon of that day. What he said in his first inaugural address is well known to everybody but its closing sentence will stand until the end of time among the prophetic utterances of the century:

> The mystic chords of memory, stretching from every battlefield and patriot grave to every heart and hearthstone all over this broad land, will yet swell the chorus of the Union, when again touched, as surely they will be, by the better angels of our nature.

One of the illustrious pronouncements Lincoln made that day and which I think is appropriate to quote today is this:

> The people of the United States are the rightful masters of both Congress and courts not to overthrow the Constitution but to overthrow the men who pervert the Constitution.

I think it appropriate to quote this in view of the fact that on more than one occasion within the last few months the Constitution and the Supreme Court have been prominently before the American Nation.

That Abraham Lincoln met the crisis which then faced this Republic is a matter of national history. The crisis was whether or not a nation dedicated as our Nation is dedicated to the proposition that "all men are created equal" could long endure.

It was a different United States over which he was to preside as Chief Executive from the one we know now. There are a thousand things which we enjoy today that Abraham Lincoln never saw. Electric lights, the telephone, the automobile, the radio, and the airplane are among the things which were unknown to the American people of that day. There were but 33,000,000 people in the country at that time, and most of them resided east of the Mississippi River because that stream, the Father of Waters, was then almost our western frontier. At that time about two-thirds of the people of this country were engaged in the tilling of the soil or agriculture, while but one-third of the people were engaged in business, industry, and commerce. Today the ratio has just about reversed itself, for while we now have 127,000,000 people in the country, two-thirds of them are engaged in business, commerce, and industry, and only one-third in the tilling of the soil or agriculture.

Lincoln came to this high position untrained, with very little experience, and unknown to the people except for his debates with Stephen A. Douglas on the question of slavery and one other great speech, the address in Cooper Union Hall in the city of New York. Outside of his two terms in the Assembly of Illinois and one term in Congress from 1847 to 1849 Abraham Lincoln had no experience in governmental affairs. It is a fact, however, that he brought with him to the Presidency a great intellect and coupled with that an unusual amount of common sense. Americans can well be proud that this is a land that presents to every person within its borders an equal opportunity to rise from the most lowly birth and circumstances to the highest honor within the gift of the people, and we as American people today may well be proud that although one might come from the depths of abject poverty and a log cabin, he can by honest labor, earnest effort, and native ability reach the White House of the Nation.

It was a long and arduous journey for Lincoln, but we as one people united can point with pride 75 years after his inauguration in this city to the fact that on the banks of the Potomac stands the most beautiful memorial ever erected to a human being. No matter from what section of the country we come or what State we represent in this historic body we can draw from the example of his life inspiration and a higher resolve to better serve the Nation in this House of Commons of the American people, and I venture the hope and offer the prayer that 75 years hence the Stars and Stripes will still wave over the land of the free and the home of the brave. May not a stripe be erased or a star dimmed in the flag which represents liberty and freedom to all the world. May our own country, these United States, which we represent here in the Congress be then as it is now, the envied abode of mankind. [Applause.]

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. LUCAS. I have the honor of representing at the present time the district in which Lincoln lived when he was a resident of New Salem, Ill. I know something about him. The gentleman said Lincoln had little or no experience previous to the time he came to Congress. May I call to the gentleman's attention this fact——

Mr. DONDERO. I think I know what the gentleman is going to say. He is going to refer to Lincoln's experience in the State Legislature at Vandalia and later at Springfield, Ill.

Mr. LUCAS. That is right. Furthermore, he served as a Democrat. The point I am making is that Lincoln served in the Legislature of Illinois as a Democrat.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. COLDEN. Does not the gentleman believe it would be illuminating and appropriate to insert in the RECORD of today Lincoln's inaugural address of 75 years ago?

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, we have heard debated this afternoon the Kramer bill and the McCormack-Tydings bill. These bills, as I understand it, grew out of an investigation held pursuant to a resolution of this Congress. The resolution created a committee which heard testimony with regard to fascism, communism, and whatever other matters came under their jurisdiction. Presumably the reason for this investigation was that something was spreading in this country, and I feel the Cougress ought to take notice that communism is spreading and it is taking root here. We ought at least to be cognizant of that fact.

The other day there was adopted by the House a resolution to investigate the Townsend plan. That is evidence, I believe, that the membership of this Congress thought that proposition was spreading and taking root.

Mr. Chairman, I do not see how anyone can disregard communism—the communism of the Third Internationale—in this country. It is the ruling form of government in one of the largest nations in the world. It is in control in Mexico. It has a foothold in China. It is making headway in this country, particularly in the large cities. I can take you into one school in New York where 98 percent of the children are Communists. There are 21 private schools in New York where communism is taught to pupils of the public schools, who attend communistic classes after their regular public-school work. Members of this Congress as well as the authorities of all of our States should not ignore the question.

When the McCormack committee met in New York there was a very important proposal made to it by Walter Steele, president of the American Coalition, a group made up of about 95 American patriotic societies. Mr. Steele said in substance that the Congress ought to memorialize the States to require all teachers in the public schools to take an oath to support the Constitution of the United States. So far as

that particular recommendation is concerned, nothing has been done about it, although I think it is the most important proposal of all, because no matter what legislation is enacted you will find persons meeting in cellars, in catacombs, and other places to carry out the communistic ideas ingrained and inculcated in them. If we are to check the growth of communism we shall have to go to the public schools, there to supply teachers who are not atheistic or communistic but true Americans who will bring up our children to know and to love American traditions and ideals. If we train our children to grow up with a love for our country and its institutions, no one talking communism over the Columbia Broadcasting System or preaching any other subversive doctrine is going to transform the civilian population or sink his propaganda into the minds of our soldiers or sailors in the Army and Navy. I therefore strongly feel that we ought to bring home to our teachers in the public schools their great responsibility.

I am aware that Dr. Angel, president of Yale University, and notable professors and educators throughout the country say that to require them to take an oath to support the Constitution is a reflection upon the teachers of the country. Oh, no. It is possibly a reflection upon us that in the past we did not require this oath, because the oath has always been attached to public office, which is public trust. We have been neglectful, because previously we have not had our teachers take this oath.

In the past perhaps there was not so much need for this action, because we did not have in this country in other days such widespread subversive teaching and preaching of communism. But communism is spreading in this country, as I am satisfied it is at the present time. Now that communism is here, we must do something to offset it. The best way to do it is to require of our teachers the oath of allegiance. They must give us the best security possible that they will not only teach our children the facts respecting the various governments, including our own, but will also strive to inculcate in them a love of American ideals and principles. They ought to have our children's interest at heart. The best assurance we can have that they do have, is to have teachers bind themselves to the Supreme Being by oath to discharge their trust.

The question of the efficacy of the oath was debated fully by public men at the very beginning of the American Republic. When the founders met to frame the Constitution, this question was raised. Some thought it was idle, just as some think it is idle today, to require the oath of officials holding public office. There are some today, too, who feel that it is an idle ceremony to exact an oath from witnesses who testify in court proceedings. Yet who would do away with that practice? Rather would we not preserve the sanctity of a court by preserving this oath? And shall we not require an oath from public officials in offices of high trust? And is not the office of public-school teacher today an exalted office—an office of tremendous responsibility?

When the question came before the first Constitutional Convention it was finally decided that the framers of the Constitution could provide no better security for the country than to require that the men who hold high office should take an oath to support the Constitution of the United States.

So an oath even for the President was exacted by the terms and provisions of the Constitution, and the exact language of the oath that our President must take is therein set forth verbatim. It is by the Constitution provided that the President shall upon assuming office take the oath it prescribes. The underlying reason for the oath was to exact from him for the benefit of the people who might elect him a solemn obligation to his Supreme Being that he would carry out his duties faithfully not only to the people but to his God. The selfsame Constitution also provided that Members of Congress, both Senators and Representatives, take an oath to support the Constitution, and they must do so before taking their seats.

The limitation of opportunities makes for the search for other ideals other ways. But if the principles of freedom, justice, and equality are embedded in our youth, they will understand that greater opportunities lie ahead if we adhere to the doctrines that made this country great.

To the teacher, then, we must look as never before. The best security she or he can give us is to make oath that she or he will do their all-important part.

Twenty States now enforce statutes prescribing such an oath. Let us memorialize the other 28 to do likewise.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Chairman, I think that we should have a larger attendance here to hear these fine speeches. I therefore make the point of order that there is not a quorum present.

Mr. BLANTON. Will the gentleman withhold that? We have just one 5-minute speech, and then the Committee will rise.

Mr. MARTIN of Massachusetts. Mr. Chairman, I withdraw my point of order for 5 minutes.

Mr. BLANTON. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Chairman, in the closing 5 minutes of the debate today I should like to call the attention of the membership of the House to a fact which is well known to all Americans, and that is that today we are concluding 3 years of this Republic under the humanitarian leadership of President Roosevelt and this administration.

In this afternoon's Washington Evening Star there is carried a significant article by A. A. Patton, Associated Press statistician, which I believe is of sufficient interest to the membership of this House and of sufficient importance to the country at large to be inserted in the RECORD. With your indulgence, I read:

466 FIRMS SHOW BIG PROFITS GAIN—AGGREGATE NET INCOME RISES 33.9 PERCENT ABOVE PREVIOUS YEAR

By A. A. Patton

NEW YORK, March 4.—Aggregate net income of 466 domestic corporations for 1935 was 33.9 percent above the previous year, a tabulation made today by the Associated Press showed.

Total income for this group of companies, which embraces principal concerns reporting to date, was $1,454,408,000.

Three giant industrial units—United States Steel, General Motors, and American Telephone—contributed more than 20 percent to the total.

The unusually sharp recoveries scored by steel and motors during the year strongly influenced the aggregate. Eliminating the three from the compilation, the gain was reduced to 27.9 percent.

Largest income increases were enjoyed by the previously depressed heavy industries, including machinery, railroad, oils, steels, building, automobile and automobile accessories.

In conclusion, let me say the opposition press, as we go into the actual fighting of the coming Presidential campaign, has no more difficult task confronting it than to carry upon its editorial pages the destructive, carping criticism of this administration and its acts and at the same time be forced upon its front pages and upon its financial pages to print thereon the increased earnings, stock advances, bonuses, and the splendid condition generally of American industry and the increased farm income of this country. [Applause.]

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NELSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 11581, the District of Columbia appropriation bill, 1937, had come to no resolution thereon.

HOLY NAME SOCIETY

Mrs. NORTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 10194) granting a renewal of patent no. 40029, relating to the badge of The Holy Name Society.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That a certain design patent issued by the United States Patent Office of date of June 8, 1909, being patent

no. 40029, is hereby renewed and extended for a period of 14 years from and after the date of approval of this act, with all the rights and privileges pertaining to the same, being generally known as the badge of The Holy Name Society.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. BLANTON. Mr. Speaker, it is hoped that on tomorrow we will be able to finish debate and read a good part of the bill, so that we may finish its consideration Friday. I therefore ask unanimous consent that general debate on the District of Columbia appropriation bill be concluded not later than 3:30 o'clock tomorrow afternoon, the time to be equally divided and controlled by the gentleman from Pennsylvania [Mr. DITTER] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

VACATIONS OF GOVERNMENT EMPLOYEES

Mr. RAMSPECK submitted a conference report on the bill (H. R. 8458) to provide for vacations to Government employees, and for other purposes.

SICK LEAVE OF GOVERNMENT EMPLOYEES

Mr. RAMSPECK submitted a conference report on the bill (H. R. 8459) to standardize sick leave and extend it to all civilian employees.

THE "BRAIN TRUST" GOES TO TRIAL

Mr. MOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio address I made on Monday evening.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. MOTT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address, which I delivered at Washington, D. C., over the facilities of the Columbia Broadcasting System Monday evening, March 2, 1936:

Ladies and gentlemen, when the people go to the polls in November they will answer the question whether the Roosevelt administration and the Roosevelt policies are to continue in operation for another 4 years or whether they shall be replaced by a new administration and by new policies in January 1937.

The issue to be decided there will arise out of a very simple question: What have the men who comprise the Roosevelt administration done with the governmental power and authority which the people turned over to them as a result of the 1932 election? To what purpose have they used that power and authority? Have these men, through their control of the Government, been able to solve any of the real problems which they promised 3 years ago they could solve and would solve if the people put the Government into their hands?

Now, Republicans have never contended that all the New Deal legislation is bad. Naturally, in the course of 3 years, there have been a number of good individual bills enacted. It would be very remarkable if it were otherwise; and those bills you will find the Republicans supported along with the Democrats. So that is not the contention here.

The contention of Republicans is that the Roosevelt administration has not successfully or properly employed the power of government, nor their control of the Government, for the purpose of solving any of the major problems which confronted the country when the President went into office. They contend, on the contrary, that the Roosevelt administration has employed that power principally for the purpose of setting up and trying out a wholly new philosophy of government, which is alien to the American idea of representative government and violative of the plain constitutional mandates which prescribe what the form and theory and purpose of our Federal Government shall be.

Now, what were the problems which confronted the country when the Roosevelt administration came into power?

They were, first, the problem of industrial recovery, the solution of which, by common agreement, lay in the finding of a method by which the millions of men then out of work could be restored to permanent employment in private industry; and, second, the problem of farm solvency and the future destiny of agriculture. The solution of that problem, by similar common agreement, involved, first, a method of farm-mortgage refinancing at a rate of interest the farmer could afford to pay; second, a method of assurance to the farmer that he would receive at least the cost of production upon that part of his commodity sold in this country; and, third, a method of enabling the farmer to dispose of his exportable surplus. There were other very important issues, of course, but in comparison with the two main problems I have mentioned the others were minor issues and were so regarded by the people generally.

Now, what has the Roosevelt administration done about solving these main problems?

The Roosevelt approach so a solution to the first of these problems was the N. R. A. That, admittedly, is all of the legislation ever offered by the administration directly on the subject of unemployment in private industry. I am not concerned here with the argument whether N. R. A. would have worked or not, had it been constitutional. I simply call your attention to the fact that, although that law has been invalidated by action of the Supreme Court for nearly a year, the administration has not to this day even so much as hinted that it has or that it intends to have any legislation whatever to replace it; and, of course, it has none. That problem is right where it was on March 4, 1933.

The attempted New Deal solution of the other major problem, the farm problem, was the A. A. A. That law embraced its entire legislative program upon that subject. Again without arguing here how far the Triple A may or may not have gone in the direction of helping the farm situation, had it been constitutional, the fact remains that the Supreme Court has plainly said that the object and purpose of the Triple A—namely, the Federal control and curtailment of agricultural production, either by outright compulsion or monetary inducement, in order to carry out the Wallace theory of agriculture scarcity—is forbidden by the Constitution; and, the Supreme Court having so declared, the Roosevelt administration quit the farm problem cold—just as it did the unemployment problem after the N. R. A. decision. It is true, the professors who wrote the A. A. A. put in a soil-erosion bill and sent out propaganda that they were making a substitute for the Triple A, but the soil-erosion bill, as everybody in Congress knows, is nothing more or less than a political stopgap; it is transparently unconstitutional, and its only real purpose is to permit the mailing of the farm checks just before the November election. That is the last the farmer will ever hear of this bill. And so the farmer, after 3 years of "the more abundant life", is just where he was when the New Deal came into power.

The reason, in my opinion, why the New Dealers have failed to evolve permanent legislation to solve these and other practical problems is because they have insisted from the beginning upon treating them merely as classroom laboratory problems.

When the Roosevelt administration went into office, instead of turning its attention to what its own party platform had declared to be the proper solution of the major problems which needed solution, it propounded an entirely new list of problems. Nor did it stop there. It declared that the consideration of these new problems necessitated an entirely new philosophy of government. The philosophy it advocated was one which most of its own party leaders did not agree with and which the Congress did not agree with. Nevertheless, the President insisted it should be the policy of his administration, and he proposed to get it under way at once.

This new philosophy of government was based upon the bald proposition that the people are incapable of dealing with their own problems and that representative government, therefore, is impractical; that while the form of representative government may be retained, the actual power of government should be transferred to an independent agency, under the control of the President, but beyond the reach of the people and not responsible to them; that the men comprising this independent agency should decide what is best for the people and that their opinions in that regard should have the force and effect of law.

In order to put the new philosophy into effect the President was obliged to do several peculiar things. In the first place, he was obliged to throw his party platform in the wastebasket. Next he was obliged to banish from any effective part in his administration nearly every recognized Democratic leader. And next, and perhaps most astonishing of all, he was obliged to get rid of the Congress of the United States, so far as its independent lawmaking authority was concerned.

The actual power of government, legislative as well as executive, the President immediately appropriated to himself, and to assist him in the exercise of this power he proceeded to surround himself with a group of men, the like of whom has never been seen in any administration; men whose records, whose party affiliations, and, in many cases, whose very names, were unknown to any but a handful of people in the United States. This group of unknowns became widely publicized as the "brain trust." It included the Moleys, the Wallaces, the Tugwells, the Ickeses, the Frankfurters, the Cohens, the Corcorans, and a host of lesser lights, and upon these men the President bestowed a large part of the policy-making authority of his administration. To his weird crowd of professors and subprofessors he gave authority to make a new economic program of their own and actually to write their own laws to put that program into effect. The laws they wrote, and upon which an overwhelming administration majority of more than three to one in Congress affixed its rubber stamp of approval, became the New Deal legislation.

The President had no more trouble in getting rid of the National Legislature than he had in getting rid of his platform or his party leadership. He simply let it be known to Members of the majority party in Congress that he expected them to carry out the campaign pledges upon which they were elected. Now, practically every new Democratic Member in Congress was elected to that body in 1932 upon a pledge to support the President and to support him 100 percent. These Democratic Members were given plainly to understand that they were not elected to Congress on their own account—that it was only by virtue of the Roosevelt landslide that

they were there at all, and that if they expected to remain in Congress they should accommodate themselves to the new order of things.

And so, from the day of his inauguration right down to the present moment the President has had an absolutely free rein, together with all the money he has ever asked for, in solving all of the problems of the Nation in his own way. His prepledged 3 to 1 majority in Congress has not only passed every bill he has told them to but, with a very few exceptions, they have refused even to consider any proposal that did not come from the White House. As for making laws themselves, the administration majority in Congress long ago abandoned the idea. New Deal law is not made by Congress. It is made by the professors.

The fact that most of the "brain trust" law lives long enough only to reach the Supreme Court seems to make no difference either to the President or to the Congress. They nonchalantly dismiss a Supreme Court decision with the casual statement that the invalidated law had lasted long enough to serve its purpose any way.

The net result of it all is that after 3 years of this laboratory experimentation on national problems, carried on largely by men who have never had any practical experience in the working out of any kind of a problem, legislative, industrial, or agricultural, we are right back where we started. We still have more than 10,000,000 people out of work in private industry. We still have another 10,000,000 on relief or on Government-made work. We still have an insolvent farm population, without buying power, and with their farm mortgages being foreclosed at a more rapid rate than ever before. And further than that, after spending more than $10,000,000,000 on this laboratory work the Roosevelt administration finds itself today not only without any comprehensive existing law for the solution of these problems but even without any announced plan or program for their future solution. The only permanent program that has come out of the laboratory is the program of continued Government spending.

In their operation of this laboratory the New Dealers, in the meantime, have suspended the operation of representative government. They have concentrated the whole actual power of the Government, executive and legislative, in the White House. They have effectively changed it from a government by law to a government by men, from a parliamentary government to an executive dictatorship, and from a constitutional government to one wherein the Constitution is looked upon merely as a necessary evil. That is the new philosophy of government.

The question is, Shall this thing be allowed to go on, or shall we stop it now? The people must decide that for themselves in November. It is for you, the people, to say at that time whether you have had enough of the new philosophy or whether you would like to have it continued permanently. America awaits your answer.

THE NEW DEAL IN RETROSPECT

Mr. HOLLISTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio address delivered by my colleague the gentleman from Ohio [Mr. BOLTON] last night.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HOLLISTER. Mr. Speaker, in accordance with permission granted me by the House, I am inserting a speech by Hon. CHESTER C. BOLTON, chairman of the National Republican Congressional Committee, over the National Broadcasting System, from Washington on March 3, 1936, entitled "The New Deal in Retrospect."

Tomorrow will mark the third anniversary of the New Deal. The past 3 years have been full of feverish activity, most of which has run counter to our established form of economic and political life. They have been marked by legislative and executive acts directly opposed to party promises. They offer every reason for sober thought as to where this New Deal is leading us.

The short time allotted to me does not permit of reviewing the New Deal in all of its amazing complications, but I do want to discuss some of its more vital aspects.

Seldom has a President gone into office with such hopes from the people as did Franklin D. Roosevelt on March 4, 1933. Seldom has there been such a desire from the people to back a Chief Executive in the efforts he had promised them to reestablish confidence and bring back normal prosperity.

Congressmen of both great national parties, believing in his pledge to carry out the Democratic platform 100 percent, supported him in the earlier experiments of the New Deal on the ground of emergency. As time went on and the President's performances deviated more and more from his pledges, that support grew less spontaneous and sincere. Many drew away because of fear to follow the perilous financial path along which he led. Finally, as his attempts to circumvent the Constitution, in order to carry out his theories, became clear, that support was reduced to mere political alinement, in which many an individual foresook sober judgment for party allegiance and favor.

As in the time of the World War, politics were forgotten in a surge of loyalty to overcome a common enemy until an attempt was made to turn that spirit of cooperation to party advantage with the inevitable result that it was destroyed by the very one who had preached it.

Thoughtful men and women throughout the land now have begun to question the New Deal. They are becoming aware that it has been subversive of our form and theory of government. They see that it is steadily, insidiously, persistently changing the fundamental spirit and structure of our free institutions. They resent its interference in the private and economic life of our country, its usurpation of the duties and responsibilities of the States. They are beginning to realize its terrific cost, the waste, and extravagance in Government which it has bred.

The New Deal in retrospect is proving quite a different thing from the New Deal in prospect. Many who in an emotional hour believed, or thought they believed, that the Constitution and its simple principles could be temporarily disregarded, so that we might take a short cut to the "more abundant life", have lived to regret it. In fact, a realization of the difference between what was solemnly promised and what has been actually performed is rapidly growing. It is arousing widespread distrust of the New Deal. No truer words were ever uttered than those of Abraham Lincoln when he said, "You can fool some of the people all of the time, and all of the people some of the time, but you cannot fool all of the people all of the time."

There is little point now, however, in recalling what was said or done in the emotional period in which the New Deal was launched. No one knew then what it was going to be or where it was going to lead. The point is, Where do we stand now on the New Deal, after we have had 3 years of it? Do we believe in it or not? Because in a comparatively short time we must answer this question in a Nation-wide election.

It is evident that the New Deal and what it stands for will be the issue. Within 4 months the two great national parties will have announced their platforms and placed their candidates for the Presidency in the field. New Dealers naturally are determined to choose as their standard bearer the chief advocate of the New Deal and the man most responsible for it—Franklin D. Roosevelt.

President Roosevelt, therefore, will be the issue along with the New Deal. It is of his making. Whether it originated in his own restless imagination or in the amalgamated, conglomerated thought of the "brain trust" makes no difference. No builder could have been more closely identified with its design or more directly responsible for its development.

Today, after 3 years, he shows no disposition whatever to curb his creation, nor to correct the abuses and evils which are apparent in it. We have every reason to assume he is satisfied with it and desires its continuance.

Yet in the campaign of 1932 Mr. Roosevelt was for a New Deal that in many respects was the direct antithesis of his New Deal as he has revealed it bit by bit after election. Though he was somewhat vague and general about the New Deal he promised in 1932, he was entirely specific about the Democratic platform of that year. He endorsed it 100 percent. As we all know, as to its major promises having to do with the financial affairs of the Government, he has repudiated that platform 100 percent.

It is argued in his favor that he had to do it to meet the emergency. Such an argument is a reflection on his wisdom and foresight little short of libelous. According to his own campaign arguments, the emergency was already here when he made his platform pledge and when he amplified it in his speeches—an emergency as grave as campaign oratory could describe.

As I have said, Mr. Roosevelt is the chief advocate of the New Deal and the one most responsible for it. He has been the directing force behind it. He is, in fact, the New Deal. His stewardship of national affairs during the past 3 years is, therefore, under direct question. Not his promises but his performance is the main point at issue, though the things he promised and has failed to do must enter into the consideration of his fitness to be given another term of office.

When he announced that he was going to experiment he was given a free hand, though no one then knew what his experiments were going to be. But one of them at least was not an experiment. The dictionary defines an experiment as a "trial made to confirm or disprove something." It is not necessary to make a trial to confirm or disprove the theory that we can safely spend more than we take in, or live indefinitely beyond our means and on borrowed money. It always has been an established fact that we can't proceed on any such theory and keep out of bankruptcy. The New Deal was to bring us a new order and a new philosophy. But, I ask, can it make black white, or water run up hill; can it "prime the pump" and supply the household indefinitely if it pours more water in than it pumps out?

In 1932, in keeping with the Democratic platform, Mr. Roosevelt was for balancing the Budget, for abolishing useless and wasteful governmental agencies, for decreasing the cost of government 25 percent. During the last 3 years, in violation of that platform, which he had pledged himself so unequivocably to support, he has been, by his acts, for unbalancing the Budget. He has been for establishing useless, wasteful, and pestiferous governmental agencies, for increasing the cost of government, and for building up the mightiest, most incomprehensible bureaucracy the world has ever known. "Remember," he said in his 1932 campaign, "it is not the way we say things but the way we do things that is the test of our sincerity." A great truth. "By their fruits ye shall know them."

When Mr. Roosevelt took office the national debt was approximately $22,000,000,000. Under his administration it has grown to thirty and one-half billions of dollars. And it is still growing. A debt of from thirty-six to even forty billions is in sight by 1937.

It is needless to say the Budget is not balanced. Far from it. Budgets are not balanced under any such procedure in "frenzied

finance." Our Government is spending $2 for every dollar it takes in. Those dollars are your dollars. The only way you can end this reckless ride to ruin is by removing the driver and taking away his permit to drive. For after all it is your car and his contract to drive it will presently expire.

Despite the revival in some lines of industry, according to latest estimates, more than twelve and one-half millions of people are still unemployed. Is this Mr. Farley's idea, to which he gave expression recently in Kansas, of "advancing from economic confusion to economic prosperity"? Prosperity for whom?

These unfortunate unemployed are and must be taken care of by public funds until they can be employed by private industry. Furthermore, one-sixth of our population is now estimated to be supported directly or indirectly by Government money. So we see the relief rolls do not diminish under the New Deal and the public pay rolls continue to increase. The money to support the Government so it can provide for those on relief and pay the salaries of those on the Government pay rolls must come from somewhere. The New Dealers assure us the Government's credit is not exhausted. But it is not inexhaustible. We will have to pay the bill one day in some form or other, we and our children and our children's children. Indeed, have we not already begun to pay in the higher cost of living?

These are things you will do well to consider seriously in the coming campaign. Indeed, you have a duty to do so. The question of whether President Roosevelt is a wise and far-seeing administrator or a short-sighted opportunist, leading recklessly along dangerous paths, concerns you vitally. The many who are confused and uncertain as to where his policies will take us can have no reason to believe they will be any less confused or any more certain if he is reelected because of his remarkable capacity for changing his mind.

When all is said and done, what does the New Deal mean? Paraphrasing the language of Daniel Webster—what is new in it that is valuable, and what is valuable in it that is new? Are the ideals of greater assistance to the unfortunate, greater justice to the weak, less selfishness on the part of the strong, new? Is the promise of a "more abundant life" anything more than an assurance of greater opportunity? Were not these ideals written into the Declaration of Independence and embodied in our fundamental law, with each of the sovereign parts, the States, to bear its particular share of the load, and with the executive, legislative, and judicial branches of the Government to balance and check one another and so protect the whole against the assumption of undue power by one central authority?

Has the New Deal offered any substitute for our system of government that is new and valuable? Or does the New Deal mean a philosophy of government under which the solemn promises through which it gained control are flagrantly disregarded, and under which wasteful expenditures for political profit are made possible? Does it represent a screen, built upon human emotions, behind which the plans for changing our form of government and the fundamental structure of our free institutions can be put into effect?

Does it contemplate a permanent usurpation of legislative function by the Executive, with a subservient Congress and the abolishment of the duty of that body to appropriate and direct the expenditure of money in favor of the executive branch of our Government?

I am speaking to you, not as members of any political body or faith, but as American citizens, with an appreciation of the opportunities and blessings of our land, as well as a knowledge of its faults and failings. Do you want to be governed by those principles of truth and justice under law, which make our country a beacon light for the world through its demonstration of a representative democracy, or do you want to see our country given over to regimentation and dictation from a centralized bureaucratic Government in Washington?

Much, indeed, everything, will depend upon your understanding of the issues involved, and on your judgment, not only in selecting real men and women to represent you in Congress, but also in electing a Chief Executive who will uphold and follow the pledges of his party calmly, sanely, and with great wisdom. Do you want a continuance of the autocratic and wasteful bureaucracy of the New Deal of Roosevelt, or a "government of the people, by the people, for the people", under the Constitution, as visioned by Washington, Jefferson, and Lincoln?

WASHINGTON—JEFFERSON—ROOSEVELT

Mr. DUNN of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an address delivered by me on Washington's Birthday at the District of Columbia Democratic Club.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. DUNN of Mississippi. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address delivered by me on Washington's Birthday at the District of Columbia Democratic Club.

Today is the two hundred and fourth birth anniversary of George Washington, known and heralded throughout the world as the Father of his Country—and when I think of the many prophecies the man Washington made as a statesman concerning the welfare and ultimate progress of his Nation I live in wonderment for the moment at the vision of the man. It was Washington who taught us first the fundamental principles of self-government and it was this great man, divinely guided, who first defined the duty of every true citizen of the Nation irrespective of party faith. These definitions and axiomatic philosophies are well grounded in the hearts and souls of practically every school child in the Nation, and no need here to review them.

I think no true American, however warped his mind may be as concerns party faith and principles, will deny that the first duty we owe our Government is that of moral support. That we should defend it against those who wrongfully assail it with words. We know from common knowledge that malicious attacks are constantly being made upon all governments by parties who have been disappointed and angered at their failure to secure their own personal ends and by those who have "an ax to grind." Attacks of this sort naturally have a mighty tendency to destroy the confidence of the people in the ability and integrity of government, and thus to weaken it and make it the more powerless to perform its various functions.

And while this is easily said we must recognize the fact that today we have come to the crossroads, so to speak, in the matter of national dispute as to who or what party is the salvation of the Government we all love so well.

Truly, it seems a large part of our citizenship disregards the formula of George Washington in the matter of honesty as concerns duty to his or her country. As a matter of truth, certain organizations have grown up in our midst which seem to glory in the tactics of disturbance, chaos, and harangue, and their every order of things tends to disannounce every true virtue of the principles of George Washington—this largely because, I think, the tendency of the times has offered a form of reward to them, more sacred in their way of thinking than the just reward that ultimately must come to those who place citizenship higher than this sort of putrid gain.

For instance, we have parties in this Nation today, those who feel they belong to the "holier than thou society", and we have grouped organizations operating without reservation whose sole aim it is to break down the patriotic morale of the people of this Nation by every conceivable means of hypocrisy imaginable; who disavow truth and pollute the channels of decency with distorted facts suitable to their own selfish and fiendish interests.

This is not as it should be, and when I hear certain Members belonging to the historical Republican Party cry aloud that we have become dissolved as a national people living under the banner of Washington freedom, that we have slipped quietly yet organically into the abyss of dictatorialism, I cannot help but wonder if these self-made apostles of selfishness and greed have not long since thrown aside every vesture of pure, unadulterated Americanism which Washington set up in the first instance.

Everyone who thinks for himself or has common knowledge of the history of our Nation knows that social evolution has greatly changed our trend of thought in the matter of materialism but has not caused us to vary in the least from the principles of justice as affects the ultimate results of the social evolution and the change in things general since the day of Washington.

The hue and cry today, some 204 years after the birth of George Washington, is that Franklin Roosevelt, President of the United States of America and acting in the same executive capacity as did George Washington, has caused our national resources to become crumpled and dissipated; that he has set up mighty dictatorial barriers to normal prosperity; that he as the chosen head of the Democratic Party and the Nation has broken faith with his people and has violated the pledges of the Democratic Party when they nominated him for the highest executive office in the land. On the floor of the House of Representatives synthetic orators raise their voices toward the high heavens in every form of challenge to the man who took over the compass of direction in guiding a blinded people who had been suffocated with material pauperism as the result of a predecessor's colorful scheme to place the dollar above human virtue. They shout that Franklin D. Roosevelt has departed from the principles of true Jeffersonian Democracy and that he has set himself up as a political saint, impervious and immune from the mandates of that great charter known as the Constitution. They wax strong on the theory that billions are being spent or wasted in experimentation and that these billions are being dedicated to the gods of paganism. As a matter of fact, when they charge him with the many abuses of office they say he is guilty of, and I don't think they know it, they are charging this great man frankly with having put bread in the mouths of starving babies; of having salvaged the banks of the Nation from a state of insolvency and of having put them back on a firm basis; they blame him for having used part of the mightiest money reserve on the face of the earth in garnering to his side the hearts and souls of men, women, and children who were lost as of 1932 in the chasm of Republican inability to care for them by the protection of their interests as citizens. They charge the man Roosevelt with morbid misconduct in the disrespect of the principles which have guided our American institutions through the years to our now positive, complete, and definite position as leader of every civilized nation on the face of this earth.

In 1932, shortly after the mighty Republican Party had seen one of its Cabinet officers and other members of its executive and judicial branch disgraced before the bar of public opinion because of having bartered to these same selfish interests that which belonged to the people of the Nation; after this party had

seen our foreign trade fall off more than $2,000,000,000, thus adding to the already staggering unemployment at home; after having given special favors and special privileges to thousands of consorts within the temple of their own kind, they yell and shout that Franklin D. Roosevelt has libeled the principles of Washington as well as those of Thomas Jefferson.

Do they now deny that our Nation is the most strongly fortified nation among the nations of the earth as concerns the comfort of society and the ability to keep that comfort steadfast. Do they deny that more than $10,000,000,000 in gold which lies in the possession of the United States Treasury and which is more than five-eighths of the gold of the world is a banner of truth flying over the beautiful and gracious portals of the White House? Do they charge that the accumulation and holding of this gold is not sufficient to warrant this Nation's credit as the most stable and balanced credit in the world? No; they are content to say or do anything or encourage anyone or collective group to discolor actual facts in order that they, the Republican Party and others allned with them, might once again come into power and stifle and disintegrate the very principles announced by George Washington and Thomas Jefferson and which principle is a free Government for a free people.

Just the other night I had the opportunity to listen to a radio address by one who styles himself an apostle of righteousness. I heard the gentleman who wears the garments of a sacred priest denounce Franklin Roosevelt in blasphemous terms, and the moment he finished his tirade of pusillanimous nothingness I began to wonder about the man Christ himself and the Deity he represented when he was on earth. I wonder whether this so-called disciple of a beautiful faith can really rest his head in peace and comfort upon his pillow at night after such an exhibition of political chicanery and dissipated opportunity, knowing full well that the preachments of the man Christ tended always toward solace, peace on earth, and good will toward men. Inherently, I feel this man has some form of religious color, but I am afraid that he is the antithesis of the very principles announced by Thomas Jefferson when he said, "Our civil rights have no dependence on our religious opinions." This may or may not be true, but to say the least the gentleman has thrust this issue into the forum of public discussion, and, as for myself, I believe in tolerance, and I do not think monetary gain ought to disturb this feeling in the bosom of any living human.

Is there a man living who would charge that Franklin Roosevelt has disparaged the virtues and principles of American institutions? Is there a man who can charge that he is not God-fearing? Is there one who can find color against his character or find in any measure an emaciated disposition to destroy the principles as announced by both Washington and Jefferson? I challenge anyone to cite me an instance.

Washington builded a nation out of a wilderness and conquered it through courage and tolerance. Jefferson was fortified through a fear of God when he took the office as President, and he inveigled ways and means to attack the social conditions of his time which departed quite a little from the formulas found in the laboratory of human experience prior to his time. Both were successful. Equally so has Franklin D. Roosevelt most assiduously delved into the archives of time to find a formula for a stricken but patriotic people, and I say, as a patriot myself and one who offered his life during the World War for the principles of both Washington and Jefferson, that irrespective of party faith, political chicanery, maudlin hypocrisy, and a desire for monetary gain at the expense of the traditions of American institutions, the man Roosevelt will shake the modern walls of Jericho into crumbles because of the fact that he is adhering to the principles of both Washington and Jefferson.

And when all is said and done and the turbulent sea of political animosity has become rested and calm, shall it not be that in the end we must all entertain and hold a true and complete sentiment of patriotism in the matter of the preservation of our national existence, for—

> Breathes there a man with soul so dead,
> Who never to himself hath said,
> This is my own, my native land?
> Whose heart hath ne'er within him burn'd,
> As home his footsteps he hath turn'd,
> From wandering on a foreign strand?
> If such there be, go, mark him well;
> For him no minstrel raptures swell;
> High though his titles, proud his name,
> Boundless his wealth as wish can claim,
> Despite those titles, power, and pelf,
> The wretch, concentered all in self,
> Living, shall forfeit fair renown,
> And, doubly dying, shall go down,
> To the vile dust from whence he sprung,
> Unwept, unhonor'd, and unsung.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MORITZ, for 2 days, on account of important official business.

To Mr. SEARS, for 1 week, on account of business.

To Mr. MCREYNOLDS, indefinitely, on account of illness in his family.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1111. An act for the relief of Alfred L. Hudson and Walter K. Jeffers;

S. 1683. An act for the relief of Robert L. Monk;

S. 1991. An act for the relief of Wilson G. Bingham;

S. 2469. An act for the relief of E. L. Hice and Lucy Hice;

S. 2590. An act for the relief of James E. McDonald;

S. 2618. An act for the relief of James M. Montgomery;

S. 2980. An act for the relief of Ruby Rardon;

S. 3001. An act for the relief of Walter F. Brittan;

S. 3274. An act for the relief of Mary Hobart;

S. 3399. An act for the relief of Rosalie Piar Sprecher (nee Rosa Piar); and

S. 3683. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department.

ADJOURNMENT

Mr. BLANTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.) the House adjourned until tomorrow, Thursday, March 5, 1936, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE POST OFFICE AND POST ROADS

A hearing will be conducted by Subcommittee No. 1 Thursday, March 5, at 10 a. m., on H. R. 2818, promotion of watchmen, messengers, and laborers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLAND: Committee on Interstate and Foreign Commerce. H. R. 4991. A bill authorizing superannuation disability pay for alien employees of the Panama Canal; without amendment (Rept. No. 2127). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 10321. A bill to amend section 4 of Public Act No. 286, Seventy-fourth Congress, approved August 19, 1935, as amended; without amendment (Rept. No. 2128). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CROSSER of Ohio: A bill (H. R. 11609) to foster and protect interstate commerce by authorizing the Interstate Commerce Commission to approve or disapprove of the consolidation or abandonment of carrier facilities of public service; to the Committee on Interstate and Foreign Commerce.

By Mr. MAAS: A bill (H. R. 11610) to provide for certain men discharged from the Navy between the dates of November 11, 1918, and July 1, 1925, the benefits of men transferred to the Fleet Naval Reserve after 16 years' service; to the Committee on Naval Affairs.

By Mr. BROWN of Michigan: A bill (H. R. 11611) granting authority to the Secretary of War to license the use of a certain parcel of land situated in Fort Brady Military Reservation to Ira D. McLachlan Post, No. 3, the American Legion, for 15 years; to the Committee on Military Affairs.

By Mr. CHANDLER: A bill (H. R. 11612) to change the name of Pickwick Landing Dam in Tennessee to McKellar Dam; to the Committee on Military Affairs.

By Mr. CARMICHAEL: A bill (H. R. 11613) to extend the times for commencing and completing the construction

of a bridge across the Tennessee River between Colbert County and Lauderdale County, Ala.; to the Committee on Interstate and Foreign Commerce.

By Mr. COX: A bill (H. R. 11614) to amend the Judicial Code to divide the middle district of Georgia into seven divisions by adding a new division to the middle district, and providing for terms of said court to be held at Thomasville, Ga.; to the Committee on the Judiciary.

By Mr. SUMNERS of Texas: A bill (H. R. 11615) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases; to the Committee on the Judiciary.

Also, a bill (H. R. 11616) to fix the compensation of the Director of the Federal Bureau of Investigation; to the Committee on the Judiciary.

By Mr. TARVER: A bill (H. R. 11617) to authorize a preliminary examination of the Coosa River, Ga., and its tributaries, with a view to the control of their floods; to the Committee on Flood Control.

By Mr. WILCOX: A bill (H. R. 11618) providing for the erection of a public building at Port Everglades, in Broward County, in the State of Florida; to the Committee on Public Buildings and Grounds.

By Mr. KNUTSON: Resolution (H. Res. 436) authorizing the Committee on Expenditures in the Executive Departments to make a full study of the activities of all branches of the executive branch of the Government, with a view to determine whether the activities of any one overlaps the activities of another; to the Committee on Rules.

By Mr. FADDIS: Joint resolution (H. J. Res. 512) relating to the employment of the personnel of the Agriculture Adjustment Administration in carrying out certain governmental activities; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURNHAM: A bill (H. R. 11619) granting a pension to Jennie O. Davis; to the Committee on Invalid Pensions.

By Mr. CULKIN: A bill (H. R. 11620) granting an increase of pension to Ellen M. Stowell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11621) granting an increase of pension to Mary A. McNeil; to the Committee on Invalid Pensions.

By Mr. FENERTY: A bill (H. R. 11622) for the relief of Thomas F. Donohue, Sr.; to the Committee on Claims.

Also, a bill (H. R. 11623) for the relief of James Douglas Francis; to the Committee on Naval Affairs.

Also, a bill (H. R. 11624) for the relief of Hugh J. Bowker; to the Committee on Military Affairs.

By Mr. GIFFORD: A bill (H. R. 11625) for the relief of George W. Silver; to the Committee on Claims.

By Mrs. KAHN: A bill (H. R. 11626) for the relief of Elizabeth Manning; to the Committee on Claims.

Also, a bill (H. R. 11627) for the relief of Walter Francis Hurley; to the Committee on Naval Affairs.

Also, a bill (H. R. 11628) for the relief of F. E. Booth Co.; to the Committee on Claims.

By Mr. MAAS: A bill (H. R. 11629) to retire Francis A. Markoe with the rank of captain, Infantry, United States Army; to the Committee on Military Affairs.

By Mr. MORITZ: A bill (H. R. 11630) for the relief of Anne E. Felix; to the Committee on Claims.

By Mr. O'CONNOR: A bill (H. R. 11631) for the relief of Timothy Joseph Long; to the Committee on Naval Affairs.

By Mr. SEGER: A bill (H. R. 11632) authorizing the appointment of George Breeman as a chief gunner in the United States Navy; to the Committee on Naval Affairs.

By Mr. SMITH of Virginia: A bill (H. R. 11633) granting a pension to Dora Limrick Lippincott; to the Committee on Pensions.

By Mr. SMITH of West Virginia: A bill (H. R. 11634) for the relief of the heirs of Horace King, deceased; to the Committee on War Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 11635) for the relief of the heirs of Thomas J. Mason, deceased; to the Committee on War Claims.

By Mr. THOMAS: A bill (H. R. 11636) granting an increase of pension to Sarah R. Waldron; to the Committee on Invalid Pensions.

By Mr. WERNER: A bill (H. R. 11637) granting a pension to C. F. Hall (or Holley); to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10378. By Mr. BLOOM: Petition of residents of the city of Dorado, P. R., urging the passage of legislation similar to the recently approved Social Security Act to solve the problem of the unemployed and the unemployable in Puerto Rico; to the Committee on Ways and Means.

10379. By Mr. FENERTY: Resolution of Rescue Council, No. 15, Fraternal Patriotic Americans of the State of Pennsylvania, Inc., protesting against the passage of the so-called Kerr-Coolidge immigration bill; to the Committee on Immigration and Naturalization.

10380. Also, resolution of Diligent Council, No. 4, Fraternal Patriotic Americans of the State of Pennsylvania, Inc., protesting against the passage of the so-called Kerr-Coolidge immigration bill; to the Committee on Immigration and Naturalization.

10381. Also, resolution of the Glass Bottle Blowers' Association, Local No. 4, of Philadelphia, Pa., urging enactment of the bill (H. R. 9072) to regulate the textile industry; to the Committee on Labor.

10382. Also, communication from the Slook-Montague Post, No. 354, Veterans of Foreign Wars, Philadelphia, Pa., advising that the post went on record at a regular stated meeting, February 26, 1936, endorsing House Joint Resolution 493, directing the President of the United States of America to proclaim November 11 of each year as a national holiday for the observance and commemoration of the signing of the armistice; to the Committee on the Judiciary.

10383. By Mr. KENNEY: Resolution of the House of Assembly of the State of New Jersey, memorializing the Congress of the United States to adopt measures insuring strict neutrality by the Federal Government in foreign wars; to the Committee on Foreign Affairs.

10384. By Mr. LAMNECK: Petition of Mrs. Paul Jackson, president, Clinton Parent-Teachers Association Study Club, Columbus, Ohio, requesting early hearings on motion-picture bills now in Congress and urging that adequate legal regulation be provided for this industry, including not only the elimination of unfair trade practices but also higher moral standards of production, such as those provided in the Culkin motion-picture bill (H. R. 2999); to the Committee on Interstate and Foreign Commerce.

10385. By Mr. RICH: Petition of citizens of Lycoming County, Pa., favoring House bill 10756; to the Committee on the Post Office and Post Roads.

10386. By Mr. SADOWSKI: Petition of 5,000 people gathered in meeting at Naval Armory, Detroit, Mich., on February 14, 1936, protesting against the Tydings-McCormack and the Kramer sedition bills; to the Committee on the Judiciary.

10387. Also petition of the Michigan Association of Road Commissioners and Engineers at the twenty-second annual meeting held at Ann Arbor, Mich., February 18, endorsing in the continuation of Federal aid to the State at the minimum of $125,000,000 a year; to the Committee on Appropriations.

10388. Also, petition of the Michigan Retail Lumber Dealers Association in convention in Detroit, Mich., February 5, endorsing the continuation of title I of the National Housing Act and opposing a Government low-cost housing project; to the Committee on Appropriations.

SENATE

THURSDAY, MARCH 5, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, March 4, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolutions:

On February 17, 1936:

S. 889. An act for the relief of Albert A. Marquardt;

S. 1010. An act for the relief of Fred Edward Nordstrom; and

S. 2643. An act to amend section 118 of the Judicial Code to provide for the appointment of law clerks to United States district court judges.

On February 18, 1936:

S. 2044. An act for the relief of the Hartford-Connecticut Trust Co., Inc.

On February 21, 1936:

S. J. Res. 118. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

On February 26, 1936:

S. 3277. An act authorizing a preliminary examination of the Nehalem River and tributaries, in Clatsop, Columbia, and Washington Counties, Oreg., with a view to the controlling of floods.

On February 29, 1936:

S. 3780. An act to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes; and

S. J. Res. 217. Joint resolution postponing the effective date of certain permit and labeling provisions of the Federal Alcohol Administration Act.

On March 2, 1936:

S. 3035. An act to provide for enforcing the lien of the District of Columbia upon real estate bid off in its name when offered for sale for arrears of taxes and assessments, and for other purposes.

On March 3, 1936:

S. 399. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 8033. An act for the relief of Juanita Filmore, a minor; and

H. R. 10194. An act granting a renewal of patent no. 40029, relating to the badge of The Holy Name Society.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1111. An act for the relief of Alfred L. Hudson and Walter K. Jeffers;

S. 1683. An act for the relief of Robert L. Monk;

S. 1991. An act for the relief of Wilson G. Bingham;

S. 2439. An act for the relief of E. L. Hice and Lucy Hice;

S. 2590. An act for the relief of James E. McDonald;

S. 2618. An act for the relief of James M. Montgomery;

S. 2980. An act for the relief of Ruby Rardon;

S. 3001. An act for the relief of Walter F. Brittan;

S. 3274. An act for the relief of Mary Hobart;

S. 3399. An act for the relief of Rosalie Piar Sprecher (nee Rosa Piar); and

S. 3683. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Radcliffe
Ashurst	Copeland	King	Reynolds
Austin	Costigan	Logan	Robinson
Bailey	Couzens	Lonergan	Russell
Barbour	Davis	McAdoo	Schwellenbach
Barkley	Dickinson	McGill	Sheppard
Benson	Dieterich	McKellar	Shipstead
Bilbo	Donahey	McNary	Smith
Black	Duffy	Maloney	Steiwer
Bone	Fletcher	Metcalf	Thomas, Okla.
Borah	Frazier	Minton	Thomas, Utah
Bulkley	George	Moore	Townsend
Bulow	Gerry	Murphy	Trammell
Burke	Gibson	Murray	Truman
Byrd	Gore	Neely	Tydings
Byrnes	Guffey	Norbeck	Vandenberg
Capper	Hale	Norris	Van Nuys
Caraway	Harrison	Nye	Wagner
Carey	Hatch	O'Mahoney	Walsh
Chavez	Hayden	Overton	Wheeler
Clark	Holt	Pittman	White
Connally	Johnson	Pope	

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent. I ask that the announcement stand for the day.

Mr. BYRD. I announce that my colleague the senior Senator from Virginia [Mr. GLASS] is detained from the Senate because of illness in his family.

Mr. DIETERICH. I announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is unavoidably detained.

Mr. ROBINSON. I announce that the Senator from Nevada [Mr. MCCARRAN], the Senator from Louisiana [Mrs. LONG], the Senator from New Hampshire [Mr. BROWN], and the Senator from Tennessee [Mr. BACHMAN] are unavoidably detained from the Senate.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

INJUNCTIONS AGAINST PUBLICLY OWNED POWER PLANTS (S. DOC. NO. 182)

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Power Commission, transmitting, in response to Senate Resolution 123 (submitted by Mr. NORRIS, and agreed to May 1, 1935), a report on injunctions and restraining orders instituted against publicly owned power plants, which, with the accompanying report, was ordered to lie on the table and to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the House of Assembly of the State of New Jersey, which was ordered to lie on the table:

Resolution memorializing the Congress of the United States to adopt measures insuring strict neutrality by the Federal Government in foreign wars

Whereas there are pending before the present session of Congress bills to enact legislation involving neutrality; and

Whereas various nations are endeavoring to influence the United States to establish sanctions and embargoes in the present European conflict; and

Whereas the United States is now at peace with all nations: Therefore be it

Resolved by the General Assembly of the State of New Jersey—

1. That the Congress of the United States, now in session, be memorialized and requested to, as speedily as possible, adopt and pass measures and to take such other action as may be necessary, fit, and proper to insure, as far as possible under the Federal law, absolute neutrality on the part of the Federal Government in the present European conflict, meaning thereby entire abstinence from any participation, expressed or implied, with my belligerents, remaining the common friend of all, favoring none to the detriment of the other; and be it further

Resolved, That in the enactment of such measures care be taken to exclude any legislation which might tend to interfere or restrict trade with the warring nations, and that any embargoes, if and

when declared, shall be strictly limited to arms, ammunitions, and implements of war only; and be it further

Resolved, That copies of this resolution be signed by the speaker and clerk of the house of assembly and copies of this resolution be transmitted to the Vice President of the United States, to the Speaker of the House of Representatives, to every member of the Foreign Relations Committee of the United States Senate, and to each Senator and Representative in the Congress of the United States from the State of New Jersey.

2. This resolution shall take effect immediately.

The VICE PRESIDENT also laid before the Senate a telegram in the nature of a petition from Ceferino Fernandez, of Juncos, P. R., praying for the confirmation of the appointment of Benigno Fernandez Garcia to be attorney general of Puerto Rico, which was referred to the Committee on the Judiciary.

He also laid before the Senate a letter in the nature of a memorial from the Catholic Women's Union of Syracuse, N. Y., remonstrating against the enactment of the Copeland birth-control bill, which was referred to the Committee on the Judiciary.

He also laid before the Senate letters in the nature of petitions from the Florida State Chamber of Commerce, of Jacksonville; J. A. Waterman, of Tampa; and B. C. Skinner, of Dunedin, all in the State of Florida, praying for the creation by the Senate of a special committee on civil aeronautics, which were referred to the Committee on Rules.

Mr. COPELAND presented a resolution adopted by Baisley Park Post, No. 314, American Legion, Baisley Park, Jamaica, N. Y., requesting that veterans who receive World War adjusted compensation may be permitted to continue on relief rolls and on public-works projects, which was referred to the Committee on Finance.

He also presented a resolution of Rochester (N. Y.) Local Branch of the Glass Bottle Blowers' Association of the United States and Canada, protesting against the importation of glassware into the United States, which was referred to the Committee on Finance.

He also presented a resolution adopted at a mass meeting of dairymen of St. Lawrence and Franklin Counties, in the State of New York, urging ratification of the St. Lawrence Deep-Waterway Treaty, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Railroad Employees and Taxpayers' Association of the State of New York, Chenango Unit, of Norwich, N. Y., favoring the enactment of the so-called Pettengill bill to eliminate the long- and short-haul clause from the Interstate Commerce Act, which was referred to the Committee on Interstate Commerce.

He also presented a resolution of Club Topaz, New York City, N. Y., favoring the enactment of legislation to exempt licensed physicians, hospitals, and clinics from application of Federal laws which exclude supplies and medical literature relating to birth control from the mails and by common carriers, which was referred to the Committee on the Judiciary.

He also presented a memorial of the committee on Federal legislation of the New York County Lawyers' Association, of New York City, remonstrating against the enactment of legislation restricting the right of the United States Supreme Court to declare an act of Congress unconstitutional, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Rochester (N. Y.) Bar Association, favoring the enactment of the joint resolution (H. J. Res. 237) for the establishment of a trust fund to be known as the Oliver Wendell Holmes Memorial Fund, which was referred to the Committee on the Library.

He also presented a petition of the committee on Federal legislation of the New York County Lawyers' Association, of New York City, N. Y., praying for the enactment of legislation providing for the repeal of acts restricting the construction of new War Department buildings on Governors Island, which was referred to the Committee on Military Affairs.

He also presented a petition of several citizens of Yauco, P. R., praying for the enactment of legislation providing for the extension of benefits to Puerto Rico under the Social Security Act, the Federal Emergency Relief Administration, and to provide for the establishment of a public-welfare department as part of the insular government, which was referred to the Committee on Territories and Insular Affairs.

He also presented a resolution adopted by International Workers Order, Branch 517, of Brooklyn, N. Y., favoring the enactment of Senate bill 3475, the so-called workers' social insurance bill, which was ordered to lie on the table.

MAJ. GEN. JOHNSON HAGOOD

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in full in the CONGRESSIONAL RECORD and appropriately referred a resolution adopted by Ocean County Post, No. 3336, Veterans of Foreign Wars of the United States, of Legler, N. J., protesting against the removal of Maj. Gen. Johnson Hagood from command of the Eighth Corps Area.

There being no objection, the resolution was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

Be it resolved, That the Ocean County Post, of Legler, N. J., No. 3336, Veterans of Foreign Wars of the United States, this 27th day of February 1936, do protest the removal of Maj. Gen. Johnson Hagood from command of the Eighth Corps Area; be it further

Resolved, That copies of this resolution be forwarded to the national executive committee of the Veterans of Foreign Wars of the United States for its approval and support.

HAROLD STEVENS,
Adjutant, Ocean County Post, of Legler, N. J., No. 3336, Veterans of Foreign Wars of the United States.

By order of the commander.

WILLIAM A. VIGUS.

REPORTS OF COMMITTEES

Mr. BENSON, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1075. A bill for the relief of Louis H. Cordis (Rept. No. 1633);

H. R. 977. A bill for the relief of Herman Schierhoff (Rept. No. 1634);

H. R. 4638. A bill for the relief of Elizabeth Halstead (Rept. No. 1635);

H. R. 6335. A bill for the relief of Sam Cable (Rept. No. 1636); and

H. R. 8038. A bill for the relief of Edward C. Paxton (Rept. No. 1637).

Mr. BENSON also, from the Committee on Claims, to which was referred the bill (H. R. 4387) for the relief of Barbara Backstrom, reported it with an amendment and submitted a report (No. 1638) thereon.

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (H. R. 685) for the relief of the estate of Emil Hoyer (deceased), reported it without amendment and submitted a report (No. 1639) thereon.

He also, from the same committee, to which was referred the bill (S. 3685) for the relief of George Rabcinski, reported it with an amendment and submitted a report (No. 1640) thereon.

He also, from the same committee, to which was referred the bill (S. 2126) for the relief of Ralph Riesler, reported it with amendments and submitted a report (No. 1641) thereon.

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (S. 4019) for the relief of Catharine I. Klein, reported it without amendment and submitted a report (No. 1642) thereon.

He also, from the same committee, to which was referred the bill (H. R. 1252) for the relief of Odessa Mason, reported it with an amendment and submitted a report (No. 1643) thereon.

Mr. SCHWELLENBACH, from the Committee on Claims, to which were referred the following bills and joint resolution, reported them severally without amendment and submitted reports thereon:

H. R. 381. A bill granting insurance to Lydia C. Spry (Rept. No. 1644);

H. R. 4439. A bill for the relief of John T. Clark, of Seattle, Wash. (Rept. No. 1645);

H. R. 5764. A bill to compensate the Grand View Hospital and Dr. A. J. O'Brien (Rept. No. 1646); and

H. J. Res. 223. Joint resolution conferring upon the Court of Claims jurisdiction of the claim of the Rodman Chemical Co. against the United States (Rept. No. 1647).

Mr. LOGAN, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1419. A bill for the relief of George S. Geer (Rept. No. 1648); and

H. R. 1363. A bill for the relief of Petra M. Benavides (Rept. No. 1649).

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (H. R. 8061) for the relief of David Duquaine, Jr., reported it without amendment and submitted a report (No. 1650) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

H. R. 2982. A bill for the relief of Sarah Shelton (Rept. No. 1651); and

H. R. 3952. A bill for the relief of Mr. and Mrs. Bruce Lee (Rept. No. 1652).

Mr. HATCH, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 7024) to authorize the sale by the United States to the municipality of Hot Springs, N. Mex., the northeast half of the southeast quarter and the northeast quarter of the southwest quarter of section 6, township 14 south, range 4 west, Hot Springs, N. Mex., reported it with amendments and submitted a report (No. 1653) thereon.

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (S. 3990) to authorize the Secretary of the Treasury to dispose of material to the sea-scout service of the Boy Scouts of America, reported it without amendment and submitted a report (No. 1654) thereon.

Mr. MALONEY, from the Committee on Commerce, to which was referred the bill (H. R. 10975) authorizing a preliminary examination of Marshy Hope Creek, a tributary of the Nanticoke River, at and within a few miles of Federalsburg, Caroline County, Md., with a view to the controlling of floods, reported it without amendment and submitted a report (No. 1655) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 4025) to authorize a preliminary examination of the Republican River, with a view to the control of its floods, reported it without amendment and submitted a report (No. 1656) thereon.

Mr. JOHNSON, from the Committee on Commerce, to which was referred the bill (S. 3989) to provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries, reported it without amendment and submitted a report (No. 1657) thereon.

He also, from the same committee, to which was referred the bill (S. 3770) to award the Distinguished Flying Cross to Lincoln Ellsworth, reported it with amendments and submitted a report (No. 1658) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 2694. A bill to add certain lands to the Columbia National Forest in the State of Washington (Rept. No. 1659);

S. 3445. A bill to authorize the Secretary of Agriculture to release the claim of the United States to certain land within the Ouachita National Forest, Ark. (Rept. No. 1661);

S. 3580. A bill granting and confirming to the East Bay Municipal Utility District, a municipal utility district of the State of California and a body corporate and politic of said State and a political subdivision thereof, certain lands, and for other purposes (Rept. No. 1660); and

H. R. 9200. A bill authorizing the erection of a marker suitably marking the site of the engagement fought at Columbus, Ga., April 16, 1865 (Rept. No. 1663).

Mr. OVERTON, from the Committee on Commerce, to which was referred the bill (S. 3531) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries and for other purposes", approved May 15, 1928, reported it with amendments and submitted a report (No. 1662) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BONE and Mr. SCHWELLENBACH:

A bill (S. 4178) to authorize completion, maintenance, and operation of certain facilities for navigation on the Columbia River, and for other purposes; to the Committee on Commerce.

By Mr. HARRISON:

A bill (S. 4179) for the relief of Joe Basque; to the Committee on Claims.

By Mr. BORAH:

A bill (S. 4180) to amend the Farm Credit Act of 1935, to provide lower interest rates on Federal land-bank loans, and for other purposes; to the Committee on Banking and Currency.

By Mr. McADOO:

A bill (S. 4181) authorizing the construction of a new wing on the Veterans' Administration facility hospital at Los Angeles; to the Committee on Finance.

By Mr. BULOW:

A bill (S. 4182) to authorize the city of Chamberlain, S. Dak., to construct, equip, and maintain tourist cabins on American Island, S. Dak.; to operate and maintain a tourist camp and certain amusement and recreational facilities on such island; to make charges in connection therewith; and for other purposes; and

A bill (S. 4183) to authorize the city of Pierre, S. Dak., to construct, equip, maintain, and operate on Farm Island, S. Dak., certain amusement and recreational facilities, to charge for the use thereof, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. THOMAS of Oklahoma:

A bill (S. 4184) to amend the last paragraph, as amended, of the act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925; to the Committee on Indian Affairs.

By Mr. FLETCHER:

A bill (S. 4185) to amend the act entitled "An act to authorize the Secretary of Commerce to dispose of certain portions of Anastasia Island Lighthouse Reservation, Fla., and for other purposes", approved August 27, 1935, and for other purposes; to the Committee on Commerce.

By Mr. McKELLAR:

A bill (S. 4186) relative to acceptance as third-class mail matter of bills or statements of account produced by photographic or mechanical process; to the Committee on Post Offices and Post Roads.

By Mr. COPELAND:

A bill (S. 4187) to amend the Reconstruction Finance Corporation Act for the purpose of making loans to shipowners for increasing safety of life at sea on existing vessels; to the Committee on Banking and Currency.

A bill (S. 4188) for the relief of Franklin L. Hamm; to the Committee on Claims.

A bill (S. 4189) granting an increase of pension to Lillian P. Dowdney; to the Committee on Pensions.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee had presented to the President of the United States the following enrolled bills:

On March 4, 1936:

S. 3227. An act to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931.

On March 5, 1936:

S. 1111. An act for the relief of Alfred L. Hudson and Walter K. Jeffers;

S. 1683. An act for the relief of Robert L. Monk;
S. 1991. An act for the relief of Wilson G. Bingham;
S. 2469. An act for the relief of E. L. Hice and Lucy Hice;
S. 2590. An act for the relief of James E. McDonald;
S. 2618. An act for the relief of James M. Montgomery;
S. 2980. An act for the relief of Ruby Rardon;
S. 3001. An act for the relief of Walter F. Brittan;
S. 3274. An act for the relief of Mary Hobart;
S. 3399. An act for the relief of Rosalie Piar Sprecher (nee Rosa Piar); and
S. 3683. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department.

POWER OF CONGRESS OVER AGRICULTURE—AMENDMENT TO CONSTITUTION

Mr. McADOO. I introduce a joint resolution to amend the Constitution of the United States so that Congress shall have the power to enact laws in aid of agriculture and for its reasonable regulation. I ask that the joint resolution may be printed in the RECORD following my remarks, and that it be referred to the Committee on the Judiciary.

There being no objection, the joint resolution (S. J. Res. 225) proposing an amendment to the Constitution of the United States relative to the aid of agriculture was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by conventions in three-fourths of the several States:

"ARTICLE —

"SECTION 1. The Congress shall have power to enact laws in aid of agriculture and for its reasonable regulation.

"SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in the several States, as provided by the Constitution, within 7 years from the date of the submission hereof to the States by the Congress."

SUPERFLOOD CONTROL ON LOWER MISSISSIPPI—AMENDMENT

Mr. VANDENBERG. Mr. President, this morning the Committee on Commerce reported Senate bill 3531, which, in effect, provides for superflood control of the lower Mississippi River. The committee reported that bill in the face of a letter from the Secretary of War and the personal testimony of General Markham to the following effect—I quote from the letter of the Secretary of War:

It is impossible to estimate the ultimate cost to the United States of these many things. The Department feels that the Government should not be burdened with such an immeasurable responsibility.

In the face of that warning the bill has been reported. I ask, out of order, to submit an amendment which is in the nature of a substitute for the bill reported by the Committee on Commerce and which embodies the bill recommended by the Department. I ask that it be printed and lie on the table.

The VICE PRESIDENT. Without objection, the amendment will be received and lie on the table.

AMENDMENTS TO AGRICULTURAL APPROPRIATION BILL

Mr. POPE submitted an amendment intended to be proposed by him to House bill 11418, the Department of Agriculture appropriation bill for June 30, 1937, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 45, line 22, to strike out "$9,925,561" and insert in lieu thereof "$10,285,847", and, on page 49, line 9, to strike out "$1,578,632" and insert in lieu thereof "$1,731,362."

Mr. WHEELER submitted two amendments intended to be proposed by him to House bill 11418, the agricultural appropriation bill, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 47, line 19, to strike out "$150,000" and insert in lieu thereof "$250,000."

On page 94, line 21, to strike out "$7,082,600" and insert in lieu thereof "$8,000,000."

COINAGE OF 50-CENT PIECES COMMEMORATING INDEPENDENCE OF TEXAS—AMENDMENT

Mrs. CARAWAY submitted an amendment intended to be proposed by her to the bill (S. 3721) to provide for a change in the design of the 50-cent pieces authorized to be coined in commemoration of the one hundredth anniversary of independence of the State of Texas, which was referred to the Committee on Banking and Currency and ordered to be printed.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 8033. An act for the relief of Juanita Filmore, a minor; to the Committee on Claims.

H. R. 10194. An act granting a renewal of patent no. 40029, relating to the badge of The Holy Name Society; to the Committee on Patents.

ASSISTANT CLERK TO COMMITTEE ON COMMERCE

Mr. COPELAND submitted the following resolution (S. Res. 242), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Commerce is hereby authorized to employ for the remainder of the session of the Senate an assistant clerk, to be paid from the contingent fund of the Senate at the rate of $1,800 per annum.

NATIONAL LABOR RELATIONS LAW OF 1935—ADDRESS BY SENATOR WAGNER

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address on the National Labor Relations Law of 1935, delivered by my colleague [Mr. WAGNER] on Saturday, February 29, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Friends of the radio audience, the National Labor Relations Board is now actively engaged in the promotion of industrial peace and economic justice. As its first chairman, and as the sponsor of the legislation establishing it on a permanent basis, I am happy to discuss the objectives of the Board and the possibilities of their attainment.

The National Labor Relations Act of 1935 was born in the travail of a period when smoldering industrial animosity was being fanned into open warfare. In many cities from coast to coast, as we all remember so well, the gun and the club were brought into action, and for awhile violence was almost unchecked.

The desire to remedy such conditions was not limited to any particular group. It soon became a great public demand, because the public was the residuary legatee of the terrific cost of industrial conflict. And when Congress, which represents the public, studied the problem it became convinced that both employers and workers wanted a different solution from those tried unsuccessfully in the past. Most employers and employees realized that while a State might call out its militia, the military force of the mailed fist was not a desirable thing. Both realized also that courts of law might issue injunctions, but that no injunction could banish discontent from the minds of people who thought that they had been wronged. Both learned that peace might come as a sequence to terrible industrial warfare, but that such a procedure would leave one side abusing the excesses of victory and the other nursing the bitterness of defeat and subjugation.

For these reasons Congress turned its back resolutely upon such methods of failure. It sought instead to create an agency designed for harmony and mutual concessions. It established an impartial forum where employers and employees could appear as equals, where they could look with frank and friendly eyes into each others' problems, where they could banish suspicion and hatred, and where they could sign contracts of enduring peace rather than mere articles of uncertain truce.

Such a forum has been provided in the present National Labor Relations Board. The Board has been handicapped by a numerically inadequate staff, by the lengthy process involved in bringing its case before the Supreme Court, and by the willful obstruction of an arrogant minority. But despite these obstacles progress has been made because the Board is armed with a just cause; and because its three members—Chairman Madden, Mr. John Carmody, and Mr. Edwin Smith—have been courageous and forthright in vindicating the law. Some parties, it is true, have been hesitant about coming before the Board, and others have openly defied its authority. But the vast majority of those who have submitted their controversies in the proper spirit, whether business men or workers, have hailed the decisions as fair and beneficial to all.

It was not sufficient merely to create a forum. As an industrial court, the Board had to be vested with legal principles to govern its operations. For we do not believe in relying upon the caprices of men alone, but rather in the dignity and security of a guiding law. It was relatively easy, however, to enact this law, because the experience of employers and employees alike revealed a few

simple rules that must be observed if friendship and cooperation are to be obtained and if the causes for strife are to be removed.

What are these simple principles? The very first is that the American worker shall be a freeman economically as well as politically; that he shall be at liberty to affiliate with others of his kind for purposes of mutual advancement; that he shall not be prevented from entering the union of his own preference, or from remaining outside of any union if that is his desire. The second fundamental is that in order to make this freedom real, the worker shall not be tricked or dominated by a sham union that is created and financed by the employer and that exists only at the employer's pleasure. Such a creature is a mere puppet of the employer; it is not the representative of the worker's will. The third rule of fair play is that employees who desire to bargain collectively shall have the right to do so through representatives of their own choosing; and to make this selection effective, they must also have the right to participate in a democratic election under the protection and supervision of the Government. In such an election there can be no rule but majority rule. The final principle is that after such an election is held and its results determined, no one shall have the right to reduce the law to a joke by refusing arbitrarily to meet in good faith with representatives who have been properly named.

The overwhelming majority of Americans of all types, whether they work with their hands or their minds, or both, whether they are in the so-called working class or not, whether they feel the need of unionism or not, cherish this creed of freedom as their own. The average businessman of America believes in it not only because he desires industrial peace but also because he values industrial democracy. He knows that only by cooperation on a basis of equality can the great problems which handicap our entire civilization be solved. He regards it as essential to his welfare to absorb the millions of men who are yet unemployed, to protect the jobs that are now constantly threatened by technological changes, or the displacement of men by machines; and to maintain an adequate purchasing power in the pockets of the consuming public. The businessman knows that a class of industrial serfs will bring him the fate of the feudal lord. His own interests require a class of free men.

The workers of this country support the new law for much the same reasons. They are convinced upon the proposition that their right to some voice in determining their conditions of employment is as fundamental as their right to some voice in the government from which they get their laws. They do not want to control or dictate, but merely to have a human place in industry.

These democratic objectives might therefore be called the economic creed of all America, and the national labor-relations law is the charter. None but the enemies of the creed are determined to flaunt the charter. And even they find these simple principles so obviously just, so honored in the hearts and minds of the average American, that they are forced to resort to indirection. They are assuming the fantastic position of professing to agree with the objectives of the national labor-relations law, but disagreeing with any attempt by the Government to make these objectives attainable. It is too bad that they could not discover a less transparent subterfuge. They might as well give three cheers for liberty of expression, and then advocate repealing the constitutional guaranty of a free press. They might as well come out for freedom of person, and then suggest that we should suspend the writ of habeas corpus.

The country will not be deterred by such shallow objections. In the eyes of the people, the National Labor Relations Act does not stand apart. It is an integral part of a national effort to reduce involuntary unemployment and destitute old age; to curb child labor and the sweatshop; to tear down the slums; to provide steady prosperity and fair profits for business; to diminish economic strife; and to give a better chance to the talented and the industrious.

This national effort has already accomplished too much to fear destruction by its enemies. The only danger is that its friends might sink back into smug satisfaction, thus failing to profit by the mistakes that have been made, and ignoring the social evils that must still be cleared away. The future beckons with undiminished opportunities to serve the cause of social justice. I am sure that such a cause will never lack recruits, and in the end will become an all-powerful force for public good.

THE TOWNSEND OLD-AGE-PENSION PLAN

Mr. SMITH. Mr. President, I ask unanimous consent to have printed in the RECORD a letter on the Townsend old-age-pension plan which is published in the Washington Daily News of today.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of Mar. 5, 1936]

HE SHOWS SIMPLY THAT TOWNSEND'S PLAN WON'T WORK

EDITOR, THE NEWS:

I have read many discussions of the Townsend plan and have yet to discover the simple explanation that shows the stupidity and utter futility of this panacea for all our political and economic ills.

Having had 15 years' experience in serving the Washington public in the sale of life insurance and annuities, it seems to me that the one practical way for the Government to determine the cost of the annuities promised under this plan is to figure the cost of a single premium annuity for each of those to be entitled to benefits.

If the Government today was to purchase these annuities, the cost would be more than the total wealth of our Nation. From the World Almanac I estimated that there would be around 12,000,000 citizens entitled to participate. The cost to the Government would be over $300,000,000,000 if these annuities were purchased in any of the old-line life insurance companies in America.

J. FRANK FOOSHE, Jr.

INDUSTRIAL CONDITIONS IN CONNECTICUT—ARTICLE FROM HARTFORD TIMES

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the Hartford (Conn.) Times of Monday, March 2, 1936, concerning industrial conditions in Connecticut, as determined after a poll among industrialists by the Connecticut Chamber of Commerce. The Hartford Ttimes is one of the chain of newspapers controlled by Mr. Gannett.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Hartford (Conn.) Times of Mar. 2, 1936]

STATE INDUSTRY HUMS WITH BUSINESS BOOM—INCREASE OF 26.7 PERCENT SHOWN IN 1935, ACCORDING TO CHAMBER OF COMMERCE SURVEY—EMPLOYMENT UP BY 10 PERCENT—PRICES TURN HIGHER

Connecticut's industries showed an increase in business of 26.7 percent in 1935 compared with 1934, a gain of about 10 percent in the number of persons employed and a definite trend toward higher prices for their products.

These data have been compiled by the executive offices of the Connecticut Chamber of Commerce from 216 replies to a questionnaire which contained 2 queries concerning business conditions.

Although the survey reveals business to be improved, a note of warning may be observed in replies which declare competition from Japan and Germany to be making serious inroads in certain types of industry. The devaluation of the American dollar and its effect on foreign exchange rates, preferential duties and reductions in tariff rates were also stated to be important factors in business declines in these fields.

ANSWERS VOLUNTARY

The chamber's survey resulted in specific information from manufacturing companies whose total capital stock is in excess of $200,000,000. These concerns represent the lifeblood of Connecticut industry. With the results of the survey, executives answered freely and without reserve the questions asked.

The first query pertained to improvement in business and the percentage of gain or loss. All but 35 companies reported an increase. Of these 35, only 3 showed a loss, business for the others remaining at about the same level as in 1934.

Percentage gains in business varied from 2 to 100 percent. More than 62 percent of the companies reported business of 20 percent or more. Answers to the average number of persons employed indicated a 10-percent rise in the use of labor, but the true picture is not obtained without adding that many companies, while reporting only a slight increase in personnel, rose considerably in hours of employment.

PRICE LEVELS GAIN

The chamber's survey showed a definite trend toward higher price levels, with the amount of gain depending upon the type of industry. In a few cases prices were lower, with higher values anticipated.

The fourth question was concerning the necessity of meeting the depression's exigencies through the manufacturing of new lines of goods, and the replies indicated quite clearly that manufacturers in this State were possessed of such staple and outstanding goods that they were not forced, in general, to test their ingenuity by developing other lines.

In some cases special custom work was taken on to maintain volume, while in other instances it was reported that regular lines had been extended and more uses worked out for products of a similar character. Only a few reported the addition of lines entirely different from those for which they were organized to manufacture, and it is significant that in no instance was the original product of manufacture dropped or temporarily discontinued.

FIGHT SUBSTITUTES

Reports that industries in this State were being forced to compete against substitute materials prompted the fifth question, "During the depression has any substitute product appeared which endangers your staple line; and if so, what dollar percent of your total business is thus affected?" Replies revealed substitutes had made some inroads into the wool, silk, and cotton industries.

Chief among the problems was the growing use of rayon, certain mixes and wool substitutes, new printing processes, second-hand bricks, and the serious competition afforded by the importation of Japanese and German goods; manufacturers feeling the latter competition operated in the electrical appliance field and also put out gears and other mechanical devices, while the hat industry reported competition from these two nations.

About 18 percent of the replies to this query were to the effect that business had been adversely affected by substitutes and cheaper materials from foreign countries, while the dollar percentage of their business thus affected ranged from 5 to 100.

One company reported that the low cost of labor in Europe enabled manufacturers on that continent to export goods to the United States which could be sold cheaper than American compa-

nies could manufacture them, and this notwithstanding the tariff. The treaty with Canada was reported to have helped some businesses, while aid was also received by a few companies by the devaluation of the dollar.

LARGE EXPORT BUSINESS

The analysis showed that more than 50 percent of the reporting firms do business abroad. This export trade is in all parts of the world. The extent of foreign business done by some of the Connecticut concerns was as high as 80 percent of total volume.

The survey was completed with a question concerning future business conditions. Almost all of the replies anticipated business as good or better in the first half of the current year. A number of executives added, however, that this would be contingent upon noninterference by the Government with too many rules, regulations, and statutes. The following towns were represented in the compilation:

MANY TOWNS REPRESENTED

Ansonia, Bridgeport, Beacon Falls, Berlin, Bethel, Bristol, Broad Brook, Central Village, Collinsville, Danbury, Derby, Durham, East Berlin, East Hampton, East Killingly, Fairfield, Forestville, Glascow, Glastonbury, Groton, Hamden, Hartford, Jewett City, Meriden, Middletown, Middlefield, Milford, Millidale, Mount Carmel, Moodus, Mystic, Naugatuck, New Britain, New Haven, New London, North Haven, Norwich, Norwalk, Oakville, Plainville, Plantsville, Rockville, Rocky Hill, Salisbury, Sandy Hook, Simsbury, South Norwalk, South Manchester, Stafford Springs, Stamford, Stonington, Terryville, Thomaston, Torrington, Versailles, Wallingford, Waterbury, Watertown, Waterville, West Cheshire, West Haven, Willimantic, Waterford, Winsted, and Rockfall.

RURAL ELECTRIFICATION

The Senate resumed the consideration of the bill (S. 3483) to provide for rural electrification, and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Nebraska [Mr. NORRIS].

The amendment of Mr. NORRIS is as follows:

On page 2, line 9, strike out section 3 and in lieu thereof insert the following:

"SEC. 3. (a) The Reconstruction Finance Corporation is hereby authorized and directed to make loans to the Administrator, upon his request approved by the President, not exceeding in aggregate amount $50,000,000 in each of the fiscal years ending, respectively, June 30, 1937, and June 30, 1938, with interest at 3 percent per annum, upon the security of the obligations of borrowers from the Administrator appointed pursuant to the provisions of this act or from the Administrator of the Rural Electrification Administration established by Executive Order No. 7037: *Provided*, That no such loan shall be in an amount exceeding 85 percent of the principal amount outstanding of the obligations constituting the security therefor: *And provided further*, That such obligations incurred for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems shall be fully amortized over a period not to exceed 25 years, and that the maturity of such obligations incurred for the purpose of financing the wiring of premises and the acquisition and installation of electrical and plumbing appliances and equipment shall not exceed two-thirds of the assured life thereof and generally not more than 5 years. The Administrator is hereby authorized to make all such endorsements, to execute all such instruments, and to do all such acts and things as shall be necessary to effect the valid transfer and assignment to the Reconstruction Finance Corporation of all such obligations.

"(b) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1939, and for each of the 7 years thereafter, the sum of $40,000,000 for the purposes of this act as hereinafter provided.

"(c) Fifty percent of the annual sums herein made available or appropriated for the purposes of this act shall be allotted yearly by the Administrator for loans in the several States in the proportion which the number of their farms not then receiving central station electric service bears to the total number of farms of the United States not then receiving such service. The Administrator shall, within 90 days after the beginning of each fiscal year, determine for each State and for the United States the number of farms not then receiving such service.

"(d) The remaining 50 percent of such annual sums shall be available for loans in the several States and in the Territories, without allotment as hereinabove provided, in such amounts for each State and Territory as, in the opinion of the Administrator, may be effectively employed for the purposes of this act and to carry out the provisions of section 7: *Provided, however*, That not more than 10 percent of said unallotted annual sums may be employed in any one State or in all of the Territories.

"(e) If any part of the annual sums made available for the purposes of this act shall not be loaned or obligated during the fiscal year for which such sums are made available, such unexpended or unobligated sums shall be available for loans by the Administrator in the following year or years without allotment: *Provided, however*, That not more than 10 percent of said sums may be employed in any one State or in all of the Territories: *And provided further*, That no loans shall be made by the Reconstruction Finance Corporation to the Administrator after June 30, 1938."

Mr. KING. Mr. President, may I state to the Senator from Nebraska [Mr. NORRIS] that the amendment under consideration is an improvement over the original bill. It has provisions, however, that I regard as objectionable and unconstitutional. I desire to ask the Senator in regard to the provision reading as follows:

That no such loan shall be in an amount exceeding 85 percent of the principal amount outstanding of the obligations constituting the security therefor.

How will the other 15 percent be obtained?

Mr. NORRIS. Mr. President, the Senator's question is a very proper one. As a matter of fact, unless the Rural Electrification Administration had some loans outstanding this provision would not be self-operating, but by the time the pending bill shall go into effect as the law the Administrator will have enough securities that he has taken on the work he has already done so that with the new work added he could borrow 85 percent of the total. In other words, he already has a working capital, so to speak. If he had not been doing business or if the President had not made any allotments under the existing order authorizing him to make allotments for this purpose, of course there would be no way to get the 15 percent.

The theory of it is that the Administrator, when the bill goes into effect as the law, can borrow from the Reconstruction Finance Corporation whatever is necessary. He will have borrowed already probably $15,000,000 or $20,000,000, and will have that amount of securities which, added to what he can put up on the basis of new work, would enable him to get the remaining 85 percent of the necessary money.

While the amendment authorizes the lending of $50,000,000 for each of 2 years, the practical effect will be that there will not be $50,000,000 of work put into effect, but only 85 percent of that amount. As a matter of fact, while the Reconstruction Finance Corporation is authorized to loan $50,000,000 for each of the first 2 years, the work that will be done under those loans would not exceed $42,500,000, as I figure it.

I wonder if I have made myself clear.

Mr. KING. I think I understand the Senator's explanation.

Mr. NORRIS. I realize that, perhaps, I have not stated the matter clearly. The Senator will understand that if there was no working capital and if we started anew and were going to do all the business by borrowing from the Reconstruction Finance Corporation, and if we permitted the Reconstruction Finance Corporation to lend only 85 percent, the Rural Electrification Administration would really be stalled in the beginning because there would be no way to get the other 15 percent.

Under existing circumstances there are two ways in which the working capital may be obtained, as I understand it. The first is that by the time the bill goes into effect as a law, say, at the beginning of the next fiscal year, the Administrator will have outstanding certificates of indebtedness, notes, mortgages, and so forth, which he will take on operations conducted under the President's order, amounting probably to $15,000,000 or $20,000,000. He can borrow on those only to the extent of 85 percent, so that what he would put in, added to the capital on hand, would enable the Reconstruction Finance Corporation always to lend the necessary amount.

The other way would be for the President to add to the allotments from time to time. I suppose up to the time the bill goes into effect as a law he will do that under the law under which the Administrator is operating now. The Administrator gets all the necessary money under the President's order which he has issued by virtue of the statute we enacted authorizing the President to set aside $100,000,000 for that purpose.

Mr. KING. May I ask the Senator another question? What becomes of the $100,000,000 which was set aside by the President under the Executive order referred to, to be used in this electrical experiment or enterprise?

Mr. NORRIS. That fund is being used now, but a comparatively small part of it has been set aside. That is where the Rural Electrification Administration now gets its money. The President has authority, under that large appropriation bill we passed giving him various authorities, to set aside $100,000,000 for this purpose, and that is where the R. E. A. is getting the money now.

Mr. KING. Does the Senator understand that the $100,000,000 is to remain under the control of the President?

Mr. NORRIS. I understand that when they begin operations under the pending bill, if there is any of that $100,000,000 left, it will not be used. It will simply go back into the Treasury. I cannot give the Senator the figures offhand. It is a comparatively small part of the $100,000,000 that has been used up to the present time.

Mr. KING. I think I can advise the Senator as to the amount. I have been told that up to July last they have expended only $400,000, but they have incurred obligations or entered into contracts amounting to approximately $6,000,000. No part of this last-named sum has been expended.

Mr. NORRIS. I have the definite figures somewhere among my papers. I can look them up and give the exact amount to the Senator. I invite the Senator's attention to a press release in which is set forth what has recently been done in the way of work.

Mr. KING. I may say that Mr. Cook was kind enough to send me various releases, advertisements, and documents, all of which I have before me, and among them is the release to which the Senator refers. My understanding is that only about $400,000 has been drawn from that $100,000,000——

Mr. NORRIS. I think it is more than that.

Mr. KING. And that the contracts which have been entered into call for approximately $6,000,000.

Mr. NORRIS. I think it will be a little more than that. Of course, that is increasing every day. The release which we have been discussing sets forth some contracts by which they are obligated to furnish the money, and that will increase the amount the Senator has stated.

Mr. KING. It seems to me there ought to be a provision in the Senator's bill requiring the reversion back to the Treasury of the United States of all of the $100,000,000 except that which may have been expended at the date this bill becomes law.

Mr. NORRIS. I do not see any necessity for such a provision. I have forgotten when the law expires. It is not a continuing law. There is a limitation to it; and when that time limit arrives, or when the R. E. A. commences to operate under the pending bill, I anticipate there will be no more money expended from the $100,000,000 unless it shall have been allocated prior to that time in order to fulfill contracts which the Rural Electrification Administration has made previously.

Mr. KING. May I ask the Senator whether he understands the organization which is now operating would have the authority to enter into contracts that would absorb the entire $100,000,000, and in addition thereto permit the expenditure of the $50,000,000 which under the amendment is to be authorized for the first year.

Mr. NORRIS. Oh, no. I understand when they commence to operate under this bill they will get no more money out of the $100,000,000.

Mr. KING. In my opinion, it would be very improper for the organization to enter into contracts pending the passage of this bill in order to consume as much as possible of the $100,000,000. It seems to me there should be some restrictions upon the power of the organization to spend any part of the one hundred million except when contracts are outstanding.

Mr. NORRIS. If the Senator will permit me, they are not operating that way. If there is an organization that is conservative and trying to make these projects self-liquidating it is the Rural Electrification Administration. There will be no attempt to take any technical advantage of any situation that may arise.

Mr. KING. I agree with the Senator that they have been modest in their drafts upon the $100,000,000. Although they have been in operation now for nearly 1 year, they have entered into contracts approximating in amount only $6,000,000. This indicates the unwisdom of appropriating such huge sums as are authorized by the pending bill.

The amendment offered by the Senator from Nebraska is an improvement upon the bill as it was introduced by him, in that it reduces the ultimate expenditure, and therefore the charge upon the Treasury, from $1,000,000,000 to $500,000,000, or thereabouts. However, I do not approve of the plan to obtain loans of $100,000,000 from the R. F. C. Whatever amount is to be provided for the organization should be directly appropriated from the Treasury of the United States. The plan now suggested is to indirectly obtain money from the Treasury of the Government. Why utilize an organization—the Reconstruction Finance Corporation—which has been set up for certain purposes but not to provide funds for the Rural Electrification organization. The Government may be required to back any loans made by the R. F. C. to this organization. And the Government will be liable for the defaults or losses of the organization referred to.

Although I am opposed to the bill I prefer a direct and open policy which calls for a specific appropriation from the Treasury. It seems to me that the plan suggested tends to obscure or hide from the public the fact that the Treasury of the United States must pay out in cash the $100,000,000 for the first 2 years of the organization's operations. It is becoming very common to use the Reconstruction Finance Corporation—whether or not this plan is to circumvent legal questions which might be raised as to the constitutionality of certain loans or certain activities of the Government I cannot say. But the fact is that money is being siphoned out of the Treasury, directly or indirectly, in meeting the credits extended by the R. F. C. I regard this policy as unwise and unsound.

Mr. President, I know that any opposition to the bill will be futile, and I shall pretermit any further observations with regard to this amendment, but shall discuss the matter more fully when I come to offer the substitute amendment which was read to the Senate yesterday. It is on the desks of all Senators.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. NORRIS].

The amendment was agreed to.

Mr. NORRIS. Mr. President, I have several other amendments which are made necessary by the one just adopted.

On page 3, lines 13 and 14, I move to strike out the words "to be appropriated."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska.

The amendment was agreed to.

Mr. NORRIS. On page 4, lines 11 and 12, I move to strike out the same words, "to be appropriated."

The amendment was agreed to.

Mr. NORRIS. On page 5, line 15, I move to strike out the same words, "to be appropriated."

The amendment was agreed to.

Mr. NORRIS. On page 7, line 24, I move to strike out "obligation created" and insert "loans made by the Administrator."

The VICE PRESIDENT. This amendment is in a committee amendment heretofore agreed to. Without objection, the action on the committee amendment will be reconsidered. The question is on agreeing to the amendment offered by the Senator from Nebraska to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. NORRIS. On page 8, line 5, I move to strike out the period after the word "due" and insert a colon and the following words:

And provided further, That the provisions of this section shall not apply to any obligations, or the security therefor, which may be held by the Reconstruction Finance Corporation under the provisions of section 3.

The VICE PRESIDENT. This amendment also is in a committee amendment heretofore agreed to. Without objection, the vote whereby the committee amendment was agreed to will be reconsidered. The question is on agreeing to the amendment offered by the Senator from Nebraska to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. McKELLAR. Mr. President, I desire to ask the Senator from Nebraska a question about an amendment which was agreed to yesterday, beginning on page 7, line 14. The amendment reads:

The Administrator may make such expenditures (including expenditures for personal services; supplies and equipment; lawbooks and books of reference; directories and periodicals; travel expenses; rental at the seat of government and elsewhere; the purchase, operation, or maintenance of passenger-carrying vehicles; and printing and binding) as are appropriate and necessary to carry out the provisions of this act.

There seems to be no limitation of any kind there. The language is different from that of section 4. If the Senator will turn back to that section, he will see that it reads:

The Administrator is authorized and empowered, from the sums hereinbefore authorized to be appropriated, to make loans—

And so forth. I am quite sure the Senator from Nebraska agrees with me in thinking there ought to be the same limitation as to these expenditures, including expenditures for personal services, that there is in section 3; and I am wondering if the Senator will not agree to a reconsideration of the vote by which the amendment to section 11 was agreed to so that the two sections may be brought in harmony with one another by incorporating the words which are found in section 4. I think the Senator yesterday suggested some such language as "where the appropriation is made."

Mr. NORRIS. Let me say to the Senator that yesterday, after considerable debate not only yesterday but previously, I offered such an amendment.

Mr. McKELLAR. I was not present during that debate.

Mr. NORRIS. I observed that the Senator voted, however.

Mr. McKELLAR. Yes; I voted because I think there ought to be a limitation.

Mr. NORRIS. I really thought that if the Senator had been here during the debate, he would at least have voted for the amendment I offered.

Mr. McKELLAR. I am quite sure I would.

Mr. NORRIS. And I think that would have cured any possible difficulty that may arise. The reason why I did not demand a roll call, or a rising vote, or anything of the kind, was because I noticed in the votes that all those who were fighting this entire measure, who were opposed to everything in it, voted to kill my amendment; and I offered the amendment to satisfy them more than anything else. When they killed it I thought I would not make any further effort to put it in. If, however, the Senator wishes to reconsider the vote on this committee amendment for the purpose of offering that amendment to it, I have no objection.

Mr. McKELLAR. I shall be very glad to have that done. If the Senator will give me the exact language, I shall ask unanimous consent to have it agreed to.

Mr. NORRIS. We can do that if the Senator will help me out on the other votes.

On page 7, line 14, after the word "Administrator", insert the words "within appropriations made therefor."

Mr. McKELLAR. I ask unanimous consent that the vote whereby the committee amendment in section 11 was agreed to may be reconsidered in order to permit the adoption of this amendment.

The PRESIDENT pro tempore. Without objection, the vote is reconsidered. The question is on agreeing to the amendment offered by the Senator from Tennessee to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. KING. Mr. President, may I ask the Senator from Nebraska what disposition will be made, then, of the amendment found on page 8 of the reprint, beginning in line 2 and terminating in line 9?

Mr. NORRIS. That is the amendment we have been talking about. On the official print of the bill it appears at a different place; that is all. It has been agreed to.

Mr. KING. Calling attention, then, to the reprint, will the Senator indicate on the reprint where the language just accepted as an amendment will be?

Mr. NORRIS. Right after the word "Administrator", in line 2, page 8, so as to read:

The Administrator, within appropriations made therefor—

And so forth.

Mr. LOGAN. Mr. President, I desire to ask the Senator from Nebraska a question, if he will be kind enough to answer it. I presume all amendments now have been adopted.

Mr. NORRIS. Yes, sir; that is correct.

Mr. LOGAN. I desire to ask the Senator whether the bill takes care of a situation such as this:

Suppose a corporation, association, or subdivision of a State or Territory desires to put in an electrification system. Is there anything in the bill to prevent such association or corporation from selling and transferring its property and rights to a private corporation after it has secured the money from the Government with which to build its plant? What would prevent a power company from going into a community, having an organization set up so as to get the money, and after the organization had built a plant, then buy its entire equipment and get the use of the Government's money at a very low rate? Is there anything in the bill that would prevent such a thing?

Mr. NORRIS. I do not think there is, I will say to the Senator.

Mr. LOGAN. Then I should like to offer an amendment to the bill, to add at the end of section 7 this language:

No corporation or association, State, or Territory, or subdivision of such State or Territory, shall sell or dispose of its property rights or franchises acquired under the provisions of this act to any private corporation, individual, or association without the approval first obtained of the Rural Electrification Administration.

Mr. NORRIS. I have no objection to the amendment.

Mr. LOGAN. I offer the amendment.

Mr. KING. Mr. President, may I inquire of the Senator from Kentucky whether he construes the measure before us now as authorizing States or municipalities, towns which are incorporated, to become the beneficiaries of the proposed act and secure loans from the Government of the United States?

Mr. LOGAN. I am not sure. I thought it contained such provision. It provides:

The Administrator is authorized and empowered, from the sums hereinbefore authorized to be appropriated, to make loans to States, Territories, and subdivisions and agencies thereof, municipalities, people's utility districts, and cooperative, nonprofit, or limited-dividend corporations and associations organized under the laws of any State or Territory of the United States.

As I construe the bill, the Rural Electrification Administration could make loans to municipalities or States or to subdivisions of States.

The amendment I am proposing to offer at this time is intended to prevent a city or a State obtaining money from the Government and putting in a lighting plant or a power plant and after it has it completed turning it over to a private corporation operating for profit. That is what I had in mind when I suggested the amendment.

I do not think, as I read the bill, that there is in it anything at all that would prevent a city or a county or a subdivision or an association or a corporation from securing what it might need from the Federal Government in order to establish its plant and its system and then, after the plant is established, selling it to some profit-making corpo-

ration. If there is anything in the bill to prevent that, I have not found it.

Mr. NORRIS. I do not think there is anything to prevent it.

Mr. LOGAN. That is the reason why I am offering the amendment, because I believe that before a thing like that should be allowed authority should be secured from the Rural Electrification Administration.

Mr. NORRIS. I should like to ask the Senator a question. I am very glad he has offered the amendment; I am very much in favor of it, but it has been suggested by the Senator from Michigan [Mr. COUZENS], who sits by my side, that probably we ought to provide, instead of the words "without the consent of the Rural Electrification Administration", that it be made impossible to transfer the property until at least all the indebtedness owed to the Government has been paid, not even giving the Administrator of the Rural Electrification Administration the power to permit such a thing until a settlement of the indebtedness.

Mr. LOGAN. I would have no objection to that. The only object I have in mind is to prevent the use of funds provided by the Government to enlarge the plants of private corporations.

Mr. NORRIS. I will ask the Senator whether he will not modify his amendment so as to provide that the property shall not be transferred until all the money owed the Government is repaid.

Mr. LOGAN. I can do better than that. I will withdraw the amendment for the time being, and ask the Senator from Nebraska to help me modify it, and then it can be reoffered.

Mr. NORRIS. Very well.

Mr. KING. Mr. President, in the light of the discussion which has just occurred upon the amendment tendered by the Senator from Kentucky [Mr. LOGAN], does the Senator from Nebraska understand that the bill had in mind the furnishing of funds to cities and States for the purpose of buying electrical plants, or setting up electrical plants and distribution systems? I may say that my understanding of the bill was that its primary and only purpose was to take care of farmers who did not have electrical facilities.

Mr. NORRIS. That is correct, but still we thought it necessary to give authority to a city, if it is to build a farm line, or supply electricity to an organization of farmers. It will often happen that there is no place within transmission radius of such an organization of farmers where they can get electricity, and they would be prevented from making a success of their organization unless they could buy electricity somewhere. In such a case, under the bill, the administration could lend money to a municipality if it were going to supply such farmers with electricity; but in no case could a loan be made to a municipality, or to any other subdivision, unless the real object was to supply electricity to an organization of farmers.

The Senator can see that we could not very well make a fast rule, because it might well occur, and probably would, that sometimes a municipality would have sufficient electricity to take care of the needs of the farmers and in addition have a surplus with which to supply its own people. Perhaps it would use part of it for its own people at peak times. I take it that in such a case, if there were no other place for an organization of farmers to get electricity within reasonable transmission distance of the city, the city might borrow money under the proposed act in order to construct a generating plant so as to supply the farm organizations to be formed under the measure. Do I make myself clear?

Mr. KING. I think so. Does not the Senator think, under such a construction of the bill, there will be a considerable effort made by municipalities, counties, and States to go into the electric-light business, ostensibly to furnish light to farmers, but, in reality, to furnish light to urban populations, to cities, and to congested areas; and does the Senator think it wise or proper for the Federal Government to make large loans of money for the purpose of enabling municipalities, counties, or States to enter into the electric-light business per se?

Mr. NORRIS. Of course, that is not the object of the proposed legislation; but I should have to concede that there might be instances, such as that I have tried to describe to the Senator, where a municipality would in part supply electricity for its own people, in addition to the farm organization. I do not know any way by which to frame the law so that could not be done, and, in my opinion, that is not a bad thing anyway.

Mr. WALSH. Mr. President, will the Senator from Utah yield to me?

Mr. KING. I yield.

Mr. WALSH. As I understand the colloquy which has taken place between the Senator from Nebraska [Mr. NORRIS] and the Senator from Utah [Mr. KING], if a municipality owns a municipal lighting plant and there is a nearby farm area not covered by lighting facilities, it may be possible for an organized group to borrow money for the purpose of extending the facilities so as to take care of that rural section. Am I correct?

Mr. KING. That is the answer made by the Senator from Nebraska.

Mr. WALSH. What about the case where there is a private lighting company near such a rural section and they desire to extend the facilities to that rural section? Is there anything in the bill to permit them to borrow money in order to do that?

Mr. KING. I do not know. Obviously, if they can get money from the United States Government, it will prevent private companies from getting capital and building plants.

Mr. WALSH. I had assumed that the object of the bill was, in those areas where it has been found by private companies and municipalities that it is not profitable to furnish light to rural sections, to have groups in such sections organize and borrow money and establish small plants of their own. I had assumed that was the objective of the bill.

Mr. KING. There are restrictions in the bill so that it would not accomplish that result. Indeed, it seems to me that the door would be wide open for counties and cities and States to embark upon the electrical business if there were contiguous rural districts and farms which did not have electric lights.

Mr. WALSH. As I understand the views of the Senator from Nebraska, that can only be done in cases where there is an existing municipal or county plant which desires to extend its plant. Am I correct?

Mr. NORRIS. I think as a practical proposition the Senator is correct; but in theory, possibly, they would have the right to build a new plant if, in the judgment of the Administrator, they supplied sufficient electricity to a farm organization to insure a practical compliance with the law.

Let me say this to the Senator from Massachusetts. Suppose there should be a municipality in a good agricultural section which had no electric lighting system. It would probably be a small town. Around that town within easy transmission distance there might be formed half a dozen farm organizations.

However, those farm organizations—suppose there were half a dozen of them—would not take enough electricity to make it advisable for the organizations themselves to build a generating system. Suppose in that case the municipality said, "We will build a system large enough to supply these farm organizations as well as ourselves." I should think in that sort of case, even though there was not an existing plant, they would have authority to borrow money.

Mr. WALSH. That infers, of course, that there is no competition with any existing private or municipal plant.

Mr. NORRIS. Yes.

Mr. WALSH. In other words, they could borrow money for a new unit; is that correct?

Mr. NORRIS. Yes.

Mr. WALSH. That is what I understand to be the main purpose of the bill; that in rural sections where private enterprise has not undertaken to furnish light or where a municipality has not done so, there will be opportunities given for groups of individuals, or, as the Senator says, in

some cases a town or municipality itself, to set up in such rural sections units for lighting purposes.

Mr. NORRIS. Yes. I have given the Senate an illustration which I think applies, but which I believe to be a very extreme case, which probably will never happen, though I suppose possibly it might happen. I now wish to read a statement which I think applies here very well.

Mr. WALSH. May I add an observation to what has been said by the Senator from Nebraska?

Mr. NORRIS. Yes.

Mr. WALSH. Do I understand that in no case can a private company do the thing the Senator is describing?

Mr. NORRIS. No; it cannot. A private company cannot borrow any money, but a private company may sell, and probably in a majority of cases, at least to begin with, will sell to the organizations which are made up of farmers the electricity they are going to use.

Mr. LOGAN. Mr. President, I desire to offer an amendment to the pending bill. I have gone over the matter with the Senator from Nebraska [Mr. NORRIS]. I propose to insert, after section 7, the following language:

No corporation or association, State or Territory, or subdivision of such State or Territory, shall sell or dispose of its property, rights, or franchises acquired under the provisions of this act, to any private corporation, individual, or association, until any loan obtained from the Rural Electrification Administration, including all interest and charges, has been repaid, and thereafter only with the approval of the Rural Electrification Administration.

I offer that as an amendment.

Mr. BORAH. Mr. President, what is the effect of that amendment? Is not its effect to prohibit the sale to private corporations or enterprises?

Mr. LOGAN. As I stated awhile ago, I may say to the Senator from Idaho, there is nothing in the bill, as I read it, to prevent loans being secured by cities, or municipalities, or subdivisions, or of associations of farmers or corporations, and after having secured a loan and put in a plant and equipped it, then it could be sold to a private corporation operating for profit. So my amendment provides that such a sale shall not be made until the loan has been repaid, and thereafter it can only be made with the approval of the Rural Electrification Administration.

Mr. BORAH. I can well understand that there might be instances under this bill where it would be of advantage to sell.

Mr. LOGAN. That might be true. As I originally drafted the amendment, it only required the approval of the Rural Electrification Administration for a sale; but at the suggestion of the Senator from Michigan [Mr. COUZENS] and the Senator from Nebraska [Mr. NORRIS] I put the provision in there that it should not be sold at all until the loan had been repaid, and thereafter it could only be sold with the approval of the Rural Electrification Administration. Cases might arise where it would be proper to sell to a private corporation, but in such cases I suppose the loans could be repaid and then the property could be sold.

Mr. BORAH. The loan would have to be taken care of before the sale could be made?

Mr. LOGAN. Yes; that is true.

Mr. BORAH. I am offering only a suggestion, but it seems to me that to restrain the right to sell under all circumstances might work detrimentally to the cause.

Mr. LOGAN. I do not think it restrains under all circumstances; but if there is no such provision, then there is nothing to prevent any power or light company from creating organizations anywhere, getting the money, having the plant established and built as a scheme, and then buy it from the local organization after the plant has been built with cheap money. That is what I am trying to prevent.

Mr. JOHNSON. Mr. President, may we have the amendment read again, please?

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of section 7, it is proposed by Mr. LOGAN to insert the following language:

No corporation or association, State or Territory, or subdivision of such State or Territory, shall sell or dispose of its property, rights, or franchises acquired under the provisions of this act to any private corporation, individual, or association until any loan obtained from the Rural Electrification Administration, including all interest and charges, has been repaid, and thereafter only with the approval of the Rural Electrification Administration.

Mr. WALSH. Mr. President, will the Senator yield to me for a question?

Mr. LOGAN. I yield.

Mr. WALSH. Assuming one of these organizations which have set up a plant for furnishing electricity to a rural section becomes financially embarrassed, that it finds that it is unable to sell the electricity at a price sufficient to pay back the obligation it owes to the Government, should it not be possible for that corporate group to sell to a private electric company or to a municipal electric company adjoining it, its poles and wires and other facilities to furnish electricity at a compromise price less than the amount of money borrowed from the Government, if approved by the Rural Electrification Administration?

Mr. LOGAN. Mr. President, I should say that there might be circumstances where that would be proper. But if we leave that door open so that it can be done, then our bill is for the aid and assistance, as I view it, of private power companies which are now in existence, because there is nothing for them to do except to go out and form organizations or have them formed, and then buy the property as soon as the plant is installed.

Mr. WALSH. What the Senator is afraid of, as I understand—and I think there is such a danger—is that a private company might encourage a rural district to borrow the money, set up such a plant knowing that it would be a failure, and then walk in and take possession under a compromise sale.

Mr. LOGAN. That is true; that is exactly what I think would happen. I hardly think we have any reason to believe that the power companies, owing to the recent experiences had with them, are particularly interested in the welfare of the public. And it seems to me that if we just open a door for them to walk in, they will take everything, and the Senator from Nebraska, who has been so diligent in attempting to restrain them in some way, will, by the provisions of the bill, allow them to come into the Treasury of the United States and take money out of it without any leave. That can be done; and if it can be done, it will be done, in my judgment. So I had rather take a chance of there being some injustice done to a particular individual association or corporation, hoping to find some way to work it out, rather than to leave the door open.

Mr. WALSH. I appreciate the Senator's suggestion, and I am fully in accord with him. But I can conceive of situations where there would be complete failure profitably to set up a self-liquidating plant, and it might be better to have a compromise sale to avoid abandonment of the plant.

Mr. LOGAN. I may suggest to the Senator there is under the new bankruptcy laws ample authority to take care of such a situation. I had not thought about that, but an organization can go into court and make a proposition with its creditors and have the whole thing worked out.

Mr. WALSH. Could it do that if it had a Government loan, in view of what the Senator says in his amendment that the amount, with interest, must be paid back fully?

Mr. LOGAN. I do not know of anything that could prevent it. There could be some way found to work it out I think.

Mr. WALSH. I am in hearty accord with the Senator's effort to prevent the abuse that he points out.

Mr. LOGAN. I admit the difficulties, but I do not see any way out of them. I think we would have to depend on the law to find some way out. I think we had better put up the bars now.

Mr. KING. Mr. President, it seems to me that there is some merit in the position taken by the Senator from Massachusetts. I can conceive of a number of small companies being organized under the bill, which alone might not succeed, but they might consolidate and give reasonable facilities to each other and to the farmers within the vicinity. It seems to me that there ought to be provision for unification or consolidation, but with the approval of the R. F. C.,

if it has advanced the loans or the Rural Electrification Administration.

Mr. LOGAN. Mr. President, there is nothing in the amendment to prevent such consolidation, as the Senator from Utah suggests. The amendment undertakes to provide that, after having secured from the Government a loan with which a plant is built and equipped, the plant shall not then be sold to a private corporation that is engaged in the business for profit. There is to be no profit, as I understand, derived by these organizations. That is all I have in mind. Whether it ought to be done or ought not, I do not know, but it seems to me that the amendment should be adopted.

Mr. KING. Mr. President, I agree with the Senator that it would be a miscarriage of justice to provide that private corporations may go to the Treasury of the United States and obtain loans in order to build power plants for profit. I am in entire accord with the views expressed. I could conceive of a case, however, where in a rural area an organization is set up which subsequently fails to make it a "go"; it is about to go into the hands of a receiver, after having received a Government loan, and the money has been advanced. In such a case a number of similar organizations could be consolidated and make it a "go."

Mr. NORRIS. Mr. President——

Mr. KING. Let me add that I think that I can conceive of a case where such an organization might unite with a going concern even though it made some profit, but that ought not to be done, if done at all, without the consent of the Rural Electrification Administration.

Mr. NORRIS. Mr. President, the amendment of the Senator from Kentucky [Mr. LOGAN], as he has well said, does not, it seems to me, prohibit two or three of these organizations later on combining and forming one. I hope Senators will not try to imagine evils that may arise. We can suppose that anything might happen. Of course, some of the organizations may fail. It may be that one will be set up somewhere and that a hurricane will come along and blow down every pole and demolish the generating system and bring about a total loss. Such things might happen. I do not think that the Senator's amendment stands in the way of absolute protection to the Government in trying to help farmers to form their organizations on a nonprofit basis. It protects them from being gobbled up by private power companies. I think it might occur, if we did not have the amendment, that private power companies, in a thousand different ways, might try to make farmers' organizations unprofitable while they would not attempt to do so if this provision were in the bill. I do not see anything wrong with the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. LOGAN].

The amendment was agreed to.

Mr. McKELLAR. Mr. President, yesterday when the committee amendment found on page 8 of the new print of the bill providing that "the Administrator may make such expenditures", and so forth, was acted on, I voted against the amendment because it gave an unrestricted right to the Administrator to make such expenditures. I was not in the Chamber when the Senator from Nebraska offered the amendment which I think corrects that situation, and it was for that reason that I asked unanimous consent to have the amendment agreed to. I think it improves that section of the bill very materially.

I do not want it to be understood, Mr. President, that by voting against the committee amendment I am not in favor of the bill; I am very much in favor of the measure.

Mr. NORRIS. Mr. President, will the Senator yield there?

Mr. McKELLAR. Yes.

Mr. NORRIS. I do not want the Senator from Tennessee or any other Senator to get the impression from the remark I made, facetiously, as I thought, that I had any idea that the Senator was an enemy of this proposed legislation.

Mr. McKELLAR. I am quite sure I gained no such impression.

Mr. NORRIS. I would not find fault with anyone who voted against an amendment. Of course, that is a privilege every Senator has.

Mr. McKELLAR. At all events, I merely wanted to make it perfectly clear that I am very much in favor of the pending measure, and expect to see it pass.

NATIONAL JAMBOREE OF BOY SCOUTS OF AMERICA

Mr. COPELAND. Mr. President, on the desk is a bill, being House bill 10265, received on yesterday from the House of Representatives, providing for lending equipment for use at the National Jamboree of the Boy Scouts of America. I ask unanimous consent for the immediate consideration of that bill.

The PRESIDENT pro tempore. The Chair lays before the Senate a bill from the House of Representatives, which will be read.

The bill (H. R. 10265) to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their National Jamboree to be held during the summer of 1937, was read twice by its title.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New York for the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

Mr. COPELAND. I ask unanimous consent that the House of Representatives be requested to return to the Senate an identical Senate bill, being Senate bill 3586, which the Senate has previously passed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

VACATIONS FOR GOVERNMENT EMPLOYEES—CONFERENCE REPORT

Mr. BULOW. Mr. President, I ask unanimous consent for the immediate consideration of the conference report on House bill 8458, which I submitted yesterday.

The PRESIDENT pro tempore. Is there objection to the consideration of the report, which has already been printed in the RECORD?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8458) to provide for vacations to Government employees, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

SICK LEAVE OF CIVILIAN EMPLOYEES—CONFERENCE REPORT

Mr. BULOW. Mr. President, I ask unanimous consent for the immediate consideration of the conference report on House bill 8459, which I also presented yesterday.

The PRESIDENT pro tempore. Is there objection to the consideration of the report, which has already been printed in the RECORD?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8459) to standardize sick leave and extend it to all civilian employees.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

D. A. NEUMAN

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 2219) for the relief of Lt. D. A. Neuman, Pay Corps, United States Naval Reserve Force, which were to strike out all after the enacting clause and insert:

That the Comptroller General of the United States is authorized and directed to credit the accounts of D. A. Neuman, former lieutenant, Supply Corps, United States Naval Reserve Force, with the sum of $894, representing the amount of two forged pay receipts, paid by him without fault or negligence, as determined by the Secretary of the Navy, but disallowed in his fiscal accounts for the disbursing office at South and Whitehall Streets, New York City, for the first quarter, 1919, by the Comptroller General.

And to amend the title so as to read: "An act for the relief of D. A. Neuman."

Mr. COPELAND. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

J. A. JONES

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2875) for the relief of J. A. Jones, which was, on page 1, line 9, after "1908", to insert "such amount to be in full settlement of all claims of the said J. A. Jones against the United States because of the death of his son."

Mr. CAPPER. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

RURAL ELECTRIFICATION

The Senate resumed the consideration of the bill (S. 3483) to provide for rural electrification, and for other purposes.

Mr. WALSH. There is an amendment submitted by me on the desk which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 6, line 14, after the word "order", it is proposed to insert the following:

The provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) shall apply to any purchase made in expending funds loaned pursuant to the provisions of this act when the aggregate amount involved is more than $500.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. WALSH].

Mr. WALSH. Mr. President, I assume that there will be little objection to this amendment. Briefly stated, the section of the Revised Statutes referred to provides that all contracts made by the Government shall be awarded to the lowest responsible bidder. When the Congress passed the Emergency Relief Act last year we thought we were providing in that act that the lowest bidder should be awarded contracts. The Comptroller General has ruled otherwise, and we now have such a situation that where Government money is loaned to States and municipalities on the basis of contributions by the States and municipalities, known as the 55–45 ratio, the contracts are not required to be awarded to the lowest bidder.

In my State I know of two cases, one where a municipality voted to give a contract to the second lowest bidder and the Public Works Administration sought to give it to the lowest bidder; an impasse followed, and nothing has been done. In another case the municipality voted to give the contract to the second lowest bidder and the public Works Administration accepted that recommendation.

I have talked with the Administrator of Rural Electrification; he is sympathetic with this amendment and thinks it would be helpful, especially in view of the fact that the objective of the bill is the sale of electricity as cheaply as possible to the rural districts, and by awarding all contracts to the lowest bidder that will be more likely to be accomplished than if the contracts are let to other than the lowest bidder. I understand that there is no objection to the amendment, and that it probably will be accepted without objection. For further explanation I suggest reference be made to yesterday's CONGRESSIONAL RECORD, where, at the end of the Senate proceedings, an explanation is made of this amendment.

Mr. NORRIS. Mr. President, I have no objection to the amendment, but, mainly for the RECORD, I wish to say that personally I would not want this amendment put in the bill, and I would oppose it if it had not been that the Senator from Massachusetts, after a conference with Mr. Cooke, was assured by him that he had no objection. I myself talked over the telephone with the principal attorney for the R. E. A., and he assured me that he has no objection and felt that it might possibly be advisable to adopt the amendment. That may be so; but, as I told the Senator from Massachusetts when he submitted the amendment to me yesterday, in this proposed legislation we are giving, and we necessarily must give, if we are going to make a success of the measure, in my opinion, almost unlimited discretion, something that under ordinary circumstances I do not like to do. But if the Administrator, whoever he may be, carrying out this proposed law is not at heart converted to the idea embodied in it, namely, to extend the blessings of electricity to the farmers of America, he could easily wreck this whole program and still be technically in the right.

Just to illustrate—and I do not know that this will ever occur—suppose the Rural Electrification Administration in a certain vicinity approves an organization of farmers who desire to put up a distribution line and system. We will say 500 poles will be necessary to provide for the system. One way to obtain the poles would be to advertise for bids, in which case some man with a truck in town probably would make a bid and might be able to make the lowest bid. As a matter of fact, however, all the farmers, members of the organization, are owners of trucks and wagons and teams, and while no one of them would want to bid for the entire contract, and would not be a bidder for it, yet, at the same time, the Administrator, if he had a proper interest in it, and should use the discretion that I think he ought to have, could have the poles delivered by the members of the organization at a price probably less but at least not to exceed that of any bid to do the whole job. I would not want him to pay more than a proper cost, but if he could give each one of the farmers a part of this work, hauling the poles where it was desired to place them, the farmers could do that, without any real expense to themselves, and they could be given credit perhaps for a new electric stove or refrigerator or something that they might not be able to pay for in cash. They might work it out in that way and thus help the organization. I would not want to do anything that would take away a discretion of that kind.

Mr. WALSH. The Administrator can make all the purchases he desires up to the amount of $500.

Mr. NORRIS. I thought the Senator had fixed the limit at $400.

Mr. WALSH. No; it is $500. Under the general law relating to Government contracts the limit is $300, but I have made it $500 in my amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

The PRESIDENT pro tempore. Are there any further committee amendments?

Mr. NORRIS. No; that is all of the committee amendments.

Mr. President, I stated to the Senator from Utah a few moments ago that the total allotments were greater than he had stated. In the release coming from the Rural Electrification Administration of March 2, 1936, which I think is about as up to date as anything could possibly be in that line, this statement is made:

With the allotments announced today, the total amount of funds disbursed or finally earmarked for specific R. E. A. projects is $8,144,862.

Mr. KING. Mr. President, I thank the Senator for the information.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. KING. Mr. President, I have noticed that during the consideration of this very important measure there have been not to exceed six or seven Senators in the Chamber most of the time. Obviously, Senators lack interest in the bill or, as was suggested to me by a distinguished Senator, they have made up their minds, in which event, of course, there is no necessity for consuming the time of the Senate with the hope of changing the minds of obstinate

Senators. Nevertheless, I desire to challenge attention to an amendment in the nature of a substitute which was printed a few days ago at my request. Before having it read and offered formally, I desire to perfect it by suggesting two changes:

On page 3 of the proposed substitute, line 20, after the word "be", and before the words "self-liquidating", insert the words "based on reasonable securities and shall be", so it would read:

Provided, however, That all such loans shall be based on reasonable securities and shall be self-liquidating within a period of not to exceed 20 years—

And so forth.

On page 5, line 9, after the word "thereafter", insert the words "not to exceed", so the sentence, in part, will read:

And for each of the 9 years thereafter not to exceed the sum of $300,000.

That is for attorneys' fees, expenses, and so forth.

The PRESIDENT pro tempore. The Senator has the right to modify his amendment.

Mr. KING. Mr. President, yesterday when the measure before us was under consideration I submitted some observations concerning governmental expenditures and the aggressions, if not usurpations, upon the part of the Federal Government. I called attention to a statement by Professor Elliott, of Harvard University, to the effect that battle lines were being drawn with the "radicals pressing for Federal centralization"; and I quoted from his statement to the effect that—

The purse strings of the Nation, untied by the income-tax amendment, remain in the hands of the voters; that is to say, in the politics of pressure groups; and further that what could not be accomplished directly will be undertaken by indirection, to wit, by the continual bribery of Federal subsidies.

And he added that the Supreme Court is estopped from controlling the income tax, inheritance tax, and the like. He referred to the fact that President Jackson, over a century ago, made the most effective stand against the tendencies toward the centralization of governmental authority in the National Government.

I alluded to a statement by Professor Corwin in which he refers to the success of the spending power of Congress in eluding constitutional limitations, "which created the situation and produced an atmosphere of unreality."

Professor Corwin then adds:

With the National Government today in the possession of the power to expend the social product for any purposes that seem good to it; the power to make itself universal and exclusive creditor of private business, with all that this would imply of control; the power to inflate the currency to any extent; the power to go into any business whatsoever—what becomes of judicial review, conceived as a system of throwing about the property right of a special protection "against the mere power of numbers" and for perpetuating a certain type of organization?

Mr. President, the measure before us, it seems to me, falls within the statement just quoted. It rests upon the proposition that the National Government may tax the people and expend money for any purpose that seems to it good, and may enter into business and commercial activities outside and beyond the constitutional power of the Federal Government. If this measure is enacted into law, hundreds of thousands, if not millions, of names of individuals and private corporations and municipalities will be added to the ever-increasing list, enormous as it is, of debtors to the National Government.

Whenever a breach is made in the wall of constitutional government, experience demonstrates that additional assaults will be made, and larger breaches created. When the view is accepted that the Federal Government is without limitations—that the enumerated powers granted to it in the Constitution may be ignored—then constitutional government is at an end, and the Republic will have embarked upon an uncharted sea.

In my opinion, there is no constitutional warrant for the measure under consideration. The taxing power conferred upon the National Government may be exercised only for governmental purposes. The founders of this Republic did not contemplate a socialistic or communistic form of government, or a highly centralized government—examples of which are recorded in the pages of history, and even in our own day are found in Germany under Hitler and in Italy under Mussolini. The founders were familiar with the struggle of democratic forces for individual liberty and local self-government, and they determined that the gains obtained through long and bloody struggles in behalf of democracy should not be lost but should be made secure. Therefore, they wrote into the Constitution limitations and restrictions upon the Federal Government. Notwithstanding these clearly expressed limitations, iconoclasts have attacked constitutional government and sought to so weaken or modify it that socialistic experiments might be inaugurated or the authority of the National Government so magnified that local self-government would be lost and sovereign States dissolved or become mere shadowy forms without substance or virtue. It is needless to recount what must be obvious to every student of our institutions concerning social, political, and economic conditions, and the advance of forces seeking radical changes in our form of government.

Mr. President, the Constitution from its very origin was contemplated to be the frame of a national government of special and enumerated powers, and not of general and unlimited powers. That view has been expressed over and over again by the Supreme Court of the United States and by men of character and ability in every walk of life. The Constitution of the United States has been regarded as the Palladium of our rights in the sense that it restrained and sought to prohibit those tendencies and movements so often encountered in governments which sought to exercise despotic power.

The views expressed by Jefferson as to the functions of the Federal Government have prevailed for more than a century and a half, and should continue to prevail. He said:

Congress had not unlimited powers to provide for the general welfare, but were restrained to those specifically enumerated; and that as it was never meant that they should provide for that welfare but by the exercise of the enumerated powers, so it could not have been meant that they should raise money for purposes which the enumeration had not placed under their action; consequently, that the specification of powers is a limitation of the purposes for which they may raise money.

Constant demands are being made upon Congress to embark upon policies that are not within the authority of the National Government and to make appropriations for objects and purposes that cannot by any stretch of the imagination be brought within constitutional warrant. Congress is not empowered to impose taxes for purposes which are within the province of local self-government or of the States. Every governmental power not delegated by the States to the Federal Government is reserved to the States and to the people, respectively.

In the case of *Veasy Bank* v. *Fenno* (8 Wall.) the Supreme Court declared that—

There are certain virtual limitations arising from the principles of the Constitution itself. It would undoubtedly be an abuse of the power if so exercised as to impair the separate existence and independent self-government of the States or if exercised for ends inconsistent with the limited grants of power in the Constitution.

And it has been authoritatively stated that the States existed before the Constitution. To the States is reserved substantially the entire regulation of all matters relating to the States. It was declared in the case of *Lane County* v. *Oregon* (7 Wall.) that under the separate and independent condition of the States as recognized by the Constitution:

And the existence of which is so indispensable that without them the general Government itself would disappear from the family of nations, it would seem to follow as a reasonable, if not a necessary consequence, that the means and instrumentalities employed for carrying on the operations of their governments, for preserving their existence, and fulfilling the high and responsible duties assigned to them in the Constitution should be left free and unimpaired; should not be liable to be crippled, much less defeated, by the taxing power of another government, which power acknowledges no limits but the will of the legislative body imposing the tax.

And in the case of *Linder* v. *United States* (268 U. S.) the Court said:

Congress cannot under the pretext of executing delegated power pass laws for the accomplishment of objects not entrusted to the Federal Government.

And the Court further stated that the established doctrine is accepted that—

> Any provision of an act of Congress ostensibly enacted under power granted by the Constitution not naturally and reasonably adapted to the effective exercise of such power but solely to the achievement of something plainly within power reserved to the States is invalid and cannot be enforced.

What provision of the Constitution warrants or justifies a measure imposing a tax of a billion dollars, as the bill before us originally provided, upon the people of the United States to build electric-light plants, construct transmission lines, and supply individuals with refrigerators and plumbing facilities, electric wiring, and electrical appliances for their homes? These activities belong to the realm of individual and private enterprise. The National Government is not empowered to impose tax burdens upon the people for the purposes indicated in the pending bill. If it may enter this field, there is no field from which it may be excluded. It may enter into every field of endeavor or service pertaining to human conduct or to social life, and in so doing it may control individual conduct, determine the behavior and activities of individuals, define their duties and liabilities, and prescribe the steps which they may take in traveling from the cradle to the grave. Under Bolshevik rule this view prevails. I should add, however, that the people of Russia are evincing opposition to the exercise of this power by the Government, and in the not distant future we may witness a development of the spirit of individualism which may lead to the establishment of reasonably liberal institutions.

There are those in the United States who are supporting movements destructive of the States, and who favor the consolidation of all political authority in the National Government. Indeed, they desire that the National Government should control the social and economic life of the people. There are some persons in positions in the executive branch of the Government who are neglecting their duties to execute the law, and who devote some of their time in advocating what they call a new social order. They criticize our form of government, and urge the people to express "deep indignation" because of limitations imposed upon it. It may be that statutes should be enacted restraining individuals charged with executing the law from becoming propagandists in favor of policies and measures hostile to our Government. We have those who insist that everything should be directed from Washington, and that legislative and executive authority shall be practically unrestrained.

Jefferson stated:

> Were we directed from Washington when to sow and when to reap, we should soon want bread.

Under some policies carried out by one or more executive departments, efforts were made to direct people when to sow and when to reap, and there are evidences, as a result, that some persons did want bread.

One of the greatest statesmen and Presidents of this Republic, Woodrow Wilson, whose name and fame will increase as the years go by, stated:

> It would be fatal to our political vitality really to strip the States of their powers and transfer them to the Federal Government. It cannot be too often repeated that it has been the privilege of separate development secured to the several regions of the country by the Constitution, and not the privilege of separate development only, but also that other more fundamental privilege that lies back of it, the privilege of independent local opinion and individual conviction, which has given speed, facility, vigor, and certainty to the processes of our economic and political growth. To buy temporary ease and convenience for the performance of a few great tasks of the hour at the expense of that would be to pay too great a price and to cheat all generations for the sake of one.

I cannot refrain from quoting from an address delivered by President Roosevelt when Governor of New York in March 1930:

> Now, to bring about government by oligarchy masquerading as democracy, it is fundamentally essential that practically all authority and control be centralized in our National Government. The individual sovereignty of our States must first be destroyed, except in mere minor matters of legislation. We are safe from the dangers of any such departure from the principles on which this country is founded just so long as the individual home rule of the States is scrupulously preserved and fought for whenever they seem in danger.
>
> Let us remember that from the very beginning, differences in climate, soil conditions, habits, and mode of living in States separated by thousands of miles rendered it necessary to give the fullest individual latitude to the individual States. Remembering that the mining States of the Rockies, the fertile savannahs of the South, the prairies of the West, and the rocky soil of the New England States created many problems, introduced many factors in each locality which have no existence in others, it is obvious that almost every new or old problem of government must be solved, if it is to be solved, to the satisfaction of the people of the whole country, by each State in its own way.

Mr. President, the bill under consideration, in my opinion, is unconstitutional; it compels the levying of taxes upon certain groups or classes, if not upon all persons, for the benefit of another group, or class, of individuals. It requires the enactment of laws to impose additional burdens of taxation upon the people, not for the Government of the United States, nor for carrying on the purposes for which the National Government was organized, but in order to build electric-light plants and transmission lines for the benefit of a limited number of individuals, and to furnish them with bathtubs and plumbing facilities, electric wiring, and other articles to be used in connection with the utilization of electric energy. If the power to tax, which is the power to destroy, can be invoked to furnish electric lights and plumbing fixtures to a limited number of individuals engaged in a single occupation or pursuit, then it would appear that the Federal Government may lay heavy burdens of taxation upon the people of the United States for any purpose. Indeed, in this view the National Government would be clothed with unlimited and autocratic power.

Perhaps the greatest abuse of power by tyrants and despots is found in measures adopted by them to extract moneys from the people. Kings have lost their thrones, and in some instances their heads, because of the heavy burdens of taxation which they laid upon the people. One of the principal causes of the French revolution was the oppressive taxes imposed by the monarchs of France upon the people. The American revolution was largely the result of the oppressive taxes laid upon the colonists, and one of their battle cries was that taxation without representation was tyrannous and illegal. With these lessons of history before us, and with the knowledge that the Federal Government can exercise only limited authority such as is specifically delegated in the Constitution of the United States, we are urged to traverse forbidden and dangerous paths which have brought disaster to many peoples and nations.

I am repeating when I state that unlimited authority upon the part of governments to impose taxes, if exercised, will result in economic disasters and produce political consequences of a serious character. Heavy burdens of taxation are obstacles to economic development, social progress, and the happiness and welfare of the people. Jefferson and other great statesmen and writers have emphasized the fact that social progress and a higher state of civilization are attained under liberal forms of government where the exactions of the government are reduced to a minimum.

The people of Europe are groaning under the burdens of taxation imposed upon them for the maintenance of armies and for the support of an ever-increasing bureaucracy. And in our own country the increasing demands to meet governmental expenditures constitute impediments to returning prosperity and to social and economic progress. We have a growing cult in the United States emphasizing the view that it is the function of the Federal Government to direct and control, through a vast army of officials, the conduct, activities, and even the thoughts of the people, and to lay the heavy hand of taxation upon all those who have property, even to the extent of expropriation. They deny the capacity of individuals to plan and work out the problems in their own lives, and they are unwilling to accept the view that the people have the capacity to govern themselves. They would destroy the States, blot out their boundary lines, and compress individuals, communities, and States into one omnipotent national government whose authority would be supreme. This view, of course, is the antithesis of democracy; it is reversion to old types and is an attempt to revive anachronisms that it was hoped had forever been discarded and forgotten.

Democratic institutions do not rest upon Socialist philosophy or upon the teachings which find expresison in despotic governments. Policies are often adopted in violation of governmental limitations and the soundest philosophy of life, and are urged and accepted because of unsatisfactory social or economic conditions. Their advocates are impatient with valid restraints imposed by law or by the soundest principles of philosophy and justice. Some sincere persons desire an immediate utopia and would change by law, overnight, habits, customs, and pathetic and tragic ancestralisms. Progress is a plant of slow growth. That is true in every field of human endeavor or human conduct. If we are wise we will not seek to compress individuals and communities and States into one standardized colloidal mass. We will accept the differentiation resulting from the differences in individuals. We will recognize the different capacities of individuals; the importance of individual growth, of community association, of local self-government, of indestructible States—sovereign and supreme within their respective spheres and competent to deal with the political, social, and economic problems existing therein.

Mr. President, in my opinion an examination of S. 3483, to provide for rural electrification, can find no support under any grant of power to the Federal Government, and if the Federal Government is without authority to enact a measure to furnish electricity to a limited number of agriculturalists and to supply them with electrical appliances, refrigerators, plumbing, and so forth, then it would be an invalid act to impose taxes upon the American people for that purpose. As stated, the bill as amended calls for approximately $420,000,000, which must be met from Federal revenues. If the project contemplated by the bill is not Federal, or is not in aid of the execution of governmental functions, then it has no place in the Congress of the United States, nor upon the Federal statute books.

Under this bill the Federal Government is creating another Federal agency to perform functions which are reserved to the States or to the people by the tenth amendment. The bill, it is claimed, is designed to promote in the United States the electrification of rural areas not now receiving central-station light and power service. To accomplish this purpose, an organization is set up in the Federal Government with an administrator at its head who has the power to make loans, principally to organizations of farmers desiring to electrify their homes. Loans may be made for the purpose of financing the construction and operation of generating plants, electric transmission lines, or systems to furnish electricity to such persons in the rural areas. In addition, loans may be made to finance the acquisition and installation of electrical and plumbing appliances and equipment by such persons in the rural areas.

Under what power of the Federal Constitution has Congress the right to appropriate Federal moneys for the satisfaction of the rural population of communities? As stated, the Federal Government is a government of delegated powers, and its activities are limited to carrying out the functions and purposes of such delegated powers. There is no delegated power in the Constitution which would permit the Federal Government to undertake such an activity. Of course, the advocates of this bill undoubtedly rely upon that provision of the Constitution which they claim gives the Congress the power to levy taxes to provide for the general welfare. It is claimed by some that this power has been interpreted by the Supreme Court to include the power to appropriate for the general welfare. It is contended that the Court, in the recent A. A. A. case, declared in effect that funds in the Treasury as a result of taxation may be expended only through appropriation, and that they can never accomplish the objects for which they were collected unless the power to appropriate is as broad as the power to tax.

But the power of the Congress to spend for the general welfare is, in my opinion, limited to carrying out the purposes of the enumerated powers. This is the view of Madison, to which I referred in a former speech, and in which I pointed out both from the standpoint of constitutional history and the standpoint of logic is the correct one. It is true that the Supreme Court in the recent A. A. A. case, by way of dicta, adopted a different conclusion, stating that the interpretation by Justice Story of the meaning of the general welfare was the proper one. However, this conclusion was not controlling to the question at issue, and, in my opinion, when the Court has an opportunity to pass upon such a question when it is squarely presented to it, it will undoubtedly conclude that the Madisonian interpretation is the correct one.

But, even assuming that the dicta in the A. A. A. decision as to the meaning of general welfare is the correct interpretation, I still do not believe that the appropriations provided for in this bill are for the general welfare as these words are to be interpreted. Even under the Hamiltonian view the appropriations must extend to matters of national, as distinguished from local, welfare; and Hamilton stated that the purpose of the appropriation must be "general", and not "local." The Supreme Court pointed out in the A. A. A. decision that when a case involving this question is presented in the Court for decision it is the duty of the Court to determine whether or not the subject of the appropriation is for the promotion of the general welfare of the United States. How can it be said that the furnishing of electricity to farmers in rural communities is for the general welfare of the United States? This is clearly a local matter and not a matter of national concern. There are many things which could be furnished to the dwellers in the cities which would add to their comfort, satisfaction, and happiness, but it is not the function of the Federal Government to provide means for the accomplishment of such a purpose.

In this bill we cannot rely upon the navigation or war powers or the powers of the Federal Government to dispose of its surplus funds, which powers were the basis for the decision of the Court in the recent T. V. A. case. Nor can we rely upon the decision of the Supreme Court upholding the Federal farm-loan banks, which rested upon the theory that the banks could be used as depositories of Government funds or for the marketing of Government securities.

It must not be forgotten that nearly 40 percent of the farms of the United States are in the possession of tenant farmers. Many of them—perhaps a majority—have only annual leases. Contracts with tenants, particularly if their tenure of occupancy is brief, afford rather inadequate security for loans which the bill contemplates shall be made by the Government. Evidence before committees during the past few years indicates that many of the tenant farmers are "croppers."

I inquire how, in carrying out the purposes of the bill, funds that may be advanced to "croppers" or tenant farmers for the wiring of buildings and barns, or for the purchase of bathtubs, plumbing fixtures, and electrical supplies, are to be collected. Undoubtedly, many tenants would seek to obtain loans for such purposes, and would sign the necessary obligation submitted. In case of defaults, who would pay? In the event the "croppers" or tenants leave the farms, what recourse will the Government have? What lien will it have upon the premises? The wiring and plumbing fixtures would, in many States, become part of the real property. Will these obligations created by the tenants or "croppers" constitute liens upon the real property which the Government may enforce against the owners? May the owner be compelled to meet obligations resulting, perhaps, from improvident expenditures or loans made by the Government to the "cropper" or tenant? Suppose the tenant or "cropper", or the owner, fails to pay the annual installments, or fails to pay the amount required for amortization, what steps may the Government take? As I have indicated, will it take possession of the farm or the home? If so, will the Government operate the farm or attempt to sell it or the home?

Mr. President, a moment's consideration of the many problems that will arise from this venture and experiment or undertaking will reveal the insuperable difficulties that will be encountered in working out a plan that will be satisfactory to the Government, the taxpayers, and those to whom Government funds are loaned.

But the appropriation authorized in this bill is clearly an appropriation of public money for an activity reserved to the

States or to the people. It is class legislation when we attempt to appropriate public money for the benefit of one class at the expense of another.

It is stated in the report accompanying this bill that there is no grant provided in the bill, and that it is the intention that the moneys loaned shall be returned to the Government. But the fact remains that $420,000,000 are to drain from the Federal Treasury to carry forward this enterprise. In case of default in the loans the bill gives the Administrator the authority to bid in and foreclose property pledged or mortgaged to secure loans made for these purposes. How could the Federal Government enforce such a provision? Would the Federal Government be in a position to take over and operate the farms of these people in the rural areas to satisfy its obligations? From the experience that private companies have had in attempting to collect by foreclosure money loaned, I do not believe that the Federal Government would achieve success in its efforts. The result would be that the Federal Government would sustain large losses.

It is stated in the report accompanying this bill, if I interpret it aright, that the loans made will be amortized and paid off monthly, and that the monthly allotment will be added to the assessment made for electric current. I inquire whether, if the current is turned off because allotments are not paid, what will be the condition of the loan? We have witnessed under somewhat analogous conditions unfortunate results where loans have been made to farmers upon mortgaged security, and defaults have occurred. Foreclosures have been instituted and evictions secured.

The Government, in addition to being a creditor of millions of citizens, will be the owner of every form of real estate from large apartment and banking houses to farms and personal property of every variety. I have been told within the past 2 or 3 days of many cases where loans made under the recent Housing Act for the purpose of repainting houses or improving or repairing the same have been found in default, and as a result suits have been threatened—and in some instances commenced—against the defaulting debtors. It is an undesirable and indeed dangerous situation in any nation where the government is both landlord and creditor. I repeat, the Federal Government has owing to it by States, counties, municipalities, corporations, individuals, and all forms of group organizations, billions and billions of dollars. It has loaned to railroads and to banks and to corporations, and has taken as security for many of its loans stock in public and private corporations. It needs no great prescience to foretell some of the serious consequences that will follow this situation. Already various corporations, including municipalities, are urging that obligations which they have given to the Federal Government be canceled. I am told that within a short time a bill will be introduced in one or both branches of Congress to relieve corporations of obligations which they have given to secure Federal moneys advanced to them. I fear that there will be a growing feeling that moneys loaned by the Government do not create binding and valid obligations which must be discharged, but that the moneys loaned belong to the people, and therefore they should be absolved from payment of the loans made. Of course, such a view is immoral and violative of those principles of honor that should prevail, and must prevail, if contracts either of individuals, corporations, or governments are to have validity.

Thirty-five new governmental agencies have been created during the past few years, some of them with almost unlimited power to create indebtedness and to borrow from the Federal Government. As I have stated, stupendous sums aggregating billions of dollars have been loaned, and an era of spending has been inaugurated. It is impossible to determine accurately the indebtedness of the National and State Governments and their political subdivisions, and the indebtedness of corporations and individuals; but it will perhaps exceed $200,000,000,000—an amount so stupendous as to defy comprehension.

The creation of wealth by many is not regarded as vital to the rehabilitation of our country. The destruction of property, personal and real, is advocated by some as the safe road to economic success and social happiness. Under this view, lands must be withdrawn from cultivation, crops must be destroyed, livestock must be killed, foreign trade and commerce must be restricted—these are poisonous panaceas which some individuals contend are the essential steps to be taken to secure national and individual recuperation. The folly, the futility of such plans, should be apparent not only to "brain trusters", but to those in every walk of life.

The view seems to prevail here as well as elsewhere that the Treasury of the United States is an inexhaustible fountain to which individuals, communities, and States may resort with the certain expectation of obtaining whatever amounts may be demanded. A few years ago bills calling for a few hundred thousand dollars were scrutinized and challenged. Now, bills calling for hundreds of millions, and, indeed, billions of dollars, excite but little interest and arouse but slight opposition. Before this Congress adjourns the public debt will reach the stupendous sum of at least $35,000,000,000. It has been my observation that when the attention of the Senate or the country is challenged to mounting deficits, and the enormous Federal appropriations, the challenge is received with but little concern, and certainly with no such opposition as should be aroused.

Mr. President, in my view, this attitude upon the part of Congress and of the public generally is not only regrettable but tragic. Regrettable because it reveals a growing disregard of the letter and spirit of the Constitution and the purpose of and limitations of upon governmental institutions; tragic because the inevitable consequences will be a decadence of that democratic spirit; that love of individual liberty essential to the maintenance of democratic institutions.

Mr. President, when attention is challenged to appropriations not authorized by the Constitution, the argument is not infrequently made that so far as the constitutional issue is concerned the constitutional question will not be able to be raised in the courts. But this does not prove that such appropriations are constitutional where they invade the field of activities reserved to the States or to the people under the tenth amendment nor justify appropriations not authorized by the Constitution. The Supreme Court was careful to point out in the A. A. A. decision that some Federal expenditures have not been challenged because there appeared to be no remedy open for testing their constitutionality in the courts. But that does not give validity or virtue to such legislation; that does not condone the error or the wrong committed by Congress. If, indifferent to its obligations, Congress should pass measures appropriating Federal funds wrung from the people by taxation for purposes beyond and outside the field in which the Federal Government should operate, no attempt should be made to justify such course. When addressing the Senate upon the A. A. A. case, I suggested that a proper and valid way might be found to successfully oppose measures carrying appropriations for purposes beyond the purview of Federal authority. In my opinion, it is not certain that the courts will not ultimately take jurisdiction of cases involving this question.

In the case of the *Washington Power Co.* v. *Coeur d'Alene*, the District Court for the District of Idaho, in 1934 took jurisdiction of a case involving the right of the Federal Government to make a P. W. A. loan, and held that a loan to a city for the purpose of erecting a municipal electric-power plant which would operate in competition with another plant was unconstitutional as a violation of the tenth amendment. The court in that case took the view that the general-welfare clause is no more than coextensive with the enumerated powers, and that therefore this loan was unconstitutional as beyond the power of Congress.

In the case of *United States* v. *Carlisle* (5 App. D. C. 138); *Sugar Bounties* (5 Harvard L. Rev. 320), it was held, as I understand, that if a loan is purely for a private purpose, it may not be defended because the public may have some interest in the same.

In the A. A. A. decision the majority opinion did not define the meaning of the term "general welfare", as it was not

necessary for a decision in the case. But the minority opinion concluded that since the present state of agriculture was Nation-wide in its extent and effect, there was no basis for saying that expenditures of public money in aid of farmers was not within the meaning of general welfare. It will be noted that even under the minority opinion it was emphasized that the activity must be Nation-wide in its extent and effects in order to come within the meaning of general welfare. The theory in the minority opinion was that due to the depressed state of agriculture the general welfare of not only the farmer was involved, but also the general welfare of all other persons within the United States. However, this theory could not be applied to the furnishing of loans for electrification of rural areas. In such a case the benefit is not to the Nation as a whole, but only to a particular class existing in such rural areas.

The Slum Clearance case, which concerns the power of the Federal Government to exercise the power of eminent domain for the purpose of acquiring land upon which to construct a low-cost housing and slum-clearance project, is now before the Supreme Court. It is entirely possible that the Court, in deciding this case, will pass upon the question as to whether or not Congress has the authority to appropriate moneys for a low-cost housing and slum-clearance project. This is another activity of the Federal Government which does not concern the general welfare of the Nation as a whole, but relates to a matter reserved to the States or the people under the tenth amendment.

Mr. President, the bill before us, as amended, authorizes to be appropriated for the fiscal year June 30, 1937, $50,000,000, and for the fiscal year 1938, $50,000,000, and for each of the 8 years thereafter $40,000,000—making a total of $420,000,000—for the purpose of making loans to States, Territories, and subdivisions or agencies thereof, people's utility districts, municipalities, and cooperative, nonprofit, or limited-dividend corporations and associations organized under the laws of any State or Territory for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines, and for the furnishing of electric energy to persons in rural areas who are not receiving central-station service.

Loans also may be made to finance the wiring of the premises of persons within such areas and to enable them to acquire and install electrical and plumbing appliances and equipment.

Such loans made shall be for such terms and subject to such conditions relating to the expenditure of moneys loaned and the security therefor as the Administrator shall determine, and may be made payable in whole or in part out of income; but they shall have to be self-liquidating within the period of not to exceed 25 years and shall bear interest at a rate not to exceed 3 percent per annum.

Loans may also be made to any of the borrowers of funds loaned to States or Territories, and so forth, or to any persons, firm, or corporation who supplies or installs the wiring or the appliances or equipment furnished, and these loans shall be for such terms and on such conditions as to security, and so forth, as will reasonably insure repayment and interest at the rate of not to exceed 3 percent per annum.

The organization to be created will have a roving commission to make studies, investigations, and submit publications and reports without any limitations or restrictions upon such activities. Evidently it is expected that defaults will occur and the Administrator is therefore authorized to bid for and purchase at any foreclosure or other sale, or to acquire property pledged or mortgaged to secure any loan made under the act. He may also operate or lease such property so acquired under foreclosure as he may deem necessary or advisable, but not to exceed 5 years after its acquisition. He may then sell it at such terms as he shall regard to be reasonable.

The Administrator is clothed with extraordinary power and serves for 10 years at a salary of $10,000 per annum. He is authorized to make whatever expenditures, including those for personal services, supplies, and equipment, travel expenses, rentals, and so forth, purchase, operation, and maintenance of passenger vehicles, that are deemed appropriate and necessary to carry out the provisions of the act.

He is also authorized, without regard to the civil-service laws, to appoint and fix the compensation of engineers, attorneys, and other experts; and, subject to civil-service laws, may appoint such other officers and employees as he may find necessary; and he may prescribe their duties.

The substitute which I have offered, and which appears in the RECORD of yesterday, on pages 3229 and 3230, follows, in the main, provisions in the bill offered by the Senator from Nebraska. I frankly confess that the substitute is as invalid as the original bill, and I admit that if the substitute should be adopted, upon the final vote I should vote "no." It is however, less objectionable, because it more effectively protects the Government and authorizes but $100,000,000 instead of $420,000,000.

The substitute fixes the salary of the Administrator at $8,000 instead of $10,000 and authorizes to be appropriated for the fiscal year 1937 and for each of the 9 years thereafter the sum of $10,000,000 only. The substitute also provides that whatever loans are made for the financing, construction, and operation of generating plants, electric transmisson or distribution lines, or for the furnishing of electric energy, shall be self-liquidating within a period not to exceed 20 years. It also provides that each borrower shall agree to pay the loan in an amortization plan by means of a fixed number of annual or semiannual installments sufficient to pay the principal of the loan and interest thereon within a period not to exceed 20 years. Also that as a condition of obtaining a loan the borrower should set aside as reserves an annual amount sufficient to provide for such repayment within the agreed period.

The substitute further provides that loans for the wiring of premises of consumers of electric energy who obtain loans for the purpose of financing the construction and operation of generating plants and transmission and distribution lines, may be made for the financing of the wiring of the premises of consumers, but such loans shall be subject to such conditions and so secured as to reasonably assure repayment, at a rate not exceeding 3 percent interest per annum. The borrower shall also, under the substitute, agree to pay the loan on an amortization plan by means of a fixed number of annual or semiannual installments sufficient to repay the principal of the loan and interest thereon within a period of not to exceed 6 years, and the Administrator shall also require the borrower to set aside as reserves, an annual amount sufficient to provide for such repayment. The amount of expenditures to be made by the Administrator for all purposes during each year is limited to $300,000. The substitute contains a provision that the total amount of moneys obligated by the Rural Electrification Administration, which was set up by Executive order dated May 11, 1935, shall not exceed $10,000,000, and that the balance of the money not expended which was appropriated by the Emergency Relief Appropriation Act of 1935 shall be covered into the Treasury as miscellaneous receipts.

It will be observed that the substitute is less objectionable than the bill under consideration. It limits the appropriation during the 10 years to $100,000,000—the pending measure authorizes $420,000,000.

I have no illusions as to the fate of the substitute. It will not be adopted.

Mr. President, I deem this an appropriate occasion to invite attention, particularly Democratic Senators, to platform declarations made by the Democratic Party. In all national platforms it has consistently announced its devotion to local self-government and has condemned Federal encroachments and the efforts of opposing political parties to strengthen the Federal Government at the expense of individual and State rights. If time permitted, I should be glad to quote further from Jefferson and Jackson, and from statements contained in conventions and gatherings of leaders of the Democratic Party authorized to speak for, and declare the principles of, such party. I shall, however, not go back of the year 1856. The Democratic Party in convention in that year declared that the Federal Government is one of limited power derived solely from the Constitution;

and the grants of power made therein ought to be strictly construed by the departments and agents of the Government; that it is inexpedient and dangerous to exercise doubtful constitutional powers.

Mr. President, may I suggest that this view is not always regarded with respect, or followed in this generation.

The platform further declared that—

A high and sacred duty is devolved, with increased responsibilities upon the Democratic Party of this country, as the party of the Union, to uphold and maintain the rights of every State, and thereby the Union of the States, and to sustain and advance among us constitutional liberty, by continuing to resist all monopolies and exclusive legislation for the benefit of the few at the expense of the many.

The national Democratic platform adopted in 1864 stated, among other things, the following:

Resolved, That the aim and object of the Democratic Party is to preserve the Federal Union and the rights of the States unimpaired, and they hereby declare that they consider that the administrative usurpation of extraordinary and dangerous powers not granted by the Constitution—the supervision of the civil by military laws by States not in insurrection; * * * the suppression of freedom of speech and of the press; the denial of the right of asylum; the open and avowed disregard of States' rights; * * * is calculated to prevent a restoration of the Union and perpetuation of the Government deriving its just powers from the consent of the governed. * * *

In 1868 the Democratic Party, reaffirming its former declarations, stated—

That the President of the United States, Andrew Jackson, in exercising the power of his high office in resisting the aggressions of Congress upon the constitutional rights of the States and the people, is entitled to the gratitude of the whole American people, and in behalf of the Democratic Party we tender him our thanks for his patriotic efforts in that regard.

The Democratic Party platforms of 1872 and 1876 were concerned principally with declarations pertaining to the correction of evils growing out of the War between the States, and with an examination and condemnation of Republican abuses during the preceding 11 years. In the platform of 1876 the following plank was adopted:

Resolved, That this convention,, representing the Democratic Party of the United States, do cordially endorse the action of the present House of Representatives in reducing and curtailing the expenses of the Federal Government, in cutting down salaries, extravagant appropriations, and in abolishing useless offices and places not required by the public necessities.

I take the liberty of commending this Democratic utterance to the American people.

The Democratic Party platform of 1880 contained the following statement:

We pledge ourselves anew to the constitutional doctrines and traditions of the Democratic Party, as illustrated by the teachings of the long line of Democratic statesmen and patriots and embodied in the platform of the last national convention of the party.

Opposition to the centralizationism and to that dangerous spirit of encroachment which tends to consolidate the powers of all the departments in one, and thus to create, whatever be the form of government, a real despotism.

In 1884 the Democratic convention, among other things, declared that recognizing as the Nation grows older new issues are born of time and progress and that old issues perish, but that—

Fundamental principles of democracy, approved by the united voice of the people, remain and will ever remain as the best and only security for the continuance of free government. The preservation of personal rights, the equality of all citizens before the law, the reserved rights of the States, and the supremacy of the Federal Government within the limits of the Constitution will ever form the true basis of our liberties and can never be surrendered without destroying that balance of rights and powers which enables a continent to be developed in peace and social order to be maintained by the means of local self-government.

The platform also condemned sumptuary laws which vex the citizen and interfere with his individual liberty, and then declared:

We are opposed to propositions which, upon any pretext, would convert the General Government into a machine for collecting taxes, to be distributed among the States, or the citizens thereof.

It is pertinent to inquire whether the Federal Government is not now an organization devoting much of its energies to the collection of taxes "to be distributed among the States, or the citizens thereof." Statements reasonably accurate are made that between 25 and 30 percent of the total income of the American people is being expended by the National and State Governments and other political subdivisions, and that both the National and State Governments are increasing the levies made upon the people in order to meet the enormous appropriations made. The National Government's expenditures are increasing, and notwithstanding the heavy burden of taxes imposed upon the people, the annual deficits compel increased borrowings, so that, as I stated a few moments ago, the indebtedness of the General Government at the end of this fiscal year, or certainly at the end of the next fiscal year, will approximate $35,000,000,000. The appropriations by this Congress for the next fiscal year will, I believe, exceed $10,000,000,000.

The Democratic platform of 1892 reaffirmed "allegiance to the principles of the party as formulated by Jefferson and exemplified by the long and illustrious line of his successors in Democratic leadership." The platform further declared:

We believe the public welfare demands that these principles should be applied to the conduct of the Federal Government, through the accession to the power of the party that advocates them; and we solemnly declare that the need of a return to these fundamental principles of a free popular government, based on home rule and individual liberty, was never more urgent than now, when the tendency to centralize all power at the Federal Capital has become a menace to the reserved rights of the States, strikes at the very roots of our Government, under the Constitution, as framed by the fathers of the Republic.

The Democratic platform of 1896 reaffirmed the faith of the party as stated in former platforms and submitted a declaration in regard to bimetalism.

The Democratic platforms of 1900 and 1904 dealt principally with questions arising out of the Spanish-American War and the conflict in the Philippine Islands.

In 1908 the Democratic platform declared:

Believing with Jefferson in the support of State governments and all their rights as the most competent administrations for our domestic concerns, and the surest bulwarks against anti-Republican tendencies, and in the preservation of general government in its whole constitutional vigor as the sheet anchor of our peace at home and safety abroad, we are opposed to the centralization implied in the suggestion now frequently made that the powers of the General Government should be extended by judicial construction. There is no twilight zone between the Nation and the State in which exploiting interests can take refuge from both.

There are some persons nowadays who would extend the power of the General Government by judicial construction. At any rate they would deny the power of the Supreme Court to declare invalid measures which conferred upon the National Government and its agencies authority not delegated to it.

In 1912 the Democrats in convention stated:

Believing that the most efficient results under our system of government are to be attained by the full exercise by the States of their reserved soverign powers, we denounce as usurpation the efforts of our opponents to deprive the States of any of the rights reserved to them and to enlarge and magnify by indirection the powers of the Federal Government.

The platform in 1916 was a general endorsement of former Democratic declarations and the same may be said of the platform of 1920.

The platform of 1924 reaffirmed its adherence and devotion to the cardinal principles contained in the Constitution, and the precepts upon which our Government is founded, and it contained a plank which I drew and which, as chairman of the subcommitee of the Committee on Resolutions and Platform, was unanimously adopted by the committee and the convention. It reads:

We demand that the States of the Union shall be preserved in all their vigor and power. They constitute a bulwark against the centralizing and destructive tendencies of the Republican Party.

We condemn the efforts of the Republican administration to nationalize the functions and duties of the States.

We oppose the extension of bureaucracy, the creation of unnecessary bureaus and Federal agencies, and the multiplication of offices and officeholders.

We demand a revival of the spirit of local self-government essential to the preservation of the free institutions of our Republic.

Mr. President, the Rural Electrification Administration has prepared and transmitted to various parts of the United

States a large number of so-called releases and pamphlets explaining the operations and purposes of the organization. I shall not comment upon the apparent purposes for which they are distributed. I will only add that in some respects rather extravagant statements are made which a critical examination of the facts will hardly warrant. In view of these publications, and statements made during the discussion of the bill, I desire to have inserted in the RECORD, at the close of my remarks, excerpts from an article by H. S. Bennion, of the Edison Electrical Institute, which appears in the bulletin of that organization under date of November 1935. The article is entitled "United States Leads in Rural Electrification. Washington's Picture of 'Backward America' Misleading—More Labor Saving Devices in the American Home Than Anywhere Else in the World."

The PRESIDING OFFICER. Without objection, permission is granted.

The extracts referred to are as follows:

In farm electrification, as in other fields of electrical development, the electric light and power companies in the United States have been the pioneers and leaders in extending electric lines into farm territory and in developing equipment, methods, and uses for making electricity profitable as well as convenient for the farmers. Other countries have profited by this pioneering and have followed suit, but in none has equal progress been made.

ADVERSE COMMENT

In commenting adversely on the position of America in rural electrification, evidently to belittle what has been accomplished in this country, the Administrator of the Rural Electrification Administration, in Washington, in a national broadcast not long ago, made the following misleading comparison between the United States and Japan: "Actually only one farm in nine in this country as yet is enjoying electric service." * * * "Yet, in Japan, 9 out of every 10 homes are benefited by electric service." Note that he compared electrification of farm homes in America with electrification of all classes of homes in Japan. The total electrification of homes in America is 70 percent. In the States of denser population this percentage is 95 to 98 percent, which is considerably higher than the 90-percent figure for Japan.

In this same broadcast it was stated, "If we go to Europe, we find the leading nations far in advance of the United States in providing electrification for rural areas * * *. In Sweden, over 40 percent of the farms are electrified." In comparable sections of the United States, 60 to 70 percent of the farms are served with electricity.

On another occasion, this same official remarked, "Yet, in one field we lag behind the most progressive countries of western and northern Europe * * *. Western and northern Europe have outstripped us in the matter (rural electrification)."

Unfortunately, there are practically no statistics available showing the state of rural electrification in any countries except the United States and Canada. Therefore, we must rely upon occasional articles or statements containing estimates or upon such general statistics as would indicate progress in rural electrification in other countries.

The United States is a large country with a comparatively low population density. In this respect it resembles Canada and Russia. It has densely populated sections, and if comparisons are to be made with such countries as Japan, Great Britain, France, or Sweden, the comparisons should be made with those sections of the United States of comparable density. If this were done, it would be found that rural electrification in such sections is far ahead of rural electrification in any of the countries named in percentage of farms served and in every other respect.

FACTORS AFFECTING NUMBER OF FARMS SERVED

Population density

Population density is one of the factors affecting the percentage of homes in a country reached by electric lines. The following table shows the total area and population density per square mile for the United States, Japan, Great Britain, Sweden, and Norway, as given in the 1935 edition of the World Almanac:

	Area (square miles)	Population density per square mile
United States	3,027,000	41
Japan	148,756	433
Great Britain	88,745	505
France	212,659	197
Sweden	173,157	36
Norway	124,964	24

The population density in Japan, Great Britain, and France is much greater than that of the United States. In Norway and Sweden the average density is low, but the bulk of the population is concentrated in small areas so as to give a high density in those areas.

SIZE OF FARM

Another factor in rural electrification is the size of farm, because this gives some measure of distances between farm homes. The following table compiled from data in the International Yearbook of Agricultural Statistics, 1931–32, shows that the average cropland of the American farm is 23 times the size of the cropland on the Japanese farm and more than 5 times the cropland on the average French farm. The general average size of farms in the United States, including cropland, pastures, and wood lots, is 157 acres. Similar information is not available for foreign farm lands, but it is reasonable to suppose that the ratio of size of the average farm in the United States as compared with the size of the average farm in Japan is even greater than the ratio of cropland areas stated below:

	Land devoted to crops (acres)	Number of farms	Average acres of cropland per farm	Average number farms per square mile
France	[1] 54,764,773	[2] 5,500,000	10.0	28
Japan	[1] 14,497,357	[1] 5,599,670	2.6	38
Norway	[3] 1,952,000	[4] 298,380	6.5	2
Sweden	[3] 9,199,533	[3] 644,114	14.3	4
United States [5]	[3] 341,903,813	[17] 6,288,648	54.4	2

[1] Figure for 1930.
[2] Figure from World Almanac.
[3] Figure for 1931.
[4] Figure for 1929.
[5] Figure for 1927.
[6] U. S. Bureau of Census, 1930, reports the average size of farms in the United States to be 157 acres including cropland, pastures and wood lot connected with farm operation.
[7] Taken from 1933–34 Yearbook.

Number of farms per mile of road

In Sweden there are 644,000 farms and 47,000 miles of highway, or about 14 farms per mile of road. In France there are 5,500,000 farms and 436,000 miles of roads, or 12.6 farms per mile of road. In the United States as a whole there were in 1930 only 2.09 farms per mile of road.

Concentration of farms

In the progress of rural electrification, more important than average population density or the number of farms per mile of road is the congregation of farms in limited areas to produce a heavy farm density. The State of Utah, for instance, has an area almost equal to that of Great Britain and an average population density of only 6.2 persons per square mile as compared with 505 persons per square mile in Great Britain. The farms in Utah, however, are comparatively small and the cultivated lands of that State aggregate only 3 percent of the area of the State. This is one of the important reasons why over 60 percent of the farms in Utah are electrified. In the narrow valleys of Norway the small farms are crowded together in a manner to render comparatively simple the building of electric lines to reach many of the farm homes.

TOTAL ELECTRIFICATION IN AREAS OF DENSER POPULATION

In the Government comparisons of rural electrification in America with electrification in Japan, it was pointed out that 9 out of every 10 homes in Japan are benefited by electric service. In the more densely populated States of America, such as New Jersey and Massachusetts, 95 to 98 percent of all homes are electrified. In Great Britain, notwithstanding the density of population, only 35 percent of the homes were electrified in 1934, according to a statement by J. M. Kennedy, member of the British Electricity Commission, as reported in Electrical World of March 16, 1935. France in 1927 was estimated to have less than 40 percent of its homes electrified.

RURAL ELECTRIFICATION IN THE UNITED STATES

In the United States as a whole, at the present time, there are approximately 775,000 farms served by electric power lines. This is 12 percent of the total farms of the country. One farm in every eight has electric service. About 150,000 additional farms are reached by existing power lines, but have not yet taken the service.

The figures just given relate strictly to farm electrification. If we include hamlets, villages, filling stations, and a variety of other rural establishments, 35 percent of rural population, or one person in every three, is now served with electricity. In New Hampshire, 70 percent of the farms, in Rhode Island, Connecticut, New Jersey, Utah, and California 60 percent, and in Massachusetts 57 percent of the farms are served from electric-power lines. According to the United States Census of 1932, 15,527 out of a total of 16,598 incorporated towns and cities in the United States, or 94 percent, were served by electricity. Private corporations served 13,772 of these communities. In addition, a rural nonfarm population of 8,000,000 and a 2,000,000 farm population were served by private corporations.

It has as yet been uneconomic to extend electric service to the great majority of farms in the United States. This will continue to be the situation for many years to come. The cost of building lines to reach these farms is out of all proportion to the benefits to be derived by the farmer from the use of electricity. Considering the obstacles and the economic problems to be met, however, the electric-light and power companies of America over the past 15 years have made remarkable progress in carrying elec-

tricity to the farm, much more progress than any other country has made.

In Canada, a country of comparatively low population density and scattered farms, the percentage of rural electrification was 10 percent, according to the 1931 report of the Dominion Bureau of the Census. In the Province of Ontario, where the density of farms is greater and rural electrification has been subsidized by the Provincial government, 17 percent of the farms were electrified. Across the line from Ontario, in Michigan, 22 percent, and in New York State 36 percent of the farms are electrified.

For Russia no statistics on farm electrification are available, but from unofficial sources it appears that rural electrification is practically nonexistent.

No rural-electrification figures are available for Japan, England, or France. It is reported that 40 percent of the farms in Sweden are electrified. In the somewhat comparable area of New Hampshire 70 percent of the farms are electrified, and in New England as a whole 50 percent are electrified.

RURAL ELECTRIFICATION IN JAPAN

Rural electrification in Japan has evidently made little progress. In the annual review issue of the Japan Advertiser for 1934–35, on page 13, occurs the following report on rural electrification:

"The rural depression in 1933 reduced the number of households provided with electric light. This was the first reduction ever recorded in Japan where hitherto the advance had been steady. However, even now more than 90 percent of the households in Japan are provided with electric light." * * *

"Of course, in farm cottages and in the poorer districts of the country, outlets are few. One bare globe hanging from the ceiling in the main room of the house is the standard for the vast majority of consumers." * * *

"In the six largest cities of Japan the gains have been more rapid. These six municipalities in 1927 contained 21 percent of all the lamps in Japan. In 1933 this percentage had run to 34 percent. In fact, outside of these six cities the entire country gained only 144,000 lamps between 1927 and 1933, graphic evidence of the strength of the rural depression, for there are more than 100 other cities in Japan with populations of 50,000 or more."

From the foregoing it is apparent that Japan is still far behind the United States in extent of electrification. General statistics on the use of electricity in Japan serve to confirm this statement. At the end of 1933, the latest available Japanese statistics, the total generating capacity in operation for electric light and power and for traction was 5,080,000 kilowatts with a total output of 17,000,000,000 kilowatt-hours. Comparable figures for the same year for the United States, as reported by the United States Geological Survey, were 36,038,000 kilowatts of installed capacity and an output of 85,402,000,000 kilowatt-hours. The United States, with a population not quite double that of Japan proper, had installed generating capacity seven times that of Japan and an annual output five times as great. The installed capacity per customer in the United States was three times the installed capacity per customer in Japan, and the kilowatt-hours produced per customer in the United States were two and a half times as great as in Japan.

Japan reports elaborate statistics on the number of installed lamps, showing a little over three lamps per customer. In the United States the annual sales of lamps alone amount to 14 lamps per customer. The flat rate applicable for "night service" in Tokio for a 16-candlepower lamp (15 watts) is 55 sen per month. This is the most common lamp and the most common use for electricity in Japan. In addition to the lamp charge, there is a monthly rental on wiring and apparatus per lamp amounting to 5 sen per month up to 100 candlepower. Where the current is metered there is a meter rental for lighting service and for power service.

These figures plainly indicate that the principal use for electricity in homes throughout Japan is for a very limited amount of lighting.

RURAL ELECTRIFICATION IN FRANCE

There are no rural electrification statistics available for France. French statistics do not report the number of domestic customers nor do they show domestic consumption separately.

The farm population of France lives in villages and not in isolated farm houses scattered all over the land as in America, a fact which simplifies the expense of serving the rural customer. The French have been making rapid strides in bringing electricity to rural villages. In 1931, 91 percent of the 38,000 communes in that country were reached by electric lines. As stated before, 94 percent of the incorporated towns and cities in America are served by electricity, and in addition some 8,000,000 customers living in unincorporated towns and villages are served with electricity.

The bringing of lines to these communes in France does not mean that all of the houses promptly take electric service. A review of public utilities abroad published in 1930 by Prof. O. C. Hormell, of Bowdoin College, quotes an estimate of 5,000,000 customers in France in 1927. This was 39 percent of the homes of that country. According to published articles, the French peasants are slow in taking service and frugal in their use of it thereafter. It is used principally for a limited amount of lighting.

The Electrical Foreign Trade Notes of April 5, 1935, published by the United States Department of Commerce, show for the year 1931 a total of 7,620,000 electric customers in France, or 1 electric customer per 5.5 inhabitants. For the same year in the United States the total number of customers was 23,667,000, or 1 electric customer for each 5.3 inhabitants, and in the States of Ohio and Pennsylvania, which have about the same population density as France, there was 1 electric customer for each 4.5 inhabitants. Eighty percent of all homes in these two States were served with electricity.

French statistics do not show domestic sales, but the total sales of electricity for commercial lighting and domestic use in France for the year 1933 were 1,650,000,000 kilowatt-hours. Domestic use alone for the same year in the United States was more than seven times as great as this combined domestic and commercial lighting in France. Of course, the population of the United States is three times that of France, and the statistics are not strictly comparable because of differences in definitions, but these figures do indicate a much lower domestic use of electricity in France than in the United States. The total production of electricity in France in 1933 was 14,865,000,000 kilowatt-hours, which was 18 percent or less than one-fifth the production of kilowatt-hours in the United States. On a per-capita basis the production of electricity in the United States in 1933 was nearly double that in France.

As an indication that the American housewife makes far greater use of electricity in the home than does the French housewife, in 1934 the magazine Electrical Trading reported that in France up to 1930 there had been sold 800,000 electric irons, 132,000 portable fires, 90,000 kettles, and 43,000 small heating devices and cooking utensils. This indicates a saturation of about 7 percent for electric irons as compared with 95 percent saturation in the United States. The saturation of radios in France is apparently about 17 percent as compared with 70 percent in the United States. The number of water heaters was 26,000 as compared with some 300,000 in the United States. Although these statistics are very fragmentary, they plainly indicate that the use of electricity in France, either domestic or rural, has not begun to reach the scale of use that has been attained in the United States.

RURAL ELECTRIFICATION IN GREAT BRITAIN

In Great Britain rural electrification is a comparatively recent development and is only getting under way. There are no figures available to show the number of farms served with electricity. On account of the population density it would be relatively simple to reach all of the communities in that country. Because of the poverty of so many of the families, only 4,200,000 out of 12,000,000 homes in Great Britain were served with electricity in 1934, according to the estimate of Mr. J. M. Kennedy. In those homes which are electrified substantial progress is now being made in introducing electrical appliances through pushing vigorously the rental-purchase plan and other sales programs, but the country as a whole is still far behind America in the use of electricity.

The estimated average use of electricity per domestic customer in Great Britain in 1934, according to Mr. Kennedy, was 450 kilowatt-hours as compared with 630 kilowatt-hours for the United States. In considering these figures it must be remembered that in cities and towns of the United States practically 100 percent of the families, rich and poor alike, have electric service, whereas in British communities only the more well-to-do part of the population is served. The American averages would be much higher if the small users were left out of the calculation.

RURAL ELECTRIFICATION IN SWEDEN

It is said that 40 percent of the farms in Sweden are electrified. In territory of comparable density in the United States, 60 to 70 percent of the farms are electrified. In an article entitled "The Mechanization of the Home" in the Swedish-American Trade Journal of July 1933 the secretary of the Swedish Electrical Manufacturers Association, in speaking of the use of electricity for pumping, for washing machines, ironing and dishwashing as important factors in reducing daily housework, made the remark: "This development is no doubt quite general the world over and is not confined to Sweden alone. On the contrary, the United States has been the leader in this field and has contributed most to its development."

USE OF ELECTRICITY ON THE FARM

In discussing rural electrification it is not enough to consider merely the number of farms reached by electric lines. Rural electrification only begins at this point. Recognizing this fact and, in order to build a sound foundation, the electric light and power industry, from the beginning of rural electrification some 15 years ago, put forth intensive efforts to foster the development of machinery and of uses that would make electricity on the farm profitable to the farmer. It is not enough that it be convenient, but it must be profitable if the use of electricity by the average farmer is to survive. It is now used on farms for a great variety of purposes, depending on the type of farm served. Besides lighting the farm home and buildings it is used to pump water, to grind feed, saw wood, grind tools, milk cows, cool milk, incubate chicks, heat soil beds, etc. At the present time the average farm east of the Rocky Mountains uses 830 kilowatt-hours per annum, and this amount is increasing rapidly as new uses are developed and electric machinery better adapted to farm purposes. In the far Western States the average farm use is much higher than 830 kilowatt-hours, because a considerable number of the farms use electricity for irrigation pumping. The average use per farm for that region is 5,700 kilowatt-hours per annum.

Progress since 1920 in the uses made of electricity on the farm is by every fair standard of measure truly remarkable. No foreign developments on any broad scale can compare with what has been accomplished here. Individual electrified farms or small-scale operations in other countries, of course, could be cited as examples, but as yet such electrification is not general. As is indicated in the foregoing discussion, the most common use of electricity by rural customers in Japan and in Europe is to light one or more lamps in the farmer's house.

FURTHER PROGRESS

The most rapid increase in the number of farms served took place in the period from 1925 to 1930. The maximum year was 1928, during which 113,000 farm customers were added. The present rate of increase remains high; it was 42,000 for the 12 months ending August 31, 1935, notwithstanding the fact that each year the farm territory remaining to be served is still more lean; that is, the farms are farther apart or are not so well prepared to make use of electric service when it is made available. Even now some 20 percent of the farms that have been reached by electric power lines do not take electric service because the farmer is not prepared to put it to use.

One of the more serious problems in rural electrification is the cost of electric wiring and of the electric machinery and appliances which the farm must have to use electric service after it has been made available. These costs run up into several hundred dollars and present a formidable obstacle, as can be appreciated in the light of the fact that, according to the 1930 census, 53 percent of the farms of America had farm dwellings valued at less than $1,000, and 42 percent of the farms were tenant operated.

Some 30,000 farms were added during the first 8 months of 1935, and it is reasonable to expect that the total for the year will be somewhere between 40,000 and 50,000. For the reasons just given, the increase in number of farm customers in 1936 and 1937 should be even greater than the increase in 1935. There seems little possibility, therefore, at least for many years to come, of America becoming a backward nation in rural electrification.

The PRESIDING OFFICER. The question is on the amendment, as modified, offered by the Senator from Utah [Mr. KING] in the nature of a substitute for the bill as perfected.

The amendment was rejected.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill was passed.

INTERIOR DEPARTMENT APPROPRIATIONS—WITHDRAWAL OF MOTION TO RECONSIDER

Mr. BORAH. Mr. President, day before yesterday my colleague [Mr. POPE] and I entered a motion to reconsider the vote by which the Interior Department appropriation bill, being House bill 10630, was passed. It was our desire to have incorporated in that bill an authorization for certain projects in the State of Idaho. An understanding has been reached by which the matter will be considered in conference. On the basis of that understanding, we desire to withdraw the motion to reconsider.

Mr. HAYDEN. Mr. President, I ask the Chair to lay before the Senate the action of the House of Representatives on the Interior Department appropriation bill.

The PRESIDING OFFICER (Mr. MINTON in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HAYDEN. I move that the Senate insist on its amendments, agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. NORBECK, and Mr. STEIWER conferees on the part of the Senate.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The PRESIDING OFFICER. The Chair lays before the Senate Senate bill 2288, which was under consideration at the time the rural electrification bill was taken up under a special order.

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

PAYMENTS FOR USE OF COPYRIGHTED MUSIC

Mr. BONE. Mr. President, I wish to call attention to a statement appearing in the CONGRESSIONAL RECORD of March 3, on page 3296. It appears that at the moment in the House of Representatives there was a general discussion of the copyright bill which passed the Senate at the last session, and on March 3, Mr. SIROVICH, a Representative in Congress from New York, had this to say:

Let me send this message to the fine, honorable people of the State of Washington. In behalf of the American Society of Composers, Authors, and Publishers, I challenge any Member of Congress, at the expense of this society, to bring any owner of a tavern, beer saloon, hotel owner, or restaurant keeper before our committee to prove that one penny has been charged to them as a license fee unless they used an orchestra of three or more pieces for the public performance for profit. I repeat again, Mr. Chairman, I challenge you to bring any witness before the Committee on Patents and let him prove he has ever been called upon to pay one cent unless it was for a public performance for profit in which an orchestra was used.

Mr. President, just so that the RECORD may be straight, because Mr. SIROVICH has referred to the State of Washington, I wish to say that I happen to have personal knowledge of one instance in which the American Society of Composers, Authors, and Publishers compelled a small innkeeper on what is known as the Seattle-Tacoma Highway to pay money because he had a little radio in his very small roadside inn, a dinky little place of no size at all and very inconspicuous. I wired the owner of that inn yesterday, and I have this answer from him:

Yes; we have paid to Clark R. Belknap, attorney for account of Ascap, at the rate of $6.60 per month for using radio in dining room.

J. O. GATES.

I want this in the RECORD, and I want to add also, Mr. President, that upon a number of occasions and from a number of groups in the State of Washington I have had very bitter complaints that they have been approached by men representing the society and threatened with lawsuits that might have occasioned them all great financial loss had the lawsuits been pressed to the conclusion which the law seemingly permitted.

CROP-PRODUCTION LOANS—VETO MESSAGE

Mr. BORAH. Mr. President, I wish to inquire if any Senator can advise me what is the program with reference to acting upon the President's veto message of the so-called seed-loan bill? The situation with reference to that matter is very serious and very imminent. If we are going to act upon it at all, we ought to act upon it in time within which we can be of some service, should we act affirmatively, to those who are expecting assistance. I am advised that the situation is such that those who are expecting assistance along this line need it at the present time, if they are to have it at all. May I ask the acting majority leader regarding the matter?

Mr. BARKLEY. Mr. President, the Senator from South Carolina [Mr. SMITH], in charge of the bill to which reference has been made by the Senator from Idaho [Mr. BORAH], made a statement on Monday that the veto of the President had been considered by the Committee on Agriculture on that day, and, in view of an Executive order of the President making an allotment of some $30,000,000 for the same purpose, the committee had taken no action, but had instructed him to ascertain from the district seed loan officers the amount of money they actually needed for that purpose during the current year, and that when he received that information from these officers he would again submit the matter to the committee for its consideration. I understand that he has not as yet received replies from the district officers as requested, and that he is awaiting to receive replies from all those sources.

Mr. BORAH. Mr. President, I think the replies from the district officers have been received. I do not know whether the committee has acted upon the matter, but the replies are all here, I understand.

Mr. BARKLEY. I understood yesterday that they had not all been received.

Mr. POPE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to his colleague?

Mr. BORAH. I yield.

Mr. POPE. At a meeting of the Committee on Agriculture and Forestry this morning the chairman reported he had

received replies from all those in charge of the various district offices throughout the United States, and that the total amount estimated was about $28,500,000. This morning in the committee no action was taken except to invite the attention of the President to the replies and to request allocation of the full amount of $30,000,000.

Mr. BARKLEY. Mr. President——

Mr. BORAH. I yield.

Mr. BARKLEY. I had not been apprised of the meeting, but the statement of the junior Senator from Idaho [Mr. POPE] verifies my information. In view of the contemplated allocation of $30,000,000 for that purpose and the replies from the headquarters of all the seed loan agencies that only $28,500,000 is needed, it seems to me no further action on the part of the committee or the Senate is necessary in order to assure the money needed.

Mr. BORAH. The replies disclose there is $28,500,000 now desired for immediate use, as I am informed. The amount which has been allocated for immediate use is $7,000,000. There, to my mind, is disclosed the importance that action in some respect should be taken. If there is allocated for immediate use the sum of $30,000,000, of course the Senator from Kentucky would be entirely correct in his position, but I understand the call is for $28,500,000 immediately, and that there has been allocated only $7,000,000 for immediate use.

Mr. POPE. Mr. President, will my colleague yield further?

Mr. BORAH. I yield.

Mr. POPE. That matter was discussed this morning in committee, and it was the thought of the committee also that the additional $30,000,000 which was indicated should be immediately allocated. It is the understanding of the subcommittee of the Committee on Agriculture and Forestry, of which I happen to be a member, that the President will issue other orders making allocations just as rapidly as the needs appear, but the original actual allocation was $7,000,000.

Mr. BARKLEY. As a matter of fact, the President contemplated the allocation of $30,000,000 out of funds available for that purpose. The actual amount thus far allocated being $7,000,000, of course, means only that much was available at once, but it is contemplated that the entire $30,000,000 will be available as it is needed. If the agencies have reported that $28,500,000 is now needed, I have no doubt the President will make the necessary allocation, because it was contemplated at the start that there would be $30,000,000 available as it is needed for the purpose of making the seed loans.

Mr. BORAH. Of course, if the allocation can be made, and made at once, it would be unnecessary to take further action with reference to the veto message, but I shall be compelled, from my sense of duty, if the allocation is not made, to call for action upon the veto message. It might be necessary to move to discharge the committee, but in some way the matter ought to be adjusted. Every hour that passes is of very serious moment to those who are to be the beneficiaries of action.

Mr. CAPPER. Mr. President, I move that the Senate proceed to the consideration of the bill (S. 1424) to amend the Packers and Stockyards Act of 1921.

Mr. McNARY. Mr. President, I do not desire to interfere with the motion of the Senator from Kansas, but before action is taken I desire to say that I observe the absence of the Senator from Idaho [Mr. BORAH], who has just been called from the Chamber. I was not at the meeting of the Committee on Agriculture and Forestry this morning, but I think if the Senate is going to consider the seed-loan veto it should have the benefit of the presence of the chairman of that committee.

Mr. BARKLEY. Mr. President, it is not contemplated to have any action at this time on the seed-loan veto. The Senator from Idaho [Mr. BORAH] made an inquiry which I attempted to answer by stating that the replies of the various agencies, which I have learned in the last few minutes have been received by the chairman of the committee, estimated the needs for the year at $28,500,000, that $7,000,000 had already been allocated, and that $30,000,000 would be allocated just as rapidly as it is needed. In view of that statement, the Senator from Idaho indicated that, if that occurred, he could see no need for taking any further action on the veto of the President.

Mr. McNARY. That is a fair explanation, but not a full one by any means. In the first place, the Senator from Idaho could not move to take up the President's veto message, because the Senate has taken action by referring it to the Committee on Agriculture and Forestry. Secondly, this morning the Committee on Agriculture and Forestry voted to request the chairman to ascertain if there is $28,500,000 available for that purpose.

If we are going into the matter we ought to have the chairman of the committee here. I think it is fair to have him here, because the subject matter is being discussed. Therefore I suggest the absence of a quorum in order that he may be present before the Senate disposes of the question.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Radcliffe
Ashurst	Copeland	King	Reynolds
Austin	Costigan	Logan	Robinson
Bailey	Couzens	Lonergan	Russell
Barbour	Davis	McAdoo	Schwellenbach
Barkley	Dickinson	McGill	Sheppard
Benson	Dieterich	McKellar	Shipstead
Bilbo	Donahey	McNary	Smith
Black	Duffy	Maloney	Steiwer
Bone	Fletcher	Metcalf	Thomas, Okla.
Borah	Frazier	Minton	Thomas, Utah
Bulkley	George	Moore	Townsend
Bulow	Gerry	Murphy	Trammell
Burke	Gibson	Murray	Truman
Byrd	Gore	Neely	Tydings
Byrnes	Guffey	Norbeck	Vandenberg
Capper	Hale	Norris	Van Nuys
Caraway	Harrison	Nye	Wagner
Carey	Hatch	O'Mahoney	Walsh
Chavez	Hayden	Overton	Wheeler
Clark	Holt	Pittman	White
Connally	Johnson	Pope	

The VICE PRESIDENT. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. McNARY. Mr. President, some observations were made with respect to the seed-loan veto, and they suggested to me the propriety of a quorum call in order that we might have here the chairman of the Committee on Agriculture and Forestry, who is familiar with the subject matter. I observe that he is now present.

Before yielding to the chairman of the committee I will state that the Senator from Kansas [Mr. CAPPER] has moved to proceed to the consideration of the bill to amend the Packers and Stockyards Act of 1921. The unfinished business is the Panama Canal tolls bill. As I understand, if the motion of the Senator from Kansas should be agreed to, the bill which is the subject of his motion would supersede the Panama Canal tolls bill.

The VICE PRESIDENT. If the motion of the Senator from Kansas should be adopted, it would displace the unfinished business and make Senate bill 1424 the pending business of the Senate.

Mr. McNARY. I think I have the right to say that it is not the purpose of the Senator from Kansas to displace the unfinished business.

I now yield to the Senator from South Carolina.

Mr. SMITH. Mr. President, I understand that during my absence from the Chamber inquiry was made as to the status of the veto message on the seed-loan bill. I presume it is my duty, and whether it is or not, it is my pleasure, to give that information.

The Committee on Agriculture and Forestry met, and I had in my possession telegrams from the regional managers as to the amount they thought was immediately necessary in view of the fact that planting time is now on; and, as everyone here recognizes, those who are to receive these loans must know to what extent they are to receive aid in order to make preparations for the subsequent production.

Day before yesterday, at the meeting preceding this one of the Committee on Agriculture and Forestry, the chairman was instructed by the committee to secure the names of the regional managers, and to ask them what amount—I

believe they said what minimum amount—would be necessary this year to enable those to carry on who have no other means of gaining credit or supplies sufficient to produce their crops. I instructed my secretary to get the names. When he made requisition for the names he was asked what was the purpose of obtaining them, and he stated the purpose. The reply was that whatever communications came from the regional managers would come through the Farm Credit Administration.

I was in the Senate Chamber at the time. Upon my return to my office I called up the person who had given my secretary this information, who, I believe, is the assistant director of the feed-loan section, Mr. Murphy. I tried to get in communication with him that afternoon, but he failed to return to his office.

Next morning Mr. Garwood replied to my message, and to my astonishment said he had communicated by telephone with all these regional managers. I told him that was not the instruction which I, as chairman of the committee, had; that I was instructed to get the names, and to telegraph to the managers. I informed him of the nature of the telegrams I was instructed to send. Mr. Garwood asked me if I wanted the telegrams of reply sent direct to me or to him. I said that was a matter of indifference to me; and he said he would send the telegrams, which I presume he did. I have not been sent copies of the telegrams he sent, which I requested, but I presume he will send them.

The replies came from every district; and, according to the tabulation of the telegrams, the amount immediately necessary is $28,500,000. This does not include anything except the ordinary crop production. It does not include anything for stock or fruits.

I called the committee together this morning and asked what disposition they would make of the matter. They voted on the question of whether they would recommend that the veto be sustained or overridden. A motion to recommend overriding the veto was voted down, although I am frank to say that I believe that under the circumstances a majority might have voted to sustain the veto. The next vote, however, was to the effect that the President be sent a communication stating the facts as to the necessity of $28,500,000 being immediately available, and requesting that that much be allocated.

I wrote the letter. We had a vote on that question; and, to keep the record straight, I will state that I think the vote was about 8 or 9 to 1. It is not necessary to say who the 1 was.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. SMITH. Yes.

Mr. ROBINSON. Since the Senator is going into the transactions of the committee, and referring to matters on which the committee has voted, and how members of the committee voted, and has just stated the proportionate number who voted to communicate with the President with regard to a certain action, I wonder if the Senator will state what the vote was on the motion to recommend the passage of the bill over the President's veto.

Mr. SMITH. I have just said that I thought the majority was overwhelming.

Mr. ROBINSON. Overwhelming how?

Mr. SMITH. Overwhelming to sustain the veto under the circumstances which I am trying to explain.

I think I am a pretty good sport, for the reason that I told the committee, "I shall carry out your instructions." I shall do that; but I am entitled to my opinion, and I propose to maintain it. I am chairman of the committee, and I shall obey the majority of the committee; but my conscience, my sense of what is my duty here, is my chairman, and I propose to follow it.

Mr. McGILL. Mr. President, will the Senator yield?

Mr. SMITH. Yes.

Mr. McGILL. My information may be incorrect; but, as I recall, the motion on which the committee voted this morning was a motion to return the veto message to the Senate without recommendation. I think that was the motion.

Mr. SMITH. Mr. President, if I am wrong I shall be glad to be corrected, because I do not think I have ever consciously made a misstatement on this floor.

Mr. McGILL. Mr. President, will the Senator yield further?

Mr. SMITH. Yes.

Mr. McGILL. I hope the Senator does not take the view that I intended to convey the idea that he was intentionally making a misstatement. That was not my intention at all. I simply have a different recollection than that stated by the Senator as to the nature of the motion voted on in the committee.

Mr. SMITH. I am very glad to have the Senator's statement. The record will show what the fact is, and I shall have it at the proper time.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. SMITH. I do.

Mr. BORAH. As I understand the way the matter now stands, the communication has gone to the President.

Mr. SMITH. No; it is in course of preparation. It will go to the President.

Mr. BORAH. This afternoon?

Mr. SMITH. Yes; that is, if the clerk can get around and get the signatures of the Senators.

Mr. BORAH. As the Senator has said, time is exceedingly important in this matter.

Mr. SMITH. As the Senator from Idaho must recognize, if this money shall not be available within the next 3 weeks, generally speaking, it will be practically useless to provide it.

Mr. President, I think the Senate is entitled to know just what has transpired. If I may be allowed to do so, I think it is my duty to express my opinion about this matter.

It is very evident from the veto message and from the subsequent Executive order that the administration means that this shall be the last seed loan. The fact is that it has been stated to a committee which called at the instance of our committee that the reason the bill was vetoed was that the seed-loan bill was signed last year under extraordinary circumstances, but that we must taper off—I think that was the very language used—that the administration was unquestionably opposed to this method of aiding the class of people benefited under the loan.

It will be recalled that the bill was voted unanimously out of the Committee on Agriculture and Forestry, of which I am chairman. It came to the Senate, and there was no discussion. We provided in the bill that one individual might receive as much as a thousand dollars. Of course, the amount anyone would receive would be governed by the conditions in which he was placed. In addition to that, it was provided that the loan that was made him could not be stopped by anything, and penalties were provided where any fraud was practiced.

The bill went to the other body and was passed there also with practical unanimity. The only difference was between a provision for $40,000,000 on the part of the House and a provision of $60,000,000 on the part of the Senate, and in less than 15 minutes in conference the difference was ironed out and a compromise made on $50,000,000, with $500 fixed as the limit of a loan to any individual.

I wish to state that I have no antagonism toward anyone in this matter, but I have a legislative duty to perform—to vote for what I think, generally speaking, is for the best interests of those who are affected by the legislation. I think it is the duty of the Members of this body to take advantage of their opportunity to express themselves as to whether they would rather have an Executive order determining so serious a matter as this or whether they would rather voice their sentiments here; and I took the ground that we should express our sentiments.

Some said that we could not pass the bill over the President's veto. I said that that did not interest me; that I wanted an opportunity to perform my duty as a legislator on a serious subject. I have no quarrel with anyone, but I do think we ought to perform our legislative duty as we see it,

and, as I see my duty, it is to express to those who send me here what I think of what is occurring.

There has not been a provision emanating from Congress since I have been here which has been as universally and as practically beneficial as the seed loan. There never has been a criticism of it, and that poor, distressed class which was extended a loan, not a gift, has been recognized as American citizens who wanted to pay their obligations and who did pay them. They paid their obligations, a miserable, pitiful $50,000,000, which keeps from greater distress more than a million and a quarter independent American citizens.

Mr. BORAH. Mr. President, in case the President does not deem it wise to issue an order for the allocation of $28,500,000, what is the Senator's program? What does he propose?

Mr. SMITH. I think I have gone just as far as my duty will allow me to go, and I make this one last appeal. I do not see the necessity of speculating about whether we can pass the bill over the President's veto or not. The question is, What does each individual desire to do? I do not want to humiliate anyone, and God knows I would not want anyone to try to humiliate me.

The amount allocated is only $7,000,000, the balance to be allocated from time to time as someone may determine. Every one of us here knows that the vast majority of those who are to benefit from the loan must be given assurance now as to how much they can depend upon, and that would take $28,500,000.

Mr. President, I shall feel it to be my duty to give each one of my colleagues a chance to express himself. I want it definitely and distinctly understood that I would infinitely rather not be put in the attitude, and I am not going to be put in the attitude, of antagonizing the President, but I am going to maintain the attitude of trying to express myself. I have a right to do that. I am not trying to humiliate the President; I am trying to defend those who have confidence in me and in the Senate. That is all I am trying to do.

Mr. President, it is the President's judgment that his plan is best; it is my judgment that our plan is best, and we are sent here to legislate. So far as I am concerned, Senators are to be given an opportunity to legislate.

We are in a very embarrassing situation. Of course, all will recognize at once that the $28,500,000 is left of the $30,000,000 which has been set aside to be allocated from time to time, but the $7,000,000 is allocated now.

Now, with one other statement, I shall be through. The fact is, of course, that so far as seed loans are concerned, if this Executive order shall hold, there will be no use hereafter in introducing a seed loan bill. If we do introduce one and it is passed and is vetoed, that will end it. This means the end of the seed loan, and I for one think that until we make other arrangements to take care of the class of people who are benefited by such loans, we ought to make them, not annual but in some way continuous.

Mr. President, it is an embarrassing situation in which I find myself. I have no pride of authorship, but I do state here and now my high opinion of the inherent manhood of that submerged class who have to suffer the humiliation of saying by affidavit, "I cannot get credit anywhere, and therefore must appeal to my Government", and the Government lends the money to them, and they respond by paying it back. It was worth every dollar we spent to have it demonstrated that there was inherent manhood and honesty in that submerged class, and I think we ought to recognize that fact, as I do.

I have obeyed the behests of my committee, and I am going to continue to yield to their direction in the committee as to getting information, and so forth, but on the floor of the Senate I shall act according to my judgment. This is all I care to say.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Kansas [Mr. CAPPER], that the Senate proceed to the consideration of Senate bill 1424, to amend the Packers and Stockyards Act of 1921.

Mr. McNARY. Mr. President, I tried to make it clear that it was not the intention of the Senator from Kansas to displace the unfinished business. Therefore he withdraws his motion.

The VICE PRESIDENT. The Senator from Kansas is in the Chamber, and he has not withdrawn the motion, so the Chair could not assume that he had.

Mr. McNARY. I appreciate that.

Mr. ROBINSON and Mr. CAPPER rose.

Mr. ROBINSON. Mr. President, if the Senator from Kansas wishes to withdraw his motion, I will yield to him for that purpose.

Mr. CAPPER. Mr. President, I withdraw the motion, with the statement that I will undertake to renew it at the earliest possible moment.

The VICE PRESIDENT. The Senator from Kansas withdraws his motion.

Mr. ROBINSON. Mr. President, I desire to say just a few words regarding the seed-loan bill and the question submitted to the Senate by the Senator from Idaho [Mr. BORAH]. The status of the bill has been stated by the chairman of the Committee on Agriculture and Forestry, and the matter, of course, is not before the Senate for action.

Pursuant to the veto message, the President issued an Executive order which I ask unanimous consent to have printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The Executive order is as follows:

EXECUTIVE ORDER ALLOCATING FUNDS TO THE FARM CREDIT ADMINISTRATION AND PRESCRIBING RULES AND REGULATIONS FOR THE MAKING OF EMERGENCY CROP LOANS UNDER THE EMERGENCY RELIEF APPROPRIATION ACT OF 1935

By virtue of and pursuant to the authority vested in me by the Emergency Relief Appropriation Act of 1935 (49 Stat. 115), it is hereby ordered as follows:

1. There is set aside from funds provided by the said act for the use of the Farm Credit Administration for the purpose of making loans to farmers during the year 1936, under limitation (b) in section 1 of the said act, in the United States, Hawaii, and Puerto Rico, for fallowing, for the production of crops, for planting, cultivating, and harvesting crops, for supplies incident to and necessary for such production, planting, cultivating, and harvesting, and for feed for livestock, or for any of such purposes, under such terms and conditions as the Governor of the Farm Credit Administration (hereinafter referred to as the Governor) may prescribe, a sum not to exceed $30,000,000, of which the sum of $7,000,000 is hereby allocated to the said Administration to be supplemented from time to time by such additional allocations as may be necessary.

2. The amount which may be lent to any one borrower shall not exceed $200, and each applicant for a loan shall establish to the satisfaction of the proper officer or employee of the Farm Credit Administration, under such conditions as the Governor may prescribe, that the applicant is unable to procure such loans from any other source: *Provided*, That preference shall be given to the applications of farmers whose cash requirements are small.

3. Loans made under the provisions of this order shall be secured by a first lien, or by an agreement to give a first lien, upon all crops of which the production, planting, cultivating, or harvesting is to be financed, in whole or in part, with the proceeds of such loan, or, in case of any loan for the purchase or production of feed for livestock, a first lien upon the livestock to be fed. Such loans shall be made and collected under such regulations as the Governor shall prescribe, and shall bear interest at the rate of 5½ percent per annum.

4. Fees for recording, filing, registration, and examination of records (including certificates) in connection with each loan made hereunder shall be paid by the borrower: *Provided, however*, That such fees aggregating not to exceed 75 cents per loan may be paid by him from the proceeds of his loan. No fees for releasing liens given to secure loans shall be paid from the funds made available hereunder.

5. The funds hereby or hereafter allocated may be used also for all necessary administrative expenses in carrying out the provisions of this order to and including June 30, 1937.

6. In carrying out the provisions of this order, the Farm Credit Administration may (a) make expenditures for supplies and equipment, traveling expenses, rental of offices, printing and binding, and other necessary expenses, and (b) accept voluntary and uncompensated services, appoint officers and employees without regard to the provisions of the civil-service laws and regulations, and fix the compensation of any officers and employees so appointed without regard to the Classification Act of 1923, as amended.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 28, 1936.*

Mr. ROBINSON. The Executive order sets aside, as stated by the Senator from South Carolina [Mr. SMITH], $30,000,000 of the amount appropriated under the Emergency

Relief Appropriation Act of 1935 for the purposes of seed loans. The designation "seed loans" is not entirely accurate, but it is the title commonly used in connection with the subject. Seven million dollars have been made available for immediate purposes; and under the Executive order that amount is to be supplemented within the limit of the $30,000,000 from time to time by such additional allocations as may be necessary. Manifestly there is available for the purposes of this bill more than the regional directors of seed loans have said is necessary. As I remember the statements made, the aggregate amount is $28,500,000, or approximately that.

I point out the fact that in arriving at these figures the committee pursued a very unusual course. I do not recall the exact number of the regional offices. There are some seven or eight. The committee invited the chiefs of these offices to inform the committee as to the amount that would be required, in their opinion, to meet the necessities of the situation. It happens that the amount is below the sum that is contemplated by the Executive order. So if the information which has been procured in the unusual way I have referred to is reliable the Executive order takes care of the requirements.

There is, however, I think it proper to say, another difference. The Executive order limits the maximum amount of each loan to $200, whereas the bill the Congress passed increased the amount from $300, as at present, to $500. I showed by figures placed in the RECORD the other day that in a large part of the country, in some four or five of the regional offices at least, from 95 to 99 percent of the number of loans made last year were within the limitation of $200. There are, however, some areas elsewhere where the percentage of greater loans is considerably larger.

Of course, the object of the President in vetoing the bill had relation to the Budget. The fund to be used has already been appropriated, and is within the Budget. The bill passed by Congress which was vetoed would have made necessary another appropriation. In the matter of time, which undoubtedly is of primary importance, loans probably can be made quicker under the Executive order than they could be made even if the bill were passed over the Executive veto.

In view of all the circumstances, I do not feel justified in moving or in voting to pass the bill over the veto.

Mr. BORAH. Mr. President, under the circumstances, of course, I am not interested in the question whether the money is derived from an order of the President or from an appropriation. I sympathize with the objective which the President has in mind in vetoing the bill, so far as the Budget question is concerned. What I was interested in was to bring to the attention of the Senate the necessity of acting as promptly as possible. If the order is made allocating a sufficient amount to take care of the present demands, that is entirely satisfactory to me. I have no desire to urge the passage of the measure over the President's veto; but from information which comes to me I am satisfied that if action is not had at once, injury will result in those places where we are seeking to help.

However, I think $7,000,000 is nothing like sufficient to take care of the immediate demands. It seems to me, in the light of the reports which have come in, that the amount should be increased. I am interested only in as speedy action as possible, and sufficient action—not the method of doing it.

Mr. President, there is another situation which presses on the Senators from Idaho in this matter. We have a situation respecting orchards which depends somewhat for its solution upon what we do in reference to this matter. That is imminent and pressing. It is for this reason that I called attention to it, in the hope that by tomorrow at least we may know precisely what we are going to do.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Oklahoma [Mr. GORE] to the committee amendment.

Mr. GORE. I should like to change the date appearing on page 1, lines 8 and 9 of the amendment, from January 1, 1937, to October 1, 1936.

The VICE PRESIDENT. The Senator from Oklahoma has modified his amendment. The question is on agreeing to the modified amendment of the Senator from Oklahoma to the committee amendment.

Mr. BAILEY. Mr. President, I will undertake to state the effect of offering my substitute as an amendment by the chairman of the committee.

I offered an amendment as a substitute for the entire bill. The chairman of the committee takes my proposed substitute, and undertakes to make an amendment of it and add it to the bill. I shall insist that my amendment be considered as a substitute, and I shall oppose the motion to adopt it as an amendment.

The whole effect of the procedure of the chairman is to restore the proposed legislation to the form in which it was first presented to the Senate about 3 weeks ago. The Senate passed upon that, and the Senate rejected section 1 of the bill and adopted section 2.

If the motion of the Senator from Oklahoma shall prevail, the bill will stand before us as it did when it was first presented to the Senate. So I ask that the motion to adopt my proposed substitute as an amendment be defeated, in order that it may be considered as a substitute.

Mr. GORE. Mr. President, I think there is one point of difference which the Senator from North Carolina failed to call to the attention of the Senate.

The adoption of this measure as an amendment to the committee amendment would restore certain features of the measure as it was recommitted. There is one point of difference, however. Some of the chief arguments urged against the measure when it was pending before was that tankers would enjoy certain reductions in their tolls. That was really the spearhead of the argument against the bill. Section 1 of the Senate committee amendment meets that objection. It imposes a differential of 10 cents a ton on tankers as compared with commercial ships; and as that was the chief objection urged against the bill, I should like to have it removed so that Senators who voted to recommit the bill may now vote for the measure, since that objection has been obviated.

I hope the amendment which I have offered in lieu of the motion of the Senator from North Carolina will be adopted by the Senate. I hope the Senate will adopt the pending amendment, and let us dispose of the matter.

The VICE PRESIDENT. The question is on agreeing to the modified amendment of the Senator from Oklahoma to the committee amendment.

Mr. BAILEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Radcliffe
Ashurst	Copeland	King	Reynolds
Austin	Costigan	Logan	Robinson
Bailey	Couzens	Lonergan	Russell
Barbour	Davis	McAdoo	Schwellenbach
Barkley	Dickinson	McGill	Sheppard
Benson	Dieterich	McKellar	Shipstead
Bilbo	Donahey	McNary	Smith
Black	Duffy	Maloney	Steiwer
Bone	Fletcher	Metcalf	Thomas, Okla.
Borah	Frazier	Minton	Thomas, Utah
Bulkley	George	Moore	Townsend
Bulow	Gerry	Murphy	Trammell
Burke	Gibson	Murray	Truman
Byrd	Gore	Neely	Tydings
Byrnes	Guffey	Norbeck	Vandenberg
Capper	Hale	Norris	Van Nuys
Caraway	Harrison	Nye	Wagner
Carey	Hatch	O'Mahoney	Walsh
Chavez	Hayden	Overton	Wheeler
Clark	Holt	Pittman	White
Connally	Johnson	Pope	

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Eighty-seven Senators having answered to their names, a quorum is present.

The question is on the modified amendment offered by the Senator from Oklahoma [Mr. GORE] to the committee amendment.

Mr. JOHNSON. Mr. President, I find in discussing the amendment on this side of the Chamber that there is some misapprehension about what it will do and what its effect may be if adopted by the Senate. I wish to state, therefore, the proposition as I understand it, asking the attention of the Senator from North Carolina [Mr. BAILEY] to confirm or disavow the situation as I shall attempt to set it forth.

An amendment in the form of a substitute was offered by the Senator from North Carolina for the entire bill. That substitute provided for an investigation in detail; I will not attempt to state it. It would supersede the bill and take the place of the bill and the bill would be inoperative if it were adopted. The Senator from Oklahoma [Mr. GORE] accepts as an amendment the particular provision which was offered as a substitute, and the effect of accepting the amendment and attaching it upon the bill would leave the bill operative and would leave in it all those features that are good or bad, as the case may be; so that, if passed, while it would contain the amendment it would also in other respects embody exactly the provisions desired by its proponents.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. JOHNSON. I yield.

Mr. ROBINSON. The Senator from North Carolina could still offer the provision as a substitute for the entire bill.

Mr. JOHNSON. I realize that.

Mr. ROBINSON. So there is merely a question as to whether or not the amendment will improve the bill.

Mr. JOHNSON. I realize that; but there were some with whom I discussed the matter who imagined that the adoption of the amendment now accepted by the Senator from Oklahoma, which constitutes the substitute presented by the Senator from North Carolina, will accomplish the result which the Senator from North Carolina is seeking to accomplish, namely, the elimination of all the provisions of the bill that have been objected to upon this floor.

What I want to make plain is that by adopting the particular language as an amendment nothing in reality is accomplished by those who oppose the bill, and their object can only be accomplished by the ultimate adoption of the language presented by the Senator from North Carolina as a substitute for the entire bill.

The PRESIDING OFFICER. The Chair will state the parliamentary situation. The Senate committee reported this bill back to the Senate with the language of the House bill stricken out and with one amendment proposed as a substitute. The Senator from North Carolina [Mr. BAILEY] offered an amendment in the nature of a substitute for the language recommended by the Senate committee. The Senator from Oklahoma offered to accept that amendment as an amendment to the committee amendment, and, the offer being declined, himself offered the language of the substitute proposed by the Senator from North Carolina as an amendment to the Senate committee amendment. If that should be adopted—and whether it should be adopted or not—unless the Senator from North Carolina should withdraw his substitute, it would then come to a vote as a substitute for the Senate committee amendment, as amended, or as it is now in the bill. So the question is on the amendment offered by the Senator from Oklahoma [Mr. GORE].

Mr. BAILEY. Mr. President, I wish to thank the senior Senator from California [Mr. JOHNSON] for making a very clear statement as to the parliamentary situation. I wish to confirm it; I do not think I could elucidate it. However, the effect of the adoption of my substitute as an amendment would simply be to restore the proposed legislation to the status in which it was when the Senate passed upon it several weeks ago. I realize there is a further remedy down the road, but I think I should stand on the remedy here. I do not wish my substitute to become an amendment; I want it to remain in its character as a substitute for the entire measure. So I am asking that the pending amendment be voted down, and then I shall offer my amendment as a substitute for the entire bill.

Mr. GORE. Mr. President, this bill was recommitted by the Senate some 3 or 4 weeks ago. The main reason for the recommitment was the apprehension on the part of certain Senators that, if passed in the form in which it was then pending, tankers would enjoy certain benefits; that they would receive a reduction in the tolls paid by them. I think that was the argument which controlled the vote that sent the bill back to the committee. That objection has been removed; that argument no longer obtains. The tankers will not receive the benefit which Senators feared they would receive. An express differential of 10 cents a ton is imposed on tank ships under the measure as it is now pending. So the reason for recommitting it before now ceases to exist.

The Senator from North Carolina has offered as a substitute an amendment which does nothing more or less than call for an investigation of this subject. I again exhibit to the Senate these two vast tomes [indicating] which were prepared some 24 years ago by one of the greatest living experts upon the subject of tolls and tonnage measurement. One of these volumes relates to rules of measurement; the other volume relates to the tolls to be imposed. As I have previously said, the Commissioner of Navigation says this is the best report on these questions ever prepared in any language. There has been no revolutionary change in conditions since then, but there has been a more recent investigation.

I now hold in my hand, Mr. President, an exhaustive report [exhibiting] prepared by the Bureau of Efficiency in the year 1932, a report upon this very subject of the rules of measurement and tolls to be imposed for the transit of vessels through the Panama Canal.

I state to the Senate, as eminent authorities have stated to me, that if this measure should pass without containing any reference to an investigation, the subject would be checked and rechecked and the latest changes and modifications in the structure of ships would be taken into account; in fact, the responsible authorities have already indicated to me and to others that the only changes that will be necessary or that will be feasible will each and every one be favorable to the shipping industry. They intend to make allowances, to subtract from the toll-paying capacity the space devoted to the crews that attend upon passengers.

They also intend to subtract from the tonnage of the ships subject to tolls, social room, saloons, lounges, and quarters of that kind which, while they add to the attractiveness of a ship and while they attract patronage to the ships, do not directly contribute to the earning capacity of the ships. That will be subtracted from the tonnage subject to tolls. That has been announced by the Canal authorities.

Mr. President, I repeat that the substitute is merely another plea for time. It requires a report by January 1, 1937. When January 1, 1937, arrives and that report is submitted, a measure would be introduced to carry into effect the recommendations of the new commission, I do not doubt that the opposition to the enactment of positive legislation upon this subject would be as stubborn and unremitting as it is now.

The reason why the shipping interests object to this legislation is not because the rules of measurement would be unfair; it is not because the rate of tolls would be unfair. It is because the resort to certain devices on the part of certain shipping concerns to reduce their own tolls would be done away with if this measure should become a law.

Under the measure as now pending, if my amendment should be adopted, it would call for an investigation and report by October 1 of this year. If it be adopted, I shall then move to amend section 1 so that it shall not go into effect until April 1, 1937, in order that the investigation can be made, the report can be submitted, can be considered by the President, the rules and regulations revised and promulgated, the revised rates promulgated, and then section 1 will take effect April 1 of next year and the matter will automatically go into operation.

The only object of section 1 is to do away with the dual system of measurements, which everybody admits ought to be abolished, which no one has insisted on the floor of the Senate should be continued. It is universally agreed it ought to be done away with. Then let us vote to do away with it,

and not merely, from a desire to delay, postpone action that would solve this question which has been knocking at our doors for more than 20 years.

Mr. BAILEY. Mr. President, I am very grateful to the Senator from Oklahoma for exposing his maneuver to the Senate. He states that my substitute calls for an investigation, which is true. He offers the substitute apparently in good faith, but says an investigation is not needed. Therefore I ask, when the Senate votes upon it, that his amendment be voted down in order that my substitute may be offered and voted for by all those who think there ought to be an investigation.

Mr. GORE. Mr. President, there is no effort or purpose on my part to evade responsibility for what I have said. This investigation is not necessary. I have said that repeatedly. A provision for the investigation was inserted in the bill originally as a concession to the shipping interests in order to remove that argument against the passage of the bill in the absence of that provision. The investigation is not necessary, and every Senator on the floor knows it is not necessary.

Mr. STEIWER. Mr. President, I desire to address myself to certain suggestions which grow out of the debate on this amendment. From my own standpoint the pending amendment is a matter of but little concern. It may be it is not necessary. I shall vote for it when offered as a substitute as proposed by the Senator from North Carolina [Mr. BAILEY], not because it is strictly necessary but because it would seem to afford a means of escape from the evils of the bill itself.

What is it that we have here? What is the proposal we are getting ready to enact in case the substitute of the Senator from North Carolina is not adopted? Obviously it is an amendment of the Canal Zone code made for the purpose of changing the measure of tonnage or of changing the rate of tolls, or both. In my humble opinion, many difficulties inhere in the proposition.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Oklahoma?

Mr. STEIWER. I yield.

Mr. GORE. I thought I stated those two points very clearly. A change of the rules of measurement or else a change of tolls is proposed, according to the Senator from Oregon; but that is not what is proposed. There are now two methods of measurement, and the purpose of the legislation is to do away with the dual system so that all ships will be measured in accordance with their capacity to pay tolls, and we will have one toll per ton applicable to the actual measurement of the ships, so that every ship will pay on its earning capacity and will pay the same toll.

Mr. STEIWER. I am indebted to the Senator, but his contention is a phase which I had understood, and one which I think has been understood, by all Members of this body. It has always been claimed by the sponsors of the legislation that the purpose is to avoid the dual system; but I make the assertion, which is based upon my interpretation of the legislation itself, that the bill actually accomplishes the two results which I stated—one, to change the system of measurement and the other to make a change in the tolls themselves.

I had said that the proposal as it is presented in this legislation submits a number of very serious difficulties. I had started to mention two of them which suffice for the purposes of making known the basis of my objection to the legislation.

The first is that in the first part of the section, commencing in line 6, page 4, we find that the basis for determining net registered tonnage shall be under certain rules now in existence and under other rules which may be called into existence at some future time. The language is under rules "as may be amended from time to time by proclamation of the President." The net effect of the enactment of legislation of this kind, so far as rules for determination of net registered tonnage is concerned, is to leave the matter wholly in the hands of the Chief Executive. Congress is not legislating upon the subject beyond the simple fact of delegating to the Chief Executive the power to make the legislation by proclamation at some future time.

Mr. GORE. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. GORE. There would be some force in the Senator's argument if that were not the law now.

Mr. STEIWER. I think the Senator is right in his view of existing law, but I am unwilling to perpetuate an evil of that kind. There is force in my argument. The argument is based literally upon the language which the Senator from Oklahoma is pressing upon us in the legislation.

The other proposition to which I desire to call attention is the language found at the bottom of page 4, where there is a provision for the fixing of tolls. The provision for the fixing of tolls is almost identically on the same basis as the provision for determining the net registered tonnage of ships. The provision for fixing tolls does indeed limit the maximum and it does limit the minimum, but it does not prescribe any rule at all for determining between the maximum and the minimum as to what that toll shall be.

There is no provision in this comparable to the language of the Interstate Commerce Act. There is no requirement that the tolls shall be equitable or fair; that they shall not be discriminatory; that they shall not be discriminatory as against ships or shipping lines or as against different areas of the country served by the ships. In the bill there is no formula of any kind, and I make that declaration with very considerable confidence also.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Oklahoma?

Mr. STEIWER. I am happy to yield.

Mr. GORE. I remind the Senator that that is the law today.

Mr. STEIWER. That is another vice which I do not wish to perpetuate.

Mr. GORE. That is to say, the law as it now stands fixes the maximum at $1.25 and fixes the minimum at 75 cents. If the Senator favors a reduction in tolls the pending bill fixes the maximum at $1 instead of $1.25 and fixes the minimum at 60 cents instead of 75 cents. An evil will not be averted by resisting the enactment of this bill, because that is the law as it stands today; so it is not an argument for resisting the pending motion.

Mr. STEIWER. There is no occasion for perpetuating an evil of that kind.

Mr. NORRIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Nebraska?

Mr. STEIWER. I do.

Mr. NORRIS. I am asking the Senator for information, because I am somewhat in the dark on this particular matter. I think I am in accord with the Senator unless some reasons can be given for this kind of a measure, which delegates our authority to somebody else; yet, as I understand the matter, I am impressed with this thought, about which I should like to ask the Senator:

The Senator objects because of the two reasons he has given, which I myself think are weighty reasons if the rejection of the bill would remedy the condition. The question I wish to ask the Senator is this:

Suppose we reject this bill. Will not the evil about which the Senator complains exist then the same as it does now?

Mr. STEIWER. I think it may, Mr. President. That is the contention made by the Senator from Oklahoma; and I think these difficulties, or at least a part of them, are inherent in existing law, but they ought not be needlessly perpetuated. If the Senate sees fit to agree to the amendment in the nature of a substitute offered by the Senator from North Carolina [Mr. BAILEY], I am hoping that there will come back to the Senate, based upon the investigation and report, a plan so clear, a system so sound, that Congress may agree to it, and legislatively dispose of the propositions which are sought to be disposed of here by proclamation of the Chief Executive.

Mr. WHITE. Mr. President——

Mr. STEIWER. I am happy to yield to the Senator from Maine.

Mr. WHITE. The Senator from Oregon has stated precisely what I had in mind to say, but much better than I could have said it. That is the answer—that an independent study of this matter, and a report made to the Congress, would perchance permit the Congress to work out a solution of this difficulty.

Mr. NORRIS. Mr. President, may I interrupt again?

Mr. STEIWER. I yield to the Senator from Nebraska.

Mr. NORRIS. From what little I know about the matter, I concede that that might occur; but I have this idea in a general way in my mind:

We have been doing that very thing for years, and have had reports of investigations and considerations of the subject; and the result of agreeing to the substitute, as I understand, would simply be to do over again what has already been done. Is this true? I am not ascribing to anybody any bad motive, but I am asking the question for the purpose of ascertaining all the facts, if possible. Would the result of rejecting this bill and agreeing to the substitute be simply to prolong something that has been going on for years and years? Is there any assurance that it would bring us to a final result within a reasonable length of time?

Mr. STEIWER. I desire to be just as fair about the matter as the Senator from Nebraska has been. I do not think I can answer that there is an absolute assurance that this matter would be worked out in a way that would be satisfactory to all of us. I do feel, however, that inasmuch as attention has been specifically drawn to the subject, and inasmuch as the board of survey would itself be on its guard, there is an excellent chance that it would bring back to Congress such information that we might be able to act intelligently in the premises.

I desire to say further, and then I shall conclude—because I think nothing at all is to be gained in the presentation of a constitutional question here—that at the time of the original enactment of these codes the question of unconstitutional delegation of legislative powers by the Congress was not as well understood as it is now. Senators who have investigated the subject will remember that until the past year the question of delegation of powers had been carried to the Supreme Court a great number of times—I have heard students of law say, in excess of 40 times. I am not certain just how many times that matter has been considered by the Court; but until last year, never in the whole history of the Nation had the Court found that an amendment was void upon the ground of unconstitutional delegation of legislative power. It came nearest to it in Field versus Clark, the case which related to the Tariff Act of 1890, where it gave very serious consideration to the question. It there defined the rule, but, having defined the rule, abstained from holding that legislation unconstitutional.

The question never was finally determined, and the rule never was laid down with complete finality, until the Court considered the "hot oil" case last year. At that time the Court almost unanimously determined—eight justices concurring in the opinion—that section 9 (c) of the National Industrial Recovery Act was unconstitutional upon the ground assigned. They then again defined the power and duty of Congress in words so clear that no person can reasonably escape the force and effect of that declaration. Still later the question was considered in the Schechter case, and there a united Court, by a unanimous opinion, again declared the rule.

Under these opinions by the Supreme Court I submit that whatever else may be said, either of the Court or of its opinions, here is one thing that stands out with remarkable clarity:

Congress cannot delegate legislative powers unless at the same time it fixes a standard by which the executive agency is to be guided.

This proposal, as I regard it, is utterly unconstitutional. It is completely in violation of the rule as laid down for our guidance by the Court, and it cannot be sustained, because, as I said in the beginning, there is in it, with respect to the determination of the net registered tonnage, not even a beginning of a hint of a standard; and, with respect to the rate of toll to be charged per ton, there is no limitation save that the minimum shall be not less than 60 cents and the maximum shall not exceed $1.

In view of these considerations I regret that I cannot give my support to the proposed legislation. I am utterly indifferent as to the disposition of the amendment now offered by the Senator from Oklahoma [Mr. GORE]; but I hope a reasonable solution of the matter may be attained by agreeing to the substitute proposal offered by the Senator from North Carolina [Mr. BAILEY], that we may strive in the future to do in a sound and right way the thing which is unconstitutionally attempted in this proposed legislation.

Mr. GORE. Mr. President, I think the Senator from Oregon is shying at ghosts. He tries to conjure up a constitutional question in connection with the pending bill. I am familiar with the rule laid down by the Supreme Court in the case of Field against Clark; and the Supreme Court did say in express terms that Congress cannot delegate legislative powers to the President. It said so categorically. There is not any doubt about it. There is nobody who will challenge that principle. The question is, in each particular case, as to whether the power delegated is legislative power—if so, the delegation is void—or whether the power delegated is executive power or is administrative power, in which case the delegation is valid and constitutional.

That is the point in this case. This proposed legislation relates to the Panama Canal Zone, which in a sense is a military zone. It is not an integral part of the United States. It is not within the purview of the Constitution per se. It is subject to administrative regulation. The President is Commander in Chief of the Army and the Navy; and the proposed legislation seeks to delegate to the President administrative power concerning which it seems to me there can be no doubt.

Mr. President, there is another argument; there is another consideration which completely answers and invalidates the constitutional point raised by the Senator from Oregon.

The Panama Canal Zone and the Panama Canal belong to the United States. They are the property of the United States. The Canal was constructed by the United States. It is owned by the United States. It is operated by the United States. It is public, not private property. The Government of the United States has the right and the power to regulate the traffic, to fix the tolls, to prescribe the conditions, and Congress has the undoubted right and power to vest in the President the authority and the discretion to prescribe the tolls, to fix the tolls which shall be imposed upon ships of commerce, private property, making use of the Canal, which is exclusively the property of the United States.

So far as the Constitution is concerned, there is no analogy between the Government prescribing tolls for the use of the Panama Canal, which it owns, and the regulation of freight rates on the railroads, which are private property, privately owned.

I think that disposes of the constitutional question.

Mr. STEIWER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Oregon?

Mr. GORE. Yes.

Mr. STEIWER. Does not the Senator concede that this bill by its express terms seeks to prescribe tolls applying to the transit of vessels of commerce?

Mr. GORE. Undoubtedly.

Mr. STEIWER. And are not those vessels of commerce, in very many cases at least, proceeding from one State in this country to another State in this country?

Mr. GORE. Yes, sir; they are.

Mr. STEIWER. So that the transaction comes under the commerce clause and peculiarly within the jurisdiction of the Congress.

Mr. GORE. So far as the Canal Zone is concerned, I think that does not necessarily follow. The Supreme Court held that the Philippines did not become an integral part of the United States and that the Constitution was not applicable there as it is to a State or even to a Territory.

Mr. STEIWER. Is the Senator contending that the Canal Zone is on the same basis that the Philippine Islands were at the time the original decision was made?

Mr. GORE. No, sir; not entirely. There is a difference.

Mr. STEIWER. I am glad the Senator makes that concession.

Mr. GORE. The Canal Zone is a military and naval zone, and I think the Commander in Chief of the Army may be given the power to prescribe these tolls.

But, Mr. President, that point is not essential to this discussion. Let me indicate what will follow if my amendment shall be adopted.

The investigation concerning which Senators are so solicitous—and their search for knowledge, I believe, has never been more eager since my service here—will be held if my amendment shall be adopted.

The report will be made in pursuance of that investigation, and will be made by October 1 of the current year. Section 1 will not take effect, as I intend to change the bill, until April 1 of next year.

When this all-important and indispensable investigation shall have been had, and when this report so essential to illuminate the pathway of Senators shall have been submitted, it will be submitted by October 1 of this year. It will be available when Congress convenes on the 3d day of January next. Section 1 will not go into effect until April 1 of next year. Congress can, in the discharge of its duty, legislate upon this subject before section 1 goes into effect. So there is no point or force in that argument.

Let us pass the bill, let us adopt one rule of measurement, and then the question of rates and detailed measurements can be considered by the Congress, so eminently qualified to legislate upon details of that sort.

Mr. STEIWER. Mr. President, I wish to add just one observation, and then I will conclude.

If I understood correctly the statement just made by my friend the Senator from Oklahoma, it was to the effect that he proposes to alter section 1 of his pending bill so that it would not become effective until April 1937. Did I understand him correctly?

Mr. GORE. Yes; that is correct.

Mr. STEIWER. I thank the Senator. Then the amendment which he offers, and which was originally the substitute proposed by the Senator from North Carolina, would go into effect immediately, contemplating a report prior to January 1, 1937. I am also right, I believe, in that understanding?

Mr. GORE. I have changed that to October 1, 1936; but it is immaterial.

Mr. STEIWER. So, in any event, the report would be made prior to the effective date of section 1?

Mr. GORE. Yes, it would be.

Mr. STEIWER. In view of that, in all good nature and yet most seriously, I ask, what is the reason for enacting section 1 at this time?

Mr. GORE. Mr. President, those points were involved in the bill as originally introduced. The bill that was recommitted provided that section 1 should go into effect several months after section 2, which calls for the investigation. I will say to the Senator that the sole object is to meet the complaints and pretenses of the shipping interests, which insist and persist in insisting that this investigation shall be had. They want time, time, time! As Queen Elizabeth said in her dying moments, "Millions for an inch of time." Every inch of time allows the shipping interests to pass through the Canal paying less tolls than they owe, and the proposed investigation was to take that argument out of their mouths.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Oklahoma [Mr. GORE] to the committee amendment.

Mr. BAILEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BARKLEY (when his name was called). The present occupant of the chair is paired with the Senator from Delaware [Mr. HASTINGS], who is absent. Not knowing how the Senator from Delaware would vote if present, I withhold my vote.

Mr. SHIPSTEAD (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. GLASS]. I am not informed how he would vote if present, so I withhold my vote. If I were permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. MCNARY. I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I transfer that pair to the senior Senator from New Hampshire [Mr. KEYES] and vote "nay."

Mr. BYRD. I announce that my colleague [Mr. GLASS] is detained on account of illness in his family.

Mr. DIETERICH. I announce that my colleague [Mr. LEWIS] is unavoidably detained.

Mr. ROBINSON. I announce that the Senator from Arizona [Mr. ASHURST], the junior Senator from Massachusetts [Mr. COOLIDGE], the senior Senator from Nevada [Mr. PITTMAN], the Senator from Oklahoma [Mr. THOMAS], the Senator from Florida [Mr. TRAMMELL], and the senior Senator from Massachusetts [Mr. WALSH] are detained in important committee meetings.

I further announce that the Senator from Tennessee [Mr. BACHMAN], the Senator from Minnesota [Mr. BENSON], the Senator from New Hampshire [Mr. BROWN], the Senator from Mississippi [Mr. HARRISON], the Senator from Louisiana [Mrs. LONG], the junior Senator from Nevada [Mr. MCCARRAN], the junior Senator from Maryland [Mr. RADCLIFFE], and the senior Senator from Maryland [Mr. TYDINGS] are unavoidably detained.

The Senator from Alabama [Mr. BANKHEAD] is detained on account of illness.

The result was announced—yeas 35, nays 37, as follows:

YEAS—35

Bilbo	Couzens	McKellar	Robinson
Black	Duffy	Minton	Russell
Bone	Fletcher	Murphy	Schwellenbach
Bulow	Gore	Murray	Sheppard
Burke	Hatch	Neely	Thomas, Utah
Capper	Hayden	Norbeck	Truman
Chavez	Holt	Norris	Van Nuys
Clark	King	O'Mahoney	Wheeler
Connally	McGill	Pope	

NAYS—37

Adams	Costigan	Hale	Reynolds
Austin	Davis	Johnson	Smith
Bailey	Dickinson	Logan	Steiwer
Barbour	Dieterich	Lonergan	Townsend
Bulkley	Donahey	McAdoo	Vandenberg
Byrd	Frazier	McNary	Wagner
Byrnes	George	Maloney	White
Caraway	Gerry	Metcalf	
Carey	Gibson	Moore	
Copeland	Guffey	Overton	

NOT VOTING—24

Ashurst	Brown	La Follette	Radcliffe
Bachman	Coolidge	Lewis	Shipstead
Bankhead	Glass	Long	Thomas, Okla.
Barkley	Harrison	McCarran	Trammell
Benson	Hastings	Nye	Tydings
Borah	Keyes	Pittman	Walsh

So Mr. GORE'S amendment as modified to the committee amendment was rejected.

The PRESIDING OFFICER. The motion now recurs on the amendment, in the nature of a substitute, offered by the Senator from North Carolina [Mr. BAILEY].

Mr. BAILEY. Mr. President, I send to the desk my proposed substitute amendment, and ask to have it read.

The PRESIDING OFFICER. The Chair will state that the amendment in the nature of a substitute has already been read, and is now the pending question.

Mr. CLARK. On that question I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BARKLEY (when his name was called). Making the same announcement as on the previous roll call, I withhold my vote.

Mr. McNARY (when his name was called). I have a general pair with the Senator from Mississippi [Mr. HARRISON]. Not knowing how he would vote on this question, I transfer my pair to the senior Senator from New Hampshire [Mr. KEYES] and vote. I vote "yea."

Mr. SHIPSTEAD (when his name was called). I make the same announcement as on the previous roll call, and withhold my vote. If at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD] is detained on account of illness.

I further announce that the Senator from Arizona [Mr. ASHURST], the Senator from Washington [Mr. BONE], the Senator from Texas [Mr. CONNALLY], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Indiana [Mr. MINTON], the Senator from New Jersey [Mr. MOORE], the Senator from Louisiana [Mr. OVERTON], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Florida [Mr. TRAMMELL] are detained in important committee meetings.

I further announce that the Senator from Tennessee [Mr. BACHMAN], the Senator from Minnesota [Mr. BENSON], the Senator from New Hampshire [Mr. BROWN], the Senator from Mississippi [Mr. HARRISON], the Senator from Illinois [Mr. LEWIS], the Senator from Louisiana [Mrs. LONG], the Senator from Nevada [Mr. McCARRAN], the senior Senator from Maryland [Mr. TYDINGS], and the junior Senator from Maryland [Mr. RADCLIFFE] are unavoidably detained.

Mr. BYRD. I announce that my colleague [Mr. GLASS] is detained on account of illness in his family.

The result was announced—yeas 35, nays 34, as follows:

YEAS—35

Adams	Costigan	Guffey	Reynolds
Austin	Davis	Hale	Smith
Bailey	Dickinson	Johnson	Steiwer
Barbour	Dieterich	Logan	Townsend
Bulkley	Donahey	Lonergan	Vandenberg
Byrd	Frazier	Maloney	Wagner
Byrnes	George	McAdoo	Walsh
Carey	Gerry	McNary	White
Copeland	Gibson	Metcalf	

NAYS—34

Bilbo	Duffy	Murphy	Russell
Black	Fletcher	Murray	Schwellenbach
Bulow	Gore	Neely	Sheppard
Burke	Hatch	Norbeck	Thomas, Utah
Capper	Hayden	Norris	Truman
Caraway	Holt	O'Mahoney	Van Nuys
Chavez	King	Pittman	Wheeler
Clark	McGill	Pope	
Couzens	McKellar	Robinson	

NOT VOTING—27

Ashurst	Brown	La Follette	Overton
Bachman	Connally	Lewis	Radcliffe
Bankhead	Coolidge	Long	Shipstead
Barkley	Glass	McCarran	Thomas, Okla.
Benson	Harrison	Minton	Trammell
Bone	Hastings	Moore	Tydings
Borah	Keyes	Nye	

So Mr. BAILEY's amendment, in the nature of a substitute, was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1124. An act for the relief of Anna Carroll Taussig;

S. 2188. An act for the relief of the estate of Frank B. Niles; and

S. 2961. An act for the relief of Peter Cymboluk.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. GORE. Mr. President, I inquire if the substitute was agreed to?

The VICE PRESIDENT. Yes; the substitute was agreed to, the vote being 35 yeas and 34 nays.

Mr. GORE. Mr. President, I desire to make one observation.

The ruling of the Attorney General which precipitated this chaotic situation upon our shipping and upon the Panama Canal tolls was handed down, I believe, November 21, 1914. In January following that ruling Mr. Adamson, of Georgia, then chairman of the House Committee on Interstate and Foreign Commerce, introduced a bill to accomplish what the pending bill was designed to accomplish. Since that time there have been 11 hearings in support of this proposed legislation. Since that time every Governor of the Canal Zone has recommended the proposed legislation. Since that time every Secretary of War has recommended the pending legislation, or the legislation which was pending until a moment ago.

President Wilson immediately recommended legislation such as this bill sought to accomplish before it was emasculated. President Roosevelt has repeatedly urged upon us the enactment of this legislation. The House has four times passed a bill of this character to correct the abuses resulting from the dual system. It has taken 22 years to bring this question to a vote in the United States Senate. It is now defeated by one vote.

Mr. President, I desire to move that the pending bill be indefinitely postponed. I think the enactment of this legislation in its present form is nothing more than a sham. It does nothing that the constituted authorities charged with the administration of the Canal have desired to have done. We go around and around. We mark time. We do not march. We get nowhere.

On the first day of next January we would stand, and the shipping interests would stand where they could begin another fight of 22 years to delay and defer and postpone and adjourn this proposed legislation. I do not want the Senate to enact this measure in its present form. I do not want it to sanction this sort of culmination of this long-drawn-out fight to rectify an evil and to correct an abuse. I have reasons for urging the postponement of this measure, for asking the Senate not to pass this measure, that I should not care to put into the RECORD.

The VICE PRESIDENT. The question is on the motion of the Senator from Oklahoma to postpone the bill indefinitely.

Mr. DUFFY. Mr. President, in a colloquy with the junior Senator from Oregon [Mr. STEIWER] on this bill yesterday or day before, I suggested that I would obtain for him the information he requested with reference to the proportional benefit which foreign ships have over our own under the present system.

I have had prepared a very brief statement, which I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks, showing the fact to be that, by reason of this dual system, United States shipping has been able to save $199,000 for each 1,000,000 tons, while foreign shipping has been able to save $224,760 for each 1,000,000 tons.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement is as follows:

REDUCTIONS IN TOLLS SECURED THROUGH THE OPERATION OF THE DUAL SYSTEM SINCE THE OPENING OF THE PANAMA CANAL UP TO THE END OF THE FISCAL YEAR 1935

Reductions secured must be looked on as a subsidy which up to now has accrued to foreign vessels in a larger proportion than to United States vessels.

Since the opening of the Panama Canal by the operation of the dual system vessels have been relieved of approximately $84,000,000 in tolls charges from the established rates, of which $46,750,000 went to foreign vessels and $37,250,000 went to United States vessels.

United States vessels secured a reduction of less than 16 percent while foreign vessels secured a reduction of 19.8 percent from the established rates.

Table showing reductions secured by operation of dual system

Vessels	Tolls at established rate of 120-72	Tolls actually collected	Decrease	Percent	Panama Canal net tonnage	Saving per 1,000,000 tons
United States	$207,835,000	$170,585,000	$37,250,000	18.0	186,538,479	$199,730
Foreign	235,800,000	189,050,000	46,750,000	19.8	207,994,421	224,760
Total	443,635,000	359,635,000	84,000,000	19.0	394,532,900	212,910

For the 17-year period, 1914–31, covered by the Bureau of Efficiency report

	Panama Canal net tonnage	Saving to vessels	Saving per 1,000,000 tons
United States	138,349,044	$26,942,035	$194,750
Foreign	149,231,371	32,032,770	214,650

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Oklahoma [Mr. GORE].

Mr. DUFFY. Mr. President, I do not know what has motivated the chairman of the committee, but, as a member of the Committee on Interoceanic Canals, my own idea is that while the present bill is emasculated by requiring this investigation to be made, perhaps it would be a good idea to have the investigation made. I am sure the chairman and I agree that no new facts will be brought out, but at least that will be one reason why, when the legislation comes up the next time, there cannot be a request for further delay on the ground that the facts are not known.

I merely make that suggestion to my colleague the chairman of the committee. Might not that be a good idea?

Mr. GORE. Mr. President, I myself have considered that suggestion. I conferred with Representative LEA of California who has several times succeeded in having the measure passed through the House, and I think he concurs in my conviction that it would be better not to pass this bill through the Senate, because an acceptable bill is now on the calendar in the House.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. I should like to say, as one member of the committee, that in the shape in which the bill has been placed by the adoption of the Bailey substitute the measure amounts to nothing on the face of the earth except a sham and a fraud; and I should say it would be far better not to have any legislation passed than to deny the reform which has been asked for and advocated here and try to foist on the public what is absolutely an outrage and a snare.

I agree with the chairman of the committee.

Mr. BARKLEY. Mr. President, may I ask the Senator from Oklahoma if the adoption of the motion made by him to postpone indefinitely will eliminate the probability of any legislation on this matter at this session, so we will have to take it up at the next session?

Mr. GORE. Yes; unless the House bill should come over to the Senate.

Mr. BARKLEY. Assuming that would be so, does not the bill as now amended provide for the investigation to be reported to the Congress by the 1st of next January?

Mr. GORE. No.

Mr. BARKLEY. Is there any date fixed in the substitute when the report shall be made?

Mr. GORE. It provides that the report shall be completed by that date. I do not believe it requires that the Commission shall report to Congress.

Mr. BARKLEY. The report must be finished by that time and would be available. I presume the object of the investigation would be to have a report made to Congress. I am wondering whether we would not pass legislation probably earlier, assuming the report will be made by the 1st of January, than we would by postponing indefinitely the pending bill providing for the investigation.

Mr. GORE. Mr. President, I do not think it makes a particle of difference. That is not the point at all. There is no mystery to be solved. The shipowners do not want to pay the tolls they ought to pay and they will not want to pay them when the report is made. They will not want to pay them when a bill is introduced based upon the report. They will be as persistent then as they are now in their opposition.

Mr. NORRIS. Mr. President, I should like to submit to the chairman of the committee the idea expressed by the junior Senator from Wisconsin [Mr. DUFFY]. It seems to me he ought to give the suggestion consideration. I am not a member of the committee. I am not an expert on the subject. Senators have argued, and I think they are conscientious in their argument, that we would get something valuable out of the investigation. I am inclined to agree with the Senator that perhaps someone is hiding under that chip, but as the Senator from Wisconsin said, it would at least clear that chip away if we should adopt the substitute. If that be true, and I do not know whether it is or not, and if the opponents of the legislation are hiding behind that kind of cover, it would certainly take off the cover, and we would ultimately have a chance to enact this kind of legislation.

Mr. GORE. The Senator from Nebraska will remember, when this debate was in progress on a previous occasion that the main argument was that the tankers would get an advantage which Senators did not want to concede to them. The opportunity to enjoy that advantage has been removed, but it does not abate opposition to the measure.

Mr. NORRIS. No; but a different reason is given. I voted with the Senator every time I had an opportunity. I concluded, from the little I know about the matter, that he was right about it. However, another reason is given now, and, untenable as it may be, it seems to me, if it is untenable, an investigation will show in time that there is nothing in it.

Mr. ROBINSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. GORE. I yield.

Mr. ROBINSON. It requires action by the two Houses of Congress to enact legislation. If the bill should pass the Senate in its present form and go to the House of Representatives it would be subject to amendment there. The House could then insert the language of the Senate bill if there were votes there sufficient to do so.

In view of the very close vote which was had here on the adoption of the substitute, I respectfully suggest to the chairman of the committee that he might avail himself of another opportunity for a vote on it when the matter comes back from the House of Representatives, if the House should act on the bill.

Mr. GORE. Mr. President, I appreciate the force of the suggestion made by the Senator from Arkansas. Viewing the facts from his point of view and as he sees them, his conclusion is perfectly logical and justified. I made the motion after conference with Mr. LEA of California, who has for years been sponsoring this proposed legislation in the House. A bill on the subject has four times passed the House. Perhaps I ought not to say this point-blank, but Representative LEA thinks this measure ought not to pass in its present form. A similar bill in a desirable form is now on the House calendar. If it passes the House in that form the Senate can once again consider the subject.

The Committee on Interstate Commerce of the House has always favored this proposed legislation.

Mr. ROBINSON. Mr. President, will the Senator yield further?

Mr. GORE. Not at this moment.

That committee has reported the bill time and time again, had it placed on the House calendar, and four times the measure has passed the House. In the House jurisdiction over legislation of this character has been taken away from the Committee on Interstate and Foreign Commerce in the House, a committee friendly to the legislation and favorable to it, and has been transferred to another committee, a committee which is unfavorable. If the bill should pass the Senate in this form, it would be referred in the House to a committee which is unfriendly to it, and it would die in that committee. I am trying to kill this sham so that the House can pass this legislation which is desired by every responsible official in the departments of the Government. If this bill fails in this session, it probably fails forever.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Kentucky?

Mr. GORE. I yield.

Mr. BARKLEY. It seems to me, in spite of what the Senator has said, that if this bill should be passed even in its present form as amended and should go to the House it would give the House two opportunities to pass upon it or to enact legislation. They could either take up the Senate bill and amend it by inserting whatever language they desire, or they could ignore the Senate bill entirely and pass their own bill and send it to the Senate, when we would have an opportunity to deal with the subject again. It seems to me to pass the bill in any form is preferable to postponing it indefintely, because it would give two chances at legislation of some kind rather than take away any chance to do anything at this session.

Mr. GORE. Representative LEA of California in the House, who is undoubtedly a friend of the legislation, thinks the course I have suggested is preferable. He does not want to be encumbered with this bill in the House. If this bill should be sent to the House, it would go to a committee unfriendly to it. Representative LEA now has on the House Calendar a desirable bill, and I think he desires an opportunity to pass that bill if he can. The Senate will be afforded another opportunity to legislate when that bill comes over, if it ever does come over.

Mr. MINTON subsequently said: Mr. President, I enter a motion to reconsider the vote by which the Bailey amendment was substituted for Senate bill 2288.

Mr. McNARY. Mr. President, did the Senator from Indiana enter a motion to reconsider, or did he make a motion to reconsider?

The PRESIDING OFFICER (Mr. POPE in the chair). The Senator entered a motion to reconsider.

Mr. McNARY. Then it is not the desire of the Senator to present the motion for consideration until the first of next week?

Mr. MINTON. That is correct, sir.

Mr. McNARY subsequently said: Mr. President, a motion to reconsider the vote by which the Bailey amendment to the Panama Canal measurement bill was agreed to was made a few moments ago. It has occurred to me that there is already pending a motion made by the Senator from Oklahoma [Mr. GORE].

Mr. GORE. Mr. President, I had just risen to address the Chair and withdraw the motion.

Mr. McNARY. I think that should be done, so that the parliamentary situation may be cleared.

Mr. GORE. I withdraw the motion.

Mr. ROBINSON. I understand that the pending motion, then, is a motion to reconsider the vote by which the so-called Bailey substitute was agreed to.

Mr. McNARY. That is correct.

The PRESIDING OFFICER. That is the status.

RIGHTS AND PREROGATIVES OF INVESTIGATING COMMITTEES

Mr. BLACK. Mr. President, I desire to say a few words on a subject not connected with the pending bill. This is on account of the fact that there has been a gross and malicious campaign of misrepresentation perpetrated on the people of the United States in the last few days with reference to the activities of a committee of this body. This campaign of misrepresentation is not accidental. It is concerted. It is deliberate. It is a malicious effort to impede the progress of one of the committees of the Senate because of a desire on the part of those responsible for the campaign of misrepresentation to prevent an investigation of things which the people are entitled to know.

As an example of the deliberate campaign of misrepresentation, which has even been dragged into the editorial columns of newspapers which assume great piety on their part, and consequently arrogate to themselves a lofty position of holiness and purity far above that of all ordinary human beings, I call attention to an editorial appearing in the Chicago Daily Tribune of Wednesday, March 4, 1936. This is the second time the same falsehood has appeared in this paper with reference to the Senate and its resolutions.

All of us know that the resolutions of the Senate are public. They are available even to the Chicago Tribune; but, of course, the Chicago Tribune was not disturbed by what appeared in the resolution. For the second time it has made this statement about the Senate resolution under which the committee is acting in the investigation of lobbyists, propagandists, and so-called patriotic societies supported by tax dodgers and racketeers.

In this editorial the following statement appears, and it is the second time it has appeared in an editorial in the Chicago Tribune:

> Mr. BLACK, under the authority of two Senate resolutions, is going after the chief organized opponents of the Roosevelt administration with hooks, tongs, and carving knives. One of the resolutions was drawn foolishly. A large nerve was required to specify by name the political opponents of the New Deal. The resolution named them—

The resolution is available for any Senator to see. The editorial says:

> The resolution named them—the Sentinels of the Republic, the American Federation of Investors, the Liberty League, and other organizations the members of which have been standing up to the Rooseveltians and punching back.

The resolution did no such thing. If the editor, or the man who wrote this editorial, did not know that the resolution did not contain any such statement, he could have easily ascertained it; but, of course, the truth does not disturb many people who prate loudly about their piety and their loftiness of character.

Now, I desire to make this statement to the Senate: Your committee is proceeding in exactly the same line of policy and under the same type of proceedings that have characterized every investigating committee since the first resolution of investigation was adopted in 1792. In the first resolution which was adopted for an investigation in this country, the congressional committee was given the power to investigate and obtain letters and papers. That course has been followed in practically every one of the 350 or 400 resolutions of investigation which have been adopted and carried out since that time.

It is true that in 1792 there were no telegraph wires, but there were telegraph wires in 1860 and 1870; and at that time the exact objection so loudly talked about now was made. A committee of the Congress issued numerous subpenas for telegrams to the telegraph companies, not designating the exact telegrams that were desired, but designating telegrams passing to and from individuals. There, of course, appeared at that time those who were outraged that such an effort should be made. They said it was an invasion of the rights of the people; and one of the telegraph companies even permitted its agent to be cited before the Congress. But the Congress made short work of the matter, and it was agreed that it was wholly unnecessary to desig-

nate with particularity the telegrams that were desired, by reason of the fact that that would make the telegraph company or someone else the judge of what was admissible and what was not admissible.

In numerous instances it has also been held, not only in connection with congressional committees but by the courts, that if there is any objection to a subpena duces tecum to bring letters and papers into a court or before a committee of Congress, that objection must be made when the return is made to the subpena. An effort has been made to convince the people that something extraordinary has been done. As a matter of fact, it is not extraordinary. There is nothing extraordinary in the howls that have been raised by those who are interested in preventing the people of the Nation from knowing of the crookedness and the corruption that has been in existence, and from which many have profited to the disadvantage of the public as a whole.

That has always been done. There is nothing astonishing about it. Let me read you what was said before when a gentleman had distributed $750,000, and it was shown that he had done so. He wanted a subsidy bill passed about 75 years ago, so he came to Washington with $750,000; and he was very much disturbed because he was asked to testify what he did with the $750,000. He said he could not do that; that that would be a breach of honor and integrity, and would invade his private affairs. It was proved that he had spent the money. He brought $750,000 here to influence this subsidy bill for a steamship company known as the Pacific Mail Steamship Co. The matter is reported in the Congressional Globe, Forty-third Congress, second session, page 291.

This man's name was Irwin. Listen to this statement, and see what a familiar note it has:

I am prepared to tell the committee—

He said—

the whole truth so far as it relates to myself; but when it comes to revealing matters which exist in confidence between myself and other members of the committee—

That is, the committee of lobbyists—

I stand upon my honor as a gentleman and upon my rights as an American citizen, and most respectfully decline to answer these inquiries.

In spite of the fact that this gentleman stood upon his "honor as a gentleman" and upon his citizenship of America, Congress concluded that in spite of his lofty and holy sentiments he was guilty, and sentenced him for contempt. Many instances of exactly the same kind may be found. This sort of thing happened even in colonial days. Macaulay tells about what was done in England when an attempt was made to investigate graft, corruption, and crookedness, and those who were cited to appear said their privacy was invaded. They contended that they had a perfect right to do anything in the world they desired to do in connection with legislation and public contracts, and that was a matter of private interest to themselves; but the Congress and the Parliament have always taken a different position. They have always held that the man who attempts to influence legislation or governmental contracts straightway steps out of the veil of privacy, and subjects himself to be inquired of by the representatives of the people of the Nation in order to learn who put up the money, and what was the object of putting up the money.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. NORRIS. The Senator's illustrations are very interesting, but I think he ought to take into consideration the fact that in those days a process which is now of everyday occurrence was not known of, or thought of, at least. Now we have the injunction, and are becoming to a great extent a government by injunction; and the jurisdiction to pass on these questions is sought at least to be taken away from Congress and conferred upon the judge.

Mr. BLACK. I fully agree with the Senator that the Senate has the right under the Constitution to determine who its witnesses shall be, and certainly has some privilege to have those witnesses come to this body before they are restrained in any way by any court.

Mr. NORRIS. That is subject to the possibility of some judge's enjoining the Senate or its committees from pursuing that course.

Mr. BLACK. I understand that.

Mr. WHEELER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Montana?

Mr. BLACK. I yield.

Mr. WHEELER. I should like to call the Senator's attention to the fact that during the Tea Pot Dome investigation, and during also the Daugherty investigation, the investigation of the Department of Justice, we got the same kind of misrepresentation from the Chicago Tribune and papers of that ilk throughout the United States. In the Daugherty investigation the same claim was made when we went into the bank owned by the Daughertys in Ohio.

They claimed then, and even some Members of the Senate claimed, that we were invading the rights of private individuals by going into the banks and looking at Jess Smith's account, and Mel Daugherty's, and Harry Daugherty's books. They got an injunction against us, and finally the case went to the Supreme Court, and before we ever got into those books and records they burned all the records they had in the bank pertaining to the matter, so that we would not be able to go into them. It was supposed, of course, that had we been able to get into those records, we would have exposed some of the most crooked and corrupt officials who ever invaded the National Capital.

Mr. BLACK. Let me call the Senator's attention to the fact that burning has not been abandoned. The Senator will recall that last year we proved that the representatives of the Associated Gas burned their messages, or they were burned and destroyed. Today we proved that the representatives of the Crew-Levick Co., a subsidiary of the Cities Service, destroyed their records on the Wheeler-Rayburn bill, burning them, or some of the entries.

Mr. NORRIS. Mr. President, the injunction process, as related by the Senator from Montana, really had the same effect as the burning, because before the court finally determined that the injunction should not be issued, which it did ultimately in the Daugherty case, some of the witnesses were dead of old age, Senators had served their terms and were retired to private life, and the jurisdiction of the committee had long passed away. So that although the injunction suit was won by the Senate in the end, the delay itself was so great that the effect was the same as though the injunction had been made perpetual.

Mr. BLACK. Of course, when the Senate found that some lawsuit was being tried in court to prevent certain testimony which it desired from being submitted, it might, if it saw fit, summon the witnesses to come to the Senate and obtain jurisdiction of the witnesses. As a matter of fact, there should be the utmost comity between the different branches of this Government in connection with their relationship with each other. It is just as wrong for the judicial branch to attempt to usurp the powers of the legislative branch as it is for the legislative branch to attempt to usurp the powers of the judicial branch.

Mr. NORRIS. Let me call the Senator's attention to the particular case to which the Senator from Montana refers. The ultimate decision by the Supreme Court cannot be complained of.

Mr. BLACK. That is correct.

Mr. NORRIS. An injunction might be issued by some very inferior tribunal, perhaps in Alaska, or Honolulu, or Puerto Rico, or Maine, or California, and before it could wind its weary way to a place where it could be passed on by a competent court and proper adjudication made the necessity for the testimony might long have disappeared, people interested in the case might have died, just as they did in Jarndyce against Jarndyce.

Mr. BLACK. The Senator is correct. Of course, if the time ever comes when each time the Senate has an investigation different courts can issue injunctions to each sep-

arate witness to prevent the production of papers, then, of course, the power of the Senate to investigate will be lost.

Mr. McADOO. Mr. President——

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Alabama yield to the Senator from California?

Mr. BLACK. I yield.

Mr. McADOO. Since Congress under the Constitution has power to constitute the inferior courts of the United States, and Congress has the power to regulate their procedure and define their jurisdiction, does not the Senator think that Congress has the power by enactment to prevent interference with its prerogatives by these courts?

Mr. BLACK. I will state very frankly that, in my judgment, if any judge ever issued an injunction to prevent the delivery of papers that were sought by this body through subpena, the Congress should immediately enact legislation taking away that jurisdiction from the courts. Congress creates the jurisdiction of those courts.

Mr. WAGNER. Mr. President, will the Senator yield to me?

Mr. BLACK. I yield.

Mr. WAGNER. As an illustration of the power Congress has to limit the jurisdiction of the inferior courts, 4 years ago the Norris anti-injunction law was enacted.

Mr. BLACK. That is correct.

Mr. WAGNER. Which prohibited injunctions in some cases altogether and provided for injunctions in other cases only in certain instances, for certain reasons, so that the power has been exercised.

Mr. BLACK. I may say to the Senator that if I had ever had any idea that any judge would issue an injunction against this body's getting certain evidence, I would long ago have introduced a bill to take away the jurisdiction which enabled the court to do that. Either this body has a right to summon witnesses or it has not.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. CLARK. An inferior Federal judge has as much right to enjoin the Senate itself as to enjoin any committee of the Senate, has he not?

Mr. BLACK. Yes.

Mr. CLARK. That is what the action amounts to, an enjoining of the Senate itself.

Mr. McADOO. Mr. President, will the Senator yield further?

Mr. BLACK. I yield.

Mr. McADOO. Does the Senator concede that a judge has the power to enjoin such proceedings of the Senate as those to which he has referred?

Mr. BLACK. I do not.

Mr. McADOO. I do not concede it.

Mr. BLACK. Certainly he has not.

Mr. McADOO. I think the dignity, as well as the power, of this body are such that when the Senate undertakes an investigation no court has the power to interfere with the processes of the Senate.

Mr. BLACK. I agree with the Senator fully.

Mr. President, there are several other things I desire to state. In the first place, every telegram this committee has sought to get by subpena, and has in its possession, it obtained either through a subpena duly and legally issued or by reason of the fact that the telegrams were turned over in answer to questionnaires. The telegrams which this committee has in evidence have not been supplied to it by any other branch of this Government. In spite of the fact that the committee has itself sought to get the telegrams by subpenas, there has been a deliberate, malicious effort to convince the public that the committee has had telegrams by the thousands copied by some other bodies connected with the Government.

Here is the story behind the summoning of telegrams: We have already established by the evidence that two companies have been burning their records. The destruction of records is not limited to those two companies. That destruction of records is as widespread as the 48 States of the Union. It is not limited to two companies.

This committee only found, as other committees have found, that if it wanted to obtain evidence with reference to the thing it was charged with investigating, it must get it before those whom it was investigating had had a chance to destroy the evidence. It was by reason of the fact that the committee had gotten evidence that was thought to have been successfully destroyed and burned, so that it had gone beyond all hope of recovery, that these people have suddenly become so patriotic, such great lovers of freedom. What they mean by "freedom" in their editorials and in their partisan diatribes is freedom for these people to continue to destroy the evidence of their activities designed to exploit the great mass of the people of America. That is what they mean by "freedom." That is the freedom they want.

Here is another man. He set up that he was a lawyer and he therefore could not be compelled to make any statement before a congressional body. But the committee heard him speak, and when he had finished speaking the question was put; and when the question was voted upon he, too, in spite of all his appeal on the ground of patriotism and American citizenship, was convicted of contempt by reason of the fact that they saw he was trying to wrap himself in the Constitution to keep from revealing facts that showed he had been exploiting the people of this Nation for his own peculiar advantage and that of his clients.

Mr. President, another thing has been stated—that this committee has the authority to investigate only some person who goes out and seizes a Senator or a Representative by the coat and lobbies with him out in the lobby. That is not the most successful lobbying today. That is not the way it is done. We all know that. One of the ways to try to defeat legislation is to work from behind the scenes, and the most successful way to do that is to get a high-sounding name. It is said that about a year ago—a little more than that—when the question came up of a name to be given to a certain widespread organization in America, someone suggested it should be "The League to Protect Property"; and straightway came back the reply, "That will never do. It should not be named 'The League to Protect Property.' We must get a title that will deceive the people and lead them into believing that what we are really after is to protect liberty." So they decided to name it the Liberty League.

Now, if an organization, instead of being named the Liberty League, were named the Democratic Party or the Republican Party or the Socialist Party, no one would say a word if we attempted to find out who made the contributions to those parties. It is now accepted in this country as a matter of right that the people have a right to know who supports the political parties. But if corporations which are prohibited from contributing to political parties may conceal their political contributions behind a name invented by someone to talk about liberty and the Constitution, then they may flout the law; so there is nothing whatever surprising in the fact that inquiries have been made of various organizations that are engaged in activities over the radio, on the stump, and even attempting to usurp the functions of the Supreme Court itself, and then directing people that they should not answer a Senate subpena. Is there anything surprising in the fact that someone should be interested to know who is putting up the money for this organization which seeks to shape and fashion the destiny of the millions of people of this country? If at the same time the same group organizes farm unions, sentinels of the Republic, protectors of liberty, guardians of the Constitution, self-defense leagues, and even takes the money of industrialists who have made billions at the expense of the farmers to put up a fake organization on the farmers of this country, is it

true that we are invading their private affairs when we try to find out if this so-called farm organization is supported by munitions manufacturers or an aluminum company or Wall Street bankers?

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. WHEELER. Speaking of the Liberty League and contributions to it, it is my understanding that in many instances contributions to it are made in the nature of loans. Because of the fact that the contributors cannot write off their straight contributions in their income-tax returns, they make them in the form of loans; and when the loans come due, and cannot be paid, they can write them off as against their income taxes as losses.

Mr. BLACK. Of course, it is necessary to invent many new methods. The Chicago Tribune several weeks ago were required to pay back some three or four hundred thousand dollars by reason of the fact that they had had some kind of a corporation, and they had manipulated and managed it around until they thought they were not obliged to pay. But do Senators know the strange thing is that the Supreme Court of the United States had said that that was illegal? And it is almost impossible to believe that with the Supreme Court already having declared it illegal, this great defender of the Constitution and the Supreme Court should have sought to put over on the Treasury Department a deal whereby they could keep from paying some three or four hundred thousand dollars in income tax. Perhaps they thought they could keep on doing that until there would be some administration which would not make them pay it back.

Mr. WHEELER. The Senator does not intimate that the Chicago Tribune would do anything illegal?

Mr. BLACK. On February 12 that was published in a press dispatch. Of course, I would not intimate that. But it was indicated—not only indicated but it was true—that they had been forced to pay this income tax by reason of the fact that the scheme and device which had been arranged had been stricken down by the Board of Tax Appeals.

The whole thing is this, Mr. President: A small group of people of immense power in this Nation have had their grip upon the ship of state. They have been directing its destiny for so long that it is impossible for them to believe that there is anything that can shake them loose. It was immaterial to them whether the party in control was Democratic, Republican, or whatever it might be called, so long as they could direct its policies. They wanted to shape the tax program. Therefore they have organized their societies under various high-sounding names, and made contributions under cover behind the scenes, without the public knowing it, sending forth speeches over the radio, announcing at the beginning that this was a very patriotic organization, where its people worked without funds. At the very moment the radio speeches were being made it was known that the same little group that had financed the Liberty League and various other so-called leagues to advance the cause of patriotism and the Constitution had supplied the money, and they did not want the public to know it. But I desire to tell the Senate that your committee intends that the public shall know all about these matters. We have sought evidence wherever we thought it could be obtained in accordance with the rule that has been adopted by this body over a period of more than 150 years. We have not departed one iota from the established custom.

We are using exactly the same methods of subpena that were adopted by the Caraway committee and by other investigating committees all the way back, even to the time of Jackson, when the national bank was investigated. At that time the investigating resolution was almost in the words of the present resolution, in order to determine who it was behind the scenes that was manipulating the finances of the country for their own peculiar benefit and advantages. It was then said, "You are invading privacy. You do not designate what you want." But the committee went right ahead and made the investigation.

In the Credit Mobilier case the same objections were raised and the same high-sounding and sonorous phrases were invented by those who, because of the fact that they had a financial interest, were making the protest, but the committee went right ahead and disclosed what had happened.

The same occurred when President Garfield told the men under him, "I want you to investigate the mail frauds and I want you to do it thoroughly, let the chips fall where they may." They did investigate and showed the corruption where it existed.

Senators will find in the records of this body in the Senate library that one of the reasons given at the hearings involving the assassination of President Garfield was that the same poisonous Pandora's box was turned loose against him by the papers and the propagandists who wanted to get something to fill their own pockets by espousing the cause of those who had exploited the people of the United States.

All the way down through the years the same fight has been made. It was made before this country was settled. It was true of England and true of America. Every time an investigation starts the same propaganda begins.

This committee, upon which is my friend from Vermont [Mr. GIBSON], a distinguished and able member of the opposition party, has subpenaed only the telegrams where it already had in its possession reasonable ground to believe certain parties had been engaged in some activity which came within the scope of the investigation. We do not ask and we do not care to what party they claim to belong. That is wholly and completely immaterial to us. We do not ask and we do not care whether they support one administration or another administration.

In spite of all the false statements that may be distributed throughout the country, the five members of your committee have been working harmoniously to bring out the truth in order that the people of the Nation may know who it is that seeks to control legislation for their own peculiar benefit, for their own financial advantage. We shall not be deterred, and we shall not be stopped by any of their activities. We intend to observe every constitutional right accorded every citizen of the Nation. We believe we are trying to protect the rights of free speech and free citizenship in this Nation, because we cannot have free speech and free citizenship if we turn the Nation over to propagandists who are paid to propagandize the Nation by a small group of favored individuals who have grown rich out of the Public Treasury.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Montana?

Mr. BLACK. I yield.

Mr. WHEELER. I take it the Senator does not think this matter of lobbying is a partisan matter?

Mr. BLACK. It is not.

Mr. WHEELER. I have noticed that when we have a Republican administration the lawyers who are employed as lobbyists are generally Republicans, and the minute the Democratic administration comes into office we find former Democratic national committeemen and prominent Democratic lawyers then employed as lobbyists by the same concerns which formerly employed the Republicans. I think it is a deplorable situation that here in the National Capital men who have been prominent in Democratic councils should lend themselves to these great nonpartisan concerns to act as lobbyists in the city of Washington.

Mr. BLACK. Mr. President, your committee has summoned, without any distinction as to party, and it will continue to do so, every lobbyist, whatever may be his title, whatever may be his official position in any party. We on the committee are acting as one to see that they all come before the committee, whenever it is necessary and when we reach them in due course, to tell the country exactly what they have been doing, what contributions have been made to them, who paid them, and for whom they are working.

I am sure I can receive the approbation of every member of the committee when I state it is wholly and completely immaterial to us, if it comes within the range of our inquiry, whether the individuals investigated belong to one party or another. Not in one single instance has a member of the committee asked that a questionnaire be sent to anyone or an investigation be made that it has not been done. We shall continue to do so.

Let these partisan papers which seek to inflame the people by appealing to party partisanship continue their harangues. We shall continue on our course. We are not interested in their political harangues. We are not interested in their attempt to inflame partisanship. We are interested in letting the people know whose money it is that seeks to corrupt the legislation of this Nation in any manner or that seeks secretly to influence legislation.

I have no objection and I believe no member of the committee has any objection to any group in the United States seeking to have its views made known to the Congress. That is perfectly legitimate and perfectly proper. We have sought in no way to abridge this right. We do not desire to do it. We do claim, however, that the public has a right to know who it is that seeks to influence legislation, who pays these lobbyists for their services, and if it is a so-called society of some kind disguising itself behind a high-sounding name, that the people of the United States are entitled to know whose money is behind it and what it really is in which they are interested.

We have made no effort to investigate either the Democratic or the Republican Party. Each party is required under the law to submit its report. If we found that false statements had been made in those reports, we would take one just the same as we would take the other for investigation. No one who is genuinely or honestly interested in anything he wants investigated within the rights of this committee, whether on this side of the Chamber or the other, if he is honest about his desire to have the investigation made and has something on which it can be based, has been denied the opportunity to present his views. We have welcomed such things and we will welcome them hereafter.

What I want the Senate to know is that its committee of five are not acting on any partisan basis. We decline to permit the committee to be carried to any such point. We shall continue to show from time to time the destruction of records as we have shown today, and shall continue to show who it is that is supplying the money and what is their sinister interest when they seek to deceive the people of the country into believing that certain societies are legitimate, honestly formed societies, patriotic societies, defense societies, or any other kind of societies. We believe the public is entitled to this information and we intend to continue on our course. We believe that the men in this body on each side of the aisle who put the welfare of their country and honest, decent Government above partisan politics will back us up to the limit.

CONDITIONS IN THE STEEL INDUSTRY

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD two letters, both of which relate to problems confronting Pennsylvania communities dependent upon the steel industry. The first letter is from Mr. B. E. Kibbee, executive vice president of the Sharon Steel Hoop Co. The conditions which he recites in his letter threaten the very existence of his plant and the thousands of workers who are there employed. If steel mills are abandoned in this area, it will mean the migration of thousands of families to other places at a very great cost to themselves and the Nation.

The second letter is from Mr. E. R. Crawford, president of the McKeesport Tin Plate Co. The industry which he represents provides employment for a fair proportion of the McKeesport area.

These letters are protests against pending legislation which would have the effect of disrupting the industry, producing great economic waste and a needless shifting of population. I ask that the letters be referred to the Committee on Interstate Commerce.

At the present time the operations of the iron and steel industry in the United States are but a little above 50 percent of capacity; 450,000 persons are now employed in the industry, which is slightly less than the number employed in 1928 and 1929.

Over a period of 50 years, during which I have been familiar with the industry, work was provided for not more than 8 months on an average each year.

With unemployment conditions with us as they are, and with a large number of well-qualified workers in our mill towns without work, the question arises as to why we should now be importing steel from abroad.

Imports of semifinished and finished steel products for the month of December 1935 amounted to 24,570 net tons. This is the equivalent of 1,302,210 man-hours. While not quite equaling the figures for September and October, the imports of December nevertheless represented an increase of 27 percent over those of November and were nearly three times as great as the imports for December 1934.

Structural shapes were far in the lead among the December steel imports, amounting to almost 25 percent of the total.

Other items were merchant and other bars, steel pipe, barbed wire, hoops and bands, nails, wire rods, and ferroalloys.

Imports of steel are constantly increasing, having practically doubled in 1935 over 1934.

I ask unanimous consent to have a detailed report of these findings, published by the Iron and Steel Institute, printed in the RECORD and referred to the Committee on Finance.

There being no objection, the letters were referred to the Committee on Interstate Commerce, the tables were referred to the Committee on Finance, and all ordered to be printed in the RECORD, as follows:

Re: Wheeler bill (S. 4055)

SHARON STEEL HOOP CO.,
Sharon, Pa., March 3, 1936.

Hon. JAMES J. DAVIS,
Senate Office Building, Washington, D. C.

DEAR SENATOR: I note that you are a member of the Senate Committee on Interstate Commerce and will shortly be giving consideration to the Wheeler bill (S. 4055), and I desire to go on record with you as to what the net result will be to our particular company; and it will be the same for many others, if this bill is enacted into law in its proposed form. I am not going to take your time to recite the various chaotic conditions which will be inevitable under this proposed bill, but only to recite the final results.

We are a steel company controlling manufacture from ore and coal through to finished products in flat rolled form, such as strips and sheets. We are giving employment to more than 4,000 men, and with our affiliated companies more than 10,000 men. Our plants are located at Sharon, Pa.; Youngstown, Ohio; Niles, Ohio; Warren, Ohio; and the Pittsburgh district. Our principal consuming markets are in the Detroit area and the Chicago area. The present carload rate of freight on such steel commodities as we produce are as follows:

Pittsburgh district to Detroit district, 28½ cents per 100 pounds, or $5.70 per net ton.

Sharon-Youngstown district to Detroit district, 26½ cents per 100 pounds, or $5.30 per net ton.

Pittsburgh to Chicago district, 36 cents per 100 pounds, or $7.20 per net ton.

Sharon-Youngstown to Chicago district, 33 cents per 100 pounds, or $6.60 per net ton.

Under the proposed bill each mill would be forced to sell its products f. o. b. mill, which would mean we would be forced to absorb freight rates as above set forth in order to compete in the Detroit or Chicago districts, inasmuch as producing units are located in both of those districts; and they, likewise, would be compelled to sell their products f. o. b. their mills. It would be absolutely impossible for this company to continue to compete in either the Detroit or Chicago districts. Therefore, we could not hope to continue operating our plants in their present location. We would be faced with two alternatives—one to either abandon our plants or to shrink them to such smaller size as would be required to make such minor tonnage as we might be able to distribute in districts other than Detroit and Chicago; the other alternative would be to abandon our present location and build plants in the Detroit and Chicago districts. Either of these alternatives would certainly be most serious for our present employees as well as for holders of our securities.

There is another point to be considered at the present time. There is not sufficient producing capacity in either the Detroit or

Chicago areas to cover the requirements of those districts in all lines of steel as used in those two districts; therefore they are compelled to go to other districts to secure a portion of their requirements; but under the proposed set-up, selling f. o. b. mills, we could not meet the demands in the Detroit and Chicago districts for such tonnage as consumers in those districts would be forced to buy outside their own districts without serious loss to our companies. Therefore it seems to me a hardship would be worked on the consumers of steel in the Detroit and Chicago districts until such time as additional mills could be built and placed in operation in those districts.

A program such as is outlined in the Wheeler bill can only result in a great realinement of the steel industry, i. e., in the abandonment of many mills in present locations and the concentration of new mills adjacent to or directly in the large consuming centers for their products, such as Detroit and Chicago, with the resultant concentration of greater population in certain areas and the throwing out of work of tens of thousands of employees in various smaller communities where mills are now operating.

I sincerely hope that you fully realize the serious aspects of this proposed bill, and that your interest in the welfare of the working people of the steel industry will cause you to vigorously oppose the Wheeler bill in its present form.

Sincerely yours,

B. E. KIBBEE,
Executive Vice President.

McKEESPORT TIN PLATE CO.,
McKeesport, Pa., February 27, 1936.

Hon. JAMES J. DAVIS,
United States Senate, Washington, D. C.

DEAR SENATOR: There has come to my attention Senate bill 4055, introduced by Mr. WHEELER, which, if enacted into law, would have the effect of prohibiting the basing-point method of quoting prices.

This proposed legislation would very seriously affect the steel industry and all others with which business relations are conducted by it.

It is not my purpose here to advance detailed reasons why this legislation should not be passed, but only to point out in a general way some of the disastrous consequences of its passage.

The entire price structure in the steel industry would be upset. This price structure has a historical background which is concerned with the original locations of steel manufacturing plants. It would necessitate the establishing of a new price structure, and this would be controlled by the buyer, rather than the seller.

It would deprive the steel industry of the advantages of location in those centers which are peculiarly adapted to the industry, and because of which the industry so located, and has enjoyed for so long.

It would have the effect of disrupting the industry, placing a premium on locating industries at regions of greatest consumption, rather than at sources of raw materials, etc., at great economic waste. Shifting population would be another wasteful result of this. To be considered is the fact that areas of consumption are constantly changing, and the same situation again arises.

No problem would be solved; the cost of transportation would have to be borne at some point of manufacture; and if the industry were forced to relocate at points of consumption, this cost would merely be transferred to the cost of raw materials.

In view of these far-reaching effects, especially upon a district in which you are particularly interested, I urge you to give the foregoing your earnest consideration.

Respectfully submitted.

E. R. CRAWFORD, *President.*

P. S.—Knowing your particular interest and intimate knowledge of this industry, Senator, I feel that I can depend upon you to give this subject your particular attention. You know as well as I do what it would mean to the Pittsburgh district.—E. R. C.

TABLE I.—*Imports of iron and steel products into the United States, December 1935*

Product	Total imports, December 1935	Atlantic ports	Gulf ports	Pacific ports	Canadian border and interior points	Alaska and colonies
Semifinished and finished steel (net tons):						
Total imports	24,570	13,813	3,561	6,417	584	195
Structural shapes (including sheet piling)	6,039	4,305	547	1,187		
Merchant and other steel bars	2,896	2,004	132	710	50	
Steel pipe	2,490	654	719	1,058	59	
Barbed wire	2,455	786	968	281	392	28
Hoops and bands	2,397	1,632	346	419		
Nails, tacks, and staples	2,367	1,335	92	926	14	
Wire rods	1,441	1,183		258		
Sheets, skelp, and sawplate	1,178	591	203	384		
Rails and fastenings	788	263		474	27	24
Round and flat wire and strip	750	629	39	82		
Ingots, slabs, and iron bars	582	146	415	14		7
Concrete reinforcing bars	406	5		290		111
Wire rope and strand	311	93	55	134	29	
Plate, boiler, and other	157	6		151		
Castings and forgings	141	108		2	8	23
Hollow bar and drill steel	93	40	12	41		
Miscellaneous	79	33	33	6	5	2
Pig iron, etc. (gross tons):						
Pig iron	16,289	12,738	30	2,827	694	
Ferro-alloys	4,305	1,164	189	4	2,948	

TABLE II.—*Imports of iron and steel products into the United States, month of December 1935, fourth quarter 1935, and year ending Dec. 31, 1935, compared with previous periods*

Product	December 1935	November 1935	December 1934	Fourth quarter 1935	Third quarter 1935	Fourth quarter 1934	12 months 1935	12 months 1934
Semifinished and finished steel (net tons):								
Total imports	24,570	19,330	8,589	71,316	67,975	31,007	244,165	128,714
Structural shapes (including sheet piling)	6,039	4,288	1,862	15,354	11,659	8,553	46,592	28,025
Merchant and other steel bars	2,896	2,404	1,615	8,043	7,457	5,146	27,719	21,011
Steel pipe	2,490	926	385	5,628	7,316	1,389	23,058	5,383
Barbed wire	2,455	1,665	372	7,406	5,575	1,109	27,905	9,920
Hoops and bands (including cotton ties)	2,397	1,789	1,156	7,070	12,828	5,164	34,251	19,999
Nails, tacks, and staples	2,367	2,110	489	7,434	6,931	1,446	23,875	7,860
Wire rods	1,441	2,925	1,078	7,138	3,620	2,323	18,794	11,934
Sheets, skelp, and sawplate	1,178	606	161	3,956	3,953	909	12,374	4,799
Rails and fastenings	788	853	56	2,894	1,602	1,028	6,338	3,442
Round and flat wire and strip	750	643	497	2,247	1,758	1,460	7,748	5,801
Ingots, slabs, and iron bars	582	155	450	1,319	1,227	1,046	4,413	3,294
Concrete reinforcing bars	406	186	42	677	1,899	175	3,479	1,430
Wire rope and strand	311	315	89	828	541	393	2,401	1,093
Plate, boiler and other	157	61	42	221	356	66	765	320
Castings and forgings	141	139	134	424	390	328	1,474	1,659
Hollow-bar and drill steel	93	98	66	348	437	180	1,312	1,027
Cast-iron pipe and fittings		51		54		29	135	72
Miscellaneous	79	116	95	277	416	263	1,532	1,045
Pig iron, etc. (gross tons):								
Pig iron	16,289	15,550	3,642	49,007	28,444	16,379	130,937	115,470
Ferro-alloys	4,305	8,241	3,809	19,120	12,740	16,953	54,821	41,074

TABLE III.—*Imports of iron and steel products into the United States, year ending Dec. 31, 1935, by countries of origin*

Product	Total imports, 12 months	Belgium	France	Germany	Netherlands	Norway and Sweden	United Kingdom	Canada	All other
Semifinished and finished steel (net tons):									
Total imports	244,165	93,499	16,031	93,912	2,163	27,563	4,214	3,059	3,724
Structural shapes (including sheet piling)	46,592	32,840	7,407	4,922			22	29	1,372
Hoops and bands (including cotton ties)	34,251	17,238	4,180	10,426	1,725	44	446	7	185
Barbed wire	27,905	3,250	41	24,115	340		119		40
Merchant and other steel bars	27,719	16,251	3,044	3,209		3,940	824	85	366
Nails, tacks, and staples	23,875	4,835	82	18,532	62	116	87	40	121
Steel pipe	23,058	760	110	16,730		3,156	170	799	1,333
Wire rods	18,794	2,323	7	4,622	11	11,104	716	1	10
Sheets, skelp, and sawplate	12,374	7,248	273	4,611		134	92	4	12
Round and flat wire and strip	7,748	829	110	1,509		4,779	511	7	3
Rail and rail fastenings	6,338	2,289	309	1,823			16	1,901	
Ingots, slabs, and iron bars	4,413	912	292	631	4	2,491	22	4	57
Concrete reinforcing bars	3,479	3,040	123	316					
Wire rope and strand	2,401	92	26	1,507	8	87	527	12	142
Castings and forgings	1,474	333	27	199	12	393	430	48	32
Hollow bar and drill steel	1,312					1,309	2	1	
Plate, boiler, and other	765	749		3		9		4	
Cast-iron pipe and fittings	135			3			12	85	35
Miscellaneous	1,532	510		754	1	1	218	32	16
Pig iron, etc. (gross tons):									
Pig iron	130,937	100	50	4,877	48,122	3,327	14,500	13,771	46,190
Ferro-alloys	54,821		2,001	1,075	1,005	15,277	2,572	31,760	951

Mr. WHEELER. Mr. President, I did not understand what bill the Senator was speaking about. I assumed from the general tenor of his speech that the letters were with reference to the anti-basing-point bill which I introduced.

Mr. DAVIS. Yes.

Mr. WHEELER. Will not the gentlemen whom the Senator mentions, who have written these letters, come before the Interstate Commerce Committee and testify, rather than write letters? We expect to have open hearings; and I am exceedingly anxious to have the highly paid secretary of the Steel Institute come before the committee and testify, and state what his opposition is to the bill.

Mr. DAVIS. I shall be very glad to invite these gentlemen to come before the committee.

WORKS PROGRESS ADMINISTRATION IN WEST VIRGINIA

Mr. HOLT. Mr. President, I have just returned from West Virginia from a short tour of investigation of the operations of the Works Progress Administration. Due to the fact that it is so late in the day I shall not discuss the Works Progress Administration tonight except to bring out two facts which will be examples of the speech of the Senator from Alabama [Mr. BLACK] about lobbying.

The other day I spoke about the Fairmont district of W. P. A. and named some of the bosses who were in the list to be consulted.

One of those bosses was C. E. Smith, a member of the National Bituminous Coal Board. Mr. Smith was for 2 years the secretary of the International Joint Commission, the Boundary Commission. He was appointed on the 30th of September 1933. While receiving $5,000 a year as the secretary of the International Joint Commission, Mr. Smith was paid by the Appalachian Coals, Inc.

I am going to read to the Senate an original letter from the president of Appalachian Coals, Inc., dated April 1, 1935, addressed to Mr. C. E. Smith, care of the Mayflower Hotel, Washington, D. C.:

DEAR MR. SMITH: Herewith is a check in the amount of $197.06 covering your expenses for the week of March 24, as listed in your memorandum dated March 30.

The items on this memorandum covering your expenses for the week of March 17 were paid by check March 25, which was mailed to you, care of The Times, Fairmont, W. Va., as requested in your memorandum of March 23.

Yours very truly,

APPALACHIAN COALS, INC.

Here was a Government official, secretary of the International Joint Commission, being paid $5,000 a year and also having his expenses paid by Appalachian Coals, Inc.

Now let me tell you what he was doing. Let me read you a copy of a letter that he addressed on the 8th day of March 1935, to Senator C. W. Watson, Waldorf-Astoria Hotel, New York City, N. Y. Here is what he said:

DEAR SENATOR: Huntress told Thurmond we would not be needed here next week.

Let me explain who that is. Mr. Huntress is secretary of the coal operators and Mr. Thurmond is internal-revenue collector for the State of West Virginia.

Huntress told Thurmond we would not be needed here next week. He knows best, but I think somebody should be constantly in touch.

Confirming my telephone call this morning I am afraid you are right that GUFFEY has taken too much for granted. When I got in touch with him he immediately made a luncheon engagement with the President for Monday and will insist that his bill is in keeping with the President's message concerning coal, oil, and gas.

GUFFEY is inclined to minimize McIntyre's attitude, but as I told you he will talk it out with him later today.

I am going to Fairmont this evening.

Sincerely yours,

C. E. SMITH.

Here is Mr. Smith saying that Mr. Huntress, of the coal operators, was to tell the Collector of Internal Revenue of the State of West Virginia and the secretary of the joint boundary commission when they should be in Washington and when they should be at work, sending a check, as I showed in a former letter, to Mr. C. E. Smith for his expenses.

What was that for? It shows what was allowed him.

Let me exhibit the original letter here from Walter R. Thurmond, collector of internal revenue, to Mr. Smith, dated March 18, 1935. This is what he says:

I am very glad that Senator Watson feels that I can be of some service down there—

Listen to this—

but he told me that when I was employed, and I believe it was in your presence, that I would be subject to the orders of Mr. Huntress and I would, therefore, not feel justified in returning to Washington without official request from someone.

This is the collector of internal revenue of our State saying that—

He told me that when I was employed.

By whom? He does not say.

And I believe it was in your presence.

That he was subject to the orders of Mr. Huntress, of the coal operators.

Then he proceeds to say in his letter:

Personally I do not know whether I could do them any good or not, but I am willing at all times to try. On the other hand, I do not want to build up one dollar's expense for the coal industry unless I feel that I am giving them an equal value in my services.

It was perfectly all right for him to come from Parkersburg, W. Va., to Washington, D. C., and put the expense on the Government, but he did not want to bill it to the coal operators.

Who are these two men? Mr. Smith is one of the bosses of the W. P. A. of the Fairmont district. Mr. Thurman is nightly having conferences with Mr. Forsythe, the director

of the Parkersburg district, in the Chancellor Hotel, Parkersburg, telling who should be placed and who should not be placed and who should manage and who should not manage the Parkersburg district of the Works Progress Administration.

Not only does he have control of the Parkersburg district but Mr. Thurman, through some of the committee, dictates exactly who shall be put on the W. P. A. pay roll in Logan County, W. Va. Yet, as I have said, here is a collector of internal revenue lobbying in Washington, admitting it in his own handwriting, and cooperating with the coal operators.

I need not tell more about some of these "big boys." Next week I expect to tell the Senate more on the Works Progress Administration, but these are two of the people who are running the policy of the Works Progress Administration in our State.

DISTRICT COMMERCIAL AIRPORT—CONFERENCE REPORT

Mr. KING submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3806) to establish a commercial airport for the District of Columbia, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the amendment of the Senate insert the following:

"That there is hereby created a commission to be known as the 'District of Columbia Airport Commission' (hereinafter referred to as the 'Commission'), to be composed of three Members of the United States Senate, to be appointed by the President of the Senate, three Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, and three persons to be appointed by the President of the United States, who because of their official positions are interested in the development of a commercial airport in the District of Columbia. No person shall serve on the Commission who has any financial interest direct or indirect in any site or sites for said airport which may be the subject of consideration. The Commission shall proceed immediately after its appointment and organization to examine all available data concerning potential sites for commercial airports and to inspect such potential sites, and shall select a site for such purpose with due regard to the cost of its acquisition and development, its safety, and its adaptability to the requirements of commercial aviation and national defense.

"SEC. 2. The Commission shall preserve its decision and selection in confidence, and shall make a confidential report thereon to the President of the Senate and the Speaker of the House of Representatives, or the Secretary of the Senate and the Clerk of the House of Representatives if Congress is not in session: Provided, however, That said report shall be made not later than June 30, 1936.

"SEC. 3. The members of the Commission shall receive no salary as such, but shall be reimbursed for actual expenses incurred in the discharge of official duties as such commissioners. There is hereby authorized to be appropriated the sum of $100,000, to be charged one-half to the moneys in the Treasury to the credit of the District of Columbia and one-half to the moneys in the Treasury not otherwise appropriated, of which not to exceed $10,000 shall be used for the purpose of employing appraisers and other assistants, and $90,000, or so much thereof as is necessary, shall be used for the purchase of land and buildings, or for the negotiation of options to purchase land, or land and buildings."

And the Senate agree to the same.

WILLIAM H. KING,
MILLARD E. TYDINGS,
WARREN R. AUSTIN,
Managers on the part of the Senate.
VINCENT L. PALMISANO,
JACK NICHOLS,
EVERETT M. DIRKSEN,
Managers on the part of the House.

Mr. KING. I move that the Senate agree to the report.

The report was agreed to.

EXECUTIVE SESSION

Mr. ROBINSON. Mr. President, I wish to state that unless there is objection I shall move an executive session, and then move a recess until next Monday, in order that Senators may have opportunity to look after their mail. I know of a number of Senators who have several hundred letters to which they have been unable to give attention.

I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. POPE in the chair) laid before the Senate messages from the President of the United States submitting a nomination and a convention, which were referred to the Committee on Foreign Relations.

(For nomination this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the Committee on Appropriations, reported favorably the nomination of James W. Carey, of Washington, to be State engineer inspector for the Public Works Administration in Washington.

The PRESIDING OFFICER. The reports will be placed on the calendar.

If there be no further reports of committees, the calendar is in order.

GOLDEN W. BELL

The legislative clerk read the nomination of Golden W. Bell, of California, to be Assistant Solicitor General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

STUART A. RICE

The legislative clerk read the nomination of Stuart A. Rice, of Pennsylvania, to be chairman of the Central Statistical Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

RECESS TO MONDAY

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate took a recess until Monday, March 9, 1936, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 5 (legislative day of Feb. 24), 1936

DIPLOMATIC AND FOREIGN SERVICE

Francis R. Stewart, of New York, now a Foreign Service officer of class 4 and a consul, to be also a secretary in the Diplomatic Service of the United States of America.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 5 (legislative day of Feb. 24), 1936

ASSISTANT SOLICITOR GENERAL

Golden W. Bell to be Assistant Solicitor General.

CENTRAL STATISTICAL BOARD

Stuart A. Rice to be Chairman of the Central Statistical Board.

POSTMASTERS

CALIFORNIA

Algera M. Rumsey, Saugus.

COLORADO

Adelbert E. Humeston, Collbran.
James M. Brown, Mancos.

ILLINOIS

Benjamin F. Price, Allendale.
Harry O. Johnson, White Hall.

INDIANA

Cassius W. Cottingham, Sharpsville.
James E. Purkiser, West Baden Springs.

KANSAS

Jay F. Higbee, Formoso.
Anna M. Bryan, Mullinville.
Edwin W. Coldren, Oberlin.
Leo P. Gallagher, Osborne.
Paul J. Voran, Pretty Prairie.
James E. Gay, Spring Hill.
Grover Miller, Syracuse.

MASSACHUSETTS

Charles E. Morrison, Falmouth.
Thomas F. Donahue, Groton.
Nelson J. Buckwheat, Huntington.
John H. Gavin, Manchester.
Margaret E. Rourke, Prides Crossing.

NEW YORK

Alberta J. Webber, Atlanta.

NORTH DAKOTA

Oscar J. Haner, Douglas.
Harold J. Rock, Hamilton.
John C. Black, Plaza.
Seth E. Garland, Tioga.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 5, 1936

The House met at 12 o'clock meridian.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou art our very life, O Lord; do Thou consider and hear us. Let all things be hallowed by Thy blessing, enriching our wills and affections with abiding treasure. With deepest gratitude, we thank Thee, that Thou hast been pleased to reveal Thyself in the earthly life of the Man of Judea. Every sin that blasts is condemned by His cross and every inspiration that saves flows from it. We rejoice, blessed Father, that it testifies to Thy everlasting love and sympathy with burdened humanity. Let us cherish and hold on to it. It means hope and fellowship when the strain of the day is severest. We pray for the renewal of patience and strength in this time of need. Keep in our breasts the spirit of thanksgiving, for there is always more reason for joy and gladness than for bitterness. Guide us in all our ways, for infinite love in Thy heart means light in Thine eye. Through Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1124. An act for the relief of Anna Carroll Taussig;

S. 2188. An act for the relief of the estate of Frank B. Niles;

S. 2219. An act for the relief of Lt. D. A. Neuman, Pay Corps, United States Naval Reserve Force;

S. 2875. An act for the relief of J. A. Jones; and

S. 2961. An act for the relief of Peter Cymboluk.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 10265. An act to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their National Jamboree to be held during the summer of 1937.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8459) entitled "An act to standardize sick leave and extend it to all civilian employees."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8458) entitled "An act to provide for vacations to Government employees, and for other purposes."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 10630) entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes", disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. NORBECK, and Mr. STEIWER to be the conferees on the part of the Senate.

The message also announced that the Senate had ordered that the Secretary be directed to request the House to return to the Senate the bill (S. 3586) entitled "An act to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their National Jamboree to be held during the summer of 1937."

PATRICK J. CARLEY

Mr. TONRY. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. TONRY. It is with profound regret, Mr. Speaker, that I rise in my place to announce the death of a former Member of this House and my predecessor, Hon. Patrick J. Carley.

He served with great honor and distinction as a Member of Congress from the Eighth Congressional District of New York for 8 continuous years and retired voluntarily because of serious illness.

He was a highly successful businessman and held the respect and confidence of not only the people of Brooklyn, N. Y., but the people throughout my State as well. Our country has lost a great patriot and my State a respected and honored citizen.

Personally I feel that I have lost a very devoted and loyal friend.

LEAVE TO ADDRESS THE HOUSE

Mr. STACK. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. STACK. Mr. Speaker and ladies and gentlemen of the House, I am not going to talk about somebody that died but about somebody that is very much alive. I am going to talk about myself. [Laughter and applause.]

For the information of the Members, I am going to read a letter from a constituent in my district that I received this morning.

This letter is of interest to Members of the House who try to represent their districts as their judgment directs.

The letter is as follows:

MARINE ENGINEERS' BENEFICIAL ASSOCIATION, No. 13,
303 MARINE BUILDING, DELAWARE AVENUE AND SOUTH STREET,
Philadelphia, March 4, 1936.

Hon. MICHAEL J. STACK
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: I notice the opposition being set up against your candidacy for reelection.

I am not a party man, always voting independently for the man who appears to me to be best fitted to represent my interests.

I know nor care nothing as to whether or not a man plays politics with the politicians. His actions upon questions concerning the welfare of the majority of his constituents govern my appraisal of his qualifications for office.

I have closely followed your work as the Representative of the Sixth Congressional District of Philadelphia (my home district),

and want you to know that unless you make an inexcusable blunder during the remainder of this session you can count on my support as against any of those so far announced as opposing you.

[Applause.]

I am not a politician and may not have a following outside of our association, but many marine engineers vote in your district, and, since we are almost wholly governed by Federal statutes, we are all vitally interested in the man who is sent to Washington as our Representative, and I feel certain that you will receive a very great majority of their votes.

I have been very free to ask of you what I thought I might be entitled to, and have in each case received what I asked for, and I believe in giving flowers while one is able to admire them and smell them.

Sincerely yours,

WARREN C. EVANS,
Business Manager.

[Applause.]

COMMITTEE ON MILITARY AFFAIRS

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may be permitted to sit during the session of the House this afternoon.

The SPEAKER. Is there objection?

There was no objection.

SESQUICENTENNIAL ANNIVERSARY, COLUMBIA, S. C.

Mr. FULMER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8886, an act to authorize the coinage of 50-cent pieces in commemoration of the sesquicentennial anniversary of the founding of the city of Columbia, S. C., and agree to the Senate amendments.

The SPEAKER. The Clerk will report the amendments.

The Clerk read the Senate amendments, as follows:

Page 1, line 4, strike out "city of" and insert "capital of South Carolina at."

Page 2, lines 3 and 4, strike out "city of" and insert "capital of South Carolina at."

Page 2, line 11, strike out "city of" and insert "capital of South Carolina at."

Amend the title.

The Senate amendments were agreed to.

CONTESTED-ELECTION CASE—MILLER *v.* COOPER

Mr. KERR, from the Committee on Elections No. 3, submitted a privileged report from the Committee on Elections No. 3 on the contested-election case of *Locke Miller* v. *John G. Cooper,* which was referred to the House Calendar and ordered printed.

FILING OF COPIES OF INCOME RETURNS

Mr. O'CONNOR, from the Committee on Rules, submitted the following resolution, which was referred to the House Calendar and ordered printed:

House Resolution 437

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 11365, a bill relating to the filing of copies of income returns, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

THE DAIRY INDUSTRY

The SPEAKER. Under the special order, the Chair recognizes the gentleman from Wisconsin [Mr. BOILEAU] for 20 minutes.

Mr. BOILEAU. Mr. Speaker, yesterday the gentleman from Ohio [Mr. HARLAN] made certain references to the dairy industry, which I cannot let go unchallenged. The distinguished gentleman from Ohio is one of the industrious and hard-working Members of the House, and has, I am sure, very ably represented his individual district, the principal city of which is Dayton. I can readily understand why he and I have a different viewpoint with reference to the beneficial effects of the so-called reciprocal trade agreements. In view of the fact that the gentleman from Ohio, who resides at Dayton, took occasion to give the impression to the House that the dairy industry of the country is making an unjustifiable complaint against the trade agreements, I thought it only fair to analyze his own particular district with reference to any benefits that the reciprocal trade agreements might have bestowed upon the people living in his district. I noticed that in the city of Dayton, Ohio, there are many large manufacturing establishments. This morning I called up the Commercial Intelligence Bureau of the Bureau of Foreign and Domestic Commerce of the Department of Commerce to ascertain from them which were the largest industries in Dayton, Ohio. They gave me a list of those industries that do a business of $500,000 or more annually, a list of 20 industries. We find that one of the principal industries is the paper industry, and along with that the printing industry, the printing of account books, stationery, and so forth. Then, too, they manufacture many boilers and stokers, golf supplies, steel, shock absorbers for automobiles, billing machines, Frigidaires, fire-extinguishing equipment and apparatus, proprietary medicines, paints, optical goods, oxygen and acetylene, ice plants, malleable iron, pumps of all kinds, rubber goods including automobile tires, cash registers, scales, internal-combustion engines, and taximeters. Those, I am informed, are the principal industries of that city, and I say to you that practically each and every item that is listed as a principal industry of the city of Dayton benefits directly from the Canadian and other reciprocal trade agreements.

I say to the distinguished gentleman from Ohio that I do not blame him for having a sympathetic feeling for these trade agreements, because if he wrote the trade agreements himself he could hardly have given better consideration to his constituents than they received under the provisions of the reciprocal trade agreement with Canada. Practically all of the industries are beneficiaries of reduced rates that are paid upon the exportation of those commodities into Canada. The Netherlands agreement, the Swiss trade agreement, and the Brazilian trade agreement also give some consideration to the products manufactured within the district, but, in view of the fact that yesterday most of the discussion was with reference to the Canadian agreement, I took occasion to check those items more particularly than the others. If the gentleman from Ohio can give us the name of the persons who wrote the Canadian trade agreement, those who participated in the negotiations on the part of the American Government, I believe it would be of interest, because certainly they were at least friendly to the industries of Dayton, Ohio.

Mr. Speaker, I find no fault with that. If the gentleman's industries receive some benefits, I find no fault with it. I am glad that there is something in the agreements which will help him and his district, but when at the same time the dairy industry is being traded off for the manufacturing industry, then we representing the dairymen strongly protest and make our position very clear on the floor of this House, and to the entire country.

The gentleman in the early part of his remarks referred to a petition now lying on the Speaker's desk and said—and I am sure he is substantially correct—that this petition is designed to bring a bill out on the floor of the House that would increase the tariff on the importations of dairy products and poultry. He stated that it would increase the tariff rates from two to two and one-third times. That is absolutely correct, and we of the dairy industry make no apology for our attitude in that regard, and when he says that we would, if we could, have a complete embargo on the importation of dairy products, I agree with him again and say that that is exactly what we would want. Who is more entitled to the American market for dairy products than American dairy farmers? He made this statement:

This industry has seen the wholesale price of butter, cheese, live cattle, hides, and beef more than doubled in the past 3 years, and the wholesale price of milk increase 66 cents a gallon.

I know the gentleman meant to be accurate, but I say to the membership of the House that the statement that the wholesale price of milk has increased 66 cents a gallon is absolutely erroneous. There is no foundation for such a statement. As a matter of fact, we are only receiving in this country at the present time an average of about 16 cents a gallon.

Mr. HARLAN. Will the gentleman yield?

Mr. BOILEAU. I will be glad to yield to the gentleman.

Mr. HARLAN. The statement should have been 66 cents per hundred pounds.

Mr. BOILEAU. The gentleman's statement was 66 cents a gallon. I knew he must have been in error, and I am glad that he took occasion to correct that statement.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from New York.

Mr. O'CONNOR. I listened to the gentleman from Ohio very attentively, and he did not make that statement on the floor. He did not say "gallon." He said "66 cents." He did not even say "per hundred."

Mr. BOILEAU. I do not want to take an unfair advantage of the gentleman. I am willing to accept his explanation of it. There is no question but what 66 cents a gallon is away out of reach, but that is the statement attributed to him in the RECORD.

Mr. KNUTSON. Will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. KNUTSON. Any increases that have been reflected in the prices of agricultural products have been more than offset by the reduced buying power of the dollar?

Mr. BOILEAU. I think so.

Mr. KNUTSON. According to recent Government figures, agricultural prices are 13 percent below what they were in 1932, based upon the buying power of the dollar.

Mr. BOILEAU. I must proceed with my statement.

The gentleman from Ohio makes the point that we are urging the House to sign this petition to discharge the Hull bill. It is true that the effect of that bill would be to double the tariff, but we are doing that in our fight for self-preservation. My distinguished colleague the gentleman from Wisconsin [Mr. HULL] filed that bill because he felt it was necessary to have that protection from the importation of dairy products. Under the reciprocal trade agreements the President can cause the tariff to be reduced by half. If we double the tariff on dairy products, at least we will not be in any danger of having it lowered below what the tariffs are at present. Unless we take such precautions we are going to see a gradual reduction in the tariff on dairy products, because in the trade agreements that have already been promulgated and entered into with dairying countries they have already reduced the tariff on dairy commodities brought into this country.

The Canadian treaty reduced the tariff on Cheddar cheese from 7 cents to 5 cents. The Swiss trade agreement reduced the tariff on Swiss and other types of cheese from 7 cents to 5 cents. So that, generally speaking, the tariff has been reduced from 7 cents to 5 cents on cheese coming in from every country in the world. Swiss cheese is not produced only in this country and in Switzerland but it is also produced in Germany, in Lithuania, in Finland, and the Netherlands. Other countries producing a considerable amount of Cheddar and Swiss cheese will also have the privilege of bringing their cheese in here at the reduced rate.

What has been the effect of these reciprocal trade agreements thus far? I do not know if the reciprocal trade agreement is the only cause for the reduction in the price of cheese since the 1st of January, but I do know that the price of cheese has been reduced 3 cents a pound, approximately, since the 1st of January. It is quite generally rumored among those interested in dairying that certain large processors of cheese in this country, immediately after we negotiated the treaty with Canada, entered into contracts with Canadian producers to import millions of pounds of Cheddar or American cheese to this country at 2 cents below the market price. Whether that is true or not I am unable at this time to say. I do say, however, that it is quite generally understood among the dairy interests of the country that such a thing has happened, and because the dairy industry believes it has happened, because of the fact that those people who buy cheese from the factory, the grinders who buy this Cheddar cheese for processing purposes and put it up in small boxes and sell it to you at several times what it costs them, have quite generally had it brought to their attention that they can buy cheese 2 cents a pound cheaper in Canada than formerly; as a result of the reciprocal trade agreement the price of cheese has gone down.

Mr. SNELL. Will the gentleman yield for a short question?

Mr. BOILEAU. I yield.

Mr. SNELL. Under usual conditions in this country, during the months of January and February the price of cheese usually goes up, if it changes at all?

Mr. BOILEAU. The gentleman is absolutely correct. This is the time of the year when we have an increase in price, and you will soon see large importations of dairy products, which will then force down the domestic price.

Mr. BANKHEAD. Will the gentleman yield for a brief question?

Mr. BOILEAU. Briefly; but I must conclude my statement.

Mr. BANKHEAD. I did not object to the gentleman having this time, because I thought he was entitled to it in order to reply to the gentleman from Ohio [Mr. HARLAN].

Mr. BOILEAU. I yield for a question.

Mr. BANKHEAD. Is it not a fact that the price of cheese, after the enforcement of the reciprocal-trade treaty, is higher than it was a year ago, before this treaty was in effect?

Mr. BOILEAU. Yes. I will say to the gentleman I think it is. I would not say it is higher, but I would say it is about the same price. I am not positive. The price of cheese in the Chicago market today is 15.2 cents a pound.

Mr. BANKHEAD. And what was it in January 1935?

Mr. BOILEAU. I am sorry, but I do not have the figure for January a year ago with me at this time.

Mr. BANKHEAD. The gentleman does not deny, however, that it is higher now than it was then?

Mr. BOILEAU. I say I do not believe it is higher, but I believe it is about the same. There is not much of a reduction; but the fact remains that it is 3 cents a pound less than it was in December of this year. That is the important thing. That is the important part of the situation, and this is the time of the year when such prices should be on the increase.

Now, the gentleman from Ohio [Mr. HARLAN] used a great deal of his time in stating that the prices of dairy products are higher now than they were 3 years ago. I have here the figures showing that the price of butter on May 15, 1933, was 19.9 cents a pound. These are farm prices and not market prices. On January 15, 1933, the price of butter was 29.7 cents a pound. The market price at Chicago today—not the farm price but the Chicago price—is approximately 35½ cents.

The gentleman from Ohio also said that the price of dairy products had more than doubled during the last 3 years. I do not believe that is an accurate statement. At least, according to the figures I have just quoted, which are provided by the United States Department of Agriculture, a different situation is shown. Any increase in price was the direct result of the drought, which removed the accumulated surpluses. However, I want to call to your attention that other commodity prices all the way down the line increased in the same proportion. Wheat, corn, hogs, cotton, tobacco, all increased in price as much as did the price of dairy products. In addition to that, in addition to this increase in the market price, the producers of those other commodities received hundreds of millions of dollars from the Treasury of the United States as a result of the Agriculture Adjustment Act program.

I want to call to your attention the fact that in addition to the increased price received for these commodities during the period the A. A. A. was in operation and up to December 31, 1935, the corn-hog farmers had received in benefit pay-

ments $597,000,000; the cotton farmers, $333,500,000; the wheat farmers, $255,500,000; the tobacco farmers, $53,250,000. So that in addition to the increased prices that were received by the growers of these other commodities they received these millions and millions of dollars as a result of the Agricultural Adjustment Act, and thus were far better off than the dairy industry. It is true prices for dairy commodities were increased, but they were not increased in proportion any greater than the price of any other commodity, and the increase was not as great, when you figure in the payments made under the Agricultural Adjustment Act, as was the increase with respect to other agricultural commodities.

Mr. HARLAN. Mr. Speaker, will the gentleman yield for a question?

Mr. BOILEAU. I yield for a brief question.

Mr. HARLAN. The gentleman, of course, is familiar with the fact that the Department of Commerce has statistics showing the ratio between farm prices and industrial prices, and that during the last 3 years this ratio has been constantly increasing in favor of the farmers, including the dairy farmers.

Mr. BOILEAU. Yes; there is no question but that dairymen are better off than they were 3 years ago, but so are all other industries.

Mr. HARLAN. The ratio is more in favor of the farmers.

Mr. BOILEAU. Not the dairy farmers. But do not forget we have to milk our cows regardless of the price of dairy products. No matter what the price of cream or butter, we have to milk our cows day after day; but they do not have to make refrigerators or scales in Dayton, Ohio; these plants can close down. So if you compare the income your manufacturers received during these depression years with the more favorable conditions prevailing at the present time, you will find by comparison a much better and more healthy situation in Dayton, Ohio, than you will on the dairy farms of the country.

The gentleman thought we must worry about our exports. Why, we are not on an export basis in dairy products. It is true we do export a little. In 1934 we exported $5,194,000 worth of dairy products. In 1935 we exported only $4,533,000. In other words, our exports decreased in 1935, whereas our imports increased. In 1934 we imported $11,007,709 worth of dairy products. In 1935 we imported $15,262,388 worth of dairy products. In other words, in 1935, as compared with 1934, there was a substantial increase in the importation of dairy products; and now with these reciprocal trade agreements coming into effect we can expect only one thing, and that is a much larger increase in the importation of dairy products, particularly in the case of cheese and cream.

It has been said on the floor oftentimes that the provision of the Canadian trade agreement under which a quota was fixed for the importation of cream in the amount of 1,500,000 gallons a year is insignificant. I want to say to those gentlemen who have made such statements that the 1,500,000 gallons of cream will practically all come from Canada and go into the eastern markets. It will go to the New York market, to the Boston and the Philadelphia markets. It goes into these markets during that time of the year when the local dairymen of those sections are unable to provide a sufficient amount of cream.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. O'CONNOR. If there is a shortage of cream in New York City—and it is used principally in industry, it is not drunk, not even in coffee, but it is used in the manufacture of ice cream—would the gentleman permit this shortage to continue instead of allowing cream to be imported?

Mr. BOILEAU. I may say to the gentleman from New York that during those times of the year when you in New York, Philadelphia, and Boston cannot obtain a sufficient supply of cream from your local producers, you have heretofore obtained it from the Middle West and the South. In other words, during those times of the year when you have a shortage you have purchased about 336,000 cans of 10 gallons each, or about 3,360,000 gallons of cream from the Middle West and the South; but now with this Canadian trade agreement, instead of the Middle West and the South supplying this shortage when you need it you will get it from Canada, and you will be robbing the Middle West and South of just about half its cream market. In other words, this trade agreement robs the Middle West and the South of about half of their eastern market for cream, a market that rightfully belongs to American dairymen.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. Briefly.

Mr. O'CONNOR. It is a subject with which I have had a great deal of experience. We have got cream from Wisconsin, the Middle West, and the South, but also there have been times when we could not get enough cream from authorized sources that would meet our standards.

Mr. BOILEAU. May I say to the gentleman that the inspection standards of the Middle West are just as high and perhaps higher than they are in Canada. I may also say to the gentleman that the State of Wisconsin has a higher number of tubercular-free cattle than any other State in the Union, and our herds are practically all free of tubercular-infected cattle. Wisconsin has strict sanitary regulations, and we can produce all of the cream that is needed in the East over and above your local supply. We can supply all of the high-grade cream and high-grade milk you people need in addition to your local supply.

Mr. O'CONNOR. I am not talking about the gentleman's State particularly. There are many States which do not meet our standards. I may also state that there has been bootlegging in cream of a substandard, which New York has had to cope with year after year.

Mr. BOILEAU. That is true. Some sections have not in the past and do not now have the proper inspection standards. But there is an adequate supply of cream in this country which will meet the test of New York without going to Canada. We dairymen in this country have a right to that market. We of Wisconsin and the Middle West patronize the East, and the East should patronize us. We should have such part of the eastern market as cannot be supplied by local dairymen. [Applause.]

Mr. TABER. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from New York.

Mr. TABER. Does the gentleman believe any State is farther behind than Canada?

Mr. BOILEAU. I do not believe so. I believe our dairy industry in this country is up to the standard of Canada and higher than that standard.

Mr. STEFAN. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Nebraska.

Mr. STEFAN. Does the gentleman know whether or not the cream that is imported from Canada comes from tuberculin-tested cows up there?

Mr. BOILEAU. I am not so sure about the cream that comes in because of the Taber-Linwood Act that was passed a few years ago; but I do say that many of the dairy products of Canada do not compare favorably with ours so far as their manufacture under sanitary conditions is concerned.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Washington.

Mr. ZIONCHECK. The gentleman from New York referred to ice-cream plants using cream. As a matter of fact, they do not use very much cream. They use a composition now.

Mr. BOILEAU. That is true to some extent.

Mr. ZIONCHECK. And that situation exists in New York City, too.

Mr. BOILEAU. Mr. Speaker, there is a provision in the Canadian treaty, though, that does give some concession to

the dairy industry. It reduces the tariff from 14 to 12 cents on butter, but that is such a ridiculous proposition it should not have serious consideration. I cannot see why they have that provision in the agreement at all. The price of butter in Montreal today is 22½ cents. The price of butter on the Chicago market is 35½ cents. In other words, Canada will reduce its tariff on butter to 12 cents per pound, which means that the price of butter in this country must drop down to 10 cents before we could afford to ship any butter at all into Canada. So it is ridiculous to assume that we will ever get any benefit out of this silly provision that has been incorporated in the agreement.

I cannot see why that provision was put in there unless they thought that the dairymen were gullible enough to accept that as being a benefit under the trade agreement.

Mr. Speaker, in conclusion, I want to say that we of the dairy industry feel we are entitled to any protection from importations that the Government can give us. We feel that we should not be further subjected to these ruinous provisions contained in the reciprocal trade agreements which have demoralized the price of butter, cheese, and other dairy products.

[Here the gavel fell.]

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1937

Mr. BLANTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such district for the fiscal year ending June 30, 1937, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the District of Columbia appropriation bill, with Mr. NELSON in the chair.

The Clerk read the title of the bill.

Mr. DITTER. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I appreciate it is unpopular, and always has been, to talk about the District of Columbia appropriation bill at all. I appreciate that those Members of the House who give of their very best in an attempt to solve the problems of the District generally receive nothing but knocks. I can remember ever since I became a Member of the House that every chairman of a District of Columbia appropriations subcommittee has been berated by the local press and by different organizations of the District. I can remember when the Honorable CARL MAPES, of Michigan, than whom there is no abler nor better-minded Member of this House [applause] spent the biggest part of a year, including almost all of one summer, in attempting to work out the District problems and to put fair and honest taxation upon them. When the bill passed this House, almost unanimously, there was a storm of protest raised, not on the merits of the bills, but because there was an attempt to put a fair part of the burden of taxation upon the property of the District. They were defeated in the Senate.

The subcommittee has brought in a District of Columbia appropriation bill. When I was requested as the ranking Republican member of the Committee on Appropriations to make a suggestion for a Republican member of that subcommittee I looked over my list of members with the idea of selecting the best man I could get for this job. I selected the Honorable WILLIAM DITTER, of Pennsylvania [applause], because I believed that he could do the job, and do it as well as any man that I had to present. This committee, headed by the gentleman from Texas [Mr. BLANTON], who has given long years of service and long years of study to District problems, has brought in its report. Everywhere I have seen articles indicating that the daylights have been cut out of the District of Columbia funds. Now, I want the Members to listen for a moment while I state one or two of the facts. I have not had the opportunity to go over every word of the hearings, so I would not want to get up here on the floor and attempt to justify the bill right down the line from beginning to end; but I do want the Members of the House and the people of the District of Columbia to know what this committee has done for them.

May I say that as a whole this bill appropriates $1,650,210 more than was appropriated in last year's bill. May I say further that it appropriates $908,283 more than the estimates of the Budget for that particular proposition. May I say further that I believe insofar as they were able the committee has studied the situation in the District of Columbia from the standpoint of its merits, and whatever cuts have been recommended were because the committee believed the money was not necessary for the interest of the District of Columbia.

Whatever increases they have recommended have been because they felt there was an absolute need for the money which they are recommending.

I shall not say I agree with every single item in the bill, I shall not say that every single thing in the bill is as I would have it but I will say that I believe the members of this committee have given most conscientious and thorough study to the bill and have done their very best in making this report, and that I hope the membership of the House, when they come to consider the bill, will pay enough tribute to these men who have rendered this service to consider the various items fairly upon the evidence and upon the statements of fact that these men can give you.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. Yes.

Mr. SNELL. I am not an expert on District matters, but the gentleman spoke about the criticisms of the newspapers. The criticisms I have read that really impressed me are with respect to such matters as health and related subjects in the District of Columbia which they have to pay for themselves and which they want and are willing to pay for. If this is true, why should we not give them a reasonable amount? I am just talking offhand and do not know the facts, and for this reason I am asking for the gentleman's ideas along this line.

Mr. TABER. As to the matter of health, I am going to make two or three comments on that. The items for health are $9,970 above last year's estimate. There is a Budget cut of $23,800. This, I believe, has been due to situations where the committee believed money was not being efficiently spent. These are details that I think should better be gone into as the particular items are reached. Just the exact reason for each cut or each increase I would not attempt to give, but I think in general we can say that with this picture of almost $10,000 above last year's Budget, the committee has not been unfriendly to the District.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes; I yield.

Mr. BLANTON. Answering our distinguished minority leader on the question of health, the main criticism was with respect to tuberculosis hospital facilities. The uncontroverted evidence of the hospital superintendents and of Mr. Street, who is at the head of public welfare, was that in the Children's Hospital now there are 120 beds and only 117 of them are occupied. There are three vacancies ready for children at any time they may come. In the Upshur Street adult hospital there are 227 beds occupied, and Mr. Street testified there were only 30 adults on the waiting list. In 60 days, when the new Children's Hospital is opened up, we will have 300 beds for tubercular children. In the Gallinger Hospital we will have 250 beds available for tubercular. In the new Glendale Hospital, which will be opened between now and the 1st of January, there will be 396 new beds, one of the finest tuberculosis hospitals in the world.

This is the reason the President's Budget did not provide for the maintenance of the Upshur Street Hospital after we open up Glendale. It will not be necessary, and we will have in Washington nearly twice as many beds as the present hospitalization facilities furnish plus those on the waiting list. This is the reason our committee backed up the President's Budget on this item, I will say to my friend from New York.

Mr. TABER. There is also provision for construction of school buildings of approximately $1,500,000.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. THURSTON. With regard to the alleged unfair attitude of Congress regarding the District of Columbia, I want to ask the gentleman if it is not true that the Government pays for the maintenance and care of the wonderful park system they have in this city?

Mr. TABER. Yes.

Mr. THURSTON. And the three great bands, the Marine, Army, and Navy Bands, which furnish music for public occasions in the District of Columbia, for which the Federal Government pays.

Mr. TABER. And back home the folks in the towns themselves have to pay for such music.

Mr. THURSTON. So in these respects the District has an advantage over every other municipality in our country.

Mr. TABER. Yes.

Mr. BANKHEAD. I was very pleased to hear the gentle-yield?

Mr. TABER. I yield.

Mr. BANKHEAD. I was very pleased to hear the gentleman's commendation of the work of this committee and his approval of the soundness of their conclusions with respect to all the items in this bill. Of course, the gentleman has not gone into the details of the bill as the members of the subcommittee have, but from the gentleman's knowledge of the measure, is it his opinion that every item in this bill affecting the interests of the District taxpayers provides for a public service up to the limit of reason and justice?

Mr. TABER. The gentleman puts me in a position where I do not know enough about the details of every item to answer the question directly, but I believe the committee has tried to make such provision. I believe they have used their very best judgment in doing so, because I know the type of men who are on this committee. I know BILL DITTER would not bring in a report that he did not believe he could justify, and I know that the gentleman from Texas [Mr. BLANTON] would not do anything of that kind.

Mr. BANKHEAD. I may say to the gentleman that that is also my judgment about it, and I trust that when we come to the question of possible amendments to this bill, what the gentleman has said with reference to the sound judgment of this committee on these problems will be considered before we attempt to increase the amount carried in the bill with respect to any item.

Mr. TABER. May I say to the gentleman that he and I may have differences as to the exact amounts, but I do not believe that there is a single item here which has not been treated just as fairly as it could be.

Now, I want to talk about something else for a few moments. The President of the United States sent in a tax message the other day, and in that message he asked for additional items in taxes which, as I remember the figures, run to something like $1,137,000,000. These items of taxes were divided between taxes on corporations and processing taxes and different types of income taxes according to the suggestion of the President.

The tax on incomes was suggested to be a tax on business surpluses of corporations. Frankly, I believe this tax would not produce any money because it would force corporations to dispose of these surpluses and the corporations would not have them to use for the necessary steps for recovery if we had a depression, and the necessary strength to enable them to survive. The result of such a policy would mean that every time we had a depression and they did not have the surplus to help them through, every one would go into bankruptcy.

In effect the processing tax would be a direct burden upon the poor, because they are the people who eat most of it.

(The time of Mr. TABER having expired, he was given 3 minutes more.)

Mr. TABER. I do not believe we ought to go into that sort of a thing. If there is a surplus of commodities, the price is reduced to the producer, and if there is a shortage it is increased to the consumer, and that is the way that works. I do not believe that we should go into that.

But, worse than that, is the policy of increasing the expenditures of the Government. [Applause.] Now, just about the time that the President's message arrived, the Interior Department appropriation bill was reported back to the House with an increase of $62,000,000 above what it was when it left the House of Representatives.

The most of that increase was for reclamation projects, which are useless and unnecessary, and which the House committee refused to consider. We have that from the chairman of the House subcommittee himself.

Worse than that—and I am not going into this in detail, but I will do it later—worse than that, they added authorizations for the construction of 7, 8, or 10 projects, and among them one of the worst was the Grand Lake Big Thompson project—a $22,000,000 project to dig a canal for 13 miles under a mountain 10,000 feet high to irrigate a lot of land many miles away.

That would go under a mountain at least eight or nine thousand feet high on the average for miles. That is one of the most ridiculous things I ever heard of. The estimated cost after a superficial survey, without any drilling to determine the character of the excavation, would run up to $22,000,000. Unquestionably, the tunnel alone would cost $18,000,000, and this whole project would cost probably $30,000,000 or $40,000,00 before they got through. The unsoundness of more reclamation projects at this time, when we ought not to have them, and ought to save the money, when we have an agricultural surplus, seems to me to urge us to insist upon the House position. [Applause.]

Mr. DITTER. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I want in this somewhat limited time to discuss the President's recent tax message. On January 3, 1936, the President sent in his annual Budget message, in which he said, "We are approaching the balancing of the Budget", but that there was a deficit of $1,098,000,000. The other day he sent in a tax message in which he stated that in his last Budget message the Budget was balanced. I merely wish to correct the RECORD and say that he made no such statement at that time, and read into the RECORD just what the President had to say in his annual Budget message:

> To state the case even more precisely, the gross deficit of the Government in 1934 was $3,989,000,000; in 1935, $3,575,000,000; in 1936, estimated, $3,234,000,000; and in 1937, estimated, but not including any new appropriations for work relief, $1,098,000,000.

I believe at that time that I took the floor and pointed out that that so-called Budget message was a hollow mockery, and a political sham, in the fact that it did not include anything for the relief, which is estimated at between one and two billion dollars, and it included nothing for adjusted-service certificates, which everyone knew would be paid by the Congress, although we cannot blame the President for that, and it included nothing for the return of processing taxes, which the Supreme Court held unconstitutional that very day. The President now comes in with another message that is equally fallacious and equally deceptive. Evidently it is another political attempt to escape the consequences of taxing people of small incomes and of moderate incomes, and to try to make the wage earner, farmer, small business and professional men and women believe that no more taxes will be imposed on them. Who is going to pay for the $15,000,000,000 deficit? The President has not even yet sent in his figures for relief, which may amount to one or two billion dollars more, and yet he sends in this kind of a message that is hard for anyone to understand, in which he proposes to take the undistributed surpluses of big corporations and pass them on as dividends to the people, who then will pay additional income taxes. It is just another form of soaking and swatting the rich. I am not here to defend a few rich men. I have been a liberal in politics all my life. I believe the rich should bear a fair burden of taxation, but, as I pointed out in the old "swat and soak the

rich" tax bill, in which you singled out 56 rich men and soaked them 75 percent of their income, you would not receive very much in the way of increased revenues.

In States like California there is an additional State tax of 20 percent of the Federal income tax, making 15 percent more, making 90 percent; and in addition to that there are real-estate, county, and city taxes, school taxes, sale taxes, gasoline taxes, and dog taxes. I estimated that in the State of California these taxes would approximate 101 percent of the income. It is quite evident that the breathing spell is now over. Business is told it was to be let alone, it was to have a breathing spell. It is the same kind of breathing spell that the cat gives the mouse—it plays with the mouse for a while until it gets ready to strangle it to death. So we are off now on another attack on business, and upon the big taxpayer, upon wealth, and actually upon private property and industry generally.

Mr. Chairman, what is the big issue in this country? It is reemployment of labor. It cuts across both party lines. It is the outstanding issue. We Republicans would not have a chance, we would not even have a right to criticize the New Deal if you had put ten or eleven million men back to work even at an expense of $15,000,000,000. If you had done that, you would have been justified, and we could not have criticized the New Deal, but here again you come in and seek to destroy business confidence. The main factor in the employment of labor, in the depression and throughout the depression, has been the reserves of the big corporations, so that they could continue to operate and employ labor at the American standard of wages and living. Now it is proposed not only to wipe out the surpluses, but the reserves—or at least to tax the reserves—I am not opposed to taxing some of the surpluses. Probably there are a few big corporations where they should be taxed, where they are excessive and exorbitant, and they should be singled out and should be distributed, but do not attack all business and all industry and destroy business confidence and promote further unemployment of labor in a further attempt to soak and swat the rich. What is behind it? Simply an attempt to escape telling the people the truth, that the people have to pay the bills, the people of moderate means and small means. It is an effort to keep on soaking the rich and singling them out so that this grand old political game will go on until after election day, then the turn of the small taxpayer and those of moderate means will come, no matter what administration is in power. When you singled out 56 rich men and soaked them to the limit in the last tax bill, you brought in only $250,000,000, enough to run the New Deal just 10 days. You only succeeded in driving big wealth into tax-exempt securities and out of the country to compete with American labor. You drove it out of the free flow of capital to expand industry and employ labor and the net result was that all you brought in was $250,000,000. The idea was really stolen from the proposals made by Senator Huey Long.

You remember what he said to the people over the radio. He said, "I propose to distribute wealth. I am going to give the needy people $5,000, a house, a Ford car, and a cow." The President, listening in to this appealing experiment, called in the "brain trusters" and he said, "Write me a bill that will go further than that proposed by Senator Long to distribute wealth." What really happened was that the President found Senator Long in swimming and stole his clothes. So they wrote that bill, soaking and swatting the rich, which was nothing but confiscation, socialism, and highway robbery all wrapped up in one.

Mr. MAVERICK. Will the gentleman yield?

Mr. FISH. I yield.

Mr. MAVERICK. I understand the gentleman is going to speak on the radio in answer to Earl Browder. Does the gentleman think that Earl Browder should be kept off the radio? I realize I am asking an irrelevant question, and I will not ask the gentleman to answer it if he does not want to.

Mr. FISH. I will answer the question, because it was raised in the House yesterday. I intend to answer it in detail over the radio tomorrow night.

I believe in freedom of speech, and as long as the Communist Party is a recognized political party by the various States of the Union, and goes on the ballot, I do not see how, in all fairness, they can be kept off the radio. On the other hand, I am going to point out that I do not believe the Communist Party is an American Party [applause], but that it is merely a section of the Communist International at Moscow, taking all of its orders from Moscow, and that it should be declared illegal by the different States of the Union and kept off the ballot. [Applause.]

Mr. CURLEY. Will the gentleman yield?

Mr. FISH. I yield.

Mr. CURLEY. As a matter of fact, the gentleman will acknowledge the fact, in view of the statement he has made, that it is merely a subterfuge for the Third Internationale, and is antagonistic to every institution of the United States Government and against the provisions of its Constitution. Is that not a fact?

Mr. FISH. It is absolutely a fact, but it is not the concern of the Federal Government. It is a matter for the States. They determine what political party goes on the ballot, and as long as they permit them to go on the ballot their spokesmen ought to have the right to be heard.

Mr. CURLEY. Will the gentleman yield further for a question?

Mr. FISH. Not now. Earl Browder is speaking tonight and I am going to speak tomorrow night, and I will cover all that ground.

Mr. MAVERICK. The gentleman feels that he can take care of himself all right? The gentleman can take care of Earl Browder, can he not?

Mr. FISH. I never doubted it.

Mr. MAVERICK. And I do not doubt it either. [Applause.]

Mr. FISH. Now, I only took time today to point out that the American people back home are being fooled. It does not make any difference who comes into power, the Republicans or the Democrats, they have to pay the bill. The New Deal "goes 'round and 'round and 'round and comes out", where? Out of the pocketbooks of the taxpayers. You have soaked the rich and you have raised only $250,000,000. Who is going to pay the other $15,000,000,000 deficit?

Mr. CURLEY. Will the gentleman yield for a question?

Mr. FISH. Not now; no. All you do is drive wealth into tax-exempt securities where the big fellows get protection. You are not soaking them. It is the little fellow who is going to pay the bill, but nobody wants to tell him the truth, or dares tell him the truth, that he is going to be lined up, no matter who wins, Republicans or Democrats, after election day, and he is going to be soaked and swatted and robbed and have his pockets picked with income taxes, consumers' taxes, and taxes of all kinds. I am tired of listening to this kind of baloney Budget message, talking about balancing the Budget, when it is nowhere near being balanced. Now, you propose to pick out some rich taxpayers and say, "There are some hidden assets left in the big corporations and we will take those and we will soak them." Just as soon as you begin soaking the rich, as you have already started to do, they go into tax-exempt securities and you get almost nothing at all. Let the people back home know in this campaign what is going to happen to them. Then they will become tax conscious. They will be able to understand the issues; but let us stop telling them that you are going to soak the rich and you are going to distribute the profits of some big corporations, when, as a matter of fact, in the depression the reserve and undivided surplus was the greatest single factor of safety and provided for the employment of American labor throughout the depression.

Let the Congress, which writes revenue legislation—not the President—be fair and honest. If you are going to put through a tax bill, let us first start to do away with tax-exempt securities. [Applause.] That ought to be the first step. Then proceed to write an honest bill, have a manufacturers' sales tax, collect it at the source; increase income taxes up and down the line. That is the only way to balance the Budget through taxation. That is the only way to meet this $15,000,000,000 deficit. The other way is to stop squandering the people's money. [Applause.]

If you do not provide for increased taxes and retrenchment, you will inevitably be confronted with inflation, bankruptcy, or repudiation. No thinking Member of Congress wants bankruptcy or repudiation. We have got to meet the mounting deficit with taxes. There is no other way to meet it except on an honest and fair basis. [Applause.]

The CHAIRMAN. The time of the gentleman from New York [Mr. FISH] has expired.

Mr. DITTER. Mr. Chairman, I yield 15 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein in the RECORD a copy of the Frazier-Lemke refinance bill and the report of the Committee on Agriculture.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. LEMKE. Mr. Chairman, under the leave to extend my remarks in the RECORD, I include a copy of the Frazier-Lemke refinance bill and the report on the bill by the House Agricultural Committee. I do this because this bill is misunderstood and misrepresented:

A bill (H. R. 2066) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve banking system, and creating a Board of Agriculture to supervise the same

Be it enacted, etc., That this act shall be known by the title "The Farmers' Farm Relief Act."

SEC. 2. That the Government now perform its solemn promise and duty and place American agriculture on a basis of equality with other industries by providing an adequate system of credit, through which farm indebtedness and farm mortgages now existing may be liquidated and refinanced through real-estate mortgages on the amortization plan, at 1½-percent interest and 1½-percent principal per annum, and through mortgages on livestock used for breeding or agricultural purposes at 3-percent interest per annum through the use of the machinery of the Farm Credit Administration and the Federal Reserve banking system.

SEC. 3. Farm Credit Administration is hereby authorized and directed to liquidate, refinance, and take up farm mortgages and other farm indebtedness, existing at the date of enactment of this act, by making real-estate loans, secured by first mortgages on farms, to an amount equal to the fair value of such farms and 75 percent of the value of insurable buildings and improvements thereon, through the use of the machinery of the Federal land banks and national farm-loan associations, and to make all necessary rules and regulations for the carrying out of the purposes of this act with expedition. In case such farm mortgages and other farm indebtedness to be liquidated and refinanced exceed the fair value of any farm and 75 percent of the value of insurable buildings and improvements thereon, then such farm mortgages and indebtedness shall be scaled down in accordance with the provisions of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto. Such loans shall be made at a rate of 1½-percent interest and 1½-percent principal per annum, payable in any lawful money of the United States.

SEC. 4. The Farm Credit Administration is further authorized and directed to liquidate, refinance, and take up chattel mortgages and other farm indebtedness, existing at the date of enactment of this act, by making loans at the rate of 3-percent interest per annum, secured by first mortgages on livestock, to an amount equal to 65 percent of the fair market value thereof, such loans to run for a period of 1 year, with right of renewal from year to year for a term of 10 years: *Provided*, That any depreciation in the value of such livestock is replaced by additional livestock, and the amount of the loan is reduced 10 percent each year.

SEC. 5. There is hereby authorized to be appropriated, out of any money not otherwise appropriated, $100,000 for the use of the Farm Credit Administration to carry out the provisions of this act. The necessary and actual expenses incurred in carrying out the provisions of this act shall be apportioned and prorated and added to each individual mortgage and such sums so added shall be paid to the Farm Credit Administration for administrative purposes.

SEC. 6. The funds with which to liquidate and refinance existing farm mortgages and other farm indebtedness shall be provided by the issuing of farm-loan bonds by the Farm Credit Administration, through the Land Bank Commissioner and Federal land banks, as now provided by law, which bonds shall bear interest at the rate of 1½ percent per annum, if secured by mortgages on farms, and 3 percent per annum if secured by chattel mortgages on livestock. These bonds, after delivery to the Farm Credit Administration, may, by it, be sold at not less than par to any individual or corporation, or to any State, National, or Federal Reserve bank, or to the Treasurer of the United States. And it shall be the duty of the Federal Reserve and national banks to invest their available surplus and net profits, after the dividends are paid to their stockholders, in such farm-loan bonds.

SEC. 7. In case all of said farm-loan bonds are not readily purchased, then the Land Bank Commissioner shall present the remainder to the Federal Reserve Board, and the Board shall forthwith cause to be issued and delivered to the Land Bank Commissioner Federal Reserve notes to an amount equal to the par value of such bonds as are presented to it. Such farm-loan bonds to be held by the Federal Reserve Board as security in lieu of any other security or reserve. The outstanding Federal Reserve notes issued under this act shall at no time exceed $3,000,000,000.

SEC. 8. The Farm Credit Administration and the Federal land banks shall turn over all payments of interest and principal on such farm-loan bonds for which the Federal Reserve Board issues Federal Reserve notes to the Treasurer of the United States, and shall be by him kept for the purpose of redeeming said Federal Reserve notes and shall be reinvested by him as a sinking fund in farm-loan bonds issued under the provision of this act.

SEC. 9. Whenever the amount of money issued under this act shall exceed $25 per capita, then the Treasurer of the United States, by and with the approval of the Federal Reserve Board and the President of the United States, may retire Federal Reserve notes in an amount equal to the principal paid on farm-loan bonds for which Federal Reserve notes were issued, not to exceed 2 percent in any 1 year of the amount of Federal Reserve notes so issued.

SEC. 10. There is hereby created a Board of Agriculture consisting of one member from each State, elected by the farmers of such State, who shall be elected by delegates selected by a mass convention of farmers in each county or parish within the United States who are indebted and declare it to be their intention to take advantage of this act, such county or parish convention to be its own judge as to who are bona-fide farmers and otherwise eligible to participate in its proceedings.

SEC. 11. The Farm Credit Administration is hereby authorized and directed to give public notice, through the Federal land banks, to the farmers of each county or parish of the time and place of holding the first county or parish convention, which shall be held at the seat of government of each county or parish; and it shall at the same time give notice of the first convention of the State delegates, to be held at the State capital of each State, notice of such convention to be given within 60 days after the enactment of this act.

SEC. 12. The farmers attending such county or parish convention and the State delegates attending such State convention shall organize and make such rules and regulations for their procedure as they deem necessary or convenient, and shall elect a president and a secretary and make arrangements for such other future conventions as they may deem necessary to carry out the purposes of this act, and they shall at all times cooperate and assist the Board of Agriculture, the Farm Credit Administration, the Federal land banks, and national farm-loan associations to liquidate and refinance farm mortgages and farm indebtedness.

SEC. 13. The State delegates so elected shall meet at the State capitals of their respective States and elect a member of the Board of Agriculture, who shall hold his office from the date of such election and for a period of 2 years from January 20 following, and who shall receive $15 per diem and necessary traveling expenses while on official business, to be paid by the Farm Credit Administration out of any funds set apart by section 5 of this act.

SEC. 14. Immediately after their election the members of the Board of Agriculture, upon call of the Farm Credit Administration, shall meet at Washington, in the District of Columbia, and organize by electing a chairman and a secretary, and they shall make such rules and regulations as they deem necessary and expedient to carry out the purposes of this act. They shall elect an executive committee of three, none of whom shall be members of the Board of Agriculture, who shall hold their office at the will of said Board, and who shall receive a salary of $7,500 per annum, and 5 cents per mile for necessary traveling expenses while on official business, to be paid by the Farm Credit Administration out of any funds set apart by section 5 of this act.

SEC. 15. The members of the Board of Agriculture shall keep in touch with and report to the executive committee the progress of liquidating and refinancing farm mortgages and farm indebtedness in their respective States. They shall cooperate with county or parish and State governments, and with all farm and cooperative organizations within their respective States, to speedily bring about the liquidation and refinancing of farm mortgages and farm indebtedness.

SEC. 16. The executive committee of the Board of Agriculture shall advise with and supervise the work of liquidating and refinancing farm mortgages and farm indebtedness by the Farm Credit Administration and the Federal Reserve Board, and they shall cooperate with said boards and with county or parish and State governments and with the various farm organizations, and with the agricultural colleges of the Nation, in order to bring about a just and speedy liquidation and refinancing of farm mortgages and farm indebtedness. They shall report any member of the Farm Credit Administration or the Federal Reserve Board who neglects, hinders, or delays the carrying out of the provisions of this act to the President of the United States, and it shall be the duty of the President, upon cause shown, to remove any such officer and to appoint some other suitable person in his place with the advice and consent of the Senate.

SEC. 17. The benefits of this act shall also extend to any farmer, or member of his family, who lost his or her farm through indebtedness or mortgage foreclosure since 1921, and who desires

to purchase part or all of the farm lost or another like farm. It shall also extend to any tenant, or member of his or her family, who desires to purchase an encumbered farm, provided he or she has lived on and operated a farm as a tenant for at least 2 years prior to the enactment of this act.

SEC. 18. The executive committee of the Board of Agriculture shall have power in case of crop failures, and in other meritorious cases, to extend the time payments due on loans made under this act from time to time for a period not exceeding 3 years, provided the mortgagor keeps up the payment of all taxes on the mortgaged property.

SEC. 19. This act shall be liberally construed, and no technicalities or limitations shall be imposed or permitted to interfere with the speedy carrying out of its purposes; and the provisions of the Farm Credit Administration and the Federal Reserve Banking System shall apply as far as applicable in the carrying out of the provisions of this act; and all laws or parts of laws in conflict herewith are for the purpose of this act repealed. The persons charged with the duty of carrying out the provisions of this act are authorized and directed to do all things necessary or convenient to accomplish its purposes with expedition.

REFINANCING OF FARM MORTGAGES

The Committee on Agriculture, to whom was referred the bill (H. R. 2066) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve Banking System, and creating a Board of Agriculture to supervise the same, having considered the same, report thereon with a recommendation that it do pass.

STATEMENT

It must be understood at the outset that the bill is not intended to increase farm indebtedness. If a farmer is out of debt he should not be encouraged to go into debt. The bill is designed to refinance existing farm mortgages at low rates of interest and extend them over a long amortization period so that the farmer can keep a home for himself and his wife and children and not suffer them and him to be cast out by the sheriff. The bill will not increase farm debts. It will, however, come to the relief of worthy farm people who, in the aggregate, number about one-fourth of our entire population.

Facilities for getting the farmer into debt are already quite adequate, but facilities for getting him out of debt are inadequate. It has now become our duty to provide farm credit at such rates and on such terms as will get farmers out of debt. Then, and not until then, will they acquire buying power and be enabled to enter the markets and take part in business activity and in the restoration of prosperity to the whole country and to all classes of people.

The farmer needs lower rates and better terms. The last issue of the Yearbook of Agriculture (1934) points out that while ordinarily a reduction of indebtedness is a favorable sign, nevertheless the small decline in farm indebtedness, which has taken place since 1928, was not the result of normal liquidation but of foreclosures, bankruptcies, and forced sales and of the inability of credit agencies to give that support which is absolutely requisite to recovery. In 1932 one-seventh of the mortgaged farms were encumbered for 75 percent of their value; the mortgage debt represented 40 percent of the value of all mortgaged farms and 25 percent of the value of all farm land and buildings. Because of the drop in farm commodity prices, payment became impossible for great numbers of farmers. About six and one-fourth million of our people are actively engaged in agricultural pursuits and 80,000,000 people depend upon agricultural solvency in order that human souls may stay in human bodies. The system of the Federal land banks may have done some good but it has not been adequate to the situation. State legislatures have been compelled to resort to moratoriums else the sheriff would now be selling more farm homes than he ever did and more of our farm people would be seeking shelter in charitable institutions and more of them would be dependent upon bread lines for bare sustenance.

The present desperate condition of agriculture has been reflected in serious outbreaks in some sections of our land. Men who have lived upon their homesteads and who work in the hardest kind of toil from 12 to 14 hours a day during 8 months of summertime and almost 10 hours a day for 7 days in every week during wintertime; men who are skilled and who work intelligently and who have no sense of wrongdoing and who are without blame but are overwhelmed by conditions for which they are not responsible and who have exhausted their resources are loath to permit their homes to be taken away and their loved ones sacrificed to a ruthless juggernaut of insolvency and foreclosures. The American farmer is a manly man. He believes that he must always perform his contracts and keep his promises and be loyal to his country and keep and preserve its laws and fulfill his duty to society in general. But is not his duty to his wife and his children the most sacred of all of these?

Is not his promise to his loved ones as consecrated as all others? If he is thrown out of house and home without fault of his own, he is likely to feel that sense of resentment which might even impel him to resist force with force. Despair may, at times, drive the best of our citizens to desperation. These men are feeding America, and no American citizen has a right to eat the bread that they produce unless he is willing to share with them all of the things that bring about beautiful home living and establish them in society on a basis of decent, bountiful, intelligent, and religious twentieth-century citizenship.

The conditions following the debacle of 1929 remain. While farm prices of many commodities have risen in unit value, still the things the farmer must buy have risen in greater degree and he still remains in relative submergence. No man can win in an economic race while carrying such a handicap. On the basis of the present income of agriculture, and of the present indebtedness of agriculture, and of the present taxes and interest rates which agriculture must pay, it is impossible for agriculture to carry on successfully. When it can carry on—when it does prosper, then we will not be compelled to furnish relief to millions of nonfarmers who are now dependent upon governmental bounty and governmental doles. Farm tenancy is growing apace. Foreclosures have divested real farmers from ownership, while moratoriums against foreclosures are mere temporary palliatives and are not permanent nor remedial.

The bill provides that farm indebtedness shall be refinanced through the use of existing governmental machinery at an interest rate of 1½ percent and a further payment of 1½ percent annually to amortize the loan. It will take 47 years to liquidate such an indebtedness, during which time the mortgagor will make a yearly payment of $30 on each $1,000 of the loan. Provision is made to issue bonds which will be secured by first mortgages upon the farm lands of the country. These bonds will draw interest at 1½ percent and will be amortized at 1½ percent annually. In the event that there is not a ready market for them, the Farm Credit Administration will deliver them to the Federal Reserve Board, which in turn will cause currency (notes) to be issued and given to the Farm Credit Administration dollar for dollar. These Federal Reserve notes are not to exceed $3,000,000,000, this being the amount of the revolving fund fixed in the bill. The Federal Reserve Board will issue these notes just the same as it does today, except that the Federal Reserve banks are getting them today and do not pay anything for them. They pay no interest upon them. They pay nothing for the use of the credit of the Government. Surely there ought to be some way for the Government when in need to get money without borrowing it from a bank.

This bill has met with unprecedented public approval. It agrees with the party promises and the party platforms of all political parties. No other bill before this Congress compares with it in the backing and endorsement which has been given to it. The National Farmers' Union and many State Grange and Farm Bureau organizations are for it. It has been endorsed by leaders in the Veterans of Foreign Wars and in the American Federation of Labor and by the National Union for Social Justice. Twenty-nine State legislatures have memorialized Congress for its passage, including those of Montana, Nevada, Wisconsin, Illinois, Minnesota, North Dakota, California, Nebraska, Oregon, Indiana, Arizona, Idaho, Colorado, Oklahoma, South Dakota, Tennessee, Iowa, South Carolina, Kansas, Michigan, Ohio, Texas, Kentucky, Wyoming, North Carolina, Arkansas, New Mexico, New Jersey, and Washington. In addition the lower house in each of the following States has endorsed the bill: New York, Delaware, Pennsylvania, Alabama, and Missouri. Our people want to have it enacted into law during this session. The realization of their hopes should not be postponed.

Section 2 is a simple acknowledgment of the solemn promises and duties of the Government to place American agriculture on an equality with other industries. This section recites that farm mortgages now existing may be refinanced for 1½-percent interest and 1½-percent principal per annum, all through the machinery and use of the Farm Credit Administration and the Federal Reserve Board, and the employment locally of the Federal land banks and national loan associations.

Section 3 authorizes the liquidation of farm mortgages and other farm debts existing at this time by the making of real-estate loans to the extent of the fair value of the farm and of 75 percent of the value of the insurable buildings. This section authorizes the Farm Credit Administration to make all necessary rules and regulations to carry out the purposes of the act. The section also provides that farm indebtedness may be scaled down in accordance with the provisions of existing laws. It is believed that such a loan will be a safe one and that the farmer can meet its conditions. The low rate of interest stipulated and the favorable terms given the borrower enhance his ability to pay and make the loan easier of payment. Furthermore, when a loan of this character is placed upon a farm home then the value of the property will be increased because the advantageous conditions for payment surrounding the mortgage will make the property more desirable and of greater value.

There should be no question about the safety of this security provided that the bill is honestly administered and that loans are made on real values as provided in the bill and not on fictitious or puffed-up values. The very fact that a piece of land carries a governmental loan at 1½-percent interest will in itself establish its value on a higher basis and therefore make the loan increasingly secure.

Section 4 provides for chattel-mortgage loans which are limited to 65 percent of the fair market value of the livestock. The present practices regarding chattel-mortgage indebtedness are very harmful to the farmer. High rates are exacted, with the result that the income of the farm is absorbed in meeting the requirements of chattel mortgagees. Experience has shown that many cases of foreclosures upon the land itself have resulted from the insistence of local and exacting chattel mortgagees whereby farmers were dispossessed of their ability to carry on. Section 4 of the bill is designed to remedy such evils. In some cases it will be necessary to resort to livestock in addition to real estate, and the loan on the real estate will be supported by the chattel loan.

The chattel-mortgage provisions of this section can be readily used to supplement the real-estate loan so that the Farm Credit Administration may get the benefit of both personal and real-estate security. Furthermore, it is desirable that the entire indebtedness of the farmer, both real and personal, should be held by the one agency.

Section 5 authorizes a small appropriation to carry out the provisions of the act; but all necessary and actual expenses so incurred must be apportioned and prorated and added to each individual mortgage. Such sums so added shall be paid to the Farm Credit Administration for administrative purposes. Through this means the expenses of the administration of the act will be paid by those who get its benefit and not by the Federal Government. By this bill farmers are not asking for charity or for a dole or for any subsidy. They will repay these loans. In this respect they are asking for much the same treatment that the Government has already afforded to other industries, such as railroads and banks and insurance companies, through the Reconstruction Finance Corporation and through other instrumentalities.

Section 6 provides that the funds to refinance existing indebtedness shall be provided through the issuing of farm-loan bonds by the Farm Credit Administration through the land-bank commissioner and Federal land banks, as now provided by law. These bonds shall bear interest at the rates provided in the mortgages extending to farmers and must be sold at par.

Section 7 supplements section 6 and relates to the sale of bonds in case they are not readily purchased. The provision is that the Federal Reserve Board shall take these bonds and issue Federal Reserve notes against them up to their par value. The amount outstanding of these notes at any one time shall not exceed $3,000,000,000. Is this sufficient? This legislation will be administered under the regulations of the Federal land bank system. This system has been in operation for more than 20 years, and to date it has now outstanding in farm loans less than $2,000,000,000. The fund named is a revolving fund and will surely be sufficient to cover loans that can safely be made for some period of time and until repayments are made and recovered under the revolving features of the plan. It is sufficient to take immediate care of those farmers who are in imminent danger and in sore distress and who are about to be dispossessed. As time goes on and as amortization payments in excess of what is required for redemption of bonds are returned into the fund, new and increasing numbers of mortgagors will get advantage from the act.

There is a prospect also that private money to some extent will be invested in the bonds, and when this happens the revolving fund will be augmented and increased. The amount of farm loans outstanding in the whole country approximates $8,500,000,000. About 29 percent of them are held by individuals where there is more or less of a personal relationship existing between debtors and creditors. The holders of many of these private loans will not desire to have them rewritten right away, but will carry them indefinitely into the future; and many of these private mortgages will be refinanced upon terms which will not be wholly out of line with the present proposal. In this respect also, debtors will gain substantial benefits.

Section 8 has to do with the payment of the interest and principal which will accrue on the farm-loan bonds, and provides that payments upon the bonds shall be turned over to the Treasurer of the United States for the purpose of redeeming the notes that have been issued and for the further purpose of reinvestment as a sinking fund in new issues of farm-loan bonds. If we compare this plan for the issuance of currency with those which have heretofore been used whereby the Government has loaned its credit to the banks, and has also given them as a free and gracious gift the right to issue currency, and, moreover, has actually paid interest to them besides, we will be compelled to agree that the Frazier-Lemke bill will prove to be of great value to the Government itself. Instead of paying 3-percent interest to these banks the conditions will be reversed and the Government will be receiving interest at 1½ percent. And at the end of the amortization period (47 years) as computed on the amount of the revolving fund, the Government will have made a profit of $6,345,000,000 above what it is now costing us under plans now practiced and schemes now fashionable. Instead of paying out money it will be receiving money.

This is one of the few times in the history of this Republic that anybody has seriously proposed to pay the Government a profit for the use of its own credit. Heretofore the money changers have demanded and derived that income and that profit. Heretofore certain banks have issued currency at a cost to them of only about 27 cents per thousand dollars, being the amount that is paid for preparing and printing the bills or notes.

This profit would keep our schools open; it would build a network of broad highways throughout the land; it would establish and maintain hospitals and colleges and libraries. It would reduce taxes. It would help to restore buying power to common people and prosperity to the country.

It is not necessary at this time to examine into the propriety of the privilege of issue extended by Federal Reserve laws. Many people who are in full support of the Frazier-Lemke bill believe that such privilege is proper and necessary. It must be remembered, however, that the 12 Federal Reserve banks are private corporations, that they and their stock are privately owned, and that none of their profits go to the Government. Why should the credit of the Nation be given away absolutely free? Why should a bonus (interest) be paid to those who receive such largess? Those who believe in this privilege, as well as those who do not, ought to be able to unite in refusing to monopolize it. Those who get it are not in a position to claim exclusive rights in it. Nobody owns a charter right to it. Safety and security being conceded then it must follow that the right involved in the issuance of currency based on Government bonds ought not to be a special one to be exercised alone by those who are affluent. Security regarding such issuance must be guaranteed always; but when this is done and when safety is assured, why cannot some of the benefits of this privilege be extended to farmers and home owners?

Section 9 prevents any undue or dangerous or uncontrolled expansion of the currency. Whenever the amount issued under the act shall exceed $25 per capita the Treasurer is authorized to retire the notes from further circulation and thus always keep within safe and controlled bounds. And the same section protects against any undue or harmful deflation in providing that the Treasurer shall not be allowed to retire more than 2 percent of the notes in any one year.

On February 28, 1935, there were outstanding from the Treasury $5,466,702,738, being about $43.07 per capita. On October 31, 1920, we had $53.21 per-capita circulation. Since then it has decreased $10.14 per capita. Furthermore, in 1929, before the crash, we were using at least $62,000,000,000 of bank money or bank checks. Some authorities make this figure much larger. This is now down to about $20,000,000,000. In other words, we formerly had at least three times the amount of bank money (checks, drafts, etc.) than we have now. These facts call for explanation and remedy.

A goodly part of the money that has gone from the Treasury is really not in circulation at all. Some of it is in foreign countries. Some of it is in Cuba, where it is used as money almost exclusively, and some of it is in other countries which use it in one way or another. A lot of our money has been lost or destroyed in fires, and still more of it is hiding in safety deposit boxes and in old socks and mattresses. We can take the $8,580,000,000 of gold that is now idling in the Treasury and redeem every dollar of our outstanding currency and then have a balance of more than $3,000,000,000 of gold left untouched in the Treasury and not obligated in any way. We have also $1,000,000,000 of unused silver. We could issue an enormous sum of currency based upon those $4,000,000,000 worth of extra gold and silver.

Let it be remembered that this bill does not propose to create any new or additional interest-bearing tax-exempt securities. It provides for an intelligent and regulated expansion. There are specific limits provided and safe boundaries set against uncontrolled issues of currency. The contemplated issues do not so far exceed our previous experience as to cause any honest apprehension among those who desire in real good faith to restore prosperity to agricultural as well as to commercial interests.

Sections 10, 11, 12, 13, 14, 15, and 16 describe machinery and procedure. The gist of this is that a board of agriculture is created consisting of one member from each State. Members will receive $15 per day and necessary traveling expenses while on official business. They will elect an executive committee of three, each of whom will receive $7,500 per annum. This executive committee is to advise with the Farm Credit Administration and supervise the work of refinancing farm mortgages. Neither the board nor the executive committee is given absolute power, but, on the contrary, these bodies are cooperative. They receive complaints, report delinquencies to the executive division of the Government or to the President, and act as a go-between. They are really an advisory body. The real truth is that Congressmen now act as chore boys for the people in performing the very work that this board and this executive committee will do after the bill is enacted into law. It is believed that actual experience will prove that little new machinery will be required to operate the act, because the bill uses the present set-up of the Farm Credit Administration.

Section 17 extends the benefits of the act to those who have lost their farms since 1921 and to those who desire to repurchase their land or another like farm. Like benefits are also extended to tenants and members of their families.

Provision is made in section 18 for extensions of time of payment in case of crop failures and for other meritorious reasons, providing the mortgagor keeps up the payment of all taxes.

The bill should be enacted.

Mr. LEMKE. Mr. Chairman, I shall discuss briefly the farm situation, because it is so much misunderstood and so much misrepresented in the public press—not only misunderstood by some of the people in the cities and towns but very much misunderstood here on the floor of Congress.

I will state to you Members that the total farm population in 1930 was 30,445,350; that this population increased so that in 1935 we had 32,779,000 living on the farms of this Nation. This comprises over one-fourth of the population in the United States.

The total number of farms in 1935 was 6,800,000, ranging from 3 acres up to over 1,000 acres, of which approximately 5,500,000 are smaller than 174 acres. The majority of these farms are less than 100 acres in size.

The value of the farm property in 1930 was $77,900,000,000. In 1934 this had shrunk to $37,000,000,000. In 1935 it had shrunk to $32,884,000,000.

The value of the average farm in 1920 was $12,000; in 1930 it was $9,000; in 1935 it was $4,840. Out of a total of 5,962,000 farms not owned by corporations, 4,162,000 are

covered by first mortgages. The statement given out by the Agricultural Department that only a little over one-half of the farms of this Nation are mortgaged is incorrect. It may be that only one-half of the 3-acre farms are mortgaged, but if we will take the total number of farms and take into consideration the total acreage, we will find that over four-fifths of the farms of this Nation are covered by first mortgages, exclusive of those owned and acquired by corporations by mortgage foreclosures.

The average monthly wage of employees on farms, including board, in 1920 was $47.24; excluding board, it was $65.05; and I want to bring this home to the representatives of labor in this body. In 1934, including board, it was $17.89, as compared with $47.24 in 1920. Excluding board, it was $24.15 in 1934, as compared with $65.05 in 1920.

Out of every 1,000,000 people agriculture employes 85,294. In other words, agriculture employs almost twice as many people per million of population as any other trade or occupation in the United States of America, and your unemployed problem is due to the fact that the farmers have been selling their products since May 1920 on the average below the cost of production.

Let us compare the number of people employed per million by agriculture with that of the number employed as clerks, which is the second largest group of employees and which number about 49,000, or about one-half as many per million as are employed by agriculture. Therefore, we see that the agricultural problem is closely related to the unemployment problem as agriculture absorbs about one-fifth of the total employees gainfully employed in this Nation.

The gross income from farms in 1924 was $11,337,000,000; net, $5,709,000,000. In 1929 it had shrunk, gross $9,941,000,000, net $5,655,000,000; and in 1934, with the processing taxes added, which the Secretary of Agriculture now admits were largely paid by the farmer because of lower prices, the gross income was $7,163,000,000; net, $3,250,000,000. We come now to bank credit per capita. Let us consider this for a minute. The average in the United States is $117.33 per capita. In New York the per capita today is $406.60 as against the average of $117.33 for the whole of the United States. In North Dakota the per-capita average credit is $31.05 as against New York's $406.60. In South Carolina it is $21.56 as compared with New York's $406.60; and in Mississippi it is only $21 as compared with $406.60 in New York. The total credit curtailment in the United States of America existing today, as compared with 1926, is $6,500,000,000.

The Frazier-Lemke refinance bill would put back $3,000,000,000 of this $6,500,000,000 of credit that we are short in the various States. It would distribute it fairly equally. Let us consider first the State of Alabama, and I am sorry not to see the name of a single Member from Alabama on the Frazier-Lemke petition. In Alabama the total curtailment was $56,000,000. The Frazier-Lemke refinance bill would give Alabama's laboring men, its merchants, and people in the State of Alabama $28,000,000 of the $56,000,000 that you are short. Arkansas is $40,000,000 short by credit curtailment. The Frazier-Lemke bill would give $26,000,000 of this curtailment back to the people of this State.

Then why can we not get this bill out for consideration? It will help every State in the Union. Up to the present time we have not a single name on petition No. 7 from Connecticut. Yet $101,000,000 has been the credit curtailment for the State of Connecticut. The Frazier-Lemke bill will give that State, although it has not very many farmers, $17,000,000 back of that curtailment.

Mr. RANKIN. Will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Mississippi.

Mr. RANKIN. What would be the effect in Mississippi?

Mr. LEMKE. I will get to that in just a moment.

Mr. Chairman, we have only one name on petition No. 7 from Georgia, and God bless that one Member. In that State there is $37,000,000 curtailment in credit and they will get back under the Frazier-Lemke bill $26,000,000 of the $37,000,000 that they are short in that State.

In Illinois the credit curtailment is $671,000,000, and the Frazier-Lemke bill would give to the businessmen and to everybody in the State of Illinois $100,000,000 back of that credit curtailment. Why are not all of the Members from that State for this bill?

In Indiana the credit curtailment is $174,000,000, and under the Frazier-Lemke bill $84,000,000 would be received back.

We have only one name on petition No. 7 from the State of Kentucky, which has a credit curtailment today of $78,000,000. The Frazier-Lemke bill will give back to that great State $27,000,000 of that curtailment.

In the State of Louisiana the credit curtailment is $25,000,000 and the Frazier-Lemke bill will give them back $20,000,000 of the $25,000,000 that they are still short.

In the State of Maine there is a curtailment of $29,000,000. The Frazier-Lemke bill will give them back $17,000,000.

In Massachusetts they are $300,000,000 short in credit by curtailment, and the Frazier-Lemke bill, although there are not very many farmers in that State, will replace $25,000,000 for the textile workers and the laboring people of Massachusetts. The sum of $25,000,000 put into circulation will mean hundreds of millions in trade and traffic.

I come now to the State of Mississippi, which is $32,000,000 short in credit. The Frazier-Lemke bill will return $27,000,000 of that $32,000,000.

In the State of New Hampshire the credit curtailment is $9,000,000, and they will get back $6,000,000. The State of New Jersey is $317,000,000 short, and they will receive $30,000,000.

And so on down through the States. I shall not take the time to read any more, with one exception.

The State of Texas is short $163,000,000. The Frazier-Lemke bill will give them $150,000,000 back. Every Member from Texas ought to sign this petition.

Every other State in this Union will, by the passage of the Frazier-Lemke refinance bill, receive similar benefits to those I have named above. Time, however, prevents me from enumerating them all. The undisputable facts are that there is still a credit curtailment of $6,500,000,000 as compared with 1926.

The Frazier-Lemke bill will replace at least three million of that credit and will distribute it among all the States in proportion to the farm indebtedness, and it will distribute it among the people where it will do the most good, and not among the bankers.

The bankers need no new money because there is no credit left, but this bill will give an intelligent expansion of the currency and give to us the only real, sound money in this Nation—money secured by first mortgages and real estate in place of debts—and it will again set the wheels of industry rolling.

Mr. RANKIN. Will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Mississippi.

Mr. RANKIN. When the gentleman from North Dakota says that the States will get that amount back he means that the farmers would get that amount of money in loans on their land at low rates of interest and on long terms, does he not?

Mr. LEMKE. Yes; and it will put that much money in circulation, because it is new money.

Mr. PIERCE. Will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Oregon.

Mr. PIERCE. I should like to have an answer to the cry that has been raised from ocean to ocean that this is an inflation bill.

Mr. LEMKE. I will come to that.

Mr. Chairman, what is money? The Frazier-Lemke refinance bill is the only real money which we will have in the United States of America which has something back of it besides the debts of the Government of the United States and hot air. Why do we take these Federal Reserve bills? Is there anything back of them besides hot air and the debts of the Government of the United States? There is not; and I defy any man or woman to make a contrary statement. Oh, it may be said that there is a gold certificate back of it or some gold, but you get the gold, and I will put you in jail for having unlawful gold in your possession. The so-called gold certificates are just a meaningless camouflage. You might just as well sink the gold beneath the ocean.

waves and issue a good certificate against it. It will do you just as much good.

Why do we take this money—Federal Reserve notes? We take it, and I wish I had more of it, because back of it is the full faith and credit of all the men and women of the United States. That is what makes it money. Back of it are the finest and most splendid, up-to-date men with inventive genius; back of it are the world's most beautiful women, with industry, and with intelligence, and the unborn babies for generations to come. That is what makes money, and that is the reason we take these Federal Reserve notes.

Now, let us take up the Frazier-Lemke money for a moment. That money will have a first mortgage back of it on the homes of America, upon the homes of agriculture, upon the homes of those industrious people who feed and clothe you and me. A former member of the Federal Reserve bank stated that is the safest and best security in the world. He stated, in fact, he did not understand why Congress ever passed the original Federal Reserve Act without making agriculture and real estate the basis of currency.

If you are intelligent, then do not repeat the phrase "fiat money." That is just a parrotlike expression and does not mean anything. No intelligent man can defend or define the parrotlike expressions "fiat money" or "inflation." I say to you that the Frazier-Lemke bill, if passed, will put $3,000,000,000 of real money of the United States, for the first time in the history of this Nation, on a 100-percent security basis, with something back of it. It will have agriculture and, in addition, it will have the human beings, the 32,000,000 men, women, and children who live on the farms, back of it. You may cry "inflation", but the Frazier-Lemke refinance bill is the only bill that will put honest-to-God money in circulation, money which will be supported by real estate in addition to the full faith and credit of all the people of the United States of America.

My friend the gentleman from Pennsylvania [Mr. RICH] always says, "Where are you going to get the money?" Here is the place where he can get the money, but we have not yet been able to convert him to our cause. For some reason, he things his new mouse trap in Pennsylvania should have 3 percent interest.

He seems to feel that the Federal land bank, which is supposed to serve the farmers, should pay 3 percent for Federal Reserve notes when the Federal Reserve Bank, which serves the banks and businessmen of the Nation, gets the same Federal Reserve notes for absolutely nothing save the cost of printing—seven-tenths of 1 cent per bill. These banks now have approximately 4,000,000,000 of these Federal Reserve notes. We are willing to be discriminated against and pay 1½ percent interest for that which the banking fraternity gets for nothing through the Federal Reserve Bank, but there is a limit to this discrimination business and the banking fraternity had better take notice and not arouse the public too much.

What does the Frazier-Lemke bill provide? It gives for the first time in the history of this Nation to the Federal land banks and to the Farm Credit Administration only part of the privileges that have been given to the banking fraternity for years under the Federal Reserve Bank. They can put up hot air; they can put up debts, if you please, and get money; but under the Frazier-Lemke refinance bill we put up honest-to-God security—first mortgages on farms.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield the gentleman from North Dakota 5 additional minutes.

Mr. COLDEN and Mr. RANKIN rose.

Mr. LEMKE. I yield first to the gentleman from California.

Mr. COLDEN. Why does the gentleman limit this bill to the agricultural lands of the country and exclude the homes of the worker?

Mr. LEMKE. I am coming to that in a moment, and that is why I wanted the extra time.

Mr. RANKIN. I just want to ask the gentleman from North Dakota a question. Many Members are criticizing your bill without offering anything in its place. We all know the bill is not perfect, but, as I understand the procedure, it would be subject to amendment if it came to the floor of the House, and any defects could be straightened out. Is that correct?

Mr. LEMKE. We would have 6 hours of general debate under Resolution 123, 3 going to myself and 3 to the man whom the Speaker names in opposition, and then on amendments we would proceed under the 5-minute rule under the regular rules of the House. It is an open rule, and if we Members are not afraid of ourselves, then let us bring it out here and let us stop this headache that we are having here. I know some of you on both sides of the aisle have a headache and it is going to get worse and it will end, perhaps, fatally if you do not wake up in time and see that the people of the United States can get a vote on the floor of the House on a measure that they are overwhelmingly in favor of.

Now, answering my friend from California, this bill will help your city people in many ways. In the first place, we have over in the Judiciary Committee of the House a bill to help your people in the cities that I wrote and which passed the Senate without a dissenting vote. Let us get that measure up and give the home owners in the cities a moratorium until we can get something passed for them.

However, if you put this new money into circulation and loosen $8,000,000,000 of frozen assets tied up in farm mortgages in this great land of ours, you will find there will be plenty of money in circulation to do the Nation's business. These frozen assets when thawed out will go into the cities and will save home owners who are now about to lose their homes. There are 2,000,000 of such home owners on the farms, and perhaps an equal number in the cities and towns, all of whom would be helped and saved by this bill.

You will also find that when this bill is passed the farmer will again have purchasing power and will buy twice as much as he buys today, and in this way your textile mills will operate again. Recently the farmers have not had any purchasing power. Our purchasing power has been destroyed. The purchasing power of the farmers has been decreased to 38 percent of what it was in 1920. Give us this bill and your cities will be helped. You cannot help the city people without helping the farmer, and you cannot help the farmer without helping the city people. However, if we put both of these bills together, what a yell there would be from Wall Street—inflation! You cannot put every bill that you want for the good of the people in one measure.

Let us work together. I am with the home owners of America, whether they are in the cities or in the towns or on the farms. We must preserve these homes or we will have reds, and I will say to you, without criticism, the real reds in America are those Members of Congress who refuse to allow a vote on this measure. It is this attitude that makes "reds." There is disgust with existing conditions and procedure here in Congress on this bill, and I say to you that I am not afraid of any "reds" in America.

Let us be honest with ourselves and do something for the American people and nobody will get "red." Let us save the American homes. This is the best protection against "reds."

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. JOHNSON of Oklahoma. I am very much interested in the gentleman's very enlightening speech, and I may say that every member of the Oklahoma delegation has signed the petition to bring out this bill, and they have signed it in good faith, and I feel certain will vote for the Frazier-Lemke bill if given an opportunity.

Mr. LEMKE. I want to thank the gentleman, and I may say that you did the same thing before, and I take my hat off to those States west of the Mississippi River. There are only about four of them that are not 100 percent for the Frazier-Lemke bill regardless of party affiliations, and this is as it should be. This great question is not a party question.

Let me call to your attention the situation that exists today in this country. Every weekly paper that you pick up anywhere in the West, Middle West, and southern part

of this country contains at least 30 or 40 farm-foreclosure proceedings. Do you know that the Federal Reserve bank is the greatest offender in foreclosures? Do you know that they took the cream of the $8,000,000,000 of mortgages? They took $2,200,000,000, and as they are foreclosing on the cream, what is going to happen to the other $5,800,000,000? I will tell you, and I have it from a former high official in the Federal land bank. Most of that will be liquidated by foreclosure unless Congress passes this bill. Surely we do not want that condition to come about in this country. [Applause.]

A copy of the Frazier-Lemke refinance bill, and the report made thereon by the Agricultural Committee of this House, is inserted on page 3343 of this CONGRESSIONAL RECORD.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman and Members of the Committee, before going into the merits of the District of Columbia appropriation bill it seems to me entirely proper that a word of appreciation should go from the minority side to Members of the majority for the very gracious way in which they have accorded the minority Members every courtesy and consideration.

I feel that a word of commendation is due to the chairman of the subcommittee [Mr. BLANTON]. Since the bill was reported the press has seemed to take particular delight in making the chairman of this subcommittee the prey for all of its attacks, attributing to him all possible motives of vindictiveness and suggesting that the bill is not the bill of the committee but a bill of the chairman seeking to wreak his vengeance on those who have opposed him here in the District.

It seems to me in a spirit of fairness that he merits a word from me denying the justifiableness of the attacks that have been made upon him. I feel that he has been conscientious; he has been courageous; he has been industrious; and in every way that a chairman possible could he has approached these problems in the hope of bringing to the floor a bill which would merit the support of the majority of the Members of this House. [Applause.]

When I was appointed to the Appropriations Committee and told that I was to serve on the District subcommittee, some of my friends came to me and told me it was one duty that should be avoided if it was at all possible; that no matter how honest and conscientious a man might be, at best it would be love's labor lost; that the newspapers and many organizations here in the District could not be pleased.

I must say, in view of what has occurred in the last few days, I am inclined to believe that the friends who warned me at the time of my original appointment were correct in their opinion of the conditions prevailing here in the District.

I want to say that I accept all of the attacks, all of those charges that have been leveled against the committee and against individual members of the committee, and that I am here to defend this bill. I am here to defend the bill from the standpoint of its fairness, its equity, and say that it does justice to the taxpayers of the District of Columbia, and that the Members of this House can go back home and say that they have been fair to the people of the District of Columbia and fair to the constituency which they represent. [Applause.]

If by discharging a duty of that kind, I take upon myself the possibility of charges leveled at me by the press here in the District, I say, let them continue to fire, and I shall invite the onslaught and attack as long as I know that I can defend the equity, the justice, and the fairness of the bill.

In one of the newspapers the suggestion was made that the members of this committee could not fully appreciate the dignity and grandeur of this great metropolitan city, this city that has been spoken of as a city of magnificent distances, and that we were unfortunate in that we came from some small villages, where one could not fully appreciate the grandeur and the magnitude of this municipality. I represent a district of 265,000 people. It is made up of villages and towns, and I believe I can boast here on the floor of financial governmental operations of which few Members can boast. That group of villages and towns comprising 265,000 sturdy, energetic, thrifty people make up a district that has not a dollar's worth of bonded indebtedness, and that today can probably boast of a half million dollars cash balance. A district which within the last few years built an addition to the courthouse and paid for it out of current revenues; and for the encouragement of my Republican colleagues, may I say that that district has been under Republican rule for a long, long time. Probably these people are just villagers, but villagers who have learned the simple lessons of thrift, industry, frugality, and honesty. They hold fast to the theory of pay as you go. But they are willing to pay for the privileges which they enjoy. That is the difference between Washingtonians and the villagers which I represent.

Most of us have been confronted with the problems in our respective districts growing out of the depression. In most of our districts there are industries and business establishments which have suffered from the depression. Washington is an exception. There has been no depression in Washington, and there is not at this time any depression in Washington, for the business of the Government has continued, in spite of the years of depression. There have not been any idle factories here in Washington. There have not been any smokestacks here in Washington at manufacturing plants, thrusting themselves toward the skies, from which no smoke is emitted, which is an ominous sign in the industrial world that men are unemployed. Here in Washington business has continued uninterrupted. There has been no depression. There has been no cessation. During the past 3 years there has been not only no depression but there has been one of the finest booms that the most optimistic and speculative promoters could possibly dream of in their balmiest days. The Democrats have been coming into Washington as a result of this New Deal program to such an extent that you cannot rent houses or apartments or get hotel accommodations. I was interested the other day in reading a quotation from one of these New Deal Under Secretaries. You know, we have to commend the New Deal for that—the ability with which they can create new Under Secretaries. They are no longer Assistant Secretaries. They wrap them up with a new dignity and call them Under Secretaries.

One of these Under Secretaries with all of his educational affiliations and all of his pedagogic experimentation recently charged that America was suffering from the sterile morality of individualism. That is a remarkable phrase, "the sterile morality of individualism." Here in Washington there has been no sterility of morality of individualism. I want that Under Secretary to know that here in Washington we have had the fertility of immorality of patronage plums, extravagance, profligacy, and waste in its finest form. There has been no sterility. There has been fertility, out of which has grown as fine a job-creating program as anyone could possibly hope for, even a New Deal enthusiast at his best. The result is that here in this city of magnificent distances business has been booming. Out in Virginia new real-estate ventures are springing up. Here in the city of Washington everything keeps humming and buzzing. Go into the department stores; go look for an apartment; try to secure hotel accommodations; and after you have sensed the real conditions, go to the press and to these organizations which are shouting about injustices, which are making these loud protestations about a Congress that cannot appreciate this city of grandeur and elegance; go to them and tell them that the city of Washington enjoys privileges, and has had bounteous blessings bestowed upon it, such as no other city in the whole length and breadth of the country.

I want to discuss a few items in this bill, and I want the membership of the House to know something about the program provided by the town fathers. I have a profound respect for the gentlemen who are the Commissioners. I cast upon them no personal reflection whatsoever. I desire, however, to tell you something about their method of procedure. A municipality such as the city of Washington should have a revenue program to carry out the needs of the municipality. It should not look to the Federal Government for

an annual gift of $5,700,000. Nor should the town fathers excuse their failure to consider the subject of taxation by a spirit of dependence on the gratuities provided by the Federal Government. A dilatory attitude almost approaching unconcern has characterized the program of the town fathers. They have apparently been well satisfied to pass over to the Congress the task of raising the necessary revenue for the operation of the District government. It constitutes a splendid example of passing the buck.

I believe every Member of the House realizes the greater damage done to a street-paving system as the weight of the load increases upon that particular pavement. A 1-ton truck does much less damage than a 16-ton truck. A Chevrolet does considerable less damage than a big 5-ton Mack. Still, in spite of that fact, the town fathers here have decided that when you buy an automobile license plate, whether you are operating a small truck, a ton or a ton and a half truck, or whether you are operating a big 10- or 12-ton truck, your cost is the same. If you operate a Chevrolet, a car comparatively low in its potential damage to street paving, or if you operate a heavy Rolls-Royce, your license tag costs just the same. Automobile license privileges should certainly take into account the possible and potential damage to the highway which such automobile may cause, and such factors, which are used as the bases for license costs in other large cities, should apply here.

Let us consider the subject of taxes on gasoline. I do not know what you pay back in your districts as a tax on gasoline, but I do know that many drivers whose gasoline tanks begin to get low while they are in Virginia or while they are in Maryland will make every effort to get into the District, where they know there is practically no gasoline tax, or at least such a comparatively small gasoline tax that it is much more desirable to buy gasoline in the District than it is in the adjoining States.

Mr. McFARLANE. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. McFARLANE. I think the gentleman has raised a very interesting question. I notice in Tennessee they have a 7-cent State tax, with the 1-cent Federal tax, and that the price of regular gasoline is about the same as it is here in the District, where we have a 2-cent tax. I wonder if the gentleman could explain why that is.

Mr. DITTER. To be frank with the gentleman, I am not acquainted with the conditions to which the gentleman refers and can give him no explanation with respect to the costs of gasoline. I do know of the differences in taxes on gasoline in the District of Columbia and in the adjoining States.

Mr. McFARLANE. Will the gentleman yield further?

Mr. DITTER. I yield.

Mr. McFARLANE. On the license-tag proposition, for instance, in Texas we pay our license tag on our cars based on horsepower and based on the weight of the automobile.

The CHAIRMAN. The gentleman from Pennsylvania has consumed 20 minutes.

Mr. DITTER. I yield myself 10 additional minutes, Mr. Chairman.

Mr. BLANTON. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. BLANTON. I am afraid the gentleman from Texas [Mr. McFARLANE] is incorrect about the cost of gasoline in Tennessee and in Washington. For instance, you can buy what is known as Esso gasoline, sold by the Standard Oil Co., today in Washington for 4 cents per gallon less than you can buy it in Tennessee. So there is quite a difference.

Mr. McFARLANE. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. McFARLANE. I do not deal with the Standard or the Gulf, but I deal with the independent companies. If you will look for those independent signs you can buy your gas just as cheap in Tennessee or Arkansas as you can in the District of Columbia. I did it coming up here.

Mr. DITTER. Now, I should like to turn to the subject of real-estate taxes for a moment. I wish the Members would read the hearings and acquaint themselves with the balances of unpaid real-estate taxes in the District of Columbia. Enormous sums are due the District for unpaid real-estate taxes. During the course of the hearings one of the Members suggested that probably an attachment could go out against the rents for the recovery of these real-estate taxes. That Member suggested that probably if such an attachment were to issue, much of those unpaid real-estate taxes would be collected. The admission was made that in many instances the properties on which these taxes were due were properties that were rented. Tenants were paying the rent and the owners of the property were taking into their own pockets the rent, but not discharging the liability due to the District for taxes.

Directing the attention of the Commissioners, particularly the auditor, to the need for possible legislation so that such attachments might be made, I was interested to receive on the 2d of March a letter from the auditor. This was after the hearings had closed. This was after we had directed the attention of the Commissioners to this condition of unpaid real-estate taxes. As late as the 2d of March the auditor advises that the Commissioners of the District have appointed a committee to go into this entire question of delinquent taxes. If past experience will hold good as far as this item is concerned, it is probable that another year will roll around, and when we have hearings on this District bill a year from now we will be told that they are still studying the problem.

Mr. NICHOLS. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. NICHOLS. Does the gentleman know whether or not the delinquent taxes that he mentions are less than a year old or more than a year old?

Mr. DITTER. If my memory serves me correctly, some of these taxes go back to 1879.

Mr. NICHOLS. My reason for asking the gentleman the question is that my recollection is that in the District Committee the other morning it was told to us, although I may be wrong, that it was necessary, under existing law in the District, that tax resale be had at the expiration of 1 year; that it was compulsory.

Mr. DITTER. I have no knowledge as to what method is being pursued presently for the recovery, but I do have knowledge that at the present time a large amount of money is due the District in delinquent taxes, and that to my mind aggressive efforts were not being resorted to for the recovery of these items.

Mr. COLDEN. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. COLDEN. Why have not laws been enacted in the District of Columbia similar to the laws in different States, by which the real estate would be sold for taxes if it was not paid within a reasonable time?

Mr. DITTER. In justice to the District, may I say that such sales are possible and that such sales are being resorted to at times, but a very considerable amount of back taxes is due on many properties that has not been collected.

Mr. DIRKSEN. May I be permitted to make this observation in response to the question of the gentleman from Oklahoma [Mr. NICHOLS]: The delinquent-tax law, as it exists on the books in Washington now, provides that in order to sell this property for delinquent taxes it is necessary to notify every party in interest. This means a rather extensive examination of records. A bill has passed the House and is now pending in the Senate which makes it necessary to notify only the last party of record, without having to notify judgment creditors, lienors, and everybody else.

Mr. COLDEN. How about notice by publication?

Mr. DIRKSEN. That cannot be done under existing law, but the bill of which I spoke has such a provision. If this bill passes the Senate the situation will be cleared up.

Mr. DITTER. I believe every man who has had experience in his district in the sale of real estate for taxes will agree with me that it would be much more desirable if, instead of resorting to a sale of the real estate, we could

attach the income from the real estate. If this were done it would avoid the necessity in many instances of resorting to a sale of the real estate.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I yield.

Mr. DIRKSEN. The difficulty could be cleared up by new legislation providing for a tax receiver; but there you sometimes run into difficulties, because if you had a tax receiver in charge of property like the Carlton Hotel or the Wardman Park Hotel because of delinquency in taxes, the abuses would be almost as great as they are at present.

Mr. DITTER. In my opinion, we should avoid, as far as possible, taking title to the real estate, but, rather, we should make it possible for the tax collector to attach the rent coming out of any particular piece of real estate in satisfaction of the tax assessed against the property.

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I yield.

Mr. MAVERICK. I am asking this question for information only, because I do not know anything about it. A statement appeared in an editorial in the Washington Herald this morning to the effect that the Government of the United States has obligated itself to pay 40 percent of the expense of running the District. I would like to get information as to the amount the Federal Government is obligated to contribute, because I do not know anything about it.

Mr. DITTER. May I answer the gentleman by saying that if he will refer to the amount of the contribution made by the Federal Government during the past year and during the last 4 or 5 years, he will find there has been a uniform contribution of $5,700,000. The current bill reduces this amount.

Mr. MAVERICK. By how much?

Mr. DITTER. By $3,000,000.

Mr. MAVERICK. But I want to know if there is any requirement that the Government must pay 40 percent, as this editorial states?

Mr. BLANTON. Mr. Chairman, will the gentleman from Pennsylvania yield that I may answer the gentleman from Texas?

Mr. DITTER. Yes.

Mr. BLANTON. The amount the Government contributes depends exactly upon what Congress wants to do each year. This Congress fixes it. This Congress could say that we would not pay a cent if it wanted to.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. DITTER. I yield.

Mr. CRAWFORD. What is the rate of taxation assessed against residential and business property in the District of Columbia?

Mr. DITTER. It is $1.50 per hundred.

Mr. CRAWFORD. Is that on market value or assessed value?

Mr. DITTER. The gentleman is going into a very, very delicate question. It is supposed to be on full value. If, however, the gentleman will examine the hearings and the record of ownership of certain pieces of property and the possible income from these pieces of property, the gentleman may feel that in all instances full value has not been established for the purpose of tax assessment. It is supposed to be on full value.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I hope my colleague will take all the time he wants. I would be very glad to give him my time. He is so familiar with the subject and has done such splendid work on this bill that I hope he will not feel he should leave out any part of his speech.

Mr. DITTER. Mr. Chairman, I yield myself 10 additional minutes.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I yield.

Mr. MAY. If the gentleman has the information available, I wish he would point out how the rate of taxation on real estate in the District of Columbia compares with the rate of taxation in other cities of like size to the city of Washington.

Mr. DITTER. My answer to the gentleman is that the chairman of this subcommittee and the committee as a whole have made a very exhaustive study and a comparison with cities of like size. It is my honest opinion, and I believe it is the honest opinion of the committee, that the city of Washington enjoys a lower tax rate in proportion to the benefits it enjoys than any municipality anywhere in the country.

Mr. COLDEN. Mr. Chairman, if the gentleman will yield, I might state that in Los Angeles the tax rate on real estate is $4 per $100.

Mr. DITTER. I challenge any Member of the House to go back into his district and examine the tax rate in any cities in his district and compare the taxation there with the taxation here in Washington. I believe he will be satisfied that Washington enjoys a benefit and suffers no detriment in the program of taxation.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Washington.

Mr. ZIONCHECK. I was not here during the entire speech of the gentleman, but may I ask him if he touched upon the question of personal-property taxes that have not been paid for a period of years and no attempt being made to collect them? I understand there is no law by which they may be collected.

Mr. DITTER. I have not touched on that subject as yet.

Mr. ZIONCHECK. Will the gentleman touch on that matter?

Mr. DITTER. I have tried to be very gracious and I shall yield to my colleagues at every opportunity. If I have the time, may I say to the gentleman, I shall touch on that matter.

Mr. HAINES. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Pennsylvania.

Mr. HAINES. I would like to know what occasioned this reduction in appropriation to the city of Washington by the Federal Government to the extent of $3,000,000 or more this year?

Mr. DITTER. I believe there is an old proverb that the Lord helps those who help themselves. I believe the primary obligation for the enactment of a satisfactory tax program rests upon those who are charged with the administration of municipal affairs. When they plainly indicate a dilatory attitude and no concern about the matter of taxation to such an extent that the committee feels they have no real regard for the needs of the District and the necessity for revenues for the District, then it seems to me the time has come when the Federal Government, instead of assuming a paternalistic attitude toward the District, should put the District on its own resources. [Applause.]

Mr. MAVERICK. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Texas.

Mr. MAVERICK. I desire to read concerning the proposition of the contribution of the Federal Government being 40 percent, which I have since found. It is Public Document No. 256, Sixty-seventh Congress (H. R. 10101), being the District Appropriation Act for the fiscal year ending June 30, 1923. It says:

> That annually from and after July 1, 1922, 60 percent of such expenses of the District of Columbia as Congress may appropriate for shall be paid out of the revenues of the District of Columbia derived from taxation and privileges and the remaining 40 percent by the United States, excepting such items of expense as Congress may direct shall be paid on another basis.

Now, I am asking simply for information. What is the effect of that statute? Does it not constitute a contract?

Mr. DITTER. May I say to the gentleman from Texas, I think my colleague the distinguished chairman certainly answered very definitely with reference to the matter of this need and the 40–60 proposition. It is my opinion, just as the chairman stated, that what we contribute to the District depends entirely on the action of the Members of this House.

Mr. MAVERICK. The statute is still in effect. Does the gentleman think this statute should be repealed, then? It seems to me that it constitutes a contract; in any event, if it is still legislation it is still law; if it is still law we should either obey it or repeal it.

Mr. DITTER. May I say to the gentleman, who serves on the District Committee——

Mr. MAVERICK. No. I serve on the Military Affairs Committee—a more important committee.

Mr. DITTER. I hope my friend the gentleman from Texas will in no sense feel that I was underestimating his worth or ability. I recognize him as a very distinguished and able gentleman. May I also say, in deference to those colleagues of ours who do serve on the District Committee, I feel they occupy just as important positions in committee assignments as the Members who may serve on the Military Affairs Committee.

Mr. MAVERICK. I do, too. In fact, I join that sentiment.

Mr. BLANTON. I used to serve on that committee myself.

Mr. NICHOLS. I want to thank the gentleman for defending us so ably against the gentleman from Texas.

Mr. DITTER. I shall not permit the subtle attack made by the gentleman from Texas against the members of the District Committee. There was a subtlety to that which would have done honor to the American Civil Liberties Union.

Mr. MAVERICK. I want to thank the gentleman for accusing me of being "subtle", because he is the first person who has ever stated that I was subtle.

Mr. DITTER. Should I say "cunning"?

Mr. MAVERICK. Maybe so, maybe so; a wolf is cunning, but he has teeth.

Mr. WOOD. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Missouri.

Mr. WOOD. Referring back to the question of collection of delinquent taxes, I think the gentleman said his position was that Congress should pass a law which would enable the authorities to file against the rents. This brings up the question in my mind as to how much of the delinquent tax applies to property rented or to properties that are used and owned by the owner.

Mr. DITTER. The information that came to the committee indicated that in a very large number of instances, in fact, the majority of instances, the unpaid taxes were upon those properties that were rented and from which an income was being derived.

Mr. WOOD. They are the ones that should pay the taxes?

Would it be constitutional to have a dual method of collecting these taxes, either by filing upon the rent or by sale of the property?

Mr. DITTER. In my opinion, if a law was enacted authorizing the Commissioners or the tax collector to issue an attachment against the rent, such a law would be constitutional.

Mr. WOOD. I thank the gentleman.

Mr. EATON. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from New Jersey.

Mr. EATON. I notice in the bill that the item for smoke control in the city is cut down from $15,000, as provided last year, to $11,000. There has been no very serious diminution in the smoke evil itself. I understand the amount for inspectors has been reduced in the appropriation bill this year, also that an engineer employed at $4,600 is on his way here to take the job. I understand further his salary has been cut down to $3,800. Can the gentleman explain that in the interest of people who want to get rid of smoke?

Mr. DITTER. I am happy the gentleman from New Jersey asked that question. We hear a lot of talk about economy. Statements are made about the tremendous costs of government and how we should economize; but let anybody come in here and cut out a favorite job or two, or cut the wage or salary down below that which someone feels that salary or wage should be, and immediately there is a hue and cry about smoke or some other such thing that is supposed to be relieved by these job holders. In my opinion, the smoke problem can be handled by a force such as is provided by this bill. In my opinion, the $3,800 for the engineer which the gentleman referred to will be an adequate salary. In my opinion, the provision herein provided for personnel is adequate. If we are going to actually try to economize, let us be honest enough to face the music and cut some of these jobs out.

[Here the gavel fell.]

Mr. DITTER. Before I go further, may I ask the distinguished chairman of the committee whether he feels I am encroaching in any way on his time; for if he does, I shall not consume any further time.

Mr. BLANTON. I hope sincerely that my colleague will take all the time he wants. I think he is making a fine presentation and a much better one than I could make.

Mr. DITTER. I reciprocate that gracious compliment.

Mr. EATON. May I continue by asking one more question?

Mr. DITTER. I shall be happy to yield further to the gentleman from New Jersey.

Mr. EATON. I am delighted to see this interchange of amenities between the two leaders on this measure. No amendment would probably stand much chance to put this $15,000 back if it were to originate among the unanointed.

Mr. DITTER. Well, I assume by "the unanointed" the gentleman means those who are not members of the committee.

Mr. EATON. Yes.

Mr. DITTER. May I say that we shall try at all times to pour all possible unction upon those who may not be members of the committee, but we shall reserve to ourselves the righteousness which we believe is ours in bringing a worthwhile bill on the floor of the House. [Laughter and applause.]

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I yield to the gentleman from California.

Mr. COLDEN. I wish to ask the gentleman from Pennsylvania about the proposed attachment of rents. This would not cover delinquent taxes on vacant property and would not serve the entire purpose.

Mr. DITTER. May I answer by saying I only suggested that as a supplementary procedure to facilitate the possible recovery of taxes that are delinquent and to avoid where possible the need for taking over the real estate. I in no sense suggest that it should be a complete substitute for the present procedure resorted to for the recovery of delinquent taxes.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I yield.

Mr. STEFAN. I have read your hearings with a great deal of interest, especially those relating to the question asked by the gentleman from Michigan [Mr. CRAWFORD]. The gentleman states they pay $1.50 per $100 on the actual valuation of property in Washington.

Mr. DITTER. May I interrupt by saying that I said that was the representation made—that it was actual value.

Mr. STEFAN. That was the representation; yes.

Mr. DITTER. I in no sense want that declaration charged to me.

Mr. STEFAN. But it is not assessed on assessed valuation.

Mr. DITTER. Oh, yes; assessments are made and those assessments are presumed or alleged to be made based upon full value.

Mr. STEFAN. Your hearings have many statements indicating that property which was valued some years ago, for instance, a lot as worth $4,500 was sold a few years later at $11,000. What has your committee done about making a revaluation of property in Washington?

Mr. DITTER. My answer to the gentleman is that I very guardedly answered my distinguished friend by saying that it was assumed the assessments were upon full value. The allegation was made that it was on full value, but the Appropriations Committee has no authority by which it could compel the municipal agencies to reassess real estate. All that we have the power of doing is developing during the

course of the hearings the facts as we find them to be in order that remedial legislation may be enacted to cure the conditions about which the gentleman complains.

Mr. STEFAN. Does the distinguished gentleman know when property in Washington was revalued, or has there been a revaluation lately?

Mr. DITTER. Valuations are presumed to be made every year.

Mr. STEFAN. But still property has raised in value to the extent of a $4,500 vacant lot being raised to $11,000 within a few years. Did your committee, in your investigations, learn whether or not that particular property or similar property had been revalued and the valuation increased?

Mr. DITTER. Again may I say, the committee had no authority there. It seems to me, and I assume, the gentleman intends no criticism or condemnation of the committee.

Mr. STEFAN. No; not at all.

Mr. DITTER. As an individual member and representing the minority, I may say I feel commendation is due the committee for disclosing to the membership of the House the facts as they are gleaned by a reading of the hearings by the distinguished gentleman.

Mr. STEFAN. I wish to state to the distinguished gentleman that there was no intention on my part to criticize the committee, and I do wish to commend the committee in pointing out and disclosing in its hearings the fact that property values have increased from $4,500 on a vacant lot in Washington to the tune of $11,000 within a few years, and yet you have revaluations every year, and still you value this property, perhaps, at a lower value. Is this correct?

Mr. DITTER. Yes. Now, if the gentleman will let me continue, may I say that the most substantial way for the gentleman to show his commendation will be for him to give his whole-hearted support, shoulder to shoulder with the committee, to see that this bill goes through without any possible amendment. This will be a very substantial evidence of the gentleman's commendation of our efforts.

Mr. STEFAN. I do commend the committee; and may I ask the gentleman one more question?

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I must yield to my chairman.

Mr. BLANTON. If the gentleman will listen just a moment, I am sure he will see exactly the situation. If the gentleman does not believe that property has been assessed at less than one-half of its value heretofore, and during the last few years, look on page 64, at the property that has been condemned, and then look on page 78, at the property that has been condemned, where we have had to pay three or four or five or six times its assessed valuation in order to get the property for the Government. In addition to this, if the gentleman will look at the hearings he will see where the Commissioners admitted that in 1934 they arbitrarily lowered and decreased the assessed valuations by $80,000,000 and last year by $50,000,000 more, so that they have decreased assessed values arbitrarily $130,000,000 in 2 years.

Mr. PALMISANO. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. PALMISANO. I cannot go along with the gentleman in condemning the District of Columbia Commisioners for not properly assessing property and then at the same time accusing them of being extravagant.

Mr. DITTER. I must differ with the gentleman. The gentleman could not have been here during all the time of my remarks. Otherwise he would not say that I was attacking the Commissioners. In no sense did I intend any condemnation of the Commissioners. I do say, however, and I repeat it, that there has not at any time been such practices by the Commissioners as would bring about the recovery of delinquent taxes that should be recovered.

I further say that, in my opinion, the District of Columbia Commissioners should have resorted to a change of procedure with respect to delinquent taxes.

Mr. PALMISANO. One further question. Is the gentleman aware of the fact that the present Commissioners have prepared a bill permitting them to sell the property they have accumulated under a sales tax?

Mr. DITTER. I am gratified to learn that, and I appreciate the fact that the gentleman has persuasion enough to get the Commissioners to move.

Mr. PALMISANO. I did not do it, they did it themselves.

Mr. DITTER. Now, we have here, as in all municipalities, agencies, and offices, such as the recorder of deeds, register of wills, the surveyor's office, and other offices having to do with municipal needs of the Government.

I wish to speak with respect to one office, and that is the office of the surveyor. It is my conviction that these municipal offices should have, as a result of an adequate fee bill, sufficient revenue to maintain them, and not only to maintain them but that a possible revenue should come to the Treasury.

The surveyor's office in the District of Columbia is operated on a fee basis, and service is rendered to private owners of real estate and speculative land promoters at a cost which is less than that for which a private surveyor would render similar services, and less than the actual cost of the surveyor's office.

It seems to me that that condition should be changed. It seems to me that the surveyor should charge fees on a basis that would not only put his office on a self-sustaining basis, but at the end of the year have a surplus as the result of those operations to be paid to the Treasury. That condition does not exist here.

The newspapers have said a lot about these public-assistance funds, about these medical charities suffering. My answer to that attack is this: I challenge any fair-minded man in the House to read carefully the record. I want the Members to see the personnel built by this charity group. I want the Members to see the salaries that are paid to some of these administrative officers, and I want them to think how much money is going to distressed individuals out of appropriations made and how much is going into the pockets of the swivel-chair individuals that operate these charitable organizations that are intended for relief. Any fair-minded man will feel that this committee was justified in the position which it took. Not a man or woman in the House here can deny the efforts of the committee to be fair. There was not a man on the committee who was not mindful of the needs of the health of the District, who was not mindful of the charities of the District, who was not mindful of the schools, but we were opposed to a program of extravagance, to a program of profligacy.

Just a last word about the schools, and now I am going into a hornet's nest. We have heard a lot about the "red rider." We have heard a lot about the heinous crime that we committed last year by asking the teachers of the District to refrain from indoctrinating the school children of the District with communistic teachings.

Those of you who have had any pedagogic experience, those of you who have been in the schoolroom as a teacher, will agree with me, I believe, when I say that the most impressionable age is the age of adolescence. Those are the years when habits are formed, those are the years when opinions are molded, those are the years when impressions are made that in many instances are lasting. I have no objection whatever to having college students go as carefully into the matter of communistic government as they care to. If communism were only presented here in the District or in the high schools throughout the country factually, I question very much whether I would oppose it. But it is my conviction, as a result of the disclosures made during the course of the hearings, that the efforts here in the District, as we know the efforts in other school districts, have not been for the purpose of presenting factually the matter of communism, but that it was the method pursued by those who were trying to advance the cause of communism, to place communistic teaching in a most favorable light before the high-school students, in order that it might be a persuasive factor in their own lives and be a method by which they would endorse and espouse this un-American system of government. I have a boy in high school. I hope that the same privileges will be his that were mine. I remember well certain high-school teachers who made a pro-

found impression upon me during the days I sat with them in the classrooms.

I hope that boy of mine will have influences brought to bear upon him in the high school by which he will love America and American institutions and traditions, American ideals, more than he ever loved them before. [Applause.] I hope that there will be impressions brought upon him by which he will hate, with a hate that is lasting, those things that would tear down and destroy the liberties of our people and the freedom that you and I enjoy. That is what I ask for my own boy. I want him to love America, to be dedicated to its defense, to be consecrated to its cause. I say to you on behalf of the boys and girls of this District, that I shall stand upon the record of the hearings on this matter of communism here in the District. I am satisfied to let that record speak for itself. I am satisfied that if this were my last term in Congress and this were the last thing that I were called upon to do in public life that I would be discharging honestly and conscientiously as I see it, the duty which I believe is mine, not only to the boys and girls of this District but to the boys and girls of America and to the traditions and ideals and institutions that I love.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. DITTER. Yes.

Mr. COLDEN. I feel with the gentleman, speaking for myself, that Members of Congress have gained their best lessons in patriotism in the schoolroom when they were young, but it is not a reflection upon the teachers of Washington to oblige them to subscribe to an oath every month, such as is provided by law, and would it not be better to repeal such a law and eliminate such teachers as disregard real Americanism?

Mr. DITTER. I can answer that by saying that, in my opinion, and from certain disclosures that have come to me personally, there are teachers who would be only too anxious to have the bars let down, not only here in the District but elsewhere, by which they could feel a freedom of not presenting communism factually, but of indoctrinating communism in the pupils that come under them. We have no opportunity of going into the classroom and watching that teacher day in and day out with respect to the methods pursued in the pedagogic effort put forth. We have not that means, and it seems to me that this present means is the only available way by which to safeguard against the sublety and cunning machinations of those who are anxious to destroy and tear down.

All observant men are aware of the efforts of radical leaders to extend their influence in America today. An attractive propaganda program has been developed which is intended to appeal to the emotions of the people and to arouse animosity and class hatred. While those directing the program appreciate the value of subtle maneuvers, nevertheless, the declarations of some of the New Deal keymen have encouraged the preachers of subversive doctrines to assume a boldness which cannot be ignored. From one occupying a lucrative and powerful post under the present administration comes the pronouncement of his belief in the "complete dominance by the Government in suitable areas of enterprise", and the accusation hurled against those engaged in private business of "determined sabotage of efforts to regularize their fields of industry." He delights to refer to those who disagree with his pedagogic mouthings as "enemies and autocrats", and insists "they must get out of the way, along with the moral system which supports them."

"The moral system" to which he refers is the same system which protects private enterprise from public confiscation, the same system which saves individual initiative from the deadening decay of a planned economy, the same system which defends the personal rights of the citizens against the encroachments of autocratic governmental agents. It is the American system as compared to the radical method. The same New Deal spokesman declares that it will be a "salutary purge if we are rid of the fainter hearted who confuse the Ten Commandments and the Constitution." He apparently takes exception to the philosophy of Lincoln, expressed in the words "with malice toward none", by referring to those who are not in accord with his scheme of upsetting and unsettling America as enemies "we can despise with a lasting and righteous anger." He strives to excite and agitate our people in typical radical style with the declaration that "the compulsion needed for industrial change is more likely to come from workers than the present owners." As we contemplate the effects of such statements by one of the New Deal leaders we are not surprised at the boldness of radical leaders in pressing their clamor for the adoption of the political philosophy of Karl Marx. Passing reference must be made to the added encouragement given to those who are antagonistic to the American system of government by another New Deal spokesman when he took exception to a recent decision of the Supreme Court and characterized it as "the greatest legalized steal in history." It is most unfortunate that the inconsistent and disorderly social and economic policies of the present administration have contributed materially to encourage the preachers of un-American doctrines to extend their efforts and to broaden their influence throughout the country.

In view of the encouragement given to the movement by leaders in powerful positions under the present administration and in view of the aid afforded by much of the legislative program, it is probably natural that radical strategists would feel welcome to enter the public schools for the purpose of disseminating their lessons and indoctrinating the pupils with their fanciful philosophy. Surely no more fertile field could be found for the sowing of seed. The impressionable age of adolescence gives a splendid opportunity to these purveyors of subversive doctrines to fasten their tentacles on the youth of America at a period in their life when thought is molded and future policies of life are largely determined.

Let us safeguard the youth of America.

Mr. BLANTON rose.

Mr. DITTER. I cannot yield any further. My distinguished chairman has been more than gracious to me. I feel that the House wants to hear a word from him.

I want to repeat what I said before—that this is the committee's bill. I, as one of the members, am willing to take my responsibility for the bill. I do not believe it is TOM BLANTON'S bill any more than it is the bill of any other member of the committee. I believe he has been fair. I believe he has been honest. I believe he has been courageous. [Applause.] I am here to stand with him to the end on this bill, without the dotting of an "i" or the crossing of a "t." [Applause.]

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, our colleague from Iowa [Mr. JACOBSEN] has done some splendid work on this bill, and every member of the committee appreciates his help. I yield to him such time as he may desire. [Applause.]

Mr. JACOBSEN. Mr. Chairman, a few years ago we heard a saying, and heard it often, that prosperity is just around the corner. This morning my colleague from New York [Mr. FISH] said the New Deal is going 'round and 'round. It just came to my mind that I would like to read one short paragraph of a letter that I got from home this week to show how far this prosperity is going. This letter is from my son. It was written last Saturday night, and I received it Tuesday morning:

> We have had a very busy day. We are all tired out tonight. The town has been like a beehive all day. Streets and sidewalks are crowded. We had four people come in and pay us today on deals that we had charged off in 1934. Those who are back on the railroad. Some men are going back on the road who have not been on for 6 years.

It is a long letter. That is all I want to read to you at this time.

I was here yesterday and part of the time the day before. I heard very little about the bill that is before us. Today I was glad to hear more said about it. I feel that a few words from me as a member of the committee may not come amiss.

I have sat in the hearings, and I have heard a lot of them. I want to say right now that the committee as a whole is united on this bill. I have sat on committees before where we were not all in harmony, but on this bill every man on

the committee on both sides of the aisle is in harmony with every paragraph in this bill.

When we finished the bill we sat down and talked a few minutes. We were patting ourselves on the back at what a wonderful bill we had for the people of Washington. We had an appropriation in that bill for Chain Bridge, that has been before the committee as long as I have been a member, and long before that. That bridge is now in the bill today at a cost of approximately $350,000. There is an addition to the Eastern High School at a cost of over $300,000. There is personnel and equipment for the fire department. The most needed of all, perhaps, is the police court building, at a cost of $1,500,000. So the committee was very much pleased with the bill. I got home late, thinking we had done a good job. The next morning when I came down to breakfast at my hotel I picked up the paper and I read a criticism of what we had done. I have been in the mercantile business all my life. I appreciate printer's ink. I know the value of publicity and I know the power of the press. I could not help but feel that they had the wrong impression about our bill. I knew they had. I read and studied all the papers that I could get. I was glad the gentleman from New York [Mr. TABER] and the gentleman from Pennsylvania [Mr. DITTER] brought this out so forcibly, because it has to come before the public. If the Members would read the hearings they would be convinced that the bill is the kind of a bill that should be passed.

I have heard more about communism the past few days than I have heard about the bill. From my point of view, there is a vast difference between teaching communism and studying communism. If it was not taught in the schools of Washington I would be perfectly satisfied, but from the evidence we have had, I fear it is being taught. We know that it is creeping into the colleges. We certainly should not have it in the schools of Washington, the Nation's Capital. That is the last place it should be taught.

Mr. MAVERICK. Will the gentleman yield?

Mr. JACOBSEN. I yield.

Mr. MAVERICK. If a man is a Communist and would violate his oath of allegiance, anyway, and try to overthrow the Government, does not the gentleman think a man like that would violate the oath that you require of him every 2 weeks, anyway?

Mr. JACOBSEN. Now, yesterday you asked not to be interrupted.

Mr. MAVERICK. Very well. I will not insist on the question.

Mr. BLANTON. But if he violated it to get his pay you could put him in the penitentiary, where he belongs.

Mr. MAVERICK. Oh, now, wait a minute.

Mr. BLANTON. Mr. Chairman, I ask that the rules be obeyed.

Mr. ZIONCHECK. You will not obey them yourself.

Mr. MAVERICK. I ask that the rules be obeyed, Mr. Chairman.

Mr. BLANTON. We can handle this bunch all right, Mr. Chairman. I ask that my colleague [Mr. JACOBSEN] be allowed to proceed in his own course until he yields, so that we may proceed in an orderly way.

Mr. MAVERICK. Mr. Chairman, I make a point of order. I asked a question according to parliamentary rules in a respectful and parliamentary manner. That was broken into by the gentleman from Texas [Mr. BLANTON]. I did not push my question, but he broke into it. I am entitled to courtesy.

Mr. BLANTON. Mr. Chairman, that is not a point of order. I make a point of order.

Mr. MAVERICK. Just a minute; I am not through yet. Mr. Chairman, the gentleman had no right to interrupt me. I am not going to be bullied off this floor. I am addressing the Chair, and I am not going to be bullied off this floor.

The CHAIRMAN. The gentleman from Iowa has the floor.

Mr. MAVERICK. Mr. Chairman, I wish to finish my point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MAVERICK. I want to ask if I have a right to ask a respectful question without being interrupted and bullied on the floor.

The CHAIRMAN. The gentleman does if the gentleman who holds the floor yields for that purpose.

Mr. MAVERICK. That is all I want to know. I thank the Chairman.

The CHAIRMAN. The Chair understood that the gentleman from Texas [Mr. MAVERICK] withdrew his question.

The gentleman from Iowa will proceed.

Mr. JACOBSEN. Mr. Chairman, I prefer not to yield further. I will come to the question of allegiance very quickly.

Mr. Chairman, I observed during the hearings that books were distributed in our libraries here, in the school libraries. I saw one of them. I am not a saint myself, Mr. Chairman; I can listen to a spicy story, and I can tell a spicy story, but I would not read that book to a bunch of men; that is how bad this book is that is in the libraries in the schools. This book was passed on by the committee, yet the same committee acknowledges that the book is not fit even for a man to read, it is so vulgar and vile.

I saw another book, and while it is not in the school libraries they can get it; it is in all the libraries of Washington; and if I may be permitted I shall read just one short excerpt from it. It kind of got under my collar when I read the following:

> Immigrants describe America as they found it, a country dominated by capitalists with a sordid bourgeois society without ideals, a land of dollar chasers where wealth controls the Government and exploits the people.

I believe I can tell you something about that. I am an immigrant. I came to this country as a young man knowing there were chances for me here where there were no chances for me in Germany. I came with nothing but a strong mind and a healthy body. You have heard the story of the merchant who was in business for many years, who never made invoices but every year he would pull out a bunch of shoestrings, lay it aside and say that all the rest was profit. That is me. I made use of these two gifts every day since I have been here. I soon learned and mastered the language, and when I became old enough I applied for citizenship. When I became a citizen I had to denounce my foreign government, my German Government. This I was glad to do. I had to swear allegiance to the American flag. I took that oath because it was a privilege. I feel that perhaps I can appreciate this privilege more than my sons when they grow to be 21 years old. They will say, "I am a citizen, I can vote." That is all they think about, it is a matter of fact to them; but to me the oath I took will live with me until my dying day. I have taken oaths on many occasions and in many offices, but there is one oath that will not get away from me, the oath of allegiance to support the Constitution of the United States and the flag. [Applause.]

I did not want to speak today; TOM BLANTON forced me on the floor. [Laughter.] I would rather sit down and listen, but I have seen so much of this that I would recall some things to your minds. I would, first, ask the gentleman from Texas [Mr. BLANTON] if I am taking too much time.

Mr. BLANTON. Go right ahead.

Mr. JACOBSEN. When I was postmaster I saw some of the things that were going on. It was the time of the draft and the boys were being drafted one after another. Fathers would come in to my office and say: "Benny is anxious to do his bit; he wants to do his bit; get him a job down at the arsenal at Rock Island or in the shipyards, anything for a job." I could not help but smile and think. I would say to the man: "He is getting old enough for the draft, isn't he?" "Oh, no, no; he will will not be drafted for some time, but he wants to do his bit." They all wanted to do their bit. My boy was over in France. He enlisted the minute the war started.

Later we had these pep meetings. Postmasters always had to be at the head of the pep meetings to sell war-savings stamps and Liberty bonds. I remember the first meeting very well, called to order by the president of the chamber of commerce. At that time we called them commercial clubs. The

leading men of the town were there. I stayed in the rear. I did not want to get on the platform. The meeting started, or, rather, the dinner started. We had a little lunch, the usual baking-powder biscuit with chicken gravy over it and a little chicken here and there. [Laughter.] Then there were trinkets and coffee. There was no sugar during the war, of course, and the "cream" was milk. In fact, the only thing about the meal that was pure was the salt. That was always good. [Laughter.] After lunch the meeting started. The chairman called it to order. Everybody stood up facing the east, where the flag hung, and sang America. They started out with wonderfully strong voices.

When they got to the second verse it got kind of dim. Some of the lips were just moving, and the leaders had to make quite an effort to bring it out. Before the next meeting the chairman learned a lesson. He had cards printed with the song on it. Then they could start and continue through the song, holding in one hand the little flag and in the other hand they would hold the card. They would not pay any attention to it until the second or third verse, then they had to hold up the card and read it.

I learned that whole song in Germany before I came to this country. I remember very well in our English lessons we learned America and The Last Rose of Summer. Why we should have learned the song, The Last Rose of Summer, I do not know; but those were the two songs I knew and could sing.

Those are the things that appear ridiculous to me and so outstanding. [Applause.]

Mr. BLANTON. Mr. Chairman, I want to reserve enough time to speak on this bill myself, but I believe so strongly in free speech that I am bound to yield 5 minutes to the gentleman from California [Mr. SCOTT], who requested time.

Mr. SCOTT. Mr. Chairman, I have at least two minor ambitions as far as my stay in this House is concerned. One of them is when I leave here I can truthfully say that I never tried to win an argument by shouting the other fellow down. The second one is when I leave here nobody can truthfully say that I was ever unfair in debate or in connection with extension of remarks.

Mr. Chairman, yesterday I objected to the gentleman from Arkansas putting into the RECORD an editorial taken from a Hearst paper. I will say frankly that at all times I am on this floor if anybody ever asks to put a Hearst editorial into the RECORD I shall object. I think Mr. Hearst is the biggest menace to freedom and liberty in this country, and I do not believe it is necessary to crowd the RECORD with his statements. Anyone with 3 cents can buy a Hearst paper anywhere in the United States and get the same editorial that it was desired to insert in the RECORD yesterday.

I did not object to the gentleman reading the editorial. Yet when the RECORD came out this morning, after the objection I had made, the statement is made by the gentleman from Texas [Mr. BLANTON] that—

> As a matter of fact, illustrating what those who oppose the McCormack and Kramer bills mean by free speech, when the gentleman, being a representative of the people, wanted to read an editorial one of the advocates of this free speech who objected to the Kramer and McCormack bills, the gentleman from California [Mr. SCOTT], objected to his reading the editorial.

I did not do any such thing. Had the gentleman had time he could have read the editorial.

Mr. BLANTON. Will the gentleman yield?

Mr. SCOTT. No; I am sorry.

Mr. ZIONCHECK. It is dangerous. Do not do it.

Mr. BLANTON. I want to make a correction.

Mr. SCOTT. I yield to the gentleman.

Mr. BLANTON. On page 3284, when the gentleman from Arkansas [Mr. MCCLELLAN] asked about putting in the editorial, the gentleman from California [Mr. SCOTT] stated:

> I object to the editorial but not to the revising of the gentleman's remarks.

Then the Chair put the question:

> The CHAIRMAN. Does the Chair hear objection?
> Mr. SCOTT. Mr. Chairman, I object.

That kept the gentleman from putting the editorial in, so the gentleman from California is mistaken.

Mr. SCOTT. I beg the gentleman's pardon, but he is the one who is mistaken. The request was made for permission to insert in his remarks, as an extension, the editorial. He did not ask permission to read the editorial, and that is not what I objected to. I objected to his inserting the editorial in the RECORD without having read it on the floor of this House, and I said at the time that I did not object to his extending and revising his own remarks, but to the inclusion of the editorial I objected.

It was, in my opinion, exceedingly unfair in the revision or in the statement to say I objected to the reading of the editorial; and I think if the gentleman from Texas wants to be fair about it, knowing the rules as he does, he should take it upon his shoulders to correct the RECORD.

Mr. Chairman, the strategy of those people who have been advocating the Kramer bill and who advocate the "red rider" is to try to maneuver those who oppose these things into the position of being Communists or communistic sympathizers. It is eminently unfair to attempt a thing like that. Some of us see an attempt to suppress the teaching profession and an attempt to suppress freedom of speech and the dissemination of ideas in these restrictive laws.

It is not an attempt on our part to protect the Communist. I am not a Communist. I am not a communistic sympathizer. Here is the difficulty, and I think it is fair to point it out at this time. There are at least two different groups of people in the country. We have those, the signed members of the Communist Party, who advocate certain things. Then we have other people who are critics of our present economic order. They are not Communists at all. They say that the inequalities that exist under our economic institutions should be corrected by some kind of legislation.

[Here the gavel fell.]

Mr. BLANTON. I yield the gentleman 2 additional minutes.

Mr. SCOTT. Mr. Chairman, when the people who are critics of our present economic order start to talk, immediately somebody makes the statement that they are Communists. Let me ask the Members of the House a question. I have been a school teacher. I came out of a classroom to the House. If I were to teach school in the District of Columbia and at the end of 2 weeks they asked me to sign a statement saying I had not taught communism, I would not know how to answer the question. I would not know what to take into consideration in making the answer. If they asked me whether I had taught the violent overthrow of the Government by force, I would say "no"; I had not done that; but if they asked me: "Did you present in your classroom an article that was written by some individual criticizing our economic order?" I would say "yes." Now, if that may be interpreted as being communism, I suppose I would have to plead guilty to teaching communism in the schools. It is almost impossible, it seems to me, for a teacher to answer that question unless you have somebody there when the statement is signed to define exactly what communism is, so that the teacher could ask the question: "Well, I taught this and suggested that. I brought this subject up. Now, you tell me, did I teach communism?"

But you cannot have anybody like that down in the schools. We cannot have someone there every 2 weeks to answer such questions. The Superintendent of Schools and the heads of the different departments would say that they could not answer such a question for you, and this leaves the teacher in a position where he does not know what to say.

[Here the gavel fell.]

Mr. BLANTON. I am deeply indebted to my splendid colleagues on our subcommittee, which framed this bill. They all performed valuable work in helping me to hold the hearings and in writing up the bill. I am grateful to them for their references in this debate. I first want to discuss an extraneous subject.

Mr. Chairman, I hold in my hand a copy of the San Antonio Evening News for Thursday, December 8, 1921, which has in it a photostat copy of an order purporting to have been given by Gen. Malin Craig as Chief of Staff

of the American Expeditionary Forces, headquarters of the First Corps Area, on November 10, 1918. I read it:

Memorandum: It has been reported that there has been considerable pilfering of individual property in this command. Every effort is being made to find property that has been stolen, and any person found with such property in his possession will be publicly horsewhipped.

By command of Major General Dickman.

MALIN CRAIG, *Chief of Staff.*

This is the only explanation I have ever found for the kind of a general who as Chief of Staff, and without a hearing or trial, would decapitate a man like Gen. Johnson Hagood, who loyally, faithfully, and honorably had served his Government and flag for 40 years in the United States Army with honor and distinction.

No general could publicly horsewhip any soldier, or anybody else, in San Antonio, Tex., simply because he was found in possession of stolen property. No general could order it. It is against the law. There is no regulation of the United States Army that would allow any general to order any thief caught in the act to be publicly horsewhipped, much less to order every person "found with stolen property in his possession to be publicly horsewhipped", because the person found with the property might not have stolen it at all.

When the above San Antonio newspaper was sent me by my friend, Judge Leo Brewer, with law offices in the South Texas Bank Building, San Antonio, Tex., he advised me that when General Dickman was questioned in 1921 at San Antonio about his connection with this order, he claimed that "it must have been issued by General Craig, as Chief of Staff, without his knowledge." Such an order with Gen. Malin Craig's name signed to it is in violation of the forty-first article of war.

I want you to note that this photostat shows the official seal of "Headquarters, First Army Corps", with the word "Official" in the center of the seal, and also has on it the official stamp of the adjutant, to wit, "Official. W. A. Haverfield, lieutenant colonel, A. G. D., adjutant."

DAUGHTERS OF THE CONFEDERACY

The Daughters of the Confederacy in Charleston, S. C., have been interested from time to time in collecting the records of the sons of Confederate veterans, and they have collated a file on Gen. Johnson Hagood. I have secured a copy of their file, and for the reason I will state in a moment I believe that the people of the United States have the right to know something about this distinguished Maj. Gen. Johnson Hagood, who, for telling the truth while testifying before a committee of Congress in executive session, forced to testify by orders of the Chief of Staff, has suffered a punishment worse than "public horsewhipping", by that same Chief of Staff, Gen. Malin Craig, who had given his word over his own signature that General Hagood would be allowed to give his opinion freely and frankly.

This huge stack of letters and telegrams, that you now see in my hands, which tied together is a foot high, came to me within the last few days from all over the United States, some from every one of the 48 States, were all sent by well-known Democrats, vigorously denouncing this action of Gen. Malin Craig, and demanding that Gen. Johnson Hagood be restored to his command. I have in my office a similar stack of letters from citizens who state they are Republicans, also denouncing General Craig and demanding restoration of General Hagood, but I keep them separate, because I realize there might be some partisanship in expressions from Republicans.

Gen. Malin Craig might give an order to horsewhip anyone found with stolen goods in their possession, and be where his order might not get before the President for revision, but without a hearing or a trial, and upon a ridiculous excuse, he cannot inflict a punishment more severe than "public horsewhipping" upon a distinguished officer, faithful, loyal, efficient, able, and honorable, without having his action reviewed by the President of the United States. And with an abiding confidence in the President of the United States, I urge and beseech him to do justice, and to order that Gen. Johnson Hagood be restored immediately to his command of the Eighth Corps Area. Then, and then only, would the confidence of several million Democrats, now sorely disturbed, be restored in their Democratic Party.

I am glad we have a real President in the White House. During the reign of Gen. Hugh Johnson, when he was governing the N. R. A., the manager in my section of the Postal Telegraph Co. brought a splendid boy to my office one evening who lacked 6 months of being of the age fixed by N. R. A. for boys to hold jobs. He said, "Mr. BLANTON, this is the most valuable boy I have in my employ. He has been working for me for several years and I pay him a good salary. I can hardly get along without him. He is supporting a widowed mother, who is an invalid, and also an invalid sister. He is their sole breadwinner. Under the order of Gen. Hugh Johnson I have got to discharge him today. Can you not help me out?" I said, "Sure"; and I wired Gen. Hugh Johnson and told him all the facts, stating that this family would have to go on relief if he could not make an exception in this boy's case, and I said, "I know you will find some way to make an exception", but to my surprise I got back a telegram that stated, in effect, that the order of the N. R. A. was about like the law of the Medes and Persians and could not be changed, and that the boy would have to go out. I did not stop there. I knew what kind of President we had in the White House, and I wired him and told him the facts, and I said, "Mr. President, I have enough confidence in you to know you will find some way to keep this boy on his job", and inside of a few hours I got a telegram from Washington saying, "Let that boy stay on his job; he will not be bothered."

This is the reason I mention this Hagood matter on the floor today. I want these facts placed before the President. I have enough confidence in the President of the United States to believe that he will find some way to get around this iron-clad "public horsewhipping" order of Gen. Malin Craig, the kind of general who would issue an order that anybody he found in possession of stolen property he would have publicly horsewhipped. I believe the President of the United States will find some way to restore this great general of our Army, Johnson Hagood, to his command. [Applause.]

Mr. Chairman, may I have permission to revise and extend my remarks and include therein certain data and excerpts?

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I regret that I cannot yield. I believe that every Member here will agree that I have been fair to my colleagues, as I yielded most of the time when it was vitally necessary that I should have plenty of time to discuss some very important subjects. I know that my friend from Michigan [Mr. DINGELL], whom by my vote I helped to put on the great Ways and Means Committee, will not accuse me of being unfair. [Laughter and applause.]

THE SOUTH CAROLINA HAGOOD FILE

From the file of the Daughters of the Confederacy, of Charleston, S. C., I quote the following from the facts they have gathered on the record of Gen. Johnson Hagood:

JOHNSON HAGOOD, MAJOR GENERAL, UNITED STATES ARMY

[Taken from Who's Who in America and a sketch prepared by Gen. J. P. Wisser for the National Cyclopedia of American Biography]

Hagood, Johnson, soldier, was born at Orangeburg, S. C., June 16, 1873, son of Lee and Kathleen Rosa (Tobin) Hagood. He is descended from William Hagood, a native of Virginia, but of English parentage, who married Sarah Johnson, and in 1776 removed to South Carolina. His son, Johnson, who married Anne Gordon O'Hear, was a prominent South Carolina lawyer and an early experimenter in electricity and physics. His son, Dr. James O. Hagood, who married Indiana Allen, was the grandfather of our subject. One of his uncles was Brig. Gen. Johnson Hagood, Confederate Army, afterward Governor of South Carolina. Another was James R. Hagood, who rose from sergeant major to command of his regiment, and who is said to have been the youngest colonel in the Army of Northern Virginia. On his mother's side he was descended from two Revolutionary soldiers—John Booth, killed at Hutsons Ferry, and James Overstreet, killed at the Battle of Cowpens.

Johnson Hagood attended the University of South Carolina in 1888–91, and in 1896 was graduated at the United States Military Academy, being assigned to the Artillery. He served successively at Fort Adams, R. I.; Fort Trumbull, Conn.; St. Augustine, Fla.; and Sullivans Island and Fort Fremont, S. C. During the Spanish-American War he superintended the mounting of guns and mortars

on Sullivans Island for the defense of Charleston, S. C. During 1901–4 he was on duty at the United States Military Academy as instructor in the department of philosophy. After serving a year in command of the Sixty-ninth Company, Coast Artillery, at Fort Monroe, Va., he was made assistant to the Chief of Artillery in July 1905, continuing in that duty until November 1908.

He was then detailed to the General Staff Corps and served as assistant to two Chiefs of the Army General Staff, Maj. Gens. J. Franklin Bell and Leonard Wood, until March 1912. While on this duty he was a member of several boards appointed to draw up plans for seacoast fortifications, was prominently identified with the installation of range-finding and fire-control apparatus for the coast defenses and designed a mortar deflection board, which was manufactured by the Ordnance Department and is still part of the standard equipment of the Coast Artillery. He also designed a tripod mount for telescopic sights and a modification of the sighting platform of disappearing gun carriages. While on duty in Washington he was also in charge of Army legislation and was instrumental in the enactment of a number of important military laws—notably the act of 1907—which separated the Coast and Field Artillery and gave a more modern organization to both branches—the Army pay bill of 1908 and the extra officers' bill of 1911. He served on the board of directors of the Army Mutual Aid Association and as treasurer of the Army and Navy Club. In the latter capacity he had much to do with the financing and construction of the new club building erected in 1911.

He was in command of Fort Flagler, Wash., in 1912–13, and in 1913–15 was in the Philippine Islands, serving first as coast defense officer of the department and then as adjutant of the coast defenses of Manila and Subic Bays. While in the Philippines he was prominently identified with the development of what is known as the Corregidor project, a plan for preparing the Philippines to withstand a long siege. On his return to the United States in 1915 he was placed in command of the coast defenses of San Diego, Calif; and in July 1916 he also had charge of military operations along the Mexican border from the Pacific coast to Mountain Springs, Calif. He commanded the businessmen's training camp at Salt Lake City, Utah, in August 1916, and was then ordered to Charleston, S. C., for artillery staff duty.

Having reached the grade of colonel August 5, 1917, he was appointed commander of the Seventh Regiment, Coast Artillery, and later in the same month proceeded overseas with his command. After training his regiment for a month in Borden Camp, England, and Mailly-le-Camp, France, he was selected by General Pershing to reorganize and command the Advance Section, Line of Communications. In December he was appointed Chief of Staff, Line of Communications, and in February 1918 was designated by General Pershing as president of a board to reorganize the whole system of Supply and Staff Administration of the American Expeditionary Forces. Upon the recommendation of this board, the Services of Supply was created, Colonel Hagood (promoted to brigadier general in April 1918) being appointed chief of staff of the organization and serving in that capacity until after the Armistice. He was designated October 20, 1918, by General Pershing, to be major general, National Army, but the appointment failed on account of the Armistice. In a cablegram to the War Department, dated July 15, 1919, he was recommended by General Pershing for promotion to brigadier general, Regular Army, and again was especially recommended by General Pershing in a letter to the Secretary of War, dated June 16, 1920 "For the best interests of the service, as his record and experience in the World War renders him particularly competent to fill one of the more important positions in our new Army." From December 1918 to May 1919 he was with the American Army of Occupation on the Rhine as commander of the artillery of the Third Army.

On his return to the United States in May, he was assigned to and commanded the Railway Artillery at Camp Eustis, Va. He was returned to the grade of colonel, Regular Army, June 30, 1920, and 3 days later was appointed brigadier general, Regular Army. In September 1920 he was transferred to Atlanta, Ga., and commanded the Fourth Coast Artillery District. In January 1922 he was transferred to the Philippines and assigned to the command of the Twelfth Field Artillery and Camp Stotsenburg. General Hagood rebuilt the post at Camp Stotsenburg with soldier labor, established schools, and instituted other improvements, for which he was highly commended by his superiors. Was president of the Army and Navy Club of Manila. Upon his return to the United States in March 1924, via China, he was assigned to the Second Coast Artillery District, Fort Totten, N. Y., which he commanded until August 1925.

He was promoted major general, Regular Army, August 2, 1925, and assigned to the command of the Fourth Corps Area, with headquarters in Atlanta, Ga., where he served until March 1926. From there he was transferred once more to the Philippines, this time in command of the Philippine division, where he was commended for having "vastly improved the appearance of his post and raised the tone and morale of the Philippine division to a remarkable degree." Returning to the United States in July 1929, he was assigned to command the Seventh Corps Area, with headquarters at Omaha, Nebr. On August 9, 1932, he was assigned by the President to command the Fourth Army. On October 2, 1933, he was relieved from command of the Fourth Army and Seventh Corps Area and assigned to command the Third Army and Eighth Corps Area, with headquarters at Fort Sam Houston, Tex., where he is now serving.

He received the American Distinguished Service Medal, the Cross of Commander in the Legion of Honor, the Cross of Commander in the Order of the Crown of Italy, and the Star of the Order of the Sacred Treasure of Japan, second class. Besides being recommended for promotion to major general, National Army, by General Pershing during the war, he was twice so recommended by Major General Harbord and three times by Major General Kernan. He received the degree of LL. D. from the University of South Carolina in 1921.

He is a member of the Society of the Cincinnati, Sons of the American Revolution, United Confederate Veterans, Spanish War Veterans, Military Order of the World War, and American Legion. Honorary Rotarian.

Author of The Services of Supply, Soldiers' Handbook, General Wood as I knew Him, and of numerous professional papers.

He was married December 14, 1899, to Jean Gordon, daughter of James H. Small, of Charleston, S. C., and has three children—Jean Gordon, wife of Lt. Comdr. James L. Holloway, Jr., United States Navy; Johnson, Jr., second lieutenant, Field Artillery, who is his aide de camp; and Frenchy.

MARCH 1, 1934.

PRE-WAR COMMENDATIONS

1906: Lt. Col. G. F. E. Harrison, C. A. C., Acting Chief of Artillery:

"Captain Hagood has considerable mechanical skill, has invented some excellent artillery devices. He is an indefatigable, reliable, and accomplished officer, is fitted for almost any class of duty in time of war, and is one of the best type of artillery officers."

1907–8: Gen. Arthur Murray, Chief of Artillery:

"Captain Hagood is a brilliant officer, especially well qualified for work in connection with artillery fire control."

1909: Brig. Gen. W. W. Wotherspoon, Acting Chief of Staff:

"Captain Hagood is an officer of exceptional ability, capacity, and industry."

1910: Brig. Gen. Tasker H. Bliss, Acting Chief of Staff:

"An excellent officer, specially qualified in time of war for the General Staff."

1911–12: Maj. Gen. Leonard Wood, Chief of Staff:

"Major Hagood is an officer of marked ability, great application, excellent judgment, and high character, thoroughly well informed on all subjects pertaining to his profession; is possessed of sound judgment, discretion, and is zealous and energetic in the performance of his duty."

1912–16: Maj. Gen. J. Franklin Bell:

"Lieutenant Colonel Hagood is a most capable officer; has commanded two posts in this department for about 2 years with unqualified success. He is one of the ablest, most efficient, and most useful officers I know in the service. I know him intimately and well."

WASHINGTON, D. C., *May 7, 1910.*

The ADJUTANT GENERAL,
United States Army, Washington, D. C.

SIR: Having been relieved from duty as Chief of Staff of the Army because of the expiration of term of service, I desire, before leaving Washington, to place on the record of Capt. Johnson Hagood (C. A. C.), General Staff Corps, an expression of my appreciation of certain special service he has performed for me during my tour of duty as Chief of Staff. I refer to work which he has done in connection with Army legislation. Having been employed on this class of duty for several years, he has accumulated a very considerable amount of experience and an intimate knowledge of detail affecting legislative matters which no other member of the General Staff within my knowledge possesses. He has been tactful and has created an especially favorable impression upon the members of the Military Committees of both Houses of Congress, inasmuch as he has endeavored to be accurate, impartial, and disinterested in information given to these committees. He has drawn up in a most able way a large number of memoranda and a great deal of statistical data, which assistance has been very valuable to me in hearings before the committees. He has special ability in this line, and his knowledge of legislative matters ought to be valuable in the future.

He is conciliatory, considerate, and tactful in his dealings with others, and is an excellent officer in every respect.

Very respectfully,

J. F. BELL,
Major General, United States Army.

(General Bell was Chief of Staff of the Army from 1906 to 1910.)

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF STAFF,
Washington, February 15, 1912.

Maj. JOHNSON HAGOOD,
Coast Artillery Corps (General Staff).

SIR: I take occasion, upon your relief from duty in this office, to express to you my sincere appreciation of the valuable service which you have rendered during your period of duty here. Your advice and assistance have been a great help to me in my capacity as Chief of Staff, and your recommendations have indicated that you have always had in view the best interests of the service. I regret exceedingly that the exigencies of the service make your relief necessary.

With a sincere appreciation of what you have accomplished, I am,

Very respectfully,

LEONARD WOOD,
Major General, Chief of Staff.

(General Wood served as Chief of Staff of the Army from 1910 to 1914.)

WASHINGTON, D. C., *February 23, 1912.*

The ADJUTANT GENERAL,
War Department, Washington, D. C.

SIR: I have the honor to request that this letter be filed with the efficiency record of Maj. Johnson Hagood, C. A. C., General Staff. He is an intelligent and well-equipped officer and most industrious and zealous in the discharge of duty. His long absence from service with troops (nearly 7 years) is due, in my opinion, to the fact that each of the varied duties to which Major Hagood was assigned was so thoroughly and efficiently performed that the authorities deemed it best to continue him on detached service. I am glad that he will now have an opportunity to again serve with troops.

Very respectfully,

(Signed) J. C. BATES,
Lieutenant General, U. S. A., Retired.

(General Bates served as Chief of Staff of the Army from 1905 to 1906.)

WAR DEPARTMENT,
THE ADJUTANT GENERAL'S OFFICE,
Washington, December 10, 1915.

2348115.

From: The Adjutant General of the Army.
To: Maj. Johnson Hagood, Coast Artillery Corps, Army and Navy Club, Washington, D. C.
Subject: Efficiency record.

The Secretary of War directs that you be informed that the following entry has been made upon your compiled efficiency record:

1915: Maj. Gen. Arthur Murray, United States Army, commanding Western Department, in a letter dated December 3, 1915, to The Adjutant General of the Army, said:

"On the eve of retirement from active service and believing that whatever success I may have attained as Chief of Coast Artillery and as a major general is largely due to able, zealous, and loyal support and assistance of certain officers, I desire to give official credit for this support and assistance, and therefore request that these remarks and the remarks made in individual cases hereinafter be filed with the efficiency records of the following officers:

* * * Maj. Johnson Hagood, Coast Artillery Corps, who, as assistant in the office of the Chief of Coast Artillery during the 5½ years I was Chief of Coast Artillery, rendered me invaluable assistance in the technical work of the office, in the preparation of estimates for submission to Congress, in testifying before committees of Congress, and in giving me most able, zealous, enthusiastic, and loyal support in all legislative work with which I was in any way connected during these years. From my personal knowledge of his work, in each instance, I can state that without his able work before committees of Congress, and his personal influence with individual Members of Congress and the confidence those committees and Members of Congress had in his integrity, neither the artillery increase bill of 1907, the Army pay bill of 1908, nor the extra officers bill of 1911, would have been enacted. For which good work I consider the Army and the country is indebted to him accordingly. More than this, I believe, from my personal knowledge of his capacity in connection with the passage of Army legislation in Congress, that his assistance toward procuring the passage of such legislation as it is desired to have enacted by Congress, would be worth more than any other half dozen officers I know—this without any exception or reservation, and I, therefore, recommend that the attention of the Secretary of War be specially invited to these remarks regarding Major Hagood.

JOS. P. TRACY,
Adjutant General.

WAR RECORD

AMERICAN EXPEDITIONARY FORCES,
SERVICE OF THE REAR,
February 17, 1918.

From: C. G. S. O. R.
To: C. in C., A. E. F.
Subject: Rank of chief of staff, S. O. R.

1. Under the new arrangement by which the Service of the Rear is created with very much enlarged functions and personnel there are some 18 general officers serving in that command. It seems too obvious for argument that the chief of staff of this command should have the rank of brigadier general, both in view of the rank of the staff he is in contact with and the general magnitude of his functions.

2. Therefore I urge the commander in chief to recommend Col. Johnson Hagood for promotion in the national Army to the grade of brigadier general, and his continuance on his present duty.

F. J. KERNAN,
Major General, National Army, Commanding.

Official copy.

L. H. BASH,
Adjutant General.

(This refers to war rank. Johnson Hagood at this time was a lieutenant colonel in the Regular Army.)

AMERICAN EXPEDITIONARY FORCES,
HEADQUARTERS, SERVICES OF SUPPLY,
March 18, 1918.

From: C. G., S. O. S., A. E. F.
To: C. in C., H. A. E. F.
Subject: Certain promotions of S. O. S. commissioned personnel.

1. I beg to renew the recommendations made from time to time by me heretofore for the promotion in the National Army of certain officers whose cases seem to me exceptional and therefore deserving of special treatment and consideration.

First. Col. Johnson Hagood, chief of staff, S. O. S. This officer is 45 years old, a colonel in his own arm, and is an officer of conspicuously brilliant record. He is now filling the position of chief of staff in an organization as complex and extensive as any in the American Army. Two major generals and some 16 brigadier generals are serving in this organization and the propriety of giving Colonel Hagood the grade of brigadier general, viewed exclusively from the standpoint of military expediency, cannot be doubted.

* * * * * * *

2. The above recommendations are made or renewed because of long delay in some of them, for I am aware that in other cases no more meritorious the War Department has acted with promptness in promoting men serving in France.

* * * * * * *

4. In all these cases, except that of Major Bugge, these recommendations have been made of my own initiative, without any hint or request from the officers themselves or on their behalf by anyone else.

F. J. KERNAN.
Major General, National Army, Commanding.

(This refers to war rank. Johnson Hagood at this time was a lieutenant colonel in the Regular Army.)

AMERICAN EXPEDITIONARY FORCES,
HEADQUARTERS, SERVICES OF SUPPLY,
July 4, 1918.

From: C. G., S. O. S.
To: C. in C., G. H. Q.
Subject: Recommendations for promotions at headquarters, S. O. S.

1. Paragraph 1 (a), cable 1598–R, War Department, June 28, authorizes certain overhead grades and numbers for these headquarters. The most important of these had better be considered first, and, under that view, I recommend:

FOR THE GENERAL STAFF

(a) To be major general and Chief of Staff, Brig. Gen. Johnson Hagood, now Chief of Staff.

* * * * * * *

F. J. KERNAN,
Major General, National Army, Commanding.

Official copy from the records of the Adjutant General's office, headquarters, S. O. S. (extract).

L. H. BASH,
Adjutant General.

(This refers to war rank. Johnson Hagood at this time was a lieutenant colonel in the Regular Army.)

AMERICAN EXPEDITIONARY FORCES,
HEADQUARTERS, SERVICES OF SUPPLY,
August 10, 1918.

From: Commanding General.
To: C. in C., A. E. F.
Subject: The building up of a personnel in the S. O. S.

* * * * * * *

7. Recommendations: The following recommendations are submitted, all being within the organization authorized by the War Department for the S. O. S., with the hope that, if promoted, these men can remain in their present positions as long as they give satisfaction, or for the duration of the war.

(a) Brig. Gen. Johnson Hagood to be major general, chief of staff. The efficiency of this officer requires no voucher from me. He is well known to the commander in chief.

* * * * * * *

J. G. HARBORD, *Major General.*

Official copy:

L. H. BASH, *Adjutant General.*

AMERICAN EXPEDITIONARY FORCES,
HEADQUARTERS SERVICES OF SUPPLY,
September 10, 1918.

From: Commanding general, S. O. S.
To: Commander in Chief, A. E. F.
Subject: Award of Distinguished Service Medals.

1. In accordance with the provisions of G. O. No. 26, A. E. F., February 11, 1918, I recommend that Distinguished Service Medals be awarded to the persons named below serving with the S. O. S. and that each receive the citation set opposite his name:

Brig. Gen. Johnson Hagood, General Staff.

For distinguished and invaluable service as chief of staff, first of the line of communications and later of the services of supply in the American Expeditionary Forces in France. By his ability for organization, his energy, and his tireless devotion to duty, he was largely responsible for the successful operations of the system that supplies the greatest Army known in our history.

* * * * * * *

J. C. HARBORD,
Major General, Commanding.

[First endorsement]

Headquarters, S. O. S., France, September 12, 1918. To C in C, A. E. F.

1. Forwarded.

2. The undersigned has already made recommendations in his confidential letter of August 19 on the subject of S. O. S. personnel. In addition to certain minor promotions, recommendation was made for the following:

Brigadier General Hagood, chief of staff, to be major general.

* * * * * * *

J. G. HARBORD,
Major General, Commanding.

Official:

L. H. BASH, *Adjutant General.*

(This refers to war rank. Johnson Hagood at this time was a lieutenant colonel in the Regular Army.)

AMERICAN EXPEDITIONARY FORCES,
HEADQUARTERS, SERVICES OF SUPPLY,
September 24, 1918.

From: Commanding general.
To: Commander in chief, A. E. F.
Subject: Promotions in S. O. S.

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2. Recommendation is renewed for promotion of the following officers, stated in what is considered to be the relative order of their importance:

* * * * * * *

Brig. Gen. Johnson Hagood, chief of staff, to be major general.

* * * * * * *

J. G. HARBORD.
Major General, Commanding.

Official copy:

L. H. BASH, *Adjutant General.*

[Cablegram received at the War Department, Oct. 21, 1918]

From H. A. E. F.
To The Adjutant General.
No. 1817. October 20.

I recommend the following promotions: Brigadier generals to the grade of major general:

* * * * * * *

Johnson Hagood, who is Chief of Staff of the S. O. S.

* * * * * * *

PERSHING.

(This refers to war rank. Johnson Hagood at this time was a lieutenant colonel in the Regular Army.)

AMERICAN EXPEDITIONARY FORCES,
OFFICE OF THE COMMANDER IN CHIEF,
France, November 29, 1918.

Personal.

MY DEAR GENERAL HAGOOD: It gives me great pleasure to inform you that on October 20 I recommended you for promotion to the grade of major general, basing my recommendation upon the efficiency of your service with the American Expeditionary Forces.

The War Department discontinued all promotions of general officers after the signing of the armistice, and I regret that you will not, therefore, receive the deserved recognition of your excellent services.

Sincerely yours,

JOHN J. PERSHING.

Brig. Gen. JOHNSON HAGOOD,
Commanding Sixty-sixth Artillery Brigade, A. E. F.

(This refers to war rank. Johnson Hagood was at this time a lieutenant colonel in the Regular Army.)

[Cablegram received at the War Department July 15, 1919]

From: Paris.
To: The Adjutant General.
No. 2827. July 13.

Paragraph 1. Following recommendations of qualified officers in the order named are submitted for consideration in filling vacancies created by tables of organization corrected to June 1, 1919:

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Paragraph 4. For appointment as brigadier general of the line (Regular Army):

Brig. Gen. Johnson Hagood (National Army).

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PERSHING.

(This refers to appointment in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army but had the war rank of brigadier general.)

U. S. S. "MARTHA WASHINGTON",
Brest, France, November 1, 1919.

From: Maj. Gen. J. G. Harbord.
To: The Adjutant General, United States Army.
Subject: Efficiency of Brig. Gen. J. Hagood.

1. The termination today of my service with the A. E. F. affords occasion to testify to the efficiency of several officers who served under my command in the last 2¼ years. Brig. Gen. Johnson Hagood was on my recommendation selected as commander of the Advance Section of the S. O. S. in 1917. Soon after he was selected by Major General Kernan as chief of staff of the S. O. S., in which position I retained him during my command of that service from July 29 until, on his own request, he was relieved for service in command of troops shortly before the armistice.

2. General Hagood in my judgment is one of the ablest officers in our Army. He has a very bright, quick mind, great organizing ability, the capacity to get work out of subordinates, and with these attributes combines industry, a high conception of duty, and very high character. He left my staff very much to my regret and had filled the important position of chief of staff during the period of greatest activity in troops and freight arrivals. Very much of the credit and success of the services of supply, A. E. F., is due to General Hagood. In my judgment he should be retained as a general officer on the present reorganization of the Army. Under promotion by selection this officer has the merit which will insure his promotion.

J. G. HARBORD.

(This refers to appointment, or retention, as brigadier general in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army, but had the war rank of brigadier general.)

POST-WAR RECORD

AMERICAN EXPEDITIONARY FORCES,
OFFICE OF THE COMMANDER IN CHIEF,
Richmond, Va., February 23, 1920.

MY DEAR GENERAL: It was a great pleasure to see you again and to inspect the good work which you have accomplished at Camp Eustis. I wish to compliment you on what you have accomplished in the way of building up the morale of your brigade and the camp, which was shown in the fine appearance of officers and men at my inspection.

Sincerely yours,

JOHN J. PERSHING.

Gen. JOHNSON HAGOOD,
Camp Eustis, Va.

HEADQUARTERS, MIDDLE ATLANTIC C. A. DISTRICT,
Fort Totten, N. Y., February 27, 1920.

From: Maj. Gen. Charles J. Bailey, United States Army.
To: The Adjutant General of the Army, Washington, D. C.
Subject: Recommending certain officers for promotion.

1. In view of the impending reorganization of the Army, and consequent promotions to the rank of brigadier general, I desire to submit a recommendation in the case of the following officers of Coast Artillery. I know these officers intimately and have served with most or all of them. The officers named do not know of this action.

Lt. Col. Johnson Hagood: Have known him many years and consider him one of the ablest officers I know. His record for efficiency is of the best both as a line and staff officer. His service in France as regimental commander, chief of staff of the S. O. S., and later as an artillery brigade commander, brought him the highest commendation from his superiors and recommendation for promotion to major general from the commanding generals (two) of the S. O. S. and from the commander in chief, A. E. F. He was decorated by the French Government and awarded the D. S. M. for services which were regarded as exceptionally valuable by his immediate superiors. He is exceptionally well fitted for the position of a general officer.

C. J. BAILEY.

(This refers to appointment in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army, but had the war rank of brigadier general.)

HEADQUARTERS, PHILLIPPINE DEPARTMENT,
Manila, P. I., May 4, 1920.

From: Maj. Gen. F. J. Kernan, United States Army.
To: The Adjutant General of the Army, Washington, D. C.
Subject: Recommendations for promotion to the grade of brigadier general, United States Army.

[Extract]

1. In view of the pending reorganization of the Army by which it is probable the number of general officers will be increased, I desire to submit names for consideration because of my personal knowledge of these officers and of their past services. I am doing this of my own volition, and because I think it is due the Department to have as full information as possible in so important a matter, and also because I think I owe it to the officers in question. I name them in the order of their present seniority.

* * * * * * *

7. Lt. Col. Johnson Hagood, C. A. C.: This officer had become a marked member of his own arm before the United States entered the Great War and had served with unusual distinction upon the General Staff of our Army. In France, after some service with the artillery, he was assigned to command the advance section of the S. O. S. When the undersigned took over the command of that organization there was no chief of staff, and, indeed, no organization worthy of the great part to be played by it in the progress of the war. I immediately transferred Colonel Hagood to Paris and assigned him to the post of chief of staff. If ever an assignment justified itself, this one did. From the first day he

breathed a new life in the rapidly expanding organization, and until the last day of my command, when the great work of organization had been completed and the S. O. S. was a splendid going machine, I never had the slightest cause to doubt the loyalty or capacity or vision of this officer. This work was not of the spectacular kind to strike the imagination, but its tremendous import to the success of the American effort ought to kindle the enthusiasm of those who think and understand. He has the character, the experience, and the ability to fill any place in our Army, and I earnestly recommend his promotion to the grade of brigadier general.

F. J. KERNAN.

(This refers to appointment in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army, but had the war rank of brigadier general.)

HEADQUARTERS COAST ARTILLERY TRAINING CENTER,
Fort Monroe, Va., June 10, 1920.

From: Commanding General.
To: The Adjutant General of the Army, Washington, D. C.
Subject: Promotion of an officer.

1. In connection with the selection of officers for the permanent rank of brigadier general, under the reorganization bill which recently became a law, I desire to bring to your attention Brig. Gen. Johnson Hagood, who is now assigned to duty as commander of the Thirtieth Artillery Brigade, with station at Camp Eustis, Va.

2. The record of General Hagood in the A. E. F. is too well known to require comment by me, and the complete success of his labors is best testified to by the recommendation of the commander in chief that he be promoted to the rank of major general.

3. I have been in command of the Coast Artillery Training Center, of which Camp Eustis and the Thirtieth Artillery Brigade form a part, since September 15, 1920.

4. When General Hagood assumed command of this brigade and Camp Eustis, everything about the organization, post, and the mental attitude and the morale of the command was at the very lowest ebb. I am thoroughly familiar with the work which he has accomplished in the upbuilding of his command from every standpoint, and there can be no question that his accomplishments after the war, taken in connection with his accomplishments during the war, and before, indicate that he is an officer who is fully qualified for advancement to the permanent rank of brigadier general. I am confident that in voicing this statement I am only saying what is recognized by all officers who are familiar with his ability along every professional line and along every line which involves intense and successful personality.

A. CRONKHITE,
Brigadier General, United States Army.

(This refers to appointment in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army, but had the war rank of brigadier general.)

AMERICAN EXPEDITIONARY FORCES,
OFFICE OF THE COMMANDER IN CHIEF,
June 16, 1920.

The Honorable NEWTON D. BAKER,
Secretary of War, Washington, D. C.

MY DEAR MR. SECRETARY: In view of the pending reorganization of the Army, and particularly the appointment of the general officers provided for in the recent Army legislation, will you not permit me to again invite your attention to the recommendations I made in my cable of July 15, 1919, giving the list of officers recommended by me for promotion to both the grades of major general and brigadier general?

I recommend that of the list then submitted the following be specially considered; this for the best interests of the service, as the records of the officers named, together with the experience they have had in the World War, render them particularly well competent to fill the more important positions in our new Army. I consider it especially desirable that they be given at this time the grade for which they have been recommended in order that their services may be available in the building of the new units.

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Brig. Gen. Johnson Hagood.

* * * * * * *

May I ask, Mr. Secretary, that if, in your judgment, such action is proper, this letter be referred to the board appointed to determine eligibility of officers for appointment to the grade of brigadier general?

Very sincerely,

JOHN J. PERSHING.

(This refers to appointment in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army, but had the war rank of brigadier general.)

OFFICE OF THE GOVERNOR GENERAL
OF THE PHILIPPINE ISLANDS,
Manila, March 28, 1923.

MY DEAR MR. SECRETARY: Pardon my writing you direct, but I want to bring to your attention the case of Brig. Gen. Johnson Hagood. I have known General Hagood for many years. He served as one of my assistants on the General Staff during the time I was Chief of Staff. I later picked him out to command one of the important artillery districts on the Pacific coast where conditions were not satisfactory, and he made a splendid record there. I am familiar with his record in France, which was most excellent, and he has come under my repeated observation here in the Philippines. On the General Staff I regarded him as one of the very most efficient officers I had. As a commanding officer of troops he has always made good and turned out first-class commands. He is 50 years of age. He has been a general officer for about 5 years, including the Regular and temporary National Army commands. He is a most level-headed, capable officer, who has made good in the fullest sense of the term wherever he has been sent. I commend him especially to your favorable consideration.

Sincerely yours,

LEONARD WOOD

Hon. JOHN W. WEEKS,
Secretary of War, Washington, D. C.

(This refers to appointment as major general, Regular Army. Johnson Hagood by this time had been promoted from lieutenant colonel to colonel and 3 days later to brigadier general, Regular Army.)

SAN DIEGO, CALIF., *February 6, 1924.*

From: Maj. Gen. F. J. Kernan, United States Army, Retired.
To: The Adjutant General of the Army.
Subject: Philippine Service of Brig. Gen. Johnson Hagood.

1. I desire to put officially on record the remarkable construction work of Brig. Gen. Johnson Hagood at Camp Stotsenburg, P. I.

2. When this officer arrived in Manila for duty in January 1922, I was commanding the Philippine Department and assigned General Hagood to command Camp Stotsenburg. That station had been long neglected, and this fact, together with the further fact that it had never been completed as originally intended, made it unsightly and overcrowded. Just at that time the Department had ordered the organization of an additional regiment of Scout Field Artillery, and no other place offered so convenient a station for this new unit as Camp Stotsenburg. It was imperative to have more quarters, and, accordingly, I sent for General Hagood and my principal staff officers and stated that all training would be suspended for the present and the entire Stotsenburg garrison would be put to work on a building project and all needful supplies and salvaged material was to be put at General Hagood's disposal for this purpose. The garrison consisted of the Tenth Cavalry and the Twenty-fifth Field Artillery (Scout). The latter did most of the work.

3. In a few months there were added to the post 49 sets of officers' quarters, 23 sets of company officers' quarters, 3 sets of field officers' quarters, 13 sets in a bachelor apartment, and 10 in a set for nurses. In addition the incomplete sewer system was finished—the entire cavalry line being brought into the system; the new septic tank completed, post exchange enlarged, an exchange building put up for Clark Field, and the water supply increased by the construction of a new reservoir. In addition the old buildings were repaired and the cold-storage plant rebuilt. I enclose photos of the type of company and field officers' quarters. Altogether the work here briefly outlined would have cost, under contract, more than $200,000. In fact, not a dollar of "B. & Q." appropriation was available.

4. This officer was chief of staff of the S. O. S. in France during its period of growth, of stress, and development. He is about to return from his tour of duty in the Philippines. His work in France was one of the most important tasks falling to any officer. His work at Stotsenburg shows the same initiative, zeal, and good strong sense. I take pleasure in putting on record my belief that he is fitted for any task falling to an American Army officer, in peace or war, and I recommend his early promotion as a thing earned.

F. J. KERNAN,
Major General, U. S. A., Retired.

(This refers to appointment as major general, Regular Army. Johnson Hagood by this time had been promoted from lieutenant colonel to colonel, and 3 days later to brigadier general, Regular Army.)

HEADQUARTERS, PHILIPPINE DIVISION,
Fort William McKinley, Rizal, P. I., March 17, 1924.

Brig. Gen. JOHNSON HAGOOD,
Camp Stotsenburg, Pampanga, P. I.

DEAR GENERAL HAGOOD: On the eve of relinquishing command of the Philippine division I wish to express my high appreciation of the very efficient manner in which you have commanded Camp Stotsenburg during the last 2 years. Soon after your arrival the garrison was suddenly increased without adequate shelter. The order, precision, and rapidity with which you carried to completion an extension (sic) building project, using the labor of troops and such surplus material as was on hand within the Department, showed executive ability of the highest order.

Recent inspection have found both the Twenty-fourth Field Artillery and the Twenty-sixth Cavalry to be in a highly satisfactory condition.

With best wishes for your future,

Yours very sincerely,

OMAR BUNDY,
Major General, United States Army.

JANUARY 23, 1925.

Gen. JOHN L. HINES,
Chief of Staff, War Department,
Washington, D. C.

MY DEAR HINES: I understand that there are five vacancies in the grade of major general that occur between now and next fall, and I want to drop a word for a very deserving officer before I leave.

There is a group of five men, headed by Johnson Hagood, every one of whom seems to me to be too good to be jumped by anyone else, even by one of the other four.

I particularly invite your attention to and recommend the promotion of General Hagood. There are now on the list of line general officers, 1 major general and 13 brigadier generals who are younger than Hagood; there are 1 major general and 4 brigadier generals who are older than he, but have less service; there are 10 major generals and 38 brigadiers who have less service in the grade of general officer.

I have known Hagood for many years. His youthful appearance is no adverse sign of his first-class efficiency. When General Pershing sent me to the Service of Supply, in July 1918, I found Hagood as the chief of staff of the Service of Supply, and he was the officer, above all others, to whom I attribute the good organization which I found there and which, with very minor changes, brought whatever success may be considered to have come to that service while I had the honor to command it—between July 29, 1918, and May 25, 1919.

The last two major generals made—MacArthur and Nolan—were both junior to Hagood in the service, though, of course, neither Hagood nor anyone else could take any exception to the promotion of General Nolan out of his turn.

I earnestly recommend that Hagood, Connor, Conner, and Brown be the next four brigadier generals of the line to be promoted, and that they be promoted in that order. I am personally indebted to every man of that five for splendid service. W. D. Connor succeeded Hagood as chief of staff of the S. O. S., and was originally an assistant chief of staff to me when I was Chief of Staff; Fox Conner was assistant chief of staff under me while I was chief; and Preston Brown was chief of staff of the Second Division while I served in it as a brigadier and as a major general. It would be hard for any army to duplicate these four men in efficiency. They are all deserving of the highest consideration, and, in my opinion, their claims are superior to that of any brigadier above them.

Ordinarily, I do not believe in retired officers making recommendations for promotions, but my obligations to these men are such that you will perhaps feel I am justified in submitting this to you.

Sincerely yours,

J. B. HARBORD.

(This refers to appointment as major general, Regular Army. Johnson Hagood by this time had been promoted from lieutenant colonel to colonel and three days later to brigadier general, Regular Army.)

NOTE.—All promotions were made as hereinbefore recommended.

Mr. BLANTON. Mr. Chairman, you will find all of the above data within the files of the Daughters of the Confederacy, in Charleston, S. C. I have also taken occasion to secure the official data on the record of Gen. Johnson Hagood, when he was commander of the Infantry division at Fort McKinley, in the Philippine Islands, which is as follows:

On August 2, 1925, General Hagood was promoted to be major general, Regular Army, at that time one of the youngest officers ever to be promoted to that grade in the American Army in time of peace, Miles, Wood, and MacArthur being the only exceptions during the past 50 years.

As a major general in command of an Infantry division at Fort McKinley, he was given the following report by the commander of the Philippine Department April 30, 1928:

During the period covered herein he has vastly improved the appearance of Fort McKinley and raised the tone and morale of the Philippine Division to a remarkable degree, amply demonstrating his fitness for a higher command.

FRED W. SLADEN,
Major General, United States Army.

Since the above report was submitted General Hagood has commanded the Seventh and Eighth Corps Areas; the Fourth and Third Field Armies. Comments on the manner in which he performed those duties are not available.

Since Gen. Malin Craig saw fit to criticize General Hagood regarding his action in supporting the regimental commander when he relieved Colonel Baltzell, and claimed that General Hagood could not take a reprimand, I have gone to some trouble to produce the facts regarding this matter, which is disclosed by the following:

[Western Union telegram]

FAYETTEVILLE, N. C., *February 27, 1927.*

CHIEF OF STAFF,
Fourth Corps Area, Atlanta, Ga.:

Have entire command at Fort McPherson paraded Monday morning, and read to Colonel Baltzell the following: I have just learned that Inspector General has completely exonerated you in the matter of recent controversy. Please accept my apologies for having misjudged you, and my congratulations upon the outcome. I am sorry I cannot be present to do this in person.

JOHNSON HAGOOD.

FORT MCPHERSON, GA., *February 28, 1927.*

Maj. Gen. JOHNSON HAGOOD,
Commanding Fourth Corps Area,
Hurt Building, Atlanta, Ga.

MY DEAR GENERAL HAGOOD: Your telegram of the 27th instant to the Chief of Staff, Fourth Corps Area, was read to me in the presence of the assembled command of Fort McPherson and was extremely gratifying. I fully appreciate the completeness of your act and the method of its expression.

The whole affair is the one outstanding regret of my career. My aims were always those of most complete loyalty to you and General Leitch, and the unfortunate interpretation of them has caused me the deepest distress.

Permit me to express my great satisfaction at the opportunity presented to accept your apologies and congratulations in the same spirit and completeness with which they were extended.

Very cordially yours,

GEORGE F. BALTZELL,
Colonel, Twenty-second Infantry.

Mr. Chairman, the people of the United States are just and love fair play. During wartime, when any Army officer or other soldier shows disrespect for those in authority above him, they want a shooting at sunrise. But when a loyal, faithful, dependable officer like Gen. Johnson Hagood, who has served his country faithfully for 40 years, in peacetime is ordered before a congressional committee and told by the Chief of Staff to tell the truth freely and frankly, and he does tell the truth, the American people are not going to stand for the Chief of Staff to decapitate such officer for telling the truth.

HURT THE PRIDE OF HARRY HOPKINS

When the whole truth is learned it will be found out that Harry Hopkins did not like it because Johnson Hagood told the truth. I can tell Harry Hopkins of many scores of cases where he has spent money foolishly, where he has passed around "stage money." It will be found out that to appease Harry Hopkins this "public horsewhipping" order was issued by Gen. Malin Craig.

IT IS UP TO OUR PRESIDENT

Mr. President, I have confidence in you. Mr. President, I think that you are fair and square. Mr. President, I think that you are just. Mr. President, I believe that you will tell Harry Hopkins that he "must be able to take it" when just and honest criticism is forthcoming. Mr. President, on behalf of many millions of Democrats in the United States who are suffering under this injustice, I ask you to restore Gen. Johnson Hagood to his command at Fort Sam Houston over the Eighth Corps Area.

Now, Mr. Chairman, I must discuss this bill.

THE UNITED STATES SEAT OF GOVERNMENT

Mr. Chairman, at the outset I deem it advisable to show constitutional authority for the Congress of the United States to control at all times not only all legislation pertaining to and affecting the District of Columbia but also all of its expenses.

I call attention to the Constitution of the United States with respect to the duty that the Congress owes and the authority it exercises over the District of Columbia. Clause 17 of section 8 of article I of the Constitution of the United States provides that the Congress shall have power:

To exercise exclusive legislation in all cases whatsoever over such District (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States.

I quote now from Watson on the Constitution, page 698:

This clause confers upon Congress absolute control and authority over the District of Columbia. It probably grew out of an unpleasant episode in the history of the Continental Congress while it was sitting in Philadelphia. Toward the close of the War of the Revolution Congress was surrounded and greatly mistreated by a body of mutineers of the Continental Army. This led to the removal of the seat of government from Philadelphia to Princeton, N. J., and later, for the sake of greater convenience, to Annapolis.

In construing the above clause of the Constitution in the cases I shall thereunder cite, the Supreme Court of the United States held:

By this clause Congress is given exclusive jurisdiction over the District of Columbia for every purpose of government, national or local, in all cases whatsoever, including taxation. The terms of the clause are not limited by the principle that representation is necessary to taxation.

Loughborough v. *Blake* (5 Wheat. 321); *Kendall* v. *United States* (12 Pet. 619); *Shoemaker* v. *United States* (147 U. S. 300); *Parsons* v. *District of Columbia* (170 U. S. 52); *Capital Traction Co.* v. *Hof.* (174 U. S. 5); *Gibbons* v. *District of Columbia* (116 U. S. 404).

In the First Congress of the United States, in an act approved July 16, 1790, entitled "An act for establishing the temporary and permanent seat of the Government of the United States", it provided: That a district of territory, not exceeding 10 miles square, to be located as heretofore directed on the River Potomac, at some place between the mouths of the Eastern Branch and Connogochegue, be, and the same is hereby, accepted for the permanent seat of government of the United States.

The above act provided for the erection of suitable buildings for the accommodation of Congress, and of the President, and for the public offices of the Government by the first Monday in December 1800, until which time the temporary seat of government should remain in Philadelphia, Pa., but that on the first Monday in December 1800 the seat of government and all offices of the United States should be transferred and removed to said district and thereafter cease to be exercised elsewhere.

EXPLANATION BY PRESIDENT WILLIAM HOWARD TAFT ON SELF-GOVERNMENT

On May 8, 1909, leading citizens of Washington gave a banquet to President Taft, who in later years was Chief Justice of the Supreme Court of the United States. In explaining the necessity under the Constitution for preventing the people of Washington from having self-government, President Taft, in addressing said banquet, said:

> This was taken out of the application of the principle of self-government in the very Constitution that was intended to put that in force in every other part of the country, and it was done because it was intended to have the representatives of all the people of the country control this one city, and to prevent its being controlled by the parochial spirit that would necessarily govern men who did not look beyond the city to the grandeur of the Nation and this as the representative of that Nation.

In an article prepared by George W. Hodgkin, which was published as Senate Document No. 653, second session, Sixty-first Congress, on June 25, 1910, he quoted the above statement from President Taft and admitted the following:

> Congress exercises over the District of Columbia, in addition to its national powers, all the powers of a State, including the power to control local government. Local officials are either directly or indirectly appointed by and are responsible to the National Government.
>
> Madison argued: "The indisputable necessity of complete authority at the seat of government carries its own evidence with it. Without it, not only the public authority might be insulted and its proceedings interrupted with impunity but a dependence of the members of the General Government on the State comprehending the seat of government, for protection in the exercise of their duty, might bring on the national councils an imputation of awe or influence equally dishonorable to the Government and dissatisfactory to the members of the confederacy."
>
> There is no room for doubt that the Constitution, without amendment, does not permit the participation of the District in national affairs.
>
> Several attempts have been made to amend the Constitution as to give the inhabitants elective representation in Congress and participation in Presidential elections.

ORIGINAL CESSION OF DISTRICT BY MARYLAND AND VIRGINIA

The State of Maryland, by an act approved December 23, 1788, directed that:

> The Representatives of this State in the House of Representatives of the Congress of the United States, appointed to assemble at New York, on the first Wednesday of March next, be, and they are hereby, authorized and required on behalf of this State to cede to the Congress of the United States any district in this State, not exceeding 10 miles square, which the Congress may fix upon and accept for the seat of Government of the United States.

The State of Virginia, by an act approved December 3, 1789, provided:

> That a tract of country not exceeding 10 miles square, or any lesser quantity, to be located within the limits of this State, and in any part thereof as Congress may by law direct, shall be, and the same is, forever ceded and relinquished to the Congress and Government of the United States, in full and absolute right and exclusive jurisdiction, as well of the soil as of persons residing or to reside thereon, pursuant to the tenor and effect of the eighth section of the first article of the Constitution of the Government of the United States.

It should be remembered that Mr. Hodgkin was discussing the matter from the standpoint of the citizens of the District of Columbia, and he made the following pertinent admission:

> Congress exercises over the District of Columbia, in addition to its national powers, all the powers of a State, including the power to control local government. Local officials are either directly or indirectly appointed by and are responsible to the National Government.

In 1846 Congress ceded back to Virginia the city and county of Alexandria.

In 1871, after continual hammering of Congress by the papers of Washington, it passed an act giving the District a government of its own, and provided that the tax rate in Washington should be $3 on the $100, and provided for the District to elect and send a Delegate to Congress.

It took only 3 years for Congress to recognize the unwisdom and folly of such an affront to the Constitution, and in 1874 Congress repealed that foolish act and abolished the position of Delegate.

PHILADELPHIA HOUSED BOTH HOUSES OF CONGRESS FREE

It is interesting to remember that during the 10 years the seat of our Government was located in Philadelphia the commissioners of the city and county of Philadelphia furnished to our Government without any charge whatever the building at Sixth and Chestnut Streets for the use of both Houses of Congress.

The removal to Washington of the seat of our Government from Philadelphia was completed by June 15, 1800. A building was rented in Washington near the corner of Ninth and E Streets NW., about where the south wing of the present old Post Office Department Building is situated, at a rental of only $600 per year, and the owner permitted the Government to spend half of that sum for renovations and improvements, and this building housed the Post Office Department of the United States and the local post office for Washington and quarters for the family of Hon. Abraham Bradley, Jr., the Assistant Postmaster General, all provided for an annual rental of only $600.

The main objective of our Government in acquiring territory owned and controlled by it for its seat of government was to have complete authority over it, which Madison said was "an indisputable necessity." Without complete authority, Madison said, Congress might be insulted. It was Madison who said that without complete authority over its seat of government there might be an awe or influence exerted over Congress that would be dishonorable to the Government, and that the proceedings of Congress might be interrupted with impunity.

Subsequent developments have demonstrated the great wisdom of our forefathers when they acquired a territory of 10 miles square for a seat of government to remain under the absolute control and authority of Congress.

Even such a loyal, able advocate of the District of Columbia as George W. Hodgkin was forced to admit that Congress exercises absolute control over the District of Columbia, and that local officials are responsible to the National Government, and that "there is no room for doubt that the Constitution, without amendment, does not permit the participation of the District in national affairs."

People who see fit to reside in the District of Columbia do so with knowledge of the above situation and constitutional limitations.

I thought it wise to make this statement to show why Congress every year controls this District appropriation bill and why the President, through his Bureau of the Budget, which is his agent, exercises control over expenses in the District. It is in accordance with constitutional provision and the law of the land.

ADMISSIONS BY DISTRICT COMMISSIONERS

From our printed hearings on the 1935 District of Columbia appropriation bill I quote the following from the testimony of Commissioner Hazen, the president of the Board:

Commissioner HAZEN. The Commissioners would like to call attention to the fact that in the fiscal year 1934 the tax rate of $1.70, which had been in effect during the fiscal years between 1928 and 1933, inclusive, has been reduced to $1.50. This reduction represents a saving to the taxpayers in the fiscal year 1934 of $2,445,000.

Moreover, in the fiscal year 1934 the assessed valuation of real estate has been reduced by $80,000,000—a saving to property owners of $1,200,000. The District budget for the fiscal year 1935 is based upon continuing the $1.50 tax rate in that fiscal year.

It is also contemplated that a further reduction in the assessed valuation of real estate of approximately $50,000,000 will be made in 1935.

The Commissioners also invite attention to the recommendation under the chapter for the water service for a 25-percent reduction in water rates for 1935, and an increase in the metered allowance now 7,500 cubic feet to 10,000 cubic feet. This means a saving to water users of about $600,000. In the fiscal year 1934 Congress allowed a discount of 10 percent of the amount of any bill for water charges paid within 15 days after the date of the rendition thereof. It is estimated that this will mean a saving of about $100,000 to water users.

From our printed hearings on the 1936 appropriation bill I quote the following:

Mr. BLANTON. By a reduction in the assessed valuations of real estate to the extent of $80,000,000, you meant that you distributed that over the general assessments?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. Then you further state:

"It is also contemplated that a further reduction in the assessed value of real estate of approximately $50,000,000 will be made in 1935."

Did you make that further reduction?

Commissioner HAZEN. There was further reduction.

* * * * * * *

Mr. BLANTON. And you did make another reduction, approximately $50,000,000, in assessed values, as noted by the assessor, Mr. Richards, of 10 percent in the assessed valuations?

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. And that was general all over the District?

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. So that property owners generally got the benefit of that additional $50,000,000 reduction?

Commissioner HAZEN. That is quite right.

Mr. BLANTON. Then this year and last year you have given the property owners in the District a reduction in the assessed values of real estate of $130,000,000, or 15 percent, have you not?

Commissioner HAZEN. Approximately; yes, sir.

Mr. BLANTON. Then you also say:

"The Commissioners also invite attention to the recommendation under the chapter for the water service for a 25-percent reduction in water rates for 1935 and an increase in the metered allowance, now 7,500 cubic feet, to 10,000 cubic feet. This means a saving to water users of about $600,000."

That was provided?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. So that the property owners of the District got a saving of $600,000 through a decrease in water charges?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. In addition to that $600,000 decrease in water charges, they also got the benefit of the increased metered allowance of 2,500 cubic feet of water?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. Without extra charge?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. So that they got a double benefit in the matter of the water charges?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. Then you further say.

"In the fiscal year 1934 Congress allowed a discount of 10 percent of the amount of any bill for water charges paid within 15 days after the date of the rendition thereof. It is estimated that this will mean a saving of about $100,000 to water users."

That was a saving of $100,000 additional approximately?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. To water users here in Washington?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. It is a fact, Mr. Commissioner, that the tax rate this year, the fiscal year 1935, is only $1.50 per 100 on real estate and only $1.50 per 100 on personal property, is it not?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. There is no contemplation in the minds of the Commissioners to increase that tax for next year, 1936? You do not contemplate increasing it?

Commissioner HAZEN. We do not contemplate increasing it.

* * * * * * *

Mr. BLANTON. With that $1.50 tax rate, you stated in your preliminary general statement, that you carried over from the last fiscal year to the present fiscal year a surplus of $4,600,000?

Commissioner HAZEN. That is right.

Mr. BLANTON. And you say that you will inherit next July 1 a surplus of——

Commissioner HAZEN. $2,450,000.

* * * * * * *

Mr. BLANTON. You have also, for this coming fiscal year, a trust fund, as you said in your general statement, of $1,430,000?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. That is a fund to which you have access, which you get out of the Treasury, regardless of what Congress does in this bill, is it not?

Commissioner HAZEN. Yes, sir.

* * * * * * *

Mr. BLANTON. You have no income tax for the District of Columbia?

Commissioner HAZEN. That is true.

* * * * * * *

Mr. BLANTON. * * * The tax on intangibles in the District is now what, Mr. Donovan?

Mr. DONOVAN. $5 per thousand.

Mr. BLANTON. That is one-half of 1 percent, is it not?

Mr. DONOVAN. That is right.

* * * * * * *

Mr. BLANTON. In the District of Columbia there is a gasoline tax of 2 cents a gallon?

Commissioner HAZEN. Yes, sir.

* * * * * * *

Mr. BLANTON. In the District of Columbia there is a license-tag tax that people pay in order to get their license plates each year. That amounts to only $1 per car.

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. That would be $1 per car for an $8,000 Rolls-Royce limousine as well as a dollar per car for a Ford or a Chevrolet?

Commissioner HAZEN. Yes, sir.

* * * * * * *

Mr. BLANTON. In the District of Columbia the average water tax per family is now approximately what?

Mr. DONOVAN. It is about $8.75.

Mr. BLANTON. Was not that the tax before Congress reduced it?

Mr. DONOVAN. It was that before Congress reduced it.

Mr. BLANTON. But Congress reduced it?

Mr. DONOVAN. You mean the 25-percent reduction?

Mr. BLANTON. Yes.

* * * * * * *

Mr. BLANTON. In the District of Columbia a man who built a house 25 years ago, and then paid for having his house connected with the sewer system of the District, has not in the last 25 years had to pay a single additional monthly service charge for sewers, has he?

Commissioner HAZEN. No.

Mr. BLANTON. And he will not have to pay any in the future, will he?

Commissioner HAZEN. No, sir.

* * * * * * *

Mr. BLANTON. Mr. Commissioner, you have been a public servant for a long time, and you are intimately acquainted with every detail of Washington business and history. On the whole, can you cite the people of any city of the United States who have better privileges, who are better cared for, than those in the city of Washington?

Commissioner HAZEN. I think that it is the greatest city in the United States.

Mr. BLANTON. And Washington people are better cared for, are least taxed, and have greater privileges than any other people in the United States?

Commissioner HAZEN. I believe they do.

WHY WASHINGTON NEWSPAPERS FIGHT BLANTON

Mr. Chairman, I am going to show you exactly what taxes are paid by the Washington newspapers. This contract was brought out in the evidence given by Col. Julius Peyser, who is the chairman of the board, for the Security Savings & Commercial Bank in Washington, and who was president of it for 14 years:

THREE MILLION DOLLARS OFFERED FOR WASHINGTON POST

JUNE 2, 1931.

WASHINGTON POST CO.,
Mr. EDWARD B. MCLEAN,
AMERICAN SECURITY & TRUST CO.,
Trustees of the Estate of John R. McLean, deceased.

DEAR SIRS: Our understanding is that Mr. Edward B. McLean and the American Security & Trust Co., as trustees of the estate of John R. McLean, deceased, are the owners and holders of all of the outstanding capital stock of the Washington Post Co., of the District of Columbia.

Our understanding, further, is that the Washington Post Co. is the owner of the following properties (hereinafter called properties):

The trade name of the Washington Post; Associated Press membership of the Washington Post; the Associated Press franchise of the Washington Post and all bonds and all contract rights pertaining thereto; daily and Sunday circulation and list of subscribers of the Washington Post, with all files, records, and equipment pertaining thereto; all advertising contracts and all files and records and equipment pertaining thereto; the goodwill of the entire business now operated under the name of the Washington Post; the real estate, plant, machinery, job-printing equipment, delivery equipment, automobiles, furniture and fixtures, supplies, including paper stock, inks, metals, and other plant supplies, inventories, and all files and records pertaining thereto, being all of the properties of the present owner of such assets except cash,

notes, and accounts receivable, and stock and bonds other than the Associated Press bonds.

We hereby offer to purchase such properties upon the following terms and conditions:

1. That the consideration of the sale of such properties to us shall be $3,000,000, of which $20,000 in money is tendered herewith and of which $780,000 in money shall be paid on or before July 15, 1931. The remainder of $2,200,000 shall be paid in first-mortgage bonds of the undersigned company or its corporate assignee, due 20 years after July 15, 1931, bearing interest evidenced by coupons at the rate of 5 percent per annum from date until paid, payable semiannually on January 15 and July 15 of each year, which bonds may be retired at the option of the obligor at any time after issuance by the payment of the face amount thereof plus all unpaid accrued interest, including interest computed for the fractional period after the date of the last maturing coupon. Such bonds shall be secured by a first closed mortgage for $2,200,000 on all of the properties purchased hereunder except said real estate, machinery, and equipment now constituting the plant of the Washington Post, which mortgage shall contain a provision that beginning July 15, 1937, and on each July 15 thereafter, to and including July 15, 1946, there shall be deposited by the obligor of such bonds in a sinking fund to be held and managed by a trustee selected by said obligor and the trustee for the bondholders one-fourth of the net earnings of the undersigned company or its corporate assignee if such net earnings shall equal or exceed $200,000 for the next preceding year. If for any of such years the next earnings be less than $200,000 there shall, nevertheless, be deposited by such obligor in the sinking fund $50,000 in discharge of its sinking-fund obligations for the year, and the said trustee shall purchase with the money so deposited bonds at not exceeding par with accrued interest.

Said mortgage shall contain a further provision that beginning July 15, 1947, and on each July 15 thereafter, to and including July 15, 1951, there shall be deposited by the obligor of such bonds in such sinking fund one-fourth of the net earnings of the undersigned company or its corporate assignee if such net earnings shall equal or exceed $400,000 for the next preceding year. If for any year after July 15, 1947, such net earnings be less than $400,000 there shall, nevertheless, be deposited by such obligor in the sinking fund $100,000 in discharge of its sinking-fund obligation for the year: *Provided, however,* That the aggregate amount of such sinking-fund deposits shall in no event exceed the amount of said bonds outstanding. After the payment of all expenses of the sinking fund all amounts so deposited therein with any accumulated income shall be used to retire such bonds in whole or in part, at or before the maturing thereof.

2. That in the event the undersigned company or its corporate assignee shall sell said real estate or machinery or equipment excepted by the foregoing paragraph from such mortgage, in whole or in part, all amounts received by the undersigned company or its corporate assignee therefor, immediately upon receipt, shall be deposited with the trustee of the sinking fund to be used by such trustee for the retirement pro tanto of such bonds at or before the maturity thereof, and said trustee shall purchase with the money so deposited bonds at not exceeding par with accrued interest.

3. That on July 15, 1931, upon the payment of the money consideration of $780,000 and the delivery of the bonds herein specified, you will convey, transfer, and deliver to the undersigned company, or its corporate assignee the complete unencumbered title to and all property rights in and to all such properties without any liability on the part of the purchaser to pay or otherwise satisfy any of the debts, obligations, or undertakings of the present owner thereof or any claims, demands, or judgments against such owner.

4. That before the consummation of such sale the necessary steps will be taken by you, without cost to the undersigned company or its corporate assignee, to obtain if possible the approval or ratification by the proper court of the District of Columbia of the sale of such properties to the undersigned company or its corporate assignee for the considerations herein named, and to pass to the purchaser the complete unencumbered title to all such properties. Similarly, you will, without cost to us, defend any and all proceedings or other efforts to invalidate, set aside, or delay the sale of such properties to the undersigned company or its corporate assignee.

5. That all taxes on such properties, or any of them, for any year antedating the date of the sale thereof shall be paid by you and all such taxes for the current year shall be prorated between the buyer and seller on a time basis.

6. That this offer is made by David Lawrence, Inc., a corporation organized under the laws of the District of Columbia; but said David Lawrence, Inc., shall have the right to substitute as purchaser of such properties a corporation organized under the laws of the District of Columbia or the State of Delaware having the corporate name of David Lawrence Publications, Inc., and if such substitution be made, the substitute corporation shall acquire all of the rights and be subject to all of the liabilities and obligations herein granted or assumed by said David Lawrence, Inc.

7. That your acceptance of this offer may be evidenced by your signatures affixed at the foot hereof, immediately after the word "Accepted." Such acceptance, if made, will serve to convert this offer into an agreement of purchase and sale, subject to the approval of the court, binding on yourself and on the undersigned company and its corporate assignee.

Neither the undersigned company nor its corporate assignee assumes any liability whatsoever for any commission or other charge made for consummating or assisting in the consummation of the sale herein proposed.

This offer of purchase will expire on Saturday, June 6, 1931, at 12 o'clock noon, unless accepted in writing before that date and hour. If it be not accepted on or before the date and hour just mentioned, you will be under obligation to repay to David Lawrence, president of the undersigned company, not later than June 8, 1931, 3 p. m., the entire amount, $20,000, tendered herewith as part of the consideration of the sale proposed herein. If you accept this offer but, for any reason other than the inability of the undersigned company or its corporate assignee to consummate the sale herein proposed, such sale be not consummated, then you will be under similar obligation to repay to said David Lawrence at once said amount of $20,000 tendered herewith.

If this offer be accepted, the undersigned company or its corporate assignee will accept an assignment or subletting of the lease now covering the Washington Post property on E Street between Thirteenth Street and Fourteenth Street, Washington, D. C., and will thereupon assume all of the obligations and be entitled to all of the benefits thereof.

Respectfully yours,

DAVID LAWRENCE, INC.,
By DAVID LAWRENCE, *President.*

JUNE 3, 1931.

AMERICAN SECURITY & TRUST CO.
Attest:

FREDERICK P. H. SIDDONS, *Secretary.*

(Seal of American Security & Trust Co.)
JUNE 6, 1931.
Accepted:

EDWARD B. MCLEAN,
CORCORAN THOM, *President,*
Trustees of the estate of John R. McLean, deceased.

EUGENE MEYER'S PERFIDY

The following statement given the committee by another citizen was authenticated as true and correct by Colonel Peyser, who gave other evidence that will follow it:

Through influential friends Eugene Meyer learned that the Washington Post owed the International Paper Co. about $100,000. Then it dawned upon him how he could take it over. On March 24, 1933, his friend, Harry Covington, filed in the Supreme Court of the District of Columbia a bill in equity, no, 55485, styled *"International Paper Co.* v. *Washington Post"*, alleging that on March 21, 1933, the latter owed the former $103,263.96, that the Post's assets were in excess of $800,000, and that its liabilities approximately $625,000.

Paragraph 7 of that bill in equity admitted that the Post was solvent and that its assets exceeded its liabilities and requested that a receiver be appointed. The Supreme Court of the United States in both the *Jones case* (261 U. S. 491) and the *Lyon Bonding Co. case* (262 U. S. 491) held that a simple contract creditor could not have a receiver appointed for a debtor where solvency existed; yet on the identical day, showing collusion, on the identical day that the suit was filed, Mr. Corcoran Thom, the executor of the McLean estate, through his attorney, Mr. Flannery, on March 24, 1933, immediately filed an answer admitting the bill and consenting to the appointment of the receiver—right in the face of the decision of the United States Supreme Court to the contrary.

Promptly the next day Benjamin Minor was appointed receiver, on March 25, 1933. Even though sick and incapacitated, Edward McLean, through an attorney, tried to intervene on April 14, 1933, but objection to his intervention was filed on April 19, 1933, by Harry Covington, and on May 9, 1933, he was denied the right to intervene. He was denied the right to come in there and protect the assets of his little minor children who owned the assets of the estate and concerning that newspaper, which once tentatively had been agreed to be sold for $3,000,000.

On May 17, 1933, Harry Covington filed a supplemental bill asking that the receiver be authorized to sell the Washington Post. On that identical day, showing collusion, May 17, 1933, Corcoran Thom, through this attorney, Flannery, filed his consent to such sale. On that identical day, May 17, 1933, the order of sale was issued empowering the receiver, Benjamin Minor, to sell the Washington Post.

* * * Thereafter, on account of Edward McLean being sick in a sanitarium and incapacitated for business, Mrs. Edward McLean made arrangements to protect the interests of her children in an attempt to buy in the Washington Post and thus saving the family heritage.

She knew the debts against it totaled only $625,000 and that the bill in equity alleged it to be worth over $800,000. She knew it really was worth about $3,000,000, but she never dreamed that any outsider would bid more than the $800,000, so she arranged for enough money to bid up as high as $800,000. She knew nothing of Eugene Meyer's scheme; she knew nothing of his plots; she did not know about his conspiracy; she did not know that he was going to have a dummy at said sale representing him; she did not know that Eugene Meyer was all prepared to defraud her and her minor children; but Eugene Meyer had George Hamilton at said sale as his secret dummy and she realized that it was being run up on her, so finally she was forced to bid her entire $800,000, but she had no more money.

Then Eugene Meyer's dummy, George Hamilton, bid $825,000, and on June 5, 1933, the sale of the Washington Post was approved to George Hamilton at $825,000. On June 12, 1933, said sale was ratified by order of the court, and immediately on that identical day, George Hamilton, Eugene Meyer's secret dummy at said sale, as-

signed and transferred the Washington Post to the Eugene Meyer Publishing Co., and Eugene Meyer immediately incorporated it for $1,250,000.

* * * * * * *

On August 2, 1933, the court allowed Benjamin Minor a fee of $40,000 in payment of his services as receiver, which service consisted mostly in his having signed his name a few times. On the same day, August 2, 1933, the court allowed a fee of $12,000 jointly to the two attorneys, Mr. Covington and Mr. Flannery * * *.

FROM COLONEL PEYSER'S TESTIMONY

Mr. BLANTON. Were you ever president of the bar association here?

Mr. PEYSER. I was president of the Bar Association of the District of Columbia and vice president of the American Bar Association.

Mr. BLANTON. How long have you resided in Washington?

Mr. PEYSER. I was born here. My family has lived here about 100 years.

Mr. BLANTON. You personally have lived here and have been actively engaged in business for about 40 years?

Mr. PEYSER. Let us make it 38 years.

Mr. BLANTON. How long have you lived here?

Mr. PEYSER. I have lived here 60 years.

Mr. BLANTON. Certain information came to our committee, Mr. Peyser, about which we want to interrogate you. I quote from it as follows:

"In the early part of the year 1931, Col. Julius Peyser represented Mr. Edward B. McLean as attorney in some pending litigations in Washington, D. C., and during his contact Mr. McLean suggested the sale of the Washington Post. Mr. McLean told Colonel Peyser that several offers had been made, but they had been rejected, and he suggested that Colonel Peyser see Mr. Corcoran Thom, of the American Security & Trust Co. A few days after the conference, Colonel Peyser saw Mr. Thom, and he informed him that former Chief Justice Covington, of the District of Columbia, who was then practicing law, had a buyer, Mr. Eugene Meyer, for the Washington Post, and all of its rights for the sum of $5,000,000."

Mr. PEYSER. Yes, sir.

Mr. BLANTON. Thus far is the statement correct?

Mr. PEYSER. Yes, sir; Mr. Meyer had negotiated with Mr. Thom, who was the president of the American Security & Trust Co., and offered him $5,000,000 for the Washington Post.

Mr. BLANTON. I quote further:

"Mr. Thom also stated that that price ($5,000,000) had been rejected but did not give Colonel Peyser the reason why it had been rejected. He did say that times have changed and that they would be willing and ready to accept another offer for the Post if sufficient cash were paid to justify the sale. Colonel Peyser discussed the matter with three persons who had affiliations with newspapers to wit: John Callan O'Laughlin, Frederick William Wile, and David Lawrence; also with a New York concern who had been anxious to purchase. Colonel Peyser spent several months talking to McLean until he consented to sell the Post to David Lawrence on the basis of $3,000,000, with $800,000 in cash and the balance secured by a mortgage on the building, plant, and A. P. franchise for a morning daily paper."

Mr. PEYSER. By franchise is meant the Associated Press franchise. That is the only morning paper that has the A. P. franchise; the only morning paper.

Mr. BLANTON. Up to this time, are the facts detailed here correct?

Mr. PEYSER. Absolutely correct, sir.

Mr. BLANTON. I quote further:

"The contracts were regularly drawn, signed by the American Security & Trust Co., Edward B. McLean, and David Lawrence."

Mr. BLANTON. The Washington Post really was part of the estate of John R. McLean, was it not?

Mr. PEYSER. It came out of the estate. It was a corporation organized for the purpose of publishing the Washington Post, independent of trustees.

Mr. BLANTON. I quote further:

"It was discovered that the Post would have some liabilities, but the estate of John R. McLean was able to take care of this indebtedness without any sacrifice. The sale to Mr. Lawrence was not made. The American Security & Trust Co. made many attempts to oust Mr. McLean as one of its trustees under his father's will."

Now, Colonel Peyser, without going into the details of the matter, which may involve some confidential information and relationships, which might deter you, is it not a fact that you do know that there was certain action in the District by many parties interested directly and indirectly that forced Mr. McLean out of the Washington Post and took from him his right to sell it?

Mr. PEYSER. Yes.

Mr. BLANTON. That is a fact?

Mr. PEYSER. I know it is an absolute fact, because I was in two of the cases; later my son-in-law and myself were in the cases—were in the last case before Mr. Justice Bailey.

Mr. BLANTON. While Colonel Peyser's associate is finding the contract, I have a statement here that has just been sent me by Mrs. Edward B. McLean, wife of Edward McLean, who owned the Post. This is dated, "Friendship." Friendship is her home?

Mr. PEYSER. That is the McLean estate house.

Mr. BLANTON. That is the McLean estate out here on Wisconsin Avenue?

Mr. PEYSER. Yes.

Mr. BLANTON. I quote her statement:

"FRIENDSHIP, *February 7, 1936.*

"Hon. THOMAS L. BLANTON.

"DEAR MR. CONGRESSMAN: I am giving you this information at your request for the use of your committee.

"I offered the American Security & Trust Co. in writing and through my lawyers my real-estate lots in Washington known as the Oxford corner, which was at that time unencumbered, with no mortgage or lien against it, in exchange for the Washington Post. At one time I refused a cash offer for this property of $2,500,000."

You know that Oxford property at the corner of Fourteenth and H?

Mr. PEYSER. Yes.

Mr. BLANTON (reading):

"At one time I refused a cash offer for this property of $2,500,000, and it is now assessed, I believe, at around $1,400,000. Later I again offered the same property after I had put a mortgage on it of less than $100,000.

"At the public sale I had my lawyers bid to the extent of my resources. It was my desire and dream to keep the Post in the family for my three children, but fate was against me.

"Sincerely yours,

"EVELYN MCLEAN."

Mr. PEYSER. Fate was not against her. Mr. Thom was against her. The answer to her proposition. The John R. McLean estate had sufficient money on hand, assets, to pay off the debts of the Washington Post if they wanted to. They had paid off the debts of the Cincinnati Enquirer and had paid other debts on property and made a loan on the Vermont Avenue property, and could very easily have paid the International Paper Co. and the other miscellaneous debts if they desired.

Mr. JOHNSON. Let me ask you this question: Could they have paid those debts at the time the suit was filed?

Mr. PEYSER. Oh, easily. It would not have been any trouble.

DEFRAUDING THE GOVERNMENT OF TAXES

Now, I am going to show, Mr. Chairman, just how Eugene Meyer defrauds the Government out of taxes. Remember that he once offered $5,000,000 for the Post. Remember that David Lawrence signed up a contract agreeing to pay $3,000,000 for the Post. After Eugene Meyer succeeding in getting the fraudulent suit in equity brought by the paper company, and had the fraudulent receivership proceedings, and got the Post sold at auction, and through a dummy bought it in for $825,000, and immediately thereafter incorporated it for $1,250,000, and then spent quite a large sum of money on it improving it and paying off its debts, he now has it assessed, altogether, at $600,000—in round numbers—for tax purposes, as I will show in a few minutes.

PROPERTY RENDERED FAR BELOW REAL VALUE

I quote the following from the hearings to show that property is assessed for taxes far below its market value:

"Mr. CANNON (reading from map). There is one piece of property that in September 1919 sold for $4,500, but for which the jury compelled the Government to award $11,500.

"Here is one piece of property, lot no. 40, which in June 1919 sold for $12,000, and for which the Government had to pay $25,000.

"Here is another piece of property, lot no. 32, an inside lot, which on July 19, 1922, sold for $3,800, and for which the Government was required to pay $8,250.

"Here are two lots which in November 1923 sold for $16,500, which cost the Government, under the award of the jury, $37,500; and another lot which in August 1922 sold for $11,000, but for which the Government was charged $28,500.

"Here is another lot, lot no. 832, which in January 1919 sold for $3,500, but for which the jury awarded $12,500."

Mr. RICHARDS. That was the Supreme Court site.

Mr. BLANTON. This data refers to the properties acquired, through condemnation, for the new Supreme Court Building.

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. I read from the tax assessor's data. The following lots are in square 727: Lot no. 18 had sold for $4,500, and the jury awarded $11,500; lot 19 had sold for $5,500, and the jury awarded $8,500; lot no. 39 sold for $11,000, and the jury awarded $16,000; lot no. 40 sold for $12,000, and the jury awarded for it $25,000; lot no. 41 sold for $10,500, and the jury awarded for it $16,000; lot no. 804 sold for $8,000, and the jury awarded for it $14,500; lot no. 32 sold for $3,800, and the jury awarded for it $8,250.

The following lots are in square 728:

Lot no. 801 sold for $4,800, and the jury awarded for it $7,500; lot no. 802 sold for $6,000, and the jury awarded for it $12,000; lot no. 807 sold for $15,000, and the jury awarded for it $26,000; lots nos. 809 and 810 were sold for $16,500, and the jury awarded for them $37,500; lot no. 814 was sold for $11,000, and the jury awarded for it $28,500; lot no. 822 was sold for $5,650, and the jury awarded for it $10,000; lot no. 823 was sold for $8,500, and the jury awarded for it $17,000; lot no. 826 was sold for $14,500, and the jury awarded for it $19,500; lot no. 827 was sold for $15,000, and the jury awarded for it $19,500; lot no. 31 was sold for $5,100, and the jury awarded for it $13,000; lot no. 832 was sold for $3,500, and the jury awarded for it $12,500.

This statement shows that in the case of property which had sold for $163,850, a jury of Washington citizens, who passed on the matter, required the Government to pay $302,750 in order to secure the property for the Supreme Court Building.

THE PROOF OF THE PUDDING

As to whether anyone is overtaxed can easily be disproven by showing the taxes they pay and the value at which their property is assessed and the rate. I quote the following from the hearings as official facts furnished by the tax assessor of the District, who has filled the office for the past 27 years:

THE WASHINGTON POST

We will take up now the Washington Post, which is owned by Mr. Eugene Meyer and his corporation. He renders the real-estate property of the Washington Post at an assessed value of $117,860, upon which an annual tax is paid of $1,767.90. Part of the real-estate taxes is on leased property, the lease requiring the Post to pay same. It renders tangible personal property at $320,260, upon which the tax is paid of $4,803.90. It renders intangibles at $218,456, upon which it pays an annual tax of $1,092.28. Thus the Washington Post's aggregate properties are rendered at an assessed value of $656,576, upon which it pays a total annual tax of only $7,663.08.

It pays water rent for 2,290,000 cubic feet of water per year of $1,203.57 for the Post's big plant and office building. Substantial citizens have filed evidence with this committee claiming that the Washington Post was worth $3,000,000, and that Eugene Meyer, through a collusive proceeding, swindled the McLean heirs out of it, having it foreclosed, and through a dummy buying it at auction for $825,000 and then incorporating it for $1,250,000.

EUGENE MEYER

Now, personally, Mr. Eugene Meyer, the owner of the Washington Post, in the way of taxes only pays the water rent on his wife's fine residence properties of $53.92 per year for 97,300 cubic feet of water. He renders a fine Packard family car, upon which he pays an annual tax of only $29.92, plus $1 for license tags.

For last year he rendered three Plymouth cars, one Witt-Will car, one Dodge, one Chevrolet, and one Ford, upon which he paid total taxes on all seven of them of $45.67, plus $7 for license number tags for all of them. This year only six automobiles are rendered.

Eugene Meyer's residence is in his wife's name, Mrs. Agnes Meyer, situated on lot 806, square 2568, the land being rendered at $79,797, and the improvements at $138,000, or a total of $214,797, and then she has 12 other lots rendered in her name connected with her residence and running to Sixteenth Street, rendered at $72,826, totaling $287,623, upon which the total tax paid on their family real estate is $4,314.35, and the value of her intangibles is $608, and the tax on her intangibles is $3.04.

Her tangible personal property is rendered at $30,000, and the tax on same is $450, or her total tax was $4,767.39 last year.

The following is Eugene Meyer's rendition of automobiles for this year:

STATEMENT BY TAX ASSESSOR, FEB. 3, 1936

Eugene Meyer & Co., doing business under the name of the Washington Post, 1337 E Street NW., Washington, D. C., 1936 registrations

Make, model, and year	Serial no.	Engine no.	Assessed value	Tax	Registration fee	Weight, pounds
Passenger:						
Ford tudor sedan, 1936	.....	18-2350668	$560	$8.40	$1	.....
Plymouth tudor sedan, 1933	1831551	PC-90596	215	3.22	1	.....
Plymouth delivery coupe, 1933	2068001	PD-72946	225	3.37	1	.....
Plymouth business coupe, 1934	2290103	PP-114823	315	4.72	1	.....
Ford standard coupe, 1931	.....	18-654141	280	4.20	1	.....
Commercial: Witt-Will truck, 1929	1001	16C8570	.....	1.00	1	1,100
Total	.....	.....	1,602	24.91	6	.....

Here is the personal-tax rendition of Mr. Floyd R. Harrison, comptroller of the Washington Post. He renders no return on real property; he renders no personal property; he renders no property of any kind and pays no taxes. But there is a mandamus pending against him now.

As to that I quote from the hearings:

Mr. RICHARDS. We tried to get him to make a return on his personal property.

Mr. BLANTON. You tried to get him to make a return and he would not do it?

Mr. RICHARDS. Yes.

Mr. BLANTON. And you have a mandamus proceeding against him?

Mr. RICHARDS. We are trying to make him do it, and he will do it before we get through, too.

Mr. BLANTON. I assume that the comptroller of the Washington Post ought to have some property, and ought to pay some taxes.

DAVID LAWRENCE

For instance, let us take Mr. David Lawrence—editor of the United States News—whose residence is at 3900 Nebraska Avenue, its assessed value being $133,390, upon which he pays an estate tax of $2,000.88 annually.

He has tangible personal property assessed at $3,000, upon which a tax of $45 is paid, and he has intangibles assessed at $216, on which a tax of $1.08 is paid. He pays an annual water rent of $24.49 for his fine $133,390 residential property.

Mr. Lawrence is shown by a recent statement in the Washington papers to have received an annual salary or income last year of $18,700. He renders a Cadillac automobile, for which he pays a personal tax of $1.80, and he also pays $1 for the annual license tag on his Cadillac automobile.

THEODORE NOYES

Then there is Mr. Theodore Noyes, who is one of the officials and part owner of the Washington Star. He is the chairman of the board of the Washington Star, and the newspapers here the other day stated that his salary or income last year was $42,120.

Personally he renders his residential property at 1730 New Hampshire Avenue NW. at an assessed value of $65,500, upon which he pays an annual tax of $982.50.

He has tangible personal property assessed at $7,500, upon which he pays a tax of $110.50.

He renders intangible property aggregating $621,520, upon which he pays a tax of $3,107.60, which is at the rate of one-half of 1 percent for intangibles.

He renders for taxes two family automobiles, an Auburn and a Lincoln, upon which he pays a personal tax on those two automobiles aggregating $57.75 per annum.

His annual water rent is only $23.05 on his fine residential property.

FLEMING NEWBOLD

Here is his business manager of the Washington Star, Mr. Fleming Newbold, who the Washington papers stated received a salary or income last year of $31,543. He renders his residential property at 1720 Massachusetts Avenue NW., at $31,455, upon which he pays an annual tax of $471.82. He renders intangible property of $40,728, upon which he pays an intangible tax of $203.64.

He renders tangible personal property of $4,500, upon which he pays a tax of $67.50.

He renders two family automobiles, both Packards, for which he pays an annual total tax of only $2.87 for the two Packards, and he pays $2, covering $1 apiece, for the automobile license tags on them, and his water rent on his residence property is only $10.45 per year.

THE WASHINGTON STAR

Now, the Evening Star, at Eleventh and Pennsylvania Avenue NW.—Theodore Noyes' newspaper—renders real property, a list of which I am going to have incorporated into the record here, and it totals in assessed value $2,249,586, upon which the Evening Star pays an annual tax of $33,743.80 for this year. In 1933 the real estate just referred to was assessed at a value of only $2,262,639, or the sum of $13,053 more in 1933 than it is assessed now, showing that they got their part of the arbitrary $130,000,000 reduction in the assessed valuation of properties testified to by Commissioner Hazen.

(The square and lot numbers referred to, together with the taxes paid thereon, are as follows:)

Real estate taxes paid by the Evening Star Newspaper Co.

Square 737:	
Lot 1	$792
Lot 2	792
Lot 3	792
Lot 4	1,092
Lot 5	792
Lot 6	792
Lot 7	792
Lot 8	792
Lot 9	792
Lot 10	792
Lot 11	792
Lot 12	792
Lot 13	792
Lot 14	792
Lot 15	20,792
Lot 30	2,682
Lot 31	148,140
Lot 32	2,868
Lot 800	1,904
Lot 801	1,615
Lot 802	2,563
Lot 803	2,257
Lot 806	379
Lot 807	371
Lot 808	372
Lot 809	59
Square 322:	
Lot 19	1,621,227
Lot 801	98,780

Real estate taxes paid by the Evening Star Newspaper Co.—Contd.

Square 348:	
Lot 815	$40,064
Lot 15	71,456
Lot 812	65,120
Lot 816	40,164
Square 92: Lot 67	43,642
Square 137:	
Lot 50	37,935
Lot 51	35,808
Total	2,249,586

Mr. William P. Richards, tax assessor, who prepared all this data, is present listening to me, and he will tell you that he has verified as correct all of the facts I will give you concerning taxes paid here.

Now, the Evening Star renders personal tangible property at an assessed value of $453,092, upon which it pays an annual tax of $6,796.38. It renders intangible property at an assessed value of $2,296,512, upon which it pays an annual tax of $11,482.56.

Its annual water charge for its big plant and office building covering 1,622,000 cubic feet of water is $853.14 a year.

Last year it had 84 automobiles, upon which it paid a total tax of $3,791, personal property tax, plus $84, covering $1 each for the 84 cars for their license tags. This year its automobile tax furnished by Mr. Richards is as follows:

1936 registration records—Cars titled in name of the Evening Star Newspaper Co., 1101 Pennsylvania Ave. NW., Washington, D. C.

PASSENGER VEHICLES

Make, model, and year	Serial no.	Engine no.	Assessed value	Tax	Registration fee
Plymouth tudor sedan, 1935	1039985	PJ3049	$430	$6.45	$1.00
Chevrolet coach, 1932	12BA126647	3027670	140	2.10	1.00
Ford coupe, 1932		B5124272	115	1.72	1.00
Chevrolet sedan, 1931	2AE85941	2764523	100	1.50	1.00
Chevrolet coupe, 1935	12ECO6-12608	M5258139	400	6.00	1.00
Chevrolet coupe, 1932	2BA123248	2974665	140	2.10	1.00
Ford coupe, 1936		18-2403710	560	8.40	1.00
Ford Tudor, 1936		18-2300722	560	8.40	1.00
Ford Tudor, 1936		18-2226991	560	8.40	1.00
Chevrolet coupe, 1929	12AC13100	193533	67	1.00	1.00
Chevrolet coupe, 1929	12AC12091	161995	67	1.00	1.00
Chevrolet coupe, 1935	14EC04-1961	M4996491	400	6.00	1.00
Ford Tudor, 1936		18-2300485	560	8.40	1.00
Total			3,965	61.47	13.00
Grand total					74.47

MOTORCYCLES AND COMMERCIAL

Make, model, and year	Serial no.	Engine no.	Assessed value	Tax	Registration fee	Rated capacity
Motorcycle: Harley Davidson, 1935		35VD-7164	$190	$2.85	$1.00	
Commercial:						
Electric truck, 1921		23062	90	1.35	38.00	5 tons.
Dodge sedan del., 1935	8055626	T12-9285	485	7.27	1.00	½ ton.
Do	8055635	T12-9462	485	7.27	1.00	1,000 pounds.
Chevrolet truck, 1926	12V488710	T2817807	67	1.00	1.00	2,000 pounds.
Dodge sedan del., 1935	8055525	T129357	485	7.27	1.00	½ ton.
Ford sedan del., 1935		18-1641365	485	7.27	1.00	Do.
Ford sedan del., 1930		3933886	70	1.05	1.00	1,000 pounds.
Chevrolet truck, 1926	2V12714	T2680385	67	1.00	1.00	2,000 pounds.
Yellow cab truck, 1926	3729	V713090	75	1.12	1.00	3,500 pounds.
GMC truck, 1927	2303	1964429	85	1.27	1.00	2,000 pounds.
Do	1008	1892180	85	1.27	1.00	Do.
Ford delivery, 1935		18-1760570	485	7.27	1.00	½ ton.
Yellow Cab truck, 1926	3553	7468	75	1.12	1.00	3,000 pounds.
Dodge sedan del., 1935	8055533	T12-9282	485	7.27	1.00	½ ton.
Ford delivery, 1935		18-1750519	485	7.27	1.00	Do.
Dodge panel, 1935	8046449	T5-24355	506	7.57	1.00	Do.
Dodge truck, 1932	8482216	2DD3545	225	3.37	1.00	1½ tons.
Dodge panel, 1935	8046457	T5-25454	506	7.57	1.00	½ ton.
Yellow Cab truck, 1925	3483	7464	67	1.00	1.00	3,000 pounds.
Yellow Cab truck, 1925	3433	7421	67	1.00	1.00	Do.
Do	3518	7516	67	1.00	1.00	Do.
Studebaker truck, 1932	3350178	4362	330	4.95	1.00	4,110 pounds.
Dodge truck, 1932	8482204	2DD3526	225	3.37	1.00	1½ tons.
Studebaker truck, 1932	3350177	4359	330	4.95	1.00	4,110 pounds.
Ford panel truck, 1932		BB5161236	195	2.92	1.00	1½ tons.
GMC truck, 1927	1670	1946878	67	1.00	1.00	2,000 pounds.
Chevrolet sedan del., 1932	12HA0215306	3132589	130	1.95	1.00	1,000 pounds.
GMC truck, 1932	862	1257213	440	6.60	1.00	3,000 pounds.
Dodge truck, 1932	8482202	2DD3531	225	3.37	1.00	1½ tons.
Ford truck, 1933		528493	285	4.27	1.00	Do.
GMC truck, 1933	7981	12215003	450	6.75	1.00	Do.
Ford truck, 1933		526528	260	3.90	1.00	Do.
Yellow Cab truck, 1926	3777	V713845	75	1.12	1.00	3,500 pounds.
Dodge commercial sed., 1935	8055624	T12-9454	485	7.27	1.00	½ ton.
Chevrolet sed. del., 1932	12BAO-125314	3132526	170	2.55	1.00	1,000 pounds.
Dodge com. sed., 1935	8046448	T-21042	505	7.57	1.00	½ ton.

1936 registration records—Cars titled in the name of the Evening Star Newspaper Co., 1101 Pennsylvania Ave. NW., Washington, D.C.—Continued

MOTORCYCLES AND COMMERCIAL—Continued

Make, model, and year	Serial no.	Engine no.	Assessed value	Tax	Registration fee	Rated capacity
Commercial—Continued.						
Studebaker truck, 1932	3350180	4354	$330	$4.95	$1.00	4,110 pounds.
Do	3350179	4360	330	4.95	1.00	Do.
Dodge panel, 1935	8046455	T5-24419	505	7.57	1.00	½ ton.
Dodge truck, 1932	8482203	2DD3534	225	3.37	1.00	1½ tons.
Chevrolet truck, 1929	12LQ2552	T170633	67	1.00	1.00	2,000 pounds.
Do	11LQ7880	T752502	67	1.00	1.00	Do.
Do	12LQ4799	T441400	67	1.00	1.00	Do.
Do	12AC58134	800763	67	1.00	1.00	Do.
Do	12AC67846	906325	67	1.00	1.00	1,000 pounds.
Chevrolet sed. del., 1932	12EA15338	3132009	170	2.55	1.00	½ ton.
GMC truck, 1928	2922	1969978	115	1.72	1.00	3,000 pounds.
Ford truck, 1928		A33495	85	1.27	1.00	Do.
Do		A110807	85	1.27	1.00	Do.
Total			11,250	179.62	87.00	
Grand total of tax and registration fee for passenger vehicles, motorcycles, and commercial vehicles					341.00	
Tota number of vehicles registered, 63.						
Total assessed value of vehicles registered, $16,086.						

FRANK B. NOYES

To give you the entire picture of the Evening Star, I will give you the taxes paid by Mr. Frank B. Noyes, president of the Evening Star. The Washington newspapers the other day stated that his annual salary or income last year was $42,120.

Personally, Mr. Frank B. Noyes, president of the Washington Star, renders no real estate for taxes. He renders tangible personal property of $20,000, upon which he pays an annual tax of $300. He renders intangible property at $92,900, upon which he pays a tax of $464.50.

He renders for taxes his family car, a Stutz automobile, for which he pays a personal tax of only $1 per year, and he pays a $1 charge per year for license number tags.

HEARST'S HERALD AND TIMES

C. DORSEY WARFIELD

Both the Washington Herald and the Washington Times are incorporated under the name of "American Newspapers, Inc."

Mr. C. Dorsey Warfield is the assistant publisher of the Times. He pays no real-estate taxes. He pays on tangible personal property, at an assessed value of $2,500, the sum of $37.50. On intangibles, at an assessed value of $148, he pays 74 cents, and, on a family automobile, a Dodge, he pays $9.30. That is the total tax that the Times' assistant publisher pays.

ELEANOR PATTERSON

Now, with regard to the Washington Herald, unless a change has been made recently, Mrs. Eleanor Patterson, of 15 Dupont Circle, is the editor of the Herald. She is one of those whose taxes I was asked to check up. Here is her rendition. She has a residence at 15 Dupont Circle.

It is one of the finest residences in Washington. It is assessed at the value of $261,731. Upon that a tax is paid of $3,925.96.

She renders tangible personal property of $75,000 assessed value, upon which a tax is paid of $1,125. She renders intangible property of the value of $1,090,324, upon which a tax is paid of $5,451.62.

She pays an annual water rent on that extensive property of $81.80 per year for 153,300 cubic feet of water.

She renders four family automobiles—one Cadillac, two Packards, and one Chrysler—on the combined total of which she pays a personal property tax of only $30.66 a year, plus $4 for license-number tags on them.

ARTHUR G. NEWMYER

On the editorial page of the Washington Times, published by American Newspapers, Inc., which also publishes the Herald, there is given the name of Arthur G. Newmyer, publisher; J. J. Fitzpatrick, managing editor; and William C. Shelton, business manager.

Mr. Arthur G. Newmyer, the publisher of the Washington Times, lives at the Mayflower Hotel. He renders tangible personal property of the assessed value of $4,500, upon which he pays a tax of $67.50 per year.

He renders intangible property of an assessed value of $664, upon which he pays a tax of $3.32. That is all the tax that he pays in Washington.

J. J. FITZPATRICK

Mr. J. J. Fitzpatrick, the editor of the Washington Times, who lives at 3415 Fulton Street NW., in another's property, renders tangible personal property of the value of $60, upon which he pays a tax of 90 cents.

He renders intangible property of the assessed value of $108, upon which he pays a tax on intangibles of 54 cents.

He renders a family automobile, upon which he pays a tax of $8.17, plus $1 for license tag.

He pays an annual water rent per annum of $7.80.

Thus the editor of the Washington Times, on his personal property, his intangibles, on his automobile, for his license-number tags, and for water furnished him a whole year, pays in all a total of only $18.11 taxes per annum for living in the Nation's Capital.

WILLIAM C. SHELTON

Mr. William C. Shelton, the manager of the Washington Times, on his residence at 3517 Rittenhouse Street NW., which he renders at an assessed value of $16,898, pays an annual real-estate tax of $253.48.

There is, concerning his personal tangible property and also his intangible property, a mandamus proceeding pending.

He renders two family automobiles, one a Dodge and one a Buick, upon which he pays an aggregate annual tax of only $19.72, plus a dollar each for the license tags on the two cars.

He pays an annual water rent of $15.76 on water for his residence property per year.

WASHINGTON HERALD-WASHINGTON TIMES

The Washington Herald and the Washington Times, combined, assessed as the American Newspapers, Inc., on lots 39 and 803, in square 250, city of Washington, render real estate at an assessed value of $709,108, upon which is paid an annual real-estate tax of $10,636.62.

It renders tangible personal property of an assessed value of $224,984, upon which it pays an annual tax on tangible personal property of $3,374.76.

It renders intangible property at an assessed value of $306,676, upon which it pays a tax on intangibles of $1,533.38.

It pays water rent on 4,039,500 cubic feet of water, per annum, of $1,992.33.

The difference between its assessment on real estate in 1933 and the present year is as follows:

In 1933 its assessed value on real estate was $770,004. Now it has been reduced to $709,108. Thus since 1933 it has been granted a decrease of $61,896 on the assessed value of its real estate.

WASHINGTON NEWS

The Washington News at Thirteenth Street NW., between K and L, square 284, lot 823, renders its real estate at an

assessed value of $209,100 and pays an annual real-estate tax of $3,136.50.

It renders tangible personal property of the assessed value of $83,392, upon which it pays a tax upon tangible personal property of $1,250.88.

It renders intangible property of an assessed value of $71,896, upon which it pays an annual tax on intangibles of $359.48.

For 598,000 cubic feet of water furnished it annually, it pays $276.35 per year.

UNITED STATES NEWS

The United States News, which I mentioned is edited by Mr. David Lawrence, whose personal taxes I gave you awhile ago, renders its real estate at 2201 M Street NW., on lot 816, square 50, at an assessed value of $115,274, upon which it pays an annual real-estate tax of $1,729.12.

It renders tangible personal property of an assessed value of $43,912, upon which it pays an annual tax of $658.58.

It renders intangible property of an assessed value of $39,328, upon which it pays an annual tax on intangibles of $196.64.

For 280,000 cubic feet of water per annum, it pays $148.31.

LABOR

The weekly publication known as Labor, upon its office building and plant at First Street and Constitution Avenue NW., on lots 16 and 45, square 635, renders its real estate at an assessed value of $189,019, upon which it pays an annual real-estate tax of $2,835.28.

It renders tangible personal property at an assessed value of $20,000, upon which it pays an annual tax of $300.

It renders no intangible property.

For 88,600 cubic feet of water furnished it per annum, it pays $55.33.

NATIONAL PRESS BUILDING

The National Press Building Corporation, on its office building at Fourteenth and F Streets NW., lot 826, square 254, renders its real estate at an assessed valuation of $5,830,084, upon which it pays an annual real-estate tax of $87,451.26.

It renders tangible personal property of the assessed value of $184, for which it pays an annual tax of $2.76.

Its intangible property is rendered at an assessed value of $431,056, upon which it pays an annual tax of $2,155.28.

For 4,798,600 cubic feet of water per year furnished its fine office building, one of the finest in the city, it pays an annual water charge of $2,520.59.

FRANK ARMSTRONG

Mr. Frank Armstrong, president of the National Fruit Products, who the papers said recently had a salary last year of $25,000, renders for real estate $11,075, upon which he pays an annual real-estate tax of $166.12.

He renders tangible personal property in the amount of $1,000, upon which he pays an annual tax of $15.

He renders no intangibles.

He renders one family automobile, a Buick, upon which he pays an annual tax of $23.62, plus a dollar for license-tag fee.

He pays an annual water rent of $6.56.

HENRY N. BRAWNER

Mr. Henry N. Brawner, who is president of the Chestnut Farms-Chevy Chase Dairy, and who the newspapers reported recently drew a salary last year of $27,000 per year, renders real estate of an assessed value of $50,713, upon which he pays an annual real-estate tax of $760.70.

He renders tangible personal property of the assessed value of $2,000, upon which he pays an annual tax on tangible property of $30.

He renders intangible property of the assessed value of $265,860, upon which he pays an annual tax on intangibles of $1,329.30.

He renders for taxes two family automobiles, being two Packards upon which he pays an aggregate tax of $30.92 per annum.

His annual water rent is $28.45.

J. M. DORAN

Mr. J. M. Doran, administrator of Distilled Spirits Institute, who, the newspapers recently said, drew a salary last year of $30,000, renders real estate of the assessed value of $9,008, upon which he pays an annual tax on real estate of $135.12.

There is a mandamus proceeding pending against him now by the District to force him to render for taxes his tangible personal property.

He renders for taxes one family automobile, a Willys, upon which he pays an annual personal tax of $5.17.

His annual water rent on his residence at 1231 Thirty-first Street NW., is $5.21.

MORRIS CAFRITZ

Mr. Morris Cafritz, who lives at the Ambassador Hotel and who, the newspapers reported recently, drew a salary of $20,000 last year, renders no real estate, no tangible personal property, but renders intangible property of the assessed value of $656, upon which he pays an annual tax on intangibles of $3.28.

He renders a family automobile, which is a Cadillac, upon which he pays an annual tax of $4.50 plus $1 for the license tax, making a total tax that he pays to the District of Columbia of $8.78.

JOHN H. DAVIS

Mr. John H. Davis, manager of Judd & Detweiler, one of the leading printing and engraving firms in Washington, and who, the newspapers reported recently, drew a salary last year of $27,520, renders real estate of the assessed value of $27,101, upon which he pays an annual real-estate tax of $406.52.

He renders no tangible property.

He renders intangible property of the assessed value of $22,248, upon which he pays an annual tax on intangibles of $111.24.

He renders two family automobiles, which are two Oldsmobiles, upon which he pays an aggregate tax of $17.62, for both.

For water charges on his property he pays an annual water charge of $32.81.

ROBERT V. FLEMING

Mr. Robert V. Fleming who, by the way, is a magnificent gentleman and my friend, and who is president of the Riggs National Bank, and who the newspapers recently reported drew a salary last year of $37,600, renders real estate, it being his home at 2200 Wyoming Avenue NW., at an assessed value of $25,050, upon which he pays an annual real-estate tax of $375.76.

He renders tangible personal property of the assessed value of $2,500, upon which he pays an annual tax on tangible property of $37.50.

He renders intangible property of the assessed value of $644, upon which he pays an annual tax on intangibles of $3.22.

He renders a family automobile, which is a Packard, upon which he pays an annual tax of $3.75 plus $1 for license-tax registration.

For his residence he pays an annual water charge of $12.33.

M. G. GIBBS

Mr. M. G. Gibbs, president of the Peoples Drug Stores, who, the newspapers recently reported, drew a salary last year of $50,000, renders no real estate, but renders tangible personal property of the value of $1,500 upon which he pays an annual tax of $22.50 on tangibles.

He renders intangible property of the assessed value of $129,464, upon which he pays an annual tax on intangibles of $647.32.

He renders two family automobiles, one a Lincoln and one a Packard, upon which he pays an aggregate tax of $24.22 per annum plus $1 each for license tags.

E. C. GRAHAM

Mr. E. C. Graham, president of the National Electric Supply Co., who the papers recently reported drew a salary last year of $22,569, rendered real estate of the assessed value of $27,900, upon which he pays an annual tax of $418.50.

He renders tangible personal property of the value of $400, upon which he pays a tax on tangible property of $6 per year.

He renders intangible property of the assessed value of $6,596, upon which he paid a tax last year of $32.98.

He renders for taxes three family automobiles, one a Packard, one a Pontiac, and one an Oldsmobile, upon which he pays a combined aggregate tax of $27.97 per annum, plus $3 covering the license-tag charges, $1 for each car.

The water charge for his residence is annually $18.53.

JOHN I. HAAS

Mr. John I. Haas, who is president of John I. Haas, Inc., who the newspapers recently reported drew a salary last year of $30,000, and who lives at the Wardman Park Hotel, rendered no real estate, but rendered tangible personal property of the assessed value of $1,500, upon which he paid an annual tax on tangibles of $22.50.

He rendered intangible property of the assessed value of $24,064, upon which he paid an annual tax on intangibles of $120.32.

FRED J. HAAS

Mr. Fred J. Haas, who is vice president of John I. Haas, Inc., who the newspapers recently reported drew a salary last year of $26,000, renders no real estate, but renders tangible personal property of the assessed value of $700, upon which he pays an annual tax of $10.50.

He renders intangibles of an assessed value of $2,776, upon which he pays an annual tax on intangibles of $13.88.

He renders two family automobiles, one a De Soto and the other a Chevrolet, upon the two of which he pays an aggregate tax of $15.60 per year.

For his property he pays an annual water rent of $6.56.

WALTER RAUBER

Mr. Walter Rauber, who is secretary of the John I. Haas, Inc., and who the papers recently reported drew a salary last year of $26,000, has his residence in Maryland and pays no tax to the District at all.

RANDALL H. HAGNER

Mr. Randall H. Hagner, president of Hagner & Co., who the newspapers recently reported drew a salary of $39,875 last year, renders his property at 2339 S Street NW. for taxes at an assessed value of $65,087, upon which he pays an annual real-estate tax of $976.32.

He renders tangible personal property of an assessed value of $3,000, upon which he paid an annual tax on tangibles last year of $45.

He renders intangibles at an assessed value of $220, upon which he paid an annual tax last year on intangibles of $1.10.

He renders one family automobile, upon which he pays $6.82 per annum, plus a dollar for the automobile license tag.

He pays an annual water rent of $22.57.

A. BRITTON BROWNE

Mr. A. Britton Browne, who is vice president of Hagner & Co., Inc., and who the newspapers recently reported drew a salary last year of $32,625, renders his property at 1917 Twenty-third Street NW. at an assessed value of $15,951, upon which he pays an annual tax on real estate of $239.26.

He rendered tangible personal property of an assessed value of $2,000, upon which he pays an annual tax of $30.

He rendered intangible property of the assessed value of $88, upon which he pays an annual tax of 44 cents.

He renders two family automobiles, one Packard and one Ford, upon which he pays an aggregate tax of $21.45 per annum, plus $2 for the registration fee, $1 for each car.

He pays an annual water rent of $8.25 for the water he uses on his property.

HENSE HAMILTON

Mr. Hense Hamilton, who is the assistant vice president of the Chesapeake & Potomac Telephone Co., and who the newspapers recently reported drew a salary last year of $18,333, renders his property at 3700 Huntington Street NW. at the assessed value of $25,279, upon which he paid an annual tax of $379.10.

He rendered tangible property of the assessed value of $500, upon which he paid a tax of $7.50 last year.

He rendered intangible property of an assessed value of $18,472, upon which he paid last year a tax on intangibles of $92.36.

He rendered two family automobiles, one Cadillac and one Buick, upon the two of which he paid an aggregate annual tax of $24.45, plus $2 for the license tags.

For his property he pays an annual water rent of $12.97 per year.

JOHN H. HANNA

Mr. John H. Hanna, who is the president of the Capital Transit Co., and who, the newspapers reported recently, drew a salary last year of $20,000, pays no real-estate taxes, but renders tangible personal property of the value of $1,200, upon which he pays an annual tax of $18. He renders intangible property of the value of $2,916, upon which he pays a tax on intangibles of $14.58.

He renders a family automobile, which is a Studebaker, upon which he pays an annual tax of $13.87, plus $1 for license-tag registration.

He pays an annual water rent of $6.56 per year.

P. J. HARMAN

Mr. P. J. Harman, who is the principal of Strayer's Business College, who, the newspapers recently reported, drew a salary of $28,980 last year, rendered real estate of an assessed value of $28,311, upon which he pays an annual tax of $424.68.

He renders tangible personal property of the value of $1,644 upon which he pays an annual tax of $24.66.

He renders intangible property of the assessed value of $3,644, upon which he pays an annual tax of $18.22. He renders two family automobiles, one Packard and one Plymouth, upon the two of which he pays an aggregate tax of $22.05 per annum.

He pays an annual water rent of $14.81.

W. M. KIPLINGER

Mr. W. M. Kiplinger, who is president of Kiplinger & Babson, Inc., who, the newspapers recently reported, drew a salary last year of $20,333, pays no real-estate tax; but he renders tangible personal property of the assessed value of $400, upon which he pays an annual tax of $6.

He rendered intangible property of the assessed value of $48,968, upon which he pays an annual tax on intangibles of $244.84.

He renders a family automobile, a Nash, upon which he pays an annual tax of $10.50, plus $1 for license tax.

WILLIAM H. LIPSCOMB

Mr. William H. Lipscomb, who is president of B. & R., Inc. The newspapers recently reported that he drew a salary last year of $24,000. He renders his residence as 2324 Massachusetts Avenue for real-estate-tax purposes at an assessed value of $53,550, upon which he pays an annual real-estate tax of $803.24.

He renders tangible personal property of an assessed value of $1,248, upon which he pays an annual tax of $18.72.

He renders intangible property of the value of $59,904, upon which he pays an annual tax on intangibles of $299.52.

He renders for taxes two family automobiles, one a Lincoln and one a Studebaker, upon the two of which he pays an aggregate tax of $36.82 per annum, plus $2 for license tags.

He pays an annual water rent of $11.24.

FREDERICK W. MACKENZIE

Mr. Frederick W. MacKenzie, of the Tolman Laundry, who the newspapers recently reported drew a salary last year of $18,220, renders his residence at 3801 Ingomar Street NW. for real-estate taxes last year at an assessed value of $18,325, upon which he paid an annual tax of $274.88.

He rendered tangible personal property of the assessed value of $1,000, upon which he paid a tax of $15.

He rendered intangible property of the value of $436 upon which he paid a tax on intangibles of $2.18.

He paid an annual water rent of $10.45.

GEORGE P. MARSHALL

Mr. George P. Marshall, president of the Palace Laundry, who, the newspapers recently reported, drew a salary of $20,000 last year and who lives at the Shoreham Hotel, rendered no real estate, but rendered tangible personal property of the value of $3,248, upon which he pays an annual tax on tangibles of $48.72.

He rendered intangible property of the assessed value of $1,000, upon which he paid an annual tax on intangibles of $5.

He renders a family automobile, which is a Cadillac, upon which he pays an annual tax of $52.87, plus $1 for license tag.

WILLIAM M'CLELLAN

Mr. William McClellan, president of the Potomac Electric Power Co., who, the newspapers reported, drew a salary of $30,062 last year and who lives at the Shoreham Hotel, renders no real estate, renders no personal property returns, and no intangible property, pays nothing on automobiles, and pays nothing for water. But there is a mandamus proceeding pending against him in the District now to compel him to render property for taxation.

O. STEDMAN HILL

Mr. O. Stedman Hill, treasurer of the Public Utilities Reports, who, the newspapers recently reported, drew a salary last year of $39,950, renders no real estate; no personal property; no intangible property, and there is a mandamus suit pending against him now, to force him to pay taxes on his property.

E. G. BUCKLAND

Mr. E. G. Buckland, president of the Railroad Credit Corporation, who, the newspapers recently reported, drew a salary last year of $39,000, renders no real estate, no tangible personal property, no intangible, and there is a mandamus suit pending against him now, to force him to pay taxes on his property.

HARRY G. MEEM

Mr. Harry G. Meem, who is president of the Washington Loan & Trust Co., who, the newspapers reported, last year drew a salary of $25,840, renders his residence at 2730 Thirty-fourth Place, NW., at an assessed value of $21,370, upon which he pays a real-estate tax of $320.56.

He rendered tangible personal property of an assessed value of $1,100, and upon which he paid an annual tax on tangibles last year of $16.50.

He renders intangible property of an assessed value of $19,164, upon which he pays an annual tax on intangibles of $95.82.

He renders a family automobile, which is a LaSalle, on which he paid an annual tax of $14.40 plus $1 for license tag.

He pays an annual water rent of $18.53.

GEORGE MILLER

Mr. George Miller, president of the Union Beauty & Barber Supply Co., who, the newspapers recently reported, drew a salary of $20,000 last year, upon his residence at 2831 Chesterfield Place NW. rendered real estate of an assessed value of $24,154, upon which he paid an annual real-estate tax of $362.32.

He rendered tangible personal property of an assessed value of $300, upon which he paid an annual tax of $4.50.

He rendered intangibles of the value of $296, upon which he paid an annual tax on intangibles of $1.48.

He rendered a family automobile, which is a Packard, upon which he paid an annual tax of $8.25.

His annual water rent is $17.29.

WILLIAM MONTGOMERY

Mr. William Montgomery, who is president of the Acacia Mutual Life Insurance Co., who the newspapers recently reported drew a salary last year of $75,000 per annum, and about which they bragged, renders real estate of an assessed value of $100,800, upon which he pays an annual tax of $1,512.

He rendered tangible property of the value of $4,148, upon which he pays an annual tax on tangibles of $62.22.

He renders intangibles of the assessed value of $3,556, upon which he pays an annual tax on intangibles of $17.78.

He renders a family automobile, a LaSalle, upon which he pays an annual tax of $3.75.

He pays an annual water rent of $31.50.

It is interesting to note what Mr. Rufus Clarke says about Mr. Montgomery's insurance company:

R. P. CLARKE CO.,
Washington, D. C., February 22, 1936.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR JUDGE: In the year 1912 I took out a policy in the Acacia Masonic Mutual Insurance Co. for $3,000, to be paid in yearly payments, and to be fully paid in 20 years, after which I was to receive some interest every January.

For several years I received return of $46.05 every January; but for the past 2 years the return has been only $23.03.

I understand that the company has increased its assets very considerably, and can see no reason why the annual return for the last 2 years should have been reduced one-half, unless it be that the officers of the company are receiving very large salaries.

I understand that the president of the company receives a salary of $75,000 or over every year, which, in my judgment, is not treating policyholders fairly.

Will you kindly look into this matter.

With personal regards,

Very truly yours,

RUFUS P. CLARKE.

FREDERICK M. PELZMAN

Then there is Mr. Frederick M. Pelzman, of the Fashion Shop, Inc., who the newspapers recently reported drew an annual salary of $20,000 last year. He renders his residence, real property, at 3004 Thirty-second Street, at an annual assessed value of $20,575, upon which he pays an annual real-estate tax of $308.62.

He renders tangible personal property at an assessed value of $200, upon which he pays an annual tax of $3. He renders intangibles at an assessed value of $100, upon which he pays an annual tax of 50 cents.

He pays an annual water rent of $20.39.

ROCK CREEK GINGER ALE CO.

Mr. W. H. Rawley, president of the Rock Creek Ginger Ale Co., who, the newspapers recently said, drew last year a salary of $25,000, has a residence at 4315 Hawthorne Street NW., upon which the assessed value was rendered as $15,325 and upon which he pays an annual real-estate tax of $229.88.

He renders tangible personal property at the value of $400, upon which he pays an annual tax of $6. He renders intangibles of the value of $1,876, upon which he pays an annual tax of $9.38.

He renders two automobiles, one a Buick and one a Ford, upon the two of which he pays an aggregate tax of $14.85, plus $2 for the license-tag registration.

He pays a water rent of $16.67 per annum.

Then there is Mr. D. A. Rawley, vice president of the Rock Creek Ginger Ale Co., who, the newspapers recently said, drew a salary last year of $25,000.

His house address is 350 Rock Creek Ford Road. He pays no real-estate tax, no tangible personal tax, but he renders intangibles at an assessed value of $1,124 upon which he pays an annual tax of $5.62 per year on intangibles.

That is all of the tax he pays to the District per year, $5.62, with a $25,000 salary.

Mr. George P. Rawley, secretary of the Rock Creek Ginger Ale Co., who, the newspapers recently reported, received last year a salary of $25,000, on his residence at 1400 Montague Street NW., rendered an assessed value of $16,500 and pays a tax of $247.50.

He renders no tangible personal property, but he renders intangible property at an assessed value of $2,024, upon which he pays an annual tax on intangibles of $10.12.

He renders two family cars, a Buick and La Salle, upon the two of which he pays an aggregate annual tax of $21.30, plus $2 to cover the $1 charge for license tags.

He pays annually as water rent $14.36.

Mr. L. P. Rawley, who is treasurer of the Rock Creek Ginger Ale Co., who, the newspapers recently reported, drew a salary last year of $25,000, on his residence at 5501 Rock Creek Ford Road had an assessed value of $19,705, upon which he paid an annual real-estate tax of $295.58. He rendered no tangible personal property, but he renders intangible property on an assessed value of $1,776, upon which he paid an annual tax of $8.88.

He renders two family automobiles, one Packard and one Pontiac, for the two of which he pays an aggregate tax of $22.65, plus $2 to cover the $1 license tax charge on each of them.

He pays an annual water rent of $43.51.

JOHN A. REMON

Mr. John A. Remon, who is manager of the Chesapeake & Potomac Telephone Co., who, the newspapers recently reported, drew a salary last year of $20,166, upon his residence at 3104 Thirty-third Place NW., had it assessed at $17,165, upon which he paid an annual real-estate tax of $257.48.

He rendered tangible personal property at an assessed value of $200, upon which he paid an annual tax of $3. He rendered intangible property at an assessed value of $46,096, upon which he paid a tax on intangibles of $230.48.

His annual water rent is $16.05.

H. L. RUST

Mr. H. L. Rust, who, by the way, is a very fine gentleman and one of my personal friends, who, the newspapers said, recently drew a salary last year of $24,000, renders no real estate for taxes, but he rendered tangible personal property at the value of $2,000, upon which he pays an annual tax of $30; and he renders intangible property of the value of $392,248, upon which he pays an annual tax on intangibles of $1,961.24.

He renders a family automobile, which is a Pontiac, upon which he pays an annual tax of $10.12.

He pays an annual water rent of $695.47.

DR. C. A. SIMPSON

Then there is Dr. C. A. Simpson, who is the president of the Washington Radium & X-Ray Laboratory, who the newspapers recently reported drew a salary last year of $20,568, and who pays no real-estate taxes.

He renders tangible personal property at the assessed value of $1,000, upon which he pays an annual tax of $15. He renders intangibles at the assessed value of $2,072, upon which he paid an annual tax of $10.36.

He renders two family automobiles, one a Cadillac and one a Pontiac, upon the two of which he pays an aggregate tax of $20.84 per year, plus $2 covering the license tax.

H. B. SPENCER

Mr. H. B. Spencer, who is president of the Fruit Growers Express, who, the newspapers recently reported, drew a salary last year of $23,020, renders his residence at 2012 Massachusetts Avenue NW. at an assessed value of $76,187, upon which he pays annually a real-estate tax of $1,142.80.

He rendered tangible personal property of the assessed value of $17,000, upon which he pays an annual tax of $255. He renders intangibles at an assessed value of $400,000, upon which he pays an annual tax of $2,000.

He renders two family automobiles, both being Packards, upon the two of which he pays an aggregate tax of only $2.55 per annum, plus $2 for license tags.

That is an astonishingly low tax on two Packard automobiles, I do not care whether they are old or new.

He pays an annual water rent of $32.33.

MARCY L. SPERRY

Mr. Marcy L. Sperry, president of the Gas Light Co., who, the newspapers recently reported, drew a salary last year of $16,920, renders no real estate.

He renders tangible property at the assessed value of $300, upon which he pays an annual tax of $4.50. He renders intangibles at the assessed value of $20,512, upon which he pays an annual tax of $102.56.

He pays an annual water rent of $49.67.

CORCORAN THOM

Mr. Corcoran Thom, who is president of the American Security & Trust Co., who, the newspapers recently reported, drew a salary last year of $24,375, renders his residence at 1725 I Street NW., at an assessed value of $34,925, paid a real-estate tax of $523.88, and he paid a tax of $56.28 on tangible personal property of an assessed value of $3,752, and he paid on intangibles of an assessed value of $61,180 an annual tax of $305.90.

He renders a family automobile, which is a Buick, upon which he pays an annual tax of $1.80, plus $1 for registration tax, and he pays an annual water rent of $28.61.

A. L. THOMPSON

Mr. A. L. Thompson, president of the Thompson Dairy, who, the newspapers recently reported, drew a salary last year of $30,000, renders no real estate.

He renders tangible property of the assessed value of $248, upon which he pays an annual tax of $3.72, and he renders intangible property of the assessed value of $20,716, upon which he pays an annual tax on intangibles of $103.58.

He renders a family automobile, which is a Buick, upon which he pays an annual tax of $5.47, plus $1 for registration tags.

His annual water rent is $9.08.

H. VINER

Mr. H. Viner, who is president of the Arcade Sunshine Co., who, the newspapers recently reported, drew a salary of $30,000, renders his residence at 3507 Massachusetts Avenue NW. and whatever other real estate he has at $47,837, upon which he pays an annual real estate tax of $717.56.

He renders tangible personal property of the assessed value of $2,500, upon which he pays an annual tax of $37.50. He renders intangibles at an assessed value of $816, upon which he pays an annual tax of $4.08.

He renders for taxes, three family automobiles, one Cadillac, one Buick, and one Chevrolet, upon the three of which he pays an aggregate tax of $26.92 per annum, plus $3 for the automobile license tags.

He pays an annual water rent of $29.25.

GEORGE W. WHITE

George W. White, president of the National Metropolitan Bank, who, the newspapers recently reported, drew a salary last year of $25,000, renders his residence at 2800 Upton Street NW. at an assessed value of $58,963, upon which he paid an annual real-estate tax of $884.46.

He renders tangible personal property at an assessed value of $2,000, upon which he pays an annual tax of $30. He renders intangible property at an assessed value of $11,788, upon which he pays an annual tax on the intangibles of $58.94.

He renders two family automobiles, one a Packard and one a Ford, upon the two of which he pays an aggregate tax of only $5.17 per annum, plus $2 for license tags, and he pays an annual water rent of $61.46.

EDWARD G. YONKER

Mr. Edward G. Yonker, president of the Sanitary Grocery Co., who, the newspapers recently reported, drew a salary last year of $74,660, renders on his residence at 5100 Thirty-ninth Street NW., at an assessed value of $75,800, upon which he paid an annual real-estate tax of $1,137.

He renders personal property at an assessed value of $8,500, upon which he paid an annual tax of $127.50. He renders intangible property at an assessed value of $213,064, upon which he pays an annual tax on intangibles of $1,065.32.

Gentlemen, one of the primary purposes of getting this evidence before you and the interested people of Washington is the fact that you will note that there are a great many people in Washington who have intangible property, and some of them are rendering it for taxes, and some are not, and from the reports that have been made to me by some reliable people here in Washington, if you check up you will find that there are many millions of dollars hidden away untaxed in the lock boxes in the banks in Washington, if you could ever find it, and it is going to take something more than just filing a mandamus suit to get it. Some new legislation must be passed to reach it.

So I am just giving you a fair cross-section of some of these cases, to show you that there are many instances where there is a large amount of intangible property owned.

Coming back to Mr. Yonker, he renders two family automobiles, one a Cadillac and one a Buick, upon the two of which he pays an annual aggregate tax of $38.54, and the annual water rent is $23.49.

MACK L. LANGFORD

Mr. Mack L. Langford, vice president of the Sanitary Grocery Co., who, the newspapers recently reported, drew a salary last year of $31,968, renders no real property, renders no tangible personal property, but renders intangibles of the assessed value of $32,464, which is less than 1 year's net income, upon which he pays an annual tax on intangibles of $112.32.

He renders two family automobiles, one a Chrysler and one a Dodge, upon the two of which he pays an aggregate tax of $22.19 per annum, plus $2 license tag fee.

He paid, you will note, $112.32 on $22,464 in intangibles, and that, plus the $22.19 that he pays on automobiles, is all of the tax that he pays in the District of Columbia, yet he has a net income of $31,968.

LAWRENCE B. CAMPBELL

Mr. Lawrence B. Campbell, who is treasurer for the National Press Building Corporation, renders no real-estate tax, renders tangible property of the assessed value of $184, upon which he pays a tax of $2.76, and that is the total tax that he pays in the District, $2.76 a year.

CHARLES B. DEGGES

Mr. Charles B. Degges, who is secretary of the Board of Education, renders his residence at 4419 Q Street NW., at an assessed value of $5,670, upon which he pays a real-estate tax of $85.06.

He renders no tangible personal property, no intangible property, one family car, an Oldsmobile, upon which he pays $9.15 tax, plus $1 for license tags, and he pays an annual water rent of $8.32.

Does any one know what is the salary of the secretary of the Board of Education?

Three thousand five hundred dollars, I think it is.

DR. EDGAR A. BOCOCK

Dr. Edgar A. Bocock, of Gallinger Hospital. With $7,500 salary, Dr. Edgar A. Bocock renders no real estate, no tangible personal property, but he renders intangibles, at an assessed value of $232, upon which he pays an annual tax of $1.16, and $1.16 is all Dr. Bocock, who draws a salary from the two Governments of $7,500 per year, pays the District.

MRS. HENRY GRATTAN DOYLE

Mrs. Henry Grattan Doyle is president of the Board of Education.

The property of her husband, at 5500 Thirty-third Street NW., is rendered at an assessed value of $7,278, upon which the annual real-estate tax is $109.18.

They render tangible property of the assessed value of $2,000, upon which an annual tax of $3, and intangibles at an assessed value of $332, upon which is paid an annual tax of $1.66.

They render two family automobiles, one Chevrolet and one Ford, upon the two of which there is an annual aggregate tax of $15.14, plus a $2 automobile license tag charge.

They pay an annual water rent of $6.56 per year.

R. E. ELGEN

Mr. R. E. Elgen is Chairman of the Public Utilities Commission, with a salary of $7,500 a year.

He renders no real estate, but he renders tangible personal property at an assessed value of $524, upon which he pays an annual tax of $7.86. He renders intangible property of the assessed value of $300, upon which he pays an annual tax of $1.50.

He pays an annual water rent of $7.56.

WILLIAM A. VAN DUZER

Mr. William A. Van Duzer is our director of traffic of the District; salary, $7,500. He pays no real-estate taxes. He pays no tangible personal taxes.

On intangible property, at an assessed value of $5,165, he pays $25.82 per year, and he renders a family car, a Chrysler, upon which he pays an annual tax of $12.82.

He pays an annual water rent of $11.57.

G. C. WILKINSON

G. C. Wilkinson is first assistant superintendent in charge of the colored schools, his salary being $6,000.

His residence, at 406 U Street NW., has an assessed value of $4,246, and he pays $63.70 per annum in real-estate taxes.

He renders no tangible property tax and no intangible.

He renders a family car, an Oldsmobile, upon which he pays an annual tax of $9.30.

He pays an annual water rent of $6.56.

WAYNE KENDRICK

Wayne Kendrick is connected with the Board of Accountancy. His office is in the Rush Building, and his residence is in Virginia, and he pays no taxes to the District.

DR. HENRY R. OSBORNE

Dr. Henry R. Osborne is president of the Board of District Dental Examiners.

His address is at 1726 I Street NW. He pays no taxes of any kind in the District of Columbia.

CHARLES E. SCHROM

Mr. Charles E. Schrom is the chief engineer of the fire department, with a salary of $8,000 a year.

On his residence at 1315 Maryland Avenue NE., which is assessed at $3,950, he pays an annual real-estate tax of $59.26.

He pays no tangible personal tax and no intangible tax.

He renders a family automobile, a Chevrolet, upon which he pays an annual tax of $3.60.

His annual water rent is $6.56.

ERNEST W. BROWN

Ernest W. Brown, Superintendent of the Metropolitan Police, $8,000 a year.

He pays no real-estate tax. He pays no tangible personal-property tax and no intangible tax.

He renders a Studebaker family car, upon which he pays an annual tax of $7.12.

He pays an annual water rent of $6.56.

MELVIN C. HAZEN

Here is our chairman of the board, Hon. Melvin C. Hazen, Commissioner.

His salary is $9,000.

On his residence, 1829 Sixteenth Street NW., the assessed value is $30,372, on which he pays an annual real-estate tax of $455.58.

On tangible personal property, with an assessed value of $148, he pays a tax of $2.22. Upon intangible property, assessed at $628, he pays a tax of $3.14.

On his family automobile, a Buick car, he pays an annual tax of $3.97, plus a $1 license-tax charge.

GEORGE E. ALLEN

Here is our friend, Hon. George E. Allen, Commissioner, with salary of $9,000.

He pays no real-estate tax. His tangible personal property is assessed at $300, upon which he pays $4.50. The intangible property is assessed at $5,068, upon which he pays $25.34.

On his family car he pays tax of $13.20, plus a $1 automobile license tag fee, and no water rent.

E. BARRETT PRETTYMAN

Here is our friend, Hon. E. Barrett Prettyman, corporation counsel of the District of Columbia, and his salary is $8,000. He resides in Maryland. Prettyman pays no real-estate tax, no personal tax, no tax of any kind to the District, but lives in Maryland.

HENRY I. QUINN

Mr. Henry I. Quinn, member of the Board of Education, District of Columbia, has his residence at No. 1507 Gallatin Street NW., assessed valuation $12,934—which in 1933 was assessed at $13,734—upon which he pays $194.02 taxes. He has tangible personal property of the assessed value of $1,100, upon which he pays $16.50 taxes. He has intangible property, assessed valuation $6,148, upon which he pays $30.74 taxes. He has two family automobiles, one a Dodge sedan and one a Dodge coupe, upon which he pays a total tax of $16.05 plus $2 for their two sets of license tags. He pays a water rental for his residence property of $12.97 per annum. He also owns the property at 3424 Fourteenth Street, assessed valuation $5,667, annual taxes $85, and pays $6.56 for annual water rental.

Mr. Speaker, at a later date I will show you exactly what all of the high-salaried officials of the District of Columbia pay in taxes, and it will surprise the membership of this Congress. If they lived anywhere else, they would get about one-third of the salary they receive here in the

District of Columbia, and they would pay about three to five times as much taxes, if not more, than they pay here.

In another speech, which I am preparing, I intend to show you colleagues just how communism has crept into our public schools of Washington, and how an attempt was made between 1929 and 1934 to communize all of the schools of the United States through a commission that was appointed by the American Historical Association.

Now, one other matter and I am done.

Mr. ZIONCHECK. Mr. Chairman, it is 3:30.

The CHAIRMAN. The gentleman from Texas has 1 minute remaining.

Mr. BLANTON. Mr. Chairman, here is a book that is in every library and branch library in Washington. Under the law the libraries of Washington are made a part of the school system. This is the vilest, most indecent, most blasphemous book that was ever published. And over here in the Southeast Library it has been taken out so much that the cover is worn off and it is now being rebound. It ought to be barred from sale and run out of the country. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. All time has expired.

The Clerk read as follows:

Be it enacted, etc., That in order to defray the expenses of the District of Columbia for the fiscal year ending June 30, 1937, any revenue (not including the proportionate share of the United States in any revenue arising as the result of the expenditure of appropriations made for the fiscal year 1924 and prior fiscal years) now required by law to be credited to the District of Columbia and the United States in the same proportion that each contributed to the activity or source from whence such revenue was derived, shall be credited wholly to the District of Columbia, and, in addition, $2,700,000 is appropriated, out of any money in the Treasury not otherwise appropriated, to be advanced July 1, 1936, and all of the remainder out of the combined revenues of the District of Columbia, namely:

Mr. ZIONCHECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: On page 2, line 8, strike out "$2,700,000" and insert in lieu thereof "$1."

Mr. BLANTON. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. ZIONCHECK. Mr. Chairman, it makes me, as one Member of this House, tired and resentful to have the chairman of the subcommittee on this particular bill get before this House, rant and rave about things, and never do anything about it. The gentleman has been in Congress 18 or 20 years. All these conditions he is talking about and ranting about have been going on all this time, and he has not found them all out yet. I wonder when the gentleman from Texas is going to stop talking, stop shouting, and start thinking and doing something.

Mr. MILLARD. Did the gentleman say "stop thinking?"

Mr. ZIONCHECK. No; I want him to start.

Mr. BLANTON. Let us let the Members vote on that.

Mr. ZIONCHECK. No; the Members will not vote on that The gentleman knows the rules of the House, does he not? The gentleman knows the rules of the House better than any Member here, and he violates them more than any other Member, and knows when he is violating them.

Now, I will get down to the subject of the amendment. By the way, and incidentally, I do not think all this investigation about taxes would have started except I heard about low tax payments and investigated the taxes of some hotels and other places, then introduced a resolution, and then the gentleman from Texas [Mr. BLANTON] gets busy in the committee and asks a few questions; but he did not know this was going on. What does he think about it now? If he would only stop ranting around, dragging a red herring about, you know, trying to get people off the trail, and do a little more thinking, as I have said—because he has a lot of energy if he would only apply it properly. [Laughter.]

I do not usually speak in this vein, but I was a little resentful because the gentleman from Texas promised to give me 10 minutes; in fact he asked me if I wanted time; and when I asked for it he would not give it to me, tried to tell me he promised it to me yesterday. I did not ask for time yesterday because I did not have a speech on this subject prepared and why should I ask for it? So much for the gentleman from Texas.

I am serious about this particular amendment. I have another one to offer. If you do not accept this amendment you may accept the other one. In the city of Seattle, a city comparable with Washington in population but far larger in area, for you have only 10 square miles—its tax budget for 1936 is less than $8,000,000; yet a budget is presented for the city of Washington, D. C., of $42,000,000. Still they shout because we cut the Federal contribution $3,000,000. At the same time these poor bedeviled Commissioners are in a quandary because they have $3,000,000 in the Treasury down here they do not know what to do with. Did you know that? The gentleman from Texas [Mr. BLANTON] will not deny that, will he?

Mr. BLANTON. I have not been listening to the gentleman. [Laughter.]

Mr. ZIONCHECK. Well, if the gentleman would listen he might be enlightened. Personally I am opposed to any contribution on the part of the Federal Government to the District of Columbia, and to let the District handle its budget, taxes, and expenditures.

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

Mr. BLANTON. Mr. Chairman, time has been fixed on this paragraph, and the committee desires to be heard on the amendment.

Mr. ZIONCHECK. Mr. Chairman, then I offer another amendment.

The CHAIRMAN. The Chair would remind the gentleman that an amendment is pending.

Mr. BLANTON. Mr. Chairman, I ask for recognition against the amendment.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. BLANTON. Mr. Chairman, I am one of those who believe that the Government should not contribute one dollar to the upkeep of the District of Columbia. I have felt that way for a number of years. There were other members of our committee who felt as I do. However, there was one member who thought that we should contribute as much as $2,700,000 this year anyway. We agreed to go along with him and have a unanimous report. A unanimous report has been brought in here and every member of our committee stands solidly together like a phalanx for this bill. When I make an agreement with my colleagues I keep it. I do not make an agreement in committee and then get up on the floor and violate the agreement.

Ordinarily I would vote for this amendment, but I am going to ask my colleagues to vote it down so that we may be fair with the other members of the commitee in connection with the agreement we made with them. There will come a time when all this contribution will be taken away, and, in my judgment, it will be next year.

Mr. Chairman, answering the gentleman from Washington, who thinks more deeply, he says, than I do, passing a bill finally is not a question of what this House does about the bill. It is what the other body agrees to. Last year we fixed, by unanimous consent of the committee and House, the Federal contribution at $5,700,000. The bill went to the Senate and they added over $3,000,000 to the Federal contribution. They held us up nearly 2 months before they would agree to eliminate their $3,000,000 increase. We conferees for the House never gave in, I may say to the gentleman, but we held to our own figures as to the Federal contribution, and we allowed only $5,700,000, which the Budget then authorized.

We have cut the Federal contribution from $5,700,000 to $2,700,000, and if we were to reduce that sum, agreed upon by the Committee on Appropriations, we would go to the Senate with a divided committee. We would have our House conferees divided. We would be in no position to withstand the onslaughts of the Senate. If the Senate does as it usually

does, it will increase this Federal contribution to $8,700,000, and with our conferees divided we would be helpless before them. But by keeping faith with our subcommittee, and keeping our committee together and undivided, and keeping our conferees together as a unit, we shall be able to make the proper kind of a fight in conference to hold this Federal contribution in line with what is just and fair to the people of the United States and also to the people of the District of Columbia.

Mr. Chairman, I have been fighting here on this one item for 16 years before my friend came to Congress. During such time we have reduced this one item many millions of dollars annually. If he will go back and look over the records, he will find I have accomplished something for economy. He will find many fights I made here to stop bills which carried large sums of money, and did stop them. When he revises his remarks he will feel restrained to take out all those nasty little references he made about me.

May I say this to the gentleman from Washington: He came to me yesterday and asked for 10 minutes. I put him down for 10 minutes. I had not spoken on the bill. The gentleman from Pennsylvania [Mr. DITTER] had not spoken on the bill. The gentleman from Iowa [Mr. JACOBSEN], a member of the committee, had not spoken. The gentleman from West Virginia [Mr. JOHNSON] had not spoken on the bill. But I put down the name of the gentleman from Washington, and when I reached his name I called for him. He knows he had to be off the floor. He knows he had to be away. He could not be on the floor at that time. I then crossed his name off, as you or anyone else naturally would, when he did not respond. When I reached him in his turn and he could not use the time I marked him off. When he came to me this morning and requested this time I said if I could find time I would give it to him.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. ZIONCHECK].

The amendment was rejected.

Mrs. NORTON. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mrs. NORTON: On page 2, line 7, after the word "addition", strike out the figures "$2,700,000" and insert in lieu thereof "$5,700,000."

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey [Mrs. NORTON].

The question was taken; and on a division (demanded by Mrs. NORTON) there were—ayes 17, noes 54.

Mrs. NORTON. Mr. Chairman, I make the point of order that there is not a quorum present, and I object to the vote on that ground.

Mr. BLANTON. That will not secure a vote on the amendment, I will say to the gentlewoman from New Jersey. It will produce a quorum only.

Mrs. NORTON. That is all that is necessary.

Mr. BLANTON. Mr. Chairman, on that vote I demand tellers.

The CHAIRMAN. Does the gentlewoman from New Jersey withdraw her point of no quorum?

Mrs. NORTON. No. I insist on the point of order. I made the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and sixteen Members are present, a quorum.

The amendment was rejected.

Mr. ZIONCHECK. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: On page 2, line 8, after the dollar sign, strike out "$2,700,000" and insert in lieu thereof "$1,000,000."

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent to address the House on this amendment.

The CHAIRMAN. The time for debate on this paragraph has been fixed, and all time is exhausted.

The question is on the amendment offered by the gentleman from Washington [Mr. ZIONCHECK].

The amendment was rejected.

The Clerk read as follows:

Purchasing division: For personal services, $57,000.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not entirely certain that I am within the rules, but I beg the indulgence of the Committee for about 3 minutes.

I was much interested in the statement made by the chairman of the subcommittee at the beginning of his remarks, in which he described a certain order alleged to have been issued by the Chief of Staff of the First Corps in France shortly after the armistice. The order was to the effect that soldiers who were found in possession of stolen or pilfered property were to be publicly horsewhipped.

Mr. Chairman, this incident, or alleged incident, was brought to the attention of the subcommittee of the Committee on Military Affairs of the United States Senate, as I recall, 15 years ago, or more, on the instance of the late Senator Watson, of Georgia. It turns out no such order was ever issued. There is no record in the papers of the First Corps or in General Dickman's papers or those of the then Chief of Staff, Colonel Craig, that any such order was ever published.

It is true there had been some pilfering going on around headquarters, and even the general's belt was stolen one day off the back of a chair by some nimble-fingered person.

It is barely possible that some officer, unknown to those in authority, either the major general commanding the corps or the Chief of Staff, wrote this thing out, partly as a joke or partly as a threat, and it may have lain upon the desk of the adjutant of the corps. But as to its being issued, no such thing was ever done, and had it been issued, of course, on its face it was completely illegal and ridiculous.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I will.

Mr. BLANTON. The evidence was that one of the officers in whose hands this order was placed had it photostated and later gave it to this paper in San Antonio.

Mr. WADSWORTH. True enough.

Mr. BLANTON. And it was published, and there was never a denial of its issuance.

Mr. WADSWORTH. Yes; it was denied in this investigation about 15 years ago.

Mr. BLANTON. There was not a denial down there in San Antonio.

Mr. WADSWORTH. They could not go everywhere to deny it.

Mr. BLANTON. And there were a lot of officers there who served with that organization. And the photostat shows the official seal of "Headquarters, First Corps Area", and is attested by the adjutant.

Mr. WADSWORTH. It was published in the San Antonio paper, but not to the First Corps in France.

The Clerk read as follows:

District of Columbia Unemployment Compensation Act: For the contribution of the District of Columbia under the provisions of section 5 (a) of the District of Columbia Unemployment Compensation Act, approved August 28, 1935 (49 Stat., p. 946), $125,000.

Mr. ELLENBOGEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ELLENBOGEN: On page 9, line 19, strike out "$125,000" and insert "$162,500."

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

Mr. ZIONCHECK. Mr. Chairman, I object.

Mr. BLANTON. Then, Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. ELLENBOGEN. Mr. Chairman, may I have the attention of the gentleman from Texas?

Mr. BLANTON. The gentleman always has my attention.

Mr. ELLENBOGEN. I thank the gentleman.

I believe the Committee on Appropriations for the District of Columbia made a mistake with respect to this item, and I am referring to page 9, line 19.

Mr. BLANTON. I can explain this to the gentleman in just half a second.

Mr. ELLENBOGEN. I will yield to the gentleman in a moment.

This item provides an appropriation for the contribution of the District of Columbia to the unemployment-insurance fund of $125,000. The law we passed last year does not go by fiscal years, but by calendar years, and provides in section 5 of the act which we passed establishing an unemployment-insurance fund for the District of Columbia——

Mr. BLANTON. On that, if the gentleman will yield a moment, I can tell him the facts and I am sure he will not have any complaints. The gentleman will find provision for this matter until July 1 in our next deficiency bill.

Mr. ELLENBOGEN. No; there is no such provision in the deficiency bill.

Mr. BLANTON. How does the gentleman know? The bill has not been reported.

Mr. ELLENBOGEN. I refer to the deficiency bill that we passed sometime ago.

Mr. BLANTON. The next deficiency bill that will come in later will provide these funds until July 1.

Mr. ELLENBOGEN. In view of the gentleman's statement, Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The amendment was withdrawn.

The Clerk read as follows:

For purchase, installation, and modification of electric traffic lights, signals and controls, markers, painting white lines, labor, maintenance of non-passenger-carrying motor vehicles and such other expenses as may be necessary in the judgment of the Commissioners, $63,000, of which not less than $25,000 shall be expended for the purchase, installation, and modification of electric traffic-light signals: *Provided*, That no part of this or any other appropriation contained in this act shall be expended for building, installing, and maintaining street-car loading platforms and lights of any description employed to distinguish same.

Mr. ZIONCHECK. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 10, lines 1 and 2, after the sign, strike out "$63,000."

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and on this paragraph close in 10 minutes.

The CHAIRMAN. Is there objection?

Mr. ZIONCHECK. I object.

Mr. BLANTON. I withdraw that request, Mr. Chairman, and move that all debate close in 10 minutes.

Mr. MAVERICK. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MAVERICK. Is that motion proper before there has been some debate?

The CHAIRMAN. It is not.

Mr. ZIONCHECK. Mr. Chairman and ladies and gentlemen of the Committee, there is not a town in the United States that has so many traffic lights in so many places where they are not needed and being operated in so insane a manner that will jeopardize life and limb and impede traffic as there are in Washington.

Why do they have so many traffic lights that cost the poor taxed people a thousand dollars a corner? It costs $20 or $30 for the maintenance of these lights. The Washington, D. C., light bill and the bill for operating the traffic signals is $981,000.

Mr. MARTIN of Colorado. Will the gentleman yield for an illustration?

Mr. ZIONCHECK. If the gentleman makes it short and snappy.

Mr. MARTIN of Colorado. At Virginia Avenue they put in five traffic lights in four blocks.

Mr. ZIONCHECK. Yes; and they want $63,000 in this bill to buy more traffic lights.

Mr. MICHENER. Would the gentleman do away with all the traffic lights in the city?

Mr. ZIONCHECK. Oh, no; but I would put up stop signs in place of many of the traffic lights. If you come to a stop sign you stop, and if there is no traffic you go ahead, instead of waiting for minutes for the light without anybody or thing crossing in front of you. It is ridiculous.

Let me adopt the way of the gentleman from Texas and say, Is there anyone here that says that he could not get from one place to another in this city with facility and with safety if these lights, or most of them, were removed? No one answers. The gentleman from Texas ought to look into this.

The gentleman from Texas says he would have twice as many lights; he would have them on the trees and telephone poles.

The city of Seattle—and I am proud of the town I represent—I think that city would have 100 lights and the rest stop signs. The traffic is faster and there are fewer accidents than here. Mr. Van Duzer, the head of the traffic in this city, says the more lights we have the more lives are saved. He says there were more people killed year before last than last year.

Is that good reasoning or good logic? I read the testimony. What am I going to do about it, someone asks. I am trying to prod the gentleman from Texas to do something about it instead of talking about it. That is what I am trying to do.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment. If our friend from Washington [Mr. ZIONCHECK] had looked up the data on this bill and the hearings he would not have offered the amendment or made his speech. In the first place, instead of being $60,000 for lights, he will find it is only $25,000, and page 37 of the estimates shows that.

Mr. ZIONCHECK rose.

Mr. BLANTON. I do not want to be interrupted.

Mr. ZIONCHECK. I am not asking the gentleman to yield.

Mr. BLANTON. I do not want to be interrupted, and I ask the Chair to rule whether or not the gentleman from Washington is in order.

Mr. ZIONCHECK. I am not asking the gentleman to yield. I am just standing here doing nothing. Has the gentleman got a complex?

Mr. BLANTON. Will the Chair rule whether or not the gentleman is in order.

The CHAIRMAN. He is not in order.

Mr. ZIONCHECK. Mr. Chairman, a point of order.

The CHAIRMAN. Will the gentleman kindly take his seat?

Mr. ZIONCHECK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. ZIONCHECK. I was doing nothing; he brings this up; and I think the Chair cannot rule on something which does not exist.

The CHAIRMAN. The Chair rules that the gentleman from Washington must be in his seat when the other gentleman has the floor.

Mr. ZIONCHECK. In other words, I am supposed to sit down?

The CHAIRMAN. Yes.

Mr. BLANTON. Mr. Chairman, as I said before, the gentleman is mistaken in saying that there were $60,000 for lights, when only $25,000 are appropriated. If he had read page 171 of the hearings he would have seen the report by Mr. Van Duzer, the director of traffic, which I quote as follows:

Our accident records show that after lights are installed accidents decrease. Last year, on Pennsylvania Avenue, our records

show that only 30 percent as many accidents occurred after the lights were installed as during the same period previous to the installation.

In other words, by installing the lights about which the gentleman speaks so feelingly, we decrease accidents about 30 percent. If we can decrease accidents 30 percent and decrease the death rate in Washington from accidents, this money is well spent. I wish we had three times as much money to give for lights.

They have the finest traffic-light system in the world in New York City. You can start in with your lights as you come in and never stop until you get downtown. If you start with the lights here on Sixteenth Street you can go from the White House out 5 miles to the Maryland line without ever stopping your car, if you drive according to the rules prescribed by the traffic department.

Every member of our subcommittee was in favor of this provision. We took this matter up in the main committee and there was not a vote against this item in the main committee. I do not think it is necessary to argue this point any further. I think you gentlemen will have confidence in your committee that passed on this matter. We heard the evidence. We see the necessity for this matter. We saw that it was decreasing the accidents, and we saw that it was saving the property for the people and saving human life. There are streets here, like Sixteenth Street and Thirteenth Street and Fourth Street and First Street NW., where you could not cross at certain hours in the morning or the evening unless there were traffic lights there. There is a continuous stream of cars running north or south, and unless there were traffic lights there during those congested periods, people who were going east and west could not cross those streets at all. You would have one-way traffic for an hour and a half in the morning and one-way traffic for an hour and a half in the evening. The traffic lights are what give all the people an equal chance to use the highways of the District of Columbia. I submit that I do not think the committee will consider the amendment well taken, and I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 1, noes 34.

So the amendment was rejected.

The Clerk read as follows:

For personal services, $97,380.

Mr. ZIONCHECK. Mr. Chairman, I move to strike out the last word. Does the gentleman now want to make a motion to limit debate? I yield to the gentleman to make such a motion to limit debate to 5 minutes or 10 minutes or 15 minutes.

Mr. BANKHEAD. Mr. Chairman, let us have the regular order.

Mr. ZIONCHECK. Mr. Chairman, I have very hurriedly made a comparison of the present Budget item for the District of Columbia with similar items for the great city of Seattle. These figures are subject to some correction. They are as accurate as I could get them in the time I had at my disposal. For the executive department in the city of Seattle there is appropriated $13,000, while in the District of Columbia there is appropriated $47,000. For corporation counsel, city of Seattle, $72,000; District of Columbia, $99,000. Understand that the city of Seattle has about the same population as the city of Washington, and twice the area. Police court in Seattle, $20,699. Here it is $1,815,660. Of course, one million of that is for the new courthouse.

For police, in the city of Seattle, with twice the area and with a lot of bad people that TOM BLANTON is so afraid of, we spent $1,076,411.

Mr. BLANTON. I am not afraid of anybody in Seattle or Washington.

Mr. ZIONCHECK. Mr. Chairman, I do not yield. The gentleman will sit down.

In the District of Columbia, comparatively speaking, you have $3,626,670—three times as much, with half the area and twice as much crime.

Fire department of the city of Seattle, $1,196,000. Here it is $2,474,000; and what have they got? A bunch of "puddle jumpers." We have a fire department in Seattle. The underwriters claim it is the best in the country—if not exactly the best, it is second best. St. Louis or some other town claims first place. We have the best, I think. When a fire breaks out we get going. These "puddle jumpers" in Washington cannot go over 22 miles an hour. The little whistles which they have sound like toys or something, and they are spending twice as much.

Health, in Seattle they spend $439,000. Here it is $484,000.

Garbage collection—this is a sweet item—in the city of Seattle, with twice the area, and the garbage is collected; there are no flies. Everything is first-class. They spend $376,000, and the garbage is collected two or three times a week. What do they pay here? One million three hundred and sixty thousand dollars, and then it is not collected half the time.

Buildings in Seattle, $330,000. Here, $908,000.

Streets and sewers in the city of Seattle, $402,000. Here it is $3,624,000, and you have to watch yourself going down the streets for fear you will fall into a hole. They do not have any streets here to speak of. We have streets in Seattle. Just think of it, for $402,000, and here you are spending $3,624,000. Nice economy! You are certainly saving the taxpayers' money.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. BLANTON. Mr. Chairman, I object.

Mr. ZIONCHECK. I thought you would.

Mr. BLANTON. We want to get along with the business of the House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The amendment was rejected.

Mr. ZIONCHECK. I withdraw the pro-forma amendment. There was no amendment, Mr. Chairman.

Mr. BLANTON. It has already been voted down.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For rent of offices of the recorder of deeds, $12,600.

Mr. ZIONCHECK. Mr. Chairman, I move to strike out the last word.

Now, I will finish my speech, Mr. Chairman.

Parks in the city of Seattle, where we have the finest parks, real parks, although they are not bad here, $473,000.

Mr. BLANTON. Mr. Chairman, I make the point of order that the gentleman must confine his argument to the last word.

Mr. ZIONCHECK. What is the last word? I do not know what it is.

The CHAIRMAN. The last word is "deeds." The gentleman will proceed in order.

Mr. ZIONCHECK. This is a deed I am performing.

Mr. BLANTON. We want to get along with this bill, and that is the only reason I am making the point of order. I ask that the Chair enforce the rule.

Mr. ZIONCHECK. I will confine myself to deeds. I want the gentleman from Texas to know I am rendering a very fine deed by telling him about this, because he is being better informed.

Now, coming down to deeds, I do not know whether they deed things to parks or not, but in the city of Seattle whether they deed them or not, there are $473,000 spent for the parks. What do they spend here? One million six hundred sixty-five thousand two hundred and ten dollars. Then, of course, we are very cautious back home. So we have an emergency fund. They go over the budget sometimes. How much? One hundred twenty-five thousand dollars; but they do not need it here, because they come in for a deficiency. Where have I heard that word before? Is that a deed for you?

Street lighting in the city of Seattle, $375,000.

Mr. BLANTON. Mr. Chairman, I make the point of order, because the duty devolves upon me to protect this bill.

Mr. ZIONCHECK. Mr. Chairman, the chairman of the subcommittee is becoming obstreperous.

The CHAIRMAN. Let the Chair make a statement. The subject matter before the committee has to do with deeds in the District of Columbia. The gentleman will proceed in order.

Mr. ZIONCHECK. Yes, Mr. Chairman.

Street lighting in the city of Seattle, $375,000; and here it is $981,000.

The CHAIRMAN. The gentleman will proceed in order.

Mr. ZIONCHECK. That is my good deed for today.

The Clerk read as follows:

CONTINGENT AND MISCELLANEOUS EXPENSES

For checks, books, law books, books of reference, periodicals, newspapers, stationery; surveying instruments and implements; drawing materials; binding, rebinding, repairing, and preservation of records; ice; repairs to pound and vehicles; traveling expenses not to exceed $1,000, including payment of dues and traveling expenses in attending conventions when authorized by the Commissioners of the District of Columbia; expenses authorized by law in connection with the removal of dangerous or unsafe and insanitary buildings, including payment of a fee of $6 per diem to each member of board of survey, other than the inspector of buildings, while actually employed on surveys of dangerous or unsafe buildings; and other general necessary expenses of District offices; $26,000: *Provided*, That no part of this or any other appropriation contained in this act shall be expended for printing or binding a schedule or list of supplies and materials for the furnishing of which contracts have been or may be awarded.

Mr. RANDOLPH. Mr. Chairman, I move to strike out the last word.

I rise at this time, Mr. Chairman, to discuss my own personal views relative to the so-called teaching or advocacy of communism in the District of Columbia schools. I do it at this point in the reading of the bill simply because I may not be able to be upon the floor at the exact time the actual sections relating to the public schools of the District of Columbia are under discussion.

While in my home city last fall I addressed the following letter to the president of the Board of Education, which I shall read:

ELKINS, W. VA., *October 24, 1935.*

MRS. HENRY GRATTAN DOYLE,
President, Board of Education, Washington, D. C.

MY DEAR MRS. DOYLE: I have just had brought to my attention, through stories published in the Washington newspapers, the fact that the Board of Education has given its support to the teaching of communism in the schools of the District of Columbia.

On reading these reports I experienced not only the personal feeling of deepest disappointment at such action, but there came almost simultaneously a determination to do everything within my power to change this ruling. I feel a grevious error has been made which is far more reaching in its damaging consequences than we at this time can possibly know.

The danger line is so close, between the teaching on one side and the advocacy on the other, that I am certain the former merges into the latter in the presentation of communism.

In the National Capital should be the last place, although it should not be countenanced anywhere in our Republic, that the damnable doctrines of sovietism are allowed to be taught.

We need not fear so much the physical attacks against our democratic institutions from without, as much as we need to guard against the boring from within. I am sincerely hopeful that further study of your action will reveal the need for revoking the recently adopted policy of allowing Communists to enter the opening wedge in their insidious campaign for the overthrow of our homes, churches, and schools—the institutions which America has fostered and which have made our Nation great.

I write this letter not in a spirit of criticism but only because of my earnest desire to present the facts as I see them.

At the coming session of Congress I shall make every right and proper attempt to focus the attention of my colleagues on the need for corrective legislation, if necessary. This letter explains my sincerest views in my capacity as a member of the District of Columbia Committee and also as a former teacher.

I plan to return to Washington for a few days within the near future, and at that time I trust I shall have the opportunity of discussing personally with you and the other members of the Board, as well as the superintendent of schools, the serious aspects of this problem.

Very sincerely yours,

JENNINGS RANDOLPH, M. C.

[Applause.]

I have risen at this time—and I do not ask the further indulgence of the Committee—simply to say that I was a teacher for 7 years before coming to this body, and this letter expresses the actual and deep feeling brought from the experiences of those years and the contacts with those students whom I desired to help and encourage as they prepared themselves to enter upon the active duties of life.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. JOHNSON of Oklahoma. May I observe that, in my judgment, the gentleman's letter expresses the opinion of practically every Member on both sides of this aisle. I commend him for his stand on this important matter. [Applause.]

Mr. RANDOLPH. I thank the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. I am wondering if the gentleman received a reply to his letter and, if he did, if he will not give the members of this Committee the benefit of the reply.

[Here the gavel fell.]

Mr. RANDOLPH. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. FITZPATRICK. Would the gentleman object to a teacher's explaining the different forms of government throughout the world, including communism?

Mr. RANDOLPH. No.

Mr. FITZPATRICK. After all, we need light; and I understand that under the present law teachers can explain the different forms of government.

Mr. BLANTON. Yes; they can do that now. The corporation counsel has held they can do that now.

Mr. FITZPATRICK. But we do not want them to advocate to the youth of our land anything contrary to the principles of the Government of our country. [Applause.]

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. Yes.

Mr. ZIONCHECK. The rider that the gentleman from Texas had put on the District appropriation bill last year contains the language "advocate and/or teach." I do not know whether the disjunctive is right. Why did the gentleman use the phrase "advocate and teach" if the word "advocate" means to teach, as the gentleman from Texas claims it does?

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. BLANTON. Webster's Unabridged Dictionary states that "to teach" means "to advocate"; and it states also that "to advocate" means "to teach." That is the answer.

Mr. ZIONCHECK. Then why did the gentleman use the phrase "advocate and teach" if these words are synonymous?

Mr. SCOTT. Mr. Chairman, will the gentleman yield?

[Here the gavel fell.]

Mr. RANDOLPH. Mr. Chairman, I want to be fair to all the Members wanting to ask questions. I ask unanimous consent to proceed for 2 additional minutes.

Mr. BLANTON. Mr. Chairman, I shall not object to this extension but I shall object to any further extension.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Chairman, I yield to the gentleman from California [Mr. SCOTT].

Mr. SCOTT. I ask this question not in any attempt to batter down what the gentleman has said or to embarrass him at all; I am serious and conscientious about it. I want to know, if the gentleman were asked to sign this statement every 2 weeks, what factors he would take into consideration

of the subject matters presented by him in his class to determine whether he had taught communism? Suppose the gentleman quoted or read from this book that was referred to, or had been asked by one of his students to comment on one of the statements made in this book, which is supposedly communistic, would the gentleman think that by discussing this point with the student by saying that there was a probability or a possibility the author was correct in what he wrote, he would thereby have taught communism?

Mr. RANDOLPH. I may say to the gentleman from California that I realize there is in this House a certain group of men who may be called liberal, and I have always tried to be a member of this group. I may say to him further, however, that I am so well grounded in the fundamentals of Americanism, as I realize those fundamentals, that I feel that every statement I have made in this letter is proof of my positive position upon this question.

Mr. SCOTT. I grant the gentleman that. One further question, if I may: If the child in the gentleman's class said to the gentleman that he did not have any breakfast because his father did not have a job, how would the gentleman explain it?

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 1 additional minute.

Mr. MILLARD. Mr. Chairman, I object.

The Clerk read as follows:

For printing and binding, $40,000, and the last proviso of this paragraph shall not apply to work which can be performed at a lower cost in the central duplicating section of the District of Columbia or the printing plant at the reformatory at Lorton, Va.: *Provided*, That no part of the appropriations contained in this act shall be available for expenditure for printing and binding unless the need for such expenditure shall have been specifically approved by the Commissioners of the District of Columbia, or by the purchasing officer and the auditor for the District of Columbia acting for such Commissioners: *Provided further*, That no part of this appropriation shall be available for expenditure unless such printing and binding is done at the Government Printing Office.

Mr. ZIONCHECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first of all, I should like to congratulate the District Committee on Appropriations for having awakened the Congress of the United States and the people of the District of Columbia to taxes and tax problems, as well as to the District needs. There may be a great deal of criticism as to the cut in the Government appropriation for the District, as to the manner of making these cuts, and the departments in which the Budget decreases were made. However, it seems necessary to me that the Congress of the United States and the people of the District of Columbia should be awakened and understand something about the services they receive and the price they pay for it. Certainly the District Committee has brought this before these people.

Personally I am opposed to any cuts being made in the Budget that has to do with the health and welfare of the people. Neither do I believe that it is necessary to cut wages in any of the departments, but from some experiences I have had in my home city and county I know that these things are not necessary to bring about lower budgets and less taxation.

For the benefit of the study of the Congress, I am going to submit some figures as to departmental costs of the city of Seattle—a city with approximately the same population as that of the District of Columbia. In making the comparisons I wish the Congressman to note this point especially: That the city of Seattle has twice the area in square miles as that of the District of Columbia, necessitating in the fire department, the police department, the health department, and garbage collections the covering of a greater distance, necessarily causing more labor for these departments.

You will note that the police department's budget is nearly three times that of the city of Seattle. The same is true of the fire department, and the fire department of Seattle is regarded by fire underwriters as the second best department of any city in the United States. In Seattle we have only seven men in its government receiving over $5,000 a year. Here you have so many I have not been able to get a correct check on it. In 1933, in King County and the city of Seattle, county bonds were selling at 85 cents on the dollar; employees in cashing their warrants had to accept this kind of a reduction. Two Democrats were elected to the board of county commissioners.

Both these gentlemen, John C. Stevenson and Louis Nash, were students of government. In 3 years' time they have reduced the assessments on every home in King County and Seattle 20 percent; they have increased the wages of the employees from 10 to 20 percent. Today the county is functioning under a 10-mill limit instead of an 18-mill limit of 1932; they have taken care of the relief burden of the indigent poor, produced efficiency in every office, and King County bonds are at a premium of $102 today. This was brought about by efficiency in making purchases and the spending of the peoples' money on the streets and road and bridge maintenance.

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

Mr. BLANTON. Mr. Chairman, I shall not object in this one instance, but I will hereafter object to any further extensions. We must proceed with this appropriation bill.

There was no objection.

Mr. ZIONCHECK. Mr. Chairman, the city of Seattle's budget for 1936 is $8,048,598, which includes the items as listed here, interest charged on debts not listed, and maintenance and repairs to public buildings and roads not listed; $4,914,042 is to be derived from general taxation, the balance from fines, licenses, and occupational tax.

In comparing the city of Seattle and the District of Columbia, it is my honest belief that if the residents of the District will assist the District Committee on Appropriations, thoroughly equalize the taxes, stop expensive expenditures that are not needed other than for public welfare, see that they receive one dollar of value for every dollar expended, and give the assessor of this District an additional force to check and bring about tax equalization.

By the way, the gentleman from Pennsylvania [Mr. DITTER] did not mention the fact that there is no way of collecting personal-property taxes in the District. The Wardman Park Hotel has not paid a personal-property tax in 10 or 15 years. The Carlton Hotel has not paid their personal-property tax for certain years, and others have not paid their personal tax. They are all dodging taxes and are not paying them. The ones that are the biggest tax dodgers are the ones who put up the biggest squawk.

The District of Columbia will need to ask nothing of the Government of the United States and can reduce their budget by 20 percent and can maintain a surplus. Perhaps there would be some argument that the Government should pay into the District fund, regardless of how low the Budget may go.

To you Congressmen I would say that I am sure the city of Seattle will furnish you with ground and that you may bring the Capital of the United States to Seattle, where we have a climate that all the Government people will certainly enjoy, and we will not tax you a cent for the upkeep of the city.

I was back there this winter and by the 15th of January the thermometer had not gone below 42 above zero. In the summer it never gets above 85 or 90 and you have to use blankets to sleep under during the night. It snows there once in 2 or 3 years. It is delightful. You are healthy. Look at me. We will help build the necessary buildings if the Capital is moved there. I understood a few years ago they were offered $500,000,000 to move the Capital. If the people down here do not want the Capital, we can move. You can move to a place that is much nicer than this place, where you freeze in the wintertime and sweat in the summertime. It is a perpetual Turkish bath. It is terrible.

Comparative statement

	Seattle	District of Columbia
Mayor	$13,536	$47,400
Corporation counsel	72,781	99,520
Police court	20,699	1,815,660
Police	1,076,411	3,626,670
Fire	1,196,729	2,474,120
Health	439,501	484,170
Garbage collection	376,000	1,300,360
Building	330,752	908,410
Streets and sewers	402,735	3,624,821
Park	473,273	1,665,210
Emergency fund	125,000	
Street lighting	375,000	961,100

And in conclusion, you will note in the Hearst papers that William Randolph Hearst is taking sides with high taxes and expenditures in the District in his editorials and in his articles. In Seattle, Wash., where we have only a few Government employees, the Post Intelligencer on September 18, 1935, page 10, in an editorial by William Randolph Hearst, under the heading "Bloated Tax Eaters", advises the immediate discharge of hundreds of thousands of employees. This certainly ought to prove to anyone that they should not believe the editorial policy of the Hearst newspapers. In Washington, D. C., the Government employees are wonderful to William Randolph Hearst. In Seattle they are "bloated tax eaters", who should be discharged immediately.

[Here the gavel fell.]

Mr. MARSHALL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have sat here this afternoon and on other occasions and listened to the many speeches which have been made in regard to the teaching, or perhaps I should say the alleged teaching, of communism in the District.

I do not know whether there is more communism taught in the District of Columbia than elsewhere in the country or not. There should be none, and I hope there will not be a continuation of such instruction if it is being carried on.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I will yield in just a moment.

The thought I want to get across is this: The simplest way to prevent the teaching of communism here or elsewhere is to employ teachers who do not believe in communism. [Applause.] In this instance here I am informed that the teachers are appointed by the Board of Education and that the Board of Education is selected by the courts of this District, and they, in turn, are appointed by the President of the United States; and it is my thought that you cannot, by legislation, control the teaching of communism, because if you hire an instructor who believes in communism, you can lay down no rules of conduct on his part which he cannot very easily transgress and get across the doctrine in which he believes. So to my mind the only way you will ever control the teaching of communism here or elsewhere is to weed out from the teaching force the ones who believe in communism.

I now yield to the gentlewoman from New Jersey.

Mrs. NORTON. I simply wish to tell the gentleman that there has never been a complaint from a single parent in the District of Columbia with regard to teaching communism in the public schools here. I think the talk we have heard about communism in the schools is entirely unnecessary, and if the gentleman will follow the hearings that are now being conducted with regard to what they call the little red rider, I think he will be convinced there is really no communism being taught in the public schools of Washington, and there is no evidence to indicate that there ever has been.

Mr. MARSHALL. I thank the gentlewoman for the information. I am suggesting a way to rid the schools of this influence if it exists.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. BLANTON. The evidence before our committee shows that we have a stack of complaints in this file that from time to time parents of school children have made against practices constituting communism; and I want to say to my friend from Ohio, in spite of what the gentlewoman from New Jersey has said—and I think I have given more attention to it than she has in the 20 years I have been here—there was one teacher in the Western High School a few years ago who was suspended by the Board of Education for being an anarchist.

Mr. MARSHALL. Will the gentleman let me ask him the question whether or not the gentleman agrees with me that the whole matter can be healed better in the way I stated than by the enactment of legislation?

Mr. BLANTON. I think you are going to have to begin at the very apex of the school system and go down the line.

Mr. MARSHALL. The President of the United States is the apex of the school system here.

Mr. BLANTON. No; the real apex is the superintendent of schools.

Mr. MARSHALL. He owes his position to the President of the United States.

Mr. BLANTON. The superintendent of schools has had his own way with the Board of Education. We are going to have to do for him what he said he was going to do for the teachers here, and that is to put in his bosom a new and different philosophy of education than what he has in his bosom now.

Mr. MARSHALL. Into whose bosom?

Mr. BLANTON. The superintendent of schools.

Mr. MARSHALL. Why do you not fire him?

Mr. BLANTON. We do not have the power to fire him.

Mr. MARSHALL. The whole thing goes back to the appointing power, which is the President of the United States.

Mr. BLANTON. No; the President has no authority to discharge him. I want my friend to read all the evidence of the superintendent of schools in the hearings and also read all the evidence of Mr. George Jones, his professor of history, who prepares the bulletins for social studies, and he will then ascertain that the superintendent of schools is responsible.

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Chairman, I rise in opposition to the amendment.

Does the gentleman from Texas feel that that little "red rider" put upon an appropriation bill would inculcate within the bosom of this superintendent of schools a different social philosophy or a different economic philosophy?

Mr. BLANTON. Will the gentleman let me answer him?

Mr. ZIONCHECK. Yes; surely.

Mr. BLANTON. It stops the superintendent from indoctrinating his "new philosophy of education." At present there is no law that would prevent a teacher from explaining to a pupil that communism means there is no church, there is no God, there is no such thing as religion, there is no such thing as national honor, which Stalin preaches to Russian children.

Mr. ZIONCHECK. Now, I refuse to yield for a political speech for Texas.

Mr. BLANTON. Teachers here can explain that now to the children, which the corporation counsel has explained in his opinion.

Mr. ZIONCHECK. I do not yield for a political speech, because I do not believe that the gentleman from Texas knows what communism is. What is it?

Mr. BLANTON. I am not a Communist, but I know a lot about Communists and communism.

Mr. ZIONCHECK. What is the philosophy of communism, if you know—if you are an authority?

Mr. BLANTON. I will answer the gentleman in my own time.

Mr. ZIONCHECK. Now, I will tell you what it is.

Mr. BLANTON. I will ask, Mr. Chairman, that the gentleman observe the rules of the House.

Mr. ZIONCHECK. If the gentleman from Texas does not want to become enlightened——

Mr. MAVERICK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Washington yield for a parliamentary inquiry?

Mr. ZIONCHECK. Yes; I yield for that purpose.

Mr. MAVERICK. As I understand, we are on the appropriation bill for the District of Columbia, but we are spend-

ing a lot of time talking about everything else. This bill is not on the philosophy of communism, but is on appropriations, and I want to make the parliamentary inquiry: Are we really following the rules of the House at this time and have we been?

Mr. ZIONCHECK. I think we are following the rules of the gentleman from Texas.

The CHAIRMAN. The Chair will state that the discussion must be confined to the matter in the bill.

Mr. MAVERICK. As a Member of the House I ask that for the rest of the day we follow that rule, because the new philosophy and the old philosophy and all the different philosophies have nothing to do with appropriations.

Mr. ZIONCHECK. I refuse to yield further and under the circumstances, I shall say no more and I shall raise a point of order if the subject is brought up again, because it is very evident there is nothing about communism in this bill, and there is no such red rider on this appropriation bill. That is permanent law now and must be repealed if we are to treat the teachers here as Americans should be treated.

The Clerk read as follows:

WHARVES

For reconstruction, where necessary, and for maintenance and repair of wharves under the control of the Commissioners of the District of Columbia, in the Washington Channel of the Potomac River, $3,000.

Mr. BLAND. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 25, after line 5, insert a new paragraph, as follows:
"For construction of piers at fish wharf and market, including approaches, preparation of plans and specifications and personal services, $20,000."

Mr. BLAND. Mr. Chairman and gentlemen of the Committee, when the District of Columbia appropriation bill was before the House last year I called attention to the need for this appropriation. In 1914 there were built three wharves for municipal purposes. These wharves consisted of two small wharves and one large wharf. In 1932 the large wharf had become so damaged that it was removed. These wharves are used for general commercial purposes and received large quantities of agricultural and sea-food products.

Mr. BLANTON. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. BLANTON. I want to say to the gentleman that every member of the committee was very sympathetic with this item. It was not recommended by the Budget, and there were so many other items that had priority that we did not include this item in the bill.

If the gentleman will get a Budget estimate and send it up now, we will put it on in the Senate. We had already exceeded the Budget estimate by items that we thought had priority. The members of the committee were sympathetic with the gentleman's item, and I hope he will withdraw his amendment and get the Budget to send up supplemental estimates.

Mr. BLAND. Will the gentleman give me the time he is using so that I may answer?

Mr. BLANTON. I shall not object to the gentleman having an extension.

Mr. BLAND. Last year I waited for just that thing and tried to get the item inserted in the Senate. The item was not inserted. This year I tried to get the Director of the Budget to approve it. I have a great deal of respect for the Budget Director, but I think we ought to exercise our own authority and our own judgment. The item is worthy and should be inserted now.

I do not feel that I should withdraw the amendment under the circumstances. It appears that there are three or four hundred people who are bringing agricultural and sea-food products to Washington, and making many trips every year. These boats used this large wharf. They bring fresh vegetables which they sell more cheaply to the people. That is not all. It is not a matter that relates only to the people coming up from my district, or from Maryland or North Carolina. When I discussed this item last year I presented a memorandum which I procured from the Commissioners. This memorandum stated that in the past a considerable quantity of lumber had been shipped to Washington by boat, but that present facilities are not adequate to take care of this business. Some of this lumber came from the Pacific coast and some from other points. The memorandum stated that there is ordinarily used in Washington about 50,000,000 feet of lumber per year from the Pacific coast. This lumber is now brought to Baltimore by boat and then shipped to Washington by rail. It is stated upon the same authority that a saving in transportation and handling cost of about $4 per thousand would result if there were sufficient docking space at Washington wharves for boats bringing this lumber from the western coast.

I submit that the city of Washington is entitled to have these docks and wharves that may serve its tributary area.

The statement also shows that the average amount of sugar before the destruction of this pier was about 6,000 tons per year, said to be more than one-half of the sugar used in Washington. The shipments of sugar by boat necessarily were discontinued after the large pier was demolished because of inability to furnish docking space.

Omit from consideration, if you will, the people coming from my section, coming up the Potomac, or from nearby points in Maryland or North Carolina, and still as a common sense proposition it must follow that the people of Washington are entitled to have the benefit of water-borne commerce and to have proper docking facilities to receive that commerce. All I ask is $20,000 for the restoration of the large wharf. The other two wharves are now said to be in worse condition than the large wharf at the time the large wharf was demolished.

Mr. BLANTON. Mr. Chairman, the committee is sympathetic with this item and there is a movement now to place the matter before the Budget. They are to pass upon the matter and if they send an estimate here it can be put in in the Senate.

Mr. BLAND. But it has been before the Budget for 6 years.

Mr. BLANTON. But there were so many things of greater priority that we did not feel that this ought to go into the bill inasmuch as we put some matters in above the Budget which the Commissioners said were very urgent and had greater priority. I hope the committee will vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 12, noes 18.

So the amendment was rejected.

Mr. BLANTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NELSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 11851, the District of Columbia appropriation bill, and had come to no resolution thereon.

PICKETING FREE SPEECH—WHERE PLAGIARISM IS AN HONOR

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAVERICK. Mr. Speaker, we should not chide too severely the members of the National Americanization League for picketing the offices of the Columbia Broadcasting Co. on the occasion of Earl Browder's speech. The right to picket and also to appear ridiculous is an American right. But so is the right of free speech, and we can think of none other to which a body devoted to Americanizing the country should give more sympathetic attention.

Mr. Browder, to be sure, is a Communist whose avowed intention is to promote the formation of a national Farmer-Labor Party as a vehicle for the advancement of a com-

munistic program. And Communists have as little respect for free speech as they have for private property. Give them the power and they would abolish it forthwith. But democracy lives by the principle, and especially in such a case as this is it under the obligation to assert it. Could there be any better demonstration of our confidence in our own political philosophy and institutions?

COLUMBIA BROADCASTING CO. MAKES NO MARTYRS

There are other, perhaps more practical, reasons for applauding the Columbia system's lack of discrimination. "Columbia believes that the best way to make martyrs out of Communists is to gag them", said a statement in answer to the Americanization League's protest. Very well put. Speech is the traditional safety valve for political emotions. It should be permitted to operate over the air as in the press or any other medium of popular expression. Meanwhile, thanks to the liberation of Mr. Browder's utterances, we have had the antidote of an address over the same network from Representative HAMILTON FISH, Jr.

There is also the consideration of censorship. Up in New England several stations refused to transmit the Browder speech, while carrying that of Mr. FISH. There must be plenty of rugged individualists in that rock-ribbed region who thoroughly resented this dictation of their radio fare. We would paraphrase the Columbia statement by saying that the best way to make Communists out of such Americans is to forbid them the choice of their own intellects.

WHEREIN A REPUBLICAN PAPER, THE NEW YORK HERALD TRIBUNE, IS SHOWN TO BE RIGHT

Mr. Speaker, the words which I have used I have taken bodily from a New York Herald Tribune editorial page, March 7, 1936, and have adopted the wording as my own, with the exception that the first two words of the editorial were "we would", which I have changed to "we should." For that reason I have not merely inserted an editorial to be put in small type but have made it as my own speech and not as a quotation. I must acknowledge the inspiration, however, from the Herald Tribune.

I think that all of us must agree—conservatives, reactionaries, liberals, or what not—that freedom of speech must be maintained. For that reason, whenever I can agree to any statement made by a responsible, intelligent, and honorable newspaper like the Herald Tribune, although it is a Republican newspaper, I am glad to do it. This is one case of plagiarization which I openly admit and claim as an honor to myself, likewise hoping that it is an honor to the Herald Tribune itself to have its words placed in the CONGRESSIONAL RECORD.

AIRPORT FOR DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I present a conference report upon the bill (H. R. 3806) to establish a commercial airport in the District of Columbia for printing under the rule.

A STEP IN THE DIRECTION OF CURBING MONOPOLY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to insert therein a copy of an opinion of the Federal Trade Commission today in the Sears-Roebuck-Goodyear tire case. It is one of the most important cases ever handled by the Federal Trade Commission, and I want to insert in connection with my remarks the findings of fact of the Commission, a statement of the conclusions, and a copy of the order to cease and desist.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

FEDERAL TRADE COMMISSION,
Washington, Thursday, March 5, 1936.

CEASE-AND-DESIST ORDER ENTERED IN GOODYEAR-SEARS, ROEBUCK & CO. TIRE CASE

Under an order entered today by the Federal Trade Commission the Goodyear Tire & Rubber Co., of Akron, Ohio, its subsidiaries, and their officers, agents, etc., are directed to cease and desist from discriminating in price between Sears, Roebuck & Co. and the respondent Goodyear's retail dealer customers by selling automobile tires to the said Sears, Roebuck & Co. at net realized prices which are lower than the net realized prices at which the said respondent sells the same sizes of tires of comparable grade and quality to individual tire dealers or other purchasers.

In arriving at the said net realized prices the order requires the respondent to "take into account and make due allowance, and only due allowance, for differences in the cost of transportation and selling tires to individual tire dealers on the one hand and Sears, Roebuck & Co. on the other." The order concludes by stating that nothing therein "shall restrict the respondent's liberty to remove the discrimination either by increasing its price to Sears, Roebuck & Co. or by lowering its price to its other customers."

The order directs the respondent to file with the Commission within 30 days from notice thereof a report in writing stating in detail the manner in which the order will be "complied with and conformed to."

The order ends one of the most important cases ever to come before the Federal Trade Commission. The Commission's formal complaint against the Goodyear Tire & Rubber Co., issued under section 2 of the Clayton Act, was ordered on September 13, 1933, and was made public on October 18 following. Hearings were held for the taking of testimony in a number of cities, including Washington, D. C., and Akron, Ohio. Some months after issuance of the complaint, attorneys for the respondent entered a motion to dismiss the complaint on the ground that the evidence had failed to show the violation of the Clayton Act charged in the complaint. This motion was overruled by the Commission on June 22, 1934, and the taking of testimony was resumed.

Final argument was heard by the Commission in Washington, D. C., on January 14 and 15, last, at the conclusion of which the Commission took the matter under advisement.

At the same time that the cease-and-desist order was made public, the Commission made available a summary of its findings of fact and a statement of its conclusions.

The findings of fact showed that the Goodyear-Sears, Roebuck & Co. contract, which the Commission said was discriminatory, was entered into on March 8, 1926, on a cost-plus basis, was renewed on May 17, 1928, and again renewed on October 5, 1931, the latest contract to run until December 31, 1942. On the rate the last contract was entered into, the Commission said in its findings of fact, a secret agreement was entered into under which the Goodyear Co. assigned to Sears, Roebuck & Co. 18,000 shares of Goodyear common stock and also paid over to Sears, Roebuck & Co. $800,000 in cash to be used in the purchase of 32,000 additional shares of Goodyear common stock as a consideration for the signing of the third contract without opening it up to competition.

In its findings of fact the Commission found, among other things, that the gross discrimination in favor of Sears, Roebuck & Co. ranged from 32 to 53 percent.

That the net average sales-price discriminations, after deductions from dealer prices for discounts and allowances and transportation over the entire period, varied from 29 to 40 percent.

That the total net discrimination, after making the allowances referred to, amounted to approximately $41,000,000, or approximately 26 percent of the aggregate net sales price to independent dealers on a volume of business comparable to that of Sears, Roebuck & Co.

That the respondent concealed the prices and terms at which it was selling tires to Sears, Roebuck & Co. from its own sales organization and from the trade generally, and that the competition which Sears, Roebuck & Co. was thus able to bring into the retail tire market was a major factor in driving out of business a large number of retail tire dealers, and that this reduction in the number of independent tire dealers in turn drove out of business numerous small tire manufacturers.

The price discrimination found to exist, said the Commission in its statement of conclusions, "was not justified on account of differences in the grade, quality, or quantity of the commodity sold, or by difference in the cost of selling or transportation, or by good faith to meet competition, and it had the effect of substantially lessening competition and tending to create a monopoly."

A summary of the Commission's findings of fact, a statement of its conclusions and copy of the order to cease and desist are attached hereto.

SUMMARY

The following is a brief summary of the foregoing findings:

1. Respondent, an Ohio corporation with principal office and place of business and principal manufacturing plants at Akron, Ohio, is the largest manufacturer and distributor of pneumatic rubber tires in the United States.

2. Respondent, since about 1914, has distributed the great bulk of its pneumatic rubber tires sold for resale in the several States of the United States through approximately 25,000 local retail dealers.

3. Sears, Roebuck & Co. is a New York corporation with its principal office located in the city of Chicago, State of Illinois, engaged in the distribution of general merchandise products, including pneumatic rubber tires and tubes, by mail order and through chain stores to the consuming public, and is reputed to be the largest mail-order house and chain-store operator in the United States.

4. On March 8, 1926, respondent and Sears, Roebuck & Co. entered into a contract by which respondent agreed to manufacture and to sell, and Sears, Roebuck & Co. agreed to purchase upon a basis of cost plus 6 percent (afterward 6½ percent), the requirements of Sears, Roebuck & Co. for a supply of the pneumatic rubber tires which it sold at retail. This contract with minor modifications was renewed May 17, 1928, and again October 5, 1931, and under the terms of the last renewal will remain in force at least until December 31, 1942.

5. On October 5, 1931, the date that the last tire contract was entered into, a secret agreement was made between respondent and Sears, Roebuck & Co. by which respondent assigned to Sears, Roebuck & Co. 18,000 shares of Goodyear common capital stock and gave to Sears, Roebuck & Co. $800,000 in cash to be used in the purchase of 32,000 more shares of Goodyear common capital stock as a consideration for the signing of the third tire contract without opening it to competition.

6. Under these several tire contracts, respondent has in fact, with minor exceptions, manufactured and sold to Sears, Roebuck & Co. its requirements of pneumatic rubber tires which it sells at retail.

7. Pursuant to the terms of these several tire contracts between respondent and Sears, Roebuck & Co., respondent has sold tires to Sears, Roebuck & Co. at prices substantially lower than it sold tires of comparable grade and quality to independent retail tire dealers. This difference in sales price has averaged, on four popular sizes of tire casings, from 32 to 40 percent in 1927; from 33 to 55 percent in 1928; from 35 to 45 percent in 1929; from 36 to 46 percent in 1930; from 35 to 50 percent in 1931; from 38 to 48 percent in 1932; from 35 to 53 percent in 1933. The average gross discrimination on these four sizes for the entire period of time from May 1926 to December 1931 was approximately 40 percent. On other sizes the gross discrimination over the entire period varied from 32 to 42 percent.

8. The net average sales price discrimination remaining after deductions had been made from the dealer prices for discounts and allowances and transportation over the entire period varied from 29 to 40 percent on eight sizes of tires. The total aggregate net discrimination after making such allowances amounted to approximately $41,000,000, or approximately 26 percent of the aggregate net sales price to independent dealers on a volume of business comparable to the volume sold to Sears, Roebuck & Co.

9. Such discriminatory prices were not given to Sears, Roebuck & Co. on account of differences in quantity of the commodity sold, nor were they given to make only due allowance for differences in the cost of selling or transportation. Net price discrimination, after making due allowance for selling and transportation costs, ranged from 11 to 22 percent on eight popular sizes of tires.

10. Such discriminatory prices were not made to Sears, Roebuck & Co. in good faith to meet competition. No competitor of financial responsibility, able to meet Sears, Roebuck & Co.'s requirements as to quantity and quality of the tires, has ever solicited Sears, Roebuck & Co.'s tire business by offering tires of Goodyear quality to Sears, Roebuck & Co. at prices as low as Sears, Roebuck & Co. was paying respondent.

11. Respondent concealed the prices and terms at which it was selling tires to Sears, Roebuck & Co. from its own sales organization and from the trade generally, and at no time did respondent offer to its own dealers prices on Goodyear brands of tires which were comparable to prices at which respondent was selling tires of equal or comparable quality to Sears, Roebuck & Co.

12. None of Sears, Roebuck & Co.'s competitors have the advantages of similar low prices. Sears, Roebuck & Co. was and still is enabled by such discriminatory prices to undersell, at a profit to itself, all retail tire distributors, including retail dealers selling respondent's brands of tires and competing dealers selling tires of other manufacturers.

13. Sears, Roebuck & Co. has, in fact, persistently, systematically, and substantially, undersold such dealers by pricing for the consumer market the tires which it had so purchased from the respondent at prices ranging from 20 percent to 25 percent lower than the prices placed upon tires of comparable grade and quality sold by other retail dealers in the market, except in the year 1933, when, due to outside pressure, Sears, Roebuck & Co. prices were only approximately 10 percent lower. Sears, Roebuck & Co.'s volume of sales of tires increased more rapidly than any other retail distributor from 1926 to 1930, and it is still the largest retail distributor of tires in the United States.

14. Sears, Roebuck & Co. usually led in price declines during the period covered by the contracts, that is, from 1926 through 1933, and with the low prices aggressively pushed the sale of its tires by the use of numerous sales devices, such as excessive guaranties, free tube offers, and trade-in allowances.

15. The competition which Sears, Roebuck & Co. thus brought into the retail tire market in the several States was a major factor in driving out of business a large number of retail tire dealers by reducing their volume of sale of tires or by curtailing of profits derived by such sales, or both.

16. The Sears, Roebuck & Co.'s competition became destructive and was not such normal competition as would be of benefit to consumers, since Sears, Roebuck & Co. was able, through its discriminatory price advantages, to practice such competition and to succeed in engrossing for itself abnormal profits, while curtailing the profits of its competitors.

17. Sears, Roebuck & Co.'s competition tended to and was in fact a major factor in curtailing the number of competitors that were independent tire dealers, and tended to and was a major factor in substituting for such independent retail tire dealers as were driven out of business mass distributors and other large-volume dealers.

18. Such curtailing of a number of independent retail tire competitors has in turn driven out of business numerous small tire manufacturers and has thus reduced the manufacture and sale of pneumatic rubber tires to a smaller and smaller number of independent manufacturers and dealers.

19. Respondent, as a result of the increased volume of business it has obtained through the sale of tires to Sears, Roebuck & Co. and the reduction in the number of independent manufacturers and dealers resulting from Sears, Roebuck & Co.'s competition, has substantially increased its percentage of the total industry renewal sales since the year 1926 and has increased its dominant position in the tire industry.

CONCLUSIONS

Said respondent, the largest rubber-tire manufacturer in the world, has been and now is engaged in interstate commerce in the sale of tires (casings and tubes) to independent service-station dealers and also wholesalers, chain retail stores, and mail-order houses in competition with other manufacturers and wholesalers of tires in the United States. Tires are commodities within the meaning of the language of section 2 of the Clayton Act. In the course and conduct of its said business respondent has unlawfully discriminated in price in the sale of tires between its purchasers thereof; that is to say, between Sears, Roebuck & Co., the largest mail-order and chain-store operator in the United States, and other purchasers of tires, competitors of said Sears, Roebuck & Co., by allowing Sears, Roebuck & Co. a lower price than allowed other purchasers competitively engaged in said line of commerce, and also by allowing said Sears, Roebuck & Co. secret rebates and discounts in the form of cash and valuable stock bonuses. These said price discriminations were concealed by said respondent from said other purchasers, and the said price discriminations hereinbefore described have the capacity and tendency to, and in fact do, substantially lessen competition in the sale and distribution of rubber tires (casings and tubes) for use on motor trucks and passenger automobiles between respondent and other manufacturers and wholesale distributors of said products and between the said Sears, Roebuck & Co. and other retail tire dealers engaged in the sale and distribution of rubber tires (casings and tubes) in competition with said Sears, Roebuck & Co., including retail tire dealers engaged in the sale and distribution of Goodyear branded tires. Said discriminations also have the tendency and capacity to create a monopoly in said respondent in the sale and distribution of rubber tires (casings and tubes) for use on motor trucks and passenger automobiles to wholesale and retail tire dealers now owned or controlled by said respondent, located throughout the several States of the United States. Said discriminations also tend to create a monopoly in the respondent and said Sears, Roebuck & Co. in the retail distribution and sale to the public of rubber tires (casings and tubes) for use on motor trucks and passenger automobiles throughout the several States of the United States. Said discriminations in price were not made on account of the differences in grade, quality, or quantity of the commodity sold, nor did said discriminations make only due allowance for differences in the cost of selling or transportation of said tires, nor were said discriminations made in good faith to meet competition.

The cost of selling large annual quantities to Sears, Roebuck & Co. is less than the cost of selling small individual shipment quantities to independent tire dealers, and a lower price to Sears, Roebuck & Co. is justified only to the extent that its large annual purchases are economically justified; that is, to the extent that Goodyear's large sales to Sears, Roebuck & Co. are less expensive to make than its smaller sales to independent tire dealers.

The Commission does not consider a difference in price to be on account of quantity unless it is based on a difference in cost, such difference in price is reasonably related to, and approximately no more than, the difference in cost, otherwise the discrimination will create unjust preference and unfair competitive conditions. The evidence in this case does not show that the amount of the discrimination is made in favor of large sales to Sears Roebuck & Co. and against small ones to the independent dealer on account of savings or economies to the seller, taking into account all relevant factors going to make up price on account of quantity. The difference in price shown in this case far exceeds any demonstrated difference in savings and bears no reasonable relation to the differences in cost.

The practice of giving large and powerful purchasers a disproportionately large discount is not justified. Such a discrimination, when made merely on account of size, tends toward monopoly and the suppression of competition. If the quantity proviso be interpreted to mean that a manufacturer can discriminate with respect to quantity sales to any extent he desires, the section would be rendered meaningless and ineffective. It is clear that the quantity proviso can only have been intended to preserve to the large buyer the inherent economies of large purchases and does not give a manufacturer a license to grant him a favored price without restraint. Quantity discounts are exempt because such a discount involves some economic utility that should be preserved. The meaning of the quantity exception, therefore, is not that a difference in quantity permits price discrimination without limit or restraint, but merely that a difference in the quantity of the commodity sold must be given reasonable weight in determining whether the discriminatory price is warranted.

In arriving at a price on account of quantity sold, some standard of comparison is necessary. It is the relation between price and quantity. Factors that go to make up price because of quantity are to be taken into account and given reasonable weight in determining whether a price discrimination is legal or illegal. Quantity sales are cheaper than small ones, and to this extent they are economically justifiable. A quantity discount based on the amount of annual sales is a price discrimination contrary to section 2 of the Clayton Act unless it can be shown that it represents and

fairly approximates lower costs. On the one hand, remote and unsubstantial differences in cost may be disregarded, and, on the other hand, a discount is not to be condemned merely because it does not mathematically accord with cost differences. The problem is a practical one and must depend on the effect and intent of the scheme as a whole. The principle back of section 2 of the Clayton Act is one of equality to purchasers, and in order to maintain this principle of equality it is necessary that the difference in price be reasonably related to the difference in cost and not a covert means of favoritism. If it was left to a manufacturer to make the price solely on account of quantity, he could easily make a discount by reason of quantity so high as to be practically open to the largest dealers only. A manufacturer, if allowed to do so, might in this manner hand over the whole trade in his line of commerce to a few or a single dealer, or it might at will make the discount equal to or greater than the ordinary profit in the trade, and competition by those who could not get the discount would obviously be out of the question.

A manufacturer, under the Clayton Act, is under a duty to comply with the law, and he may not make his bargains according to his own interest by discriminating as he pleases, however honest and however justifiable such course might be from the standpoint of commercial principles. Large industrial companies, through price discrimination, can control competitive business conditions among their customers to the extent of enriching some and ruining others. Under the Clayton Act a manufacturer has no right to put dealers to any such destructive disadvantage by any unjustified discrimination. While a manufacturer has an interest in making attractive offers in order to secure as much business as possible, it is, however, an interest which can only be consulted and acted upon in subordination to law. When one discriminates in price between competitors he reduces the price to one or some of them. Competition limits the selling price. When a competitor is given a lower price, it follows that his profit has been increased by just the amount of the reduction. It equally follows that every competitor has been put to a disadvantage in just that sum.

It is not contemplated by the statute that a discriminatory price made on account of quantity may be a secret price, but the statute contemplates a price open to all of the sellers' customers who may desire to purchase a similar quantity at like prices on like terms.

A lower price to Sears, Roebuck & Co. for large quantities purchased, not justified by differences in cost, cannot be justified on the ground that such lower price was made in good faith to meet competition or because respondent deems such a price necessary to keep the business from going to a manufacturer competitor. The proviso in the act permitting discrimination made in good faith to meet competition is available to the respondent only if its manufacturer competitors have already made an equally low and discriminating price to Sears, Roebuck & Co.

If a powerful concern starts a campaign of price cutting in a particular community and to particular customers in violation of the Clayton Act, a competitor does not violate the act by meeting this competition by a corresponding discrimination. It is a discrimination in good faith for defensive purposes that is sanctioned, not offensive discrimination.

The Commission considers the correct theory of the law to be that, in addition to the statutory cause of action for treble damages against an offensive price discriminator and in addition to the right to apply to the Federal Trade Commission for a cease-and-desist order, there is an immediate right of self-defense; but that it is available only if the discrimination started with the competitor, and it must be exercised in good faith. A manufacturer may justify a discriminatory low price to a large purchaser on the ground of meeting competition only if his competitor has previously made an equally low and discriminating price to that purchaser. Any other interpretation would nullify the effectiveness of the whole section.

In the phrase in the statute, "Where the effect of such discrimination may be to substantially lessen competition", the words "where the effect may be" are obviously used merely to indicate that it is tendency and probable effect rather than the actual results that are important. It follows that the words "substantially lessen competition" are not to be taken in a purely quantitative or arithmetical sense. It is not necessary, nor is it sufficient, to find that difference in price (or any other unfair acts for that matter) will result in, say 5 percent or 10 percent less competition than there was before. Such an interpretation would make the law entirely unworkable, for competition is not a thing that can be measured with a yardstick. It would, moreover, be inconsistent with the intent of Congress as expressed in the law, the purpose of which is to insure fair and honest competition based on efficiency. The words "may be" indicate neither bare possibility nor certainty, but probability, to be deduced from the intent or inherent character of the acts themselves. The words must be construed together with the whole section, and they must be taken all together to indicate generically the distinction between fair and unfair competition. The law is designed to prevent lessening of competition by unfair acts. As long as fair methods are followed, competitive conditions will prevail; unfair methods always tend to monopoly.

In this case there is a price discrimination in favor of Sears, Roebuck & Co., which gives it an unfair competitive advantage, thereby producing an unjust competitive situation as between it and independent tire dealers. The discrimination is not grounded on efficiency and cost. It is the opinion of the Commission that no justification exists for this discrimination or method of competition.

With respect to the qualification that price discrimination is forbidden only insofar as its effect may be to substantially lessen competition or tend to create a monopoly in any line of commerce, the Commission considers this to mean merely that the discrimination must have the effect of imposing an unlawful restraint on competition, as distinguished from normal competitive methods.

In considering the question of price discrimination it is important to bear in mind the underlying theory of section 2 of the Clayton Act. That theory is that monopoly on the whole is an unnatural product, the result of unwholesome competitive methods; and that it will not ordinarily result where the methods of competition are fair. Hence, to prohibit price discrimination—unfair methods of competition—is to prohibit the methods which foster monopoly.

Price discriminations are specifically condemned by the act because the Congress deems them to be unfair and injurious. They are condemned, it is true, only "where the effect may be to substantially lessen competition or tend to create a monopoly", but this simply means that the discrimination must be of a type which experience has demonstrated to be unfair. The hypothesis which underlies section 2 of the Clayton Act is that price discriminations not justified on the basis of cost and efficiency create unfair competitive conditions, and that unfair competitive methods of themselves tend toward monopoly.

The price discrimination to Sears, Roebuck & Co. was not justified on account of differences in the grade, quality, or quantity of the commodity sold, or by difference in the cost of selling or transportation, or by good faith to meet competition, and it had the effect of substantially lessening competition and tending to create a monopoly.

The Commission therefore finds that the said discriminations were and are in violation of section 2 of said Clayton Act.

By the Commission.

CHARLES H. MARCH, *Chairman.*

Attested this 5th day of March, A. D. 1936.

OTIS B. JOHNSON, *Secretary.*

UNITED STATES OF AMERICA. BEFORE FEDERAL TRADE COMMISSION, AT A REGULAR SESSION OF THE FEDERAL TRADE COMMISSION, HELD AT ITS OFFICE IN THE CITY OF WASHINGTON, D. C., ON THE 5TH DAY OF MARCH, A. D. 1936

Commissioners: Charles H. March, chairman; Garland S. Ferguson, Jr., Ewin L. Davis, William A. Ayres, Robert E. Freer.

In the matter of the Goodyear Tire & Rubber Co. Docket No. 2116.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint and amended complaint of the Commission, the answers of the respondent thereto, testimony and evidence taken before John W. Burnett, examiner of the Commission, theretofore duly designated by it, in support of the charges of said complaints and in opposition thereto, briefs filed herein and oral argument by Everett F. Haycraft and PGad B. Morehouse, counsel for the Commission, and by Edward B. Burling and Grover Higgins, counsel for the respondent, and the Commission having made its findings as to the facts and its conclusion that said respondent has violated the provisions of an act of Congress approved October 15, 1914, entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes" (38 Stat. 730).

It is ordered that the respondent, the Goodyear Tire & Rubber Co., and its subsidiaries and their officers, agents, representatives, servants, and employees, in connection with the sale of automobile and truck tires (casings and tubes) sold in interstate commerce, for resale within the United States or any Territory thereof, or the District of Columbia, cease and desist from:

(1) Discriminating in price, either directly or indirectly, between Sears, Roebuck & Co. and respondent's retail dealer customers, or any of them, by selling said tires to said Sears, Roebuck & Co. at net realized prices which are lower than net realized prices at which said respondent, or any of its subsidiaries, sells the same sizes of tires of comparable grade and quality to independent tire dealers, or other purchasers. In arriving at said net realized prices, respondent shall take into account and make due allowance and only due allowance for differences in the cost of transportation and selling tires to independent tire dealers on the one hand and Sears, Roebuck & Co. on the other.

(2) Discriminting in price, either directly or indirectly, between Sears, Roebuck & Co., and independent retail dealers, by selling said tires to said Sears, Roebuck & Co., at an aggregate price computed and based upon the most of said tires, plus a fixed ratio of profit, which said price is less, in the aggregate, than a price currently computed or based upon a cost, computed in accordance with the accounting principles and procedures then maintained by respondent, and including all items of costs and expenses then being incurred in the manufacture, sale, and distribution of tires to all other purchasers of tires from said respondent engaged in the resale thereof, except advertising and selling expenses incurred in the sale of Goodyear brands, and with a profit factor which would be sufficient to return to said respondent thereon a ratio of net profit to cost of goods sold approximately equivalent to the ratio of net profit to cost of goods sold, realized from the sale of tires to said other purchasers: *Provided, however,* That in complying with this section of this order respondent shall not be prevented from following the method now employed in billing Sears, Roebuck & Co., periodically at estimated prices for all tires shipped to Sears, Roebuck & Co., during such period and

collecting the amount of said billing from Sears, Roebuck & Co., at times agreed upon between respondent and Sears, Roebuck & Co., and furnishing Sears, Roebuck & Co., at convenient times, agreed upon between respondent and Sears, Roebuck & Co., an estimate of the prices at which said tires will be billed to Sears, Roebuck & Co., and making recalculations or redeterminations of said prices at which said tires have been billed to Sears, Roebuck & Co., giving effect to the factors and bases entering into said prices, and in the event payments made by or due from Sears, Roebuck & Co., to respondent on account of the purchase price of the product delivered during the respective periods, exceeds the aggregate amount to which respondent would be entitled upon the basis of said recalculated or redetermined prices, respondent shall not be prevented from following the present method of paying to Sears, Roebuck & Co., such excess amount: *And provided*, That in the event the payments made by or due from Sears, Roebuck & Co., to respondent on account of the purchase price of the product delivered during the said respective periods were less than the aggregate amount to which respondent would be entitled on the basis of said recalculated or redetermined prices, then respondent shall not be prevented from requiring Sears, Roebuck & Co., to repay to the respondent the amount shown to be due respondent, in order to comply with the provisions of this order.

Provided further, That nothing herein shall restrict the respondent's liberty to remove the discrimination either by increasing its price to Sears, Roebuck & Co. or by lowering its price to its other customers.

It is further ordered, That said respondent shall, within 30 days from notice hereof, file with this Commission a report in writing stating in detail the manner in which this order will be complied with and conformed to.

By the Commission:

[SEAL] OTIS B. JOHNSON, *Secretary*.

COMMEMORATION OF THE FOUNDING AND SETTLING OF THE CITY OF NEW ROCHELLE, WESTCHESTER COUNTY, N. Y.

Mr. MILLARD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the city of New Rochelle in my district.

The SPEAKER. Is there objection?

There was no objection.

Mr. MILLARD. Mr. Speaker, there is on the Consent Calendar a bill which, if enacted, will authorize the striking of a coin to commemorate the two hundred and fiftieth anniversary of the founding and settling of the city of New Rochelle, in Westchester County, N. Y. New Rochelle is rich in colonial history, in which its residents take great and proper pride, and it is my purpose at this time to sketch briefly the early happenings there.

New Rochelle was originally a French community. The city's founders were descendants of the Huguenots, who, early in the seventeenth century, resisted the attacks of the French Army in La Rochelle and surrendered only upon the promise of future religious freedom. Fifty-seven years later, with the renewal of Huguenot persecutions by the revocation of the Edict of Nantes, the citizens of La Rochelle fled to England and Holland, and some of their number in 1686 commissioned the then Governor of New York to purchase for them a tract of land in America. On behalf of the refugees, Governor Leisler purchased from John Pell 6,000 acres of land, part of a tract purchased in 1640 from the Siqanoy Indians by the Dutch West India Co., transferred to Pell in 1654 and later known as Pelham Manor. The purchase price was approximately $8,000, and Pell presented the colony with an additional 100 acres of land "for the church."

The main body of the Huguenot settlers, about 30 families, arrived in September 1688, but historians believe that several farms occupied by single families had been taken up before that time. Other Huguenot settlers arrived from time to time and were joined occasionally by Dutch and English settlers, but the colony, named in honor of their native city in France, remained French in language, custom, and spirit for many years.

These were an intensely religious people, of strong character, many highly educated and intelligent, who had been exiled from the country of their birth because of rebellion against the established French church. While they organized a church immediately upon their arrival, they could not maintain a regular pastor and are said to have walked barefooted, shoes and stockings in hand, a distance of more than 20 miles to attend services in the French church in New York City.

In New Rochelle today are standing houses built before the Revolution, and an old inn where stage coaches from New York to Boston stopped to change horses and where the flying messenger rested who carried from Boston the news of the Battle of Lexington. Washington, on his way to Boston to assume command of the Continental Army, traveled through and stopped at New Rochelle, as his diary indicates he did several other times during the war. New Rochelle was in the line of march from New York when General Howe, in pursuit of Washington, was joined by General von Knyphausen with his troop of Hessians and regiment of Irish cavalry. Skirmishes occurred in the vicinity throughout the war, but no important engagements took place. All through the war, however, the village which, like the whole of Westchester County, lay between the two armies, was plundered and pillaged and many residents were despoiled of all they possessed, churches were closed, and local government established in 1690 was suspended.

Following the Revolution, 1784, Thomas Paine, the patriot-hero and author of Common Sense, was given by the State of New York a confiscated farm in recognition of his great services, and Paine lived on the farm in New Rochelle for many years. Washington said of him that, "His pen was worth more than 10,000 bayonets."

Among the distinguished pupils in the New Rochelle schools in those early days were John Jay, Philip Schuyler, and Gouverneur Morris.

At Pelor's Tavern, General Lafayette was entertained when he traveled through New Rochelle on August 20, 1824.

Here in New Rochelle Daniel Webster courted and later married his second wife, Catherine LeRoy. After her husband's death Mrs. Webster returned to New Rochelle to make her home.

The advent of the railroad, which ran its first train through New Rochelle on Christmas Day, 1848, foreshadowed changed conditions which were to accelerate the growth of the village, but without affecting any sudden or radical change in its general characteristics.

New Rochelle stands today a busy little city of 54,000 inhabitants, living "45 minutes from Broadway"—a large number commuting to business in New York City.

Through me, the inhabitants of New Rochelle invite you and your friends to join with them in September 1938 in celebrating the two hundred and fiftieth anniversary of the founding of their city by that small but brave band of Huguenot refugees fleeing from religious persecution, and I hope you will accept their invitation, where a cordial welcome will be awaiting you not only in New Rochelle but in Westchester County as well.

AMERICANISM VS. COMMUNISM

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio address delivered by me.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include my speech over the Columbia Broadcasting System from New York Friday evening, March 6, 1936, as follows:

I accepted the invitation of the Columbia Broadcasting System to speak on communism, and reply, insofar as possible in the time allotted me, to the speech of Earl Browder, general secretary of the Communist Party of the United States, delivered over the Columbia network last night.

At the outset of my remarks, I want to make clear that I am neither criticizing nor defending the position taken by the Columbia Broadcasting System in allocating time to Mr. Browder and permitting him to urge his revolutionary propaganda against our free institutions and to spread class hatred among the American people.

I believe in freedom of speech, and as long as the Communist Party continues to have a place on the ballot in most of the States of the Republic, then there is no very sound reason to shut their leaders off the air. Personally, I do not consider the Communist Party of the United States as an American political party, but merely as a section of the Communist International, taking all its orders from the Communist International at Moscow.

The question of permitting the Communist Party to have a place on the ballot is a matter for each State to determine through its legislature, and not the Federal Government. The committee appointed by the House of Representatives in 1930 to investigate

Communist activities in the United States, of which I was chairman, included among its recommendations the following: "That the Communist Party should be declared illegal, or any counterpart of the Communist Party advocating the overthrow of our republican form of government by force and violence or affiliated with the Communist International at Moscow, be declared illegal."

While the Communists in the United States call themselves a party, they do not in an American sense constitute a party, and this word is a misnomer for the reason that Communists openly disavow the purpose of accomplishing their ends by parliamentary or constitutional methods under our republican form of government guaranteed to each State by the Constitution.

However, I see very little difference in permitting Earl Browder, a high official of the Communist Party, to speak over a coast-to-coast network when the radicals, Socialists, and near Communists of the New Deal "brain trust", who are spreading the same kind of class hatred, and, like termites, are undermining private property, capitalism, and the Constitution, can get almost as much time as they want. In fact, I am inclined to the belief that the open attacks of Communists against our industrial, social, and political institutions are far less dangerous than the subtle and insidious attacks of New Deal spokesmen, such as Under Secretary of Agriculture Rexford Guy Tugwell.

In a recent inflammatory speech at Los Angeles he denounced the capitalistic system and urged that we do away with "the sterile morality of individualism, and that all who disagree are tories, autocrats, and enemies, and they must get out of the way with the moral system that supports them." Professor Tugwell, continuing his attacks on our American system and the promotion of class hatred, said, "And we should proceed for once in establishing a farmer-worker alliance which will carry all before it, reducing our dependence on half-way measures. Our best strategy is to surge forward with workers and farmers of the Nation—trusting on the genius of our leader (President Roosevelt) for the disposition of our forces and the timing of our attack."

Browder said in a recent speech to the Seventh Congress of the Communist International at Moscow that "our task", meaning the Communist Party, "is now to rally the disillusioned masses into an anti-Fascist and an anticapitalist political movement with the development of a workers' and farmers' labor party as the goal."

These are practically the identical words used by Professor Tugwell. Is there really much difference between the views expressed by Earl Browder and those of Mr. Tugwell, an accredited spokesman of the New Deal?

There are at present a host of young radicals, Socialists, near-Communists, and in some instances Communist contributors holding important positions under the New Deal administration who have never been affiliated or identified with the Democratic Party in the past but who are daily promoting class hatred, collectivism, and State socialism under the guise of Democrats.

In all fairness to Mr. Browder, he at least tells the public what his objectives are, and they can be understood by anyone who takes the trouble to study them. But is it right or fair to our American system that an administration, sworn to uphold and defend the Constitution, should either encourage or permit their own appointees while on the Federal pay roll to undermine our own institutions and spread class hatred?

I am more opposed to the New Deal on this score than any other, as it has done more to cause labor unrest, numerous and unprecedented strikes, and to promote more class hatred in 3 years than all other administrations in the last 150 years, since the birth of the Republic.

Mr. Browder, in speaking before the Communist International, last July said: "The party played an important roll in the great strike wave—in strikes the Communist Party often wielded a decisive and leading influence."

Last year I presented on the floor of the House of Representatives evidence in the form of photostatic receipts of checks which disclosed that Robert Marshall, Director of the Forestry Division, Bureau of Indian Affairs, in the Department of Interior, had actually contributed to a Communist veteran organization to promote Communist activities among the veterans and a Communist bonus march on Washington. I am informed that this patriotic gentleman is still on the Government pay roll, while millions of our citizens who believe in our American system are still walking the streets looking for a job.

There is one good thing about the Communists, and that is that they are far more loyal to their party principles than Republicans and Democrats who write them into party platforms and begin to forget about them immediately after the election. I refer particularly to the Democrats at this critical juncture.

Although I have been accused in the past of being an alarmist and fearful of the Communist bogeyman, I have no fear of the spread of communism in free America if the people know and understand the principles, aims, and purposes of communism.

The best way to combat communism is through education and by merely presenting the facts and not through force and violence, which only makes political martyrs of them. I have no fear of a Communist uprising or revolution in the United States, as there are only about a million Communists and Communists sympathizers here, and, using a Russian word, the Regular Army, the National Guard, the American Legion, and Veterans of Foreign Wars could "liquidate" them all in a few weeks' time if they tried to put on a revolution in our country.

My advice is to tell the American people what communism is and it will never spread far among our free and independent people. Here is what communism stands for: (1) Hatred of God and all forms of religion; (2) destruction of private property and inheritance; (3) promotion of class hatred; (4) revolutionary propaganda through the Communist International to stir up Communist activities in foreign countries in order to cause strikes, riots, sabotage, and industrial unrest; (5) destruction of all forms of representative or democratic governments, including civil liberties, such as freedom of speech, of the press, of assembly and trial by jury; and (6) the promotion of a class or civil war by force, violence, and bloodshed and through world revolution to attain the final objective of a soviet form of dictatorship under the red flag with the world capital at Moscow.

The action of the Columbia Broadcasting Co. in permitting Mr. Browder to speak over their network proves at least in America that freedom of speech still exists. Had Mr. Browder made the same kind of a speech in Moscow that he made last night, he would have been shot at sunrise. There is no such thing as free speech in Soviet Russia. The slightest criticism against the Communist regime means deportation to the timber camps of the north or sudden death. It is amusing to listen to the Communists in America yelling from the housetops about freedom of speech and in the next breath advocating revolutionary methods to establish a Soviet dictatorship in the United States whose first act would be to abolish freedom of speech and of the press and to substitute state terrorism supported by secret political police, force, violence, and control of the bread ticket.

Only recently Robert Ripley, editor of "Believe It or Not", was refused permission to enter Soviet Russia because he had dared to state the facts and criticize the conditions there; in other words, he refused to be a propagandist or to censor his articles for the benefit of the Soviets.

I have been repeatedly asked to state what organizations are making an effective fight against communism. Among the organizations in this country that have rendered consistent and practical service in combating communism should be listed the Catholic Church, through Father Edmund A. Walsh, of Georgetown University; the American Federation of Labor, through William Green and Matthew Woll; the American Legion; the Veterans of Foreign Wars; United Spanish War Veterans; the American Coalition, comprising over 100 patriotic groups; the United States Chamber of Commerce; Better America Federation; the Hearst and Macfadden publications; the Elks, Moose, Red Men, Junior Order United American Mechanics, and Lions Clubs; and among the individuals, Walter S. Steele, of the National Republic Magazine; Col. Edwin Marshall Hadley and Harry A. Jung, of Chicago; Representative John W. McCormack, of Boston; and Police Inspectors John A. Lyons, of New York, Make Mills, of Chicago, and William F. Hynes, of Los Angeles.

All of these organizations and individuals have refused to compromise with communism and are deserving of public support in their efforts to combat its spread in America.

On the other hand, there are a number of organizations and individuals who started out apparently with good intentions to combat communism but have been carried away by various forms of obsessions that have either detracted from or destroyed completely their further usefulness in fighting communism. I refer to Mr. James True, who, in his Industrial Control Reports, has become nothing more than a Jew baiter and has gone to the extent of accusing Senator BORAH'S secretary, Miss Cora Rubin, as being a Russian Jewess, when the fact is she is a native-born American of Christian parents. Mrs. Elizabeth Dilling, author of the Red Network, has likewise repeated this misinformation and other anti-Jewish perversions, and apparently is under the impression that there is little difference between a liberal and a Communist. Such a lack of intelligence undermines and practically destroys any value that the Red Network might have had.

The outstanding Jew hater of them all, however, is a certain Robert Edward Edmondson, who operated the so-called Edmondson Economic Service in New York, who in one of his recent issues, because I deny that every Jew or every liberal is a Communist, asks, "Was the name originally spelled 'Fisch'?" thereby probably trying to connect my name with the alien Isador Fisch of the Hauptmann case.

Another individual in the same category, as far as exaggerated statements that are harmful to all those seeking to combat communism, is Mr. Ralph Easley, of the National Civic Federation, whose amazing and unfounded statements constitute a handicap to all those fighting against the spread of communism.

Just why any American citizen should support or contribute to any of these four witch burners or their organizations is beyond my comprehension in a free country where intolerance and bigotry has no place in our national life and when the Constitution guarantees that there shall be no discrimination on the ground of race, color, or creed.

The Communists are the most skillful propagandists in the world, and Mr. Browder is no exception in his appeal to all those who favor old-age pensions, unemployment insurance, and reemployment of labor. In answer, let me say that confidence and employment are one and inseparable, and the only way to restore employment of labor under our American system is through the restoration of confidence by sound principles of government and not by destruction of wealth and private property.

I have favored old-age pensions for many years, and introduced 10 years ago in Congress a bill to provide such pensions. The present Congress by an overwhelming vote passed a Federal Old Age Pension Act as the first step in meeting this economic and social problem, and provided in addition unemployment insurance.

It is an old trick of the Communists to harp on issues which everyone favors, although there may be a difference of opinion as to methods and application. The Communists, knowing that their

fundamental principles are abhorrent to free Americans, try to exploit the depression for their own benefit by making fabulous promises and attacking any reasonable attempt toward recovery, social security, and employment.

The newest strategy of the Communist International, laying aside temporarily their fundamental principles, is to appeal to the discontented elements to form a united radical front, and to intensify their tactics of boring from within in all labor, educational, youth, racial, and pacifist groups, and even into some religious denominations.

Mr. Browder hurls defiance at the capitalistic system. He insists it has failed and broken down and must go. According to him, American labor is suppressed, exploited, and brutalized under our industrial system, based on private initiative and profit. The American system under which our wage earners have been the best paid, the best housed, the best fed, the best clothed, and the most contented and freest in the world must be scrapped for communism and imported form of economic and political dictatorship.

There is only one real test of the relative advantages of communism and capitalism, and that is Soviet Russia, where 6,000,000 people starved to death in 1933 and 1934 in what used to be the granary of Europe. If a thousand people starved to death in America all the capitalistic press would proclaim the doom of capitalism in headlines. To see the concrete difference between capitalism and communism all one has to do is to go to the secessionist states, formerly part of Russia, like Finland, Latvia, and Lithuania, under capitalist regimes, where the farmhouses are well constructed and the peasants well fed, clothed, and contented; and then go across the border into Soviet Russia, where the farmhouses are dilapidated and falling down and the peasants in rags, undernourished, and living in a virtual state of terror. Why half of the underfed and terrorized population of Soviet Russia would move out in 60 days if the emigration barriers were let down.

The attitude of the American Federation of Labor toward recognition of Soviet Russia and toward communism is right. Free American labor resents being compared with the regimented, ticketed, terrorized, and forced labor of Soviet Russia. That is one reason the Communist Party casts so few votes in America. American labor does not propose to give up any of its rights and liberties as free, sovereign American citizens.

I appeal to the American people back home to write to their Representative in Congress urging the enactment of strict deportation laws to deport all aliens, Communists, Socialists, Nazis, Fascists, and conservatives who preach class hatred and the overthrow of our free institutions and republican form of government by force and violence.

If these aliens do not like our country, its laws, and its institutions, all they have to do is to go back where they came from and enjoy the lack of freedom of speech, oppressive laws, and starvation wages. But if they insist on remaining here and spreading poison and hatred against our free institutions, the Constitution and our laws, our flag, and all religions, then they should be deported back home and their jobs given to loyal Americans now walking the streets looking for jobs, who do believe in our American system of government.

These aliens do not fear our police, our courts, or our jails; the only thing they fear is to be deported back home. I am convinced that if a few hundred of the leading alien Communists and other alien agitators were deported, these alien growths would soon cease to spread or bother the American people.

In conclusion, if the American people want to avoid giving encouragement to communism they should steer a course without fear or favor along the beaten paths of our representative and constitutional form of government and away from economic and political dictatorship.

There must be no compromise with the class hatred and socialism of the New Deal or turning back to the old order of special privilege and domination by wealth and reaction. The Republican Party, if it wants to win, must reaffirm its early principles enunciated by Abraham Lincoln that labor is prior to capital and that human rights are superior to property rights, and stand on a sound, sane, and liberal platform of a square deal for the farmers, the wage earners, businessmen, and private property under the confines of the Constitution.

As one who has spoken in 40 States within the last year, I am convinced that Senator BORAH more nearly represents the ideals and principles of Abraham Lincoln and his love of popular institutions and the square deal of Theodore Roosevelt, and is the only Republican who is sure of winning, and who would put an end to the present political dictatorship by restoring a government of law instead of by Executive order.

WHY I AM FOR SENATOR BORAH

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a statement by myself.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, under leave granted to extend my remarks in the RECORD I include the following statement of why I am for Senator BORAH for President:

I have spoken in 40 States of the Union within the last year and am convinced that the only Republican who can actually be elected President is Senator WILLIAM E. BORAH. It is practically conceded by every Republican conversant with the political situation that no reactionary or Wall Street candidate has any chance of being elected President this year.

I am urging the nomination of WILLIAM E. BORAH for President on the Republican ticket because I believe he more nearly represents the principles and ideals of Abraham Lincoln and the square deal of Theodore Roosevelt than any other Republican in public life and can bring back into the party the liberals and diverse groups that have left us in recent years.

His legislative record of almost 30 years is synonymous with a square deal for the American farmer, wage earner, and small-business man, and for private property under the Constitution. He is opposed to economic and political dictatorship and to "expensive, demoralizing, devastating, and destructive bureaucracy", and believes in a government by law instead of by Executive orders.

He was one of the first Republicans to fight the strangulation of the N. R. A. and voted against it. Some of the reactionary politicians have tried to make out that he voted for most of the New Deal measures. Why, the N. R. A. was 50 percent of the New Deal, with its regimentation, crushing bureaucracy, and destruction of business confidence. Senator BORAH opposed the N. R. A. when it was unpopular to do so and when his present critics were supporting the New Deal. Referring to the New Deal bureaucracy under the N. R. A., he said: "It has destroyed every civilization upon which it has fastened its lecherous grip."

Senator BORAH is a great constitutionalist, and refused to compromise with such obviously unconstitutional measures as the Bankhead cotton-control bill, the Guffey coal bill, the N. R. A., the bargaining tariff legislation, and the antilynching bill. He even refused to support the potato-control bill, which his own State of Idaho favored. In view of such consistency it is ridiculous to attempt to make out that Senator BORAH has voted for most of the important New Deal measures or that he only gives lip service to the Constitution.

It is true that he voted for the sound and constitutional measures passed by the administration, such as the Home Owners' Loan Corporation Act, the Federal Deposit Insurance Corporation Act, the Securities Exchange Act, regulation of the stock exchange, Farm Loan Act, and other needed and meritorious legislation for the benefit and protection of the people, such as the Social Security Act, including old-age pensions and unemployment insurance.

The big interests and the reactionary political leaders may wake up after election day, if they force an unknown and weak candidate on the ticket who has no knowledge or experience of the great national and constitutional issues, and be confronted with 4 more years of President Roosevelt and the New Deal. They will then gnash their teeth and repent for their blind political folly, but it will be too late.

It is my honest conviction that they must make some concessions to sane liberalism and help nominate a sound candidate for President on the Republican ticket or go down to a crushing defeat, which may mean the doom of the Republican Party.

The American people do not want to compromise with socialism or class hatred of the New Deal, but they will not go back to the Old Deal of reaction and domination by wealth and special interests.

The old guard leaders are crazy if they think they can lead the younger and more liberal element of the Republican Party back to the old days of public utilities and Wall Street control. Just let them try it, and the Republican Party will go the way of the Whig Party, because the rank and file of the people will have left it nothing but a skeleton in the hands of a corporal's guard of repudiated leaders and a few ultraconservatives of the wealthy class.

My reason and motive for speaking out now is to avoid such a contingency. The country cannot stand 4 more years of President Roosevelt and the socialism and "squandermania" of the New Deal, nor can the Republican Party. We must not act like ostriches, with our heads in the sand and refuse to see the stop, look, and listen signs. It will be too late and of no avail after the election.

The country is in an economic and political crisis, and we Republicans must put our united strength into a determined effort to preserve our constitutional and representative form of government and restore a government of law instead of by brain-trust edicts.

I am a Republican and intend to make my fight within the Republican Party, but reserve the right to exert every effort to humanize and liberalize its policies and leadership. I am for Senator BORAH because I believe he has the confidence of the rank and file within the party and not only can be elected but will restore to Congress the legislative powers which belong to it under the Constitution. He also has a tremendous appeal among Jeffersonian Democrats and great racial groups, such as the Germans, Italians, Jews, and Catholics, in the industrial centers, because of his actions as chairman of the Senate Committee on Foreign Relations.

The Republicans cannot afford to blunder headlong into another national defeat. The reelection of President Roosevelt will mean a new N. R. A., increased bureaucracy and State socialism, additional taxes, and more "squandermania", promotion of class hatred, and destruction of wealth and private property. More than everything else there is the probability that the President will have an opportunity to place on the Supreme Court within the next 4 years at least three new justices of the Frankfurter school through resignations and death of the present incumbents, thereby gaining control over the one remaining independent branch of our Federal Government.

I protest, together with millions of other good Republicans, the continuation of old-guard rule-or-ruin policies of the type

that has almost destroyed the party in New York State and led us from one glorious defeat after the other, so that we have not elected a Republican Governor since 1920.

The blind, reactionary, and prejudiced old-guard leadership within the Republican Party reminds me of the actions of the Bourbons in France, who refused to make adequate concessions to the liberal sentiment and, consequently lost their property and their heads. The other night I saw a movie of the life of Louis Pasteur, who discovered germs and microbes about 1870, but the doctors of France of that period, blind to any progress, scorned and repudiated him. The Republicans cannot afford to follow the selfish and reactionary old guard leaders any longer who have not progressed or changed since the days of Mark Hanna.

Labor is strong for Senator BORAH on his record of fighting for more than a quarter of a century in Congress for a square deal for American wage earners and for adequate protection against the imports of products of foreign pauperized labor. He has led the fight against all forms of economic monopolies. He was the author of the bill creating a Department of Labor and making its head a member of the President's Cabinet, and also creating the Children's Bureau. He put through the 8-hour law on public works and was likewise the author of the bill investigating the 12-hour-per-day and 7-day-per-week condition of the steel workers. He supported the anti-injunction bill, veterans' adjusted-service-certificate bill, railroad pension and retirement act, and the social-security bill, and voted to give $30 a month to the helpless aged.

He has always had the support of the farmers of his own State and of the Grange. He put through the Senate the export debenture for agriculture and split with President Hoover in an effort to limit the tariff bill strictly to agriculture. He led the fight against the reciprocal-trade treaty with Canada which trades off the farmers for industry.

His record on the Foreign Relations Committee is known to the American people. He led the successful fight against the League of Nations, Versailles Treaty, World Court, and other forms of entangling alliances including the recent effort of the New Deal to give the President power to lay economic sanctions which would have involved us in European blood feuds and boundary disputes. He has a tremendous following among the people of German origin on account of his opposition to the Versailles Treaty and the confiscation of German or alien property after the war. The Italian element are back of him, as he stopped President Roosevelt from getting power to place economic sanctions against the Italian people. He has a tremendous following among the Irish and Catholics because of his resolution and plea for liberty of religious worship in Mexico. He is popular with the Jewish element because of his advocacy of Zionism, the establishment of a homeland for the Jews in Palestine, and because, as a liberal, he is opposed to religious or racial intolerance and persecution. The Jeffersonian Democrats would support him in every State in the Union. His record speaks for itself. If there is a better-known Republican with his eminent qualifications and experience, or one with more popular support with the rank and file, I admit I have not heard his name. It is my honest conviction that he would get, if nominated for President on the Republican ticket, a quarter of a million more votes in the city of New York than any other possible Republican and is the only one mentioned that could carry the State against Roosevelt.

The Republican Party, at its Cleveland convention, must not nominate a candidate who has the blessings of the old-guard reactionaries and special-interest factions—the kiss of death—whom the people will know to be handpicked by these factions and merely a pawn to carry on their continued domination of the party.

We must have an able, experienced candidate, who has a complete and thorough knowledge of the national and international issues to be presented to the people, and who will be qualified to meet the present Chief Executive on the stump and over the radio. Senator BORAH is recognized as the greatest orator in the Republican Party, and could make the sugar-coated phrases and honeyed words of the President in his fireside chats look like kindergarten efforts.

I am interested first in the success of the Republican Party and the election of a Republican President. Should Senator BORAH not develop popular strength in the primaries he has entered, then I will support some other liberal who has the support and confidence of the people.

The Republican Party needs, without sacrificing any of its sound principles, to reaffirm the early principles of the party enunciated by Abraham Lincoln, that labor is prior to capital and human rights superior to property rights, and the square deal of Theodore Roosevelt to all classes of the American people without regard to race, color, or creed, and then we will regain the faith and confidence of the American people and go forward to greater victories for the benefit of the Republic.

Senator BORAH stands for these principles, and no propaganda is needed to sell him to the American people.

Twenty-five Democratic Members of Congress from different sections of the country, including New York, Texas, and the far Western States, have privately admitted to me that Senator BORAH was the only Republican who could defeat Roosevelt. It is clear that he is the only Republican candidate mentioned for President who can bring back to the Republican Party the Northwestern States of Oregon, Washington, Idaho, Wyoming, Montana, North and South Dakota, Minnesota, and Wisconsin, which we must have in order to win. After all, the main objective is to oust the New Deal and preserve our constitutional and representative form of government, of which there is no greater champion than Senator WILLIAM E. BORAH.

The speeches he delivered in Youngstown, Ohio, and Chicago recently were unanswerable, and the most effective made by any Republican for a number of years. They confounded his political detractors, thrilled his friends, and offered new hope for Republican success in November.

I reiterate that I am convinced that Senator BORAH is the only candidate that can carry New York State and the Northwestern States that are necessary to win. If he is not nominated, the big boys might just as well get ready to throw away their shears to cut coupons with as they won't be needed any longer.

Tears and lamentations will not stop the New Deal or change its course of setting up a new social and economic order, regardless of the Constitution. No one will be more to blame than the big interests, because they disregarded the political stop, look, and listen signs and refused to concede anything to the march of time and constructive liberalism. But instead they insisted on indicting all the New Deal measures, the good with the bad, and following the repudiated, reactionary, and selfish Republican old-guard leadership to the bitter end and to ruin and disaster for both the party and the country.

CORRECTION OF THE RECORD

Mr. SCOTT. Mr. Speaker, I ask unanimous consent that the RECORD for March 4, page 3285, be corrected. The gentleman from Texas [Mr. BLANTON] was speaking, and he said:

As a matter of fact, illustrating what those who oppose the McCormack and Kramer bills mean by free speech, when the gentleman, being a representative of the people, wanted to read an editorial, one of the advocates of this free speech, who objects to the Kramer and McCormack bills, the gentleman from California [Mr. SCOTT] objected to his reading the editorial.

Mr. Speaker, my objection was to a request by the gentleman from Arkansas [Mr. MCCLELLAN] to extend his remarks by inserting in the RECORD the editorial. He did not ask permission to read the editorial. I did not object to any request of that kind. So I ask that the RECORD be corrected by taking out the word "reading" and inserting in lieu thereof the word "extending" in the RECORD.

Mr. BLANTON. Mr. Speaker, I have no objection. At the time they both meant practically the same.

Mr. SCOTT. Oh, no.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DEEN, Friday and Saturday of this week, on account of important business.

To Mr. MEEKS, for 2 weeks, on account of important business.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1124. An act for the relief of Anna Carroll Taussig;

S. 2188. An act for the relief of the estate of Frank B. Niles;

S. 2219. An act for the relief of D. A. Neuman;

S. 2875. An act for the relief of J. A. Jones; and

S. 2961. An act for the relief of Peter Cymboluk.

ADJOURNMENT

Mr. BLANTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.) the House adjourned until tomorrow, Friday, March 6, 1936, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON THE PUBLIC LANDS

The Committee on the Public Lands of the House of Representatives meets on Friday, March 6, 1936, at 10 a. m. in room 328, House Office Building, to consider various bills.

EXECUTIVE COMMUNICATIONS, ETC.

700. Under clause 2 of rule XXIV, a letter from the Secretary of the Treasury, transmitting a proposed bill for the

relief of Clark F. Potts and Charles H. Barker, was taken from the Speaker's table and referred to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McSWAIN: Committee on Military Affairs. H. R. 3629. A bill to authorize the acquisition of additional land for the use of Walter Reed General Hospital; with amendment (Rept. No. 2133). Referred to the Committee of the Whole House on the state of the Union.

Mr. FADDIS: Committee on Military Affairs. H. R. 10388. A bill to aid the veteran organizations of the District of Columbia in their joint Memorial Day services at Arlington National Cemetery and other cemeteries on and preceding May 30; without amendment (Rept. No. 2134). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. S. 2625. An act to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishment; with amendment (Rept. No. 2135). Referred to the Committee of the Whole House on the state of the Union.

Mr. CARTWRIGHT: Committee on Roads. H. R. 10591. A bill to authorize the Secretary of Agriculture to investigate and report on traffic conditions, with recommendations for corrective legislation; with amendment (Rept. No. 2136). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLENBOGEN: Committee on the District of Columbia. H. R. 11563. A bill declaring an emergency in the housing condition in the District of Columbia; creating a rent commission for the District of Columbia; prescribing powers and duties of the commission, and for other purposes; without amendment (Rept. No. 2137). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND: A bill (H. R. 11638) to provide for Federal conservation of the pilchard (Sardenia caerulea) fishery on the high seas contiguous to the Pacific coast of the United States outside of State jurisdiction, providing means of enforcement of the same, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. McSWAIN (by request): A bill (H. R. 11639) to amend section 4b of the National Defense Act, as amended, relating to certain enlisted men of the Army; to the Committee on Military Affairs.

Also (by request), a bill (H. R. 11640) to amend articles of war 50½ and 70; to the Committee on Military Affairs.

By Mr. SWEENEY: A bill (H. R. 11641) to adjust the salaries of rural letter carriers, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. DEMPSEY: A bill (H. R. 11642) to change the name of the Department of the Interior, to be known as the Department of Conservation; to the Committee on the Public Lands.

By Mrs. GREENWAY: A bill (H. R. 11643) to amend certain provisions of the act of March 7, 1928 (45 Stat. L. 210–212); to the Committee on Indian Affairs.

By Mr. SCHAEFER: A bill (H. R. 11644) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. CROWE: A bill (H. R. 11645) to provide for the reconstruction of the George Rogers Clark home and the erection of a memorial at Clarksville, Ind., as a memorial to Gen. George Rogers Clark at his home place, and for other purposes; to the Committee on the Library.

By Mr. O'CONNOR: Resolution (H. Res. 437) for the consideration of H. R. 11365, a bill relating to the filing of copies of income returns, and for other purposes; to the Committee on Rules.

By Mr. KERR: Resolution (H. Res. 438) relative to the findings of the committee on the Miller and Cooper contested-election case; to the Committee on Elections No. 3.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURNHAM: A bill (H. R. 11646) for the relief of Joseph Francis Thomson; to the Committee on Claims.

By Mr. KOPPLEMANN: A bill (H. R. 11647) for the relief of Ida Kallinsky; to the Committee on Claims.

By Mr. LUNDEEN: A bill (H. R. 11648) for the relief of Joseph Lane; to the Committee on Claims.

Also, a bill (H. R. 11649) for the relief of Joe Levin; to the Committee on Claims.

By Mr. McSWAIN: A bill (H. R. 11650) granting a pension to Victoria Turner; to the Committee on Pensions.

By Mr. SWEENEY: A bill (H. R. 11651) for the relief of J. C. Prosser; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 11652) for the relief of Jacob Wane Hammel; to the Committee on Naval Affairs.

By Mr. TOLAN: A bill (H. R. 11653) conferring jurisdiction on the United States District Court for the Northern District of California to hear, determine, and render judgment upon the suit in equity of Theodore Fieldbrave against the United States; to the Committee on Immigration and Naturalization.

By Mr. VINSON of Kentucky: A bill (H. R. 11654) granting an increase of pension to Lovena Triplett; to the Committee on Invalid Pensions.

By Mr. WHELCHEL: A bill (H. R. 11655) for the relief of Ray Bailey; to the Committee on Claims.

By Mr. WERNER: A bill (H. R. 11656) granting an increase of pension to Leo Bear Weasel; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10389. By Mr. BLOOM: Petition of representatives of all the industrials of the town of Bayamon, P. R., urging that Puerto Rico be included in any new relief legislation which might be presented in the House of Representatives, requesting an extension of the Social Security Act, and suggesting an amendment to the Organic Act in order that a public welfare department may be created in Puerto Rico; to the Committee on Insular Affairs.

10390. By Mr. GWYNNE: Petition of owners of independent stores of the Third District, Iowa, urging the passage of House bill 6246, to prohibit manufacturers' special rebates or discounts to chain- or branch-store organizations competing with independent retail establishments, and for other purposes; to the Committee on Interstate and Foreign Commerce.

10391. By Mr. HENNINGS: Resolution of the conference of American Legion post commanders of St. Louis, Mo., favoring the passage of Senate bill 1454, that the United States Government furnish a flat or upright headstone for graves of all veterans of the United States; to the Committee on World War Veterans' Legislation.

10392. By Mr. MOTT: Petition signed by 18 citizens of Lane County, Oreg., urging the enactment of House bill 8739; to the Committee on the District of Columbia.

10393. Also, petition signed by 19 citizens of Lane County, Oreg., urging the enactment of House bill 8739; to the Committee on the District of Columbia.

10394. Also, petition signed by 36 citizens of Lane County, Oreg., urging the enactment of House bill 8739; to the Committee on the District of Columbia.

10395. By the SPEAKER: Petition of the Tennessee Jersey Cattle Club; to the Committee on Agriculture.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 6, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Infinite Spirit, above all the marvelous gifts of life we thank Thee for the faultless Teacher. How clear was His vision, how serene was His assurance, how positive was His utterance, and how beautiful was His life. We pray that every child of the cottage, every son of toil, every daughter of obscurity may be raised up in spirit and service to love and adore Him. With unwearied affection, unbroken patience, and undying hope may they find blessed encouragement in the humblest details of their lives. Heavenly Father, bring us all into the fullness of life, power, and self-forgetfulness. We would pour out our souls in deep solicitude because of unrest, turbulence, and perilous conditions in our land. We beseech Thee, blessed Lord God, to bring together Dives and Lazarus wherever they are. As they lean forward in the shadows of their defiant selfishness, may they realize what they are losing in their rush to get ahead. O do Thou bring the same standards of value and processes of mind to bear upon all men. We are grateful, dear Lord, for salvation, not so much from death, but rather unto life eternal. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3483. An act to provide for rural electrification, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3806) entitled "An act to establish a commercial airport for the District of Columbia."

THE NECESSITY FOR FURTHER DEVELOPMENT OF MILITARY AVIATION IN THE NATION'S PROGRAM OF NATIONAL DEFENSE

Mr. ROGERS of New Hampshire. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a radio address made by me last night on the subject of the need for further development of military aviation in the promotion of national defense.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. ROGERS of New Hampshire. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address, which I made last night over the radio:

On July 2, 1926, Congress passed the act creating the Army Air Corps. Although nearly 10 years have elapsed, we still have a deficiency therein of 561 Regular and Reserve officers, and unless the American people are fully informed as to the facts and bring the matter to the attention of their Representatives in Congress the Air Corps will never be filled.

Let me illustrate: In 1931 only 33 additional officers were commissioned in the Army Air Corps; in 1932 only 18 additional officers; in 1933 only 28; in 1934 only 17 additional officers; in 1935, 46 additional officers; and in the first half of the fiscal year 1936 we had a loss of 2 officers. Thus during the last preceding 5½ years there have been added only 140 commissioned officers to the officer personnel of the Air Corps. At this rate it will require 15 years to add 300 officers.

During such a period many officers will have been killed, others will die from natural causes, still more will be disabled and retired, and some will be retired on account of reaching the age limit of 64. It has been well said that adequate preparedness, first of all for air defense, second for sea defense, third for land defense, will promote the peace of our Nation and enable the American people to carry on the arts of Christian civilization with actual security.

Last month I went to New Hampshire in an Army plane to witness the Air Corps maneuvers held by the Army Air Corps in New England and New York. When I speak of the Army Air Corps, of what do I speak? On February 12 it was reported in the press that the chairman of the Committee on Military Affairs, of which I have the honor to be a member, was seeking a corps of 4,000 planes by 1938. The press then reported that England had plans for 5,600 planes by March 1937, and that Germany now has from 7,000 to 10,000 planes.

As to America's inadequate air defense, let me quote from the testimony of Maj. Gen. Oscar Westover, Chief of the Army Air Corps, given before the Appropriations Committee in December 1935, in which he said, "It is estimated that not more than 736 airplanes now on order will be delivered during the fiscal years 1936 and 1937. During this time there will be estimated losses of 981 airplanes. The net result of these factors, therefore, will leave the Air Corps on June 30, 1937, with an estimated number of 779 project airplanes, with about 529 planes classed as obsolete on account of having passed the 5-year age limit. Such of the 529 as are suitable for retention will have to be continued in use in order to permit necessary flying by Air Corps personnel. The number and type of airplanes now available in our foreign departments makes the air defense of these possessions almost impotent, and the same lack of airplanes is greatly handicapping the ground force in the training for their part of the defense."

Hon. Harry H. Woodring, Assistant Secretary of War, also testified before the Committee on Appropriations on January 16, 1936, that "the Army Air Corps will have approximately 777 airplanes in its possession on July 1, 1936."

We get only 565 planes under the War Department appropriation bill which passed the House last month. Allowing for wash-outs and considering the recommendations of the Howell Commission and the Baker Board that we should have 2,320 planes, how does that leave us? Mr. Woodring was asked how many planes he was able to purchase under the 1936 appropriations, and he said: "A continuation of the appropriation of the above size will never permit the Army Air Corps to reach its desired strength, as it will only take care of approximately yearly losses." I am not one who advocates more airplanes than we need for national defense, but I do say that the best service we can render our constituents, our States, and the Nation is to provide for rational Air Corps development, so that we may carry on without the loss of a single life on account of inadequate preparation.

Gen. Oscar Westover, Chief of the Air Corps, testified that in the past 5 years 1,371 planes were delivered to the Army, while during that same time we lost 1,621 planes by obsolescence or wash-outs, leaving us with a loss of 250 planes during the last 5 years.

We are now nearly 10 years behind in the development of the Army Air Corps. The following is a list of airplanes on order or obtained during the last 6 years:

	Planes
1930	555
1931	364
1932	285
1933	113
1934	222
1935	401

It has been reliably estimated that we must have 800 planes per year if we are to increase the present strength of our air force. The general headquarters air force for adequate self-defense must have a minimum of 980 serviceable airplanes able to take the air at any time. In spite of this fact the maximum number yet supplied to the general headquarters air force is 383 planes. When the recent maneuvers took place in Florida General Andrews was able to take the air with only 162 serviceable planes.

As showing the utter inadequacy of this situation from the standpoint of national defense, let me emphasize the fact that all great nations now have huge airplane carriers, which are, in fact, floating landing fields, to enable them to carry aerial warfare to enemy shores. They also have floating seaplanes and mother ships.

We are advised that only 30 tons of explosives were dropped on London in the World War, resulting in the loss of 1,900 lives, while today planes are being constructed, any one of which will be able to drop 10 tons of explosives. This situation is well emphasized by the fact that German seaplanes of existing types now alight on the South Atlantic Ocean, between Africa and South America, to moor astern of a station ship (S. S. *Westphalian*). This vessel is an ordinary merchant type, supplied with aviation fuel and other serving facilities. Fuel and oil are transferred to the seaplane on the water. Meager reports mention experiments with a canvas ramp astern on which the seaplane may be hauled; also trials of canvas shelters for protection during refueling operations. The military significance of this commercial "mother ship" for seaplanes appears to have been ignored. As seaplanes become larger their ability to alight safely on the ocean increases. Acknowledging only the existing sizes of seaplanes, it is rather startling to contemplate that small, inexpensive merchant ships are capable of serving as ocean supply bases for transoceanic bombing planes.

The Federal Aviation Commission has been advised that seaplanes are now in course of design that can transport 10 tons for a nonstop flight of 2,000 miles. A single seaplane of that type—which is a prospect for the immediate future—then could drop 10 tons of bombs on any American coastal city simply by prearranging a rendezvous with a small servicing vessel at sea a thousand miles from the coast line.

These facts strongly emphasize that our homes in New England and throughout the Nation are no longer protected from air attacks, because of the wide extent of the Atlantic and Pacific Oceans, and we must govern ourselves accordingly if we are to maintain adequate national defense.

In conclusion let me say that I am a firm believer in national economy, but the neglect shown in the development of Army aviation is nothing but false economy. While foreign nations are making available thousands of planes for attack and aggression, I ask you without further delay to advocate a policy of national defense by urging your representatives in Congress to enact legislation which will enable the United States of America to bring its Army Air Corps to 2,320 planes, as advocated by the unanimous report of the Baker Board and the Howell Commission.

The enactment of this legislation is essential to achieve a full realization of the words of counsel uttered by our first President, George Washington, when he said, "We should maintain a respectable defensive posture."

For the United States of America the development of air power because of its limited range is purely a weapon of defense, but such development as proposed herein is necessary for adequate defense.

In the matter of national defense we frequently fail to recognize the relative protection afforded by an adequate Navy. We must remember that the hostile fleet is the main objective of the home fleet, therefore depends largely on the action of the enemy. Since our fleet must be free to meet the enemy fleet, we cannot predict what portion of our coast will be protected by our Navy or how long such protection may last. As a result of this important factor we must realize the necessity of an adequate air force in the maintenance of an effective national defense.

THREE HUNDREDTH ANNIVERSARY OF FIRST SETTLEMENT ON LONG ISLAND, N. Y.

Mr. COCHRAN. Mr. Speaker, at the request of Mr. SOMERS of New York, chairman of the Committee on Coinage, Weights, and Measures, and Mr. DELANEY, of New York, the author of the bill, I ask unanimous consent for the immediate consideration of the bill (H. R. 11323) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

Be it enacted, etc., That, in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y., there shall be coined by the Director of the Mint a minimum of 100,000 silver 50-cent pieces of standard size, weight, and fineness and of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury; but the United States shall not be subject to the expense of making the models for master dies or other preparations for this coinage.

SEC. 2. That the coins herein authorized shall be issued at par and only upon the request of the chairman or secretary of the Long Island Tercentenary Committee.

SEC. 3. Such coins may be disposed of at par or at a premium by said committee, and all proceeds shall be used in furtherance of the Long Island Tercentenary Committee projects.

SEC. 4. That all laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material and for the transportation, distribution, and redemption of the coins; for the prevention of debasement or counterfeiting; for security of the coin; or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein directed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

Mr. BLANTON. Mr. Speaker, I shall not object to this request, and after the gentleman from Oklahoma has finished I shall ask that the distinguished gentleman from Oregon [Mr. PIERCE] may address the House for 5 minutes; but, with these two exceptions, we want to proceed with our appropriation bill, so that we may pass it today and then adjourn over until Monday.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CIVILIAN CONSERVATION CORPS

Mr. NICHOLS. Mr. Speaker, I want to take this opportunity to discuss with the House briefly a matter in which I believe every Member of the House is interested, and a matter surely in which every State of the Union is interested. All of you can remember, and do remember, the outset of 1933, when over half a million boys, the youth of this land, were adrift on the highways and the byways of the Nation in search of employment, in search of something to do which would pay them sufficient funds to clothe them and furnish the necessities of life. They were so thoroughly and completely distributed over this Nation that there was a well-worn path along every highway made by the youth of this Nation thumbing their way along looking for a ride to take them some place where they might find employment. At the outset of this administration, of which nearly every Member of this House was a part, under the leadership of the great humanitarian now in the White House there was set up a a program which took these half million boys off the roads, took them out of the courts where they had been forced through crime, and placed them in C. C. C. camps where they were given healthy, sanitary surroundings, wherein they were taught industry, and wherein they received for their labor sufficient compensation that each month they could send home to mother and dad $25.

At the present time there are 430,000 boys in these camps, and there are 2,158 such camps in the United States, established at a cost of from $16,000 to $18,000 per camp. This brings me to my point: An Executive order has been issued which proposes to throw 94,000 of these boys back onto the roads and the streets of this Nation where they will again find themselves in the same shape they were before they were taken off the roads and placed in the C. C. C. camps. This Executive order states that on April 1 of this year the C. C. C. camps must be reduced from 2,158 to 1,703, and that on July 1 there will be a further cut to 1,456 camps from the present number of 2,158.

Mr. Speaker, I do not think the membership of this House can afford to sit idly by and see this thing happen. I say without fear of contradiction that this is one part of the recovery program about which none of you gentlemen has ever received complaint from your district. Therefore I think this House should take steps to stop this reduction in camps. More particularly do I feel it should be the business of this House to stop this thing since just recently Congress, at the direction of the President, passed an agricultural bill based on soil conservation. It may startle you to know that in nearly every instance these camps which are now being cut out are not taken from the Forest Service, are not taken from the Park Service, are not taken from the Reclamation Service, are not taken from the grazing service, but are taken out of the E. C. W. camps, which are those camps that carry on the work of soil conservation and the prevention of soil erosion.

Therefore, I say if we are to remain consistent in believing that soil conservation should be the basis of the agricultural recovery program as authorized by a bill which we recently passed, surely we cannot so soon after its passage blow cold and say that we will cripple that very program by taking out of existence the E. C. W. camps which have been established for the purpose of carrying on soil conservation, teaching the farmers of this Nation gully control, crop rotation, and how to stop their soil from washing into the rivers of the Nation.

Mr. EKWALL. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Oregon.

Mr. EKWALL. Does not the gentleman think that instead of reducing the number of these camps this very fine work ought to be increased?

Mr. NICHOLS. I certainly do. I think in no instance should the personnel of the C. C. C. camps be reduced below 500,000. The present order will reduce them in the first instance to 336,000, and in July there will be a further reduction.

Mr. Speaker, one other thought. I have two of these camps in my district, one of which has been closed, and one ordered closed by this order. One of them was closed after the buildings had been built but a few short months. After the boys had been there but a few short months and the work barely started, they were taken away and the camp closed. The camp stands there today as a stark, grim example of something. I can hear the men in my district who

are unfavorable to this administration saying: "There is an example. There stands a sentinel which marks the folly of this administration." I want to help this administration avoid that criticism.

Mr. MAY. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Kentucky.

Mr. MAY. One of the vital features that the C. C. C. camps are accomplishing, which cannot be accomplished under the soil-erosion plan in the farm bill, is the preservation of the forests of this country from destruction by fires through the building of trails.

Mr. NICHOLS. The gentleman is correct. They have not bothered so far the forest camps, however. I am mostly interested in the soil-conservation camps, and they are the ones the farmers are interested in.

Let me tell you another thing about this order. It provides that there shall be no new construction, which means if there is a camp located in a particular locality and a particular district, they cannot move that camp to another district and set it up there. The effect of this order is to say that a camp once established, if closed, must be taken down. You cannot move it into new territory. When this program was started I thought when we established one of these camps and they worked out a particular area the camp would then be moved. Oh, I know that was the plan, because they even provided that some of these camps must be constructed with this prefabricated material, which could be put up by bolting it together.

It was insisted that that material be used so that they could unscrew the nuts, knock down the buildings, and set them up in another place. But this order which is out now would make it impossible to move a camp from one place to another.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Washington.

Mr. ZIONCHECK. As I gather from the gentleman's remarks, he is making an indictment against the administration for not having a "brain trust"?

Mr. NICHOLS. If the gentleman wants to assume I am making an indictment against the administration, he is entirely off his base. I am not making an indictment against the administration, but I think it is my duty as a Member of Congress not only to go along with the administration but when the administration is about to do something which, in my judgment, is wrong, I should have moral courage enough to tell the administration about it.

Mr. PIERCE. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Oregon.

Mr. PIERCE. The order, as I understood it, reduced all camps in the same proportion. Has that order been superseded and a new one issued?

Mr. NICHOLS. I think it has.

Mr. PIERCE. If that is true, it happened in the last few hours.

Mr. NICHOLS. I think that is true.

[Here the gavel fell.]

Mr. NICHOLS. I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. ZIONCHECK. Mr. Speaker, I object to the gentleman's having any more time.

(Mr. NICHOLS asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. NICHOLS. When the C. C. C. camps were first established and the youth of this Nation found that in these they could find a haven of employment, a place where they could employ their time and at the same time furnish some relief to a depression-stricken old mother or father, or both, at home, it furnished for them a bright ray of hope and gave them a new lease on life.

At the outset of this program I am doubtful that the citizenship of the Nation, and particularly the farmers, thoroughly appreciated the great good that would flow from them, but surely after the establishment of the camps, and after the splendid work done by the youngsters in these camps was realized by the farmers, and after they realized the importance of the work to the conservation of the soil, they became more enthusiastic about this portion of the recovery program than they did about any other part of the program. And now, just at the time when real benefit is being realized by the farmers from the operation of this portion of the program, it seems to me ridiculous to cut the heart out of the program by reducing it by such drastic proportions as proposed in the present order.

I wish to sound this warning to the administration, and it is an administration of which I have been proud, but that fact notwithstanding I still want to say that these boys who are now enrolled in these camps were at the outset of this administration a national responsibility, and if they were a responsibility at that time they are no less a responsibility now, and if through this order or the action of this administration these boys are to be again thrown out to shift for themselves at a time when private industry is not yet ready to absorb them, which will of necessity force them back on to the highways and the streets from whence this administration took them in 1932, then I fear for the penalty that this administration will be called upon to pay by reason of the fact that they so soon forgot the Government's responsibility to America's growing manhood.

I propose to make an effort to so arouse the Congress that the Members will protest this action in sufficient numbers to bring to the attention of the President and those around him the utter folly of carrying out this order.

I shall have on the desk of every Member of Congress on Monday morning a letter setting out the figures herein contained and urging them to sign a petition which I shall prepare, and have ready for signature on Monday, which said petition will be directed to the Chief Executive protesting to him this reduction.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the distinguished gentleman from Oregon [Mr. PIERCE] may address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PIERCE. Mr. Speaker, my object in asking permission to address the House for these few minutes was because I did not get a chance to speak on the bill in regular debate, and I was very anxious to put in the RECORD my thoughts upon something that must be in the minds of all Members of Congress at this time.

Mr. Speaker, I rise in defense of the Columbia Broadcasting System for granting the use of their magnificent facilities to the leader of the Communist Party to tell his story. I am in no manner, shape, or form a Communist. The roots of my family go deep into the first settlers and the first families on American shores. I do believe in free speech and the free discussion of public questions. I think one of the worst things that could happen is to have the idea broadcast throughout the world that America is pursuing Russia's method, under the Czar, of suppressing free speech and the examination and study of various subjects; or pursuing the methods of Hitler, of Germany, or Mussolini, of Italy. This is America. May I refer briefly to my thoughts on this question?

Communism is a symptom of discontent and of a diseased social order, of a perverted economic or political system. It is an indication that economic disease has fastened itself upon the country. The true physician seeks the cause of the pain, and his treatment is toward the removal of that cause. We must attack the disease of which communism is the symptom; the cause must be removed. We can do nothing by suppression and persecution, which seem to me analogous to the methods employed by quack physicians whose treatment only deadens the nerves which carry the message of physical ailment.

What is the disease from which our social order suffers, the disease which is undermining the political health of nations, including our own Republic? Is it not discontent,

caused by unemployment, poverty, and resultant crime, child labor, penniless old age, unjust arrests, curbing of free speech and the rights of public assembly, abuse of injunctions, miscarriage of justice in the courts, maldistribution of wealth? Surely the cause can be found in a combination of these evils which are preying upon our social order and threatening to break the economic organization of our system. Bestowal of special privileges, through legislation, on the owners of great wealth may also be a contributing factor. The concentration of wealth leads directly to propaganda pressure through the press, radio, and lobbies, causing corruption and favoritism in government.

Our own responsibility as Congressmen is very great. Confidence in government can be maintained only through respect for legislative bodies. Suppression of free debate, gag rules, suspicion in regard to the appropriation of funds, partisan party votes on measures for public welfare—all these lead to distrust of government and to the desire for a new order.

Bureaucracy breeds communism. If I interpret history aright, it was the chief factor in the Russian crisis; yet we in Congress are witnessing continued extension of that system and we are giving it our tacit approval when we agree that all bills discussed on this floor must originate in departments or have departmental approval. Yes; I believe that the rules of this and other legislative bodies are an encouragement to communism. Every act of neglect or favoritism through legislation is a contribution to communism. Appropriation of public funds for luxuries and for special privileges certainly makes bitter hearts turn to communism.

The cure does not lie in restriction of civil and political liberties nor in suppression of free speech. Teachers' oaths seem to me utterly futile and a disgrace to our educational system. Let us in schools and colleges and through radio, press, and forum have full and free discussion with presentation of all points of view.

My friend and colleague from Texas, who spoke so eloquently on the subject of communism, seems to me to have gone astray in this matter. Usually he has lifted his voice for the downtrodden and the oppressed. Certainly, he has been one of the most useful Members of this body in moving toward a real remedy for potential communism in his effort to defeat dishonest and extravagant appropriations. Let us not revert to intolerance through fear of change and suspicion of the motives of other good citizens. The fact that my colleagues fear communism leads me to fear that they will not attempt to destroy its claim as the only alternative to our present unsatisfactory condition. My stand on this matter was taken many years ago when, as a member of the Oregon Senate, I cast the sole vote against a criminal-syndicalism bill which was, to my regret, incorporated into law.

Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PIERCE. Progress has always been made through the leadership of liberals, and not through reaction. The ships which brought the first immigrants to America brought to our shores those who came here as refugees from political and religious persecution. America has in times past been the home of the oppressed and the downtrodden. Let us again breathe the free air of our free Republic. Let us again make it possible for all our people to look forward with hope and ambition to economic well being and economic justice and fruitful opportunity. Let us assure our citizens of political honesty and of justice, then we shall have no fear of communism or its more terrible twin menace of fascism. Either one would be a denial of democracy. We must prove that democracy contains within itself the power to remove the injustices and economic inequalities which have brought doubt of our democratic system of government. Let us not confess incompetence, and let us not be blind to the real causes of discontent. I hope my friends on this floor will read what a student of history says in a recent article in Harper's entitled "Progress and Catastrophe." He speaks of the shrinking and crumbling of the Roman world and suggests that it died at the heart and center because of the decay of agriculture and corruption in government.

We have largely within our hands the power to stay the march of these evil forces which are threatening our body politic. Let us devote our energy not to attacking the symptoms, not to deadening the nerves, but let us strike deeper in the attempt to cure the disease which is working at the vitals of this Nation.

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that the gentleman may have 2 additional minutes.

Mr. BLANTON. Mr. Speaker, we have been liberal with respect to time, and the gentleman from Texas [Mr. SUMNERS], the chairman of the Judiciary Committee, has some resolutions that must come in today regarding his impeachment case he is to prosecute in the Senate. They are privileged resolutions, and we want to finish the consideration of the District bill today, and I hope the gentleman will not ask for more time than is necessary.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon may proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PIERCE. Today on the floor of this House we have an opportunity to restore faith, in a measure, in congressional justice toward our voteless friends of the District, by allowing adequate appropriations to fight ill health and poverty, and especially through repeal of an unwise restrictive amendment which strikes at the very heart of our educational system. [Applause.]

IMPEACHMENT OF HALSTED L. RITTER

Mr. SUMNERS of Texas. Mr. Speaker, I send to the desk the three resolutions which are the usual resolutions offered when an impeachment has been voted by the House, and I ask unanimous consent that they may be read and considered en bloc.

Mr. SNELL. Mr. Speaker, reserving the right to object, I do not know that I understand the situation we are in at the present time. Will the gentleman restate his request?

The SPEAKER. The request is to have read the three resolutions and have them considered en bloc.

Mr. SUMNERS of Texas. I may say to the gentleman from New York, they are the three resolutions usually offered and they are in the language used when the House has voted an impeachment.

Mr. SNELL. And the gentleman from Texas wants them considered at one time?

Mr. SUMNERS of Texas. Yes.

There being no objection, the Clerk read the resolutions, as follows:

House Resolution 439

Resolved, That HATTON W. SUMNERS, RANDOLPH PERKINS, and SAM HOBBS, Members of this House, be, and they are hereby, appointed managers to conduct the impeachment against Halsted L. Ritter, United States district judge for the southern district of Florida; that said managers are hereby instructed to appear before the Senate of the United States and at the bar thereof in the name of the House of Representatives and of all the people of the United States to impeach the said Halsted L. Ritter of high crimes and misdemeanors in office and to exhibit to the Senate of the United States the articles of impeachment against said judge which have been agreed upon by this House; and that the said managers do demand that the Senate take order for the appearance of said Halsted L. Ritter to answer said impeachment, and demand his impeachment, conviction, and removal from office.

House Resolution 440

Resolved, That a message be sent to the Senate to inform them that this House has impeached for high crimes and misdemeanors Halsted L. Ritter, United States district judge for the southern district of Florida, and that the House adopted articles of impeachment against said Halsted L. Ritter, judge as aforesaid, which the managers on the part of the House have been directed to carry to the Senate, and that HATTON W. SUMNERS, RANDOLPH PERKINS, and SAM HOBBS, Members of this House, have been appointed such managers.

House Resolution 441

Resolved, That the managers on the part of the House in the matter of the impeachment of Halsted L. Ritter, United States district judge for the southern district of Florida, be, and they are hereby, authorized to employ legal, clerical, and other necessary assistants and to incur such expenses as may be necessary in the preparation and conduct of the case, to be paid out of the contingent fund of the House on vouchers approved by the managers, and the managers have power to send for persons and papers, and also that the managers have authority to file with the Secretary of the Senate, on the part of the House of Representatives, any subsequent pleadings which they shall deem necessary: *Provided*, That the total expenditures authorized by this resolution shall not exceed $2,500.

Mr. SNELL. Mr. Speaker, may I ask the gentleman from Texas one further question? Is this exactly the procedure that has always been followed by the House under similar conditions?

Mr. SUMNERS of Texas. Insofar as I know, it does not vary from the procedure that has been followed since the beginning of the Government.

Mr. SNELL. If that is true, while, of course, I think the House made a mistake, I have no desire to delay carrying out the will of the majority of the House in the matter.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Texas.

Mr. BLANTON. The only difference between this and other such cases is that our colleague from Texas has asked only for $2,500, which is very small in comparison with amounts heretofore appropriated under such conditions.

Mr. SNELL. It will be found that is all the impeachment will be worth before you get through. [Laughter.]

The resolutions were agreed to.

A motion to reconsider was laid on the table.

THE TOWNSEND PLAN

Mr. HARLAN. Mr. Speaker, I ask unanimous consent to proceed for one minute and a half on a subject of great national interest.

Mr. BLANTON. Mr. Speaker, reserving the right to object—I shall not object to this request—but I shall object to any further requests.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HARLAN. Mr. Speaker, the question of the effect of poetry on our great national issues has been seriously neglected. I have three verses here concerning Townsendism, of which I think the House ought to have the benefit. These verses were sent to me by my good friend Herbert L. Davis, of the board of assessors here in Washington.

HELLALOOYA

Clear the tracks you whippersnappers!
Out the way you flaming youth!
Gangway, fashion plates and flappers!
Your old gran'dad's heard the truth.
From the old men's home he's hoppin',
Dancing like a crazy man,
Singing, shouting, "Hell's apoppin'",
Gran'dad's read the Townsend plan.

[Laughter.]

He has painted up his crutches,
Polished up his wooden leg,
Gave his other tooth some touches,
Took his toupee from its peg.
Says he's found the youthful fountain
And the primrose path he'll seek.
He'll be comin' round the mountain,
Whoopee! Fifty bucks a week!

[Laughter.]

Tell the chorus girls and laddies
With the cars they'll see no more;
Now they'll meet their sugar daddies
In their wheel chairs at the door.
When your old man has expended
All the fifties that he can
Our cares are o'er, depression's ended,
Gloom is dead—so's your old man!

[Laughter.]

—*By Ted Breton.*

COMMITTEE ON THE JUDICIARY

Mr. CHANDLER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary of the House may be permitted to sit this afternoon during sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. BLANTON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 11581, the District of Columbia appropriation bill.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. NELSON in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

For main and pipe sewers and receiving basins, $100,000.

Mr. SNELL. Mr. Chairman, I move to strike out the last word. Mr. Chairman, yesterday afternoon just before the Committee rose there were certain insinuations made against the superintendent of schools of the District of Columbia, Dr. Frank Ballou, on the ground that perhaps he favored communism or its teaching in the public schools in Washington.

I do not know anything about the facts pertaining to the schools of this city or communism being taught in these schools. But I have known Frank Ballou from boyhood. I was born in the adjoining town where he lived. He and I attended the same school at the same time. I know his whole family history. I know his antecedents, the kind of people they are, and they were, and under what conditions and surroundings he was reared and educated.

I know there is not a single thing in the history of this whole family that would lead anyone to believe that he had any such tendency. While I have not seen him in years, and only a few times since he has been in Washington, yet I know as well as I know that I am standing on the floor of this Chamber at this minute that there is not one drop of blood in his whole fiber that is favorable to communism or the teaching of communism in the public schools in Washington. I am not going to let this insinuation go by without making a protest, based on my own personal knowledge of the man, his character and his history for all these years. [Applause.]

Mr. BLANTON. Mr. Chairman, I rise in opposition to the pro-forma amendment. I ask the minority leader and every Member of this House to get the hearings from the Committee on Appropriations, which came off the press Monday, and read all of the testimony of Dr. Frank Ballou. I ask you to read the answers that he gave me, the answers that he gave the gentleman from Pennsylvania [Mr. DITTER], and the answers he gave the gentleman from West Virginia [Mr. JOHNSON].

I ask also that you get those hearings and read all of the evidence that Dr. Ballou's professor in charge of history and social studies, George Jones, gave, and then you can form your own conclusions.

You will find in those hearings that from 1929 to 1934 Dr. Ballou was a member of the commission of the American Historical Association, appointed through the instrumentality of Dr. George S. Counts, a notorious Communist, but whom Dr. Ballou is pleased to call "a left winger." The commission prepared conclusions and recommendations for schools. Dr. Ballou served for 5 years on that commission, and was its secretary. The recommendations of that commission, consisting of 17 members, were published in one volume. Four of the members, including Dr. Ballou, refused to sign it, and not one of the four filed any dissenting opinion about it. Dr. Ballou did not dissent.

You will find in our hearings that both George Jones and Dr. Ballou admitted time and time again that the book Conclusions and Recommendations was communistic.

There is no question about it, and you will find that very book, which George Jones said was terrible, has been placed by order of the school administration, and a bulletin pre-

pared for that purpose, in the school library of every teacher in Washington and required by that bulletin to be so placed. They will find that magazine after magazine and book after book had been approved by Dr. Ballou and his Board of Education, because Mrs. Henry Gratton Doyle, the president, said books and magazines that Dr. Ballou recommended they approved, and had been approved in the schools, and only when the parents of the school children made a protest was there any action taken to eliminate books from schools. Take the history by Acorn, a communistic history. The parents of the children finally required the Board of Education to eliminate it from the schools. Take this magazine Scholastic. I wish you would read the evidence upon it, and I wish you would read the evidence of the editor of that magazine where for 4 hours, on examination by my distinguished friend from Pennsylvania [Mr. DITTER] and the other members of our committee, he was made to admit that things appeared in that magazine that were not sound pedagogy, that were subversive, and that every man recognizes as communistic, seeking to break down this Government.

The gentleman from Oregon [Mr. PIERCE] is wrong when he says that it is just a symptom of dissatisfaction among people. Communism today is more than that. It is a strong, organized effort to break down orderly government and to destroy our Government by force and violence. But we are not going to allow them to do it.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ZIONCHECK. Mr. Chairman, I move to strike out the last two words.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that debate upon this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

Mr. ZIONCHECK. Mr. Chairman, I object.

Mr. BLANTON. Then I move that all debate on the paragraph and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. ZIONCHECK. Mr. Chairman, I direct the minority leader's attention to page 3499 of yesterday's CONGRESSIONAL RECORD, upper left-hand corner of the page. I made this remark:

> Does the gentleman from Texas feel that that little "red rider" put upon an appropriation bill would inculcate within the bosom of this superintendent of schools a different social philosophy or a different economic philosophy?

I am wondering if that remark on my part could be considered an insinuation that I believe that this superintendent of schools did entertain such ideas?

Mr. SNELL. Mr. Chairman, since the gentleman has addressed me I suppose he expects me to reply.

Mr. ZIONCHECK. Certainly.

Mr. SNELL. I had not seen the gentleman's remarks. I had special reference to statements made by the chairman of the subcommittee, and in reply would say that I read the evidence which Dr. Ballou gave before the committee. That is full of insinuations that were put in there by the chairman, in my judgment.

I do not care to go into a discussion of this communistic proposition, but I wanted to say to the House what I knew about the character of Dr. Ballou, and I am willing to stand on that regardless of what may be said in regard to these hearings.

Mr. ZIONCHECK. Mr. Chairman, as distasteful as it is, I agree with the gentleman for once. It is somewhat surprising that a gentleman from Texas, who claims to be a Democrat, a Jeffersonian Democrat, has not read a little of Jefferson. Thomas Jefferson very pointedly made the remark and forecast that if such legislation as the gentleman from Texas seeks to hold on to is ever placed on the statute books, because it is what they call coercive legislation, stifling freedom of speech and freedom of thought, half of the people would become hypocrites and the other half would be fools. If the gentleman from Texas [Mr. BLANTON] believes that to be a wholesome situation within a country, a situation that is desirable, that is his privilege. I am of opinion, Mr. Chairman, that the efforts of the gentleman from Texas, either intentionally or unintentionally, advisedly or ill-advisedly, are being directed to creating a scheme of fascism on this country. Can he point out in Germany or in Italy that such legislation is not in vogue, or, even if it is not legislation, that they do not compel teachers to do just what he wants them to do; and if they do not do it, that into the concentration camps they go? And, remember this, our C. C. C. camps are not far from concentration camps. There is just an element of difference between them. To make the gentleman's position secure, he should have compulsory enforcement of what we call enlistments to the C. C. C. camps and make concentration camps out of them. Then he will have a well-rounded program.

I yield back the remainder of my time.

The Clerk read as follows:

> For dust prevention, sweeping and cleaning streets, avenues, alleys, and suburban streets, under the immediate direction of the Commissioners, and for cleaning snow and ice from streets, sidewalks, crosswalks, and gutters in the discretion of the Commissioners, including services and purchase and maintenance of equipment, rent of storage rooms; maintenance and repair of garages; maintenance and repair of non-passenger-carrying motor-propelled vehicles necessary in cleaning streets and purchase of motor-propelled street-cleaning equipment; and necessary incidental expenses, $400,000: *Provided*, That appropriations contained in this act for highways, sewers, and the water department shall be available for snow removal when specifically and in writing ordered by the Commissioners.

Mr. ZIONCHECK. Mr. Chairman, I move to strike out the last word. Yesterday things happened upon this floor which I do not particularly approve. I was a participant in them voluntarily and, I think, advisedly. The position that I took upon this Washington, D. C., appropriation bill was a serious position. I recognized at the time that the suggestions I made would not be honored or entertained at this time. I wanted them to come in early because it takes about a year for a good idea to penetrate the intellects of some people and we should give it time. That was my only purpose.

There is one thing I should like to call attention to that I did not call attention to yesterday, and this is all that I will have to say on the District bill today unless I am forced to say something more, and that is the intolerable situation under which the taxicab drivers must operate, as their relationship goes on with the police department of Washington, D. C.

There are no people who are being persecuted in their effort to eke out a little livelihood more than the taxicab drivers of this District.

As one example, a boy who is a student of comparative literature, who drives a cab, taking his master's degree at George Washington University, goes to class in the morning. His class lasts for 2 hours. In front of the school they have a 2-hour parking limit. He went to class the other day in his taxicab and he came out 3 minutes late. In other words, 2 hours and 3 minutes, and a policeman was there waiting for him. It cost that boy $5. Is that law enforcement or is that persecution? The fact of the matter is, Mr. Chairman, that the traffic department would not know anything about traffic laws if half of them had not been former taxicab drivers. That is the manner in which they learned the traffic laws.

What do you think of policemen, making a good salary, using taxicabs and daring the cab drivers to ask for the fare? They do this in uniform—and some even in plain clothes—going to shows and church.

I, for one, will oppose any increase of the police department until the department is purged of these petty racketeers with a uniform, gun, club, and star on. There are good policemen and policemen who believe in law and order, who enforce the law for the good of the public, but as it is now they are a menace already. Why make it a greater one?

I yield back the balance of my time.

Mr. BLANTON. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 1 minute.

The motion was agreed to.

Mr. BLANTON. Mr. Chairman, we members of the committee pay no attention to the quips that the gentleman from Washington [Mr. ZIONCHECK] lodges against us. I feel sorry for him. He has my deepest sympathy. When he first came

here, and especially last year, he did splendid work. I was proud of him; but something has gone wrong with him.

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Chairman, I rise to a question of personal privilege.

Mr. BANKHEAD. Mr. Chairman, a point of order. The gentleman cannot do that in Committee of the Whole.

Mr. ZIONCHECK. I know I cannot, but I was trying to find out whether he knew it. [Laughter.]

The Clerk read as follows:

SALARIES, PUBLIC PARKS, DISTRICT OF COLUMBIA

For personal services, $351,910.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on yesterday the gentleman from Pennsylvania [Mr. DITTER] was on the floor, and I raised the question as to the amount of taxes paid by real-estate owners in the city of Washington. The reply was that it was at the rate of $1.50 per hundred, or $15 a thousand.

I hold in my hand a real-estate tax receipt which I paid a short time ago on a little piece of property that I own, which is a very ordinary home. The rate for 1933 was $77.05 per thousand, or $7.70 per hundred. The rate for 1934 was $99 per thousand, or $9.90 per hundred. This property is valued at $5,010 on the tax-assessment rolls. I should like to ask the chairman of the committee how much tax would have to be paid in Washington, D. C., on that valuation?

Mr. BLANTON. How much did the gentleman have to pay?

Mr. CRAWFORD. I had to pay $533.84.

Mr. BLANTON. If the gentleman had had his property located in Washington, instead of paying $533.84 taxes, he would have had to pay only $75. He would have had to pay only $2 on his automobile for personal-property tax. He would have had to pay only $1 for his license tags. He would have gotten water for his family at $6.60 per year. He would have had no income tax to pay; no sales tax; no inheritance tax; no estate tax; no gift tax to pay at all. In addition to that, he would have had all of his trees furnished, sprayed, pruned, and looked after and replaced. He would have had his garbage and ashes gathered free. He would have had his trash gathered free. He would have had the benefit of all the wonderful sights of Washington.

Mr. CRAWFORD. Mr. Chairman, I should also like to state that my water bill runs at the rate of $11 per quarter, or $44 per year.

Mr. BLANTON. As against about 50 cents a month here.

Mr. CRAWFORD. I should also like to say that the previous year the tax on that little piece of property was $455.03, or there was an advance in 1 year from $455.03 to $533.

Just this morning I received a tax statement for this year's taxes on that same property, which shows that the rate is $96 per thousand or $9.60 per hundred.

Last night's Star and this morning's Post carry editorials criticizing the Members of this Congress for our refusal to go along helping the real-estate owners of this city in further reducing their burden of $1.50 per hundred on real-estate taxes, when out in my country we are paying $9.90 per hundred.

Mr. MILLARD. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. MILLARD. What is the real value of your property? You say it is assessed for $5,000.

Mr. CRAWFORD. The market value of that property today is $10,000.

Mr. MILLARD. That is a 50-percent assessment?

Mr. CRAWFORD. That is a 50-percent assessment. At the rate of $533 per year you can make your own calculation. The property has a value of $10,000 today, and there is a 50-percent assessment, $5,000, and the tax is $533. The way I figure it, that is about 5 percent per year. In other words, within 20 years the property is entirely eaten up by State, county, and city taxes.

Mr. FORD of California. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. FORD of California. What would that property normally rent for in the gentleman's city?

Mr. CRAWFORD. That property would normally rent for about $135 a month. However, for several years conditions have not been normal. At present the property is renting for a gross figure of only $75 per month, and out of this must be paid all decorating, plumbing, and other repairs to building. Also sidewalk service, such as cleaning snow—and this is a very large item in the wintertime—must be paid, and many other incidental items, such as fire insurance, tornado insurance, and so forth. After all, the net income from rents is just about enough to pay the taxes. When I hear of Washingtonians complaining about their little rate of $1.50 per hundred and see such editorials as appeared last night and this morning against Members of Congress because they will not further burden people out in the country in favor of the real-estate owners of Washington, it makes me furious. These real-estate operators and owners here in the District who so complain have been pampered too much at the expense of the other people of this country, and it is time we put on the brakes. Such complaints, especially when we find these owners here refuse to pay their taxes for years back as has been testified, are insults to the intelligence of people who study this whole situation. I shall vote for the bill with its reduced allowance and trust the Members of this body will stand by their vote if the Senate attempts to increase the appropriation.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, what the gentleman has just told us is in the mind and heart of every Member of Congress. The people in Washington are God's chosen people, and Congress has always been generous to them; Congress has never been ungenerous.

In just a few minutes we will have finished this bill. On behalf of our committee, I want to thank the Members of the House for the consideration shown the committee and for the confidence they have had in the committee and the help they have rendered in passing this bill, which grants the largest appropriations to the District of Columbia it has ever had in its entire history.

With regard to health matters, we have not cut down one single penny for health. If you will secure facts from any comparable city in the United States, you will find that we provide more doctors at higher salaries and more health facilities to Washington than any other comparable city in the United States provides.

We have made some cuts on enormous salaries, cuts on salaries that are unconscionable. For instance, the committee saw fit to cut Dr. Bocock's salary. He gets $7,500 a year. He has no expenses. He is furnished his light, his heat, his board and lodging, and everything. His $7,500 is free of expenses. That is more than any Congressman here gets, because it costs us about $2,500 a year to get back here and to stay here; and it costs him nothing, yet he does not pay one single dollar in taxes to the District of Columbia.

Mr. LUCKEY. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. LUCKEY. Calling the gentleman's attention to the fact that according to statements carried in the papers some time ago there are 22,000 families on relief in Washington, D. C., does not the gentleman think that Washington, D. C., is a luxury for the Congress?

Mr. BLANTON. Oh, yes.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. NICHOLS. I wish the chairman of the subcommittee would point out to me one Member of Congress who can live in the city of Washington for $2,500 a year. It costs me more than that.

Mr. BLANTON. I have to sell a piece of property every 2 years to get to stay here. [Laughter.] I am getting poorer and poorer all the time.

Mr. NICHOLS. I should like to know the Congressman who can stay here for $2,500 a year.

Mr. BLANTON. I am not talking about the cost of living in Washington. I am talking about the cost of getting reelected and getting back here.

Mr. Chairman, I want to call on the Washington newspapers in all fairness—I want to urge them—to print in their papers in the morning and tomorrow the taxes they pay this District; show the property they have and let the Washington people know exactly what these newspapers pay on their valuable properties. I want them to show the Washington people what the owners of these papers pay on their homes, their magnificent homes here, and on their property. If they will do this, no person in Washington will ever say, "I am voiceless and voteless." They will say, "Thank God for the Congress of the United States."

[Here the gavel fell.]

The Clerk read as follows:

SEC. 6. No part of the funds appropriated in this act shall be available for the payment of the salary of any officer or employee of the District of Columbia whose salary as such officer or employee is $2,400 or more per annum who is engaged in any outside business or profession in addition to his official duties.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I direct the attention of the Committee for just a moment to section 6 of this bill, which provides that nobody who may be an officer or employee of the District of Columbia at a salary of $2,400 or more can participate in this appropriation if engaged in any outside business or profession in addition to his official duties. I think that is a fair statement of the substance and intent of section 6.

I quite appreciate the purport and the intent of the committee in inserting this section in the bill. They believe that certain sinecures have been set up whereby doctors and others have been on the pay roll of the District of Columbia when, at the same time, they have been pursuing their private professions, the income of which was rather lucrative. I fully sympathize with the purpose of the committee, but may I point out, for instance, some of the things this section will do?

A number of men in the corporation counsel's office would come within the purview of this section, because their salaries are in excess of $2,400, and they teach law in some of the night law schools. Now, if teaching law in a law school can be called a business or a profession, then these gentlemen clearly come within section 6 and cannot participate in the appropriations in this bill.

There are teachers in the Washington schools who are contributing to magazines. If this is a business or profession, they will have to forsake their creative contributions if they are compensated for it; otherwise they cannot be paid out of the appropriations in this bill.

There are some doctors who give service to clinics and dispensaries who come within the $2,400 provision. If so, they must forsake either their regular medical practice or their job with the District of Columbia. I appreciate, of course, that abuses can arise and have arisen, but, insofar as the medical profession is concerned, I am wondering whether you can get a specialist of any repute whatever to go even so far as to give consultative advice in the District of Columbia or any other municipality for $2,400 a year. Will he forsake his larger lucrative medical practice? No. What he will do will be to stop giving service to the District of Columbia or to any of these institutions and dispensaries and go on with his regular business. The result of section 6 will be that you will penalize this District, because medical experts whose services now are available to the District but whose private emoluments run up into thousands of dollars every year will come within the purview of this section.

They will not give up their regular job, so they will cease giving consultation and advice to the dispensaries, the clinics, and institutions of the District.

Mr. Chairman, may I say that I fully appreciate the effort to abolish a lot of these sinecures, but in so doing they are going to penalize a lot of innocent people who are giving their talented professional service to the District at the present time. I am not so sure but what the harm that will be created by section 6 will be infinitely greater than any good that might be accomplished.

Mr. DITTER. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Pennsylvania.

Mr. DITTER. There is nothing here which would prevent that publicly minded professional specialist rendering the service gratuitously in return for the benefits he may secure in the use of clinical appliances and other things provided by the District.

Mr. DIRKSEN. That may be true, but we live in a rather selfish world and we know that in practice such expert professional advice will not be given by men who have studied a lifetime and expended huge sums of money to gain that professional repute.

I know full well that it will be suggested that men drawing good salaries should not be engaged in teaching or writing or doing other things. That is but half the story and that argument can be demolished easily enough. I submit that years ago Frank Kellogg, one time Secretary of State for the United States, used to come to the Law School at Minnesota and lecture on constitutional law. He was an authority. He was a high-salaried lawyer, but his salary and his income had nothing to do with it. It was a question of fitness and ability. His ability was recognized, and I for one was grateful for the privilege of hearing him lecture. Had section 6 been in vogue in Minnesota at that time, Mr. Kellogg would have had to forsake the practice of law or give up his occasional lectures. The losers, of course, would have been the students. So the losers here may be the students in the law schools and there is no use of trying to obscure the issue by loud argument about salaries. They have nothing to do with it.

Once I took an insurance course. One of the lecturers was a man who wrote a million dollars' worth of insurance a year. Is there anyone who will contend that since he was engaged in another profession, he would have to give up the insurance business or he could not lecture? You know what he would do. He would forget lecturing but the students who wanted to hear first-hand testimony from a real go-getter in that field would be the losers, and what a ghastly and short-sighted policy that is.

As for the doctors, may I suggest that if the Mayo clinic were located here what a privilege it would be to have some of their brilliant doctors give of their time to the public clinics and dispensaries of the city. Yet, if they were on the pay roll, they would have to continue on such a $2,400 job full time and give up all medical practice or give up the job for the city. Who loses? Is it the doctor? Such compensation would be but a bagatelle for a high-grade specialist and obviously he would forget it and continue his medical practice. The result is that the people—the people in distress; the people in need of expert diagnosis and treatment—would be the losers. Salaries have nothing to do with it and no amount of noise is very persuasive on that matter. Suffice to say, in conclusion, that if section 6 remains in that bill it will abolish the few sinecures, but, at the same time, deprive the people of this District of talented professional service for which people in other sections come miles to engage. In a way the matter would be laughable if it were not a grim tragedy.

Mr. BLANTON. Mr. Chairman, I move that all debate on this paragraph and all amendment thereto close in 5 minutes.

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—yeas 52, noes 10.

So the motion was agreed to.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, relative to the corporation counsel's office, some of whom the gentleman from Illinois wants the privilege extended to be able to teach night classes in law schools, may I say that one of them gets $8,000 a year. That is a pretty good salary. Two of them get $6,750 apiece. That is a pretty good salary. We do not have many of that kind of men back home. Another one gets $5,800 and another one $4,600.

Mr. Chairman, I was on the circuit bench for 8 years. If I had taught a class of law students in a law school at night I would not have been able to hold court the next day. It took all of my time, energy, and resource to hold court.

If they will do well their duty, and perform the best service, they will not have any time to teach law classes in schools at night.

Let us take the courts here, for instance. There are in the District of Columbia four police court judges who try misdemeanors. They get $8,000 a year apiece. They pay no income tax; they do not respond to emergency matters. When we take something off our salary they do not take it off theirs. There is situated here also a municipal court. There are five municipal court judges each getting $8,000. That is twice as much as the Governor of the great State of Texas receives today.

If I were a young student in a law class, I would want them to give more attention to the lectures which they deliver. I would not want them to come down there unprepared. It takes time to prepare a lecture to be delivered to a law class.

Let us see about some of these other judges. Let us take the supreme court judges in the District of Columbia. The chief justice gets $10,500 a year, which is more than we as Congressmen receive. They have no expense. A law clerk is furnished to them. They have this and that furnished them. They get 3 months' vacation in the summertime, and all of these judges receive $10,000 a year, except the chief justice who gets $500 a year additional. They pay no income tax and they accept no cuts in salary during depressions.

Let us take up the court of appeals. There are five judges of the court of appeals who get $12,500 a year apiece. When we took a cut in our salary we asked them to take a cut in their's and they refused to do it. When we asked them to pay an income tax they refused to pay it. We as common Congressmen have to pay an income tax out of our salary among the other drains on our income, but these judges do not do that. They have 3 months' vacation in the summertime and yet they want to lecture at night for more pay.

Mr. Chairman, we are going to stop that. [Applause.]

Mr. COCHRAN. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Missouri.

Mr. COCHRAN. Can the gentleman give any good reason why an employee of the District of Columbia should hold two jobs with ten or twelve million people out of employment?

Mr. BLANTON. No.

Mr. DIRKSEN. I can give a good reason for that, and I will give the gentleman a good reason.

Mr. BLANTON. I refuse to yield.

Mr. Chairman, I want the Members to read pages 300, 301, and 302 of the hearings. There are three pages of doctors on the pay roll of the District of Columbia, doctors on the pay roll of the people here. There are three full printed pages of doctors' names. Now, I never voted on an amendment affecting one single doctor. When the health department matter come up I refused to vote on any of those things. Every amendment with respect to the health situation and the doctors was taken care of by my colleagues on the committee. I did not vote on these matters because I knew the newspapers would say I was prejudiced; therefore, I did not vote. The committee wants to stop them from holding two jobs.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. DIRKSEN: Page 82, strike out all of section 6.

The amendment was rejected.

The Clerk read as follows:

SEC. 7. No part of the funds appropriated in this act shall be available for the payment of rental of quarters for any activity at a rate in excess of 90 percent of the per annum rate paid by the District of Columbia for such quarters on June 30, 1933: *Provided*, That the provisions of this paragraph shall not apply to leases made prior to the passage of this act, except when renewals thereof are made hereafter: *Provided further*, That the appropriations or portions of appropriations unexpended by reason of the operation of this paragraph shall not be used for any purpose, but shall be impounded and deposited in the Treasury to the credit of the District of Columbia.

Mr. CARPENTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise simply to say a few words in regard to the matter of safety in respect of vehicular traffic in the District of Columbia.

If there were any vices in this country killing off as many people as are being killed daily by our automobiles, the entire country would be up in arms about it and would want to do something to stop it.

During the past year of 1935, there were over 34,000 people killed in automobile accidents in the United States, and no one knows how many were maimed for life. We had 38,000 killed in the World War, and we devoted all the energies of this great Government to bringing a stop to that conflict as soon as possible. We use every power at our command to stop wars that would kill off people, and certainly this is a most important matter to the people of the country.

After having given this traffic matter considerable study by reason of being assigned to such duty on one of the committees of this House, I believe I would be derelict in my duty if I did not call the matter to your attention.

I want to call the attention of the House and read a statement from the chief of the traffic bureau of Chicago, who says in a letter to me:

> The most effective way to reduce accidents and at the same time act as a deterrent to reckless driving is the old-fashioned method, for which no substitute has yet been produced, namely, the presence of well-trained, intelligently supervised, and properly disciplined uniform policemen, distributed to man all important intersections. Records prove that 70 percent of serious accidents occur at crossings; consequently it is obvious that the police officers' presence will not alone have a preventative effect on accidents but will have a moral effect on the conduct of motorists. Furthermore, the desired effect in assisting pedestrians is combined with the prevention of accidents.
>
> Engineering is good, but our experience teaches that many motorists ignore the notices which such engineering stands for in the absence of policemen.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. CARPENTER. I cannot yield unless the gentleman will get me some more time.

Mr. BLANTON. We shall be pleased to do that.

Mr. CARPENTER. Very, well; I yield.

Mr. BLANTON. I wish to say to my friend from Kansas that I know something about the splendid work he is doing on this traffic matter, and I believe that every Member who knows about it appreciates his work, and I am glad that he has taken occasion to put these figures in the RECORD.

Mr. CARPENTER. I am not coming in here to criticize this committee; I want to be helpful in this matter. I do not know whether we ought to have more patrolmen added to the force, or utilize some of those we now have for this purpose. My only interest in the matter is in line with my obligations as a Congressman to our constituents who come here and use the streets in an effort to do something that will make our streets as safe as possible, together with my obligation as a Member of Congress in regard to the government of the District of Columbia and to make it as safe as possible for those residing here.

I have a similar statement from Mr. Fowler, the first deputy commissioner of the police department of New York, who states:

> Conspicuous patrol on the highways of the uniformed force, particularly the motorcycle and mounted divisions. Moral effect of the presence of the uniformed officers on the highways is invaluable in creating respect and obedience to all regulations.

Mr. Fowler put his statement in the form of recommendations, and this is one of them.

I also have here the statement of Captain Smith, who appeared before our committee this morning. He is the man who has under his control the entire traffic division of the police department. He is the head of that particular department and ought to know whereof he speaks. He made this statement before our committee this morning:

I have made a study of traffic, and I think that I am qualified to state that, insofar as I have been able to learn, one of the main difficulties that we have in the District of Columbia today is a lack of personnel.

I would like to remind this committee that in 1928 there were 93 motorcycles in use in the police department; today there are approximately 54, notwithstanding the large increase in automobile registration, the increase in the population of the District of Columbia. We have less motorcycle men enforcing the traffic regulations today than we had approximately 10 years ago.

[Here the gavel fell.]

Mr. CARPENTER. Mr. Chairman, I ask unanimous consent that I may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CARPENTER. There has been a great increase in the number of automobiles coming into the District of Columbia from Maryland and Virginia and from all over the United States.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. CARPENTER. I shall be very happy to yield.

Mr. RANDOLPH. Is it not a fact that the large number of automobiles owned and operated by the residents of the District of Columbia is augmented by thousands and thousands of Government workers and others who work here in the District of Columbia, but live in nearby Maryland or Virginia?

Mr. CARPENTER. The gentleman is right, according to the information presented to our committee.

I have here some very interesting figures showing the increase in registrations in the last 10 years in the District of Columbia, as follows:

In 1925 we had 103,000 motor vehicles registered here.

In 1930, 155,000 motor vehicles registered.

In 1935, 208,000 motor vehicles registered.

This does not include the vehicles that my colleague from West Virginia just mentioned.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. CARPENTER. I yield.

Mr. SHORT. I think the gentleman should also point out the fact that there is an automobile for every two people who live in the District of Columbia.

Mr. CARPENTER. Yes; the District of Columbia has a greater percentage of automobiles per capita than any other city in the United States.

Mr. SHORT. The next city is Detroit, with one for every eight of population.

Mr. CARPENTER. And Chicago is next.

Mr. BLANTON. Our subcommittee welcomes at all times any of our colleagues appearing before it on any matter in which they are interested. We have had several colleagues before us during the past week, and some items were put in the bill which they proposed.

Mr. CARPENTER. I appreciate that, but we did not get organized until it was too late, and have just developed this information for the most part since your committee has completed its hearing. And might I say that much of this information has come to us the last day or two since this bill has been debated here in the House.

Mr. RANDOLPH. If the gentleman will yield, I want to say that the gentleman from Kansas is chairman of a subcommittee that has in the last few days brought out splendid suggestions and recommendations from their investigation and study, which will aid greatly in solving the traffic problem here. I commend the committee members for their work.

Mr. CARPENTER. Now, the police are doing splendid work in protecting school children of this city. Do you know that there were only two children between the ages of 5 and 14 killed in the District of Columbia in 1935?

The police are doing very efficient work, but they have a great deal to contend with, such as parades, escorts, and so forth, not to mention the peculiar plan of the city, with its many circles and diagonal streets intersecting from all angles that makes it one of the most difficult cities in this country in which to drive.

All I want to do is to call attention to this important matter. There may be amendments added to this bill in the Senate to increase the personnel of the traffic division of the police department, or otherwise helpful to it, and if there should be any I should like to have them given favorable consideration by the conference committee and again here on the floor of the House. We should like to have 25 additional motorcycle police. We do not want any more police simply to arrest people. That would not get us anywhere. We want the necessary traffic police to save life and limb, which all the evidence before our committee indicates we do not have at this time.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. CARPENTER. Yes.

Mr. JOHNSON of Oklahoma. Does not the gentleman think that we ought to have additional signal lights?

Mr. CARPENTER. Well, that is a moot question. Some think we ought to have more lights, and some think that we ought to have fewer lights, and thereby traffic would be speeded up. Others are very much vexed because traffic lights have not been placed at intersections near where they live or trade.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. BLANTON. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

Mr. BLANTON. Mr. Chairman, I move that the Committee do now rise and report the bill without amendment to the House, with the recommendation that the bill be passed.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NELSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes, had directed him to report the same back without amendment, with the recommendation that it do pass.

Mr. BLANTON. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mrs. NORTON. Mr. Speaker, I demand the yeas and nays on the passage of the bill.

The SPEAKER. The gentlewoman from New Jersey demands the yeas and nays. All in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Seven Members have arisen; not a sufficient number.

Mrs. NORTON. Mr. Speaker, I demand a division.

The House divided; and there were—ayes 138, noes 11.

Mrs. NORTON. Mr. Speaker, I object to the vote on the ground that there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. The gentlewoman from New Jersey makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and eighty Members present; not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 290, nays 26, answered "present" 1, not voting 113, as follows:

[Roll No. 28]

YEAS—290

Adair	Ayers	Biermann	Bloom
Allen	Bacharach	Binderup	Boehne
Andresen	Bacon	Blackney	Boland
Arends	Bankhead	Bland	Bolton
Ashbrook	Barry	Blanton	Boykin

Brewster	Farley	Ludlow	Richardson
Brown, Ga.	Fernandez	McAndrews	Risk
Buchanan	Fiesinger	McClellan	Robertson
Buck	Fitzpatrick	McCormack	Robsion, Ky.
Buckler, Minn.	Flannagan	McFarlane	Rogers, N. H.
Burch	Fletcher	McGrath	Rogers, Okla.
Burnham	Focht	McKeough	Rudd
Caldwell	Ford, Calif.	McLaughlin	Russell
Cannon, Mo.	Ford, Miss.	McLean	Sanders, Tex.
Carpenter	Frey	McLeod	Schneider, Wis.
Cartwright	Fuller	McMillan	Schuetz
Cary	Gavagan	Maas	Scrugham
Casey	Gearhart	Mahon	Secrest
Castellow	Gehrmann	Main	Shanley
Chapman	Gifford	Maloney	Shannon
Church	Gilchrist	Mansfield	Short
Citron	Gillette	Mapes	Smith, Conn.
Claiborne	Gingery	Marshall	Smith, Va.
Cochran	Granfield	Martin, Colo.	Smith, Wash.
Coffee	Green	Martin, Mass.	Snell
Colden	Greenway	Mason	Snyder, Pa.
Cole, Md.	Gregory	Massingale	South
Cole, N. Y.	Guyer	Maverick	Spence
Colmer	Gwynne	May	Starnes
Connery	Haines	Mead	Stefan
Cooley	Halleck	Merritt, Conn.	Stubbs
Cooper, Tenn.	Hancock, N. Y.	Merritt, N. Y.	Sumners, Tex.
Costello	Harlan	Michener	Sutphin
Cox	Hart	Millard	Taber
Cravens	Harter	Miller	Tarver
Crawford	Healey	Mitchell, Tenn.	Taylor, S. C.
Creal	Higgins, Mass.	Moran	Taylor, Tenn.
Cross, Tex.	Hildebrandt	Mott	Terry
Crosser, Ohio	Hill, Ala.	Murdock	Thomason
Crowe	Hill, Knute	Nelson	Thompson
Culkin	Hill, Samuel B.	O'Brien	Thurston
Cullen	Hoffman	O'Connell	Tinkham
Cummings	Hope	O'Connor	Tobey
Curley	Houston	O'Leary	Tolan
Daly	Imhoff	O'Malley	Treadway
Darden	Jacobsen	O'Neal	Turner
Darrow	Jenkins, Ohio	Owen	Turpin
Dempsey	Johnson, Okla.	Palmisano	Umstead
Dies	Johnson, Tex.	Parks	Utterback
Dietrich	Johnson, W. Va.	Parsons	Vinson, Ga.
Dirksen	Jones	Patman	Vinson, Ky.
Disney	Kahn	Patterson	Wallgren
Ditter	Keller	Pearson	Walter
Dobbins	Kennedy, Md.	Perkins	Warren
Dockweiler	Kerr	Peterson, Ga.	Wearin
Dondero	Kinzer	Pettengill	Weaver
Dorsey	Kleberg	Pfeifer	Welch
Doughton	Kloeb	Pierce	Werner
Doutrich	Kniffin	Plumley	Whelchel
Doxey	Knutson	Polk	Wigglesworth
Drewry	Kocialkowski	Powers	Wilcox
Driscoll	Kramer	Rabaut	Williams
Driver	Kvale	Ramsay	Wilson, Pa.
Duffy, N. Y.	Lamneck	Ramspeck	Wolcott
Duncan	Lanham	Randolph	Wolfenden
Dunn, Miss.	Larrabee	Rankin	Wolverton
Eckert	Lee, Okla.	Ransley	Wood
Edmiston	Lemke	Rayburn	Woodruff
Eicher	Lesinski	Reece	Woodrum
Ekwall	Lewis, Colo.	Reed, Ill.	Young
Engel	Lewis, Md.	Reed, N. Y.	Zimmerman
Englebright	Lord	Rich	
Faddis	Luckey	Richards	

NAYS—26

Amlie	Holmes	O'Day	Scott
Brown, Mich.	Hook	Patton	Somers, N. Y.
Burdick	Hull	Peyser	Thom
Dingell	Kenney	Rogers, Mass.	Tonry
Dunn, Pa.	Marcantonio	Sadowski	Zioncheck
Ellenbogen	Nichols	Sauthoff	
Gasque	Norton	Schulte	

ANSWERED "PRESENT"—1

Kopplemann

NOT VOTING—113

Andrew, Mass.	Cooper, Ohio	Greever	McSwain
Andrews, N. Y.	Corning	Griswold	Meeks
Barden	Crosby	Hamlin	Mitchell, Ill.
Beam	Crowther	Hancock, N. C.	Monaghan
Beiter	Dear	Hartley	Montague
Bell	Deen	Hennings	Montet
Berlin	Delaney	Hess	Moritz
Boileau	DeRouen	Higgins, Conn.	Oliver
Boylan	Dickstein	Hobbs	Peterson, Fla.
Brennan	Duffey, Ohio	Hoeppel	Pittenger
Brooks	Eagle	Hollister	Quinn
Buckbee	Eaton	Huddleston	Reilly
Buckley, N. Y.	Evans	Jenckes, Ind.	Robinson, Utah
Bulwinkle	Fenerty	Kee	Romjue
Cannon, Wis.	Ferguson	Kelly	Ryan
Carlson	Fish	Kennedy, N. Y.	Sabath
Carmichael	Fulmer	Lambertson	Sanders, La.
Carter	Gambrill	Lambeth	Sandlin
Cavicchia	Gassaway	Lea, Calif.	Schaefer
Celler	Gildea	Lehlbach	Sears
Chandler	Goldsborough	Lucas	Seger
Christianson	Goodwin	Lundeen	Sirovich
Clark, Idaho	Gray, Ind.	McGehee	Sisson
Clark, N. C.	Gray, Pa.	McGroarty	Smith, W. Va.
Collins	Greenwood	McReynolds	Stack
Steagall	Taylor, Colo.	West	Wilson, La.
Stewart	Thomas	White	Withrow
Sullivan	Underwood	Whittington	
Sweeney	Wadsworth		

So the bill was passed.

The Clerk announced the following pairs:

General pairs:

Mr. Corning with Mr. Christianson.
Mr. McSwain with Mr. Crowder.
Mr. Taylor of Colorado with Mr. Wadsworth.
Mr. McReynolds with Mr. Lehlbach.
Mr. Lea of California with Mr. Carlson.
Mr. Kelly with Mr. Eaton.
Mr. Huddleston with Mr. Hess.
Mr. Greenwood with Mr. Lambertson.
Mr. Oliver with Mr. Pittenger.
Mr. Reilly with Mr. Hollister.
Mr. Sears with Mr. Thomas.
Mr. Steagall with Mr. Seger.
Mr. Whittington with Mr. Fish.
Mr. Montague with Mr. Andrew of Massachusetts.
Mr. Lambeth with Mr. Carter.
Mr. Griswold with Mr. Goodwin.
Mr. Boylan with Mr. Stewart.
Mr. Clark of North Carolina with Mr. Hartley.
Mr. Bulwinkle with Mr. Cooper of Ohio.
Mr. Delaney with Mr. Andrews of New York.
Mr. Eagle with Mr. Fenerty.
Mr. Sullivan with Mr. Cavicchia.
Mr. Sisson with Mr. Buckbee.
Mr. Romjue with Mr. Collins.
Mr. Fulmer with Mr. Higgins of Connecticut.
Mr. Deen with Mr. Boileau.
Mr. Hancock of North Carolina with Mr. Lundeen.
Mr. Gray of Indiana with Mr. Withrow.
Mr. Buckley of New York with Mr. Mitchell of Illinois.
Mr. Quinn with Mr. Barden.
Mr. Crosby with Mr. Ryan.
Mr. McGehee with Mr. Montet.
Mr. Sweeney with Mr. Evans.
Mr. Bean with Mr. Wilson of Louisiana.
Mr. Gildea with Mr. Dickstein.
Mr. West with Mr. Celler.
Mr. Schaefer with Mr. Gray of Pennsylvania.
Mr. Beiter with Mr. Stack.
Mr. Smith of West Virginia with Mr. White.
Mr. Carmichael with Mr. Kee.
Mr. Gassaway with Mr. Bell.
Mr. Robinson of Utah with Mr. Brennan.
Mrs. Jenckes of Indiana with Mr. Sanders of Louisiana.
Mr. Dear with Mr. Meeks.
Mr. Ferguson with Mr. DeRouen.
Mr. Hobbs with Mr. Brooks.
Mr. Hamlin with Mr. Peterson of Florida.
Mr. Clark of Idaho with Mr. Duffey of Ohio.
Mr. Monaghan with Mr. Kennedy of New York.
Mr. Goldsborough with Mr. Sandlin.
Mr. Sirovich with Mr. Underwood.

Mr. DUNN of Pennsylvania changed his vote from "aye" to "no."

Mr. GASQUE changed his vote from "aye" to "no."

Mr. JOHNSON of Oklahoma. Mr. Speaker, my colleague from Oklahoma, Mr. GASSAWAY, is detained on account of illness. If he were present, he would vote "aye."

The result of the vote was announced as above recorded.

Mr. BLANTON. Mr. Speaker, I move to reconsider the vote by which the bill was passed and lay that motion on the table.

The motion was agreed to.

The doors were opened.

PRINTING OF HEARINGS BEFORE DISTRICT OF COLUMBIA SUBCOMMITTEE OF COMMITTEE ON APPROPRIATIONS

Mr. BLANTON. Mr. Speaker, I send to the desk a concurrent resolution prepared by Mr. Wold, the clerk of the Joint Committee on Printing, to provide for some additional copies of the hearings. The supply has about been exhausted. This is a bill which the people of Washington are particularly interested in, and many of their organizations want copies of these hearings. In order that the Committee on Appropriations may provide them, Mr. Wold has prepared this resolution, and I ask unanimous consent for its immediate consideration. If the copies are printed while the plates are already up, it will cost very little money to have additional copies printed.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That, in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Appropriations of the House of Representatives be, and is hereby, empowered to have printed 2,000 additional copies of the hearings held during the current session before the subcommittee of said Committee on the District of Columbia appropriation bill for 1937.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ZIONCHECK. Mr. Speaker, I object.

Mr. BLANTON. Mr. Speaker, this concurrent resolution will go then to the Committee on Printing, and upon being reported out by them, it will become a privileged resolution, and can be called up by the chairman of the committee as a matter of right. Hence, for the present, I ask the Public Printer to preserve the type on these hearings, so that should the House pass this resolution, additional copies of the hearings may be printed without much additional expense.

SESSION OF THE COMMITTEE ON THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that the Subcommittee on Education of the Committee on the District of Columbia may continue its hearings during the session of the House on Monday next.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

COMMERCIAL AIRPORT FOR THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up a conference report on the bill (H. R. 3806) to establish a commercial airport for the District of Columbia, and I ask unanimous consent that the statement may be read in lieu of the report.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3806) to establish a commercial airport for the District of Columbia, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the amendment of the Senate insert the following:

"That there is hereby created a commission to be known as the 'District of Columbia Airport Commission' (hereinafter referred to as the 'Commission'), to be composed of three Members of the United States Senate, to be appointed by the President of the Senate, three Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, and three persons to be appointed by the President of the United States, who because of their official positions are interested in the development of a commercial airport in the District of Columbia. No person shall serve on the Commission who has any financial interest direct or indirect in any site or sites for said airport which may be the subject of consideration. The Commission shall proceed immediately after its appointment and organization to examine all available data concerning potential sites for commercial airports and to inspect such potential sites, and shall select a site for such purpose with due regard to the cost of its acquisition and development, its safety, and its adaptability to the requirements of commercial aviation and national defense.

"SEC. 2. The Commission shall preserve its decision and selection in confidence, and shall make a confidential report thereon to the President of the Senate and the Speaker of the House of Representatives, or the Secretary of the Senate and the Clerk of the House of Representatives if Congress is not in session: *Provided, however,* That said report shall be made not later than June 30, 1936.

"SEC. 3. The members of the Commission shall receive no salary as such, but shall be reimbursed for actual expenses incurred in the discharge of official duties as such commissioners. There is hereby authorized to be appropriated the sum of $100,000, to be charged one-half to the moneys in the Treasury to the credit of the District of Columbia and one-half to the moneys in the Treasury not otherwise appropriated, of which not to exceed $10,000 shall be used for the purpose of employing appraisers and other assistants, and $90,000, or so much thereof as is necessary, shall be used for the purchase of land and buildings, or for the negotiation of options to purchase land, or land and buildings."

And the Senate agree to the same.

VINCENT L. PALMISANO,
JACK NICHOLS,
EVERETT M. DIRKSEN,
Managers on the part of the House.

WILLIAM H. KING,
MILLARD E. TYDINGS,
WARREN R. AUSTIN,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3806) to establish a commercial airport for the District of Columbia submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report.

The Senate amendment strikes out all after the enacting clause, substituting other provisions in lieu thereof.

Section 1 of the Senate amendment authorizes the President to appoint a District of Columbia airport commission of seven members, specifying their qualifications and duties. The substitute agreed to in conference provides for a commission of nine members, three to be appointed by the President of the Senate, three by the Speaker of the House of Representatives, and three by the President.

Section 2 of the Senate amendment provides that a confidential report shall be made to the President of the Senate and Speaker of the House of Representatives during the second session of the Seventy-fourth Congress. The substitute agreed to in conference further provides that this report may be made to the Secretary of the Senate or the Clerk of the House of Representatives if Congress is not in session; also that the report must be made not later than June 30, 1936.

Section 3 of the Senate amendment provides that members of the Commission shall receive no salary as such, but shall be reimbursed for actual expenses incurred in the discharge of their duties; also appropriates $1,000, to be charged one-half to District of Columbia funds in the Treasury of the United States and one-half to United States funds not otherwise appropriated, for the purposes of the act. The substitute agreed to in conference authorizes the appropriation of $100,000, to be charged one-half against moneys in the Treasury of the United States to the credit of the District of Columbia and one-half against the moneys in the Treasury not otherwise appropriated and specifies that not to exceed $10,000 is to be used for employing appraisers and other assistants and $90,000, or so much thereof as is necessary, for the purchase of land and buildings or for the negotiation of options to purchase land or land and buildings.

VINCENT L. PALMISANO,
JACK NICHOLS,
EVERETT M. DIRKSEN,
Managers on the part of the House.

Mr. SNELL. Mr. Speaker, I should like to ask the gentleman from Maryland a question, if he will yield for that purpose.

Mr. PALMISANO. Yes; certainly.

Mr. SNELL. Did the gentleman notify the gentleman from Illinois [Mr. DIRKSEN] that he was going to call up this conference report this afternoon?

Mr. PALMISANO. I did not.

Mr. SNELL. The gentleman from Illinois told me he was interested in the report and wanted to make some remarks in regard to it.

Mr. PALMISANO. The gentleman from Illinois signed the report.

Mr. SNELL. I do not know what remarks he wanted to make, but I feel the gentleman should have been notified by the chairman of the committee when he was going to call up the report.

Mr. NICHOLS. Will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. NICHOLS. The gentleman from Illinois [Mr. DIRKSEN] was a member of the conference committee and signed this report.

Mr. SNELL. I understand that. I understood, however, that he wanted to say something when the report was brought in. That is all I know about it. Of course, this is a highly privileged matter.

Mr. PALMISANO. Mr. Speaker, I may say I did not intend to call up this report until I found that there was no other business before the House after the appropriation bill had been concluded.

Mr. SNELL. I understood there would be nothing else this afternoon either.

Mr. PALMISANO. That is the only reason I called it up. I did not intend to call it up this afterncon.

Mr. SNELL. I think the majority member should notify the minority member, even if he did sign the report, when he is going to call up the report.

Mr. BANKHEAD. Will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. BANKHEAD. Was not the gentleman from Illinois on the floor a moment ago? I thought I saw him.

Mr. SNELL. We have not been able to find him. He did not know it was coming up today. I did not know it was coming up today. I appreciate your right to call it up, but I am just calling attention to the fact that the minority member should be notified when a conference report is brought in.

Mr. PALMISANO. I want to say that I did not intend to ignore the minority member.

Mr. MARTIN of Massachusetts. The gentleman from Illinois [Mr. DIRKSEN] did want to say something on the report, but he is attending a committee meeting now. We have notified him.

Mr. PALMISANO. Perhaps if the gentleman will get in touch with him, we may be able to prolong the discussion until he arrives.

Mr. SNELL. Will the gentleman explain what he has done, and we will try to get the gentleman from Illinois [Mr. DIRKSEN] here.

Mr. PALMISANO. I yield 5 minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Speaker, for 3 or 4 years there has been an effort to get the Government to take over and operate a commercial airport in the District of Columbia. A measure of this character was pending before the committee of which I have the honor to be chairman, and that committee acted adversely upon it. Such a measure subsequently was pending before the Committee on Military Affairs, and I understand that committee did not take favorable action upon this matter. Thereupon such a measure was introduced and referred to the Committee on the District of Columbia. Now, we have a proposal, which has proceeded to the stage of a conference report, to start the Federal Government in the matter of taking over a commercial airport in the city of Washington.

I am sure that everyone is interested in a proper airport in the District, whether it be under municipal operation or controlled by private enterprise. I think that Washington, through P. W. A. funds or W. P. A. funds or other available funds, is entitled to the same consideration with reference to benefits to be received as any other city in the country in the matter of municipal or commercial proposals, but probably to no more. The Government has its own Army airfield here and its own naval station. Now, in accordance with the terms of this conference report provision is to be made to start with $50,000 of Federal money for the purpose of purchasing or procuring options on some of this land, and I have what I think is a reasonable fear that this will just be a predicate for further and considerable sums.

With reference to a local airport, there has been complaint on the part of some of the stockholders that the returns on their investments have been by no means satisfactory.

It seems they have received no dividends, and the implication has been made in some quarters that this particular measure is an effort to get the Federal Government, through the Congress, to relieve private parties in the District of Columbia of a troublesome and embarrassing situation. Personally I do not believe, especially in view of the fact that this is a commercial matter and no part of a system of developing Washington's proper beauty, that there is any more obligation upon the Federal Government to buy and operate or subsidize a commercial airport in this city than there is in the city in which I live or in which my friend from Michigan lives.

Mr. MAPES. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. MAPES. The gentleman states that this same subject matter has been before three committees, the Committee on Public Buildings and Grounds, of which the distinguished gentleman from Texas is chairman, the Committee on Military Affairs, and now the Committee on the District of Columbia. This is rather an interesting statement. How did these three different committees get jurisdiction of the same subject matter?

Mr. LANHAM. That is difficult for me to say. I do not know why it was originally referred to our committee, but our committee, after lengthy hearings, decided adversely. I do not know just exactly what the military angle was that caused its reference to the Committee on Military Affairs. It is a District of Columbia proposition, of course, and I can see reasons why it should have been sent to the Committee on the District of Columbia; but I think I am correct in the statement that three committees have acted upon this matter, two unfavorably and one favorably.

Mr. KVALE. Mr. Speaker, will the gentleman suffer an interruption?

Mr. LANHAM. Certainly.

Mr. KVALE. I want to compliment the gentleman on the work his committee did in connection with this bill when it was before his committee, but I think he will agree with me that he and his committee did not go completely to the bottom of the entire story.

Mr. LANHAM. I think that probably is true, but we did go into the story enough to decide not to report the measure favorably.

Mr. Speaker, I should like to have some further information about this bill. It looks to me like the camel's nose under the tent. What is the final obligation on the Federal Government with reference to this proposal going to be?

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Speaker, I may say to my distinguished colleague from Texas that the policy as to whether or not this is to be a municipal airport financed entirely from the funds of the District of Columbia, or what sort of airport it is to be, has not yet been determined, and this House will have an opportunity to pass on it by approving or disapproving the action of this commission.

I was a member of the subcommittee which for 4 months last year conducted hearings on this airport bill. The question was before the subcommittee in the form of a bill to construct an airport at a specific point. The committee, after having gone thoroughly and completely into the subject, was not of the opinion that that would be the proper location for an airport, but we did receive a sufficient amount of information to convince us that there was a dire need at this time for an adequate airport in the District of Columbia.

Your committee, therefore, rather than attempting to impose something on this House and pass a bill creating an airport at the expense either of the Government or the District, thought it would be better if a commission were created, nonsalaried, for the purpose of more thoroughly and completely studying the situation in order to select an adequate and proper site. When this study has been made the commission will submit its report to the House and the House will have an opportunity to say whether the findings of the commission are proper or not. This commission will be composed of nine members, three members from the House, three members from the Senate, and three members appointed by the President. It will be one of their functions to determine whether or not this shall be a municipal airport, a national airport alone, or an airport constructed with funds from the District and from the Federal Government. The adoption of this conference report does not decide these questions.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. LANHAM. Is it not a fact that the report contains the statement that part of these funds are to be used for the purchase of land?

Mr. NICHOLS. The gentleman is correct; but he will remember that this provides only $100,000. Of this, $10,000 is to be expended for the employment of experts to help the commission make a proper selection, and the remainder of the money is to be used to purchase an option. I do not believe any Member thinks we can purchase and construct an airport for the District of Columbia for $100,000. If Congress believes that the funds for this project should come 100 percent from the District of Columbia, then when the report of the commission finally is adopted the House can make this provision.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. KVALE. The gentleman as one of the conferees then will make the positive statement on his responsibility as a conferee that this does not in any way obligate or bind this Congress or any succeeding Congress to purchase an airport at their own price.

Mr. NICHOLS. To purchase an airport at their own price?

Mr. KVALE. That is right. Certain demands were made in the past and I expect them to be made in the future. I want it made clear at this time that the conferees in this action did not pledge themselves to go ahead and yield to any demands which may be made upon them.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. NICHOLS. Mr. Speaker, I may say that the bill which is under consideration simply confers upon this commission the authority to select a site. That is all it does. The commission selects a site; then, of course, it is necessary for the commission to come back to the Congress in order to get the necessary money with which to purchase the site, and at that time the House will have every opportunity to say whether or not the judgment of the commission is sound.

Mr. EDMISTON. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from West Virginia.

Mr. EDMISTON. If that is all this Commission is going to perform, what is the necessity for their having $100,000?

Mr. NICHOLS. I just explained that. It is going to be necessary to employ appraisers, probably. There will be several sites—probably a dozen of them—submitted to the Commission. Those sites will have various values placed on them by the owners of the sites, and it will be necessary to have competent men to appraise the land, to advise the Commission what the actual value is, and to find out whether or not the owner of the site is placing a proper value on it. That will cost some money. You cannot get appraisers to go out and appraise property and work for nothing. Then there will be the necessity to have advice from other experts; for instance, aeronautical experts, who will advise the Commission whether the particular site that the Commission picks in the first place is a good one. It will be necessary for the Commission to know whether that site, after it is developed, is a proper site and whether it would make the proper kind of an airport that the Capital of the United States should have.

Mrs. NORTON. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. Is it not a fact that the purpose of the $100,000 is really to get options on the property in order to protect the Commission against real-estate men who would promptly jump the price when they found out the purpose of the investigation?

Mr. NICHOLS. I thank the gentlewoman for calling that to my attention. That is exactly right.

May I state another purpose of the $100,000? When the commission goes out and starts to looking for sites, if it becomes public knowledge that they are looking at a particular site or contemplating the purchase of a particular site, of course that site will immediately enhance in value. Therefore one of the reasons for putting this $100,000 appropriation in here is to make it possible for the commission to quietly, and without having to come back to Congress and make a lot of noise about getting the money, investigate the matter and tie up the site with an option in order to hold it, so that it may be purchased at a certain figure if and when the Government decides it is a proper site. The commission may take an option on a half a dozen of them.

Mr. BANKHEAD. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Alabama.

Mr. BANKHEAD. The gentleman speaks of the report carrying an appropriation. That is an inadvertent statement. It only authorizes.

Mr. NICHOLS. That is absolutely true. It is only an authorization.

Mr. RANDOLPH. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I want to emphasize also that it will be the experience of this commission that if not a sufficient amount of money is given for options to be taken upon these properties and the personnel necessary to advising the commission with reference to these properties and to the actual needs, we will find ourselves laid open to every real-estate agent in Washington, who will come here with automobiles to carry the commission about looking at certain ground.

Mr. NICHOLS. The gentleman is correct.

Mr. COCHRAN. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Missouri.

Mr. COCHRAN. If this $90,000 is used for option purposes and the commission comes to the Congress and the Congress does not approve after the money has been put up, is that $90,000 lost?

Mr. NICHOLS. I do not know. It would depend on how you would put your option money up and what the terms of the agreement were.

Mr. LANHAM. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Texas.

Mr. LANHAM. This is a commercial airport to be run by private parties?

Mr. NICHOLS. No.

Mr. LANHAM. Is it to be run by the Federal Government?

Mr. NICHOLS. It might be run by the Federal Government.

Mr. LANHAM. If it is to be run by the Federal Government, I think the Congress is entitled to know that. If it is not to be run by the Federal Government and is to be a private operation, why is there any more reason to have a congressional committee deciding where this private concern shall have its airport in Washington than in any other city? [Applause.]

Mr. NICHOLS. Certainly my friend from Texas does not think that the Federal Government is going to go out here and purchase some land for an airport, then turn it over to a corporation, individual, or partnership to be run for profit? That cetainly is not going to happen.

Mr. LANHAM. I am not in favor of the Federal Government purchasing land for this purpose at all.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I think the House ought to know what it is doing in connection with this proposition. I do not think we should go ahead and spend a lot of money without clearly understanding the situation. I will tell you what this is all about. It provides for a commission to consider the proposition of an airport for the District of Columbia. It provides an authorization for an appropriation of $100,000, 50 percent, or $50,000, out of District funds and $50,000 out of the Treasury of the United States, to be paid for by our folks back home.

Now, if we are going to have an airport for the District of Columbia, we ought to have it paid for out of District of Columbia funds and not out of the Treasury of the United States. [Applause.]

Mr. NICHOLS. Mr. Speaker, will the gentleman yield for a question?

Mr. TABER. Yes.

Mr. NICHOLS. The gentleman, of course, is familiar with the fact that the Federal Government and some of my people back home have paid millions and millions of dollars in a 100-percent grant to build airports in cities all over the United States under this administration.

Mr. TABER. Let them get a grant here then, rather than take money out of the Treasury from other funds.

Let me tell you another thing that this report does:

There is hereby authorized to be appropriated the sum of $100,000 to be charged, one-half to the moneys in the Treasury to the credit of the District of Columbia and one-half to the moneys in the Treasury not otherwise appropriated, of which not to exceed $10,000 shall be used for the purpose of employing appraisers and other assistants.

The District of Columbia has its own assessors, who know more about property here than anybody else around here, and they know more about its value; and $90,000, or so much thereof as is necessary, is to be used by this Commission without any check on it for the purpose of purchasing land and buildings or for options on land and buildings.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. COCHRAN. When you take an option on property you put up money, and if you do not close that option you forfeit the money; is not that correct?

Mr. TABER. Yes.

Mr. COCHRAN. Then, if this Commission takes options in the amount of $90,000 and comes back here and puts this in the lap of the Congress, they will say, "Either do what we want you to do or your $90,000 is gone." Is not that the fact?

Mr. TABER. Certainly.

I do not want to see the Congress of the United States put itself in this kind of position. I hope it will vote down this conference report and let this conference committee go back and bring in a bill that charges this entirely to the District revenues if it is going to be done, and also put in some proper safeguards so we will not have so much money in it for such things as options, and so it will not be possible to go to work and hire a lot of appraisers and other technicians when the District of Columbia has plenty of them on its pay roll now. [Applause.]

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. ZIONCHECK. Does not the gentleman from New York think that this is too much Government interference in private business?

Mr. TABER. Why, certainly, it is. [Applause.]

Mr. PALMISANO. Mr. Speaker, I yield 5 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, I realize the temper of this House that we now face in the debate upon the conference report. I hesitate to rise and speak at this time knowing the time which has been spent on the District of Columbia appropriation bill, and now this further conference report brought here for our attention. I do so, however, to remind the membership of this House that for more than 10 years this Congress has been faced with the Washington airport problem.

We have had, as has been brought out by the gentleman from Texas, several committees that have studied this situation. We come to the Seventy-fourth Congress, and we find nothing done as yet upon a problem which is not only important, but which is tragic in its far-reaching importance, not only to the National Capital but to the Members of this body who represent the 48 States. You say that the Federal Government has no responsibility in this matter. It certainly has. There are at least 50 to 100 Members of this House who use the commercial airlines of this country coming into Washington and going from this city in the discharge of their business.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. LANHAM. Does not the Federal Government and also individual Members of Congress pay for all the service they get from the local airport?

Mr. RANDOLPH. Absolutely, but let us remember that the other capitals of the world not only have their army and navy airports owned by the country in question but they own their commercial airports as well in the capitals of those nations.

We have had committee hearings on this subject in the District of Columbia Committee for month after month. The Senate has also wrestled with the problem. We were faced with this old trouble of doing nothing for the National Capital of this Republic in the way of an airport. I believe the membership of this House today should realize that we owe an obligation in this matter, and I appeal to the Members at this time that we not allow ourselves to go into another session of Congress and do nothing now about a matter which is paramount.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. McFARLANE. In regard to what other countries have done that have airports in their capitals, if the gentleman is referring to Europe, practically everything in Europe is under government ownership. Does the gentleman have in mind any airport similarly situated where the Government has been Santa Claus to the cities? If so, let us hear about it.

Mr. RANDOLPH. In this country today our Government is contributing in the State of Texas, in my own State of West Virginia, and in practically every State $45 out of every $100 being expended upon municipal airports under the Public Works Administration, and I wish to say further before I yield again that under Works Progress Administration funds the Federal contribution runs 10 to 1 in many cases where Federal and local funds are being used, and that the talk of $75,000 or $100,000 meeting the needs in the purchase of an airport in the District of Columbia is folly. The airports of this Nation that have been created, we realize, cost many times this amount; in fact, the testimony shows they cost anywhere from $2,000,000 to $10,000,000.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. LANHAM. I stated in my remarks that the city of Washington had just as much right through P. W. A. and W. P. A. to get grants as any other city, but the city of Washington has no more right from the standpoint of Government subsidies in the running of an airport than any other city.

Mr. RANDOLPH. I want to say that I can realize the reasoning and thinking of the gentleman from Texas, but we say there are certain obligations on Members of Congress. We are faced for the first time in 10 years with something specific. Let us see about this matter of P. W. A. or W. P. A. help.

Mr. NICHOLS. Will the gentleman from West Virginia yield to me for a statement?

Mr. RANDOLPH. I yield.

Mr. NICHOLS. Now, with reference to W. P. A. money, I want to say at the outset of this Congress, Mr. Johnson, Assistant Secretary of Commerce, sent a letter to the membership of the House, or the District Committee, wherein he suggested that if the Members of Congress or the Members of the House would say it was agreeable to them the Department of Commerce would attempt to get the funds and develop an airport in the city of Washington. Your committee of the House immediately answered and said it was agreeable to us and the House of Representatives.

Mr. LANHAM. What committee?

Mr. NICHOLS. The Committee on the District of Columbia. We told him it was agreeable to us, and if that could be done we would stop the legislation now in conference.

That same communication was sent to another body, and the Committee on the District of Columbia of that body immediately told the Assistant Secretary of Commerce to keep its hands off; that they would not permit the Assistant Secretary of Commerce to use any of the W. P. A. funds for that purpose and did not want them meddling in the matter.

Mr. SNELL. Will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. SNELL. This conference report says not to exceed $10,000 is to be used for employing appraisers and other assistants, and $90,000, or so much thereof as is necessary, for the purchase of lands and buildings or for negotiation of options to purchase land or land and buildings. What would be the situation confronting Congress if they used the $90,000 for that purpose and Congress did not desire to buy the land—thought it was a higher price than they ought to pay?

Mr. RANDOLPH. I want to say in answer to the gentleman that I am not in agreement with everything that the committee of conference has done. Perhaps I am not answer-

ing directly, but this commission that is to be appointed by the President of the Senate and the Speaker of the House, because it knows the temper of the House and the Senate, will keep within bounds in the purchase of a site.

Mr. SNELL. But to me you have a pig in a poke. If these people go out and get options on a million dollars' worth of land and put up $90,000, we are going to lose the whole $90,000 or take the land. Is not that so?

Mr. RANDOLPH. Mr. Speaker, I can well understand why the gentleman makes the observation he does. Let me again remind him, we have here Senator KING, Senator TYDINGS, Senator AUSTIN, and as Members of the House we have the gentleman from Maryland [Mr. PALMISANO], the gentleman from Oklahoma [Mr. NICHOLS], and the gentleman from Illinois [Mr. DIRKSEN]. I feel certain this House can place a high degree of confidence in these men, and the three to be appointed by the President, to do their duty, and I think we could trust their good judgment and follow that committee, and bring to a head the tragic situation, as I have repeated, and show not only to the National Capital, but to America, that we as Members of the House and the Senate realize our responsibility in respect to this question. That is the best that I can do.

Mr. SNELL. I am not saying anything against the intelligence, the character, or the ability of the Members of Congress mentioned, but I still desire to have something a little more definite, considering my experience in the past, before agreeing to these indefinite authorizations and indefinite appropriations.

Mr. RANDOLPH. I can well understand the gentleman's observation.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. Yes.

Mr. RICH. The gentleman speaks about confidence we have in these six Members of the House and the Senate, but what confidence are the people back home going to have in us pretty soon if we do not stop these expenditures; and another thing, where are you going to get the money?

Mr. PALMISANO. Mr. Speaker, I yield 5 minutes to myself. I call the attention of Members to the fact that a bill passed in the first session of this Congress permitting an appropriation for an airport of $2,500,000 of District funds. It finally got to the other side of the Capitol, and there were objections, so far as the naming of a committee. We were in a hopeless deadlock. Finally the conferees met, and the purpose was to come to some sort of an agreement, because of conditions in respect to an airport here in the District. The matter of $100,000 was due to a former Member of the Senate, former Senator Bingham. It was called to the attention of the conferees that Senator Bingham had made a private survey when he was investigating to report to the Senate on an airport for the District, in order to prevent real-estate manipulators from knowing what was doing and to keep the prices down. That accounts for the suggestion of $100,000. You see now what will happen if the House does not accept the commission's report. As I understand it, it will permit the commission to obtain three or four or five different options on land, either one of them having a sufficient amount for an airport, and in that way this House and the Senate would naturally adopt one or the other if it came here, after we reported back to the President. The gentleman says if you do not adopt any, what then? Of course, if you are not going to consider any airport for the District, then I say get out altogether and do not consider any future legislation.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. SNELL. From the information that has come to the committee so far, how much does the gentleman think is involved in preparing a proper airport here?

Mr. PALMISANO. The gentleman means purchasing the land?

Mr. SNELL. Yes; whatever it is intended to do under this bill. How much is involved?

Mr. PALMISANO. I am not familiar with the cost, except that I might say the House has considered two and a half million dollars by the bill that passed the House.

Mr. SNELL. If we are going to get into a two-and-a-half-million-dollar proposition or anything in that vicinity, I for one want to know something a little more definite before I vote for this authorization.

Mr. PALMISANO. I suppose the gentleman wants to know with reference to the Government money?

Mr. SNELL. I want to know about the whole proposition.

Mr. PALMISANO. The $50,000 that was placed here from the Government did not entirely meet with my approval. I more or less wanted it charged to the District. But a question arose in the conference whether or not it would be a District airport or a Government airport, and it means that the Government, if it happens to be a District airport, and I feel that it ought to be a District airport, would perhaps donate $50,000 as against an expenditure on the part of the District of Columbia of two and a half million dollars. On the other hand, in the event the commission's report would come back here saying it should be a Government airport, then the District would lose $50,000. We do not expect to come back here and ask this House to appropriate money on a 50–50 basis for an airport for the District of Columbia. We expect the commission to come back here and say it will be a District airport or it will be a Government airport, and ask for an appropriation from the appropriate fund.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. RANDOLPH. I desire to say to the membership of the House that I believe the rank and file of the residents of the District do not use the airport for travel or for business, but hundreds of Government officials do use the airport here each week and thousands of them use it in the course of a year. Thousands of our constituents come here yearly by plane to do business with departments of the Federal Government. If this country were engaged in conflict with another nation, the municipal airport of the District of Columbia would be turned over to the Federal authorities in the emergency. Let us not quibble here at a question of motive for a real national municipal airport with possibilities not only for the District but for the Nation at large.

Mr. PALMISANO. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I should like to ask the gentleman from Maryland, if this bill provides for the mere reporting back to Congress, without any power to take final action in the selection of a site, then why do you call for an authorization, with authority to actually purchase property?

Mr. PALMISANO. That was for the purpose of preventing real-estate manipulators raising the price on whatever site might be obtained for a District airport.

Mr. SMITH of Virginia. Will the gentleman yield further?

Mr. PALMISANO. I yield.

Mr. SMITH of Virginia. That is all right as far as the options are concerned, but why does this commission want to purchase property for that airport until the Congress finally authorizes it?

Mr. NICHOLS. Will the gentleman yield to me to answer the gentleman?

Mr. SMITH of Virginia. I just want to get that information.

Mr. PALMISANO. The purpose of it is to obtain options.

Mr. SMITH of Virginia. Yes; but you say "purchase."

Mr. PALMISANO. Well, they might purchase. In a sense, an option is more or less of a purchase.

Mr. SMITH of Virginia. No; it is not a purchase. Does the gentleman think they ought to have authority to purchase land which Congress has never authorized you to purchase?

Mr. PALMISANO. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I think we are all agreed that Washington ought to have an airport. The indisputable fact is that Washington does not have an airport. Back as far as 1929 agitation began for an airport for the Nation's Capital. Senator Bingham, of Connecticut, did a lot of work on the subject.

Mr. McFARLANE. Will the gentleman yield for a question?

Mr. DIRKSEN. Oh, let me finish.

Mr. McFARLANE. I wanted to ask the gentleman a question.

Mr. DIRKSEN. I have not even started yet.

Senator Bingham went so far as to get options on available airport sites for as low as $30 an acre. You could not beat that, as a matter of fact, but the whole business went into the discard, and today we are precisely where we were in 1929. They have a makeshift airport over on the other side of the Potomac. They say it is dangerous. They say it is foggy. I agree. It is a dangerous place. The Nation's Capital ought to have a proper kind of airport. We have heard a great deal about it. Shall we go ahead and develop the Washington-Hoover Airport? Shall we develop a new airport down at Gravelly Point? Those matters have all been presented at length before a subcommittee of the Committee on the District of Columbia in the House, and they have been presented on the Senate side. We could not come to any definite conclusion because it seemed that a lot of people had their oar in the water. We could not get any results as to what kind of a commission ought to be established in order to inquire into this airport matter. We were afraid that some of the members of the Department of Commerce might have some bias. We were afraid that perhaps some members of air lines would be prejudiced. So, after sitting in a huddle for a while, the conferees came to the conclusion that the best kind of a commission would be one consisting of three Members of the House, three Members of the Senate, and three independent members to be appointed by the President. That is what this conference report provides. It provides $100,000, equally divided between the District and the Federal Governments for this purpose, not to exceed $10,000 of which may be used for expenses, including obtaining the services of experts, and not to exceed $90,000 for the purpose of taking options.

Now, somebody might kick about that $90,000. I believe it is a very vital and material element in this bill. If we went over on the other side of the river and tried to procure an airport, it would cost $1,000 an acre. If this commission, in its dispassionate way, can quietly work out a proposition and take options on airports, we will get a site for perhaps $30 or $35 an acre. It is the only way to work. If the commission must disclose its hand, you know very well that all available space will go up in price overnight. That is the reason for the $90,000 in this bill. It is the only feasible proposition I know of by which we can guarantee to the city of Washington a real airport at a price that will not be exorbitant and will involve no exorbitant profits to a lot of land speculators.

That is the sum and substance of this bill. The whole thing is predicated upon this House reposing some confidence in those who will be members of this commission. That is the very foundation of the bill. If they have no confidence in the Members of this House who are to represent this House on that commission, then, of course, there is nothing to be done about it. If, however, you feel that three Senators, three Members of the House of Representatives, and three members appointed by the President can go out and make a deal without having the thing plugged in the newspapers and headlined so that land speculators can take advantage of whatever findings and investigation the commission makes, then I say you ought to vote for this report, because it will give Washington an airport site at a rock-bottom price. That is the sum and substance of it.

Mr. SMITH of Virginia. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. SMITH of Virginia. I would be interested if the gentleman from Illinois would answer the question I asked the gentleman from Maryland [Mr. PALMISANO], namely, if you are merely going to get options and report back to this House and let this House confirm what you do, why do you give yourself authority to do something irrevocable in the way of the purchase of an airport?

Mr. DIRKSEN. Will the gentleman cite the language?

Mr. SMITH of Virginia. The language of the bill is:

> Ninety thousand dollars or so much thereof as may be necessary shall be used for the purchase of land and buildings or for the negotiation of options to purchase land or land and buildings.

Now will the gentleman answer my question?

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois.

Mr. DIRKSEN. The language of such a resolution has to be rather flexible. The gentleman must remember that we have our own constituencies to look after, that we will be back and forth; for the limited time which members of the commission can devote to this matter they should be permitted to consummate a deal if it can be done; and when we are working here trying to do something for Washington in the matter of an airport, there must be some flexibility. I submit that without this flexibility we will not have an airport even 5 years from now.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. ZIONCHECK. I will answer the gentleman's question. If it is possible to purchase an airport site of sufficient size and adequacy for the District of Columbia for $90,000, it had better be done when the opportunity presents itself, for the chances are that otherwise you would not get started for $90,000.

Mr. SMITH of Virginia. No; they will not get started for less than $5,000,000.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker, I desire to make a brief statement with reference to this controversy. I think this is an exceedingly important matter. The question of an airport for the District or Columbia or in the District of Columbia has been discussed pro and con here in Congress for a number of years. It is a subject in which the people of this community are deeply interested.

This conference report is called up this afternoon rather unexpectedly. There seems to be considerable difference of opinion with reference to the proposals contained in the conference report, and differences as to the proper interpretation of the report.

With the permission of the chairman of the House conferees, I am going to submit a unanimous-consent request, Mr. Speaker, and I hope there will be no objection to it on either side. I do not think this conference report ought, under the circumstances I have stated, to be subjected this afternoon to the possibility of being defeated, because it is a matter of very grave importance to the people of the community. I do not know how the House will vote on it. It might vote it up; it might vote it down.

Mr. Speaker, I ask unanimous consent that the motion to agree to the conference report may be withdrawn in order that the conferees, in view of the objections that have been raised this afternoon, in view of the differences of opinion and of interpretation, may have another opportunity to consider this matter and bring it back for further consideration.

The SPEAKER. The gentleman from Alabama asks unanimous consent that the motion to consider the conference report be withdrawn.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, and I do not intend to object if the majority leader insists upon it, but, in my opinion, this matter ought to be voted down right now, and I think it will be voted down right now.

Mr. BANKHEAD. I do not know what the House will do about this matter; I am no clairvoyant. I hope the gentleman from Washington will not object.

Mr. ZIONCHECK. Further reserving the right to object, Mr. Speaker, the gentleman from Illinois said we would have confidence in the members of this commission. Why expose them to temptation and tampering? [Laughter.]

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

BOY SCOUT JAMBOREE, 1937

The SPEAKER. The Chair lays before the House the following request from the Senate:

The Clerk read as follows:

FEBRUARY 24 (calendar day, MAR. 5), 1936.

Ordered, That the Secretary be directed to request the House to return to the Senate the bill (S. 3586) entitled "An act to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their national jamboree to be held during the summer of 1937."

Attest:

E. A. HALSEY, *Secretary*.

The SPEAKER. Without objection, the request will be granted.

There was no objection.

EXTENSION OF REMARKS

Mr. PATMAN, Mr. LANHAM, and Mr. PIERCE asked and were given permission to revise and extend their remarks in the RECORD.

ADJOURNMENT OVER

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

Mr. SNELL. Mr. Speaker, reserving the right to object, may I ask the majority leader if he can give us the tentative program for the first part of next week?

Mr. BANKHEAD. Mr. Speaker, I may say to the minority leader that, as far as it has been arranged and as far as we can now anticipate, we will take up District of Columbia business on Monday. I understand the Committee on the District of Columbia has a bill that may take some little time. On Tuesday we expect to take up the legislative appropriation bill. There has been no program worked out further than that.

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman state which appropriation bill will be taken up next?

Mr. BANKHEAD. We expect to bring up the legislative appropriation bill on Tuesday, as I stated.

Mr. RICH. I hope the majority leader will try to keep these appropriations down, so we can meet these enormous expenses of government.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. BIERMANN. Mr. Speaker, reserving the right to object, may I ask the majority leader if there is in contemplation any arrangement to take up the omnibus bills before the third Tuesday of this month?

Mr. BANKHEAD. If we can find an opportunity to do so, I hope we can, but no arrangement has been made as yet. I want to say to the gentleman that, as far as I am concerned, our policy with reference to the program has been to try to get these appropriation bills passed as soon as possible and get them out of the way. This will give us an opportunity, I think, to devote some extra time to the consideration of the private and omnibus bills.

Mr. BIERMANN. I want to remind the majority leader that we have not had up for consideration at this session the omnibus bills, and if the matter is delayed until toward the end of the session we may pass these bills and the Senate not have time to act.

Mr. BANKHEAD. I may say to the gentleman that when their turn comes I shall insist that they be considered at that time.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, why should the omnibus bills come up when the President of the United States vetoes every one that is sent down to him?

Mr. BIERMANN. Take that question up with the President.

Mr. ZIONCHECK. He has been vetoing them right along. I think the gentleman is an optimist.

Mr. BIERMANN. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BEITER (at the request of Mr. MEAD), for 1 week, on account of illness.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 33 minutes p. m.) the House, pursuant to its previous order, adjourned until Monday, March 9, 1936, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MASSINGALE: Committee on the Public Lands. H. R. 7806. A bill to extend the public-land laws of the United States to certain lands, consisting of islands, situated in the Red River in Oklahoma; without amendment (Rept. No. 2141). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. S. 2953. An act to provide for the inspection, control, and regulation of steam boilers and unfired pressure vessels in the District of Columbia; with amendment (Rept. 2142). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MAAS: Committee on Naval Affairs. H. R. 5336. A bill for the relief of George D. Johnson; without amendment (Rept. No. 2139). Referred to the Committee of the Whole House.

Mr. DARDEN: Committee on Naval Affairs. S. 2682. An act for the relief of Chief Carpenter William F. Twitchell, United States Navy; without amendment (Rept. No. 2140). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on World War Veterans' Legislation was discharged from the consideration of the bill (H. R. 11519) for the relief of Joseph Noel Roberts, and the same was referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAAS: A bill (H. R. 11657) to abolish the office of certain postmasters and create the office of post-office administrator, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. PIERCE: A bill (H. R. 11658) to authorize completion, maintenance, and operation of certain facilities for navigation on the Columbia River, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. DITTER: A bill (H. R. 11659) authorizing the improvement of the Schuylkill River in Pennsylvania for flood control, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. FERNANDEZ: A bill (H. R. 11660) declaring Bayou St. John at and above the Esplanade Avenue Bridge, New Orleans, La., a nonnavigable stream; to the Committee on Interstate and Foreign Commerce.

By Mr. LEE of Oklahoma: A bill (H. R. 11661) providing for Federal service medals of honor to Government employees for distinguished service; to the Committee on the Library.

By Mr. LEA of California: A bill (H. R. 11662) to regulate the transportation and sale of natural gas in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Virginia: A bill (H. R. 11663) to require reports of receipts and disbursements of certain contributions, to require the registration of persons engaged in attempting to influence legislation, to prescribe punishments for violation of this act, and for other purposes; to the Committee on the Judiciary.

By Mr. KNUTSON: A bill (H. R. 11664) to increase the processing tax on certain oils, to impose a tax upon imported soybean oil, and for other purposes; to the Committee on Ways and Means.

By Mr. MEAD (by request): A bill (H. R. 11665) to give the consent of the United States to the taxation by the State of New York and its subdivisions of certain lands and structures in the city of Buffalo, State of New York, purchased and under construction by the United States as and for a housing development; to the Committee on Public Buildings and Grounds.

By Mr. THOMASON. A bill (H. R. 11666) authorizing an exchange of Federal property for property situated in and owned by the city of El Paso, Tex.; to the Committee on Public Buildings and Grounds.

By Mr. MEAD (by request): A bill (H. R. 11667) to give the consent of the United States to the taxation by the several States and their subdivisions of property situated therein and used for other than a usual, necessary, and continuing function of the Federal Government; to the Committee on Public Buildings and Grounds.

By Mr. McLEOD: Joint resolution (H. J. Res. 513) requesting the President of the United States to reinstate Maj. Gen. Johnson Hagood to active duty and assignment to the command of the Eighth Corps Area; to the Committee on Military Affairs.

By Mr. BUCHANAN: Joint resolution (H. J. Res. 514) authorizing the completion of certain records and operations resulting from the administration of the Kerr Tobacco Act, the Bankhead Act of 1934, and the Potato Act of 1935 (repealed), and making funds available for those and other purposes; to the Committee on Appropriations.

By Mr. TAYLOR of Tennessee: Joint resolution (H. J. Res. 515) authorizing the issuance of a special postage stamp in commemoration of the completion of the Norris Dam; to the Committee on the Post Office and Post Roads.

By Mr. BLANTON: Concurrent resolution (H. Con. Res. 45) authorizing the Committee on Appropriations of the House to have printed for its use additional copies of the hearings held during the current session on the District of Columbia appropriation bill for 1937; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CASEY: A bill (H. R. 11668) to credit the account of Everett P. Sheridan; to the Committee on Claims.

By Mr. COCHRAN: A bill (H. R. 11669) granting a pension to Annie Callahan; to the Committee on Pensions.

By Mr. DOCKWEILER: A bill (H. R. 11670) for the relief of Max Natenson; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 11671) for the relief of Edward Martin Howard; to the Committee on Naval Affairs.

By Mr. GEHRMANN: A bill (H. R. 11672) granting a pension to Charlie J. Dupree; to the Committee on Pensions.

By Mr. JOHNSON of West Virginia: A bill (H. R. 11673) granting an increase of pension to Mary M. Gibbs; to the Committee on Invalid Pensions.

By Mr. LARRABEE: A bill (H. R. 11674) granting an increase of pension to Nancy Jarrett; to the Committee on Invalid Pensions.

By Mr. LEWIS of Colorado: A bill (H. R. 11675) for the relief of Mr. and Mrs. Chester A. Smith; to the Committee on Claims.

Also, a bill (H. R. 11676) for the relief of Herbert McCosh DeWitt; to the Committee on Claims.

By Mr. MICHENER: A bill (H. R. 11677) granting an increase of pension to Frances Margaret Small; to the Committee on Invalid Pensions.

By Mr. O'NEAL: A bill (H. R. 11678) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of John W. Hubbard; to the Committee on Claims.

Also, a bill (H. R. 11679) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of William E. Steen; to the Committee on Claims.

By Mr. WITHROW: A bill (H. R. 11680) granting an increase of pension to Nettie S. Taylor; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10396. By Mr. BIERMANN: Memorial of Charles W. Greenley, of radio station KGCA, of Decorah, Iowa, referring to copyright legislation now before Congress; to the Committee on Patents.

10397. By Mr. KENNEY: Petition of the Parent-Teacher Association of Bank Street School, Bridgeton, N. J., endorsing bill 3012 and petitioning it to be brought before the House of Representatives for a hearing; to the Committee on Interstate and Foreign Commerce.

10398. Also, petition of the Parent-Teacher Association of School No. 8 endorsing the Pettengill bill (H. R. 6472) and petitioning it to be brought before the House of Representatives for a hearing; to the Committee on Interstate and Foreign Commerce.

10399. Also, petition of the Parent-Teacher Association of Bank Street School, Bridgeton, N. J., endorsing the Pettengill bill (H. R. 6472) and petitioning it to be brought before the House of Representatives for a hearing; to the Committee on Interstate and Foreign Commerce.

10400. Also, petition of the Parent-Teacher Association of School No. 8 endorsing the Federal food and drug bill (S. 5) and petitioning it to be brought before the House of Representatives; to the Committee on Interstate and Foreign Commerce.

10401. Also, petition of the High School Parent-Teacher Association of Hillside, N. J., endorsing the Federal food and drug bill (COPELAND, S. 5) and petitioning it to be brought before the House of Representatives; to the Committee on Interstate and Foreign Commerce.

10402. Also, petition of the High School Parent-Teacher Association of Hillside, N. J., endorsing the Pettengill bill (H. R. 6472) and petitioning it to be brought before the House of Representatives; to the Committee on Interstate and Foreign Commerce.

10403. By Mr. MERRITT of New York: Resolution of the Lehigh Valley Railroad Veterans' Association, endorsing the Pettengill bill (H. R. 3263) and calling upon not only its members but also officials of railways, members of chambers of commerce, stockholders, insurance companies, bank depositors, etc., to combine in an effort to secure the passage of this bill in order to provide equality treatment for the transportation systems; to the Committee on Interstate and Foreign Commerce.

10404. Also, protest signed by 237 residents of the city of Ithaca, N. Y., against the program for building the Navy up to treaty strength, since that program is far in excess of our needs for the defense of American territory, and it is believed that the only principle of our naval policy should be the defense of American territory from attack; to the Committee on Naval Affairs.

10405. Also, resolution adopted by the Lehigh Valley Railroad Veterans' Association urging the passage of the Wheeler bill (S. 1632), providing for regulation by the Interstate Commerce Commission of carriers by water for hire in interstate commerce; to the Committee on Interstate and Foreign Commerce.

10406. Also, resolution of the Astoria Democratic Club, Inc., Astoria, N. Y., advocating (1) that there be 100 percent American crews on ships flying the American flag and who enjoy an indirect or direct subsidy; (2) that the steamship *Leviathan* be used as a school ship and remain at its present mooring to train and certify citizens for service aboard passenger ships, the purpose of this being to eliminate the plausible excuse which shipowners and agents employ, and give men and women certificates of proof that they are qualified as barbers, mess boys, stewards, waiters, pursers, water tenders, wipers, firemen, wireless operators, receiving clerks, delivery clerks, dock boss, supervisors, or any branch of the service—compliance with this ordinance would mean the elimination of alien crews; to the Committee on Merchant Marine and Fisheries.

10407. Also, resolution adopted by the Assembly and the Senate of the State of California, jointly, that the President and Congress of the United States be respectfully urged to enact House Joint Resolution No. 143, awarding the Distinguished Service Medals to Tony Siminoff, Oliver F. Rominger, and Robert E. Beck, veterans of the Philippine Insurrection; to the Committee on Military Affairs.

10408. By Mr. RISK: Joint resolution of the General Assembly of the State of Rhode Island, requesting the Senators and Representatives in Congress from Rhode Island to oppose the enactment of any legislation by Congress designed to prevent veterans of the World War from remaining on Federal or State relief rolls if and when they shall receive a bonus under the provisions of House bill 9870, entitled "An act to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes; to the Committee on Ways and Means.

10409. By the SPEAKER: Petition of the National Peace Conference; to the Committee on Appropriations.

10410. Also, petition of the Wake County (N. C.) Bar Association; to the Committee on the Library.

SENATE

MONDAY, MARCH 9, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, March 5, 1936, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, informed the Senate that the House had impeached for high crimes and misdemeanors Halsted L. Ritter, United States district judge for the southern district of Florida, and that the House had adopted articles of impeachment against said Halsted L. Ritter, judge as aforesaid, which the managers on the part of the House have been directed to carry to the Senate, and that HATTON W. SUMNERS, RANDOLPH PERKINS, and SAM HOBBS, Members of the House, have been appointed such managers.

The message also returned to the Senate, in compliance with its request, the bill (S. 3586) to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their National Jamboree to be held during the summer of 1937.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 8886) to authorize the coinage of 50-cent pieces in commemoration of the sesquicentennial anniversary of the founding of the capital of South Carolina at Columbia, S. C.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 11323. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y.; and

H. R. 11581. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2219. An act for the relief of D. A. Neuman;

S. 2875. An act for the relief of J. A. Jones;

H. R. 8886. An act to authorize the coinage of 50-cent pieces in commemoration of the sesquicentennial anniversary of the founding of the capital of South Carolina at Columbia, S. C.; and

H. R. 10265. An act to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their National Jamboree to be held during the summer of 1937.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Pope
Ashurst	Coolidge	Keyes	Radcliffe
Austin	Copeland	King	Reynolds
Bachman	Costigan	La Follette	Robinson
Bailey	Couzens	Lewis	Russell
Barbour	Davis	Logan	Schwellenbach
Barkley	Dickinson	Lonergan	Sheppard
Benson	Dieterich	McAdoo	Shipstead
Bilbo	Donahey	McGill	Smith
Black	Duffy	McKellar	Steiwer
Bone	Fletcher	McNary	Thomas, Okla.
Borah	Frazier	Maloney	Thomas, Utah
Bulkley	George	Minton	Townsend
Bulow	Gibson	Murphy	Trammell
Burke	Glass	Murray	Truman
Byrnes	Gore	Neely	Tydings
Capper	Guffey	Norbeck	Vandenberg
Caraway	Hale	Norris	Van Nuys
Carey	Harrison	O'Mahoney	Wagner
Chavez	Hatch	Overton	Wheeler
Clark	Hayden	Pittman	White

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD] is absent because of illness, and that the Senator from Virginia [Mr. BYRD], the Senator from New Hampshire [Mr. BROWN], the Senator from Louisiana [Mrs. LONG], the Senator from Nevada [Mr. MCCARRAN], the Senator from New Jersey [Mr. MOORE], the Senator from Rhode Island [Mr. GERRY], and the Senator from Massachusetts [Mr. WALSH] are necessarily detained from the Senate.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is unavoidably detained. I ask to have this announcement stand for the day.

Mr. AUSTIN. I announce that the senior Senator from Rhode Island [Mr. METCALF] is necessarily absent.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

NON-FEDERAL PROJECTS IN PUBLIC WORKS ADMINISTRATION (S. DOC. NO. 183)

The VICE PRESIDENT laid before the Senate a letter from the Federal Emergency Administrator of Public Works, transmitting, in response to Senate Resolution 234 (submitted by Mr. HAYDEN, and agreed to Feb. 12, 1936), a list of

pending non-Federal projects approved by the Federal Emergency Administration of Public Works for which allocations have not been made, and a list of additional pending non-Federal projects not finally acted upon by the Administration as of March 2, 1936, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

P. W. A. ALLOTMENTS TO ELECTRIC POWER AND GAS PROJECTS (S. DOC. NO. 184)

The VICE PRESIDENT laid before the Senate a letter from the Federal Emergency Administrator of Public Works, transmitting, in response to Senate Resolution 235 (submitted by Mr. NORRIS, and agreed to Feb. 13, 1936), a report of projects involving the generation, transmission, or distribution of electric power, and all projects for the production and distribution of gas, for which allotments have been made by the Public Works Administration, including projects which are under construction, and those which have been delayed because of injunction or other litigation, which, with the accompanying report, was referred to the Committee on Appropriations and ordered to be printed.

INTERIM REPORT OF SOCIAL SECURITY BOARD

The VICE PRESIDENT laid before the Senate a letter from the Executive Director of the Social Security Board, transmitting, pursuant to law, an interim report of the work of the Social Security Board from its inception to the beginning of the second session of the Seventy-fourth Congress, which, with the accompanying report, was referred to the Committee on Finance.

CLAIMS OF CLARK F. POTTS AND CHARLES H. BARKER

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation providing for the settlement of the claims against the United States of Clark F. Potts and Charles H. Barker, United States Coast Guard, for the loss of or damage to their property on account of fire, which, with the accompanying paper, was referred to the Committee on Claims.

MERGER OF WASHINGTON AND GEORGETOWN GAS LIGHT COMPANIES

The VICE PRESIDENT laid before the Senate a letter from the executive secretary of the Public Utilities Commission of the District of Columbia, approving in principle the provisions of Senate bill 3977, authorizing the merger of the Washington Gas Light Co. and the Georgetown Gaslight Co., and the increase in capitalization and the issuance of stock by the Washington Gas Light Co., which, with the accompanying paper, was referred to the Committee on the District of Columbia.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the Legislature of the State of Massachusetts, which was referred to the Committee on Foreign Relations:

Resolution memorializing Congress against legislation violating the letter or spirit of neutrality

Whereas there are pending before the present session of the Congress of the United States bills to enact legislation involving neutrality; and

Whereas various nations are endeavoring to influence the United States to establish sanctions and embargoes in the present European conflict; and

Whereas the United States is now at peace with all nations: Therefore be it

Resolved, That the General Court of Massachusetts does hereby protest against the passage by the Congress of the United States of any act of legislation that interferes with the spirit and the letter of absolute neutrality, meaning entire abstinence from any participation, express or implied, with any belligerents, remaining the common friend of all, favoring none to the detriment of the other; and be it further

Resolved, That said general court hereby protests against the passage by the Congress of the United States of any legislation which might tend to interfere with or restrict trade with the warring nations, and that no act should extend beyond embargoes on arms, ammunitions, and implements of war; and be it further

Resolved, That the secretary of the Commonwealth be, and he hereby is, instructed and directed to forward a copy of these resolutions to the President of the United States, to the presiding officers of both branches of Congress, to the members of the Committees on Foreign Relations of both branches thereof, and to the Members of Congress from this Commonwealth.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Finance:

Whereas honorably discharged war veterans of the United States who are residents of the county of Richmond, State of New York, and who require hospital care and treatment, are obliged to go for such treatment to the Veterans' Facility No. 81, located at Gunhill Road, county of Bronx, even though such treatment consists of changing a dressing or other out-patient treatment; and

Whereas this entails a distinct hardship by making it necessary for the said veterans to travel distances as great as 70 miles to receive treatment, and requiring the expenditure of transportation charges ranging in amounts from 30 cents to $1; and

Whereas the said Veterans' Facility No. 81, county of Bronx, is at present overcrowded and has not sufficient facility for the proper care and treatment of all the veterans requiring the same who reside within the limits of the Greater City of New York; and

Whereas the Government of the United States, through its Public Health Service, has recently completed and opened a modern hospital known as the United States Marine Hospital, located at Stapleton, county of Richmond, State of New York, which said hospital provides for at least 500 additional beds; and

Whereas by joint and separate action of the United States Spanish War Veterans, the American Legion, the Veterans of Foreign Wars of America, the Jewish War Veterans of the United States, the Disabled War Veterans of the World War, Gen. Frank T. Hines, Administrator of Veterans' Administration, was petitioned for permission to procure such facilities for care, treatment, and/or hospitalization of honorably discharged war veterans of the United States who reside in the county of Richmond; and

Whereas the said application for the treatment of said veterans has been denied by General Hines upon the ground that the said United States Marine Hospital is under the jurisdiction of the United States Public Health Service and is limited to the care and treatment of sailors and other marine workers of United States and foreign ships entering and leaving the port of New York; and

Whereas, despite the said denial for the reasons aforesaid, facilities have been extended to the care, treatment, and hospitalization of the sick and injured employees of the Works Progress Administration working within the confines of Richmond County: Now, therefore, be it

Resolved (*if the assembly concur*), That it is the sense of the Legislature of the State of New York that an Executive order of the President issue, or other enabling legislation be enacted, to permit of the care, treatment, and/or hospitalization in the said United States Marine Hospital at Stapleton, N. Y., of honorably discharged war veterans of the United States residing within said county of Richmond who require care, treatment, and/or hospitalization, and the President, the Secretary of the Senate, and the Clerk of the House of Representatives of the United States are hereby memorialized to that effect; and be it further

Resolved, That copies of this resolution be immediately transmitted to the President, the Secretary of the Senate, and the Clerk of the House of Representatives of the United States.

The VICE PRESIDENT also laid before the Senate a resolution adopted by the board of trustees of the town of Clarksville, Ind., favoring the enactment of legislation authorizing an appropriation for the purchase of land and the erection of a memorial to Gen. George Rogers Clark at Clarksville, which was referred to the Committee on the Library.

He also laid before the Senate a resolution adopted by the Wake County (N. C.) Bar Association, favoring the enactment of the joint resolution (H. J. Res. 237) for the establishment of a trust fund to be known as the Oliver Wendell Holmes Memorial Fund, which was referred to the Committee on the Library.

He also laid before the Senate the petition of Francis Wm. Taylor, of Pensacola, Fla., praying for the creation of a committee on civilian aeronautics in the Senate, which was referred to the Committee on Rules.

He also laid before the Senate a petition of the Great American Prospectors Association, of Salt Lake City, Utah, praying for the enactment of legislation providing for the erection of a station at Salt Lake City for the Bureau of Mines, which was referred to the Committee on Public Buildings and Grounds.

He also laid before the Senate a resolution adopted by the Illinois Women's Auxiliary of the Progressive Miners of America, of Marissa, Ill., protesting against the purchase from foreign nations of any commodities which can be produced in the United States, which was referred to the Committee on Commerce.

He also laid before the Senate a resolution adopted by members of the Illinois Women's Auxiliary of the Progressive Miners of America, of Marissa, Ill., requesting the cessation of Civilian Conservation Corps camps and all military pictures, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate a resolution adopted by members of the Illinois Women's Auxiliary of the Progressive Miners of America, of Marissa, Ill., requesting the termination of expenditures of the Government on alleged experiments, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution adopted by members of the Illinois Women's Auxiliary of the Progressive Miners of America, of Marissa, Ill., protesting against the continuance of employees under the National Recovery Administration and the Agricultural Adjustment Administration, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution adopted by members of the Illinois Women's Auxiliary of the Progressive Miners of America, of Marissa, Ill., protesting against war and favoring the expenditure of military appropriations for useful work with adequate wages for workers, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution adopted by members of the Illinois Women's Auxiliary of the Progressive Miners of America, of Marissa, Ill., favoring the payment of adjusted-compensation certificates to World War veterans by legal-tender noninterest-bearing currency, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by members of the Illinois Women's Auxiliary of the Progressive Miners of America, of Marissa, Ill., favoring the enactment of legislation providing for the refinancing of agricultural indebtedness, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the Common Council of Buffalo, N. Y., favoring the enactment of House bill 10408, providing for the improvement of the New York State Barge Canal from Three Rivers to Buffalo, which was referred to the Committee on Commerce.

He also presented a petition of sundry citizens of Binghamton, N. Y., praying for the enactment of Senate bill 514, to prohibit liquor advertising, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Federation of Jewish Women's Organizations, Inc., of New York City, N. Y., favoring the enactment of legislation relating to birth control, which was referred to the Committee on the Judiciary.

He also presented the memorial of Loyola Study Club, of Youngstown, Ohio, remonstrating against the enactment of birth-control legislation, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Tioga County (N. Y.) Bar Association, protesting against the direct control of private business enterprise by the Government, which was referred to the Committee on Finance.

He also presented petitions of sundry citizens of Buffalo, N. Y., and members of the Men's Progressive Class of Plymouth Church, of Syracuse, N. Y., praying for the enactment of legislation pertaining to the deportation of aliens, which were ordered to lie on the table.

He also presented a memorial of sundry citizens of Mineola, Long Island, N. Y., remonstrating against the enactment of legislation pertaining to the deportation of aliens, which was ordered to lie on the table.

PITTSBURGH-ASHTABULA CANAL

Mr. DAVIS presented a resolution adopted by the City Council of the City of Uniontown, Pa., which was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

Be it resolved by the City Council of the City of Uniontown, That it is the opinion of this body that it would be a shameful waste of public moneys to construct the Pittsburgh-Ashtabula Canal, and that the canal would be highly prejudicial to the best interests of this district when put in operation, and that copies of this resolution be mailed to Hon. J. BUELL SNYDER, Hon. JAMES J. DAVIS, and Hon. JOSEPH F. GUFFEY.

REPORTS OF COMMITTEES

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (H. R. 8372) to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon, reported it without amendment and submitted a report (No. 1664) thereon.

Mr. GLASS, from the Committee on Appropriations, to which was referred the bill (H. R. 10919) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1937, and for other purposes, reported it with amendments and submitted a report (No. 1665) thereon.

Mr. AUSTIN, from the Committee on Military Affairs, to which was referred the bill (S. 3411) to authorize the acquisition of land for military purposes at Fort Ethan Allen, Vt., reported it without amendment and submitted a report (No. 1666) thereon.

Mr. BENSON, from the Committee on Claims, to which was referred the bill (H. R. 8110) for the relief of Thomas F. Gardiner, reported it without amendment and submitted a report (No. 1667) thereon.

Mr. CHAVEZ, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 3488) to provide for an examination and survey to determine the best utilization of the surplus waters of the San Juan River and to determine the feasibility and cost of storing such waters and of diverting them to the Rio Chama, reported it without amendment and submitted a report (No. 1669) thereon.

Mr. WHEELER, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 70) for the relief of agriculture, the producers of livestock, and the producers of raw materials generally, and for other purposes, reported it with an amendment and submitted a report (No. 1670) thereon.

MAJ. GEN. JOHNSON HAGOOD

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the resolution (S. Res. 239) to investigate the circumstances attending the removal of Maj. Gen. Johnson Hagood from command of the Eighth Army Corps Area (submitted by Mr. METCALF on Feb. 26, 1936), reported it adversely and submitted a report (No. 1668) thereon.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on March 5, 1936, that committee presented to the President of the United States the following enrolled bills:

S. 1124. An act for the relief of Anna Carroll Taussig;

S. 2188. An act for the relief of the estate of Frank B. Niles; and

S. 2961. An act for the relief of Peter Cymboluk.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON:

A bill (S. 4190) to amend the act approved February 7, 1913, so as to remove restrictions as to the use of the Little Rock Confederate Cemetery, Arkansas, and for other purposes (with accompanying papers); to the Committee on Military Affairs.

By Mr. NEELY:

A bill (S. 4191) granting an increase of pension to Charles Adkins; and

A bill (S. 4192) to provide for a loan to the Prisoners' Relief Society; to the Committee on Finance.

By Mr. McNARY:

A bill (S. 4193) granting an increase of pension to Esther Ann Hill Morgan (with accompanying papers); to the Committee on Pensions.

By Mr. NORRIS:

A bill (S. 4194) for the relief of Claribell Eaton; to the Committee on Claims.

By Mr. WHITE:

A bill (S. 4195) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ralph Charles Stuart; to the Committee on the District of Columbia.

By Mr. JOHNSON:

A bill (S. 4196) to authorize contracts for the use of water on the Orland reclamation project, California, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. ASHURST:

A bill (S. 4197) relating to the admissibility of evidence of certain writings and records made in the regular course of business; to the Committee on the Judiciary.

By Mr. LOGAN:

A bill (S. 4198) for the relief of Clear Creek Mountain Springs, Inc.;

A bill (S. 4199) for the relief of Amelia K. Abel, administratrix of the estate of Louis Abel;

A bill (S. 4200) for the relief of Mrs. J. H. McClary;

A bill (S. 4201) for the relief of Wavy Duvall, father of Mary Cathline Duvall, deceased;

A bill (S. 4202) for the relief of Mrs. Ollie C. Emery;

A bill (S. 4203) for the relief of the Louisville Varnish Co.; and

A bill (S. 4204) for the relief of Winifred E. Hester; to the Committee on Claims.

A bill (S. 4205) granting an increase of pension to William M. Davis; to the Committee on Pensions.

By Mr. VAN NUYS:

A bill (S. 4206) for the relief of John N. Hunter, Edmund M. Cook, Fred C. Putnam, Merchants National Bank of South Bend, Ind., and St. Joseph Loan & Trust Co. of South Bend, Ind. (with an accompanying paper); to the Committee on Claims.

By Mr. BARBOUR:

A bill (S. 4207) for the relief of Reuben M. Wright; to the Committee on Military Affairs.

By Mr. HARRISON:

A bill (S. 4208) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Natchez, Miss., and for other purposes; to the Committee on Commerce.

By Mr. FLETCHER:

A bill (S. 4209) to amend section 5219 of the Revised Statutes, as amended (relating to State taxation of national banking associations); to the Committee on Banking and Currency.

A bill (S. 4210) to authorize the Secretary of War to acquire, by donation, lands in De Soto and/or Charlotte and/or Highlands County, Fla., for expansion of Dorr and/or Carlstrom Fields, or other fields, for the use of the air forces of the United States Army, and for other military and other public purposes; to the Committee on Military Affairs.

A bill (S. 4211) to amend title 43, section 154, of the United States Code; to the Committee on Public Lands and Surveys.

(Mr. FLETCHER introduced Senate bill 4212, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. HAYDEN:

A bill (S. 4213) to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. CONNALLY and Mr. SHEPPARD:

A bill (S. 4214) to authorize the preparation of a comprehensive plan for controlling the floods, regulating the flow of waters, land reclamation, and conserving water for beneficial uses in the basins of the Sabine and Neches Rivers, and for other purposes; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 4215) granting a pension to Ruby M. Aubert; to the Committee on Pensions.

A bill (S. 4216) for the relief of J. H. Bowling; to the Committee on Claims.

By Mr. BARKLEY:

A bill (S. 4217) granting a pension to William M. Graham; to the Committee on Pensions.

By Mr. BULKLEY:

A bill (S. 4218) for the relief of Harry Wallace; to the Committee on Claims.

By Mr. COPELAND (by request):

A bill (S. 4219) to amend an act entitled "An act to create a juvenile court in and for the District of Columbia", and for other purposes; to the Committee on the District of Columbia.

By Mr. WHEELER:

A bill (S. 4220) to amend section 15 of the act entitled "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration; to provide for their orderly use, improvement, and development; to stabilize the livestock industry dependent upon the public range; and for other purposes", approved June 28, 1934 (48 Stat. 1269); to the Committee on Public Lands and Surveys.

By Mr. JOHNSON:

A bill (S. 4221) for the relief of Samuel J. Scharf; to the Committee on Claims.

A bill (S. 4222) granting an annuity to John N. Paulson; to the Committee on the Civil Service.

A bill (S. 4223) granting an increase of pension to John P. Adams;

A bill (S. 4224) granting an increase of pension to Polk W. Nunnally; and

A bill (S. 4225) granting a pension to Fred V. Roberts; to the Committee on Pensions.

A joint resolution (S. J. Res. 226) authorizing the President to invite foreign countries to participate in the San Francisco Bay Exposition of 1939 at San Francisco, Calif.; to the Committee on Foreign Relations.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 11323. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y.; to the Committee on Banking and Currency.

H. R. 11581. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes; to the Committee on Appropriations.

AMENDMENT OF NATIONAL HOUSING ACT

Mr. FLETCHER. I introduce a bill to amend title I of the National Housing Act, and ask that it be printed in the RECORD and referred to the Committee on Banking and Currency. I also ask that a statement explaining the bill may be printed in the RECORD following the bill.

There being no objection, the bill (S. 4212) to amend title I of the National Housing Act, and for other purposes, was read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That title I of the National Housing Act, as amended, be further amended as follows:

SECTION 1. Section 1 of title I is amended by adding at the end of said section the following paragraph:

"Notwithstanding any other provision of law, the Administrator shall have the power, under and subject to regulations prescribed by him and approved by the Secretary of the Treasury, to assign or sell at public or private sale, or otherwise dispose of, any evidence of debt, contract, claim, property, or security assigned to or held by him, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of insurance under section 2 of this title, until such time as such obligations may be referred to the Attorney General for suit or collection."

SEC. 2. Section 2 of title I is amended, effective on and after April 1, 1936, to read as follows:

"SEC. 2. The Administrator is authorized and empowered, upon such terms and conditions as he may prescribe, to insure banks, trust companies, personal finance companies, mortgage companies, building and loan associations, installment lending companies, and other such financial institutions, which the Administrator finds to be qualified by experience or facilities as eligible for credit insurance, against losses which they may sustain as a result of loans and advances of credit not in excess of $2,000, and purchases of obligations representing such loans and advances of credit, made by them on and after April 1, 1936, and prior to December 31, 1936, or such earlier date as the President may fix by proclamation upon his determination that there no longer exists any necessity for such insurance in order to make ample credit available, for

the purpose of financing alterations, repairs, and additions upon improved real property by the owners thereof or lessees of such real property under a lease expiring not less than 6 months after the maturity of the loan, and against losses which they may sustain as a result of loans and advances of credit, not in excess of $50,000, and purchases of obligations representing such loans and advances of credit made during such period to owners of real property already improved by apartments or multiple-family houses, hotels, office, business, or other commercial buildings, hospitals, orphanages, colleges, schools, or manufacturing or industrial plants, or improved by some other structure which is to be converted into one of the above-mentioned types of structure, or to lessees thereof under a lease expiring not less than 6 months after the maturity of the loan, for the purpose of financing alterations, repairs, and additions to such real property, and the purchase and installation of equipment and machinery thereon.

"In no case shall the insurance granted by the Administrator under this section to any such financial institution on loans, advances of credit, and purchases made by such financial institutions for such purposes after April 1, 1936, exceed 10 percent of the total amount of such loans, advances of credit, and purchases. The total liability incurred by the Administrator for all insurance granted under this section, including all insurance heretofore and hereafter granted, shall not exceed in the aggregate $100,000,000. No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions, as the Administrator shall prescribe in order to make credit available for the purposes of this title.

"The Administrator is authorized and empowered to transfer, under such regulations as he may prescribe, any insurance in connection with any loans and advances of credit which may be sold by one approved financial institution to another approved financial institution."

SEC. 3. Section 3 of title I is hereby repealed.

There being no objection, the explanatory statement referred to by Mr. FLETCHER was ordered to be printed in the RECORD, as follows:

RÉSUMÉ OF OPERATIONS UNDER TITLE I, NATIONAL HOUSING ACT

Title I of the National Housing Act was a temporary measure designed to stimulate the durable-goods industries which, with the building trades, employed more than 4,000,000 workers prior to the 1929 debacle. Title II, the permanent and continuing program of mutual-mortgage insurance, is in no way affected.

It was estimated that more than 16,000,000 American homes, apartment houses, offices, stores, factories, and other buildings were in need of some repair. During the 5 subnormal years since 1929 property owners did not have the money or credit to check property deterioration.

Title I of the act released private capital to finance repairs and improvements to properties. It did this by insuring financial institutions against loss on monthly installment loans for periods up to 5 years. It made such loans absolutely safe investments for the lending agencies.

Not more than 150 financial institutions were making installment character loans when the National Housing Act was passed. Now 6,083 are making such loans, and many of the largest will continue to make such loans after title I has terminated.

The direct stimulus of title I of the act to American business has been powerful. As of March 4, 1936, loans to the number of 856,549 and amounting to $300,875,416 in value, made for the purposes of financing property repairs and improvements, had been insured.

Five times this amount—$1,500,000,000—in cash or uninsured credit had been spent for modernization, it is estimated on the basis of reports made to the Federal Housing Administration by its field representatives.

This volume was reached through 7,000 local better-housing committees cooperating with the Housing Administration in practically every community in the United States. These local committees financed their own surveys and other activities.

The 856,549 properties improved are situated in all of the 48 States, the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Canal Zone. They are found in practically every incorporated place of more than 2,500 inhabitants, and in thousands of smaller communities and on thousands of farms. Repairs and improvements of almost every known type have been financed for homes, farms, business properties, churches, schools, factories, and other structures.

(Following is an explanation of the proposed amendments to title I of the National Housing Act and how they operate:)

PROPOSED AMENDMENTS TO TITLE I, NATIONAL HOUSING ACT—HOW THEY WILL OPERATE

1. The modernization credit insurance provisions in title I of the National Housing Act are extended with some modifications from April 1 to December 31, 1936, with substantially the same authority to the President to terminate it as is contained in the original act.

2. Insured modernization loans of $2,000 or less in connection with private residences can be made only "for the purpose of financing alterations, repairs, and additions upon improved real property by the owners thereof or lessees of such real property under a lease expiring not more than 6 months after the maturity of the loan."

This change eliminates all household equipment which does not become a permanent part of the property. Interpretation will be required to determine exactly what involves permanent installation. There is no doubt, however, that such items as wiring, heating, and plumbing systems are eligible under this provision. Refrigerators, washers, ironers, and similar equipment not built-in are not eligible.

This change also limits insured loans to owners or long-term lessees of the properties involved. Formerly loans made to monthly tenants could be insured.

3. Loans for the purchase and installation of equipment and machinery for business properties, however, remain eligible under the new provisions, and the maximum for these loans remains at $50,000.

It was considered only fair to the owners of business properties in the United States to continue this facility under the National Housing Act. These loans were not being made in any volume until around November, since they usually required considerable time for preparation before the loan could be made.

It is believed that the generation of employment is larger, in proportion to the money expended, through the improvement to business properties than to home properties.

4. The amount of insurance for private financial institutions extending modernization credit loans is reduced from 20 percent of the total amount of loans extended to 10 percent. From the experience of the Federal Housing Administration since the first loans were made in August 1934 the 10-percent coverage is more than ample. The claims presented to the Administrator up to the present are less than one-half of 1 percent of the loans insured. The ultimate percentage of loss is not expected to be more than 3 or 4 percent.

Institutions making loans under their present contracts of insurance will still be insured up to the full 20 percent of their total loans made prior to April 1, 1936. New insurance reserves will be started as of April 1.

5. Maximum insurance liability of the Administrator under title I is reduced from $200,000,000 to $100,000,000. This reduced sum is considered ample to insure the loans which may be made from April 1 through December 31 at the new rate of 10 percent of the aggregate amount. It also releases $100,000,000 of committed funds and reduces the Government's contingent obligations by that amount.

6. Section 3 of title I is repealed. This section gave the right to the Federal Housing Administrator to advance money to insured financial institutions on the security of insured obligations. Experience has revealed that there is no need for this provision, as there has been a free market for these notes whenever a financial institution wanted to sell them.

7. The powers of the Federal Housing Administrator to dispose of property acquired through default of modernization loans are extended under the new provisions. He is not required to dispose of such properties through routine Government channels. He can dispose of them by private or public sale, under such regulations as he may make with the approval of the Secretary of the Treasury.

FEDERAL TRADE COMMISSION—AMENDMENT

Mr. KING submitted an amendment intended to be proposed by him to the bill (S. 3744) to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes, which was referred to the Committee on Interstate Commerce and ordered to be printed.

(Mr. DAVIS submitted a resolution (S. Res. 243), which appears elsewhere in today's RECORD, p. 3415, under the appropriate heading.)

(Mr. ASHURST submitted a resolution (S. Res. 244), which appears in today's RECORD, p. 3427, at the conclusion of the debate on impeachment procedure.)

(Mr. BORAH submitted a resolution (S. Res. 245), which appears elsewhere in today's RECORD, p. 3428, under the appropriate heading.)

INVESTIGATION OF "MORRO CASTLE" AND "MOHAWK" DISASTERS—INCREASE IN EXPENDITURES

Mr. COPELAND submitted the following resolution (S. Res. 246), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures under Senate Resolution 7, Seventy-fourth Congress, first session, relating to the investigations of the steamships *Morro Castle* and *Mohawk* disasters and the adequacy of methods and practices for the safety of life at sea, agreed to March 16, 1935, is hereby increased by $15,000.

PROPOSED INVESTIGATION OF WORKS PROGRESS ADMINISTRATION

Mr. DAVIS. Mr. President, I have voted consistently for work relief, as a study of my legislative record will show. Moreover, I have been friendly to work-relief programs,

because I have a feeling of personal sympathy for those who have suffered adversity in depression days. Nothing I shall say should be construed to reflect upon the character of men and women on work relief.

The attention of the Senate has been called to the use of work-relief projects for political purposes, contrary to the humanitarian and economic needs for which they were instituted. I believe there was a common understanding among all who voted for this legislation, and who continue to support it, that it was designed to be used exclusively for those who otherwise would be completely without income, and not to advance the personal and political fortunes of anyone else. It was not designed to provide better jobs for those who already had employment, to provide larger salaries than workers ordinarily could command, or to serve as an instrument of political patronage.

During a recent trip through the State of Pennsylvania I was greeted on every hand with statements that relief there in many instances has been used to advance partisan political interests. These statements have been made to me by responsible persons. However, I do not wish to rely upon rumor for knowledge of W. P. A. affairs, but believe all of us are entitled to know the facts. I am seeking to verify certain startling statements which have been made to me, and desire official information concerning them. These statements concern the number of political appointees serving as supervisors of W. P. A. projects in Pennsylvania receiving salaries far above the average.

I have not the names of these political appointees. Reputable Pennsylvania newspapers have asked me for them, but as yet the Works Progress Administration has not disclosed them. If these appointments be valid and in the interest of public welfare, I see no reason why they should not be available for newspaper publication as in the case of all other officials in the State of Pennsylvania. This is public business and should be available to the Senate and to the country upon request.

This request for information is made with no desire whatsoever to attach scandal to the names of worthy men and women or those who lead this work in Pennsylvania, but solely for the maintenance of public business in the open way in which we are accustomed to transact public business in a free country. Moreover, this request is not at all concerned with the publication of the names of men and women on work relief whose income is in the lower brackets in accordance with prevailing wage standards. I wish again to state that I have regarded work relief as necessary and that I have voted consistently for it. My one apprehension now concerns its proper administration. I am convinced that, irrespective of the ability and character of those who seek to administer work-relief projects of local nature on a long-distance range basis from Washington, this plan is impractical and inefficient. I believe the abuses which have arisen under the plan of centralized administration could very largely be avoided by the program of administering local work-relief projects by local governmental officials. This program is incorporated in Senate bill 3673, which I have introduced. This bill has been approved by a large majority of the mayors and county commissioners of the State of Pennsylvania, irrespective of their party affiliations, many of them Democratic, some Republican, and a few Socialist. I am not urging my bill as a partisan issue.

I submit a letter published by three prominent Pittsburgh newspapers, including the Pittsburgh Press, which is friendly to the administration, presenting the request of Mr. Harry W. Fee, chairman of the Indiana County Democratic Committee of Pennsylvania, asking a woman employee of the Emergency Relief staff for a contribution of $27 to the Indiana County Democratic campaign committee as a token of her appreciation for the position she held. In this letter the employee was informed that unless the contribution was forwarded promptly she would no longer be considered eligible for employment. I ask that the letter be published in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEMOCRATIC COMMITTEE OF INDIANA COUNTY,
Indiana, Pa., December 4, 1935.

MARY C. SHEARER,
Emergency Relief Area, Community Center Building,
Indiana, Pa.

DEAR MADAM: I am very much surprised that you have not responded to our previous letter requesting your contribution in the amount of $27 to Indiana County Democratic campaign committee, as I was sure that you appreciated your position to such an extent that you would make this contribution willingly and promptly. I must, however, now advise you that unless your contribution in the above amount is received promptly it will be necessary to place your name on the list of those who will not be given consideration for any other appointment after the termination of the Emergency Relief work, which, as you know, will terminate in the near future.

Please make your check payable to A. Lucile Baun, treasurer, and mail the same to her at 402 Indiana Theater Building, Indiana, Pa.

Yours very truly,

HARRY W. FEE,
Chairman, Indiana County Democratic Committee.

Mr. DAVIS. Mr. Fee denies that he demanded campaign contributions of relief workers. However, I understand that Mr. Harry Hopkins, Relief Administrator, ordered an immediate investigation. If the charges made against Mr. Fee are false, he should be cleared and publicly vindicated. If the charges are true, the Senate should be informed of such misconduct of public business.

I present an editorial from the Pittsburgh Press for March 3 entitled "Indiana County Scandal." The editorial policy of this newspaper is in harmony with the present administration. I ask that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INDIANA COUNTY SCANDAL

The charge that relief workers in Indiana County were solicited for campaign contributions by the local Democratic organization, under a threat of blacklisting, should be sifted to the bottom.

If true, every individual involved should be publicly exposed and whatever other steps are possible, both to punish the perpetrators and to clean up such conditions, should be taken.

Senator A. H. VANDENBERG, of Michigan, has writen W. P. A. Administrator Harry L. Hopkins a letter quoting from a letter which was sent to an Indiana County relief worker on the stationery of the Democratic committee of that county, signed by Harry W. Fee, county chairman. The letter quoted by Senator VANDENBERG was written on December 4, 1935.

Today the Press, on page 4 of this section, publishes a facsimile of another letter—the wording of both being identical—written to another relief worker on December 3.

The fact that identical letters were written to different workers on different days indicates that the practice was widespread in that county.

The charge will be made, of course, that Senator VANDENBERG, who is mentioned as a Republican Presidential possibility, is motivated by politics.

Perhaps he is.

But, nevertheless, that is not a sufficient answer.

The fact remains that County Chairman Fee wrote letters to relief workers in which he said: "I am very much surprised that you have not responded to our previous letter requesting your contribution in the amount of $27 to Indiana County Democratic campaign committee, as I was sure that you appreciated your position to such an extent that you would make this contribution willingly and promptly."

The fact remains that Chairman Fee then directly threatened those to whom the letters were sent by advising them that "unless your contribution in the above amount is received promptly it will be necessary to place your name on the list of those who will not be given consideration for any other appointment after the termination of the emergency relief work."

This is a cruel threat, made to a low-paid relief worker, from whom more than one-fourth of a month's salary—more than a week's pay—was demanded as a political contribution.

Director Hopkins, we are certain, does not condone and tolerate such actions. He has repeatedly shown his desire to keep politics out of relief. President Roosevelt has also repeatedly warned against such practices.

Unfortunately relief has to be administered through a far-flung organization, and under such situations dishonesty and insincerity and abuse are certain to turn up here and there.

But when they do drastic action is imperative.

Senator VANDENBERG and ex-Governor Pinchot have both made serious charges of politics in Pennsylvania's work-relief administration. It is even hinted in Washington that a scandal sufficiently grave to menace Democratic success in Pennsylvania may be developed if a sweeping investigation is made. We doubt it; but regardless of political consequence, we urge that the investigation be carried through.

Get the guilty ones, no matter who they are.

Mr. DAVIS. I have received many letters describing partisan administration of relief in Pennsylvania. I wish

to quote from one of many, but do not desire to give the name of the W. P. A. employee making this statement, lest it should work against him. The correspondent says:

The conditions on the local W. P. A. work are most humiliating. Republicans are only placed in "key" positions when Democrats are not available or through personal influence cultivated by sincere friendship or business association between a Democratic and a Republican leader, which is very rare. On all other occasions the Republicans are placed in "minor" positions or "demoted" to make room for a Democrat.

The same correspondent writes:

I am enclosing a letter that I received from David Lawrence, chairman of the Democratic State committee, to which was attached 24 subscription blanks for the new publication entitled "We the People." According to "suggestions", I am to fill in the blanks and mail to Harrisburg with the $24 remittance.

I could scarcely believe my eyes when I witnessed the facsimile of the signature of Mr. David L. Lawrence on the letter which follows, and which I ask to have printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEMOCRATIC STATE COMMITTEE, PENNSYLVANIA,
Harrisburg, Pa.

DEAR FELLOW DEMOCRAT: On the eve of a political campaign, the outcome of which means so much to every man, woman, and child in Pennsylvania and in the Nation, I want to bring to the attention of every sincere, loyal Democrat a simple, easy way whereby they can do their part to insure a sweeping victory at the polls next November for Franklin D. Roosevelt and the entire Democratic ticket in this State.

Few people realize that 80 percent of Pennsylvania's newspapers are owned outright or controlled by industrialists, bankers, or utility corporations belonging to that branch of big business that has "ganged up" to defeat President Roosevelt.

As a result, the people of Pennsylvania for the most part, instead of being able to obtain from their local newspapers a fair and unbiased report on State and national events, are compelled to read column after column of lies, half-truths, and sneering editorials about President Roosevelt, the Democratic Party, and the New Deal.

To hold the confidence of the citizens of Pennsylvania it is vital that they know our side of the picture as opposed to the side represented by the Du Ponts, Morgan, Mellon, Grundy, and Pew.

Enclosed in the envelope containing this letter is a copy of the first issue of a new publication entitled "We the People." This magazine will be published twice each month. Through it we expect to tell our story to the people of this State.

But this plan to reach the people of the State cannot succeed unless you do your part.

And your part as a loyal and sincere Democrat is to take the enclosed subscription blanks and see how quickly you can get them sold.

Here is your opportunity to prove your interest in the party's success in the coming campaign.

An account has been opened in your name in Democratic State committee headquarters, and each and every subscription you obtain will be credited to that account.

May I urge you to start work at once. Don't wait until you have all the subscriptions sold. Send them in four or more at a time.

Don't forget—we can win this fall if we get our story before the people of the Commonwealth.

DAVID L. LAWRENCE.

Mr. DAVIS. While speaking of the present plan for the administration of the W. P. A., I wish to call attention to the large number of projects in practically every State in the Union which are now being held up because of lack of skilled labor. The only way a W. P. A. job may be obtained is for the worker to declare himself destitute; and many self-respecting workers feel that the stigma of a pauper will be placed upon them if they engage in W. P. A. work. I believe this is one reason for the lack of skilled labor, without which these projects cannot be completed.

No words on my part should be required to indicate the sinister nature of the use of relief appropriations for political purposes. If these facts are once fully established, such malfeasance of public office will be condemned by every conscientious citizen.

I wish to call attention to the thought of the most eminent body of social workers in this country on a practical plan for work relief.

The American Association of Social Workers meeting in annual convention at Washington, D. C., February 16, 1936, representing more than 9,000 professional social workers of every State in the Union, recommended the following employment program of public works:

First. It should be entirely divorced administratively from the assistance program.

Second. The only projects to be continued or developed should be those which offer genuine work with material usefulness or cultural values and which are suited to the capacities of those to be employed.

Third. The number so employed shall be conditioned upon the number of genuine jobs available, rather than upon pressure to put a maximum number to work at a given time.

Fourth. In developing a work program it should be so planned that eligibility for jobs would be based on the skill of the worker and not on his need.

Fifth. Work should be paid for at hourly rates of wages equal to those prevailing for similar work in the locality or to the union scale of wages where such scales have been developed. It is intended that a rate of compensation should be such as to provide the individual at least the minimum necessary for the maintenance of a decent standard of living for himself and his dependents.

Sixth. Conditions of work in employment projects should not be less favorable than those obtaining for similar work in private employment, and should in all cases be in conformity with State, legal, and trade-union standards for health and sanitation.

Seventh. The relationship of the public employment administration to any individual worker should be considered the relationship of employer and employee, and all workers on these projects should have the same rights of organization and collective bargaining which are exercised by workers in private employment.

Eighth. Compensation for all injuries sustained in course of employment on any Federal work project should be provided under the Federal workmen's compensation law for civil employees, and those on State work under the State workmen's compensation laws.

I send to the desk a resolution which I wish to have read, and I request that it be referred to the Committee on Expenditures in the Executive Departments.

The resolution (S. Res. 243) was referred to the Committee on Expenditures in the Executive Departments and read, as follows:

Whereas it is impossible to obtain accurate information concerning the work being done by the Works Progress Administration; and

Whereas no reports are available showing the names, number, or salaries of employees of such Administration; and

Whereas the press and citizens of the United States are denied access to and refused official information concerning the employment and other records of such Administration; and

Whereas many and varied charges have been made in reports published as to the work of such Administration and of the political appointees and employees thereof; and

Whereas the Works Progress Administration is surrounded by an air of mystery and secrecy: Therefore be it

Resolved, That the Committee on Expenditures in the Executive Departments, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation of the Works Progress Administration. The committee shall report to the Senate as soon as practicable the results of its investigation, together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-fourth and succeeding Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

TAX VIEWS OF THE LATE SENATOR JONES OF NEW MEXICO

Mr. HATCH. Mr. President, last Thursday a very interesting article appeared in the Washington Evening Star. The article relates to a former very distinguished citizen of my State, the late Senator from New Mexico, Hon. Andrieus

A. Jones. It relates to the tax measure which it is proposed to enact at this session of Congress.

Because of its interest, and because of the credit which should be given to the late statesman from New Mexico, I desire to have the article printed in the RECORD as this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star of Mar. 5, 1936]

GHOST OF SENATOR JONES GRINS AT REBIRTH OF HIS TAX IDEAS—NEW MEXICO DEMOCRAT'S "HOBBY" WAS BACKING LEVY ON RESERVES—FIRST BROACHED IN 1917, THEORY WAS "POUNDED" AT EVERY CHANCE

By John C. Henry

The ghost of Andrieus A. Jones, one-time Democratic Senator from New Mexico, is resting easily these days, pleased with the knowledge that America's best-known public official has become his disciple.

Lawyer, livestock raiser, and former school teacher, Andrieus A. Jones entered the United States Senate on the strength of an election victory in 1916. Named a member of the Senate Finance Committee, he proposed to that group in the following spring a "hobby" among tax theories—namely, that corporate taxation might more fairly and effectively be concentrated in a single levy on undistributed profits. Distributed profits, he pointed out, would be taxed through individual income assessments.

On August 20 of that year, during consideration of a bill "to provide revenue to defray war expenses, and for other purposes", New Mexico's junior Senator addressed the Senate at great length in support of his proposal.

Referring to corporation policy of piling up reserves rather than distributing profits, he said:

"Eighty-eight industrial corporations now have an unappropriated surplus of $452,000,000, 43 iron and steel corporations have an unappropriated surplus of $504,000,000, 15 mining companies have an unappropriated surplus of $99,000,000, 6 motor companies have an unappropriated surplus of $51,000,000 * * *." In more specific instances he referred to the Ford Automobile Co., the Aluminum Co. of America, and the United States Steel Corporation.

The Senate at large, however, had other ideas, and the unique proposal of the New Mexican was rejected. Persistent, he made the following statement on October 27, 1921, during Senate consideration of the revenue bill of that year:

"Mr. President, the plan which I have suggested has been receiving from time to time greater support. When the thought was suggested by me to the Finance Committee in 1917 it was what may be called my hobby, and from day to day in the Finance Committee I kept, as one would say, pounding it in. The other day when I said I was going to propose it again to the Senate now a tax expert said to me that it was a subject which required time to soak in.

RESERVES HELD REAL MENACE

"That is what I hope to accomplish now, if nothing more—to present this question in such a way that it will soak in, not only into the minds of the Senate and of the House of Representatives but it ought to, and in my humble judgment it will, soak into the minds of the people of this country, because the building up of corporations by the retention of their net income free from equal taxation is a menace to the revenue of our country."

In this instance Senator Jones proposed amendments to the tax legislation, which started with a 4-percent levy on "undistributed net income so far as the same constitute not more than 10 percent of the total net income." From that point his proposed rates graduated up to 28 percent on all undistributed net, which in turn constituted at least 60 percent of total net. Again, rejection, and so it continued until the Senator's death in office in 1927.

On Tuesday of this week President Roosevelt invited the attention of Congress "to a form of tax which would accomplish an important tax reform"—namely, a levy on undistributed corporation income.

"The rate on undistributed corporate income," he continued, "should be graduated and so fixed as to yield approximately the same revenue as would be yielded if corporate profits were distributed and taxed in the hands of stockholders."

Only the tendency of the newspapers and the newer crop of politicians to refer to the President's proposal as a "startling innovation" is disturbing the pleasure of Senator Jones' ghost and even that is not sufficient to overcome the sense of vindication for urging upon the Nation a "hobby" among tax theories.

ROOSEVELT'S REBUILDING RECORD—ADDRESS BY SENATOR BARKLEY

Mr. LEWIS. Mr. President, the Senator from Kentucky [Mr. BARKLEY], on March 4, 1936, delivered an address on the achievements of the general program executed by Congress and the administration. Recognizing it to be of great information to the Senate, I tender the address, and ask to have it inserted in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the radio audience, this is the third anniversary of the inauguration of Franklin D. Roosevelt as President of the United States.

So many momentous events have transpired since that historic occasion and we have traveled so far away from the circumstances which confronted us on that day that it is difficult to realize how short these past 3 years have been.

Because of the limitations of time which have been set for me, I shall not be able to speak in great detail of the events with which we have had to deal, or the manner in which we have dealt with them, since the present administration assumed control of the National Government. I shall be able only to draw the picture before you in its outlines, leaving your memory and your experience to fill in the spaces which I cannot undertake this evening.

It is not my purpose simply to defend the Roosevelt administration, or the New Deal, as it has come to be known in the minds of the people. The object of my address is to proclaim the New Deal and the Roosevelt administration, which are identical terms, as the most constructive and far-reaching program attempted by any administration within the memory of any of us and the most effectively responsive to the demands of a great emergency that have ever been inaugurated as the result of any previous emergency in this or in any country.

In order to study logically and intelligently the wisdom of the remedies which have been administered, we should first diagnose the ailments from which the country suffered when the Roosevelt administration came into power.

I shall first discuss the most fundamental and indispensable occupation in this or in any country, to wit, agriculture.

Everybody who knows anything about the subject knows that there has never been and can never be any genuine or permanent prosperity when agriculture languishes. Cities and factories and financial institutions may falter or collapse. They can be rebuilt. But when the well-being of agriculture and the attractions and satisfactions of farm life no longer exist, it is only a short step to the decline of the nation in which such a condition prevails.

It is beyond dispute that agriculture in America had been steadily declining for 10 years prior to the inauguration of Mr. Roosevelt. But this decline was greatly accentuated from 1929 to 1933.

The agencies of credit which had been set up by Woodrow Wilson and had served the needs of the farmer, had ceased entirely to function for more than a year prior to March 4, 1933.

Of the more than two and a half million farms which were under mortgage in the Nation, 500,000, or one-fifth, were in danger of immediate foreclosure because of the inability of the owner to pay his loan or the interest on his loan.

The markets of the world had been closed to agricultural surpluses by the shortsightedness of the previous administration, and the products of the farm were being forced on the market for less than it had cost to produce them. The farmer was losing his money, his investment, and his labor. He saw his home slipping from him and his family dispossessed. But he was losing something more. He was losing faith in the justice in which he had been taught to believe, and in the Government which he loved and trusted.

What did the Roosevelt administration do to reverse this condition? What has it done to revive agriculture and the hopes of those who engage in it?

With incredible rapidity and certainty the program of agricultural rehabilitation was set in motion at once. The farm-credit system, which had entirely collapsed under Mr. Hoover, was at once restored. New blood began to course through its veins and it felt the pulsations of a new life. From May 1, 1933, to this date this agency has made available to the farmers of America in refinancing of old loans and the making of new ones the enormous sum of more than $3,500,000,000.

It saved from the cry of the auctioneer at the courthouse door more than half a million farms and made it possible for their owners to retain them.

It has brought about the voluntary reduction of farm debts by more than $150,000,000, and of interest by more than $50,000,000 annually.

A way had to be found to reduce the unsalable surplus of farm products. For this purpose the Agricultural Adjustment Act came into existence. It is true that the Supreme Court has nullified this act; but before it did so there had been brought about a material reduction in the unsalable surplus of every major crop and had raised the price of these crops until the annual income of the American farmer increased by the comfortable sum of $3,000,000,000.

In 1920, during the last year of the Wilson administration, the gross income of American farmers was $13,600,000,000. In 1932 it had declined to $5,300,000,000, a difference of more than $8,000,000,000.

In 1935 the gross income of the American farmer had moved back up to $8,110,000,000.

In 1932, the ratio of prices received by farmers to the prices paid by them for what they had to buy was 61 as compared to 100. In 1933 it was 64. In 1934 it was 73, and in 1935 it was 85.

The cash income of farmers in 1932 was $4,300,000,000. In 1935 it was approximately $7,000,000,000.

In 1920 the farm population of the Nation was 31,614,000.

In 1932 it had, on account of conditions, fallen to 30,585,000.

In 1935, because of improved conditions of farm life, it had increased to 32,800,000.

When you recall that the price of cotton went from 5 cents to 12 cents per pound, wheat from 30 cents to $1 per bushel, corn from 15 cents to 80 cents per bushel, beef cattle from 4 cents to 7 and 8 cents per pound, hogs from 3 cents to 10 and 12 cents per pound, tobacco from an average of 6½ to 10½ cents per pound,

and other products rose in the same proportion, it is not strange that the American farmer voted repeatedly for the continuation of this program, and that he appealed to Congress to enact an effective substitute for the Agricultural Adjustment Act when the Supreme Court had held it null and void.

I must now come to the great banking crisis which Mr. Roosevelt inherited from his predecessor and the manner in which he met it.

During the previous 4 years more banks had closed their doors in failure or embarrassment in the United States than in almost the entire history of the Nation, and more than had closed their doors in all the rest of the world combined.

While in every State both State and national banks were collapsing all around the people, it is a humiliating fact that in our neighbor, the Dominion of Canada, there had not been a bank failure in more than 10 years.

The situation had become so desperate that the first official act of the new President after he took the oath on March 4 was to declare a bank holiday and close all the banks in the Nation until they could be reopened with some assurance that they could remain open.

What has the Roosevelt administration done in 3 years not only to meet the immediate financial crisis which it found full grown but to safeguard the people of America from similar catastrophes in the future?

First, it passed the Emergency Banking Act, under which the banking system was reorganized and strengthened.

It passed the Glass Banking Act of 1935, which has been described as the nearest to perfect banking legislation ever enacted in the United States. By these two acts, among other things, banking was restored to its legitimate functions and withdrawn from the temptations of hectic speculation.

By the creation of the Federal Deposit Insurance Corporation the Federal Government for the first time undertook to guarantee the return of deposits in both State and National banks to their depositors in the event of the bank's failure, at the same time undertaking wisely to safeguard the bank itself against failure.

This combination of banking reforms has so strengthened the banks of the Nation, both State and National, and increased the confidence in them among the people that the Comptroller of the Currency was able to announce a few days ago that the deposits in national banks had reached an all-time peak, while the total deposits in all the banks of America had increased by more than $6,000,000,000 in the space of 3 years.

Like the efforts to revive and strengthen agriculture, these efforts to fortify the American banking system and fortify the people's faith in it were a part of the New Deal, and it is worth remembering that no successful or workable plan in either instance was ever devised, or, so far as the record shows, ever thought of until the day when Franklin D. Roosevelt assumed the Presidency of the United States.

I come now to the industrial conditions which President Roosevelt inherited and to the solution of which he and all those who have worked with him have devoted so much of their efforts of mind and heart.

In 1929 the commerce of the United States with foreign nations amounted to $9,500,000,000. In 1932 it had dropped to $3,100,000,000, a loss of $6,400,000,000. Mr. Thomas Lamont, Secretary of Commerce under Mr. Hoover, stated that the loss of this trade meant the loss of employment by more than 3,000,000 American workers. I have not the time to discuss the causes of this trade decline, except to say that it was at least in part caused by the erection of indefensible trade barriers by the Congress of the United States in 1930, which led to retaliation against us by nearly every nation in the world. The Roosevelt administration is attempting to relieve and improve this situation by the negotiation of trade agreements with other nations through which we hope to find an outlet for some of our surplus agricultural and industrial products.

But when Mr. Roosevelt came into office, not only had we lost our foreign trade, but our domestic industrial production had declined in value from $70,000,000,000 in 1929 to $31,400,000,000 in 1932, and the number of persons employed in this production had declined from 46,800,000 in 1929 to about 33,000,000 in 1932, resulting in the staggering number of nearly 13,800,000 unemployed persons in the United States in 1932 and early in 1933. If we may conservatively estimate that each of these idle workers represented a family of three including himself, this means that more than 40,000,000 of the American people on March 4, 1933, were without visible means of support.

It was manifest to everybody who had an intelligent conception of the problem that we could not for any length of time suffer one-third of our people to remain without support. The difficulty lay in finding a way within the powers of the National Government to correct this deplorable condition—a condition which had never been approached in the United States, regardless of statements to the contrary made by politicians with poor knowledge and worse memories.

In order to cope with this situation the National Recovery Act was passed. This law was intended to assist in the revival of business, the spreading of employment, the elimination of child labor, the curtailment of cutthroat methods among certain types of business, and the inauguration of a public-works program designed to afford employment to a large number of the unemployed until this unemployment could be absorbed by private enterprise.

I shall not enter into any controversial discussion of this act. It did eliminate some of the unethical methods which had prevailed in business. In fact, business itself was largely responsible for the enactment of this law and for the codes which were promulgated under it.

It did eliminate child labor very largely while it was in operation, and by the shortening of hours and the increase of wages it spread employment to some 3,000,000 people and gave to all laborers a wage enabling them to live in decency and self-respect.

But in a case involving the sale of chickens in New York City the Supreme Court declared this law beyond the power of Congress to enact so as to affect the case which was before the Court. That decision was, of course, accepted by the President and Congress as the law prevailing, and there is no need to discuss it further tonight.

As a part of the recovery program, Congress appropriated $3,300,000,000 for public works, and the Public Works Administration was established. In addition to this sum, there was later allocated to the Public Works Administration an additional sum of nearly $765,000,000, making a total available for expenditure by the Public Works Administration of $4,065,000,000.

This money has been expended under the control of the Secretary of the Interior, as Public Works Administrator, in the construction of useful projects throughout the country, both Federal and non-Federal, which have added to the permanent value of every community in which they have been established, and the expenditure of this money has been peculiarly free from suspicion of corruption or misappropriation.

It has provided more than 3,500,000 man-years of work for those who would otherwise have remained idle. If there had been sufficient funds available for all the worthy projects which were approved by State administrators and sent to Washington, the total would have given work to more than 5,000,000 men for at least 1 year.

None of these projects, and none of those inaugurated under the Works Progress Administration as a part of the program of relief, were originated in Washington. They were not projects which were forced on the people from Washington. These projects were originated in the communities by public authorities and citizens interested in the civic welfare of their communities, and every man and woman who does me the honor to listen to me now knows this to be the truth.

I shall here speak of the subject of Federal relief, which was a new departure for the National Government, and one which has given rise to much controversy among those engaged in it, those receiving it, and those observing its administration.

Until the arrival of the depression through which we have been passing for the past 5 years, the National Government had never been required or expected to assume the burden of charity or relief for the people in the communities throughout the Nation. This had been dispensed by local, State, county, or municipal governments and by private charitable organizations.

When Mr. Roosevelt was a candidate for President, when he was nominated, and when he was elected it could not have been foreseen that his administration would be compelled to assume the burden which was unloaded on it in this respect almost immediately after it assumed office.

The trouble was that local governments, including States, counties, and cities, and private charitable organizations exhausted their resources and were unable to continue relief as they had done before. The load was heavier than it had ever been before. States and other local governments found themselves unable to increase their tax rates and unable to increase their indebtedness because of legal and constitutional restrictions. Men, women, and children were on the verge of starvation and incredible suffering not only in large cities but in smaller communities.

As a result Governors of States, mayors of cities, and officers of counties came to Washington and laid the burden on the doorstep of the Federal Government. They told the President and Congress that they had borne it as long as possible, and would be willing to bear it further, but that it was impossible for them to do so.

There was no honorable way to escape this call for service and rescue by the Nation as a whole. The President requested and Congress enacted appropriations for relief and for work relief which, in addition to the amounts already referred to for public works and other agencies, gave to the Relief Administration approximately $3,500,000,000 since its organization in May 1933.

The newness of the problem of human relief as applied to the Federal Government, the large amount involved, the suddenness with which the burden was precipitated upon the shoulders of the National Government, the lack of experience in many local agencies through which the relief money had to be disbursed, and the necessity for hasty organization and administration of the relief set-up have all contributed to the certainty that here and there mistakes have been made, and no doubt in isolated instances relief money has found its way into hands that did not deserve it.

But, in my judgment, this was an unavoidable consequence of the magnitude of the task. And it is not at all certain that the results would have been better if the whole sum had been raised and expended by local agencies of local government. In all expenditure of public money, due to the shortcomings of the human race, it seems utterly impossible to safeguard always against individual or mass inefficiency. You cannot build a sidewalk, a hospital, a street, or a schoolhouse in any city, large or small, and you can scarcely build a private residence or industrial plant, without some portion of the money expended being lost.

When we consider the circumstances surrounding the relief problem, its size, its complexity, its far-flung front, and all the elements of human nature entering into it, we ought to marvel at the efficiency, the honesty, the good faith, and the high spirit with which

this great task of human salvage has been undertaken and accomplished by the Government of the United States. The Relief Administration, established by authority of Congress, under the supervision of Mr. Harry L. Hopkins as its Administrator, has fed the hungry, clothed the naked, and given shelter to the homeless on a scale never before undertaken by any government in the history of the world, and in addition it has provided employment to several millions of American citizens whose chief defect has been their inability to accumulate enough money or property to care for themselves and their dependents in days of stress and emergency.

When Franklin D. Roosevelt entered the Presidency nearly 1,000,000 homes in the towns and cities of the country were on the verge of foreclosure and dispossession. Economic distress and unemployment had rendered it impossible for home owners and home builders to meet their obligations to money-lending agencies, and their families and their furniture were being set out on the streets all over the land.

Through the Home Owners' Loan Corporation, which was established by Congress at the request of the President, more than $3,000,000,000 has been placed at the service of home owners throughout the Nation for the refinancing of their mortgages on longer terms of payment and at lower rates of interest, and, in addition to this, most of them have undergone indispensable repairs, delinquent taxes due local governments amounting to $60,000,000 were paid, and local banks and building and loan associations were enabled to receive payment of their debts to such an extent as to enable them to continue their business in the service of the people.

When the President assumed office the building trades and the heavy industries producing what is known as durable goods were at the lowest ebb in their history. Not more than 10 percent of the building trades were able to find work, and these heavy industries were operating at a rate not much above 10 percent of their capacity.

Through the Federal Housing Administration, set up by Congress at the request of President Roosevelt, the building industry has been so stimulated that for the last 3 months of 1935 the number of building permits for residences alone increased 250 percent over the last 3 months of 1934. This agency was only set up in the summer of 1934. The production of goods by the heavy industries has increased at a rate which has convinced those who were responsible for the creation of the Housing Administration, and those who have administered it, and all who have observed its operations, that this agency is one of the most useful and beneficial arms of the National Government in this great emergency.

When Mr. Roosevelt took the oath of office as President, nearly all the agencies of commercial credit in America had dried up completely. I have referred already to the banking situation. In order to afford a means and source of credit indispensable to the stability of industry and finance in the Nation, the Reconstruction Finance Corporation had been created during the administration of Mr. Hoover. But its powers were so limited and its field of operations so restricted that it could relieve only a comparatively few of the institutions which were in need, such as some of the banks and railroads.

Following the advent of President Roosevelt as head of the Nation, the powers and the field of the Reconstruction Finance Corporation were enlarged to include almost all forms of corporate enterprise, public and private; and since it organization in 1932, up to and including December 31, 1935, this agency has disbursed more than $10,500,000,000 for the revival of American finance and industry.

Of this amount, $1,200,000,000 was loaned on farm products, such as cotton, wheat, corn, tobacco, and other commodities, most of which has been repaid.

Of this amount, $1,170,000,000 went to the depositors of closed banks; $670,000,000 was loaned to railroads; $1,350,000,000 was loaned to banks and trust companies; $380,000,000 was loaned to mortgage loan companies; $294,000,000 was loaned to self-liquidating construction projects; $178,000,000 went to agricultural credit companies; $832,000,000 went to purchase preferred stock in more than 4,000 banks; $435,000,000 went to purchase capital notes and debentures in 2,047 banks; $344,000,000 went to purchase securities from the Public Works Administration, which had been given by local institutions, public and private.

Practically every form of enterprise in the United States has not only been materially assisted, but many of them have been actually saved by the money placed at their disposal by this great and efficient agency of the Federal Government.

When Mr. Roosevelt assumed office there was a Nation-wide demand that legislation should be enacted to protect investors in the securities of corporations from fraud and deception in the issue and sale of these securities to the people. The investigation into the issue and sale of securities held by the Senate Banking and Currency Committee revealed conditions which were unbelievable and were a disgrace to American finance.

As a result Congress enacted and the President approved two great and constructive pieces of legislation, one regulating the issue of securities by corporations engaged in interstate commerce and the other regulating the conduct of stock exchanges engaged in the sale and distribution of such securities.

Billions of dollars had been lost by innocent and unsuspecting men and women because they had no facility for knowing the soundness of securities or the solvency of corporations issuing them. Other billions were lost because of the manipulations of stocks and bonds on the great financial exchanges of the Nation. Notwithstanding the cry that arose during the consideration of these measures, they are now recognized as among the most valuable and wholesome enactments ever consummated in the interest of the public.

When Mr. Roosevelt became President, unemployment existed to the incredible figure of almost 14,000,000 persons. There is yet too much unemployment in the Nation; and all the intensive drive of the past 3 years has been directed to the revival of industry, finance, and employment for the people. The number of unemployed persons has been reduced in 3 years of the administration now in power from nearly 14,000,000 to a little more than 9,000,000.

Politicians and others who use politicians for their own selfish purposes when possible, wail loudly that there are still 9,000,000 unemployed in the United States.

It took the three administrations preceding President Roosevelt 12 years to get 14,000,000 men off the pay rolls of the Nation. In 3 years under Mr. Roosevelt the number has been reduced by more than 30 percent. Give us 12 years at the same rate of increased employment witnessed in the last 3 years, and at the end of that period there will be a shortage of labor in this Republic.

In addition to this, the Roosevelt policies, the New Deal, have taken nearly 500,000 young men of America from idleness, from the streets, from hopeless inactivity, and from possible crime, and placed them in the Civilian Conservation Corps camps which have been established in every State in this Union. They have contributed to the relief of their families, have been strengthened in their physical and moral and intellectual standards, and have learned the lesson of constructive contribution to the permanent values that go to make a great nation. There has been no more valuable or inspiring activity on the part of this administration than the work of these organizations.

If anybody thought of it before the inauguration of Franklin D. Roosevelt, the record does not disclose his identity.

In order to guard against the recurrence of these great human disasters which are the outgrowth of continued unemployment, and to guard also against other hazards induced by old age, the Social Security Act was passed, which is another great humanitarian law to be marked up to the credit of President Roosevelt and his administration. I cannot now enter into the details of this legislation or its effects upon the future. But it is safe to say that the whole-hearted and sympathetic cooperation of the States and of industry in the administration of this great conception of human relationship will be a landmark in the development of a higher standard of American life.

Time forbids that I shall undertake even to mention many other far-sighted policies of the Roosevelt regime. May I point to a few of the results? Have these laws been helpful in our struggle toward recovery? Have they been useful in not only helping us out of the ditch but also in abolishing the probability of another similar ditch in the future?

Let us take a look at the record.

Farm income in the past 3 years increased by $3,000,000,000.

Unemployment declined from fourteen millions to nine millions.

Two million homes, in town and country, were saved to their owners.

The value of securities issued for new and refinancing purposes increased from $1,732,000,000 in 1932 to $3,526,000,000 in 1935.

The aggregate annual income of the American people increased from $39,000,000,000 in 1932 to $54,000,000,000 in 1935; an increase of $15,000,000,000.

The value of securities listed on the New York Stock Exchange has increased from $54,000,000,000 on December 31, 1932, to $86,000,000,000 on the same date in 1935; an increase of $32,000,000,000 in 3 years.

Commercial failures in the United States have dropped from 31,822 with liabilities of $928,000,000 in 1932, to 12,185 with liabilities of $264,000,000 in 1935.

Contracts for residence construction increased from $250,000,000 in 1933 to $550,000,000 in 1935; and home-building permits increased from 27,000 in 1932 to 40,000 in 1935.

The urban-home-loan debt has declined from $21,000,000,000 in 1931 to $18,000,000,000 in 1935.

The total wealth of the Nation has increased by more than $50,000,000,000 since the advent of the Roosevelt administration, in spite of the false claim of its enemies that it is seeking to destroy property and the profits of property.

In 1932 American industrial production was 63 percent of normal. In 1935 it was 88 percent.

In 1932 employment in America was 64 percent of normal. In 1935 it was 82 percent.

In 1932 pay rolls in America were 46 percent of normal. In 1935 they were 70 percent of normal.

The consumption of electricity increased from less than 12,000,000,000 to more than 13,000,000,000 kilowatt-hours from 1932 to 1935.

The number of passengers traveling on airplanes increased from 540,000 in 1932 to 825,000 in 1935, and the amount of freight thus transported increased from 1,600,000 pounds to 4,500,000 pounds.

The net income of the class I railroads in the United States for 1935 was the highest since 1931, and the prospects for still further advancement are acknowledged on every hand.

Inland water-borne commerce increased from 32,000,000 tons in 1932 to 57,000,000 tons in 1935.

Registration of passenger motor cars increased from 20,800,000 in 1932 to more than 25,000,000 in 1935.

The value of industrial production has increased from $31,000,000,000 in 1932 to more than $45,000,000,000 in 1935.

Now, let me give a few instances of this increased prosperity which the Nation is experiencing under the policies of the Roosevelt administration.

The net profits of the American Telephone & Telegraph Co. for 1935 were $132,794,782, compared with $111,167,554 in 1934.

The number of telephones in use in the United States increased in the past 2 years by 650,000.

Walter S. Gifford, president of the company, recently stated to his stockholders and to the public that, "The forces of depression are on the wane. There is every reason to expect that a widening demand for telephone service will be experienced in the future. The fact that there have been substantial net gains in the number of telephones in service during the past 2 years is impressive evidence on this score."

In 1932 the Bethlehem Steel Co. had a deficit of $19,404,431, while for 1935 its net profit was $4,291,253, a gain of more than $23,600,000.

In 1932 the Anaconda Copper Co. had a deficit of $7,571,946, while for 1935 its profit was $11,181,348.

In 1932 Montgomery Ward & Co. had a deficit of $5,686,000, while for 1935 its net profit was $9,161,054.

In 1932 the United States Gypsum Co. had a profit of $1,599,416, while for 1935 its net profit was $3,491,000.

In 1932 the United States Steel Corporation had a deficit of $71,175,705, while for 1935 its net profit was $1,084,917, a gain in 3 years of more than $72,000,000 in its annual financial showing.

In 1932 the Du Pont Co. had a profit of $26,234,779, while for 1935 its net profit was $62,085,000, a gain in its financial position in one period of 3 years of $35,850,221.

I presume that it is out of this enormous profit that the Du Ponts are able to finance the American Liberty League, which is opposing everything President Roosevelt has done, is doing, or will do to improve the conditions which make such a profit possible.

In 1932 the Chrysler Corporation had a deficit of $11,254,232, while for 1935 its net profit was $34,975,000.

In 1932 the General Motors Corporation had a profit of $165,000, while this corporation's net profit for 1935 was the tremendous sum of $167,000,000.

In 1932 Johns-Manville Co., a producer of building materials, had a deficit of $2,829,026, while for 1935 its profits were $2,164,858.

In 1932 the Deere & Co., producers of farm machinery, had a deficit of $5,167,104, while for 1935 its net profit was $6,105,000.

From 1932 to 1935 the profits of the Sun Oil Co. increased from $4,000,000 to $7,000,000.

During the same period the profits of the National Steel Co. increased from $1,662,000 to $11,136,000.

From 1932 to 1935 the American Woolen Co. advanced from a deficit of $5,500,000 to a net profit of $2,740,000.

In 1932 the Westinghouse Electric Co. had a deficit of $8,600,000, while in 1935 its profit was $8,800,000, a gain of $17,400,000 in 3 years under Mr. Roosevelt.

In 1932 the Armour & Co. corporation had a deficit of $2,526,000, while for 1935 its profit was $5,626,000.

In one single year the Republic Steel Corporation has transformed a deficit of $3,500,000 in 1934 to a profit of $4,455,000 in 1935.

According to a statement issued on this day by Mr. A. A. Patton, Associated Press statistician, of New York City, 466 domestic corporations increased their net earnings for 1935 over 1934 by 33.9 percent, or practically 40 percent. These corporations represent all branches of American industry and commerce, as well as transportation and communication.

The following tabulation made by Mr. Patton indicates the 1935 income, the percentage of gain over the previous year, and the number of units in each group reporting:

Group	Number reporting	Net income	Percent gain (+) or loss (−)
Machinery	15	$21, 502, 000	+210.6
Railroads	53	48, 185, 000	+208.9
Oils	15	39, 187, 000	+113.0
Automobiles and trucks	5	202, 000, 000	+102.5
Auto accessories	16	33, 921, 000	+98.1
Building and equipment	22	19, 952, 000	+88.1
Metal and mining	26	48, 833, 000	+52.3
Chemicals	11	76, 592, 000	+23.8
Miscellaneous	121	203, 806, 000	+17.1
Communications	15	241, 140, 000	+15.4
Utilities	61	262, 922, 000	+5.6
Steel	30	42, 795, 000	(1)
Textile and apparel	16	9, 095, 000	(1)
Retail trade	23	89, 654, 000	−0.4
Tobacco	12	58, 146, 000	−3.7
Food	25	55, 784, 000	−9.3
Total	466	1, 454, 408, 000	+33.9

[1] From deficit.

I might continue the recital indefinitely. But can anybody doubt that the forces of national recovery are moving forward, or that the great program inaugurated by President Roosevelt has given irresistible impetus to this forward movement? If anybody denies it, let him prove his denial by something more than political propaganda.

Not only has the Roosevelt administration vastly improved our industrial and economic condition. It has vastly strengthened the faith of the American people in their Government.

In 1932 bonds of the United States Government sold on the financial markets as low as 82 cents on the dollar. Today the bonds of the United States are selling as high as 115, although the interest rate has been reduced and the public debt has been increased.

When we ended the World War the national public debt was $26,000,000,000. Under the laws adopted by the Wilson administration this debt was reduced to $16,000,000,000 by 1928.

Under the Hoover administration this debt was increased back to about $21,000,000,000, and since March 4, 1933, it has increased further to $28,500,000,000. But at that figure, which should be reduced by $4,000,000,000 of recoverable money which has been loaned to solvent private and public corporations in the United States, our Nation owes less per capita in proportion to wealth and population than any other great nation in the world.

As evidence of the faith of the American people in their Government, the sale of its new securities on last Monday to the extent of $1,250,000,000 was so greatly oversubscribed that the Federal Reserve banks have not yet been able to tabulate the amount of the oversubscription.

In view of this great record, this inspiring record, this uncontrovertable record, I come back to the statement at the beginning: My task and our task is not simply to defend the policies of Franklin D. Roosevelt, but to proclaim them to the American people as the author of their salvation and their security.

LAND AND WATER RESOURCES OF AMERICA—SPEECH BY SENATOR GUFFEY

Mr. MURPHY. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting radio address, having to do with the land and water resources of America, delivered by the junior Senator from Pennsylvania [Mr. GUFFEY] on March 7, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In his message transmitting to the Congress the reports of the National Resources Board and the Mississippi Valley Committee the President put his finger on a subject which will be of considerably more importance to our children and grandchildren than most of the purely political questions of our day.

Briefly, that question is this: What is to become of our country? Put in that way, the phrase might seem to touch almost any policy that might come before the Congress. I put it that way deliberately, because I think we often forget just what our country is—just what makes it the kind of country that it is. It is land—"sweet land of liberty", if you like—and it is water. Our whole future depends on the way in which we make use of that land and that water.

We have grown accustomed to thinking of our "rocks and rills", our "woods and templed hills", as permanent. Well, perhaps the rocks and hills are permanent, aside from a few quarrying and mining operations. The woods are not, unless we take care of them, and neither are the rills. There used to be a good deal of talk about Chinafying America. If I remember rightly, this usually signified a state of military and naval weakness which would permit the nations of Europe to come over here and divide our territory among themselves. But there is another way of Chinafying a country, as everyone knows who has ever seen those bare, eroded hills or those vast, uncontrollable rivers which are prominent features in the Chinese landscape.

You can Chinafy a country by letting nature get out of hand, by cutting your forests, denuding your hillsides, letting your soil blow and wash away. You can make nature, who ought to be our friend, an enemy who will work more ruin than any foreign invader ever likely to land on our shores.

You will say that I am leading up to the old doctrine of conservation, which in the days of Theodore Roosevelt was popular and even stylish. In a way I am. But a little thought will show that what was desirable in Theodore Roosevelt's time has now become a desperate necessity. The happiness, the comfort, the very existence of millions of our people tomorrow depend on what we do today.

The President said, in transmitting the reports of which I spoke a moment ago: "These documents constitute a remarkable foundation for what we hope will be a permanent policy of orderly development in every part of the United States."

I want to emphasize two words in that sentence. I take it that orderly development is what the vast majority of the people of this country desire. We are not revolutionists. We do not take easily to such foreign doctrines as fascism and communism. What we desire is to set our great house and our great farm in order, to improve them constantly, to make them more comfortable and more productive.

Orderly development calls for planning, and planning is now being interpreted in certain quarters as being possible only under an autocratic government. Some of those who make this assertion are, in all conscience, arrogant and autocratic enough in their private management, for private gain, of vast economic holdings, but I shall not now take your time to discuss that phase of the subject. The point I want to make is just this—that we can have planning under a democratic system without blue-penciling any constitutional guaranties or taking a single comma out of the Bill of Rights, and that the ability to plan and to carry out successfully is probably going to be the crucial test of democracy.

I believe we can plan our country—and in this the reports of the National Resources Board and of the Mississippi Valley Committee will bear me out—without distorting the power of the Federal Government, without killing off an atom of local independence, self-reliance, and initiative. If I didn't believe this, if I didn't believe that we can do a new and splendid thing in the spirit of the best of our traditions, I should despair for my country.

I say the best of our traditions, because it is idle to contend, in the light of those reports, that all our traditions have been good. I have the most profound respect for those pioneers who braved the terrors of the wilderness in order to make homes in which they could live, not as peasantry but as free men. But their very virtues sometimes worked against them. In conquering the land they sometimes came near destroying it. In making themselves free they brought about a situation in which it was not certain that their descendants could be free. The rugged individualism that was admirable when a farm had to be carved out of the forest could be brutally destructive when whole countrysides fell under the dominion of small groups of men, and when our natural resources were not so much developed as looted.

The farmer on his little patch of ground has not always been wiser than the great corporations and the great bankers. I blame him less because he was in the grip of economic forces which often rendered him helpless. He was often compelled to squeeze the last ounce of fertility out of his land, to lay it waste for quick returns, because he was subjected to the unrelenting pressure of the money lender and the market manipulator.

Now, how are we going to restore the balance that has been lost? I believe you cannot read such a document as that of the Mississippi Valley Committee without agreeing that the job cannot be done in piecemeal fashion. We cannot fix up our country brook by brook and farm by farm unless we have in mind some very general scheme for making all those brooks and all those farms contribute to a general purpose.

Let me quote from the Mississippi Valley report:

"The time has passed when isolated or unrelated plans were adequate to American needs. When one strand in the interwoven web of our national fabric is touched every other strand vibrates. Land, water, and people go together. The people cannot reach the highest standard of well-being unless there is the wisest use of the land and water.

"Engineering does not exist for its own sake. It is of little use to control rivers if we cannot thereby improve the quality of human living. Therefore, the final and most significant element which the committee has considered is neither land nor water, but the people who live on the land and are dependent on the water."

Let me quote further. The committee goes on to lay down the principle that planning for the most beneficial utilization of the water resources of a region "requires that the region be viewed as an integral part of a continent, as well as by itself as an integral whole; that development of water resources must be related to development of other physical resources; that development of any phase of the water resources must be considered in relation to all other phases; that physical factors must be evaluated in terms of cultural and economic conditions and influences; and that these influences must be appraised, not merely in terms of today but of present trends and our vision of the future."

The pioneer in one of our scattered early settlements could manage his affairs without much regard to other people. He was neighborly, as the old stories of barn-raisings, logrollings, and husking bees remind us, but he was not caught in a tangle of economic relationships. He raised most of what he and his family needed, depressions hardly touched him, and the wealth of Nature seemed so inexhaustible that he did not worry about using it up.

All this has changed. A war in Europe may make a farmer prosperous; a flurry in the New York Stock Market or the Chicago Board of Trade may ruin him. More than that, the exhaustion of forests, the depletion of the soil, and the falling of the underground water level are problems which have been created by a multitude of people, which affect not only those living on the land but millions of others, and which must be cooperatively solved.

"A collective mind", says the Mississippi Valley report, "must attack the problem and plan and carry through the solution. It may execute through various groups, and even through individuals, of course; but it is a collective mind that must evaluate the problem, propose the master social objective, define constituent objectives, organize ways and means, and effect those coordinations in adjustment to natural environment which the increasing complications of social life make imperative."

In a democracy there will always be a thousand divergences of interest and of opinion. That is how democracies work, and most of us prefer that system to one under which there will be only one interest and one opinion that will be allowed expression. But a democracy can have a common purpose and a common interest, as ours certainly does have in this task of setting our national home in order.

As I read the Mississippi Valley report and the water section of the report of the National Resources Committee I am convinced that our common interest and our common plan must begin with water. It will not end there, because, as I pointed out in my first quotation, it is people and the quality of human living in this country that we are thinking of.

Water is no more an inexhaustible free asset than gold is. West of the hundredth meridian it is so limited in relation to developed needs that it is the critical resources upon which organized society depends. Let the water supply in those regions be permanently and drastically impaired and the Indians and the buffalo might as well repossess them—they will never again support a civilized society. And this can happen, make no doubt of that.

Even in the eastern half of the continent, where rainfall is adequate, measured by the year, so much water is often allowed to rush down to the great rivers and to the sea in flood time that not enough is left for the domestic and industrial uses of a concentrated population. Pollution and unwise drainage practices make the situation worse, and they cannot be eliminated without cooperative action through wide areas.

That is not all, nor is it the worst feature of the situation. Water, rightly used, is essential to agriculture. Wrongly used, it may destroy agriculture. I quote again from the Mississippi Valley report:

"So serious today is the loss of topsoils and of ground surface moisture that continuance of the present rate for another century would jeopardize the very existence of a self-sustaining agriculture in the United States."

A century is a long time. Some will say that it is a long enough time to permit us to put off serious consideration of this problem. But the disaster predicted will not happen suddenly at the end of precisely 100 years. It is beginning already. It will be, if unchecked, progressive. There are authorities who assert that erosion has already reached such a stage that we have no more than 20 or 25 years of grace in which to develop a technique of correction and induce its widespread adoption. Soil that has gone down the river cannot be brought back—not in our time, not in any length of time that will save this Nation.

Nature took countless centuries to build up this continent of rich resources. We have taken less than a century—much less, in fact, for the most destructive phase of our agricultural practices began hardly more than 25 years ago—to shatter Nature's wise system. In a mad competitive scramble for income from grains, during a period when such crops reigned as the readiest producers of cash, we have ruthlessly destroyed forests, we have plowed under grass that nature intended as a protection to the soils, we have exposed to the action of wind and water the rich top soils, and now, unless we retrace our steps, we must pay a terrible price.

Was this destruction the farmer's fault, and is he to be the sole sufferer? No. The crime was social and its penalty will fall on all of us. The farmer was responding to the trend and to the force of American business and industry. He was encouraged to be that much-applauded creature—the rugged individualist. Well, we can go on being rugged if we like—ruggedness of a certain sort is a quality we all admire and perhaps strive for—but we cannot be individualistic about this matter of land and water.

Now, we cannot do much to increase the rainfall. Praying for rain has sometimes seemed to be efficacious, and some years ago a few enterprising citizens tried to produce rain by firing off cannon, but, on the whole, over a long period of time, the average annual rainfall does not appear to increase or decrease very much. We have got to do the best we can with what we have.

We must work through Nature. We have broken down her plan, and we must either restore it or find a better that will not be repugnant to her. Her method of water control was to absorb rain and melting snow into a great natural sponge, created by roots and by decaying vegetation. In this way she evened the flow so that the rivers were not so high in floodtime, not so low in the dry season. Our interference—the result of the activities of countless individuals, each one looking to his own immediate interest—ruined the natural forest and sod coverings so that the falling water began to go down with a rush to the sea, gullying and washing away the soil. We had more water than we wanted at some times of the year; less than we needed at other times.

The flood evil was realized quite a while ago, and we have had a national flood-control policy. Much of the work done has been admirable, but it has all been a little like a horse-control policy which begins after the horse is out of the barn and in the clover field.

Moreover, the dramatic aspects of floods have tended to draw our attention away from vastly more costly and insidious effects of our failure to regulate our stream flows.

I will not take your time to go into particulars as to what these effects are. You will find those particulars set forth with impressive clearness in the reports to which I am calling your attention. I believe it might be worth your while to let the sports page or the financial section or the latest novel go unread while you dip into this material.

Let me cite illustrative problems drawn from the State which I have the honor to represent. Pennsylvania is a great producer of coal, and the coal business is not so good as we wish it were. New York is a great producer of water power at Niagara Falls, and is hoping to harness the St. Lawrence River. There is coal, and also water power, in Ohio and West Virginia. All these States are consumers as well as producers of power or potential power. Why shouldn't they be linked in a grid system, under proper public control, which would take full advantage both of the white coal and the black?

Consider the Delaware River, which heads in the State of New York and marks throughout the greater part of its course the boundary between Pennsylvania and New Jersey and the boundary between New Jersey and Delaware. It runs through one of the highly congested and intensively industrialized sections of the country, and it happens to be one of the worst polluted rivers of the United States. Why shouldn't those four States which border on it get together, call in the proper agencies of the Fed-

eral Government, and make the Delaware into a clean and useful stream?

In the western part of Pennsylvania two rivers, the Allegheny and the Monongahela, unite to form the Ohio River; three States produce these rivers. The Ohio itself marks the boundaries of four States and its floods are a major contribution to floods on the Mississippi River which, below the junction of the Ohio, touches seven States. Rugged individualism won't settle that mighty problem nor will provincialism. A lot of the people, all the way from headwaters down to the Gulf of Mexico, must work together.

We can control floods if we start high enough up every important stream and build enough dams. But flood control really starts at the grass roots and tree roots, and it is interconnected with power development, with sanitation, with conservation, with recreation, and, if you look far enough, with manufacturing, transportation, and almost every other human activity.

We have to tackle our big job from all of these angles, we have to find means of paying for it according to the benefits received locally, regionally, and nationally; and we have to see that every bit of it fits harmoniously into every other bit and contribute to a well-planned whole.

I hope after what I have said that no one will be alarmed by my insistence on the necessity of planning. Planning is not a new thing in America. Businessmen have been at it for a long time, with the lawful and legitimate object of increasing their profits. It is only the public's business that in a large way has never been planned. Well, I think it is time the public and the public's representatives began to plan.

I do not have in mind and the authors of the Mississippi Valley report and the report of the National Resources Board did not have in mind a centralized meddling in the detailed activities of individuals. That would not work in America and I do not believe it has ever worked very well anywhere.

Planning consists simply in deciding what we want to do and where we want to go, and then formulating ways and means of achievement. Private businessmen have found that it pays them to allow their subordinates and associates progressively greater freedom with respect to the details of their work. I believe that public businessmen, if I may employ that very useful phrase, will make the same discovery. They will try to get a whole region or the whole country to agree on some kind of general pattern, but they will leave as much of the filling in as possible to the States, groups of States, neighborhoods, and communities directly affected.

The national pattern of control for land and water must be formulated by Congress, because Congress is the only political body we have which represents the whole Nation. If that is dictatorship or centralization, so is a town meeting. No permanent policy of orderly development in every part of the United States will come into being of itself. We must formulate it here and then we must summon the intelligence and the enthusiasm of the American people to support it.

I will not maintain that no one's interests will suffer if such a program is carried out. The interests of those who live by destroying natural resources and by exploiting the public may suffer. I do maintain that we have here an emergency in many respects as critical as war and that no minority has a right to stand in the way of the public good.

Our land is parceled out into countless holdings. The more of them there are the firmer is the basis of our national life. But, in another sense, it belongs to no individual or set of individuals and to no one generation. Its natural wealth is a common heritage which the titular owners hold on sufferance. They, as individuals, must not be allowed to destroy the sources of life and well-being for the generations to come.

The American democracy must plan. If it does not it will all too soon have very little to plan with or plan for, and it will not be a democracy.

FEDERAL MEASURES TO COMBAT THE DEPRESSION—ADDRESS BY SECRETARY HULL

Mr. CONNALLY. Mr. President, I ask unanimous consent that there be printed in the RECORD an address by the Secretary of State, Hon. Cordell Hull, before the State-wide convention of the Young Democratic Clubs of Maryland at Baltimore, Md., March 5, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A BRIEF ACCOUNTING OF THE COURSE OF THE FEDERAL GOVERNMENT IN DEALING WITH CONDITIONS OF DEPRESSION

I am availing myself of your generous invitation to offer a brief accounting of the course of the Federal Government in dealing with conditions of depression without parallel in our peacetime history.

THE BEWILDERING COLLAPSE

In 1929 we entered a period of economic disruption. During the next 3½ years the all-pervasive decline continued. In March of 1933 it culminated in the general closing of those banks which had managed to survive the long-drawn-out process of failure of thousands of individual banks during the previous years. This banking collapse was the inescapable outcome of the fall in the value of all forms of assets, and the shrinkage in all incomes. This, in turn, was connected with the decline in the production and exchange of goods among ourselves and with other countries.

The savings of millions of individuals and the reserves of thousands of businesses were tied up in the closed banks. The personal security and the business solvency which these savings represented were in the balance. Millions of owners of homes and farms feared that they might have to turn them over to the owners of mortgages. The lending institutions faced the harsh prospect of having to try to realize on such property to meet the claims of their depositors. A multitude of businessmen and tradesmen were under obligations that exceeded income or assets, which meant bankruptcy if no change occurred.

The whole American organization, which but a few years before had stirred the admiration of the world by its apparent power to provide an unequaled and improving standard of life to a fully occupied people, had come to a dumfounding and anxious pause. The values in which men counted their wealth seemed but bitter and disillusioned memories. The incomes on which they sustained their lives had become so reduced and uncertain as to impair the confidence of the mature, while the young people from schools and colleges were entering a world in which many millions more experienced were already unemployed.

It was universally recognized that our affairs had in an utterly bewildering fashion gone wrong. The American people fairly shouted their demand that the necessary steps forthwith be taken to right them.

The ways in which they could be righted and the great resources of our country could again be made available for the energies and comfort of our people were, to put the case mildly, obscure. Only the most resolute and unfaltering leadership could face the immediate future with hope and take the immense risk of judgment which responsibility required. Action was urgently necessary, and in many outstanding respects had to be a trial of new experiences.

Measures of reconstruction up to then untried had to be put to the test. It may be because these measures have succeeded to such an extent, because their remedial effect has so reestablished our sense of safety, that those who controlled affairs before the collapse now believe they can convince you that inaction would in its own good time have set things right again. It may be because the national sense of crisis has passed that they hope that you may share their fury at the vigorous measures that were undertaken, believing, apparently, that you may feel, as they feel, that American life needed no improvement.

Even when affairs were at their worst it was clear that future improvement would dim the memory of the task; that reproach would await every partial failure or qualified success and any substantial variation from past arrangements. But memory, I trust, will come alive when the attempt is made to bury it by incoherent or partisan criticism. That criticism, you will observe, emanates largely from those who directed the affairs of the Nation during the fateful and fatal years prior to 1933. Remembering the results of their leadership, remembering how incapable they proved themselves of preventing the general business collapse, should not the country receive with care and caution their sweeping condemnation of those now engaged in the task of curing the failure which these same critics bequeathed?

THE DEVELOPMENT OF THE EMERGENCY PROGRAM

A large number of the emergency adjustments have now been carried out. The banks were reopened, again making freely available the locked-up property of individuals and restoring the freedom of action of businessmen. The capital foundation of the banks, which had greatly shrunk, was repaired by funds made available by the Reconstruction Finance Corporation. A similar task of rescue and rebuilding was undertaken for other types of financial organizations, such as the building-and-loan associations. In the mortgage field private credit facilities could not be made freely available as rapidly; therefore the Government, through the Home Owners' Loan Corporation and the Farm Credit Corporation, made it possible for owners of farms and urban houses who had mortgaged the roofs over their heads to extend the time of their payment and convert their debt at lower interest rates.

Though this part of the program was one of repairing financial organization, its intention and its effect were to safeguard the multitude of individual citizens who dealt with these organizations. Only in this way could we preserve that widespread possession of property which is the firm foundation upon which our democracy rests. To assure the people that their most conservative savings and investments, those which had survived up to then, were not to be lost in a general collapse and to provide conditions under which there could be a normal resumption of borrowing, lending, and investment were fundamental tasks. Bank failures such as brought the ruin of thousands of Americans even before the general collapse have virtually ceased. No longer is the mind's eye haunted by the thought of long lines of anxious depositors before closed bank doors.

During the months of falling demand and closing factories the wage incomes of American workers fell off disastrously, and the rates of pay were lowered. The point had been reached where needy men and women to secure food and shoes were ready to accept work at any wages which cutthroat competition might dictate. Unless one held the view that the difficulties of 1932 and 1933 could be liquidated only through an indefinitely long course of suffering in which we might crawl back to activity from a poverty level, it was urgent that some protection be given wage rates and working conditions by agreement between employers and workers. Further, in the absence of such cooperation between workers and employers, acute industrial strife was seriously threatened.

There may be conflicting views as to whether, in the extreme exigency, the plans undertaken reckoned sufficiently with the difficulties of cooperation, whether the means employed were in some respects too rigid, whether the bases of cooperation were satisfactory in every way. Whatever may be said in these respects, it is without question that during a critical year employers and workers combined in this vital endeavor. It is clear that our wage situation was beneficially supported thereby until economic improvement occurred, and that the sense of unity developed in many industries between workers and employers prevented much bitterness and struggle. Studies are now being completed to ascertain those recognized phases of good which our many-sided experience under the National Recovery Act can teach us.

The immense unemployment was the most serious of all our troubles. Private business and charity were compelled to regard the plight of the displaced millions as beyond their powers or their means. But the Government could not. Until these millions again find employment or State and local relief agencies again function more fully the Federal Government must assure them the essentials of continued existence and to a feasible extent supply some form of substitute work. The fullest cooperation in pursuit of these objectives is called for.

Lastly, among the measures born of the emergency I would mention those taken in the monetary field. They were necessary to remove immediate impediments to recovery, and were life-giving when new life force was needed. Timidity would have advised delay until continued crisis would have made even more drastic measures compulsory.

Let me explain these affirmations. It will be recalled that before 1933 many of the other important countries of the world had abandoned the gold standard and lessened the gold value of their currencies. In fact, since the end of the war all countries of the world except the two small creditor states, Holland and Switzerland, have undergone some form of devaluation. This continuing process indirectly contributed to the continued depression of prices and incomes within the United States.

In the conditions that existed in 1933 two possible courses could be visualized by people conversant with financial matters. The Government might restrict its expenditures to its shrinking revenues, leaving our people to struggle individually for survival amidst deflation still growing worse. Or the Government could increase its helpful expenditures. In that case the drafts on its credit were likely eventually to be very great before the tide of collapse could be reversed and private activities once more become self-dependent. Had the first course been followed, it would have meant a continued depression in prices, continued credit contraction, more bank failures, further liquidation of securities, the dispossession of small-property owners, and more desperate attempts to meet debts with goods and services worth only a fraction of what they were when the debt was created. In sum, this course would have meant the prolongation of extreme suffering and a continuance of the universal numbing depression of sentiment and public confidence. It is easy to see that this course could not be continued to the end, an inevitably bitter end.

If recognition of this conclusion and action suitable to it had been delayed until the general need was still greater, amid a general transfer of property to the ownership of the few who still possessed the power to lend and borrow, the subsequent results, social and financial, might well have been uncontrollable. With such an outlook it was extremely probable that the country would have witnessed a prolonged course of hoarding and flight of capital to foreign countries.

Probabilities as clear as these dictated departure from the beaten track. Action similar to that already taken in many other countries was necessary. The suspension of gold payment, the departure from the gold standard, and the ultimate revaluation of the dollar at a lower price in terms of gold were necessary to protect us from the last rigors of unbalanced deflation. They were necessary to put the Government and our financial institutions in sufficient control of their affairs to achieve recuperation. These actions preserved our gold supplies. They stimulated an upward price movement of many basic products; they permitted export at lower prices in terms of foreign money; they enabled the Government to borrow for its needs without fear that depleted gold reserves and speculative attacks on the dollar would force further contraction of bank credit and currency.

Forced liquidation ended, bond markets improved, interest rates fell. Much old debt has been refunded at lower cost, and new capital investment appears to have begun. These results have been achieved without reducing the domestic purchasing power of the dollar in terms of goods below its average purchasing power of the previous decade.

A great reserve of bank credit exists and awaits sound use, while there is in the strengthened Federal Reserve System authority to guard against the use of this credit for speculative excesses. Of course, the primary guaranty of the moderate and proper use of these resources must be the wisdom and good judgment of the whole people. If the country again loses itself in dreams of magnificent profits easily gotten by speculation, if a multitude of special interests can use our political machinery to secure public funds for every claim they can put forward, we shall be on the road to new troubles. In the end we must rely on the common sense of the American public.

The problem of permanent monetary arrangements must, of course, be kept constantly in view. The monetary situation in its every essential aspect should grow increasingly more stable. Production and the conduct of trade in this country and abroad require for their assurance that the value of the currency of each country shall not widely fluctuate in terms of other currencies. Such stability gives certainty to commerce. It is a mutual safeguard against large and disturbing price changes caused by monetary changes in other countries. It is a sign of the existence of balance in an international economic system and promotes that system to the mutual benefit of all.

For all these reasons many hopes are centered on the possibility of reestablishing such stability. In terms of gold and the gold currencies, the American dollar has been completely stable for the past 2 years. All these considerations recall the statement of the Secretary of the Treasury that "the world should know that when it is ready to seek foreign-exchange stabilization Washington will not be an obstacle."

SOME OF THE MORE PROTRACTED OR PERMANENT MEASURES

So far I have described some of the important actions directly connected with the emergency that faced us. But to tide through a period of collapse was not enough. The American people in 1932 and 1933 were insisting not merely that the depression should be arrested, but that we should protect the future against its repetition. Time permits reference only to a few of the main steps taken toward this end. I have previously referred to the reorganization of our financial and banking system. This was buttressed by the National Securities Act of 1933 and its companion law, the Securities Exchange Act of 1934. These laws are intended to assure full publicity for all financing, and such regulation as may be necessary to assure that the exchanges in which securities are bought and sold will be sober investment and trading markets. Businessmen, bankers, and investors have nothing to fear from these acts. On the contrary, they afford them the necessary protection against the handful of the irresponsible and unethical who had violated the standards by which finance must live and on which safe investment must depend.

The depression brought home to all of us in a frightening way the uncertainties and risks to which life and livelihood in a modern industrial country are subject. It revealed how widely the disorganization might strike, and how poorly prepared many of the American people were to meet its hardships. These hard years forced millions to use up personal savings, or, in extreme need, to depend upon family assistance or charity. These resources will always remain important, but the depression revealed their insufficiency. In every other industrial country these risks—especially of necessitous old age and unemployment—have led to the building of systems of insurance. It is amply clear that the time has come to begin to build a similar system in this country. Properly based and conducted, this cooperative insurance method creates a store of resources for times of need. We can make it a future stabilizing force in our national economy, providing means to meet human needs when they are most pressing, and sustaining business and production when they falter. A start has been made. The dimensions of the present legislation may seem unsatisfactory to some. But if it is to be carried out successfully, it must merit and win the support of a people willing to bear the cost of a system of payment kept within the bounds of our income possibilities. We must not multiply the cost beyond these possibilities; for if we do, this whole development will be ruined for our generation, and our whole financial system will be thrown into disastrous confusion.

I turn to the matter which has been most directly in my own sphere of responsibilities. We have made a beginning at reestablishing America's position in world trade.

You are all familiar with the course of American tariff policy during recent decades and its steady climb to the extremes of tariff protectionism. The full bitter fruit of this policy became manifest during the depression years. The total American import and export trade, that had been eight billion two hundred million in 1924 and nine billion six hundred and forty million in 1929, fell to two billion nine hundred and thirty-four million by 1932. The American share of the export trade conducted in the world fell from 16.8 percent of the total in 1929 to 11.5 percent in 1934, and its share of the import trade from 15.8 percent to 9.8 percent. In consequence many branches of American agriculture and industry that were developed to serve foreign markets had to curtail production, discharge employees, and accept unprofitable prices for shrunken sales.

The general result of this course of economic nationalism, exemplified by our own past tariff policy, had been that people everywhere have suffered, that unemployment everywhere has been increased, that governments have been forced to undertake large expenditures to meet the needs of displaced workers. American agriculture has found it impossible to sell its large surpluses at reasonable prices—or, in fact, at almost any price—while in the lands that need these surpluses weapons are put in men's hands, and even in children's hands, instead of bread and butter.

We have at last halted the course of our declining foreign trade and begun the work of revival. Under the Trade Agreements Act of 1934, agreements with 10 countries have been signed, and some others are in the course of negotiation. Trade with these countries has had an encouraging growth, and various branches of both agriculture and industry are already experiencing the benefits. The revival of world trade and the rebuilding of the American share of that trade is vital to reemploy our industrial workers and to furnish support to the American farming population. As far back as 1924, over $1,800,000,000 of American farm products were sold in foreign markets. By 1932 this amount had fallen as low as $662,000,000 and was only $733,000,000 in 1934, largely concentrated in such great agricultural fields as corn and hog products, wheat, cotton, fruit, and tobacco. Much of

the world still wishes these products; the problem is to restore the facilities for normal international trading.

Until there is a satisfactory restoration of foreign markets for American products—and the movement to this end should be steadily maintained—our farmers, producing for restricted markets, must adjust their production if there is not to be a calamitous fall of farm prices such as would disturb or upset our whole economic situation. How low these prices may become in the absence of a coherent program can be read from the prices prevailing at the bottom when producers received around 30 cents a bushel for wheat, 4½ cents a pound for cotton, 14 cents a dozen for eggs, and 14 cents a pound for butterfat. When those prices prevailed life in our rural communities fell away from the American standard; schools, telephones, the usual medical care, and the like, became luxuries for which they could no longer pay.

The situation was met with loans and relief and with the mortgage-refunding arrangements. Revaluation of the dollar in 1933 had an alleviating effect. The drought changed the surface of the situation for some branches of farming. But despite such efforts and change of circumstance there still remains an emergency, and the consequent necessity of guiding the adjustment of supply and demand for agricultural products. This need was recognized in legislation, and recognized again last week in a bill passed by Congress with scarcely a dissenting voice.

The total income from marketings of farm products in 1932 had fallen to $4,328,000,000; by 1935 it had risen to $6,360,000,000, and was supplemented by $583,000,000 of benefit payments. To the farmers this has meant new hope and the vital means of sustaining themselves after a period of long despair. It has resulted from action to preserve American agriculture as the basis of American life, in place of the empty showmanship of words, which critics are now offering in its place.

Wise guidance will aim to keep as many of our population engaged in agriculture as our farm lands can support on a reasonable standard, while striving unremittingly to enlarge the demand both at home and abroad for such products. It will not discard the age-long traditions of agriculture of providing the basic necessities of life in ample quantity. The congressional action proposes in the same connection to arrest the exhaustion of productive land, repairing the carelessness of the past.

THE BUDGET PROBLEM

In the depth of depression the Government assumed the heavy cost of making certain that no individual American should be without the means to live and provided the funds for the relief and readjustment of American business. This cost has been heavy; it remains so; it cannot be indefinitely augmented. With the trend of improvement the Government will curtail, while Government revenues may be expected to increase.

A main financial step of the Government, as the necessary emergency demands lessen, is to establish a current balance of income and expenditure. The will steadily to act in this direction is shown by the methods pursued in dealing with the bonus payments, in the tax program put before Congress, and in other significant steps. This business of reestablishing a Budget balance needs the support of all. We shall have to abstain from demands upon the Government which though meritorious may not be essential. It is right and wise in times of unprecedented emergency to use the public credit on a large scale, and its very use tends to promote recovery. It is a logical sequence that as affairs improve we reestablish the Budget balance and lighten the load on public credit, thus maintaining it unimpaired. The two steps are complementary. We must hasten the day when we effect them and our system again becomes currently self-dependent.

CONCLUSION

The Government, by its courageous initiative, by its responsiveness to a great variety of acute needs, by its will to look squarely at and to deal squarely with the problems confronting all sections of our people, has preserved the atmosphere of domestic tranquillity. Its purpose, in the truest tradition of democracy, has been to make it possible for the individual to work out his own salvation and to preserve himself. We have, in a word, vindicated the democratic processes. It has been made clear that the Government was concerned with the welfare of the great masses of our people; that, if you wish, government is not a thing apart. This realization is the strongest safeguard of our democracy and of the Constitution.

In the face of the effort made and its results, the hoarse echoes of oratory such as that which the city of Baltimore has recently heard can be trusted to dispel themselves into the disappointed night.

The job of salvation, repair, and reconstruction has been immense. The work has been laid out and assigned to different agencies. Good progress is being made. I have recalled some of the principal tasks. You know of others; it is not necessary to catalog all the details. It is all one job. Even he who may forget the details will know how the job is moving when he thinks of 1930, 1931, and 1932, and then of 1933, 1934, and 1935, and of how his affairs and the public affairs stood then and stand now.

What we have done is not of interest to ourselves alone, but to the world. Others are struck not only by the improvement that has been achieved but by one thing which all Americans would take for granted were it not for reckless attempts to confuse their judgment; namely, that what has been accomplished in this country has been accomplished wholly by methods of free discussion by the normal ways of legislation and by popular representation.

STUDENT OATH BILL—EDITORIAL FROM GAELIC AMERICAN

Mr. GIBSON. Mr. President, I ask unanimous consent that there may be inserted in the RECORD an article appearing in a recent issue of the Gaelic American, dealing with the student-oath bill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Gaelic American]

STUDENT-OATH BILL

There is opposition to the student-oath bill in a few of the colleges. The opposition to it is, however, not widespread or general. The Union College Student Council of Syracuse University is sending a delegation to Albany to oppose the student-oath bill. The opposition to it is described as follows in an Associated Press dispatch, which is as follows:

"SCHENECTADY, N. Y., February 21.—The Union College Student Council named five student delegates today to oppose proposed enactment of a student-oath law and received the immediate endorsement of Dr. Dixon Ryan Fox, president of the college.

"Dr. Fox labeled the proposal to require students to swear allegiance to the Constitution as 'the first step toward Hitlerism.'

" 'If a student wants to take the oath', he said, 'there is no gain in making him take it. If there should be a student or two who cannot honestly subscribe, there is no gain in making them do so dishonestly.' "

On account of the fact that groups that would subvert American institutions are entrenched in the schools and colleges, it has been thought advisable to have students, teachers, and professors take an oath of loyalty to the Constitution. Real Americans have no objection to this oath, and they find no hardship in taking it. They are fully aware of the conditions which made it necessary to pass legislation enforcing this oath in schools, colleges, and universities. The teacher or student who opposes taking this oath cannot be commended for patriotism, and he is very likely a Communist who would overthrow, if he had his way, American institutions.

In the schools and colleges, outside of private educational institutions, the education is, in part or whole, paid for by public taxation. This is a privilege denied in most of the Old World countries, and advantages of this nature should be appreciated by those benefited by them. If the free institutions of this country are to be used to educate those who will use free educational advantages to undermine the Constitution, it is the duty of those who are charged with the business of safeguarding American institutions to make the path of the wreckers difficult. Colleges must not be allowed to become hotbeds of treason. Undoubtedly the student who would wreck the Constitution would not hesitate to take an oath in which he does not believe, and this curb must be supplemented by other means of discouraging treason. Loyal Americans, however, will not regard an oath of loyalty as a hardship, and they will take it without murmur or hesitation.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

IMPEACHMENT OF HALSTED L. RITTER

The VICE PRESIDENT. The Chair lays before the Senate a communication from the House of Representatives which will be read.

The Chief Clerk read as follows:

House Resolution 440

IN THE HOUSE OF REPRESENTATIVES,
United States, March 6, 1936.

Resolved, That a message be sent to the Senate to inform them that this House has impeached for high crimes and misdemeanors Halsted L. Ritter, United States district judge for the southern district of Florida, and that the House adopted articles of impeachment against said Halsted L. Ritter, judge as aforesaid, which the managers on the part of the House have been directed to carry to the Senate, and that HATTON W. SUMNERS, RANDOLPH PERKINS, and SAM HOBBS, Members of this House, have been appointed such managers.

Mr. ASHURST. Mr. President, in connection with the communication from the House of Representatives relative to the impeachment of Halsted L. Ritter, United States district judge for the southern district of Florida, I ask for the adoption of the order which I send to the desk.

The VICE PRESIDENT. The order submitted by the Senator from Arizona will be read.

The order was read and agreed to, as follows:

Ordered, That the Secretary inform the House of Representatives that the Senate is ready to receive the managers appointed by the House for the purpose of exhibiting articles of impeachment against Halsted L. Ritter, United States district judge for the southern district of Florida, agreeably to the notice communicated to the Senate, and that at the hour of 1 o'clock p. m.

on Tuesday, March 10, 1936, the Senate will receive the honorable managers on the part of the House of Representatives, in order that they may present and exhibit the said articles of impeachment against the said Halsted L. Ritter, United States district judge for the southern district of Florida.

The VICE PRESIDENT. The Secretary will carry out the order of the Senate.

Mr. THOMAS of Utah. Mr. President, the United States Senate is about to be called upon to perform one of its most solemn and serious duties, that of trying an impeachment of a judge of a court of the United States.

A fundamental purpose of our governmental scheme as set out in the preamble of the Constitution is "to establish justice." This is a right inherent in government itself. The establishment of justice considered as a primary purpose of government may be interpreted in two ways. The first is narrowly and formatively, through the establishment of courts and the development of the judicial branch of our Government along organic lines. The second is the broader, and relates to the administration of justice, and refers to ideals of justice and their maintenance. In this broad sense the expression "to establish justice" takes on a new meaning, far more comprehensive than the strictly legal aspects, and includes the moral, ethical, social, and behavioristic attributes.

It is a common concept of constitutional government that justice should be established through the medium of law and the interpretation and enforcement of law, that rights of persons and States are best maintained through a government of law. It must, therefore, logically follow that those individuals who interpret the law and thereby dispense justice must, of necessity, be men of the highest character if our people are to have faith in their Government and in their Government's administration of justice. It is the sacred duty of a member of the bar thus chosen to such high calling at all times to keep his name and his character inviolate.

That the position of judge of the United States courts was assumed by the framers of our Constitution to require a man of the highest character must be implied from the fact that judges are appointed to hold their offices during good behavior. This, of course, means a life term during good behavior. Life tenure of office restricted solely by competency and good behavior is denied all persons in the executive branch of our Government. It is denied all persons in the legislative branch of our Government. Therefore, the Constitution not only implies that Federal judges should be of the highest character but, in granting them unlimited tenure during good behavior, it singles them out distinctly as a class of public servants who must and shall scrupulously keep their acts above reproach. Judges may be removed only through recourse to impeachment. This provision itself emphasizes the comparatively high importance which our Constitution places upon the judicial branch. A judge, therefore, must in reality be a paragon of official virtue. His life should be moral, his acts ethical, and his demeanor irreproachable. Singled out as one given position during good behavior, a judge is definitely a marked person. His actions should be above the average actions of members of the legislative and executive branches of our Government. All American traditions of respect for our Federal courts support this conclusion. A judge is even protected by a limitation put upon the verdict after impeachment. Impeachment merely removes him from office and disqualifies him from holding further office.

If the standard of qualification for a United States judge is set so high under our constitutional theory, the trial of a judge should be set even higher.

At the last impeachment trial much discussion was informally indulged in by Members of the Senate and by the public, wherein it was suggested that the Senate rules governing impeachment trials should be changed. I wonder now whether anything has been done in this direction.

Personally, I believe the seriousness of the occasion is worthy of our attention in advance of the actual need of applying the rules on impeachment. This means, of course, present consideration. We are called upon to cooperate with the House of Representatives in the fulfillment of a constitutional requirement. The attainment of full justice is a hard task under ordinary circumstances. In an impeachment trial every safeguard to the Nation and to the individual tried must be sought. Do the present rules offer the essential safeguards?

The rules are old. They were written for a time that has passed and for a Senate that has changed.

My bringing this matter up is to ask formally the question whether anything has been done and whether it is the intention of the Senate to do anything before we proceed with another trial. It is not my responsibility to make definite proposals, but I am sure that I echo the unspoken will of most of the Senators when I say that I think something should be done. The Senate's Judiciary Committee, as at present constituted, is made up of men whose special training and long thinking about this subject would, I know, bring much good to the country. We owe it to the House of Representatives, to the judiciary of our land, that when the Senate acts in a judicial capacity, it do it in such a way that it will promote greater faith in legal processes.

If this land is to remain a land of law, then whenever those who are the guardians of the law and of the rights of the citizens are hailed into court on a charge of high crimes and misdemeanors the very Government itself is on trial. The House of Representatives, which brings the accusations before us for trial, and the Nation at large have a right to expect the most serious attention that we can give.

When I say this I am not critical in spirit, and only indirectly in word, but the constant attention of a jury of 96 members, if proceedings are allowed to become commonplace, cannot be expected.

In more than one part of our land, due especially to receivership bankruptcy cases, our courts are being criticized and officially investigated. Many cases may reach the Senate. I have no right to anticipate the future, but I am sure that when the present rules were written a Senate of 96 Members was not anticipated, nor were the Senate's other duties even conceived of as being so great as they are today; nor, above all, was the complexity of our present-day life ever dreamed of.

Mr. ASHURST. Mr. President, the speech of the able junior Senator from Utah [Mr. THOMAS] is timely and appropriate. In the Senator's speech he asked possibly two questions, and certainly one question, as to what, if anything, had been done regarding trials by the Senate since the last impeachment trial. Let me respond to the Senator by saying that the chairman of the Committee on the Judiciary submitted a resolution (S. Res. 18), which was agreed to May 28, 1935, and reads in part as follows:

Resolved, That in the trial of any impeachment the Presiding Officer of the Senate, upon the order of the Senate, shall appoint a committee of 12 Senators to receive evidence and take testimony—

And so forth.

A considerable division of opinion exists as to whether the Senate possesses the power to have the testimony in impeachment trials taken by committee. I am of opinion the Senate has the power to have the testimony taken by committee. Speaking solely for myself, I am of opinion that the Senate should consult the honorable managers on the part of the House of Representatives and take their opinion and judgment as to whether they desire the testimony to be taken by a committee of 12 or by the entire Senate.

Suffice to say—and the peril is that I may say too much in such circumstances—many people insist that Congress should be given the judicial power of the Government. The trial of impeachment cases, with the exception of passing upon the qualifications of our own Members, is the sole and only judicial power of the Senate. I believe the Senate will respond in a dignified, fair, and able manner in this, the exercise of its judicial power.

Mr. AUSTIN. Mr. President, the very able address by the junior Senator from Utah [Mr. THOMAS] and the remarks of the distinguished chairman of the Committee on the Judiciary, the Senator from Arizona [Mr. ASHURST], suggest that I ought to say what has been in my mind for several days

since the impeachment proceedings in the House of Representatives, to which reference has been made, have been pending.

The possibility of a conference with the managers on the part of the House involving a procedure which would allow action under the resolution referred to by the chairman of the Committee on the Judiciary is what excites me to rise at this time, for I hope that no encouragement from those who confer with the managers on the part of the House will be afforded for acting under the resolution for the appointment of a committee to represent the Senate in taking testimony. I say this because I believe there is so much doubt about the constitutionality of the resolution that I should not like to see the question raised at all in that respect.

Secondly, I am interested in the matter because of its practical aspects and its effect upon the length of this session of the Congress, for I am persuaded, after some study, that the Senate cannot by resolution do away with the right of the individual who becomes a respondent in an impeachment proceeding. The Senate might constitutionally waive its rights, but when it undertakes to waive or do away with the rights of a respondent under the law to have that tribunal which is established by the Constitution as the sole tribunal to pass upon the issues upon which hang his honor and his official right, we cannot do it as a matter of practicability, for, as I see it, any respondent charged here with high crimes and misdemeanors, or other cause for impeachment, would be entitled, without question, to come into this distinguished court and offer all the same witnesses who had been examined outside the presence of the court.

This does not depend, as I see it, upon the sixth amendment to the Constitution, which requires that a respondent in a criminal trial shall be confronted with the witnesses against him, for I do not regard trial of impeachment as the type of criminal trial referred to in the sixth amendment. Nevertheless, it is a proceeding of a criminal nature. There is no question that the offense for which such respondents are to be tried, is a crime, and it is referred to in other sections of the Constitution as such. The section which relates to the power of the President to pardon one convicted of a crime excludes crimes which are punished by impeachment.

Mr. KING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from Utah?

Mr. AUSTIN. I yield.

Mr. KING. I am not quite clear as to the point the Senator is making. Does he contend that because the offense may be a crime the Senate does not have the right, under the Constitution, to receive charges of impeachment sent by the House of Representatives, and proceed to the consideration of the same? It would seem to me that if the duty rested upon the Senate to receive the charges, and if it regarded them as sufficiently important to deserve consideration, the respondent would perhaps have the right to challenge jurisdiction of the Senate, or come in and demur to the complaint upon the ground that it did not state grounds sufficient to warrant impeachment proceedings. But it seems to me that if the Senator is contending that the Senate should not receive the charges he is negativing the provision of the Constitution.

Mr. AUSTIN. Mr. President, I believe the Senator from Utah misapprehends the trend of the remarks of the Senator from Vermont. What the Senator has stated is not my contention. The contention is that the Senate does have jurisdiction to receive those proceedings in the nature of an indictment and has the sole and exclusive authority and power to try them. No person shall be convicted without the concurrence of two-thirds of the Members of the Senate present.

The point is that I am apprehensive of the possible use of the resolution referred to by the chairman of the Committee on the Judiciary, by means of which evidence would be taken by a committee provided for in the resolution, and by means of which a great amount of time would be wasted, as I see it, for, regardless of the question of the fundamental power to handle the matter in the manner provided in the resolution, the claim I make is that the respondent would have the right to come here and make the Senate transact all that business again, and take all the testimony again. Therefore, as a matter of expediency, I think we should not encourage any such practice. For my part, I should like to see that resolution repealed, but I do not go that far this morning. What I urge is that the representatives of the Senate in such negotiation as they hold with the managers on the part of the House do not encourage that practice.

Mr. ASHURST. Mr. President, will the Senator from Vermont yield to me?

Mr. AUSTIN. I yield to the chairman of the committee.

Mr. ASHURST. The Senator from Vermont is a valued member of the Senate Committee on the Judiciary, and I have learned through a close association with him that he is a constant and profound student of the Constitution of the United States and of juridical systems generally.

It will be remembered that in the trial of the Louderback case it was suggested that the trial was dreary, involved, and protracted, and that it was not according to public policy to have 96 Senators sit and take testimony. Subsequently, not a dozen, not 20, but at least 40 Senators urged that the Senate Committee on the Judiciary give its attention to the question whether or not a committee appointed by the Presiding Officer could take the testimony in impeachment trials, whereupon a resolution was introduced by the chairman of the Senate Committee on the Judiciary and was adopted. I ask that that resolution be incorporated in my remarks at this point.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The resolution is as follows:

(Submitted by Mr. ASHURST)

Resolved, That in the trial of any impeachment the Presiding Officer of the Senate, upon the order of the Senate, shall appoint a committee of 12 Senators to receive evidence and take testimony at such times and places as the committee may determine, and for such purpose the committee so appointed and the chairman thereof, to be elected by the committee, shall (unless otherwise ordered by the Senate) exercise all the powers and functions conferred upon the Senate and the Presiding Officer of the Senate, respectively, under the rules of procedure and practice in the Senate when sitting on impeachment trials.

Unless otherwise ordered by the Senate, the rules of procedure and practice in the Senate when sitting on impeachment trials shall govern the procedure and practice of the committee so appointed. The committee so appointed shall report to the Senate in writing a certified copy of the transcript of the proceedings and testimony had and given before such committee, and such report shall be received by the Senate and the evidence so received and the testimony so taken shall be considered to all intents and purposes, subject to the right of the Senate to determine competency, relevancy, and materiality, as having been received and taken before the Senate, but nothing herein shall prevent the Senate from sending for any witness and hearing his testimony in open Senate, or by order of the Senate having the entire trial in open Senate.

Mr. ASHURST. The resolution was agreed to by the Senate. It does not provide for a trial by 12 Senators. It simply provides that a committee of 12, appointed by the Presiding Officer of the Senate, may take the testimony, the Senate declaring and determining in advance whether it desires that procedure, or otherwise, and that after such evidence is taken by this committee of 12, the Senate reviews the testimony in its printed form, and the Senate may take additional testimony or may then rehear the testimony of any of the witnesses heard by the committee. The Senate reserves to itself every power and every authority it has under the Constitution.

It could not be expected that I would draw, present, and urge the Senate to pass such resolution and then subsequently decline to defend it, but I am not defending it more than to say that, in my opinion, it is perfectly constitutional to do what the resolution provides. If the Senate so desired, it could appoint a committee to take the testimony, which would be reduced to writing, and be laid before the Senators the next morning in the CONGRESSIONAL RECORD. If a Senator were absent during one day of the trial, he could read the testimony as printed the next morning.

If the respondent, or the managers, or either of them insists that the trial shall be conducted by the Senate as a whole, most certainly I should so vote, and I would not vote

that a special committee should be appointed to take the testimony unless the respondent and the managers requested that such should be done.

The peril in these circumstances is not that we may say too little but that we may say too much. However, let me make this observation: This impeachment trial involves the employment and exercise of the judicial power of the Senate. We have no judicial power except as to passing upon our own Members and as to impeachments. On the question of impeachment of civil officers, the power is lodged in the Senate. If the Senate, for a bad reason, or for a good reason, or for no reason at all, by two-thirds of its membership, upon resolutions and articles of impeachment exhibited and brought to this bar, should vote guilty, the respondent is removed from office. It is not a criminal procedure, as has been well stated by the Senator from Utah [Mr. KING]; it is purely an ouster from office. In order to be removed from office a respondent need not be proved to be guilty of a crime. A crime need not be charged against him. It was never intended by this resolution to sweep away from a respondent any right he possesses.

The labor of the Congress in the past 20 years has quintupled, and it was thought—not only by myself but by other Senators long in service, who have participated, not in one but in two impeachment trials—if and when the respondent was willing thus to have the testimony taken by a committee and the managers also were thus willing, that it might simplify the work.

Did the able Senator from Vermont [Mr. AUSTIN]—and I owe him a debt of thanks for the support and assistance he has given me in the Senate Committee on the Judiciary—have any other question?

Mr. AUSTIN. Mr. President, I thank the learned chairman of the Committee on the Judiciary for the statement he has made. With respect to the point upon which he touched, namely, that there might be a situation where a respondent's rights were at least not entirely granted to him, and that at least in such event he would have recourse to the law, I wish to suggest that the Senate would then be in a very strange situation.

Mr. ASHURST. Will the Senator permit an interruption?

Mr. AUSTIN. In just a moment. I desire to finish my statement.

In *Marbury* v. *Madison* (1 Cr. 166) the great Chief Justice Marshall stated, among other things:

> But where a specific duty is assigned by law and individual rights depend upon the performance of that duty, it seems equally clear that the individual who considers himself injured has a right to resort to the laws of his country for a remedy.

I have no doubt at all that that principle applies to any citizen of this country, however humble, and assures him a certain protection.

Again, as bearing upon the validity of the claim that an individual respondent has rights here with respect to procedure, with respect to the way and manner in which evidence is brought against him, I call attention to a decision of the Supreme Court of Nebraska in *State* v. *Hastings* (37 Neb. 97; 55 Northwestern 774) to this effect:

> With respect to the introduction of evidence and the quantum of proof required to warrant a conviction, impeachment is essentially a criminal prosecution; hence the guilt of the accused must be established beyond a reasonable doubt.

I am very content to leave the matter where it is; but my purpose was to excite, if possible, a little caution in regard to the negotiations about to take place with the managers on the part of the House.

Mr. ASHURST. I thank the Senator from Vermont, and I believe that his learned speech is timely. It may be in bygone days that the Senate has not paid that scrupulous and particular attention to impeachments it should have paid. We should be very attentive to the testimony in impeachment trials because of the enormous consequences to the country involved in the result of an impeachment, and because of the grave consequences to the individual, and, moreover, for the reason that our power is absolute, plenary, all exhaustive, and beyond the reach of appeal by the respondent.

We are the sole and only judges of the admissibility of the evidence. We are the sole and only judges of the weight of the evidence. We fix the punishment. We may not disqualify a Senator who may have a fixed, unalterable opinion. Our procedure is taken from the English procedure. Therefore it will be remembered that when the impeachment of President Andrew Johnson took place, the Presiding Officer, Mr. Benjamin F. Wade, insisted upon the right to vote, although his vote might remove the President and cause him, Wade, to become President. Notwithstanding his great interest in the result, it was impossible to disqualify him. Of course, a Senator may disqualify himself and may decline to serve.

Be it remembered also in the Johnson impeachment trial a certain Senator had in writing announced to the world that no matter what the testimony was, he was going to vote "not guilty." A Senator cannot be disqualified for any reason, no matter what his view or his preconceived notion may be. For example, in the trial of Anne Boleyn, her father and her brother were members of the court; that is, the House of Lords.

In view of the fact that there is no appeal, that we are the sole judges of the weight of the evidence, and the sole judges of the admissibility of the evidence, I can well perceive, and it is easily understandable, why the senior Senator from Utah [Mr. KING] and the junior Senator from that State [Mr. THOMAS] and the Senator from Vermont [Mr. AUSTIN] should discuss this question and emphasize the importance—indeed, the solemnity—of the duty that rests upon Senators who try an impeachment case.

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the RECORD a ruling from Hinds' Precedents relating to a decision made in 1876 to the effect that an impeachment trial could only proceed when Congress was in session.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

[Hinds' Precedents of the House of Representatives, 3]

Nature of impeachment (p. 308):

2006. It was decided in 1876 that an impeachment trial could only proceed when Congress was in session.

Instance during an impeachment trial wherein a Member of the Senate called on the managers for an opinion.

On June 19, 1876, in the Senate sitting for the impeachment trial of William W. Belknap, late Secretary of War, the counsel for the respondent asked for a postponement of the trial until some time in the next November.

Thereupon a question arose as to whether or not the trial might proceed when the House of Representatives was not in session, and Mr. John J. Ingalls, a Senator from Kansas, asked for an opinion from the managers for the House of Representatives.

Mr. Manager Scott Lord said:

"Perhaps, Mr. President, it will be sufficient for the managers to say in that regard that the managers are not agreed on that question. Some of us have a very fixed opinion one way, and other managers seem to have as fixed an opinion the other way; and not being agreed among ourselves we perhaps ought not to discuss the question until we can come to some agreement.

"I will say further, Mr. President and Senators, that the question which is presented by the Senator has not been fully considered by the managers; it has not been very much discussed by them, but it has been sufficiently discussed to enable us to see that there is this difference of opinion. I think myself that when the question is fully discussed by the managers they will come to a conclusion on the subject unanimously; but perhaps one differing with me might think we should come unanimously to a different conclusion from that which I entertain. I will say for myself that I have no doubt of the power of this court to sit as a court of impeachment after the adjournment of the Congress * * *.

"I ought to say in regard to the opinion which I have expressed that I predicate that opinion upon the action of both the Houses. I think that in order to authorize the sitting of this court beyond all question either the House or the Congress should vote to empower the managers to appear before this court in the recess or absence of the House.

* * * * * * *

"I ought to say, in furtherance of the view which I have presented, that the question has been settled in the State of New York, the State in which I reside, and I, of course, would naturally be influenced somewhat by the decision. In the case of Judge Barnard the trial was had at Saratoga after the adjournment of the legislature, and in the recent impeachment trial in Viriginia the same course was taken—the impeachment was not tried until after the adjournment of the legislature. I am also reminded that as far back as 1853, when Mr. Mather, a canal commissioner,

was impeached in New York, he was tried after the legislature adjourned. In regard to the English authorities, they seem, on the whole, to warrant the proposition that the House of Lords may proceed as a court of impeachment after the adjournment of the Parliament."

Soon after, while an order was pending providing that the trial should proceed on July 6, Mr. Oliver P. Morton, of Indiana, proposed to add thereto as an amendment the following:

"*Provided*, That impeachment can only proceed in the presence of the House of Representatives."

On motion of Mr. Frederick T. Frelinghuysen, of New Jersey, and without division, the words "in the presence of the House of Representatives" were stricken out and the words "while Congress is in session" were inserted.

Thereupon Mr. Morton asked and obtained leave to withdraw his amendment.

Thereupon Mr. Roscoe Conkling, of New York, offered the proviso again:

"*Provided*, That impeachment can only proceed while Congress is in session."

This proviso was agreed to—yeas 21, nays 19.

Thereupon Mr. Oliver P. Morton proposed to amend by adding the words "and in the presence of the House of Representatives."

Mr. Eli Saulsbury, of Delaware, proposed to amend Mr. Morton's amendment by adding the words "or its managers."

Mr. Saulsbury's amendment was disagreed to without division; and Mr. Morton's amendment was disagreed to by a vote of—yeas 9, nays 28.

So it was:

"*Provided*, That the impeachment can only proceed while the Congress is in session."

The reasons actuating the Senate in coming to this decision do not appear from Senate proceedings, as the debates were in secret; but in a verbal report made to the House of Representatives by the chairman of the managers, Mr. Scott Lord, of New York, this statement appears:

"The plan of the managers on the part of the House has been this: To induce the Senate, as a court of impeachment, to allow Congress to adjourn and then sit as a court to carry on the case. But there are two reasons against that which render it conclusive that the Senate will not do so. The first is that many Senators doubt the power of the Senate to sit as a court of impeachment after the adjournment of Congress. The second, and the really practicable reason, is that it will be found impossible to keep a quorum of the court together after the adjournment of Congress."

IMPEACHMENT OF HALSTED L. RITTER—EXPENSES OF TRIAL

Mr. ASHURST submitted the following resolution (S. Res. 244), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That not to exceed $5,000 is authorized to be expended from the appropriation for miscellaneous items, contingent expenses of the Senate, to defray the expenses of the Senate in the impeachment trial of Halsted L. Ritter.

INSPECTION AND ALLEGED SEIZURE OF TELEGRAMS, ETC.

Mr. BORAH. Mr. President, I send to the desk the resolution which I ask may be read.

The VICE PRESIDENT. The resolution will be read.

The legislative clerk read the resolution (S. Res. 245), as follows:

Resolved, That the Federal Communications Commission be, and the same hereby is, requested to report to the Senate all activities of its agents in the recent seizures of telegrams and records and telephone communications, or other private communications, to or from any point in the United States; and that the Federal Communications Commission inform the Senate by what authority and under what law and at whose directions these seizures were made.

Mr. BORAH. Mr. President, I have spoken to the able Senator from Alabama [Mr. BLACK] and believe he has no objection to the present consideration of the resolution.

Mr. BLACK. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Alabama?

Mr. BORAH. I yield.

Mr. BLACK. I did not carefully read the resolution. There is one statement in it which I am sure the Senator would be willing to alter. The alteration would not prevent obtaining that which is desired. The resolution refers to the "recent seizure of telegrams."

Mr. BORAH. Yes.

Mr. BLACK. There has been nothing in the nature of what is usually understood as a seizure. Telegrams have been subpenaed by the Senate, but I do not understand that would constitute a seizure. I should like to have the Senator correct the resolution so it would not appear that it affirmatively states there has been any seizure of telegrams as the word "seizure" is usually understood.

I should like to be sure that the resolution is broad enough—and I ask the Senator if it is—to include any activities of the Communications Commission with reference to telegrams by reason of the fact that that Commission adopted a resolution immediately upon the disclosure of burned and forged telegrams last year, with which resolution the Senate committee had nothing to do and about which it knew nothing. I should like to have the Senator's resolution ask for sufficient information so as to include the resolution under which the Commission proceeded to act.

Mr. BORAH. I have no doubt it would include that information. I think it is broad enough to cover it. It was so intended.

With reference to the word "seizure", I am not particular about that exact word. The matter has been spoken of in that way. I have assumed that the telegrams were subpenaed.

Mr. BLACK. The Senator is correct. I may say that no telegram which the Senate commitee has was received from the telegraph company at any time or under any circumstances from any place in this country or in the world for which there is not outstanding a subpena duly signed and duly served and which is in the possession of the committee at this time.

Mr. BORAH. My only purpose is to get before the Senate a complete record with reference to this proceeding. I have not offered the resolution in the nature of a censure, because I do not know what my view may be after the facts are all before us. I am desirous of having a complete record of all that was done both by the committee and by the Communications Commission, so that when we discuss it we may discuss it upon the facts and not upon rumors. This is a very important matter from whatever viewpoint we may consider it. It is important because the public has certain interests to be protected and the private citizen has vital interests to be preserved. My view is that all facts which are relevant should be before us before we seek to come to a conclusion. I am very much interested to know these facts.

Mr. STEIWER. Mr. President, will the Senator yield for a question?

Mr. BORAH. I yield.

Mr. STEIWER. I imperfectly heard the resolution read and may not understand it. Does the Senator's resolution contain language sufficiently broad as to require a disclosure by the Commission of the services of it employees in examining telegrams and giving information concerning the contents of telegrams?

Mr. BORAH. Yes; I think it does. The resolution calls for information about the activities of the agents of the Commission in the matter of seizing telegrams. I am willing to say "alleged seizure", if that would satisfy the Senator from Alabama.

Mr. STEIWER. May I suggest to the Senator that he might say "in the matter of the inspection or seizing of telegrams?"

Mr. BORAH. Or "alleged seizing."

Mr. BLACK. That is perfectly all right.

Mr. ROBINSON. Mr. President, I do not believe that the language employed in the resolution is broad enough to include the information to which the Senator from Alabama [Mr. BLACK] has referred. With a view to further consideration of the form of the resolution, I suggest that it go over.

The VICE PRESIDENT. The resolution will go over.

Mr. BORAH subsequently said: Mr. President, I have conferred with the Senator from Alabama [Mr. BLACK] and have made some changes in the wording of the resolution so as to include "inspection" as well as "alleged seizure"; also to include the question of forged or destroyed telegrams.

I ask unanimous consent that the resolution be considered at this time.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. ROBINSON. Mr. President, I asked that the resolution referred to by the Senator go over in order that further consideration might be given to its form. I am advised by the Senator from Alabama [Mr. BLACK] that he has no

objection to the present consideration of the resolution as it is now drafted. Therefore I do not object.

The PRESIDENT pro tempore. The resolution as modified will be read.

The legislative clerk read the resolution (S. Res. 245), as modified, as follows:

Resolved, That the Federal Communications Commission be, and the same hereby is, requested to report to the Senate all activities of its agents in any inspection or alleged seizures of telegrams and records and telephone communications, or other private communications, to or from any point in the United States, or investigation of forged or destroyed telegrams; and that the Federal Communications Commission inform the Senate by what authority and under what law and at whose directions the action of the Commission was taken.

The PRESIDENT pro tempore. Without objection, the resolution as modified is agreed to.

Mr. STEIWER. Mr. President, I had prepared and had intended to offer a resolution covering some part of the ground of the resolution just agreed to by the Senate, the resolution offered by the Senator from Idaho [Mr. BORAH]. Inasmuch as the resolution agreed to seems adequate, I shall not offer my resolution. I feel, however, that the subject involved and the collateral questions which concern the proceedings resorted to by the committee are of such transcendent importance that I am justified in making a brief statement of certain views which I hold in connection with the whole matter. In doing so I wish to disclaim any purpose to blame or criticize the committee. The resolutions conferring authority to require production of papers and documents are similar to resolutions adopted in very many previous instances; in substance and effect they are substantially identical with other earlier resolutions.

The subpenas, so far as I am advised, are in keeping at least with some part of the practice of the Senate, although not in keeping with any uniform practice; but there is enough in our practice to give support to what has been done by the committee, and I think it would be wholly unfair for me to suggest criticism of the committee for any action which has so far been called to my attention.

I have no desire to halt the inquiry. On the contrary, I sincerely hope that the inquiry will proceed and will proceed to such an extent that the Congress may receive recommendation for and may consider appropriate legislation. I favor, and have favored since the time of the so-called Caraway investigation some years ago, legislation to regulate the practice of lobbyists, and particularly for the protection of Congress and its Members, either by the registration of lobbyists or by some other appropriate means, so that the annoyances to which we are sometimes subjected and the misinformation which we sometimes receive may alike be done away with.

The important questions involved in this matter apparently are three in number. They relate, first, to the power of the Senate to make an investigation of this sort; second, to the power of the committee to carry out the purposes of the Senate; and, third, to the procedure of the committee, conceding or assuming that the committee is acting under adequate authority.

The power of the Senate, Mr. President, I think, is everywhere understood. There is no express authority in the Constitution which would justify either House of the Federal Legislature in reaching the conclusion that it might conduct an independent, general investigation. Certainly there is no express power for the type of investigation which is contemplated under the resolutions which are now invoked. There is, however, an implied power, recognized, I think, everywhere, and described most clearly in the old case of *Kilbourn* v. *Thompson* (103 U. S. 168). The implied powers are such as may be necessary to enable the two Houses of Congress to carry out their constitutional authority. It is sometimes said that the Senate possesses an implied power to conduct an investigation in connection with its legislative duties. That statement is true, but it is not sufficiently comprehensive. As we know, the Senate possesses jurisdiction beyond the jurisdiction to legislate. We heard reference a few minutes ago to an important jurisdiction of this body with respect to impeachment. We have jurisdiction with respect to the qualifications and election of Senators, and another important field of jurisdiction in connection with the ratification of treaties and the confirmation of the nominations of certain appointees under the Federal Government. In all these constitutional functions of the Senate it would seem reasonably clear that there is an implied power to conduct investigations in order that the business of the Senate may be efficiently discharged.

So far as the authority of a committee is concerned, it will readily appear that such authority will not be broader than that of the Senate and, further than that, that the authority of the committee will be severely and strictly limited by the resolution which brings the committee into being, and which must, of necessity, define the nature and scope of the investigation which the committee is to undertake. I think it will be nowhere contended that any committee, even though legally appointed, would enjoy a general authority to make investigations.

I have reviewed these points briefly, Mr. President, in order to lead to the third question which I present, the question which I desire to discuss for a short time in this presence. The third question, as I have said, relates to the procedure of the committee, and particularly to the powers of the committee in compelling the production of records, documents, and papers.

For a very long time it has been the practice of the committees of the Senate and the House of Representatives to compel the production by subpenas in general effect similar to the subpenas duces tecum which are employed by the courts of justice for the production of papers. I cannot find, however, that there has been any uniform practice with respect to subpenas of this sort.

I know that in some cases committees have used meticulous care to insure that the subpenas would answer the requirements of the law with respect to particularity, and generally to see that the subpena would meet the requirements which the courts would impose in considering the adequacy of a like document. Other committees have been less meticulous, and in at least one case in history there has been resort to what appears to be a very general demand for information; in that case there was a "catch-all" demand to bring to the committee such papers as may be in the witnesses' possession, without signifying or indicating whether or not the papers relate to any subject which is within the jurisdiction of the committee or within the scope of the investigation. I have not seen the subpenas used by the present lobbying committee, except that my attention was called to one; and I did not obtain that from the committee, and therefore I cannot say officially that I know it is the form of subpena at present being used.

I am told, however, that a copy of subpena now in my possession was obtained from the records of the Supreme Court of the District of Columbia, that it is set forth in the pleadings in a case now pending there, and that it is alleged to be a true and correct copy of the subpena being used. I shall not read the entire subpena, but desire to read from that portion of it which requires the production of papers. It is as follows:

And to produce all telegrams sent paid and/or received collect between the dates of February 1 and December 1, 1935, and charged to Winston, Strawn & Shaw, First National Bank Building, Chicago, Ill., and all its associates and subsidiaries, and all of known officers, employees, and agents.

I am advised that other like subpenas have been employed, but with some variation in language, and that this particular form has not been invariably used. It would be interesting if the committee would disclose to the Senate the whole category of subpenas which have been used for the purpose of requiring the production of papers and telegrams.

A moment's reflection concerning this subpena will bring to light very interesting facts. In the first place, I have no knowledge of the matter which is sought to be obtained by the Senator from Idaho [Mr. BORAH]. It may well be that our committee was duly advised, through the Communications Commission or otherwise, of the contents of telegrams which it seeks.

Mr. BLACK. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Alabama?

Mr. STEIWER. I yield.

Mr. BLACK. The Senator, of course, will agree that the committee has authority to investigate any organization which has received contributions for the purpose of influencing legislation and which does influence legislation.

Mr. STEIWER. I think in the supplementary resolution it was sought to confer that authority upon the committee. I do not at this time dispute the committee's authority. So far as I am advised I think the committee is duly authorized. I believe the contention well could be made, however, that the resolutions are so broad and so comprehensive that they are vague and therefore do not actually confer a jurisdiction upon the committee; but I am not going to make that contention now because it is a purely legalistic and technical one, and I think would be of very little interest to the Senate at this time.

Mr. BLACK. The Senator, then, does concede that under the resolution the Senate committee has the authority to investigate organizations which seek to influence legislation and do so with contributions paid from private sources?

Mr. STEIWER. I rather think so.

Mr. BLACK. And which also seek to influence political campaigns under the name, whatever it may be, of some so-called patriotic organization?

Mr. STEIWER. I would think so. Certainly the Senate has that authority and could, by an appropriate resolution, confer it upon the committee.

Mr. BLACK. May I say to the Senator with reference to the telegrams of the law firm to which he refers that he need not surmise as to all the reasons, but I can state to him that in the House there has been filed a list of expenses by the Liberty League? The Liberty League shows that part of those expenses were to pay for telegrams charged to this so-called law firm in Chicago, so that the Liberty League, according to the records of which the courts will take judicial notice, and of which this body will take judicial notice, has been paying for telegrams of this particular law firm during last year. If that is true, and if we have a right to investigate the Liberty League, which is securing thousands and thousands of dollars from private sources to seek to influence the very things that come within the scope of the resolution, the Senator can very readily see there is one reason why these telegrams would come within the scope of the resolution.

Mr. STEIWER. The telegrams sent by this law firm or by any other citizen or any other group of citizens, if they are sent for the purpose of influencing legislation and were paid for by the Liberty League or by any other group, would, of course, be a proper subject matter of inquiry for the committee. I make no dispute about that. I hold no brief for the Liberty League. I hold none for the law firm named in the subpena to which I have just called attention. It is not the precise telegrams or the precise sender of the telegrams that I want to discuss. The thing I am seeking to bring to the attention of the Senate is the form of the subpena itself.

Now that I have directed the Senator's attention to it, I am wondering if he is in a position to tell me whether or not the copy of subpena I have read is in the form employed by the committee in seeking to get the information from the Western Union Telegraph Co.?

Mr. BLACK. I have not read the particular form, but I understand from the Senator it was taken from the complaint filed in the Supreme Court of the District of Columbia. While I have not compared it with the actual subpena which was used, I would assume that certainly it is correct, and I am sure the Senator could rely upon the fact that the quotation from the subpena is in the form which was served upon the company.

Mr. STEIWER. I thank the Senator. Certainly the Senator from Alabama would know whether there was a demand for the production of all telegrams sent by this particular law firm between the dates named in the subpena.

Mr. BLACK. I have not read that particular subpena, but the telegrams were subpenaed. They were subpenaed exactly in accordance with subpenas which had been issued previously. If the Senator has read the subpenas issued back in 1876, he will find that this is practically the same as subpenas which were issued at that time where the officers of the telegraph companies were sent to jail for contempt of the House.

Mr. STEIWER. That was in the Louisiana investigation?

Mr. BLACK. Yes.

Mr. STEIWER. I am familiar with them, and believe it is correct that this subpena is substantially, if not identically, the same as the subpenas employed in that case.

Mr. BLACK. The Senator is correct.

Mr. STEIWER. I think it is reasonably safe, therefore, in view of what has been said by the Senator from Alabama, for us to proceed on the assumption that the subpena which I have obtained unofficially is probably a correct copy of the type of subpena which our committee is employing. Upon that assumption I desire to discuss the matter.

In the first place, I know of no decision in which a court, with the possible exception of one decision in Missouri, has ever sustained the right either of a court or a legislative body to demand in general sweeping terms the "production of all papers"—and I put that phrase in quotation marks—without signifying or identifying the papers and without some provision that the material to be furnished shall relate to the subject matter of the inquiry.

I said a little while ago that although there was some precedent for the procedure of the committee, yet its procedure is not the uniform practice of the Senate. I have provided myself for the purpose of this discussion with two or three subpenas which have been used on previous occasions. Here is a subpena requiring the production of papers, which reads as follows:

> You are hereby commanded, all excuses and delays set aside, to be and appear before the special committee of the United States Senate (appointed pursuant to S. Res. 195 of the 69th Cong. and S. Res. 10, 70th Cong.) at 212 Senate Office Building, Washington, D. C., at 10:30 o'clock a. m., on June 13, 1928, then and there to testify and the truth of your knowledge to speak touching the collection and payment of moneys or promises of emoluments or rewards or things of value, including all agreements or understandings, calculated or intended to influence the nomination of any person as the candidate of any political party or organization at the general election to be held in November 1928 for the office of United States Senator from the State of New Jersey.
>
> And you are further commanded to bring with you and produce before said committee all books of account and all bank checks, bank drafts, or other instruments showing the receipt or distribution of money which may be under or subject to your control, and all memorandums in writing, including all letters by you received and copies of all letters sent by you, and all and every instrument of writing which is calculated to or may throw light upon any of the above-named matters concerning which you are, as above stated, required to testify.

This was the subpena issued by James A. Reed, chairman of a special committee of the Senate appointed pursuant to Senate Resolution No. 195.

I find by inspection of the records of the Committee on Banking and Currency that that committee, during the investigation of stock markets, investment bankers, and certain other subjects, which were under investigation during the time Mr. Pecora was representing the committee, was even more meticulous in its efforts to identify the papers required.

I read merely from one subpena taken at random. In it

> And you, the said George Whitney, bring with you and deliver to the committee all the books, records, correspondence, and documents of J. P. Morgan & Co. or Drexel & Co., or in their possession, or in the possession of either of them, pertaining to the bonds and stocks and other securities of the following corporations, and pertaining to the purchase and sale of the securities thereof; and all books, records, correspondence, and documents of J. P. Morgan & Co. or Drexel & Co. pertaining to the loans, repayments, and all other financial transactions of the following corporations, to wit:

And there follows a list of the corporations which were under investigation.

Throughout that inquiry, Mr. President, I find that committee always employed this type of subpena. Many other committees have done the same. I think, therefore, it is a true statement that with very limited exceptions, includ-

ing the exceptions suggested a moment ago by the Senator from Alabama [Mr. BLACK], the Houses of Congress have not resorted to the dragnet subpena, but in the great majority of cases they have employed about the same processes that are employed in the courts of justice, and they have identified in the subpena the particular papers required.

The question now occurs as to whether the employment of the dragnet subpena is a proper procedure for a senatorial committee to invoke. I said in the beginning that I do not criticize the committee. I think it would be unfair to criticize the committee for doing that which is supported even in part by the practice of the bodies of the Federal legislature. I do not criticize the committee, but I do most earnestly call attention to the fact that there inheres in a procedure of this kind much of evil consequence, and, to my mind, there seems every reason for our committees to avoid employment of subpenas of this kind.

When the question was considered in the House of Representatives, the rights of the witness apparently were held as of less importance than the necessity of gaining the information. I shall not at this moment enter into a discussion of the relative evils of trampling upon the rights of the citizen or of failure to get the necessary information. The courts, impliedly, have taken a view contrary to that taken by the House of Representatives. They have held, I think, without exception, that the question of the right of the citizen to privacy of his papers, when the fourth amendment of the Constitution is invoked, is a judicial question. It is not one to be determined, therefore, by a parliamentary body. It is not one to be determined in the legislative sense, but it is a judicial question inseparably connected with the rights of the citizen under the guarantees of the Constitution.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. STEIWER. In just a moment.

When in the fourth amendment security is provided for the citizen against unreasonable search and seizure and security in the possession of his papers, there is created a constitutional right which the courts not only may enforce but which it is their duty to enforce, and this duty is inescapable.

Now I am happy to yield to the Senator from Indiana.

Mr. MINTON. Mr. President, does not the Senator think there is a vast difference between the scope of a subpena issued by a legislative body and one issued by a court, in the fact that in the court under the pleadings an issue is being developed within rather narrow boundaries, while the legislative scope takes in far greater territory and cannot be limited to any narrow issue such as is to be found in a lawsuit?

Mr. STEIWER. Mr. President, that merely affects the necessities involved. It merely suggests reasons why the committees of Congress might desire to explore over a very wide field; but it cannot, by any stretch of the imagination, subtract from the constitutional rights of any citizen. No necessity on the part of the legislative body could accomplish that purpose.

Mr. MINTON. The citizen's constitutional rights before a court may be entirely different from his constitutional rights before a legislative body.

Mr. STEIWER. To that proposition I cannot agree. Unfortunately, these constitutional rights ultimately will be before the courts. Therefore, there is reason for us to consider these rights in connection with what the courts may ultimately say about the matter.

Mr. MINTON. Speaking about constitutional rights being determined in the courts, does the Senator think the courts have any right to challenge the sufficiency of a subpena of the Senate? Is not the place to challenge the sufficiency of a subpena of the Senate in the Senate, and not in the courts?

Mr. STEIWER. Oh, yes. If the Senator is speaking technically of the procedure to which the citizen must resort in order to invoke his constitutional rights, of course, he may challenge the subpena in the Senate; but ultimately the question is judicial, and is for the courts.

Mr. President, I have said that there is very limited judicial authority upon the precise question involved. There is, however, a very large amount of judicial utterance upon some of the questions which are remotely involved, or which in a collateral sense may throw a very great amount of light upon the matter which is before us. I ask the indulgence of the Senate while I consider for a moment some brief excerpts from the authorities to which I have referred.

These authorities are summarized in the case of *Sinclair* v. *United States* (279 U. S. 263), with which Senators are familiar. I shall, therefore, read from the summary rather than take up each case separately. I read—page 291:

> It has always been recognized in this country, and it is well to remember, that few, if any, of the rights of the people guarded by fundamental law are of greater importance to their happiness and safety than the right to be exempt from all unauthorized, arbitrary, or unreasonable inquiries and disclosures in respect of their personal and private affairs. In order to illustrate the purpose of the courts well, to uphold the right of privacy, we quote from some of their decisions.

I read further from the decisions upon which the Court relied:

> Of all the rights of the citizen, few are of greater importance or more essential to his peace and happiness than the right of personal security, and that involves, not merely protection of his person from assault, but exemption of his private affairs, books, and papers from the inspection and scrutiny of others. Without the enjoyment of this right, all other rights would lose half their value.

The only dissent I should make from that language, which is taken from the case *In re Pacific Railway Commission* (32 Fed. 241), would be to say that the court was too modest in its statement that all other rights would lose half their value. It occurs to me that if the right of privacy is to be denied to American citizens, we might as well frankly say that other rights would entirely lose their value.

I now read an excerpt from the case of *Interstate Commerce Commission* v. *Brimson* (154 U. S. 477), in which the Court, through Mr. Justice Harlan, used this language:

> We do not overlook these constitutional limitations which, for the protection of personal rights, must necessarily attend all investigations conducted under the authority of Congress. Neither branch of the legislative department, still less any merely administrative body, established by Congress, possesses, or can be invested with, a general power of making inquiry into the private affairs of the citizen.

There is at least a partial answer to the question propounded by the Senator from Indiana.

I read further:

> We said in *Boyd* v. *U. S.* (116 U. S. 616, 630)—and it cannot be too often repeated—that the principles that embody the essence of constitutional liberty and security forbid all invasions on the part of the Government and its employees of the sanctity of a man's home and the privacies of his life.

Then in the case of *Federal Trade Commission* v. *American Tobacco Co.* (264 U. S.), the Court said this:

> Anyone who respects the spirit as well as the letter of the fourth amendment would be loath to believe that Congress intended to authorize one of its subordinate agencies to sweep all our traditions into the fire * * * and to direct fishing expeditions into private papers on the possibility that they may disclose evidence of crime. We do not discuss the question whether it could do so if it tried, as nothing short of the most explicit language would induce us to attribute to Congress that intent. * * * It is contrary to the first principles of justice to allow a search through all the respondents' records, relevant or irrelevant, in the hope that something will turn up.

Mr. President, in the authority conferred upon the so-called "Lobby Committee" by the Senate I am of the impression that no effort at all has been made to authorize a subordinate agency "to sweep all our traditions into the fire" or "to direct fishing expeditions." The language of the resolutions is quite normal, quite natural. It suggests nothing in the way of a general investigation, especially it suggests nothing in support of the idea that the committee should issue a subpena which would direct the telegraph company to return to the committee all telegrams sent or received by any certain person over any fixed period of time.

It is obvious that a subpena of that kind is not limited to matters which are relevant to the matters under investigation by the committee, but by its express terms it requires

the witness upon whom the subpena is served to bring to the committee, to be exhibited there, all telegrams of whatever nature, which would include telegrams sent by the persons named to their wives, to their sweethearts if they had any, telegrams to law partners, telegrams to business associates, telegrams to clients, telegrams relating to privileged communications, telegrams concerning negotiations which might still be pending, where the business in mind might not have been consummated and where the greatest evil might follow if the telegrams were permitted to come to public attention.

I claim that not only is that procedure denounced by the Constitution, and, in theory at least, by the very broad language used by the court, but that it is denounced by every consideration of fairness and equity.

Now, Mr. President, let us proceed just a little further. An interesting reference to a rather similar matter is found in the dissenting opinion of Mr. Justice Holmes in the case of Olmstead against the United States. This case, it is true, was not one where a general subpena was served upon a telegraph company; it did not involve the invasion of the private rights of an individual by requiring a wholesale disclosure of all the telegrams sent by some named person over any stated period of time. This was a wire-tapping case. It was essentially the same in principle, because it involved the invasion of the privacy of the citizen by another route, but to the same effect. Concerning it Justice Holmes said:

> We have to choose, and for my part I think it a less evil that some criminals should escape than that the Government should play an ignoble part.

I would suggest, Mr. President, that by the same token it is a less evil that we fail to get all of the testimony which we might desire to get than it is that we should play an ignoble part in even giving the appearance of denying to a citizen his constitutional rights.

It occurs to me, as I look back over the events of the last session, and recall the amount in volume of lobbying that was indulged in by certain persons at that time, that there should be no difficulty at all on the part of our very able committee in getting any quantity of evidence they desire to present to the Senate in order to support their recommendations for legislation. There were literally hundreds of people, according to newspaper accounts and according to the reports at that time, who were engaged in lobbying in connection with legislation then pending. It was admitted that vast sums of money were expended, that heroic efforts were resorted to, and that no stone was left unturned by those seeking to defeat that legislation, and I submit in the most serious way of which I am capable that the amount of evidence that can be obtained without constitutional infraction is so considerable that the public gain to be derived from prying out every last telegram is of so inconsequential a nature that there is no justification for permitting any citizen of this country to feel that his constitutional rights have been invaded.

Justice Holmes said further:

> For those who agree with me, no distinction can be taken between the Government as prosecutor and the Government as judge. If the existing code does not permit district attorneys to have a hand in such dirty business it does not permit the judge to allow such iniquities to succeed.

Mr. President, that is strong language, but it is language which comes from the lips of one who, as much as any other man in our generation, might be credited with standing for the rights of man.

A little while ago the Senator from Indiana asked me if I did not see a distinction between a proceeding before a court and a proceeding before a committee of the legislative body. I do see a distinction to which I did not refer in my colloquy with the Senator from Indiana. In court the judge normally presides over the court and determines the law of the case. If it is a jury trial, the jury determines the facts. If it is a a criminal proceeding, the prosecuting officers conduct the presentation of the State's side of the prosecution. That is not true of these quasi-criminal proceedings which sometimes occur before committees of the Senate. Here the committee is both judge and jury. It is judge and district attorney. It is not bound by pleadings, as was suggested awhile ago by the Senator from Indiana. The issue is not limited within a narrow scope by the papers which have been filed by the respective parties. The committee proceeds almost at will. It is restrained only by its own impulses, by its own power of self-restraint, plus the restraints of the Constitution of the United States.

It seems to me, Mr. President, that in a proceeding of this kind, far more than in a court of justice, there is danger that the constitutional rights of the citizen may be impinged upon. It seems to me also that in a proceeding of this kind there is far more justification than there is in a court of justice for those who are in charge of the proceeding to see to it by every reasonable means that no impropriety is indulged in and no constitutional right is denied any citizen.

I wish to read from one more authority, which contains language which to me is revealing. In the old case *In re Pacific Railway Co.*, reported in 32 Federal Reports, commencing at page 241, I find that these words were employed by Mr. Justice Sawyer:

> A general, roving, offensive, inquisitorial, compulsory investigation, conducted by a commission without any allegations, upon no fixed principles, and governed by no rules of law, or of evidence, and no restrictions except its own will, or caprice, is unknown to our Constitution and law; and such an inquisition would be destructive of the rights of the citizen and an intolerable tyranny. Let the power once be established and there is no knowing where the practice under it would end.

In the same case another justice, in a concurring opinion, used these words:

> If this power of unlimited, inquisitorial investigation into the affairs of private corporations or companies, or of individuals—and it concerns all alike—shall be once established, who can say where it will end, or what will be its limit of injustice at all times, but more especially when called into exercise in times of political excitement or under the influence of partisan zeal or passion?

The court, in the chief opinion, also used this language:

> The provision of the act authorizing the courts to aid in the investigation in the manner indicated must therefore be adjudged void. The Federal courts, under the Constitution, cannot be made the aids to any investigation by a commission or a committee into the affairs of anyone. If rights are to be protected or wrongs redressed by any investigation, it must be conducted by regular proceedings in the courts of justices in cases authorized by the Constitution.

Mr. President, I have stated that there is at least one precedent for the procedure which has been employed by the committee in these cases. I regard that precedent as being chiefly valuable as authority to exonerate the committee from the charge of wrongdoing. I cannot assent to the precedent as being right in principle. To me it seems wholly wrong that when the Senate authorizes a committee to conduct an investigation, and that committee, in the conduct of its investigation, obtains information that exhibits of value may be found at some certain place, it should employ what might be termed a general subpena, or that without specification it should require all telegrams, the relevant and the irrelevant alike, to be brought to the committee for its information.

In a more recent case this question has been presented, but I think without final determination, and yet in a way which is helpful in the present situation. In the examination of the affairs of the Wardman Co., a subpena was issued requiring the witness—

> To bring with you and produce all books of account and minutes of stockholders' and directors' meetings, from date of incorporation or organization to December 1, 1930, of Wardman Mortgage & Discount Corporation, Wardman Corporation, Wardman Realty & Construction Co., Wardman Park Hotel, Inc., Wardman Real Estate Properties, Inc., Wardman Real Estate Investment Corporation, Wardman Construction Co., Inc.

The witnesses upon whom that subpena was served appeared and declined to produce the documents, the refusal being based on the claim that the subpena was illegal under the guaranties of the fourth amendment. I have not been able, in the short time I have been investigating this matter, to learn exactly the course taken with respect to the refusal of these witnesses to produce the testimony; but I under-

stand they did not produce the documents, they were not cited before the bar of the Senate, and were not held in contempt.

Another case in recent history of the Congress involved a subpena issued in connection with the investigation of Teapot Dome. At that time, I understand, the telegraph company was required by subpena to produce all telegrams sent by certain parties between certain dates. The company answered that it was physically impossible to go over 5 years of the records, they did not have the requisite staff, and they could not comply with the subpena. It is my understanding that the subpena was never enforced, and the telegraph company was not required to produce the telegrams demanded in the subpena.

I desire to read briefly two other excerpts. In the case of the Federal Trade Commission against the American Tobacco Co., to which I have already referred, Mr. Justice Holmes also used this language:

> The investigations and complaints seem to have been only on hearsay or suspicion, but even if they were induced by substantial evidence under oath, the rudimentary principles of justice that we have laid down would apply.

I call that language to the attention of my friend from Alabama [Mr. BLACK]. He has stated that because certain reports were filed with the Clerk of the House information had come to the committee which he thought justified the demand for these telegrams.

Mr. President, Mr. Justice Holmes said that even if the investigations were induced by substantial evidence under oath, "the rudimentary principles of justice that we have laid down" would apply.

I quote further from Mr. Justice Holmes:

> We cannot attribute to Congress an intent to defy the fourth amendment or even to come so near to doing so as to raise a serious question of constitutional law.

These words, Mr. President, better than any poor words of mine, bring to a focus the things that are really before this body at this time. I am not entirely sure that there is no possibility of justifying this subpena as a matter of cold-blooded law. However, so far as my own judgment is concerned, nothing could be clearer to me than that the agencies of Congress ought not to resort to a procedure of this kind, treading upon the very edge of the circle, raising suspicion, and creating indignation in the minds of the people of this country, when there is a way to avoid it by taking the usual appropriate legal procedure. I submit there is no justification for the use of a catch-all subpena by any committee of this body.

Mr. President, since my attention was called to the form of these subpenas, I have felt that it was my duty to sound a word of protest lest in our eagerness to accomplish the object which was authorized by the resolution we go farther than is necessary, and trespass upon the margins of constitutional security. Nothing is to be gained by making such trespass.

Much has been said in the 2 years last past concerning unconstitutional legislation and the haste with which the Congress has enacted legislation, often resulting in violation of the organic law of the country. It has always been answered, I think that the violations of the Constitution merely had to do with powers of government, that they were inadvertent trespasses by one branch of our Government upon the powers delegated to another, and that these infractions of the basic law did not take from the citizen his rights. I have heard it said over and over again that the Bill of Rights still stands secure and unimpaired. Now, for the first time as far as I know, our attention has been called to a procedure which either violates the fourth amendment of the Constitution or comes so dangerously near it that it ought to put the Congress upon its guard. Now for the first time we see a threat to the right of the citizen under the Bill of Rights. There can be no justification for maintaining a threat of that kind, when it is wholly needless in carrying out the work we are called upon to perform.

I hesitate to mention the political aspects of this situation. I do not even know what they are. But it is being said in the newspapers and elsewhere that there are some political phases incidentally involved in this matter. It has been charged by some, including newspapers of highest standing, that the committee has sought information only concerning the affairs of those who, like the Liberty League, have criticized the incumbent administration. I do not make that charge, Mr. President. I have a greater respect for our committee than to make that charge without full knowledge of the subject. But I do say to the Senate that there is no occasion for a procedure which even permits that charge to be made by any responsible person or publication.

It was argued to me by one that the committee had made inquiry into the affairs of Mr. Bainbridge Colby, and the assertion was made that he is not a lobbyist, that his crime was not that of lobbying, but that his offense was that he is identified with the Liberty League. I do not repeat that charge here, Mr. President, upon my authority; but I submit most earnestly to the committee and to its chairman that the procedure resorted to ought to be such that there would be no basis for making a charge of that kind. We do not wish to be humiliated by having someone assert that we looked into the affairs of Bainbridge Colby because he is an enemy of the administration, and that we did not look into the affairs of others who were actual lobbyists because they were friends of the administration.

I have been told that the committee knew that Mr. Farley had lobbied in favor of the holding-company bill, but had refrained from asking the telegraph companies to furnish to this body Mr. Farley's telegrams. I do not of my own knowledge know of any reason why his telegrams should be furnished here, but I do know that it is unwholesome when people on the outside are saying of us things of the sort which I now relate.

I hope, Mr. President, that never in our free country will there be a political surveillance of the private affairs of the American people; I hope that the guaranties of the fourth amendment will remain forever unimpaired; but if there is to be an Ogpu in this country, if there is to be organized surveillance of the privacy of the people of America, I do not want the Senate of the United States or any committee of the Senate to become involved in its wicked operations.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

During the delivery of Mr. STEIWER's speech—

Mr. GORE. Mr. President, I desire to state to the Senate that a number of Senators who are interested in the unfinished business are absent for the day, but will be present tomorrow. It is the desire of various Senators, therefore, that the unfinished business be temporarily laid aside without prejudice. I ask the Senator to yield while I make that request.

The PRESIDENT pro tempore. Does the Senator from Oregon yield for that purpose?

Mr. STEIWER. I do, Mr. President.

The PRESIDENT pro tempore. The Senator from Oklahoma asks unanimous consent that the unfinished business, being Senate bill 2288, the pending question being a motion to reconsider, be temporarily laid aside without prejudice. Without objection, it is so ordered.

Mr. GORE. I thank the Senator.

After the conclusion of Mr. STEIWER's speech—

INSPECTION AND ALLEGED SEIZURE OF TELEGRAMS, ETC.

Mr. LEWIS obtained the floor.

Mr. BLACK. Mr. President——

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Illinois yield to the Senator from Alabama?

Mr. LEWIS. Having obtained recognition, I now yield to the Senator from Alabama; and after he shall conclude I will take the floor.

Mr. BLACK. Mr. President, I have listened to the remarks of the Senator from Oregon [Mr. STEIWER] with a great deal of interest. He does not want to criticize the committee,

but—. He does not want to charge that there is anything political in the committee's action, but—. It was perfectly all right to issue the subpena within the law, but—. He does not know that the allegations are true, but rumors say they are. He has read in the newspapers that this has happened; he has heard it rumored that this has happened. Standing in the loftiness of his own political impartiality upon the topmost eminence of a position, looking perhaps into the mysteries of the nomination for President of the next Republican Convention, he himself is not making these statements, he says, but they have been made in the newspapers and they have been rumored. He does not want the time to come when the people will say something against the Senate or the Senate's action. He wants an investigating committee—vain and illusory hope!—to conduct its activities in such a manner that there will be no criticism from any source. He wants those who are under investigation to come to the Senate committee and review its actions, so rose-tinted and sweet, so gentle and so kind, that no citizen of the United States will make any criticism of what the committee does. Wonderful hope, beautiful vision! But since 1792, when the first investigating committee proceeded on its course of action, no such dream has yet blossomed into the glorious beauty of a reality.

Mr. STEIWER. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Oregon?

Mr. BLACK. I yield.

Mr. STEIWER. Would the Senator call the investigation of the affairs of Morgan & Co. a sweet and peaceful investigation?

Mr. BLACK. No.

Mr. STEIWER. I would not call it so either. I served for a while on the subcommittee in charge of that investigation.

Mr. BLACK. I heard many criticisms about it.

Mr. STEIWER. We were opposed there by the most eminent counsel, I suppose, or some of the most eminent counsel, in the country. They sought constantly for a loophole through which to crawl. I remember that objections were interposed to the introduction of evidence by Mr. John W. Davis and others who appeared in those proceedings; but never in those proceedings did we employ a resolution that was so vague and so comprehensive that it might be held void; never did we use a basket or dragnet subpena; and never at any time did counsel representing any of the investment bankers of New York raise the question of the legality of our proceedings; nor did they seek to go to the courts; nor did they resist; nor did they fail to produce the testimony.

I mention that to the Senator because I know he wants to be fair, and that was one of the most outstanding examples of thoroughgoing investigation we have seen in recent years against the hardest kind of legal competition. There was not any difficulty at all about following the usual processes employed by the courts of law in this country in the issuance of subpenas and in all other matters pertaining to the investigation.

Mr. SCHWELLENBACH. Mr. President, will the Senator from Alabama yield to enable me to ask the Senator from Oregon a question?

Mr. BLACK. I yield.

Mr. SCHWELLENBACH. I should like to ask the Senator from Oregon whether or not in that investigation the committee upon which he served found in every place the committee went for the purpose of attempting to secure information or evidence that all the information and evidence had been destroyed by the persons under investigation?

Mr. STEIWER. No, Mr. President; we did not find that it had all been destroyed; undoubtedly a considerable amount of evidence was held back from the inspection of the committee, but I could not say it had been destroyed. A very great volume of it was actually produced before the committee by those from whom the committee sought to obtain information.

Mr. SCHWELLENBACH. If the committee of the Senator from Oregon had found, for example, that on the day after that investigation was started orders had been given in 26 States of the Union to destroy everything connected with the investigation, as we found to be the situation in the case of the campaign against the Wheeler-Rayburn bill, if the day after that investigation of the committee to which the Senator from Oregon has referred a blanket order had been sent to the officers of the companies under investigation in 26 States to destroy everything in connection with it, does not the Senator feel that the attitude of his committee should likely have been like the attitude of our committee as to the necessity of getting the information from the only source where it was available?

Mr. STEIWER. I can express only my own opinion; but I do not think our committee would have trespassed upon the constitutional right of any citizen by reason of what they might regard as the necessities of the case, as this committee regards the burning of telegrams as a necessity of the case.

Having interrupted the peroration of the Senator from Alabama, I wish to say to him that while the evidence filed with the Clerk of the House of Representatives shows that the Liberty League had paid for certain of the telegrams sent by the law firm named in the subpenas from which I read a while ago, it occurs to me that the first effort of the committee should have been directed to the Liberty League to determine from that group and from its members the identity of the telegrams for which they had paid. When that had been done there would be no occasion for issuing the kind of subpenas which were issued commingling the relevant with the irrelevant and private with public records.

Mr. BLACK. Mr. President, I just mentioned the facts. Of course, I realize that someone who is criticizing the action of the committee can always suggest a better plan; that is always easy. However, I heard something in the Senator's remark about sweeping our traditions into the fire. The present lobby committee has not swept our traditions into the fire, but those for whom the Senator from Oregon so eloquently speaks—and it is impossible for him to escape the fact that he is speaking for their interests—are the ones who have swept into the fire, in practically every State in this Nation, including his own, every piece of paper, every telegram, every letter, and every other memorandum which would tend to show their activities in connection with certain legislation. It was not the traditions that have been thrown into the fire; it was the telegrams that were thrown into the fire.

Now, that it has been established that the telegrams have been thrown into the fire all over the Nation, and it has been discovered that there is some avenue of approach, and there are some messages that the interested individuals could not put their hands on, we are told that the thing to do is to approach the situation daintily and gracefully, tripping like the Senator from Oregon would have us trip, having always in mind the political consequences, and then say, We want to tell you gentlemen to bring these papers to us if you think they have anything to do with the question we are investigating; we want to tell you in advance that we know that there is an effort to keep the committee from getting them, but we must proceed gently or else we will have the opinions of the great deceased Justice Holmes read, a man who stood not for this kind of a crowd, a man whose voice was raised and whose pen always wrote not for the selfish lobbyists, not for the special interests, not for the group that try by money to control legislation and politics in this Nation, a justice who was one of the greatest spokesmen America ever had for the plain, average, everyday citizen.

He was a man who spoke for human liberty and was bold enough and brave enough wherever he wrote a word or decided a case always to bear in mind that there was a group in this country that hoped by the vast power of money and financial manipulation, to control the politics and the legislation of a sovereign people. That very Supreme Court, the Senator from Oregon forgot to state, has decided by unanimous opinion that a contract made to effectuate a selfish

lobbying purpose is void, is corrupt, and is so vicious and so contrary to public morals and public morality that it will not be enforced in the courts.

Let us look behind all this talk about privacy. The destroyers of papers are not interested in privacy. I will tell you what they are interested in: They are interested in continuing to conceal from the people of this Nation the devious and subterranean methods used to defeat legislation—to the advantage of a few plutocrats in this country and to the disadvantage of the great masses of the people.

I heard something about the heroic efforts resorted to to defeat the Wheeler-Rayburn bill, and that it is better that some criminal should escape than that the Government should play an ignoble part. Of course, that was not meant to reflect upon the committee. It was not read for that purpose! Certainly there was no reflection on the committee or on the Senate that has adopted resolutions like this in the past, or on committees that have been using subpenas exactly like those in question. It was just simply read in order that it might be in the RECORD; and, of course, if any of the newspapers whose owners themselves have been investigated and exposed or have had to pay back to the Government some taxes they had evaded and wanted to have something good to copy, there it was for their delectation.

Of course, it was not put in the RECORD as any reflection on anyone, but if some of these people perchance sought to use it for that purpose, that would be all right.

Mr. President, your committee has not tolerated, and there is no single member of the committee who would tolerate, any departure from the real honest traditions and the real constitutional safeguards of the humblest citizen of the Nation. That is not the cause of this complaint. These complaints are not made because of fear that the constitutional safeguards of some humble citizen might be invaded.

Look behind the smoke screen. The fear is that this committee has failed properly to recognize and approach with proper awe the sacred throne upon which sit the financial rulers of the Nation who have sought, through their paid lobbyists, propagandists, and subsidized organizations to direct the legislation of the country to the end that only the poor and the weak should bear the tax burdens of the Nation, and in order that those who have the most and who are the best able to bear its burdens can continue to escape their part, as they hope to do if they can bring improper discredit upon the legislative committees of the Nation. They are not worried about the humble citizen.

It is only when we approach the citadel of the great, when we get near the sanctum sanctorum of power, of position, of privilege, that their barrages are released. It is then that instructions go out as to exactly what must be written for the press. It is then they begin to talk about constitutional rights and attempt to hide their guilt behind the Constitution, when they are the very people who, by their pillaging and plundering of the people, have brought the Nation and the Constitution to the verge of chaos, destruction, and ruin. They want to go back to the "good old days" when their lobbyists flourished in all their power and glory and when their orders were subserviently carried out to the great detriment of our people.

That is what is the matter. They see they are about to get caught. They thought the evidence had all been burned. It was believed, therefore, that there was no chance to obtain evidence of their practices. But lo and behold, it developed that the law provides that the telegraph companies must keep their records.

Mr. MINTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Indiana?

Mr. BLACK. I yield.

Mr. MINTON. But they did get the telegraph company at one place to burn their records.

Mr. BLACK. Yes. They started out and had the records burned in one telegraph office, but it was evidently decided after that incident was disclosed that it was a little dangerous, so finally the scheme was evolved that the thing to do was to start a barrage, and finally a plan was conceived in New York—not in Washington or Chicago—to start a lawsuit.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. SCHWELLENBACH. The real fact of the matter is that they are just substituting the Constitution for the incinerator, is it not? [Laughter.]

Mr. BLACK. Certainly. Since the incinerator has failed to work and the stoves will not burn that which those being investigated cannot put in the stoves they call on the flag and the Constitution. There is nothing new in it. Every lawyer is familiar with that method. They all know about it.

Let us see what all this talk was about today. A subpena was issued to the telegraph company to bring in some telegrams. No one questions that the Senate has the right to issue subpenas; that is, no one is doing that at this time. It would be done if necessary. It would be said it was unconstitutional. That has been tried several times, but finally that course was abandoned.

After a study of the precedents through the entire history of the two Houses of Congress, after it was discovered that evidence could be obtained no other way because it was burned, we followed the precedents and issued subpenas. We found that Congress, in supporting its committees throughout the years, had reached the conclusion that Congress, composed of the legislative representatives elected by the people, had been given power not only to subpena witnesses but to adopt its own rules and regulations in reference to subpenaing its witnesses.

There has never been an instance when any constitutional question has been raised before the senatorial committees of which I am aware when those being investigated have not been given the fullest and most complete hearing. I recall one instance in a committee of which I was chairman where, in spite of the fact that the law does not require the Senate to recognize a lawyer's immunity from revealing confidential communications, the committee unanimously decided that, even though we were not compelled to recognize such confidential communications, yet the circumstances of that case being of such a peculiar nature, we recognized it even though we were not compelled to do so under any precedent ever established in either of the two bodies of Congress.

No one has raised any question about his subpena to the committee. No one has suggested to the committee that it is wrong. Even the Senator from Oregon [Mr. STEIWER] did not come to the chairman of the committee or any member of the committee and ask for a copy of the subpena. In some way it was supplied to him from the court, when he could have easily come to the chairman of the committee or any member of the committee and obtained for himself a copy of the original subpena which was served. There was no complaint until today.

Mr. STEIWER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Oregon?

Mr. BLACK. I yield.

Mr. STEIWER. I would be very much indebted if the Senator would furnish me with a copy of the subpenas the committee have employed recently in requiring telegrams to be furnished by telegraph companies. Will he do that?

Mr. BLACK. I shall be very glad to let the Senator come to the committee room and read the subpenas.

Mr. STEIWER. No; I did not ask the Senator that. I asked if he would furnish me with a copy of the subpena.

Mr. BLACK. I shall be very glad to have the Senator come to the committee room and read the subpena having to do with anything in which he is interested, personally or otherwise.

Mr. STEIWER. I understand; but I likewise understand that another Senator tried to get copies of the subpenas and could not get them.

Mr. BLACK. Why did not the Senator ask and find out about it?

Mr. STEIWER. I sent my secretary to the clerk of the committee and he was refused access to the subpena. I am not complaining about it at all, but before the Senator suggests to me that I ought to come to him to get copies of the subpenas he ought to be willing to give me copies of the subpenas now.

Mr. BLACK. Certainly. Come over and look at them. They are in room 160 of the Senate Office Building.

Mr. STEIWER. Will the Senator furnish me copies of the subpenas? Will he furnish the Senate copies of the subpenas?

Mr. BLACK. If the Senate wants them.

Mr. STEIWER. If the Senate asks for them by resolution, of course, but will he otherwise?

Mr. BLACK. If the Senate asks for them by resolution or if any of the Senator's friends desire it, and if he will tell us who those friends are and if they are not some of those we are investigating, we will furnish the subpenas.

Mr. STEIWER. No friend of mine is interested in the matter nor asking that I shall get a copy of a subpena. That is not the situation. When I sent my secretary to the committee I wanted to look at the subpena myself. The committee refused to give my secretary a copy of the subpena. I now understand the Senator declines to give me a copy of the subpena.

Mr. BLACK. I think the Senator from Oregon and the Senate understand exactly what I said.

Mr. STEIWER. Yes; that I may come and look at the subpena.

Mr. BLACK. If the Senator comes to look at the subpena, there is no law which would prohibit his making a copy. I presume he can write and I presume he can read.

Mr. STEIWER. I thank the Senator from Alabama. That is all I want. I shall do that.

Mr. BLACK. The Senator knew he could do it before he asked.

Mr. President, the question with reference to the type of the resolution was discussed. I have before me a copy of a book written on congressional investigations. It is a most interesting book. It gives the history of the evolution of proceedings before congressional committees. I am not going to read the various resolutions which have been adopted and shall go no further than to say that it has been recognized from the very beginning of the history of the country, since the first Congress, that Congress had the power to summon witnesses and papers. This body and the other body have always taken the position that under the Constitution they were the judges of their own rules.

Numerous times the question has been raised about whether or not there was a privilege and as to whether a subpena was too broad. One of the best statements I have read in connection with the general authority on that question was made by Judge New, of Indiana. He made this statement:

> It cannot be said that there must be some foundation laid or showing made as to the materiality of the papers, etc., called for. It is well settled that if any objection exists as to the form or substance of a subpena duces tecum, such objection is presented and considered after the return of the subpena.

A few days ago there was a discussion in this body as to an injunction being issued to restrain response to a subpena. At that time I made the statement that I did not believe any court would ever hold that an injunction could issue for that purpose. If the courts have a power which should be exercised, it would not come in connection with the issuance of the subpena before action had been taken in the Senate. If a subpena had been issued which was void by reason of a lack of jurisdiction and a witness should be placed in jail for contempt of court, the sacred and ancient right of habeas corpus would be open to him, and he could go into court and sue out a writ of habeas corpus and have the matter judicially determined. The statement I then made was that I did not believe any court would ever issue an injunction against response to a subpena, which is but a part of the proceedings pending the exercise of the undoubted power of the Senate to investigate. It would be exactly the same, for instance, as if one court, finding that a witness had been summoned by another court, should issue an injunction to restrain that witness from going to the court. Courts do not clash and collide in that manner, and, in my judgment, the same thing would be true with reference to the action of any court in connection with the exercise of a lawful right of the Senate or the House.

Judge New says further:

> In the Credit Mobilier investigation, papers of all kinds, letters of the most private character, were examined. The books of one of the banking houses of this city covering a period of over 1 year were freely overhauled by and before the committee. The rights of the witness under the fourth amendment of the Constitution are not invaded by the common parliamentary law and the law of Congress, nor by any action taken thereunder by the committee of the House.
>
> No unreasonable or any other kind of search or seizure of his papers is being attempted. He is asked to produce certain books and papers before the committee in answer to a subpena duces tecum. Can it be fairly claimed that to require the production of books and papers by subpena duces tecum is a violation of his rights under the Constitution? If so, then it follows that a subpena duces tecum should not issue in any case, that is is an unconstitutional process, and that fact has never been discovered until now. * * * The power of this House as to calling for and compelling the giving of testimony, whether oral or written, is much greater than that of the courts. The additional power is justified and predicated upon the grounds of public policy.

Another statement by Mr. Lawrence:

> When the question arises in court what is an "unreasonable search" the courts must decide it. When it arises as to a witness before this House or a committee this House is the sole judge whether the proposed search is reasonable or not. * * * But the provisions relating to searches in the amendment of the Constitution have no reference to the production of books and papers by witnesses before Congress. This provision is a restraint upon the powers of the courts. It has no application to Congress in exercising the power to examine witnesses or to require the production of papers, though, of course, its spirit and purpose should be generally regarded as a rule of parliamentary law applicable to the House.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. MINTON. Does the Senator know of any case where any court has ever held that it is an unreasonable search and seizure under the fourth amendment where a third party, not the complainant, was required to produce the evidence?

Mr. BLACK. I have never heard of any.

Mr. President, all this noise that is made throughout the Nation is not on account of any private telegrams. The committee desires no private telegrams. It is interested in no private telegrams. It has used no private telegrams. It will use no private telegrams.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BLACK. I yield to the Senator from Washington.

Mr. SCHWELLENBACH. I ask the Senator if it is not a fact that some 3 or 4 weeks ago the committee had before it notice that there were certain envelopes containing telegrams which the telegraph company thought were not material and which were private, and that the committee unanimously decided that we would not even look at the telegrams because of the possibility that they might be private.

Mr. BLACK. That is correct.

Mr. SCHWELLENBACH. We decided that we would leave it entirely to the telegraph company, and we ourselves did not even look at the telegrams.

Mr. BLACK. The matters were presented to the committee. I do not recall exactly what action was taken, but I do recall that there were some envelopes containing telegrams which it was stated were personal, and those came several months ago. I presented the matter to the committee as a whole for their action; and so far as private telegrams are concerned, as I stated a few moments ago, the committee is not interested in them. It has used none, and, of course, will use none.

Statements have been made with reference to the number of telegrams that have been investigated. The committee has been given credit for considerable skill, considerable rapidity of action. The statement has been made that all the telegrams that came into Washington during a period of 10 months—every telegram of every kind and character—

have been examined by the committee. For that reason we concluded that we would find out how many telegrams have come into and gone out of Washington during that period.

On investigation, from the best information we could obtain, we discovered that 14,000,000 telegrams had come into Washington during that time. We then proceeded to figure out exactly how long it would have taken 10 men—which is more than the average number of investigators the committee has had—to investigate those telegrams. Taking a minute for each telegram, turning them around, looking at them, and inspecting them all, and working 8 hours a day, we found that if 10 men had worked 8 hours a day, taking a minute per telegram, it would have taken them 10 years to examine those telegrams; and it would have taken 400 men an entire year to read the telegrams which the committee has been charged with reading.

That is a sample of the accuracy of the rumors and statements and things upon which we have had a lecture here today on wire-tapping.

Mr. President, the committee has not had enough persons in its employment to read such an amount of telegrams if it had desired to do so. It has had no desire to do so. That statement was wholly and completely and unequivocally a falsehood. It did not do it. It could not have done it. It would have been wholly and completely impossible for such a task to be accomplished.

Of course, it is easy enough to understand how the Liberty League would get mixed up on its figures. Those gentlemen who control this organization are accustomed to dealing in big figures. A billion dollars means nothing to them. A billion dollars are made so easily by those groups who sit up at the top that they had an idea that a small force of employees of a Senate investigating committee could read 14,000,000 telegrams in 3 months.

I admit that the money of some of those gentlemen has grown in those geometrical proportions, and therefore they had an idea that if money grew without work, telegrams could be read without labor; but there is quite a difference between the work performed by the plain people of this country in the performance of their duties and the growth of the funds of the Du Ponts during wartime, when the blood of the boys of this Nation is being offered up as a sacrifice and when the profits are pouring into their coffers in golden streams.

Mr. President, I subscribe to every word written by Justice Holmes in the opinion which has been read by the Senator from Oregon, and I resent the use of that opinion by a Senator on this floor with the veiled imputation—not open, but veiled—that the five members who compose this committee are out of sympathy with the expression of that great judge. On this committee sit the Senator from Vermont [Mr. GIBSON], the Senator from North Dakota [Mr. FRAZIER], the Senator from Washington [Mr. SCHWELLENBACH], and the Senator from Indiana [Mr. MINTON]. I think I would not be accused of stating for any personal reason that I am perhaps as familiar with the great charter of American liberty as is the Senator from Oregon. I am sure that I am as familiar with the letters and with the messages of that great man whose master mind did so much to shape the destinies of this Nation and who was largely responsible for the first 10 amendments to the Constitution. I refer to Thomas Jefferson. None of my books do I prize more highly and none have been read by me with more interest and sympathy than those which contain every word that was ever uttered by that immortal American. I am sympathetic with his conception of human liberty. I love to reflect that he never faltered when there was raised a question between the rights of the privileged and the rights of the underprivileged. That man, from the first time his voice was ever raised in behalf of liberty, equality, and justice, marched on as a man inspired, always keeping before him the torch of human liberty, never forgetting that too much power must not be given to government, to business, or to any other group. He stood for that proper distribution of powers so essential to check the greed of the different classes of human beings who live in any single era.

I am not unmindful of the fact that it was Thomas Jefferson who referred to the judiciary of this Nation as sappers and miners of the liberty of the people. I am not unfamiliar with the fact that while the judiciary was given certain powers, the same document gave certain powers to the legislative and to the executive departments, and I deny that one of those was any more exalted, in the conception of those who created this Government, than was either of the others. I say that when the Supreme Court of the United States, a district court, or a circuit court steps beyond the orbit of influence assigned to it by the document which created it, it, too, proves itself by that very step not a friend of constitutional and traditional liberty, but its enemy.

With reference to the amendment of the Constitution which guarantees that the people shall be secure from unreasonable searches and seizures, I can state that it represents the crystallized sentiment of people who had felt oppression and who wanted to protect themselves in every manner from it. I can speak for each individual member of the committee when I say that I never have and I never will be a party to anything which tends to strip from the humblest citizen of America one single vestige of the constitutional protection thrown around him by that or any other amendment, but I decry the effort of those who seek to invoke this sacred document, not in the cause of human liberty, but to trample upon human rights; not to elevate and raise the multitudes of the world from the oppression of the powerful and the great, but to continue the unearned and unjustifiable power and prestige of those who sit in high places and pour out their wealth in order to corrupt the pure streams of public thought and to utilize the press or the radio or whatever organization they may control for the purpose of misleading and deceiving the people of America.

The issue which has been raised by this group in America is one upon which depend not merely the constitutional rights of 1 witness or 2 witnesses or 10; that issue is bigger and greater than 10 or 15 or 20 men or women. There is today a fight to the finish between those who believe in a government of the people, for the people, and by the people, and those who believe in a government of the Liberty League, for the Liberty League, and by the Liberty League, and the Du Ponts and their associates.

I stand in that fight to maintain every constitutional right of every citizen, including the Du Ponts, but I deny that they or those whom they hire, directly or indirectly, with money paid out of their treasury into the hands of their hirelings, either by advertisements, or by any other method, have any right to sit behind the scenes and direct the political and economic destinies of 120,000,000 free-born American citizens.

This committee has not, and it will not, transgress upon a single constitutional right of a single citizen. It will be charged with so doing by the poison pens of those who serve because they have to serve their masters. These masters fight for a program that will impose a taxing system of a nature that bends the backs and breaks the bodies and crushes the spirits of millions of men and women who barely get enough to eke out a miserable existence, while the masters escape their just part of the burdens of government that they may continue to enjoy wealth too frequently acquired out of the blood and misery of war and the underpaid toil and labor of the men and women of this Nation.

Gentlemen of the Senate, be not deceived, be not fooled; there is more in this fight than appears on the surface. This is but one of the outcroppings. Other suits have been filed; planned suits were filed in Philadelphia, and suits were filed in other places as a part of a planned program of propaganda. That is an easy method of attempting to direct public attention away from the real, fundamental issues of human government and human rights.

What we are trying to do is merely this: We do not claim that any citizen of this Nation does not have the right to petition Congress. He does. That is his right, and it is a sacred privilege. But it should be his petition; it should represent his honest views. It should not be bought or

coerced from him by anybody in the world, and if a representative in favor of or against some legislation approaches a Senator, the Senator is entitled to know who pays that person, and what is the selfish interest of the man who supplies the funds.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER (Mr. McGILL in the chair). Does the Senator from Alabama yield to the Senator from Wyoming?

Mr. BLACK. I yield.

Mr. O'MAHONEY. Is it not a fact that the committee is seeking to defend the constitutional right of the Congress to know who is seeking to bring pressure to bear in the making of the laws?

Mr. BLACK. The Senator is correct.

The constitutional right of petition is guaranteed to every citizen. What good is the constitutional right of petition to the citizen if we permit conditions to exist whereby it is impossible to tell whether the messages we receive are the honest views of the person who writes them, or whether they are forged or have been brought in at so much per message and so much per letter? What good is the constitutional right of petition if men who sit at the top of some holding-company system, and who, at the time their employees are being urged to buy their stock, sell $20,000,000 worth of that stock at $17,000,000 profit, can issue orders in more than half of the States of the Union which require their employees to go rushing out to collect telegrams and letters to be sent to Congress against legislation which is not against the interest of the employee but is to protect his interest and that of the whole people?

Mr. President, the committee has observed and will continue to observe every constitutional right of every witness. If any witness protests, his protest is heard. Before any action on the protest could be taken by the committee that touched the liberty of the citizen it would be necessary to bring him before the entire Senate. There the matter could be debated and decided.

Mr. MINTON. Mr. President——

The PRESIDING OFFICER (Mr. McGILL in the chair). Does the Senator from Alabama yield to the Senator from Indiana?

Mr. BLACK. I yield.

Mr. MINTON. The other day one of these witnesses, the vice president of one of the great corporations that claim to be oppressed, claimed his constitutional privilege; and his claim was upheld, was it not, when he made the claim that he ought not be compelled to testify before us because to do so might incriminate him, and we recognized his right?

Mr. BLACK. We did, in the face of the statute which says that it is not necessary that we do it.

So, Mr. President, I beg the pardon of the Senate for again taking its time; but the discussion is an important one. Around it revolve the rights of the Senate, the rights of the Congress, and the rights of the people of the Nation. Are they entitled to have the truth and light, or must truth be concealed because, forsooth, there are some who are skillful in burning and incinerating the written evidence of their transactions?

THE GERMAN MARCH ON THE RHINE AND THE FOREIGN DEBTS DUE AMERICA

Mr. LEWIS. Mr. President, I am not unconscious of the fact that breaking into the informing and constitutional debate being had upon a question which is instructive to the Senate as well as to those who might read the discussion, might not be welcome. But I rise to bring to this honorable Senate something of a vindication by events of my views expressed to this body heretofore upon a very important international subject. Sir, I have stood on this floor from time to time, and lately have informed this body that the foreign-nation debtors to America—particularly the great debtors, describing them, owing us $12,000,000,000—would soon be found making an appeal again to the United States of America to come to their rescue. This, I said, would be at some early hour, when they thought they were imperiled, that then they would discover that by ignoring our rights, repudiating their debts to us, and holding us up to contumely before the world, they would pay the penalty of being both ignored by this country and condemned by the intelligence of all Christianity.

Today the public news brings us information that the leading officials of France announce that they expect to achieve in resisting the advance which Germany has made to the Rhine banks by bringing into action the Allies who were previously the associates of France; and adding that they have confidence they will induce this the United States of America—if I use the quotation literally—"properly to take her place in their behalf."

Mr. President, sacred history informs us that upon an occasion there stood before the great temple of the sacred city a strange-appearing man with something of a lantern in his hand. When the nearby watchman said, "To what are you looking? To who shall be the priest in the rites today?" "No", said he; "I come to measure Jerusalem." Sirs, I, with precept and example, rise to measure ingratitude in nations.

Mr. President, the scholars around me who recall the writing of Dante will remember that in the seventh canto is a recital of the conflict between the man and the serpent, when each, rushing at the other to the object of destruction, when suddenly the contest comes to a mysterious conclusion. The serpent in the metamorphosis is suddenly turned into the man, and the man, sir, transformed into the serpent. That which was the man hisses his course and wriggles out of the contest by being lost to sight—he surrendered in cowardice and became invisible. That which was the serpent rises in the form of man to proclaim that "The vengeance I threatened you with has at last broken upon you. Behold my stroke!"

Mr. President, we read, sir, that Hitler, in behalf of Germany, has, with what force he could command, pounced upon that portion of the Rhineland which has heretofore been occupied, for war necessity, by France and her forces. The ground is not unfamiliar to me, and it is not to many of my colleagues who served in that quarter during the World War. I recall very readily the sensation, either enjoyed by those who hoped relief or who feared fate of desolation. The effect of the occupation of this particular region by forces supposed to be inimical and dangerous to Germany was one of continuous explosion.

But, Mr. President, I desire to press this upon you, sir: Hitler and his forces recognize that it was only through the interposition of the United States of America that victory was given the Allies. That was at a time when the sentiment and spirit of this land had been aroused upon the theory that justice was being denied those who were assailed, that persecution would follow in the wake of the conquerors, and then would follow the complete oppression of mankind. It was enough to cause action to be taken in this land that such a sentiment could be awakened—a spirit of resentment, sir, infused into the hearts and courage of what makes the American.

But now, let us behold! Hitler and his forces could not have failed to see that by certain conduct on the part of the Allies—those to whom we gave all of service, all of money, much of life—had been only that of ingratitude, while they held us up to the world as unworthy. They asserted that we were contemptible because we merely demanded obedience to the law of honesty—the payment of the debts these nations owed us. Hitler could not have failed to see that day by day these forces who were thus acting toward us were gradually forfeiting the advocacy of the Americans, and, sir, losing any form of support on the part of our people for anything these debtors could assert in their behalf as privilege or favor.

Believe me, sir, I am rising to call the attention of this body to the great interest we have in the present movements of today. It was only because the forces under Leader Hitler recognized that now the United States could not be commanded to enter into this conflict, nor was it interested to express its opinion in one form or the other in behalf of these who are our debtors, that he realized it was the hour when he could advance, conscious of the fact that the only force in the world whose public opinion could have

restrained him—this, the United States of America—had been melted down by those debtor countries because of their conduct in cheating our Treasury, robbing our people of their rights, then scoffing us before the world as frauds, unworthy, sir, of recognition as honest creditors.

Now, sir, they may behold what I daringly said to this honorable body but a short while since, that there would come the time when an appeal would be made by them to us, and when the conditions would justify them, from their point of view, in turning again to this, the United States of America. But, sir, the Germans and their allies and friends must have observed that so worn down has become the patience of America, so wounded her sensibilities, so scathed in all her emotions, that she no longer had any interest as to the thing called Versailles Treaty. She would not ratify it by her Senate; she did not justify many of its provisions; and since those who are a party to it had treated us in such manner that could humiliate us by denunciation, then before the world scorn the demand for payment of the debts, naturally, sir, such could not look to us with any hope of having cooperation or advocacy from the United States.

The punishment has come; the hour which I said would surely arrive is upon us; the day of disdain is now to be punished by indifference upon the part of this country; I pray God that there may be no danger in all this to our America; still we must see that these nations who have heretofore treated us not only with injustice but with the indecency of slander will awaken to the fact that the position of America now is "hands off!" Neither with her money nor military power of any form or any nature will these who are involved in this controversy draw in the United States. These foreign nations will now realize, sir, the difference in their circumstaces, had they but treated us justly and held the regard and friendship of the United States, these nations that would move their troops, looking to what might be war involving all nations, would never have taken the move. The United States was seeking peace for the world and harmony for mankind, only asking for the return of right. Germany would never have taken any course that she feared would be unworthy of our approval or which called for America's condemnation. In such situation they would have hesitated; they would never have taken action; there would not have been, sir, the entrenching trespass as we now know has been the occurrence of those who are newly stationed on the banks of the Rhine, fortified in cannon and armament of world slaughter.

Mr. President, in the meantime let us not overlook what has been transpiring through our debtors against us. France in the late short while has found it agreeable to raise her tariffs against the United States from 55 to 100 percent. In the meantime another debtor, England, renounces the tariff truce and leaves it in a state where the solemn contract may be ignored as unworthy further attention, much less obedience. In the meantime I deplore that Italy, through her spokesman, when the question is asked, "What will you do about the debt to America?" answers, "What debt?" Her distresses and poverty may plead for her and excuse this curt reply as under pressure.

Mr. President, will Senators not see that the time is upon us when we should call the world to notice that had these, our debtors, but treated us with fairness—placed themselves where they could summon service from us—some expression could have come from America in the form of friendly interyention, through counsel and suggestion, that could have served a great purpose in an hour such as this now forced upon the nations throughout all Europe, and maybe involving the world.

Mr. President, I deplore, as do all of us, that anything should arise in Europe that looks like the prospect of a conflict again between mankind; but this United States will not be blind; we will not be indifferent to the manner in which we have been treated by those for whom we did so much.

And now, sir, we turn to ask the question, What shall now be the course of this country in such an hour as now threatens us? There is but one answer, sir. We go our way; we take care of America; we cling close to the American Continent; we have naught to do with a fight among nations abroad; but we cannot fail, sir, to bring to the attention of nations abroad that had they but treated us with fairness and ordinary justice there could have been on the part of this our American country a voice raised that could have served a great, useful, and profitable purpose in suppressing all advances now so imminent. Therefore, Mr. President, at this moment I make bold to invite the attention of these debtors that it is time now to consider the situation in which they have put themselves and rescue themselves by action becoming a grateful friend.

The Senator from California [Mr. McADOO] has submitted a resolution looking to the calling of another conference to deal with these debts. This is looking to some result. Sir, it is important that there should be something done by our Government to collect these debts—and done now. Inaction must cease. The honorable Senator from Idaho [Mr. BORAH] is quoted today as having said in an interview touching these debts "that he could see nothing was being done about them." The Senator from Michigan [Mr. VANDENBERG] has offered suggestions of helpful aid. Mr. President, I am a member of the present administration. I have great hopes for its future; I am anxious for it to be rewarded according to its just deserts, and I see where great injustice will follow us by the representation—such as surely will be made—that we are making no effort to collect the debts due us from these foreign nations, and that while a tax of $1,500,000,000 is necessarily put upon the country by a tax bill, with no immediate resources to meet it save that which will be created by a new form of tax on the people. Then, sir, let it be observed that we are again justified, more than ever, in calling upon these debtors that they respond to the natural and just obligations which they owe to the United States, and that we take steps through our administration in such manner as shall be appropriate for enforcing collection. Because of our immediate necessities, all mankind will justify us this demand. Here we reecho to England the call of her Mansfield, "Fiat justitia ruat coelum."

I invite these debtors to pause and consider the maxim of one of their great ancient forbears, when he reminded them:

> Behold you, beneath your every violation there is a spark hidden, but which you now behold can light a great conflagration.

Mr. President, I rose to take the liberty, bold as it seems, to invite your notice to the fact that I had said on this floor that the occasion would arise when these debtors would meet face to face the direct result of their own invention of wrong against us. I said their conduct would force us to rest in silence when under other circumstances a voice in their behalf could have been raised to their relief. Now, sir, the situation as revealed I hope will serve as a lesson to remind them of their honorable obligations to pay their debts and strive, as great nations, to be worthy of the confidence of this, their generous friend, great America. I thank the Senate.

Mr. SHIPSTEAD obtained the floor.

Mr. BARBOUR. Mr. President, will the Senator yield to me for a moment?

Mr. SHIPSTEAD. Mr. President, I will be through in just a few moments. I do not intend to occupy the floor for more than a few moments in relation to the subject of the foreign debts.

The debtor nations have given us as their reason for not paying their debts that they were not able to pay, that they did not have gold, and could not get foreign exchange with which even to pay the interest charges on the debts. I believe we have overlooked a method by which they can pay; a method by which they agreed to pay; a method, resort to which now reposes entirely in the hands of the Treasury of the United States, and not only the method but the instruments of payment. When the debt agreements were made the debtor nations deposited with our Treasury bonds in large denominations.

In addition to that they made a part of their contract the agreement that whenever the Government of the United States requested them to do so they would give us new bonds in smaller and salable denominations.

Why has not the Treasury asked them to do so? I have on the table a joint resolution requesting the Treasury to notify the debtor nations that we will now be glad to have them comply with their agreements by giving us bonds of smaller denominations in exchange for the bonds of larger denominations which we now hold, bonds which they agreed we should be permitted to sell on their exchanges for their funds. They also reserved the right to buy these bonds from us at par, and they agreed that we should be permitted to sell them on their exchanges.

The sum expended in the debtor nations by tourists from this country amounts to an export of capital of from five hundred to a billion dollars a year. If we cannot sell these bonds abroad, if the debtor nations or their citizens will not buy them, we could sell them to our own tourists, even if we had to sell them at a discount. We could sell them to our own importers, and they could take them abroad and sell them for pounds and for francs with which to purchase the commodities which we ordinarily import from such countries.

So here we have a way to do that which will save the face of the debtor nations; we have a way by which we can replenish the Treasury of the United States by simply asking them to comply with the agreements they made when the debt settlements were made.

At some future time, on a more appropriate occasion, I shall ask the Senate to act upon the joint resolution to which I have referred and which is now on the table.

Mr. BARBOUR. Mr. President, I shall delay the Senate for only a few moments in connection with the matter which has just been discussed, and I should like to have the attention of the Senator from Illinois [Mr. LEWIS]. He was kind enough to mention the resolution submitted by the Senator from California [Mr. MCADOO] in connection with the foreign debts. I am sure, with his characteristic fairness at all times, he will agree that he overlooked the fact that before the resolution of the Senator from California was submitted I myself had submitted a resolution calling for the creation of a commission which would go into this matter anew with a view of accomplishing the very end sought by the Senator from Illinois, which I take to be the recovery of as much as we can of the debts which are due us. The commission, if created, could very properly give thought to the able suggestions of the Senator from Minnesota [Mr. SHIPSTEAD].

I rose, Mr. President, only because of the fact that I have been interested in the matter of trying to collect of the debts due our Government at least all we can collect, particularly at this time when we ourselves are under such heavy expense and have to meet such tremendous financial obligations. I trust the Senate will not misunderstand me for having thus taken the liberty of mentioning the fact that, so far as I know, the resolution which I submitted was the first one on this subject that was presented to the Senate.

Mr. LEWIS. Mr. President, I thank the Senator from New Jersey. I did not know he had tendered such a resolution, or I should have been pleased to refer to it.

Mr. JOHNSON. Mr. President, I cannot sit idly by and listen to the appointment of a new commission on the part of my country to dicker again with debtors with whom we have already settled upon their own terms.

I cannot, for one instant, sir, consent that we shall go, cap in hand, across the water, with the obligations solemnly agreed upon, and beg our debtors to give us a penny in the dollar or a shilling in the pound.

The debts exist. They exist by virtue of agreements which have been made by commissions appointed by various countries. They exist upon the terms of the debtors themselves. Our country has been a generous creditor; these defaulting nations have been dishonest debtors.

It is not consonant, in my opinion, with the self-respect of this Nation to go begging these recalcitrant debtors, those countries which have welched upon their honest obligations, to give us a moiety of that which we agreed to take upon their prayers and upon their solicitation. We settled once by solemn treaties. Treaty breakers have the repudiating nations been.

There is something more valuable to me than money in a nation such as ours. A nation which loses its self-respect, or becomes a mere barterer of that which is its just due, will be held not only in contempt by its own people but in contempt by its own debtors.

While I quite agree with the Senator from Illinois [Mr. LEWIS] that the appropriate authorities ought to dun these debtors, I shall not for one moment tolerate, so far as I am concerned, that we shall again appoint a commission to go across the water and to beg again that these debtors, upon their own terms, may settle the debts which are justly due, and which they themselves have admitted to be due.

Mr. President, we can afford to lose the money. We cannot afford to lose our own self-respect.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MCGILL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, a treaty, three conventions, and the withdrawal of a post-office nomination, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. CONNALLY, from the Committee on the Judiciary, reported favorably the nomination of Steve M. King, of Texas, to be United States attorney, eastern district of Texas, vice S. D. Bennett, whose term expires June 16, 1936.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar. If there be no further reports of committees, the calendar is in order.

PUBLIC WORKS ADMINISTRATION

The legislative clerk read the nomination of James W. Carey to be State engineer inspector for the Public Works Administration in Washington.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc. That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 17 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 10, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 9 (legislative day of Feb. 24), 1936

UNITED STATES MARSHAL

Arthur D. Fairbanks, of Colorado, to be United States marshal, district of Colorado, vice Charles A. Patton, term expired.

APPOINTMENTS IN THE REGULAR ARMY

MEDICAL CORPS

To be first lieutenants with rank from date of appointment

First Lt. Gladen Robert Hamilton, Medical Corps Reserve.

First Lt. Robert LaTourrette Cavenaugh, Medical Corps Reserve.

First Lt. William Congdon Harrison, Medical Corps Reserve.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

TO FINANCE DEPARTMENT

Maj. John Lester Scott, Coast Artillery Corps, with rank from May 21, 1930.

TO ORDNANCE DEPARTMENT

First Lt. Edward Cassel Reber, Field Artillery, with rank from July 9, 1934.

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Lt. Col. Edwin Colyer McNeil, Judge Advocate General's Department, from March 1, 1936.

Lt. Col. Augustine Warner Robins, Air Corps (brigadier general, assistant to the Chief of the Air Corps), from March 1, 1936.

Lt. Col. Emil Pehr Pierson, Cavalry, from March 1, 1936.

Lt. Col. Clark Porter Chandler, Cavalry, from March 1, 1936.

Lt. Col. John Walton Lang, Infantry, from March 1, 1936.

Lt. Col. Henry Harley Arnold, Air Corps (brigadier general, assistant to the Chief of the Air Corps), from March 1, 1936.

To be lieutenant colonels

Maj. Floyd Hatfield, Infantry, from March 1, 1936.

Maj. Charles Lewis Clifford, Cavalry, from March 1, 1936.

Maj. Oscar Otto Kuentz, Corps of Engineers, from March 1, 1936.

Maj. Earl Landreth, Infantry, from March 1, 1936.

Maj. William Edward Raab Covell, Corps of Engineers, from March 1, 1936.

Maj. Joseph Dogan Arthur, Jr., Corps of Engineers, from March 1, 1936.

To be majors

Capt. Edwin Rudolph Petzing, Signal Corps, from February 29, 1936.

Capt. Richard Carvel Mallonee, Field Artillery, from March 1, 1936.

Capt. Douglas Johnston, Air Corps, from March 1, 1936.

Capt. Lawrence Pradere Hickey, Air Corps, from March 1, 1936.

Capt. Severn Teackle Wallis, Jr., Field Artillery, from March 1, 1936.

Capt. William May, Infantry, from March 1, 1936.

Capt. Samuel Tankersley Williams, Infantry, from March 1, 1936.

MEDICAL CORPS

To be major

Capt. Howland Allan Gibson, Medical Corps, from March 1, 1936.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 9 (legislative day of Feb. 24), 1936.

PUBLIC WORKS ADMINISTRATION

James W. Carey to be State engineer inspector for the Public Works Administration in Washington.

POSTMASTERS

ALASKA

Brigham Y. Grant, Wrangell.

MISSOURI

Adolph H. Zoellner, Perryville.

NEBRASKA

Mary L. Simmons, Bloomfield.
Roger M. Closs, Wymore.

OHIO

Thomas H. Mulvey, Girard.
Noah H. Overturf, Granville.
Orville C. Frantz, Martins Ferry.
John H. H. Welsch, Port Washington.
Frank W. Feist, Steubenville.
Glen C. Rine, Utica.

OREGON

John Howard Fuller, Ashland.
Henry J. Atlee, Banks.
Walter R. Powell, Burns.
George W. Leslie, Marshfield.
George A. McCulloch, Reedsport.

VERMONT

Edward J. Owens, Barre.
Isabel Neary, Shelburne.

VIRGINIA

William N. Guill, Halifax.
William R. Rogers, Hilton Village.
Clarence W. Bradford, Keller.
Lena Campbell, Madison Heights.

WISCONSIN

Maxwell Jenks, Abbotsford.
L. Paul Mundschau, Dousmam.
Lila E. Town, Nashotah.
Kathryn C. Meisner, Wittenberg.

WITHDRAWAL

Executive nomination withdrawn from the Senate March 9 (legislative day of Feb. 24), 1936

POSTMASTER

PENNSYLVANIA

Wilburt E. Wunder to be postmaster at Royersford, in the State of Pennsylvania.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 9, 1936

The House met at 12 o'clock noon.

The Reverend Edward Charles Russell, D. D., rector of St. Ann's Episcopal Church, of New York City, offered the following prayer:

Let us pray.

Direct us, O Lord, in all our doings with Thy most gracious favor and further us with Thy continual help, that in all our work, begun, continued, and ended in Thee, we may glorify Thy holy name, and finally, by Thy mercy, obtain everlasting life, through Jesus Christ our Lord.

Our Father, who art in heaven, hallowed be Thy name; Thy kingdom come, Thy will be done in earth as it is in heaven. Give us this day our daily bread, and forgive us our trespasses as we forgive those who trespass against us, and lead us not into temptation but deliver us from evil, for Thine is the kingdom and the power and the glory, forever and ever. Amen.

The Journal of the proceedings of Friday, March 6, 1936, was read and approved.

THE FRAZIER-LEMKE REFINANCING FARM BILL

Mr. DUNN of Mississippi. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. DUNN of Mississippi. Mr. Speaker, in all ages great honor has been paid to agriculture because five-eighths of the people in every country are deciples of the plow, and today, more than ever, our people particularly are regarding the success of the farmer as the only hope for the return of a solid prosperity. They now realize that as grand as the mighty workshops of the Nation are, the stupendous steam-engine manufacturers, the immense machine works, the vast warehouses teeming with the triumphs of mechanical labor, great railways bearing their gigantic burdens across the country, I say as grand as these are, they are really of trivial importance compared with the great life of the Nation which lies in the warming bosom of its soil. And I say this because from the latter the means of existence must come, for if the

soil were rendered barren, the Nation itself would crumble to decay, its workshops tumble to the ground, and its great highways grow up in seed. The cultivation of the soil is the natural employment of man.

Assuming that the majority of my colleagues will agree with me about this, Mr. Speaker, I have been wondering for several months, in view of the deplorable depression which has been upon us for the past almost 6 years, why we, as the Representatives of our Nation and the arbiters of its economic destiny, do not recognize pending legislation which might, if enacted into law, bring mental solace and financial comfort not only to 32,000,000 farmers but to the entire Nation at large. And when I say this I am not unmindful of the charity already extended by our great Government to our farmers; of the wonderful work of Franklin D. Roosevelt in paving the way for a return of prosperity to all our people; yet, if we can aid, certainly under our oath it is our duty so to do.

I recognize the fact that the Bankhead bill for agricultural relief is designed entirely to replace the invalidated Agricultural Adjustment Act and that this legislation is well grounded on New Deal theories; but what I have in mind specifically is legislation that will give to the great mass of farmers in our Nation over whose head hangs a mortgage of some kind some sort of a breathing spell; legislation which will stop immediately thousands and thousands of foreclosures that are pushing the farmers into a state of financial arrears almost beyond imagination. Oh, I know the hue and cry from the big shots and money hoarders who want their interest at the expense of human suffering and misery, but this sort of fool business has got to stop, and the brakes must be applied immediately if we are to salvage our greatest natural resource from physical disintegration.

In this respect I am proud that I have had the honor of cooperating at length with the gentleman from North Dakota [Mr. LEMKE] in the matter of presenting the Frazier-Lemke refinance bill to Congress. To date the bill is in committee and the petition to bring it out under the rules lacks but seven names, mine not among them.

Why the Representatives in Congress do not want this bill brought to the floor for open debate and amendments if necessary is beyond me. It is my honest opinion that if the bill were read carefully by the Members of Congress they would readily see its collossal import and it would be immediately brought out of the committee to the floor. Some suggest that the bill is obnoxious to the administration, but even this should not preclude an honest hearing of the bill by those of us charged with the success of national legislation.

"And what is the Frazier-Lemke bill?" you ask. This question cannot be answered satisfactorily without first reviewing the present situation as concerns the plight of the American farmer.

In 1935 there were approximately 7,000,000 farms in the United States, varying in the number of acres to the farm, but suffice it to say that the great majority of these farms are less than 100 acres in size. These almost 7,000,000 farms engage, including owners, more than 32,000,000 human beings, and these 32,000,000 human beings who gather from the warmth of the soil our agricultural products make up about one-fourth of our national population. The value of these farms in 1930 was approximately $75,000,000,000, but today their valuation has decreased almost 50 percent, or to the low level of approximately $37,000,000,000. In 1929 the total valuation of farm products of all kinds was about $10,000,000,000. In 1934 the value of these farm products had shrunk to the low level of seven billion. No one particularly is to blame for this situation, because the depression has emaciated values beyond human control; but it is healthy to see just what our farm program means to the stability of our Government; what a mighty part it plays in the economic destiny of our commercial institutions. Without them we would become foundlings on the sea of lost hope—an impoverished people stifled and blinded by our failure to recognize their position in life as an absolute necessity to the existence of a great people.

Well, Mr. Speaker, with the valuation of our farms at its lowest level in many years; with agricultural commodity prices juggled from day to day to such an extent that the prices the farmers today are getting for their products are not enough to live on, surely then we should look at the situation unbiased and free from party chicanery and claptrap. It is serious. There must be a remedy, and that remedy, as previously stated, must be specific and immediate if the farmer is to have restored to him any sort of recognized purchasing power, for it is his purchasing power that keeps the wheels of industry turning, whether you are inclined to believe it or not.

Now, as stated before, there are approximately 7,000,000 farms in this country. How many of these farms would you think are mortgaged? I will tell you, sirs, that better than 50 percent of them are mortgaged, and, of course, a large percentage of these mortgages grow out of Government loans made at a time when farmers were destitute.

The Frazier-Lemke bill for refinancing these mortgages may or may not be good, but, to say the least, it is a sweet gesture in the right direction. The bill will affect more than $10,000,000,000 in farm indebtedness on which our farmers are now paying interest at rates of from 3½ percent—and may I say here that I had a hand in lowering the farm-credit interest rate to this new low figure, but which is not yet low enough—to 8 percent and more under some circumstances, and this huge outlay of interest is of greater concern to the farmer, especially in my State, than most of you would suppose.

This bill also is intended to extend to individual farmers debt amortization over a long period of years through Government agencies and in such a manner that the owners and operators of farms, laboring under heavy mortgage obligations, could once again feel free and secure from the hammer of foreclosure and the ghost of eviction during this period of unprofitable prices. In other words, as I have said before, it will give them the breath of life which is so vital to the economic stability of our Nation.

The bill also whacks the interest rate to 1½ percent, which, in my judgment, is high enough when you consider the average farmer's opportunities.

And speaking of foreclosures, Mr. Speaker, down in my State every little county newspaper is filled with notices of foreclosure sales, thousands of them, and unless something is done to stop this, God only knows what is to happen to our farmers.

Give the farmers the same opportunities the banks have had. Save them now from the torture which is theirs. Give them the same chance the big shots have had, and you will inoculate them with a spirit as dynamic as truth and a courage as ferocious as time.

How to finance such a moratorium? Surely this can be done by bonds of the Nation so as to evade discrimination among creditors. Accord them the same treatment as is accorded the banking interests through the Federal Reserve Bank. Continue to use their farms as collateral—there is no safer method than this. It is all we have. Refinance them on such a basis, and the purchasing power of this mighty army will scatter the clouds of doubt and bring us once again into the sunshine of national security. Refuse them, and you are heaping coals upon a fire, the flames of which are already licking at the vitals of our institutions. Refuse them, and we will soon be hearing the foreboding cry of the raven. [Applause.]

CORRECTION OF ERROR

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a brief letter I have received from a citizen of Great Britain protesting certain remarks I made in debate on the War Department appropriation bill as being incorrect, and my brief reply thereto.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, in the course of the debate on the Army appropriation bill I stated that the British Navy

had feared to concentrate in the eastern Mediterranean and near the Suez Canal because of the fact that certain Italian bombers had taken the pledge to drop bombs upon British warships, even at the risk of their own lives. I stated that in consequence the British Fleet had retired to waters in the western Mediterranean. That was my information and I made the statement in good faith.

I have received the attached letter from Mr. Hugh Blaker, who evidently is a very loyal Britisher, and he asks me to correct the statement. I think the best way to correct that statement is by publishing his letter, which is very brief, in the same medium through which I made my statement. Accordingly I have requested consent to include said letter along with my remarks.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MILITARY AFFAIRS,
Washington, D. C., March 9, 1936.

Mr. HUGH BLAKER,
57 Church Street, Isleworth-on-Thames, England.

MY DEAR MR. BLAKER: I have your letter, and say to you sincerely and not ironically that I thank you for writing me as you have. Your letter is brutally frank. Of course, I will not presume to say that many Britishers have manifested ignorance of American conditions and situations.

The only way that I can think of to correct what you apparently insist shall be corrected is by printing your letter in full in the CONGRESSIONAL RECORD along with my reply.

I am interested in your concluding statement that the name McSwain is as old as any in this "lil' ole isle." If you can refer me to any books or records where I may have confirmation of this statement I will thank you. Our family comes direct from the Isle of Skye and formerly from the Isle of Lewis. I shall certainly appreciate any additional information concerning the name.

Yours very sincerely,

J. J. MCSWAIN.

ISLEWORTH-ON-THAMES, ENGLAND, *February 23, 1936.*

Mr. MCSWAIN.

DEAR SIR: The ignorance of American politicians is almost unbelievable. And yet I don't blame you; you were probably at the mercy of some crude and infamous news agency.

You state in Congress that the British Navy made a gesture to stop Italian transports going through the Suez Canal. This is hopeless misstatement. The canal is international, and England, alone of European countries, abides by her word. Neither did the British scatter under threats from Italy, breakers of their every pledge. The fleet is quite safe and concentrated, thank you.

I feel that you ought to contradict your statement that England contemplated closing the Suez Canal. You, I hear, are a gentleman; and contradiction of such gesture would only be the act of a gentleman. We in England marvel that a man in your exalted position could be capable of such a loose statement. I hope that you will do this, if only in view of the blood bond between two great nations. Remember McSwain is as old as any name in this "lil' ole isle."

Sincerely,

HUGH BLAKER.

COMMITTEE ON MILITARY AFFAIRS

Mr. MCSWAIN. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may have permission to sit during sessions of the House today and tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. STACK. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes tomorrow immediately after the reading of the Journal and the disposition of matters on the Speaker's table, to answer an attack made upon my political record by a certain publication.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, may I ask the majority leader if we are not to have general debate tomorrow on an appropriation bill?

Mr. BANKHEAD. Mr. Speaker, in reply to the question of the gentleman from Massachusetts I may say it is our expectation to take up the legislative appropriation bill tomorrow.

Mr. MARTIN of Massachusetts. Then what would be the reason for a special order?

Mr. BANKHEAD. I do not know of any particular reason for it.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EKWALL. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes at the present time.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. EKWALL. Mr. Speaker, it was with utter amazement I listened to my colleague from eastern Oregon [Mr. PIERCE] on Friday when he took the Well of the House in defense of the Columbia Broadcasting System for granting, as he stated, "the use of their magnificent facilities to the leader of the Communist Party to tell his story." He informed us that he was in no manner, shape, or form a Communist, and that the roots of his family go deep into the first settlers and the first families on American shores. He then stated that he believes in free speech and the free discussion of public questions. Yet we have the anomalous situation of the gentleman recently becoming disturbed over the taking of so-called "straw ballots." Is not the taking of such ballots a form of free speech and an opportunity of expressing an opinion on a public question?

My father and mother emigrated from the Scandinavian peninsula something over half a century ago, coming to the United States in an emigrant ship. They could then neither read nor write nor speak the English language. It was necessary for my father to procure work in the logging camps of northern Michigan in order to care for his family. I am proud to say that within a very few years, probably as quickly as he could pass the necessary examinations, my father was admitted to citizenship in this country—in fact, on July 30, 1894. When he became a citizen of this country he took an oath to support the Constitution of the United States of America and renounced and abjured all allegiance and fidelity to every foreign prince, potentate, state, or sovereignty whatever. My father was proud of his citizenship; he felt, as I feel, that the title of "citizen of the United States" is the highest honor that can come to any man or woman in this world—more noble than that of "chevalier of the Legion of Honor" of France, and infinitely more to be desired than the title of "Knight of the Star and Garter." My parents came to this country freely and voluntarily, and thanked God very often that they had had the privilege of giving to their children and their children's children the vast and limitless opportunities which are everywhere around us today. They left their native soil so that their loved ones might have a better chance in life. While they could not forget their friends and associations and background there, they were willing to bring whatever they had to our shores and to cast their lot in the crucible that is the United States of America.

LICENSE CONFUSED WITH FREE SPEECH

I am nonplused when men who should distinguish the line of demarcation between freedom of speech and press and that of license seem to confuse them. I would rather live in a country with no government at all than to be deprived of freedom of the press. I would much rather be a man without a country than to be denied freedom of speech. But I do not believe that freedom of speech or press should be carried to the point where one can openly and notoriously advocate the overthrow of our Government, vi et armis, by force of arms and violence, without being accountable to that Government. Why any normal man would advocate throwing open the radio facilities of our country to Communists to spew their vile propaganda broadcast is more than I can comprehend. It is true that the vast majority of our people are so constituted mentally that they will not take heed of these untruths; they will not be affected by it in the least, but there are always some who are honestly misled. Through force of circumstances, by reason of suffering and hardships, they have become discouraged and disheartened, and are thus more easily swayed by false prophets, and their minds are more fertile for the slimy seeds of disaffection being constantly spread by the Communists.

Mr. Speaker, our Constitution and laws provide ample means for the peaceable change of our form of government, if a majority of our people so desire; it is not necessary for these Communist vultures in human form to resort to their

infamous teachings. I call them vultures because the vulture is the only living thing that I know of that will befoul its own nest.

COMMUNISM IS WAR

We have recently passed a neutrality law in this House. Its purpose is to keep us out of war. Those of us who know what war is do not want to see our country bled white again, and I am sure that this Congress would do everything possible to keep us out of war; but, in God's name, what is communism but war?—war of the bitterest and most relentless kind! It is war against orderly government; against every provision of our Bill of Rights; against freedom of the press and freedom of speech; the right of lawful assembly; freedom to worship God; and all the other rights our ancestors have fought and died for on a thousand far-flung battlefields throughout the ages. Communism is war against God and the church and the sanctity of the home and the fireside; it is regimentation of the most vicious and brutal sort. [Applause.] It means stifling the ambitions of men and women and bringing them down to the dead level of mediocrity—yes, to the level of the beasts of the field and forest.

If in time of war one were to lend aid and comfort to the enemy, what is the penalty provided by our law? Our law provides that one guilty of treason—that is what it is, treason—shall pay the extreme penalty—he shall suffer an ignominious death. Mr. Speaker, the gentleman says, "Let the Communists tell their story over our network of radios"; what story? They have but one story; they have but one cry—destruction! A moron named Stalin is their god—a man whose heart is as cruel as the grave, and one who rules his country with a relentless and grisly hand. I am wondering if the gentleman would advocate the use of the radio in advising the listeners to indulge in the general and indiscriminate use of narcotics. Would the gentleman advise the use of the radio to urge drivers of vehicles no longer to heed traffic laws, but to drive through streets crowded with children as they pleased, without regard to safeguards, speed, or any other precautionary measures? Or would he have the radios used to advise prisoners in our penal institutions to kill the guards at the first opportunity and make a break for liberty? These uses, I take it from the speech of the gentleman, would be interpreted by him as in the interest of free speech. Yet such harmful advice would be as nothing compared to this communistic propaganda. Have we forgotten the fable of the kindly peasant who upon seeing a snake frozen and helpless took compassion on it and placed it inside his blouse. As the story goes, the snake upon being revived buried his poisonous fangs in the heart of his benefactor. That is exactly what will happen to us if we temporize with such vermin as these Communists.

OREGON CRIMINAL SYNDICALISM LAW

Some years ago I presided over the trial of a case in which a Communist was prosecuted under the Oregon criminal syndicalism law, which the gentleman from Oregon [Mr. PIERCE] boasts of voting against when he was a member of the Oregon Senate a number of years ago. The salient parts of that law read as follows:

> Any person who, by word of mouth or writing, advocates, affirmatively suggests, or teaches the duty, necessity, propriety, or expediency of crime, criminal syndicalism, or sabotage, or who shall advocate, affirmatively suggest, or teach the duty, necessity, propriety, or expediency of doing any act of violence, the destruction of or damage to any property, the bodily injury to any person or persons, or the commission of any crime or unlawful act as a means of accomplishing or effecting any industrial or political ends, change, or revolution, or for profit * * * is guilty of a felony. (1930 Oregon Code, sec. 14, 3112.)
>
> Criminal syndicalism is hereby defined to be the doctrine which advocates crime, physical violence, arson, destruction of property, sabotage, or other unlawful acts or methods as a means of accomplishing or effecting industrial or political ends or as a means of effecting industrial or political revolution or for profit. (1930 Oregon Code, sec. 14, 3110.
>
> Sabotage is hereby defined to be malicious, felonious, intentional, or unlawful damage, injury, or destruction of real or personal property of any employer or owner by his or her employee or employees, or any employer or employers, or by any person or persons, at their own instance or at the instance or instigation of such employees, employers, or any other person. (1930 Oregon Code, sec. 14, 3111.)

If one is willing to conduct himself in a decent and law-abiding manner, this law can hold no terror for him. During the course of this trial dozens of Communist pamphlets were introduced in evidence advocating in words that any normal 10-year-old child could understand, the violent and forcible overthrow of our Government; urging our soldiers, sailors, and marines to turn their guns on their officers; advising others to foment strikes and to commit sabotage. Yet the Communist witnesses had the effrontery to testify under oath that the revolution they referred to in these pamphlets was an ethereal one, sweet and gentle and lovely, with no physical violence or danger to anyone—merely a going into a sort of pleasant trance, during which the transition from a republic to a communistic state would take place.

OUR GOVERNMENT BEST YET DEVISED

I cannot subscribe to such theories; I cannot acquiesce in such practices; I prefer to cling to the more old-fashioned ideas of my parents. They taught me at their knees that ours was the greatest Government on earth—not perfect, but nevertheless the best one yet devised; I desire to pass this truth down to my children; and I do not want them thereafter to be in position to doubt me by being able to turn on the radio and listen to a treasonable communistic debauchery of liberty and justice and democracy. [Applause.]

Mr. Speaker, the gentleman stated in his speech, "bureaucracy breeds communism." To this statement I fully subscribe. He is but reiterating a statement which I have heretofore made. I am pleased to have a gentleman from the other side of the aisle make this statement also, because it proves that it is no partisan view.

Apropos of this situation, I paraphrase the words of the author of The Deserted Village:

> Ill fares the land,
> To hastening ills a prey,
> Where bureaucrats accumulate,
> And men decay.

[Applause.]

SUPREME COURT—N. R. A., A. A. A., AND T. V. A.

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MAVERICK. Mr. Speaker, yesterday I read an article in the Sunday Star, of Washington, D. C., entitled "Many Issues Still Pending", by John H. Cline. In it he brings up the eternal issue of the Supreme Court of the United States and its powers. The opinion he mentions concerns the Tennessee Valley Authority project and the connection of that project with the public production of power and the building of dams. Essentially T. V. A. is important as a great general move to conserve our national resources. Mr. Cline says:

> Are such gigantic undertakings as the Norris, Bonneville, and Grand Coulee Dams destined to become nothing more than abandoned monuments to a misguided governmental policy or will they be carried through to their ultimate purpose as the nucleus of a vast, coordinated power system forming the basis for incidental irrigation, flood control, and reforestation work?

Again thinking of this wholly in connection with conservation and other essential issues, the constitutional issue must be met sooner or later. Will we meet it now or will we meet it when it is too late? Suppose the Supreme Court should hold some great Government project costing tens and even hundreds of millions of dollars unconstitutional? We then must have a Nation-wide campaign on the Constitution, which might last for years and years, and in the meantime these hundreds of millions of dollars of investments go to waste and the Government falls into chaos. In other words, by the exercise of a questionable power the Supreme Court would tell the Government after spending hundreds of millions, and with millions of human lives largely dependent upon it, that such projects must stop and the millions of human beings must do without and give up what their elected representatives provided for them.

QUESTION IS POWER OF SUPREME COURT, NOT MERIT OF ITS DECISIONS

All of which makes me think that very little of the discussion of the Supreme Court has been on the essential points. For it has been submitted to me that since the T. V. A. decision has been delivered favorably, many of those who oppose the wide powers of the Supreme Court are now satisfied. This is an indication, of course, that some of those who praise the Supreme Court, and some of those who condemn it, are not discussing it from the essential problem of parliamentary and judicial government. The problem is not whether the Supreme Court did morally right in the N. R. A., the A. A. A., or the T. V. A. decisions; it is a question whether the Supreme Court shall continue to exercise a power not given it in the Constitution of declaring acts of Congress void or unconstitutional or, to be fair, the point is whether, if a constitutional amendment is found to be necessary in order for Congress to have certain powers, whether we will propose such powers or just go on with a hope that we can muddle through without meeting the fundamental issue.

Possibly Congress was entirely wrong in enacting the T. V. A.; possibly it was right in enacting the N. R. A. and A. A. A. or vice versa; the point is whether the Supreme Court should interfere with or approve of acts of Congress not in violation of specific provisions of the Constitution and which are for the general welfare of the people of the United States. In effect, the actions of the Supreme Court constitute a final veto of the elected representatives of the people—this veto being permanent, since the members of the judiciary are elected for life, and absolute, in contra distinction to a veto of the President, as there is no veto upon them.

MUST WE ALWAYS HUNT AN EXCUSE TO MAKE A LAW CONSTITUTIONAL?

Going further with the T. V. A. decision, we must think of its own limitations. To quote Mr. Cline in his article in the Star further:

> The fate of our Federal power system, forerunner of an epochal attempt to harness the turbulent energy of this Nation's waterways, has emerged from the controversy following the recent Supreme Court decision in the T. V. A. case as one of the most vital issues confronting the country.
>
> In substance, the Supreme Court held that Wilson Dam, keystone of the T. V. A., was constructed for a "constitutional purpose", since it was adapted to the purposes of national defense and calculated to improve the navigability of the Tennessee River. This basic determination having been made, the Court went on to rule that the Government had a right to sell surplus power generated incidentally at the dam and convey it to distant purchasers by leasing transmission lines.
>
> The fact that the ruling was restricted to the leasing of transmission lines for the sale of power from Wilson Dam was hailed by critics of the electrification program as the "joker" in the decision. They pointed out that Wilson Dam was a wartime measure and argued, therefore, that the ruling could not be extended by analogy to the newer dams in the Tennessee Basin. The latter, they said, must stand by themselves and eventually be thrown out on constitutional grounds because they are peacetime projects.

National defense, navigability of streams are unquestioned constitutional purposes. Must we only rely on these purposes? Must all the friends of the T. V. A., instead of coming plain out and saying that they are attempting to do something for the general welfare—which, by the way, is provided for in the Constitution—evade the real truth; also that the creation of the Tennessee Valley Authority was for the building of dams for cheap public power and the prevention of soil erosion, reforestation, conservation, and for the benefit of the people who live in the United States?

I think the T. V. A. is for national defense and to promote navigation; and I can easily show that no nation can have national defense unless it prepares in peacetime to live like human beings. For that matter, practically anything can be done on the basis of national defense. But the point I am getting at is that the American people—who discuss the Supreme Court—do not get down to the main questions of parliamentary government and constitutional government.

My only conclusion in reference to this is that the Supreme Court question is not being met now, either by the Republican or Democratic Party, or for that matter, by any other party. The question ought to be met now.

WASHINGTON FIRE HAZARD

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. STEFAN. Mr. Speaker, the Knickerbocker Theater tragedy of years ago, when 90 people lost their lives, will be a drop in the bucket compared to what Washington theatergoers are threatened with today because of the terrible fire hazards in these theaters due to the permission of smoking by certain theater owners.

Smoking is allowed in several of the downtown theaters. It is allowed because the management feels that an advertisement that "smoking is permitted" will bring them more patronage. They are playing with fire. I doubt if it brings them any additional business. The quality of entertainment is what brings them the business. People do not go to these theaters because they are allowed to smoke there.

I predict that unless this smoking is immediately prohibited the District Commissioners and the theater owners will very soon face the responsibility of being liable for the deaths of humanity. Some of these days or nights during the crush of entertainment-hungry people, there will be the cry of "Fire." There will be a stampede. People will be trampled to death under the feet of a panic-crazed crowd of humanity rushing for the exits.

There is no law against smoking in Washington theaters. That fact alone would startle firemen and city officials in the smallest town of my State of Nebraska. The firemen and city officials of Nebraska towns do not allow smoking in the theaters there. They know that smoking is one of the greatest fire hazards known to fire fighters. A lighted cigarette stub thrown away carelessly, as it is done in Washington theaters, will result in the loss of life and property. The Washington Fire Department cannot do anything about it. I complained to Chief Schrom about this great fire hazard. He admits the hazard, but he tells me that Washington officials have "been unable to stop it." There is no District law against it.

I am so impressed with this hazard that I plan to introduce a bill in the House soon to prohibit smoking in Washington theaters.

Washington theaters should not wait for the enactment of this bill. For the sake of human life, they should immediately prohibit the continuation of this fire hazard which is conceded by the fire-fighting officials of the District. The excuse that the permission of smoking in theaters increases revenue is a very selfish one and an excuse which will never be forgiven by an enraged public should fire started by a lighted cigarette stub in one of these theaters cause the loss of human life.

Long lines of people waiting to get into Keith's Theater Friday night resulted in an overflow audience for very fine entertainment. People were jammed into every seat. Some stood in the aisles waiting for vacant seats. People smoking cigarettes and cigars blew smoke into the faces of women, causing fits of suffocating coughs. People with lighted cigarettes burned holes in valuable clothing. Smoking made the atmosphere blue and hazy. People strained their eyes to look through this smoke screen at a wonderful picture. Lighted cigarette stubs were thrown everywhere on the floor. One scream of "fire" or any alarming cry would have caused a panic and a stampede. I join other Congressmen in protesting against this fire hazard.

From what Washington officials have told me, they favor such a law. But if the theater owners have the interest of the public at heart, they should not wait for a law to be enacted to stop them from continuing a hazard which may result in the death of the people upon whom they depend for their existence. If theater managers wish to merit the friendship of the theatergoing public, they will act without outside pressure.

LEAVE TO ADDRESS THE HOUSE

Mr. PIERCE. Mr. Speaker, I ask unanimous consent that on next Wednesday, after the reading of the Journal and

the disposition of matters on the Speaker's table, I may be allowed to address the House for 15 minutes in reply to my colleague [Mr. EKWALL].

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

AN OUTSTANDING SERVICE RENDERED BY THE HONORABLE WILLIAM M. COLMER OF MISSISSIPPI

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mrs. NORTON. Reserving the right to object, and I shall not object to this request; but this is District day and we wish to dispose of the District business. I shall object to any further requests.

Mr. DIRKSEN. Mr. Speaker, I am constrained to object until we dispose of the District business.

Mrs. NORTON. Let me say that we have only two bills on the calendar, and I think it is only fair that this request for unanimous consent be granted.

Mr. DIES. Some of us think we ought to have a little time this morning, otherwise we may be constrained to make points of no quorum.

Mrs. NORTON. How many unanimous-consent requests have been made? I want to be fair with Members.

Mr. DIES. My colleague from Texas wants 5 minutes and I want 10.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN] to proceed for 5 minutes? [After a pause.] The Chair hears none.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the services of WILLIAM M. COLMER, and insert two or three short letters and some excerpts from the CONGRESSIONAL RECORD, and to revise and extend the remarks I now have the privilege of making.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, I have asked for this time in order to say a few words about the valuable and constructive services rendered by my good friend and colleague WILLIAM M. COLMER, of Mississippi, in behalf of the payment to World War veterans of the remainder due them on their adjusted-service certificates.

I have had the pleasure of associating with and becoming intimately acquainted with Congressman COLMER since he came to Congress, and I feel like it is my duty to disclose a service on his part that brought order out of chaos when it looked like those of us who favored the payment of the adjusted-service certificates would engage in a free-for-all battle, divide our ranks, and possibly meet with defeat. When Congress met January 3, 1936, several bills were pending and new bills were introduced for the payment of the adjusted-service certificates. The so-called Patman steering committee of 22 House Members and the other groups were unable immediately to reconcile our differences.

Considering the fact that our group has always been successful in the House in getting our proposal adopted, it was certainly necessary that we all get together, work shoulder to shoulder, for the common cause. Our first consideration was, and always has been, the full and immediate cash payment of the certificates without deduction of interest on loans since 1931. After many conferences, many of them lasting way into the night, when everything in the direction of a compromise seemed hopeless, it was suggested by Congressman COLMER that we make one more effort by appointing a small committee of the Patman committee to confer with opposing factions for that purpose.

The suggestion was placed before the group in the form of a motion, which was carried. He was appointed chairman of that committee. His committee, after much deliberation with opposing factions, came to an agreement. This agreement resulted in the Vinson-Patman-McCormack bill, a complete understanding and agreement among the different factions, which not only caused complete harmony among the proponents of the legislation but caused early passage in the House and Senate and its enactment into law.

No Member of Congress has been a more loyal and faithful friend of the veterans and their dependents than Congressman COLMER, and this achievement places those of us who have sponsored this legislation for years, even before he came to Congress, and the veterans under everlasting obligations to him. We owe him a debt of gratitude. Several factions working in different directions, as we were, represented wrecking crews. He made the greatest contribution toward converting these wrecking crews into one great construction gang which permitted us to very quickly speed on to victory.

I desire to place in the CONGRESSIONAL RECORD along with my remarks expressions of gratitude and appreciation from others who are in a position to know about his service in connection with the great compromise mentioned.

THE AMERICAN LEGION,
Indianapolis, Ind., February 11, 1936.

Hon. WILLIAM M. COLMER,
House Office Building, Washington, D. C.

DEAR MR. CONGRESSMAN: Since passage of the law authorizing payment of the adjusted-service certificates I have been on a very strenuous speaking tour, and this is my first opportunity to acknowledge with deep appreciation the splendid part you played in the fight for the enactment of this law.

I am personally appreciative of the many courtesies you showed to me and to the other representatives of the American Legion, and I know my organization will be appreciative of the fine cooperation you gave and the extremely helpful work you did in smoothing out the differences that naturally arise in connection with such important legislation. I feel that you were a strongly contributing factor to the final elimination of such differences and that thereby you contributed greatly to our success.

For that I know you deserve and will receive the grateful appreciation of the service men everywhere.

Sincerely yours,

RAY MURPHY,
National Commander.

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
Washington, D. C., February 5, 1936.

Hon. WILLIAM M. COLMER,
Member of Congress, Washington, D. C.

MY DEAR CONGRESSMAN: In behalf of the Veterans of Foreign Wars of the United States I wish to inform you of our deep appreciation for the part that you played in bringing about the passage of the so-called bonus legislation.

For years you have been one of the key men in this fight, especially during this session of Congress, giving us advice and counsel which has been very valuable to the officers of this organization. To you belongs much of the credit relative to the success that we had with this legislation.

In conveying to you the sentiment of our membership I am confident the veterans of Mississippi hold you in the same high esteem as we who have had the privilege of working with you day in and day out.

Thanking you again and assuring you of our intention to reciprocate in any possible way, I remain,

Very sincerely,

JAMES E. VAN ZANDT,
Commander in Chief.

HOUSE OF REPRESENTATIVES, UNITED STATES,
COMMITTEE ON WORLD WAR VETERANS' LEGISLATION,
January 24, 1936.

Hon. WILLIAM M. COLMER,
Member of Congress, Washington, D. C.

DEAR BILL: I want to thank you for your unfaltering support of the bill to pay the soldiers' adjusted-service certificates.

This will not only benefit the soldiers and discharge an obligation on the part of the Government but, in my opinion, it will put money into circulation and help restore prosperity to the American people generally.

In my opinion we will have better prices for cotton and other farm commodities after this money gets into circulation than we have had for a long time.

I tried to see you on the floor this afternoon, but missed you, so I am dropping you this note as an expression of my gratitude for your loyal support of this worthy measure.

Sincerely your friend.

J. E. RANKIN.
Chairman, Committee on World War Veterans' Legislation.

[Excerpt from speech of Hon. JOHN W. MCCORMACK, of Massachusetts, in the House of Representatives, Jan. 9, 1936]

I am pleased to be a cosponsor of this bill with my two distinguished colleagues and friends, the gentleman from Kentucky [Mr. VINSON] and the gentleman from Texas [Mr. PATMAN]. Both of my friends and colleagues have fought steadfastly for years to secure the passage of such legislation. The action of the gentle-

man from Texas [Mr. PATMAN] in joining in a united front assures the passage of the pending bill by an overwhelming vote and its probable enactment into law. During the several conferences which took place, which resulted in unity among the friends of this bill in the House, many Members played an important part therein. There are too many to mention by name. Furthermore, there are many other Members who have fought just as hard for the passage of such legislation such as we are considering today who are also entitled to the future appreciation of the veterans, their families, and friends. However, there is one of our colleagues who played such an important part that I feel warranted in paying him a tribute. I refer to my friend and colleague from Mississippi [Mr. COLMER], who, as chairman of the committee representing Mr. PATMAN and his associates, by his patience and advice contributed greatly to the present situation, where all of the friends and supporters of this legislation are united and not divided.

[Excerpt from remarks of Hon. FRED VINSON, of Kentucky, in the House of Representatives, Jan. 13, 1936]

In conclusion, I want to express my appreciation for the splendid cooperation we have received from the members of the Committee on Ways and Means. They, at all times, have been very considerate of the veterans' interests. Particularly do I want to thank our chairman, Hon. ROBERT L. DOUGHTON, who has been of most valuable assistance in the preparation of the bill and its expeditious consideration. The veterans of this country are indebted much to Speaker BYRNS for his friendly cooperation—a highly important service—in our arriving at "a united front." Also, we must not overlook the friendly attitude of the important Committee on Rules, which has enabled the bill to come up at this time. The committee appointed by the Patman conference, composed of Congressmen COLMER (chairman), of Mississippi; CONNERY, of Massachusetts; HANCOCK, of North Carolina; DIES, of Texas; SCRUGHAM, of Nevada; and BERLIN, of Pennsylvania, assisted materially in enabling this measure to come to the floor of the House with a united front, and their efforts in this respect are appreciated.

NEWSPAPERS THREATENED

Mr. PATMAN. Mr. Speaker, I have asked for this time to invite attention to the kind of propaganda that is going out from the banker-controlled corporate chains against the Robinson-Patman bill that will give all retailers the same rights and privileges. The Institute of Distribution, 570 Seventh Avenue, New York, has issued a mimeographed statement and sent it to the newspapers of the country, marked for immediate release, which is headed, Who Pays for Advertising? The article indicates that it originates in New York, with a blank date. In fact, it commences with: "New York, March —." This statement, which indicates that it is for publication in the newspapers, is clearly for the purpose of threatening the newspapers of this country. It discloses that one concern will soon spend $9,500,000 for advertising their stores "this year in the newspapers of this country." The statement further indicates that the large corporate chains and big department stores are the principal advertisers and the intimation is inescapable that the newspapers should consider this enormous amount of advertising they are receiving and oppose the Robinson-Patman bill. Mention is made of the bill in this statement. In other words, the newspapers are told in this statement that if they expect to get a part of this $9,500,000 from one firm this year in advertising they will have to make a bid for it by opposing the Robinson-Patman bill. The statement says:

Actually if this Robinson-Patman bill should be enacted in its present form it would prevent the full economies of the most efficient methods of production and distribution from ever reaching the consumer. Certainly the American people cannot afford to pay such a subsidy for the benefit of a relatively small group of wasteful and extravagant distributors. This bill should be promptly voted down.

CUSTOMERS OF ALL STORES TO BE BENEFITED

In truth and in fact, if the Robinson-Patman bill is enacted into law, all merchants will receive the same prices from the manufacturers that the chain stores now receive. This should not only allow the consumers to save a great deal of money, but will cause competition to be keener and the number of retail outlets to reach the consumer with lower-priced goods will be considerably increased. It is not a subsidy for a small group, but it will be giving all independents the same prices, so that all their customers will be benefited along with the chain customers.

STATUS OF BILL

The Robinson bill, S. 3154, was reported favorably—unanimously—by the Senate Judiciary Committee. It is now pending before the Senate and is expected to pass that body in a short time. The Patman bill, H. R. 8442, is now pending before the Judiciary Committee in the House. This committee had hearings before the full committee. It was then referred to a subcommittee, of which Congressman HUBERT UTTERBACK, of Iowa, is chairman. I know that Congressman UTTERBACK and his subcommittee have worked for weeks and weeks on this legislation, making sure that every step that is taken in this bill is the right step in the interest of the consumers, the manufacturers, retailers, wage earners, farmers, and all concerned. A report from this subcommittee to the whole committee and from the whole committee to the House is expected within a reasonable length of time. The Judiciary Committee, and especially the chairman of the committee, the Honorable HATTON W. SUMNERS, and the chairman of the subcommittee, the Honorable HUBERT UTTERBACK, are to be commended for the great time and effort they have expended in the consideration of this legislation. No committee in this House has ever worked harder to try to do exactly what is right under all the facts and circumstances in the consideration of a bill than has this committee in the consideration of this bill.

NEWSPAPERS AND ADVERTISING

In regard to advertising, as it is now, it is a difficult matter to get some of the large newspapers to carry any information in regard to this legislation, because the large advertisers do not want them to carry this information; and if I were in the newspaper business, I suspect that I would take a similar position if a few advertisers had the right to say whether or not I should continue in business or should stop business. If I were in the newspaper business, I would probably be very reluctant to put anything in my newspaper that would antagonize these large advertisers who were keeping me in business. For that reason all the newspapers are somewhat intimidated, and I do not think it is right for this organization to further intimidate them by stating the amounts they expect to spend over a certain length of time, running into millions and millions of dollars, and insinuating if they do not get behind them and help defeat the Robinson-Patman bill they will see that the newspapers do not get any of that money. That is the insinuation. We want this bill passed at this session, which will give independent merchants in this country no special benefits, but just a right to live and exist and get a fair profit and curb monopolies that are destroying the purchasing power of the wage earners and the farmers. [Applause.]

FARMERS' BUYING POWER DESTROYED

A few days ago I received a letter which was written March 5, 1936, by Mr. J. M. Harris, route no. 3, Texarkana, Tex., in which it is stated:

The chain stores have done great injury to the small farmers and truck growers in this section. A few years ago truck growers and gardeners could make a living and a little more, but with the advent of the chain store this was changed.

As an illustration, let us say a farmer goes into a chain store with three crates of 24 boxes each of strawberries. The chain-store buyer asks the price. The farmer says he wants $3 per crate. The buyer pays it. Then, after the farmer leaves, the berries are placed on sale ticketed "10 cents per box." A second farmer comes in with five or six crates. He wants $3 per crate. The buyer says, "Why, I'm selling them at $2.40 per crate—10 cents per box." The farmer must take about $2 per crate, and in a few days they are $1 per crate. So of all other products.

This plan was never worked until the chain store came. The chain-store buyer also looks up the farmer with a large patch of berries or other products and pays him a lump sum in cash for the crop and puts the price down. With several chain stores in the city following the same plan, the surrounding territory is forced to accept starvation prices. I have known of a truck load of English peas, for instance, being sold at 2 cents per pound, though the retail price was 6 cents or 7 cents when it came in. It keeps the farmer down.

CRITICS OF ROBINSON-PATMAN BILL ANSWERED

A few days ago a statement was carried in the daily press, which was referred to as a Memorandum Put Out by Chain Interests, in regard to the Robinson-Patman bill, which almost wholly misrepresents the facts. It is said the enactment of this law will cost consumers almost $750,000,000 a year. The truth is that it will save consumers billions of dollars a year.

When all independent merchants can receive the same prices from manufacturers that the banker-controlled retailers receive, competition will be preserved and the consumer protected. Prices will be lower instead of higher. Instead of it being a bill to subsidize middlemen, it is a bill to prevent monopoly, protect independent business, promote individualism, restore equality of opportunity, and encourage local ownership and control of local business rather than absentee ownership and control. Instead of freezing the price level as stated by the anonymous statement, it will cause keen competition and a premium on efficiency of distribution.

The only interference with business will be to prevent monopoly, protect the consumers, farmers, and wage earners; and to put all retail distributors upon the same floor with the same competitive rights.

This bill has the opposition of all cheaters, chiselers, bribe takers, bribe givers, and the greedy who seek monopolistic powers which would destroy opportunity for all young people and which would eventually cause Government ownership, as the people of this country will not tolerate private monopoly.

The bill has the support of those who believe that competition is the life of trade; that the policy of live and let live is a good one; that it is one of the first duties of Government to protect the weak against the strong and prevent men from injuring one another; that greed should be restrained and the Golden Rule practiced.

PLEDGE OF DEMOCRATIC PARTY

The Democratic platform adopted in Chicago in 1932 contained the following paragraph:

We advocate the strengthening and impartial enforcement of the antitrust laws to prevent monopoly and unfair trade practices, and revision thereof for the better protection of labor and the small producer and distributor.

The Robinson-Patman bill will restore many of the teeth that have been taken from the antitrust laws by the Supreme Court and make the antitrust laws effective. It will strengthen and permit the impartial enforcement of the antitrust laws. It will be a long step in the direction of preventing monopoly and unfair trade practices.

The platform closed with the pledge of the nominees of the convention to the philosophy of equal rights to all, special privileges to none. That is exactly what our bill does. It grants equal rights to all and special privileges to none.

PURCHASERS OF 90 PERCENT SHOULD BE GIVEN PRICES EQUAL TO THOSE WHO PURCHASE 10 PERCENT

Under the present set-up the banker-controlled corporate chain in a small town that is doing 10 percent of the business of that town is obtaining better prices and more concessions from the manufacturer than the other merchants—independents—who are doing 90 percent of the retail business in that town. Our theory is that if the manufacturer can sell an article to the corporate chain in that town for $1, it can also afford to sell the other retail merchants the same article for the same price. This bill will not prevent but will encourage manufacturers to compete among themselves, but each manufacturer will have to do business with his customers open and aboveboard and treat them all alike.

BEWARE OF THE WOLF IN SHEEP'S CLOTHING

A powerful lobby has gone into action against our bill. Much money is being spent to hire people with influence in an effort to try to persuade Members of Congress in both the House and Senate to vote against this bill. Money will be spent for publicity and advertising in all forms. Members of Congress, however, are becoming accustomed to the practices, under-handed and undercover methods used by the great interests who cannot defend their cause in the open. They always seek darkness rather than light. It is not unusual for Members of Congress to be approached by one who claims to be an independent business man and who claims to be in favor of legislation along this line but objects to the passage of this bill. I have had an occasion to have some of these lobbyists run down and when caught it was discovered that they are mere fronts for the banker-controlled corporate chains. They claim to be merchants from down South or some other section of the country, when in truth and in fact they are representing Wall Street interests directly. Many of the niches in the corridors of the Capitol and Office Buildings for Senators and Representatives are occupied by representatives of greedy interests, who have with them these innocent-looking turncoats who are shoved out to accost a passing Congressman and pretend he is an independent business man, very much in favor of some provisions of the Robinson-Patman bill, but—but—but—and so forth. One organization claims to represent a group of independent business men. Their leaders are here opposing this bill. The special committee investigating lobbying activities, of which I am chairman, disclosed that this same group has been subsidized by the banker-controlled corporate chains, and is now and has been in the past advocating and opposing legislation in accordance with the wishes of those who have subsidized them. The real independent merchant and business man is in favor of this bill. It is in the interest of the consumers, wage earners, farmers, and the general welfare of the people.

Mr. DIES. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

THE LOBBYING RACKET AND TAINTED CAMPAIGN CONTRIBUTIONS MUST BE STOPPED

Mr. DIES. Mr. Speaker, ladies, and gentleman of the House, the Committee on Rules, upon which I have the honor to serve, was directed by the House to investigate any and all charges of attempts to intimidate or influence Members of the House of Representatives with respect to the bill S. 2796 or any other bill affecting utility-holding companies during the Seventy-fourth Congress.

Immediately upon the adoption of this resolution the committee began hearings, which were continued from time to time until a few days prior to the adjournment of the last session. The hearings have been printed and are available, and the committee has filed its preliminary report.

The hearings disclosed a vicious condition in respect to professional lobbying. Practically all the holding companies maintained in Washington representatives, either officials or counsel, during the period the struggle over the "death sentence" was raging. They carried on a well-organized and well-financed campaign intended to prevent the enactment of any legislation deemed inimical by the holding companies. Millions of dollars were spent in an attempt to defeat this legislation. In the case of the Associated Gas & Electric Co. and its affiliates the methods employed to defeat this legislation should be condemned in the strongest language possible. Members of Congress received thousands of telegrams and letters bearing fictitious signatures of people who did not exist, and every attempt was made to create the impression in Congress that there was a widespread and general opposition to this legislation.

I do not mean to imply that all the holding companies engaged in this character of propaganda. Neither do I wish to criticize stockholders or other interested persons who presented their honest views to Congress. Every Congressman welcomes the views and suggestions of his constituents, and the right of petition is a fundamental and sacred right guaranteed under our Constitution. But this does not justify many of the methods used in connection with the holding-company bill and in respect to other measures. I cannot go into details in regard to some of the methods employed to create an artificial impression in reference to public sentiment and to, therefore, influence the vote of Members of Congress. The press of the Nation has carried this information in detail and most of the people are familiar with it. Everyone is familiar with the threats of KRAMER and MCGILL to put a candidate in every congressional district to oppose the Members of Congress who favored the strict regulation of utility companies.

While it is helpful to investigate these conditions, and to expose to the light of day some of the nefarious practices that were engaged in by selfish and unscrupulous lobbyists, it is more important to take the necessary steps to prevent

this in the future. Every thinking citizen will agree that to unloose upon Congress a highly charged avalanche of propaganda is unwholesome and inimical to the public interest. As our committee said in its report:

> It seeks to impress upon the membership the sense of a popular uprising, when in fact it is an artificial product.

There is another evil which is equally as bad as this character of professional lobbying. I refer to the secret contributions received by candidates for office from selfish interests and tainted sources. This is one of the greatest evils that confronts this country. It has grown worse each year, until we have witnessed candidates who never made more than enough to live upon and who never saved anything, run for important offices and conduct the most expensive campaigns. We have seen such candidates establish elaborate headquarters in all the principal cities in the State, with an army of paid workers. We hear them make State-wide radio addresses that cost more money than the office will bring in 10 years. We know from the past history of the candidate that he did not make the money himself, and we are reasonably certain that he secured the finances from some selfish interest that had an ax to grind. In making these contributions the selfish donor expects a return of the amount contributed, together with compound interest.

The great Democratic President, Grover Cleveland, declared that a public office was a public trust. A candidate who accepts contributions from selfish and greedy interests that are looking for special favors, is unfit to hold the office and should be branded as a traitor to his country.

The people have a right to know where every candidate received money to conduct his campaign. With such information the people can determine whether or not the candidate is free and independent and capable of rendering patriotic service for the common weal. Every candidate should welcome a full disclosure of his financial condition and the sources from which he derived his campaign funds.

It is only when public servants are free and untrammeled that they can properly serve their people and their country. If they accept a public office knowing that they are hamstrung by secret obligations and ties, they are committing fraud upon the people who confide in them and treason to the best interest of their country. The very perpetuation of free government in America depends upon honest and independent lawmakers and administrators. [Applause.]

The corrupt officials of Rome did more to hasten its downfall than all other factors combined—and so it has been with every republic since the beginning of time. So long as the people can procure the services of honest and independent servants their liberty is secure and their institutions safe. But when self-seeking interests begin to place in positions of power and trust the creatures of their will, decay sets in and destruction follows.

There is no problem confronting our country so serious and vital as corrupt lobbying and politicians running for office on the money of predatory interests. It has reached the stage in this country when adequate and vigorous steps must be taken to insure that freedom from secret obligations and ties that defraud an unsuspecting electorate. Much has been said and written about this, and many investigating committees have denounced this growing evil. Many candidates have pledged the enactment of suitable laws, but nothing has been done. To expose a condition and to denounce it from the stump means nothing unless proper action is taken to correct the condition.

After listening to the amazing disclosures our committee decided that we could render no greater service to the country than to recommend and urge the passage of a law to require every individual, partnership, committee, association, group, or any other organization or group of persons who directly or indirectly solicit, collect, or receive money or other thing of value to be used in whole or in part to aid in the enactment or defeat of any legislation, or to nominate, elect, or defeat any candidate for the House of Representatives or the Senate of the United States, to file with the Clerk of the House of Representatives a complete and accurate statement of the total sum of all such contributions made or expended. I cannot describe this bill in detail except to say that it has teeth in it and that it will prevent insofar as any legislation can the practices and conditions that I have heretofore described. Under this bill professional lobbyists must register with the Clerk of the House of Representatives and the Secretary of the Senate, and give to those officers in writing his name and address, the name and address of the persons by whom he is employed, and in whose interest he appears or works; how much he is paid and is to receive; by whom he is paid or to be paid, and furnish detailed information that will make his activities and connections matters of public record.

In addition to this, any person, corporation, association, or group who use funds to nominate, elect, or defeat any candidate for the House of Representatives or the Senate of the United States must disclose the full facts and make such contributions and expenditures a matter of public record. The bill carries with it a heavy penalty for those who violate its provisions.

Of course, Congress has no right to legislate in regard to any other candidates except those for the House of Representatives and the Senate of the United States. However, this bill will furnish an example which I sincerely hope will be followed by the legislatures of the respective States, including my own State.

While this bill will accomplish much, it is my intention to propose amendments to further strengthen it so that it will be impossible in the future for any amount of money to be spent in behalf of or against any candidate without this fact being made a matter of public record. Of course, selfish and self-seeking interests who contribute money to or spend it in behalf of candidates for public office will discontinue this practice when they know it will be exposed to the light of day. [Applause.]

There is nothing in this bill to curtail the rights and liberties of the people to present their views to their elected servants and to support or oppose legislation in every legitimate manner. But it will stop the lobbying racket which has become such a menace to free government in the United States.

Mr. Speaker, it is a great honor and privilege to serve the people in the Halls of Congress. The candidate makes a solemn covenant with his people. They confide their welfare, their interests, and the sacred institutions of government to him. As a matter of common decency he should be certain that there is no impediment to the faithful discharge of his duties. Unfortunately there are some who lack that high sense of public responsibility and ethics which should characterize every public official. There are some who are not willing to work hard, economize, and accumulate enough to run for public office. They prefer the easier method of seeking contributions to finance their campaigns. While I have never sought or obtained a contribution or any financial assistance in any campaign for office that I have ever made and do not intend to change this rule, I recognize that under some circumstances and from proper sources contributions may be justified. But even under these conditions I insist that these contributions be made public so that the people can decide for themselves whether or not the candidate was justified in accepting the contribution. Anything that is right can survive the sunlight of exposure. It is only shady transactions and questionable practices that must seek refuge behind the cloak of secrecy.

To guard against the evils of this practice every precaution should be taken. The voters are entitled to know certain facts before entrusting any office to a candidate. Among these facts are the following:

Where is he getting the money to make the race?

Is he under obligation, directly or indirectly, to any interest, bloc, or clique?

Are there any secret ties or obligations that he is withholding from the public?

Mr. BLANTON. Will the gentleman yield?

Mr. DIES. I yield.

Mr. BLANTON. There are two men in my district today arranging to run against me for Congress. Neither of them could finance his own campaign. I understand that one of

them is being financed by the public utilities and the other by the Townsend-plan supporters.

Mr. DIES. The gentleman will recall that Mr. Kramer testified it was the purpose of the utility companies to place a candidate in the field against every Member of Congress.

Mr. BLANTON. That was because I voted for the "death sentence" clause.

Mr. DIES. As the gentleman knows, I also voted in favor of the "death sentence" and the Rayburn-Wheeler bill. Has the gentleman ever been able to explain why some candidates, who have never made a success in the practice of law, and who the gentleman knows never made more than a living, can run for public office and finance an expensive campaign?

Mr. BLANTON. I cannot understand why it is that a lawyer who cannot win a case in a courthouse is paid fifty or one hundred thousand dollars as a retainer for seeing Members of Congress.

Mr. DIES. Does not the gentleman think it would be a wise thing for us to require all these lobbyists to register before the Clerk of the House of Representatives and state how much they are getting?

Mr. BLANTON. I certainly do; and I am backing the gentleman's proposition 100 percent.

Mr. RANDOLPH. Will the gentleman yield?

Mr. DIES. I yield.

Mr. RANDOLPH. In the State of West Virginia we have such legislation. They do have to register there before working for the interests of their organization.

Mr. DIES. The people are entitled to know who is furnishing the money for the candidate to campaign for office. They are entitled to know all the facts. Now that we are approaching a national campaign, in which it is predicted that millions upon millions of dollars will be spent, the people and the Congress are entitled to know who is producing this money and for what purpose and in whose behalf the money is being expended.

Mr. DUNN of Mississippi. Will the gentleman yield?

Mr. DIES. I yield.

Mr. DUNN of Mississippi. Is my friend being opposed this year?

Mr. RICH. Will the gentleman yield?

Mr. DIES. I yield.

Mr. RICH. I thought the law at the present time demanded that one must fill out expense account giving all receipts and expenditures. If everyone is honest in filling that out I think that will answer the purpose.

Mr. DIES. The gentleman knows that the law does not apply to the primary election.

Mr. RICH. That is right.

Mr. DIES. It only applies to the general election. In my country no money is spent in the general election. It is all spent in the primaries. Under the law of Texas the supreme court not long ago held that you could not compel a candidate to disclose where he got his money and how much of other people's money he spent in behalf of his candidacy.

Mr. BLANTON. Will the gentleman yield further?

Mr. DIES. I yield.

Mr. BLANTON. Answering my friend from Mississippi, if this public utility will keep their dirty money out of my friend's campaign over in the Orange district, he will be able to take care of all his opponents down there without any trouble.

Mr. DIES. My primary purpose is to call the attention of the House to this bill, because it ought to be passed. In my judgment it should be strengthened. The time should come, that whenever a candidate runs for office there should be a method of finding out where he gets his money. This thing of a man who never made more than a living in his life, who never made a success in the practice of law, suddenly becoming a candidate and having all sorts of money to spend in the campaign should be disclosed to the people. Anyone with an ounce of common sense knows that someone is furnishing money.

The people are entitled to know who that someone is. This House will not be true to the best interests of the American people if we adjourn without placing upon the statute books adequate legislation to stop this lobbying racket; this thing of men imposing upon the credulity of businessmen; of pretending to have so much influence in Washington and coming up here and lying around the hotels drinking whisky, and then going back and saying, "I defeated the legislation" or "I passed the legislation." This is not to prevent people expressing their views in a legitimate manner, but it is to prevent this condition of racketeers preying upon the credulity and ignorance of people who do not know any better and think that they must maintain high-pressure lobbyists in the city of Washington to influence legislation.

This bill will help make this vital information available to everyone. With the unanimous backing of the Rules Committee it should pass Congress without any serious difficulty. Let us hope that in the course of time every State will follow this splendid example, and that an aroused public sentiment will drive from public life every man who does not place his country and its welfare above every other consideration. [Applause.]

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had—

Ordered, That the Secretary inform the House of Representatives that the Senate is ready to receive the managers appointed by the House for the purpose of exhibiting articles of impeachment against Halsted L. Ritter, United States district judge for the southern district of Florida, agreeably to the notice communicated to the Senate, and that at the hour of 1 o'clock p. m. on Tuesday, March 10, 1936, the Senate will receive the honorable managers on the part of the House of Representatives, in order that they may present and exhibit the said articles of impeachment against the said Halsted L. Ritter, United States district judge for the southern district of Florida.

VACATION FOR GOVERNMENT EMPLOYEES

Mr. RAMSPECK. Mr. Speaker, I call up the conference report on the bill (H. R. 8458) to provide for vacations to Government employees, and for other purposes.

The conference report and statement are as follows:

CONFERENCE REPORT

[To accompany H. R. 8458]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8458) to provide for vacations to Government employees and for other purposes, having met, after a full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9, 10, and 12, and agree to same.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, and 4, and agree to same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to same with an amendment, as follows: In lieu of the Senate amendment, strike out "July 1, 1936" and insert "January 1, 1936"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with amendments, as follows: In lieu of the matter proposed to be inserted by the Senate, change the amendment to read as follows: "Before issuing such regulations, which shall be issued within three months from the date of approval of this Act, the heads of departments and independent establishments shall meet and consult among themselves and make such regulations as nearly uniform as possible so that all employees, temporary or permanent, in all departments and independent establishments shall receive like treatment as nearly as may be practicable: *Provided*, That heads of departments and independent establishments may appoint a subcommittee to draft such regulations"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, which struck out section 3 of the House bill, and agree to substitute a section, as follows:

"SEC. 3. Each head of a department or independent establishment shall keep a record of all work performed, in excess of the work required by departmental regulations issued in conformance with Section 2 hereof, for the period commencing July 1, 1936 and ending December 31, 1936, and shall report same to the Civil Service Commission at the end of each month. The Civil Service Commission shall make a report of such record to the Congress on or before January 31, 1937."

And the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and

agree to same with an amendment, as follows: Strike out "3" inserted by the Senate an insert "4"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to same with amendments, as follows: Before the word "wholly" inserted by the Senate also insert the word "either", and before the word "owned" in this section also insert the word "wholly"; and the Senate agree to the same.

ROBERT RAMSPECK,
WILLIAM I. SIROVICH,
FREDERICK R. LEHLBACH,
Managers on the part of the House.

W. J. BULOW,
KENNETH MCKELLAR,
WALLACE H. WHITE, Jr.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8458) to provide for vacations to Government employees and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendment no. 1: The House bill did not specifically exclude the officers and employees of the Panama Canal and the Panama Railroad on the Isthmus of Panama. The Senate amendment specifically excludes them from the bill, and clarifies the language of this section with reference to exceptions made in section 4 of the House bill; and the House recedes.

On amendment no. 2: This is a clarifying amendment and makes certain that employees stationed outside of the limits of the United States will be included; and the House recedes.

On amendment no. 3: The House bill provided for 30 days' annual leave. The Senate amendment reduces the number of days to 26 with Sundays and holidays excluded, which is equivalent to one working month; and the House recedes.

On amendment no. 4: The House bill provided that unused leave could be accumulated for use in succeeding years to not exceeding 120 days. The Senate amendment reduces this provision to 60 days; and the House recedes.

On amendment no. 5: The House bill, which was adopted last year, provided that the bill should take effect as of July 1, 1935. The Senate amendment changed this date to July 1, 1936. The House recedes with an amendment fixing the effective date as January 1, 1936.

On amendment no. 6: The House bill provided for the issuance of general public regulations setting the hours of duty per day and per week by the head of each department and independent establishment. The Senate amendment required that the heads of the departments and independent establishments should meet and consult among themselves in order to make such regulations as nearly uniform as possible. The House recedes with an amendment, the effect of which is to require such regulations to be issued within 3 months from the date of approval of this act, and to apply such regulations to both temporary and permanent employees.

On amendment no. 7: The House bill contains in the section no. 3 a provision permitting the giving of additional leave as compensation for overtime work in cases where it was not compensated for by law. The Senate amendment struck out this section in its entirety. The House recedes with an amendment, the effect of which is to require the heads of all departments and independent establishments to keep a record of all overtime work and report the same to the Civil Service Commission monthly for the period from July 1, 1936, to December 31, 1936, inclusive, which information the Civil Service Commission is required to report to the Congress not later than January 31, 1937, in order that the Congress may have definite facts in regard to overtime work.

On amendment no. 8: The House bill did not include the employees of the mail bag equipment shop of the Post Office Department. The Senate amendment includes these employees and changes the section number. The House recedes with an amendment restoring the original section number, the effect of which is to leave the employees of the mail bag equipment shop subject to the provisions of the bill.

On amendments nos. 9 and 10: These amendments simply change section numbers on account of the Senate amendment eliminating section 3 of the House bill which has been restored. The Senate recedes.

On amendment no. 11: The House bill provided that employees of corporations "owned or controlled" by the Government of the United States should be included within the provisions of the bill. The Senate amendment inserted the word "wholly" before the word "controlled" in order that the legislation might not affect banks and other private institutions in which the Government had acquired an interest. The House recedes with an amendment which is in the nature of a clarifying amendment, the effect of which is to include within the bill employees of corporations either wholly owned or wholly controlled by the Government of the United States, and thus eliminating the possibility of including any private institutions in which the Government might have some interest.

On amendment no. 12: This Senate amendment simply changed the section number because of the elimination of section 3 by the Senate, which section has been restored by the conference. The Senate recedes.

ROBERT RAMSPECK,
WILLIAM I. SIROVICH,
FREDERICK R. LEHLBACH,
Managers on the Part of the House.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. RICH. The vacation period, as I understand it, has been increased. Several days ago when the gentleman asked unanimous consent to send the bill to conference he was asked if it was the idea of the managers on the part of the House to decrease the vacation period to 15 days, and I understood him to say it was. The conference report brought back to us shows the leave has been increased to a full month.

Mr. RAMSPECK. The gentleman is confusing two bills. We are now considering the conference report on the annual vacation bill. This bill increases the leave allowance, or vacation allowance, from 15 to 26 days. The companion bill, H. R. 8459, decreases the sick leave from 30 days to 15.

Mr. RICH. Is it the intent and purpose, then, for Government employees to receive 26 working days vacation plus 4 Sundays and Saturdays off?

Mr. RAMSPECK. This bill gives the employees, 26 working days leave, but does not change the present status as to Sundays, holidays, and Saturdays; and I would remind the gentleman from Pennsylvania that prior to the enactment of the Economy Act in 1932 they had 30 days annual leave.

I also wish to call his attention to the fact that this includes every absence of an employee during working hours. It includes not only the usual vacation allowed by private employers of 2 weeks, but if the Government employee is 5 minutes late in the morning or at noontime he is charged with 15 minutes annual leave, which comes out of this 26 days. If he wants to go to the bank to get a check cashed, the time comes out of the 26 days. If he wants to go to the funeral of a friend, the time comes out of these 26 days. So it is not altogether vacation leave. The legal term would be leave from duty at any time during the year.

Mr. RICH. I infer from the statement of the gentleman that every time an employee wanted to go out for 5 minutes he would have to ask somebody for permission to make a record of it.

Mr. RAMSPECK. The gentleman is correct; it is charged up to his annual leave.

Mr. RICH. Is not this quite a difficult matter to take care of? To me it seems ridiculous that they would have to ask someone to get 10 minutes off.

Mr. RAMSPECK. Yes; it is difficult; but we cannot deal with the many thousands of Government employees by any other method and be fair to everybody.

Mr. RICH. One further question, if the gentleman will permit. I want to ask him in reference to amendment no. 8—which mentions specifically the mail-bag equipment shops—if the gentleman has agreed to cutting down the 44-hour week to a 40-hour week and increase the wages 10 percent? Is that included in this bill?

Mr. RAMSPECK. This bill does not deal with the question of hours at all.

Mr. RICH. Amendment no. 8 deals with employees of the mail-bag-equipment shop.

Mr. RAMSPECK. That is correct.

Mr. RICH. Did the conferees grant permission for the reduction of hours from 44 to 40 and increase wages 10 percent?

Mr. RAMSPECK. No; we have not. I would remind the gentleman that such a bill passed during the last session of Congress giving them a 40-hour week, as I recall it.

Mr. RICH. I appreciate that.

Mr. RAMSPECK. It is a bill which came from the Committee on the Post Office and Post Roads and dealt with all the employees of the Postal Service.

Mr. RICH. Does the gentleman increase their salaries 10 percent?

Mr. RAMSPECK. No; I have not dealt with their salaries at all. Our committee has no jurisdiction over that matter.

Mr. RICH. Then it is not the intent and purpose of the conference report to make this increase of 10 percent to the mail-bag-equipment-shop employees?

Mr. RAMSPECK. Not at all. I understand there is a bill pending which deals with that subject, but it has no relationship to this bill.

Mr. RICH. I want an opportunity to comment on that bill before it is passed, and I do not want to injure any Government employee, but I want to treat him the same as all employees in or out of Government service.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. BLANTON. This 26 days' leave means 26 full working days.

Mr. RAMSPECK. The gentleman is correct.

Mr. BLANTON. So, as a matter of fact, it figures out to be more than a month's vacation, because it eliminates four Sundays which are not counted.

Mr. RAMSPECK. That is correct.

Mr. BLANTON. Then it eliminates two half Saturday holidays. In other words, it is a month plus two half days, is it not?

Mr. RAMSPECK. I certainly agree with the gentleman that it is the equivalent to a full month's vacation.

Mr. BLANTON. It is a little over a full month's vacation.

Mr. TAYLOR of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. TAYLOR of South Carolina. Does or does not that amount to a good deal more than the net annual earnings of many people back home who make up the bulk of the taxpayers from which this money is to come?

Mr. RAMSPECK. I do not think so, I may say to the gentleman. I do not believe the Government employees under this bill will get any more time off than the employees of the gentleman's newspaper business. When we consider the fact that if one of his employees wants to go to a ball game, and his business situation on that particular afternoon is such he can let him off, the gentleman will let that employee off, and it does not interfere with the employee's annual vacation.

Mr. TAYLOR of South Carolina. May I inform the gentleman he is talking about matters beyond the realm of my understanding. I do not know about that matter.

Mr. RAMSPECK. The gentleman is in the newspaper business?

Mr. TAYLOR of South Carolina. Yes; as a stockholder.

Mr. RAMSPECK. Does he not let the employees off to go to a funeral, for instance?

Mr. TAYLOR of South Carolina. I have nothing to do with that.

Mr. RAMSPECK. Or to go out and get a check cashed without taking it out of the vacation time?

Mr. TAYLOR of South Carolina. I assume that is the practice.

Mr. RICH. Does the gentleman know of any industry, any merchant, or any business operation of any kind that is in operation in his district that grants a vacation of a month or more?

Mr. RAMSPECK. I would not say to the gentleman that I knew of any who granted a month at one single period as a regular vacation, but I know of private employers that let their employees off on special occasions from time to time without deducting it from the usual 2 weeks' vacation.

Mr. RICH. I appreciate that the employers as a rule try to be fair and honest with their employees, but does the gentleman think if employees in the Federal Government want to go out for a few minutes they will report that fact? It is ridiculous on the part of the gentleman to make such a statement, because I know we are not going to put time clocks in the Government offices to do anything like that. I would oppose time clocks myself. I do not believe in them.

Mr. TAYLOR of South Carolina. I want to know if there is anything in this bill requiring Federal employees to make a report when they congregate around tables and engage in prolonged conversations, doing no work?

Mr. RAMSPECK. That is a matter of administration, of course. We cannot by legislation keep people from doing wrong. If we have administrative officials in the Government service permitting that sort of thing, they ought to be discharged.

Mr. STEFAN. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Nebraska.

Mr. STEFAN. Does this report deal with sick leave?

Mr. RAMSPECK. No; that is taken up in the next conference report, which will be called up immediately after this one has been disposed of.

Mr. STEFAN. How many days' sick leave is allowed?

Mr. RAMSPECK. Fifteen days.

Mr. Speaker, I move the previous question on agreeing to the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. TAYLOR of South Carolina) there were—ayes 87, noes 4.

Mr. TAYLOR of South Carolina. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and forty-two Members present; not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 326, nays 10, not voting 94, as follows:

[Roll No. 29]

YEAS—326

Adair	Cochran	Dunn, Pa.	Higgins, Mass.
Allen	Coffee	Eagle	Hildebrandt
Andresen	Colden	Edmiston	Hill, Ala.
Andrew, Mass.	Cole, N. Y.	Eicher	Hill, Knute
Arends	Collins	Ekwall	Hill, Samuel B.
Ashbrook	Colmer	Ellenbogen	Hobbs
Bacharach	Connery	Engel	Hollister
Bacon	Cooley	Englebright	Holmes
Bankhead	Cooper, Ohio	Evans	Hope
Barry	Cooper, Tenn.	Faddis	Houston
Beam	Costello	Farley	Huddleston
Beiter	Cox	Ferguson	Hull
Bell	Cravens	Fernandez	Imhoff
Berlin	Crawford	Piesinger	Jacobsen
Blackney	Creal	Fish	Jenkins, Ohio
Bland	Crosby	Flannagan	Johnson, Tex.
Blanton	Cross, Tex.	Fletcher	Johnson, W. Va.
Bloom	Crosser, Ohio	Focht	Jones
Boehne	Crowe	Ford, Calif.	Kelly
Boileau	Crowther	Ford, Miss.	Kennedy, Md.
Boland	Culkin	Fuller	Kennedy, N. Y.
Bolton	Cullen	Fulmer	Kenney
Boykin	Cummings	Gambrill	Kerr
Boylan	Curley	Gasque	Kleberg
Brewster	Darden	Gavagan	Kloeb
Brown, Ga.	Darrow	Gearhart	Kniffin
Brown, Mich.	Deen	Gehrmann	Knutson
Buchanan	Delaney	Gilchrist	Kocialkowski
Buck	Dempsey	Gildea	Kopplemann
Buckler, Minn.	DeRouen	Gingery	Kramer
Burch	Dies	Goldsborough	Lambertson
Burdick	Dietrich	Goodwin	Lambeth
Caldwell	Dirksen	Granfield	Larrabee
Cannon, Mo.	Disney	Gray, Pa.	Lea, Calif.
Carlson	Dobbins	Green	Lee, Okla.
Carmichael	Dockweiler	Greenwood	Lehlbach
Carter	Dondero	Greever	Lemke
Cartwright	Doughton	Gregory	Lesinski
Cary	Doxey	Guyer	Lewis, Colo.
Castellow	Drewry	Gwynne	Lewis, Md.
Cavicchia	Driscoll	Haines	Lord
Chandler	Driver	Halleck	Luckey
Chapman	Duffey, Ohio	Hancock, N. Y.	Ludlow
Church	Duffy, N. Y.	Harlan	Lundeen
Citron	Duncan	Hart	McAndrews
Claiborne	Dunn, Miss.	Hennings	McClellan

McCormack	O'Leary	Rogers, Okla.	Terry
McFarlane	O'Malley	Romjue	Thomason
McGehee	O'Neal	Rudd	Thompson
McGroarty	Owen	Sadowski	Thurston
McKeough	Palmisano	Sanders, Tex.	Tinkham
McLaughlin	Parks	Sandlin	Tolan
McLean	Parsons	Sauthoff	Tonry
McLeod	Patman	Schaefer	Turner
Maas	Patterson	Schneider, Wis.	Umstead
Maloney	Pearson	Schuetz	Utterback
Mansfield	Perkins	Scott	Vinson, Ga.
Mapes	Peterson, Ga.	Scrugham	Vinson, Ky.
Marshall	Pettengill	Secrest	Wadsworth
Martin, Colo.	Pfeifer	Shanley	Wallgren
Martin, Mass.	Pierce	Shannon	Walter
Mason	Pittenger	Short	Warren
Maverick	Polk	Sirovich	Welch
May	Powers	Sisson	Werner
Mead	Rabaut	Smith, Conn.	West
Merritt, Conn.	Ramsay	Smith, Va.	Whelchel
Merritt, N. Y.	Ramspeck	Smith, Wash.	Whittington
Michener	Randolph	Smith, W. Va.	Wigglesworth
Millard	Rankin	Snyder, Pa.	Wilcox
Miller	Ransley	Somers, N. Y.	Williams
Mitchell, Tenn.	Rayburn	Spence	Wilson, Pa.
Monaghan	Reece	Stack	Withrow
Montet	Reed, Ill.	Starnes	Wolcott
Moran	Reed, N. Y.	Stefan	Wolfenden
Mott	Reilly	Stewart	Wolverton
Nelson	Richards	Sullivan	Wood
Nichols	Richardson	Sumners, Tex.	Woodruff
Norton	Risk	Sutphin	Young
O'Brien	Robinson, Utah	Taber	Zimmerman
O'Connell	Robsion, Ky.	Tarver	Zioncheck
O'Connor	Rogers, Mass.	Taylor, Colo.	
O'Day	Rogers, N. H.	Taylor, Tenn.	

NAYS—10

Biermann	Gillette	Rich	Wearin
Binderup	Hoffman	Taylor, S. C.	White
Carpenter	Massingale		

NOT VOTING—94

Amlie	Doutrich	Keller	Robertson
Andrews, N. Y.	Eaton	Kinzer	Russell
Ayers	Eckert	Kvale	Ryan
Barden	Fenerty	Lamneck	Sabath
Brennan	Fitzpatrick	Lanham	Sanders, La.
Brooks	Frey	Lucas	Schulte
Buckbee	Gassaway	McGrath	Sears
Buckley, N. Y.	Gifford	McMillan	Seger
Bulwinkle	Gray, Ind.	McReynolds	Snell
Burnham	Greenway	McSwain	South
Cannon, Wis.	Griswold	Mahon	Steagall
Casey	Hamlin	Main	Stubbs
Celler	Hancock, N. C.	Marcantonio	Sweeney
Christianson	Harter	Meeks	Thom
Clark, Idaho	Hartley	Mitchell, Ill.	Thomas
Clark, N. C.	Healey	Montague	Tobey
Cole, Md.	Hess	Moritz	Treadway
Corning	Higgins, Conn.	Murdock	Turpin
Daly	Hoeppel	Oliver	Underwood
Dear	Hook	Patton	Weaver
Dickstein	Jenckes, Ind.	Peterson, Fla.	Wilson, La.
Dingell	Johnson, Okla.	Peyser	Woodrum
Ditter	Kahn	Plumley	
Dorsey	Kee	Quinn	

So the conference report was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Woodrum with Mr. Snell.
Mr. Oliver with Mr. Treadway.
Mr. Robertson with Mr. Hess.
Mr. McSwain with Mr. Gifford.
Mr. Griswold with Mr. Ditter.
Mr. Johnson of Oklahoma with Mr. Tobey.
Mr. Lanham with Mrs. Kahn.
Mr. McReynolds with Mr. Andrews of New York.
Mr. Cole of Maryland with Mr. Eaton.
Mr. McMillan with Mr. Seger.
Mr. Bulwinkle with Mr. Main.
Mr. Hancock of North Carolina with Mr. Burnham.
Mr. Celler with Mr. Christianson.
Mr. Montague with Mr. Plumley.
Mr. Corning with Mr. Thomas.
Mr. Thom with Mr. Fenerty.
Mr. Steagall with Mr. Buckbee.
Mr. Fitzpatrick with Mr. Doutrich.
Mr. Sears with Mr. Hartley.
Mr. Lamneck with Mr. Marcantonio.
Mr. Schulte with Mr. Turpin.
Mr. Clark of North Carolina with Mr. Kinzer.
Mr. Gray of Indiana with Mr. Higgins of Connecticut.
Mr. Patton with Mr. Amlie.
Mr. Weaver with Mr. Kvale.
Mr. Quinn with Mr. Casey.
Mr. Gassaway with Mr. Buckley of New York.
Mr. Peterson of Florida with Mr. Barden.
Mr. Harter with Mr. Russell.
Mr. Peyser with Mr. Ayers.
Mr. Brooks with Mr. Hamlin.
Mr. Hook with Mr. Ryan.
Mr. Clark of Idaho with Mr. Sanders of Louisiana.
Mr. Kee with Mr. Stubbs.
Mr. Keller with Mr. South.
Mr. Dickstein with Mr. Wilson of Louisiana.
Mr. Sweeney with Mr. Frey.
Mr. Murdock with Mr. Eckert.
Mr. Meeks with Mr. Dingell.

Mr. CONNERY. Mr. Speaker, the gentleman from Massachusetts, Mr. HEALEY, is unavoidably absent on official business. If he were present, he would vote "aye."

Mr. NICHOLS. Mr. Speaker, my colleague, the gentleman from Oklahoma, Mr. FERGUSON, is unavoidably detained. If he were here, he would vote "aye."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

SICK LEAVE FOR GOVERNMENT EMPLOYEES

Mr. RAMSPECK. Mr. Speaker, I call up the conference report on the bill (H. R. 8459) to standardize sick leave and extend it to all civilian employees, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

[To accompany H. R. 8459]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8459) to standardize sick leave and extend it to all civilian employees, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 6, and 7, and agree to same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to same with an amendment, as follows: In lieu of "July 1, 1936" inserted by the Senate, substitute "January 1, 1936"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to same with an amendment, as follows: In lieu of "July 1, 1936" inserted by the Senate, substitute "January 1, 1936"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to same with an amendment, as follows: Strike out the word "sixty" inserted by the Senate, and insert in lieu thereof the word "ninety"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to same with amendments, as follows: Before the word "wholly" inserted by the Senate, also insert the word "either"; and before the word "owned" in this section, also insert the word "wholly"; and the Senate agree to the same.

ROBERT RAMSPECK,
WILLIAM I. SIROVICH,
FREDERICK R. LEHLBACH,
Managers on the part of the House.

W. J. BULOW,
KENNETH MCKELLAR,
WALLACE H. WHITE, JR.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8459) to standardize sick leave and extend it to all civilian employees, submit the following statement in explanation of the effect of the action agreed upon by the conference and recommended in the accompanying conference report:

On amendment no. 1: The House bill provided that the effective date should be July 1, 1935. The Senate amendment changed this date to 1936 and inserted clarifying language. The House recedes with an amendment making the effective date January 1, 1936.

On amendment no. 2: This is a clarifying amendment, the purpose of which is to make certain the application of the bill to employees wherever stationed. The House recedes.

On amendment no. 3: The House bill did not specifically exempt officers and employees of the Panama Canal and the Panama Railroad. The Senate amendment excludes these employees. The House recedes.

On amendment no. 4: This amendment is similar to amendment no. 1. The House recedes with an amendment making the effective date January 1, 1936.

On amendment no. 5: The House bill provided that that unused sick leave might be accumulated to not exceeding 120 days. The Senate amendment reduced this accumulation to 60 days. The

House recedes with an amendment, the effect of which is to permit accumulation of sick leave to not exceeding 90 days.

On amendment no. 6: The House bill left the question of regulations governing sick leave entirely in the discretion of the President under regulations to be issued by him. The Senate amendment adds the provision that employees shall furnish certificates satisfactory to the heads of the appropriate departments or independent establishments. The House recedes.

On amendment no. 7: The House bill did not include employees of the mail-bag equipment shop of the Post Office Department. The Senate amendment includes these employees. The House recedes.

On amendment no. 8: The House bill included employees of corporations created under authority of an act of Congress controlled or owned by the United States Government. The Senate amendment inserted the word "wholly" before the word "controlled" in order that the bill might not include private corporations in which the Government might have acquired an interest. The House recedes with an amendment, the effect of which is to provide that corporations either wholly owned or wholly controlled by the Government shall be included, but excluding private corporations in which the Government might have some interest.

ROBERT RAMSPECK,
WILLIAM I. SIROVICH,
FREDERICK R. LEHLBACH,
Managers on the part of the House.

Mr. RAMSPECK. Mr. Speaker, the present law gives the employes of the Federal Government 30 days' sick leave. This bill reduces that to 15 days per year, cutting it half in two. The bill, however, gives them the right to accumulate unused sick leave until the accumulation reaches 90 days. Of course, no sick leave can be used except when a person is sick.

The only other matter I want to call attention to in connection with this measure is that we have received a concession from the Senate which makes it certain that the bill applies to all Government corporations where they are wholly owned or wholly controlled by the Government. We thought the Senate bill was so worded that it would exclude the employees of the Federal Deposit Insurance Corporation, which, of course, is just as much a Government agency as the Department of Commerce or any other department. We have that provision so worded that, I think, it will be perfectly clear.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Pennsylvania.

Mr. RICH. What was the idea of the committee in drafting these bills to give 30 days' annual leave, and then reducing the sick leave to 15 days from 30 days for Government employees?

Mr. RAMSPECK. I may say to the gentleman that sick leave, of course, is not intended to be used except when a person is sick. They had 30 days' sick leave, and the records show that the average number of days used was about 12, as I recall it. We thought it would be better to cut it down and let the unused portion accumulate up to 90 days, so that in case of a serious illness an employee would have a backlog of unused leave to take care of him, rather than having to go on leave without pay at the very time when his expenses were greater. The heads of the departments say that they have records of many employees who worked from 15 to 25 years without taking any sick leave, and then in their later years of life, when their health was not so good, they have exhausted their sick leave and have had to go on leave without pay.

Mr. RICH. If you want to be good to Government employees, why cut their sick leave from 30 days to 15 days?

Mr. RAMSPECK. I think 15 days is enough to cover the necessities in view of the accumulation, and we are giving them some additional annual leave so as to balance the matter.

Mr. RICH. Would not the gentleman like to see all the people in his district get 30 days' leave if they became sick in any manufacturing establishment?

Mr. RAMSPECK. I certainly would; yes.

Mr. RICH. Then why did the gentleman cut the Government sick leave down to 15 days? The gentleman is not consistent.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield? How many days does the gentleman give in his plant? Will the gentleman from Georgia yield or ask the gentleman from Pennsylvania that question?

Mr. RAMSPECK. I do not care to draw the gentleman into that sort of a discussion, but I may say to the gentleman from Pennsylvania that I was recently ill for a couple of weeks myself, and I did not lose any pay. I think this is a perfectly fair provision, because I think the Government ought to be the leader in providing good working conditions.

Mr. RICH. I agree with the gentleman in that statement. I think the Government, so far as its employees are concerned, should be a leader, and I am interested in helping them, but I think sometimes, not because I have anything against the Government employees—God forbid—I want to help the Government employees, but I am thinking of the people back home and the conditions under which they are working, and I am thinking of the people in industry all over the country. We ought to treat everybody alike, and if we are to do this, then we must remember that adage we have all been taught—the Golden Rule—we do not want to do things for one class of people we cannot do for everyone.

Mr. RAMSPECK. We do not legislate for those people to whom the gentleman refers in regard to these matters.

Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, so that we may clearly understand this bill, I want to ask my friend the gentleman from Georgia some questions, if he will be kind enough to answer them.

Is this accumulative leave retroactive?

Mr. RAMSPECK. It is effective January 1 of this year.

Mr. BLANTON. What I am asking is where a Government employee has not taken his sick leave, or has not taken much of it, and has that sick leave accumulated prior to January 1, will he be entitled to it?

Mr. RAMSPECK. Yes; but he can only take it when sick.

Mr. BLANTON. Then accumulated sick leave prior to last January can be taken under this bill if the employee is sick?

Mr. RAMSPECK. Accumulated leave is protected by this bill.

Mr. BLANTON. I wanted to be sure, because there are honest, faithful, diligent Government employees who have never taken any sick leave. There are some malingerers who are taking sick leave all the time when not sick. Some will go to a party and not feel very well the next morning and take sick leave.

But there are a lot of splendid employees who are not guilty of malingering on the Government.

I know a splendid employee who last year, unfortunately, was sick for 3 months, and her pay was stopped. Under the bill, she now would get the benefit of it.

Mr. RAMSPECK. Yes.

Mr. BLANTON. I wanted to be sure about that. What provision is there in this bill for the safeguarding of the Government against someone who is not sick and going and getting a doctor's certificate?

Mr. RAMSPECK. There are two provisions in the bill. Section 2 of the bill provides that the employee shall furnish a certificate satisfactory to the head of the department, and in section 7 we give general authority to the President to prescribe such rules and regulations and methods as far as practicable to get uniformity.

Mr. BLANTON. These regulations ought to be represcribed. A doctor can tell when a person is sick mainly by what the person says. The patient calls a doctor, and the doctor comes in, the patient pulls a sheet up to his neck and says, "O doctor, I am awful sick." The doctor has to rely largely on what the patient says.

There is a lot of that going on in Washington. I had a bureau chief tell me that they had no way of checking up on malingerers. It is not right for the good employees, the honest and fair working employees, who have not taken any sick leave, to have these malingerers stay out and make them do the extra work.

The remedy is to represcribe the regulations. The President has the right to prescribe them, and it ought to be looked into. I am glad the subcommittee, with its able chair-

man, has taken the matter up and that the regulations will be represcribed.

Mr. PATMAN. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. PATMAN. I have been told that some of these doctors have certificates in blank——

Mr. BLANTON. Yes; and some sell them for $2 each.

Mr. PATMAN. That is a very serious matter.

Mr. BLANTON. I do not think that honorable, respectable doctors here—and a great majority of them are honorable and highly respectable—would issue a certificate of that kind; but there are some who are dependent on what the people tell them, who do issue these certificates for the $2, when they ought not to be issued.

Mr. RAMSPECK. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

Mr. BLANTON. Mr. Speaker, on that I demand a division.

The House divided; and there were—ayes 103, noes 0.

Mr. BLANTON. Mr. Speaker, I object to the vote because there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll; and there were—yeas 336, nays 1, not voting 93, as follows:

[Roll No. 30]

YEAS—336

Adair	Cravens	Gingery	Ludlow
Allen	Crawford	Goldsborough	Lundeen
Andresen	Creal	Goodwin	McAndrews
Andrew, Mass.	Crosby	Granfield	McClellan
Arends	Cross, Tex.	Green	McCormack
Ashbrook	Crosser, Ohio	Greenway	McFarlane
Bacharach	Crowe	Greenwood	McGehee
Bacon	Crowther	Gregory	McGroarty
Bankhead	Culkin	Gwynne	McKeough
Barry	Cullen	Haines	McLaughlin
Beam	Cummings	Halleck	McLeod
Beiter	Curley	Hancock, N. C.	McMillan
Bell	Darden	Hancock, N. Y.	Maas
Berlin	Darrow	Harlan	Mahon
Biermann	Delaney	Hart	Main
Binderup	Dempsey	Hennings	Maloney
Blackney	DeRouen	Higgins, Mass.	Mansfield
Bland	Dickstein	Hildebrandt	Mapes
Blanton	Dies	Hill, Ala.	Marshall
Bloom	Dietrich	Hill, Knute	Martin, Colo.
Boehne	Dirksen	Hill, Samuel B.	Martin, Mass.
Boileau	Disney	Hobbs	Mason
Boland	Dobbins	Hoffman	Massingale
Bolton	Dockweiler	Hollister	Maverick
Boykin	Dondero	Holmes	May
Boylan	Doughton	Hope	Mead
Brewster	Doxey	Houston	Merritt, Conn.
Brown, Ga.	Drewry	Huddleston	Merritt, N. Y.
Brown, Mich.	Driscoll	Hull	Michener
Buchanan	Driver	Imhoff	Millard
Buck	Duffey, Ohio	Jacobsen	Mitchell, Tenn.
Buckler, Minn.	Duffy, N. Y.	Jenkins, Ohio	Monaghan
Buckley, N. Y.	Duncan	Johnson, Okla.	Moran
Burch	Dunn, Miss.	Johnson, Tex.	Mott
Burdick	Dunn, Pa.	Johnson, W. Va.	Nelson
Caldwell	Eagle	Jones	Nichols
Cannon, Mo.	Edmiston	Keller	Norton
Carlson	Eicher	Kelly	O'Brien
Carmichael	Ekwall	Kennedy, Md.	O'Connell
Carpenter	Ellenbogen	Kennedy, N. Y.	O'Connor
Carter	Englebright	Kenney	O'Leary
Cartwright	Evans	Kerr	O'Malley
Cary	Faddis	Kleberg	O'Neal
Castellow	Farley	Kloeb	Owen
Cavicchia	Fernandez	Kniffin	Palmisano
Celler	Fiesinger	Knutson	Parks
Chandler	Fish	Kocialkowski	Parsons
Chapman	Flannagan	Kopplemann	Patman
Church	Fletcher	Kramer	Patterson
Citron	Focht	Lambertson	Pearson
Claiborne	Ford, Calif.	Lambeth	Perkins
Cochran	Ford, Miss.	Larrabee	Peterson, Ga.
Coffee	Frey	Lea, Calif.	Peyser
Colden	Fuller	Lee, Okla.	Pfeifer
Cole, N. Y.	Fulmer	Lehlbach	Pierce
Colmer	Gambrill	Lemke	Pittenger
Connery	Gasque	Lesinski	Plumley
Cooley	Gavagan	Lewis, Colo.	Polk
Cooper, Ohio	Gearhart	Lewis, Md.	Powers
Cooper, Tenn.	Gehrmann	Lord	Quinn
Costello	Gilchrist	Lucas	Rabaut
Cox	Gildea	Luckey	Ramsay
Ramspeck	Sauthoff	Stubbs	Wallgren
Randolph	Schaefer	Sullivan	Walter
Rankin	Schneider, Wis.	Sumners, Tex.	Warren
Ransley	Schuetz	Sutphin	Wearin
Rayburn	Scott	Taber	Welch
Reece	Scrugham	Tarver	West
Reed, Ill.	Secrest	Taylor, Colo.	Whelchel
Reed, N. Y.	Shanley	Taylor, S. C.	Whittington
Reilly	Shannon	Taylor, Tenn.	Wigglesworth
Rich	Short	Terry	Wilcox
Richards	Sirovich	Thomason	Williams
Richardson	Smith, Conn.	Thompson	Wilson, Pa.
Risk	Smith, Va.	Thurston	Withrow
Robinson, Utah	Smith, Wash.	Tinkham	Wolcott
Robsion, Ky.	Smith, W. Va.	Tolan	Wolfenden
Rogers, Mass.	Somers, N. Y.	Tonry	Wolverton
Rogers, N. H.	South	Turner	Wood
Rogers, Okla.	Spence	Umstead	Woodruff
Romjue	Stack	Utterback	Woodrum
Rudd	Starnes	Vinson, Ga.	Young
Sabath	Stefan	Vinson, Ky.	Zimmerman
Sanders, Tex.	Stewart	Wadsworth	Zioncheck

NAYS—1

White

NOT VOTING—93

Amlie	Eaton	Kee	Ryan
Andrews, N. Y.	Eckert	Kinzer	Sadowski
Ayers	Engel	Kvale	Sanders, La.
Barden	Fenerty	Lamneck	Sandlin
Brennan	Ferguson	Lanham	Schulte
Brooks	Fitzpatrick	McGrath	Sears
Buckbee	Gassaway	McLean	Seger
Bulwinkle	Gifford	McReynolds	Sisson
Burnham	Gillette	McSwain	Snell
Cannon, Wis.	Gray, Ind.	Marcantonio	Snyder, Pa.
Casey	Gray, Pa.	Meeks	Steagall
Christianson	Greever	Miller	Sweeney
Clark, Idaho	Griswold	Mitchell, Ill.	Thom
Clark, N. C.	Guyer	Montague	Thomas
Cole, Md.	Hamlin	Montet	Tobey
Collins	Harter	Moritz	Treadway
Corning	Hartley	Murdock	Turpin
Daly	Healey	O'Day	Underwood
Dear	Hess	Oliver	Weaver
Deen	Higgins, Conn.	Patton	Werner
Dingell	Hoeppel	Peterson, Fla.	Wilson, La.
Ditter	Hook	Pettengill	
Dorsey	Jenckes, Ind.	Robertson	
Doutrich	Kahn	Russell	

So the conference report was agreed to.

The Clerk announced the following additional general pairs:

Mr. Miller with Mr. Snell.
Mr. Bulwinkle with Mr. McLean.
Mr. Montague with Mr. Christianson.
Mr. Snyder of Pennsylvania with Mr. Tobey.
Mr. Montet with Mr. Guyer.
Mr. Pettengill with Mr. Burnham.
Mr. Deen with Mr. Seger.
Mr. Dingell with Mr. Collins.
Mr. Sweeney with Mr. Hancock of New York.
Mr. Sisson with Mr. Engel.
Mr. Gillette with Mr. Ayers.
Mr. Werner with Mr. Gassaway.
Mrs. O'Day with Mr. Wilson of Louisiana.
Mr. Brennan with Mr. Daly.
Mr. Gray of Pennsylvania with Mr. Sandlin.
Mr. Casey with Mr. Ferguson.
Mr. Healey with Mr. Kee.

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

The doors were opened.

RENT COMMISSION, DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11563, declaring an emergency in the housing condition in the District of Columbia; creating a rent commission for the District of Columbia; prescribing powers and duties of the commission, and for other purposes, and ask unanimous consent that general debate upon the bill close in 1 hour.

The SPEAKER. The gentlewoman from New Jersey moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11563. Pending that she asks unanimous consent that general debate be limited to 1 hour, one-half to be controlled by herself and one-half by the gentleman from Illinois [Mr. DIRKSEN]. Is there objection?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. This is an important bill and is too important to be disposed of in 1 hour. The House passed on this rent com-

mission matter last year and was against it, although this is a new bill. I think the House is still against it. I object.

Mrs. NORTON. Mr. Speaker, I rise to correct the gentleman from Texas, if I may. The House did not pass on this bill last year.

The SPEAKER. The question is on the motion of the gentlewoman from New Jersey that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11563.

Mr. TABER. Mr. Speaker, on that I demand a division.

The House divided; and there were—ayes 107, noes 33.

Mr. TABER. Mr. Speaker, I object to the vote upon the grounds that there is no quorum present and make the point of order that there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and ninety-five Members present, not a quorum. This is an automatic call. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 240, nays 70, not voting 120, as follows:

[Roll No. 31]

YEAS—240

Adair	Drewry	Kniffin	Rayburn
Andresen	Driscoll	Kocialkowski	Reed, Ill.
Bankhead	Driver	Kopplemann	Reilly
Barry	Duffey, Ohio	Kramer	Richards
Beam	Duffy, N. Y.	Lambeth	Richardson
Biermann	Duncan	Lea, Calif.	Risk
Binderup	Dunn, Miss.	Lee, Okla.	Robinson, Utah
Bland	Dunn, Pa.	Lemke	Rogers, N. H.
Bloom	Eagle	Lewis, Colo.	Rogers, Okla.
Boehne	Edmiston	Lewis, Md.	Romjue
Boileau	Eicher	Lucas	Rudd
Boland	Ellenbogen	Luckey	Ryan
Boykin	Evans	Ludlow	Sanders, Tex.
Boylan	Farley	Lundeen	Sauthoff
Brewster	Fiesinger	McAndrews	Schaefer
Brown, Ga.	Flannagan	McCormack	Schneider, Wis.
Brown, Mich.	Fletcher	McFarlane	Schuetz
Buchanan	Focht	McGehee	Scott
Buck	Ford, Miss.	McGroarty	Secrest
Buckler, Minn.	Frey	McKeough	Shanley
Burch	Fuller	McLaughlin	Shannon
Burdick	Fulmer	McReynolds	Sirovich
Caldwell	Gambrill	McSwain	Smith, Conn.
Cannon, Mo.	Gasque	Maas	Smith, W. Va.
Carmichael	Gavagan	Mahon	Snyder, Pa.
Carpenter	Gehrmann	Mansfield	Somers, N. Y.
Carter	Gilchrist	Marshall	South
Cary	Gildea	Martin, Colo.	Spence
Castellow	Gillette	Mason	Stack
Chandler	Gingery	Massingale	Starnes
Chapman	Granfield	Maverick	Stubbs
Citron	Gray, Pa.	Merritt, N. Y.	Sullivan
Claiborne	Green	Monaghan	Sutphin
Cochran	Greenway	Moran	Taylor, S. C.
Colden	Greenwood	Moritz	Taylor, Tenn.
Collins	Greever	Mott	Thomason
Colmer	Gregory	Nelson	Thompson
Cooley	Gwynne	Norton	Tolan
Cooper, Tenn.	Haines	O'Brien	Tonry
Costello	Halleck	O'Connell	Turner
Cox	Hamlin	O'Connor	Umstead
Cravens	Hart	O'Day	Utterback
Creal	Hennings	O'Leary	Vinson, Ga.
Crosby	Higgins, Mass.	O'Malley	Vinson, Ky.
Cross, Tex.	Hildebrandt	O'Neal	Wallgren
Crosser, Ohio	Hill, Ala.	Owen	Walter
Crowe	Hill, Knute	Palmisano	Warren
Cullen	Hill, Samuel B.	Parks	Wearin
Curley	Houston	Parsons	Welch
Darden	Huddleston	Patman	Werner
Delaney	Hull	Patterson	Whelchel
Dempsey	Imhoff	Pearson	White
DeRouen	Jacobsen	Peterson, Ga.	Whittington
Dickstein	Jenkins, Ohio	Pfeifer	Wilcox
Dietrich	Johnson, Okla.	Pierce	Williams
Dirksen	Johnson, Tex.	Pittinger	Withrow
Dobbins	Kelly	Polk	Wood
Dockweiler	Kennedy, N. Y.	Ramsay	Woodruff
Doughton	Kenney	Randolph	Woodrum
Doxey	Kloeb	Rankin	Zimmerman

NAYS—70

Allen	Bolton	Darrow	Gifford
Andrew, Mass.	Burnham	Dondero	Goodwin
Arends	Carlson	Ekwall	Guyer
Ashbrook	Cavicchia	Engel	Hancock, N. Y.
Bacharach	Church	Englebright	Hoffman
Bacon	Cole, N. Y.	Faddis	Hollister
Blackney	Crawford	Fish	Holmes
Blanton	Crowther	Gearhart	Hope
Kleberg	Merritt, Conn.	Reed, N. Y.	Tinkham
Knutson	Michener	Rich	West
Lehlbach	Millard	Robsion, Ky.	Wigglesworth
Lesinski	Mitchell, Tenn.	Rogers, Mass.	Wilson, Pa.
Lord	Perkins	Short	Wolcott
McMillan	Powers	Smith, Va.	Wolfenden
Main	Rabaut	Stefan	Wolverton
Mapes	Ramspeck	Taber	Young
Martin, Mass.	Ransley	Tarver	
May	Reece	Thurston	

NOT VOTING—120

Amlie	Dingell	Kee	Quinn
Andrews, N. Y.	Disney	Keller	Robertson
Ayers	Ditter	Kennedy, Md.	Russell
Barden	Dorsey	Kerr	Sabath
Beiter	Doutrich	Kinzer	Sadowski
Bell	Eaton	Kvale	Sanders, La.
Berlin	Eckert	Lambertson	Sandlin
Brennan	Fenerty	Lamneck	Schulte
Brooks	Ferguson	Lanham	Scrugham
Buckbee	Fernandes	Larrabee	Sears
Buckley, N. Y.	Fitzpatrick	McClellan	Seger
Bulwinkle	Ford, Calif.	McGrath	Sisson
Cannon, Wis.	Gassaway	McLean	Smith, Wash.
Cartwright	Goldsborough	McLeod	Snell
Casey	Gray, Ind.	Maloney	Steagall
Celler	Griswold	Marcantonio	Stewart
Christianson	Hancock, N. C.	Mead	Sumners, Tex.
Clark, Idaho	Harlan	Meeks	Sweeney
Clark, N. C.	Harter	Miller	Taylor, Colo.
Coffee	Hartley	Mitchell, Ill.	Terry
Cole, Md.	Healey	Montague	Thom
Connery	Hess	Montet	Thomas
Cooper, Ohio	Higgins, Conn.	Murdock	Tobey
Corning	Hobbs	Nichols	Treadway
Culkin	Hoeppel	Oliver	Turpin
Cummings	Hook	Patton	Underwood
Daly	Jenckes, Ind.	Peterson, Fla.	Wadsworth
Dear	Johnson, W. Va.	Pettengill	Weaver
Deen	Jones	Peyser	Wilson, La.
Dies	Kahn	Plumley	Zioncheck

So the motion was agreed to.

The Clerk announced the following pairs:

Mr. Miller with Mr. Snell.
Mr. Mead with Mr. Cooper of Ohio.
Mr. Sumners of Texas with Mr. Stewart.
Mr. Jones with Mr. Wadsworth.
Mr. Hancock of North Carolina with Mr. Andrews of New York.
Mr. Dingell with Mr. Tobey.
Mr. Kerr with Mr. Culkin.
Mr. Cartwright with Mr. McLeod.
Mr. Connery with Mr. Lambertson.
Mr. Pettengill with Mr. Plumley.
Mr. Fernandez with Mr. Quinn.
Mr. McClellan with Mr. Buckley of New York.
Mr. Beiter with Mr. Sweeney.
Mrs. Jenckes of Indiana with Mr. Meeks.
Mr. Zioncheck with Mr. Celler.
Mr. Nichols with Mr. Gillette.
Mr. Sandlin with Mr. Keller.
Mr. Terry with Mr. Gassaway.
Mr. Scrugham with Mr. Dear.
Mr. Larrabee with Mr. Peyser.
Mr. Berlin with Mr. Ford.
Mr. Dies with Mr. Wilson of Louisiana.
Mr. Sabath with Mr. Hobbs.
Mr. Taylor of Colorado with Mr. Maloney.
Mr. Brooks with Mr. Coffee.
Mr. Montet with Mr. Sisson.
Mr. Hook with Mr. Kennedy of Maryland.
Mr. Bell with Mr. Cummings.
Mr. Disney with Mr. Smith of Washington.
Mr. Goldsborough with Mr. Johnson of West Virginia.

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, my colleague, Mr. AMLIE, is unavoidably absent. If present, he would have voted "aye."

Mr. BLANTON. Mr. Speaker, a point of order before the vote is announced. I make the point of order that the Supreme Court of the United States clearly and distinctly and unequivocally held that in peacetimes such a bill as this is unconstitutional.

I realize full well that the Speaker from time to time has held that constitutional questions cannot be raised by a point of order and that, even if the entire membership believed a bill to be unconstitutional, even if the Speaker were convinced it was unconstitutional, the Speaker would have to rule against the point of order, because questions of constitutionality are for the courts, and not Congress, to decide. But in order to get another ruling by the Chair, so as to show clearly that the unconstitutionality of a bill cannot be raised against it by a point of order in the House, I make a point of order that the bill is unconstitutional and cannot be considered.

The SPEAKER. The Chair is ready to rule. The precedents are uniform. There does not appear to be a single exception. They are to the effect that it is not within the

province of the Chair to pass upon the constitutionality of a bill pending before the House, and that only the House itself can pass upon that question.

The Chair therefore overrules the point of order.

The result of the vote was announced as above recorded.

The doors were opened.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11563) declaring an emergency in the housing condition in the District of Columbia; creating a rent commission for the District of Columbia; prescribing powers and duties of the commission, and for other purposes, with Mr. UMSTEAD in the chair.

The Clerk read the title of the bill.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that the debate be limited to 2 hours, 1½ hours to be controlled by the gentleman from Illinois [Mr. DIRKSEN] and one-half hour by myself. I make this concession, Mr. Chairman, in the interest of the bill, hoping that the gentlemen on the other side will be sporty enough to go along.

The CHAIRMAN. Is there objection to the request of the lady from New Jersey?

Mr. BLANTON. Mr. Chairman, I am not "sporty" this afternoon. I object.

The CHAIRMAN. Objection is heard. The Clerk will read the bill.

The Clerk read as follows:

A bill declaring an emergency in the housing condition in the District of Columbia; creating a rent commission for the District of Columbia; prescribing powers and duties of the commission, and for other purposes

Be it enacted, etc., That it is hereby declared that the provisions of this act are made necessary by emergencies growing out of the war against the depression, resulting in rental and housing conditions in the District of Columbia dangerous to the general welfare, health, peace, and morals of the public and to public officers and public employees whose duties require them to reside within the District, and other persons whose activities are essential to the maintenance of such officers and employees, and thereby hampering the Federal Government in the transaction of public business. It is also declared that this act shall be considered temporary legislation and that it shall terminate on the expiration of 3 years from passage of this act unless sooner repealed.

SEC. 2. When used in this act, unless the content indicates otherwise—

The term "rental property" means any hotel, apartment, or rooming house, or any building or part thereof or land appurtenant thereto in the District of Columbia, rented or hired for dwelling purposes and the service agreed or required by law or by determination of the commission to be furnished in connection therewith; but does not include a garage, warehouse, or any building or part thereof used by the tenant exclusively for a business purpose other than the subleasing or subcontracting for use for living accommodations.

The term "person" includes an individual, partnership, association, corporation, trust, estate, joint stock, insurance company, legal representative, trustee, receiver, or trustee in bankruptcy.

The term "owner" includes a lessor or sublessor or other persons entitled to receive rent or charges for the use or occupancy of any rental property or any interest therein, or his agent.

The term "tenant" includes a subtenant, lessee, sublessee, or other persons not the owners entitled to the use or occupancy of any rental property.

The term "service" includes the furnishing of light, hot and cold water, gas, heat, telephone, elevator service, furniture, furnishings, window shades, screens, awnings, storage, kitchen, bath, laundry facilities and privileges, maid service, janitor service, removal of refuse, making of repairs suited to the type of building or necessitated by ordinary wear and tear, and any other privileges or services connected with the use or occupancy of any rental property.

The term "Commission" means the Rent Commission of the District of Columbia.

SEC. 3. A Commission is hereby created and established to be known as the "Rent Commission of the District of Columbia", which shall be composed of three commissioners, none of whom shall be directly or indirectly engaged in or in any manner interested in or connected with the real estate or renting business. The Commission shall be appointed by the President, by and with the advice and consent of the Senate.

The term of each commissioner shall be for the duration of this act. The Commission shall elect a chairman from its own members. The Commission shall have power and authority to adopt and enforce all such rules and regulations which it finds necessary or suitable to carry out the provisions of this act. All powers and duties of the Commission may be exercised by a majority of its members. Any vacancy in the office of any commissioner shall be filled in the same manner as the original appointment, except that the appointment of the commissioner shall be made only for the unexpired term of the commissioner whom he succeeds. A vacancy in the Commission shall not impair the right of the remaining commissioners to exercise all the powers of the Commission. The Commission shall have an official seal which shall be judicially noticed.

SEC. 4. Each commissioner shall receive a salary of $5,000 a year, payable semimonthly. The Commission shall appoint a secretary, who shall receive a salary of $3,000 a year, and an attorney who shall receive a salary of $3,500 a year, payable in like manner; and subject to the provisions of the civil-service laws, it may appoint and remove such other officers, examiners, engineers, appraisers, attorneys, employees, and agents and make such expenditures for rent, printing, telegrams, telephone, law books, books of reference, periodicals, furniture, stationery, office equipment, and other supplies and expenses as may be necessary to the administration of this act. The attorney appointed by the Commission shall appear for and represent the Commission in all judicial proceedings and generally perform such professional duties and services as attorney and counsel for the Commission as may reasonably be required of him by the Commission. All of the expenditures of the Commission shall upon the presentation of itemized vouchers therefor, approved by the chairman of the Commission, be audited and paid in the same manner as other expenditures for the District of Columbia.

SEC. 5. The assessor of the District of Columbia shall serve ex officio as an advisory assistant to the Commission, but he shall have none of the powers or duties of the Commission. The assessor, if required by the Commission, or his designated representatives or agents, if required by the Commission, shall attend such meetings and hearings as the Commission shall require by general or special order. Every officer or employee of the United States or of the District of Columbia whenever required by the Commission shall supply to the Commission any data or information pertaining to the administration of this act. The assessor shall receive, for the performance of the duties required by this section, a salary of $500 per annum payable monthly in addition to such other salary as may be prescribed for his office by law.

SEC. 6. For the purposes of this act the Commission or any officers, examiners, engineers, appraisers, attorneys, or such other employees or agents, shall at all reasonable times have access to, for the purpose of examination, and the right to copy, any books, account, records, papers, or correspondence relating to any matter which the Commission is authorized to consider or investigate; and the Commission shall have power to require by subpena the attendance and testimony of witnesses and the production of all such books, accounts, records, papers, or correspondence relating to any such matters. Each member of the Commission may sign subpenas, administer oaths and affirmations, summon and examine witnesses, conduct hearings, and receive evidence touching any matter which the Commission is authorized to consider or investigate. Any hearing, inquiry, or investigation required or authorized under the provisions of this act may be conducted or made by any individual commissioner, or any examiner, agent, or representative of the Commission or commissioner, and the order, decision, or determination of such commissioner, examiner, agent, or representative shall be deemed the order, decision, or determination of the Commission, unless the Commission on its own motion or on application duly made to it modifies or rescinds such order, decision, or determination.

Such attendance of witnesses and the production of such books, accounts, records, papers, and correspondence may be required from any place in the United States at any designated place of hearing. In case of disobedience to a subpena or the contumacy of any witness appearing before the Commission, or in case of the failure or refusal to file with the Commission any plans, data, or information required by the Commission under the provisions of this act the Commission may invoke the aid of the Supreme Court of the District of Columbia or of any district court of the United States. Such court may thereupon issue an order requiring the persons subpenaed to obey the subpena or to give evidence touching the matter in question or to file such plans, data, or information. Any failure to obey such order of the court may be punished by such court as a contempt thereof. No officer or employee of the Commission shall, unless authorized by the Commission or by a court of competent jurisdiction, make public any information obtained by the Commission. For the purposes of this act it is declared that all rental property is affected with a public interest and that all rents and charges therefor or service in connection therewith and all other terms and conditions of the use or occupancy thereof shall be fair and reasonable, and any unreasonable or unfair provision of a lease or other contract or agreement for the use or occupancy of such rental property with respect to such rents, charges, services, terms, or conditions is hereby declared contrary to public policy. The Commission upon its own initiative may, or upon complaint shall, determine whether the rent, charges, service, and other terms or conditions of a lease or contract or agreement for the use or occupancy of any such rental property are fair and reasonable. Such complaints may be made and filed by or on behalf of any tenant and by or on behalf of the owner of any rental property, notwithstanding the existence of a lease or other contract between the tenant and the owner or between the owner or any guest. The Commission may, and if requested shall, file with its determination a finding of the facts on the evidence presented and upon which its determination is based. Such findings of fact shall set out the following: (1) The fair and reasonable value of the whole property; (2) the allowance for maintenance, repairs, taxes, service, and all other expenses; (3) the separate rentals of the whole property as fixed by the Commission, or if not fixed by the Commission, then as paid by the tenants; (4) the Commission's esti-

mated net return to the owner upon the value as fixed by it; and (5) such other findings of fact as the Commission deems proper to submit. Such findings of fact shall constitute a part of the record of the case. In fixing and determining the fair and reasonable rents or charges for any rental property, hotel, or apartment the Commission shall in all cases take into consideration the character and condition of the property and the character of the service, if any, furnished in connection therewith. In all cases the Commission shall give notice personally or by registered mail and afford an opportunity to be heard to all parties in interest: *Provided, however,* That notice be given by the Commission to an agent collecting rents for his principal shall be deemed and held to be good and sufficient notice to the principal. The Commission shall promptly hear the issues and shall make known its order, decision, or determination within 60 days from the date of the filing of the complaint. The Commission shall promptly hear the issues involved in all complaints submitted to it and shall make known its order, decision, or determination within 60 days from the date of the filing of the complaint. All hearings before the Commission or any commissioner or designated agent or representative shall be open to the public. If the Commission determines that such rents, charges, service, or other terms or conditions are unfair or unreasonable it shall determine and fix such reasonable rent or charges therefor and fair and reasonable service, terms, or conditions of use or occupancy, and may also order and require the furnishing of such service by the owner as it shall lawfully determine to be fair and reasonable for the particular premises involved: *Provided, however,* That the Commission may, in its discretion, determine and fix the reasonable rent, charges, service, or other terms or conditions in any particular unit or units of a rental property without determining or fixing the reasonable rental, charges, services, or other terms or conditions in any other unit or units of such rental property. In any any suit in any court of the United States or the District of Columbia involving any questions arising out of the relation of landlord and tenant with respect to any rental property, apartment, or hotel, except on appeal from the Commission's determination as provided in this act, such court shall determine the rights and duties of the parties in accordance with the determination and regulations of the Commission relevant thereto.

SEC. 7. A determination of the Commission fixing a fair and reasonable rent or charge made in a proceeding before it shall be effective from the date of the filing of the complaint, unless in the opinion of the Commission a manifest injustice will result therefrom, in which case the Commission shall fix in its determination the date from which such determination shall be effective. The difference between amount of rent and charges paid for the period from the filing of the complaint to the date of the Commission's determination and the amount that would have been payable for such period at the fair and reasonable rate fixed by the Commission may be added to, or subtracted from, as the case demands, future rent payments or service charges for each subsequent rent period following such determination until the amount due under said determination shall have been in such manner paid, or in case of the termination of the relation of landlord and tenant between the parties, either party entitled to recover such amount may, at any time after the expiration of the time for an appeal from such determination has expired, bring an action in the municipal court of the District of Columbia: *Provided, however,* That if there be an appeal from the determination of the Commission to the Supreme Court of the District of Columbia, in general term, such additions or subtractions shall not be made nor suit instituted until the final decision of such appeal. The termination of the relation of landlord and tenant between the parties to any cause pending before the Commission shall not deprive either party to the right to a hearing; or subsequent to the Commission's determination therein, to a rehearing; or the right to recover in any action any sum which may be found to be due to either of the parties under such determination.

SEC. 8. Unless within 10 days after the filing of the Commission's determination any party to the complaint appeals therefrom to the Supreme Court of the District of Columbia, in general term, the determination of the Commission shall be final and conclusive. The Supreme Court of the District of Columbia, in general term, is hereby given jurisdiction to hear and determine appeals taken from the determinations and from all other orders whatsoever of a final nature of the Commission, and such appeals shall be given precedence over the other business of the court.

If such an appeal is taken from the determination or other final order of the Commission, the record before the Commission or such part thereof as the court may order shall be certified by it to the court and shall constitute the record before the court, and the Commission's determination or final order shall not be modified or set aside by the court except for error of law.

Appeals shall be determined by the court upon the evidence produced before the Commission and the findings of the Commission: *Provided, however,* That the court may order additional evidence to be taken before the Commission where the court believes that otherwise a grave injustice may be committed. The Commission may modify its findings as to the facts or make new findings by reason of the additional evidence so taken and it shall file such modified or new findings, which shall be conclusive, and its recommendations, if any, for the modification of setting aside of its original determination with the return of such additional evidence.

No determination of the Commission shall be affirmed, set aside, modified, or otherwise reviewed, or its enforcement in any manner stayed, except upon appeal from such determination as provided by this act.

In the proceedings before such court on appeal from determination of the Commission, the Commission shall appear by its attorney or other representative and submit oral or written argument to support the findings and determination of the Commission. No restraining order should be issued or temporary injunction granted against the Commission, except after a hearing, upon 5 days' notice, before at least three judges of the Supreme Court of the District of Columbia, with the opportunity to summon and examine witnesses in open court in support of the allegations of a complaint or petition made under oath, and testimony in opposition thereto, if offered.

SEC. 9. The right of the tenant to the use or occupancy of any rental property existing at the time this act takes effect, or thereafter acquired, under any lease or agreement for such use or occupancy or under any extension thereof by operation of law, shall, notwithstanding the expiration of the term fixed by such lease or contract, continue at the option of the tenant, subject, however, to any determination or regulation of the Commission relevant thereto; and such tenant shall not be evicted or dispossessed so long as he pays the rent and performs the other terms and conditions of the tenancy as fixed by such lease or contract, or in case such lease or contract is modified by any determination or regulation of the Commission, then as fixed by such modified lease or contract.

All remedies of the owner at law or equity, based on any provision of any such lease or contract to the effect that such lease or contract shall be determined or forfeited if the premises are sold, are hereby suspended so long as this act is in force. Every purchaser shall take conveyance of any rental property or apartment subject to the rights of tenants as provided in this title. The rights of the tenant under this act shall be subject to the limitation that the bona-fide owner of any rental property shall have the right to possession thereof if necessary immediately for actual and bona-fide occupancy by himself, or his wife, children, or dependents, or for the making of material repairs or alterations, or for the remodeling or erection of a new building whether or not to be used for rental purposes by the owner or for any other purpose inconsistent with the continued use or occupancy of the existing tenant, if such purpose does not involve unfair discrimination against such tenant and in favor of any subsequent tenant, or if the tenant commits waste, nuisance, breach of peace, or is otherwise disorderly upon the premises, upon giving 30 days' notice in writing, served in the manner provided by section 1223 of the act entitled "An act to establish a Code of Laws for the District of Columbia", approved May 3, 1901, as amended, which notice shall contain a full and correct statement of the facts and circumstances upon which the same is based, but in no case shall possession be demanded or obtained by such owner in contravention of the terms of any lease or contract. If there is any dispute between the owner and the tenant as to the accuracy or sufficiency of the statement set forth in such notice as to the good faith of such demand, or as to service of notice, the matters in dispute shall be determined by the Commission. During the period between the service of the notice and the final decision in the proceedings for the recovery of possession the tenant shall pay to the owner rent in accordance with the terms of the lease or other contract for the use or occupancy of the rental property, or, in case such lease or contract is modified by any determination of the Commission, then in accordance with such modified lease or contract. Acceptance of such rent by the owner shall not be held a waiver by him of any right under the provisions of this section or under the terms of the lease or contract. If any tenant fails so to pay rent to the owner during such period, the rights of the tenant under this section shall cease.

SEC. 10. Pending the final decision on appeal from a determination of the Commission, the Commission's determination shall be in full force and effect and the appeal shall not operate as a supersedeas or in any manner stay or postpone the enforcement of the determination appealed from. This section shall not be held to terminate any right for the recovery of rent in an action in the municipal court of the District of Columbia if such right arose prior to the time that this section takes effect.

In case of the increase of the rent for the use or occupancy of any rental property made by a determination of the Commission from which an appeal is taken by the tenant under the provisions of this title, the tenant shall, from time to time during the period between the filing of the determination and the time when the determination becomes final, and in accordance with the terms of the lease or other contract, pay the Commission the amount of the increase and to the owner the remainder of the amount of rent fixed by the determination. In lieu of such payments the tenant may, in the discretion of the Commission and at the time of taking the appeal, give bond, approved by the Commission, for the payment of the amount of the increase. The disposition of moneys so paid to the Commission and the payments under the terms of the bond shall be made in accordance with the determination of the Commission, as modified by the final decision on appeal. The court shall dismiss the appeal of any tenant who fails to comply with this subdivision.

In case of a decrease of the rent by any such determination, the tenant shall, from time to time during such period and in accordance with the terms of the lease or other contract, pay to the owner the amount of rent fixed by the determination. The difference, if any, between the amount of rent paid during such period and the amount that would have been payable for such period, under the determination as modified in accordance with the final decision on appeal, may be added to future rent payments or sued

for and recovered in an action in the municipal court of the District of Columbia.

SEC. 11. The determination of the Commission in a proceeding begun by complaint or upon its own initiative fixing fair and reasonable rents, charges, service, and other terms and conditions of use or occupancy of any rental property shall constitute the Commission's determination of the fairness and reasonableness of such rents, charges, service, terms, or conditions for the rental property affected, and shall remain in full force and effect notwithstanding any change in ownership or tenancy thereof, unless and until the Commission modifies or sets aside such determination upon complaint either of the owner or of the tenant.

SEC. 12. If, in any proceedings before the Commission involving any lease or other contract for the use or occupancy of any rental property, the Commission finds that at any time after the passage of this act, but during the tenancy, the owner has, directly or indirectly, willfully withdrawn from the tenant any service agreed or required by a determination of the Commission to be furnished, or has by act, neglect, or omission contrary to such lease or contract, or to the law or any ordinance or regulation made in pursuance of law, or of a determination of the Commission, exposed the tenant, directly or indirectly, to any unsafe or insanitary condition or imposed upon him any burden, loss, or unusual inconvenience in condition with his use or occupancy of such rental property, the Commission shall determine the sum which in its judgment will fairly and reasonably compensate or reimburse the tenant therefor. In any such proceeding involving a lease or other contract, the term specified in which had not expired at the time the proceeding was begun, the Commission shall likewise determine the amount or value of any bonus or other consideration in excess of the rental named in such lease or contract received at the time, directly or indirectly, by the owner in connection with such lease or contract. The tenant may recover any amount so determined by the Commission in an action in the municipal court of the District of Columbia in the manner provided for under section 14 of this act.

SEC. 13. The Commission shall by general order, from time to time, prescribe the procedure to be followed in all proceedings under its jurisdiction. Such procedure shall be as simple and summary as may be practicable, and the Commission and parties appearing before it shall not be bound by technical rules of evidence or of pleading.

SEC. 14. Whenever under this act a tenant is entitled to bring suit to recover any sum due him under any determination of the Commission, the Commission shall, upon application by the tenant, and without expense to him, commence and prosecute in the municipal court of the District of Columbia an action on behalf of the tenant for the recovery of the amount due, and in such case the court shall include in any judgment rendered in favor of the tenant the costs of the action, including a reasonable attorney's fee, to be fixed by the court. Such costs and attorney's fee, when recovered, shall be paid into the Treasury of the United States to the credit of the District of Columbia.

SEC. 15. Any person who with intent to avoid the provisions of this act enters into any agreement or arrangement for the payment of any bonus or other consideration in connection with any lease or other contract for the use or occupancy of any rental property, or who participates in any fictitious sale or other device or arrangement the purpose of which is to grant or obtain the use or occupancy of any rental property, without subjecting such use or occupancy to the provisions of this act or to the jurisdiction of the Commission shall upon conviction be punished by a fine not exceeding $1,000 or by imprisonment for not exceeding 1 year, or by both.

SEC. 16. The Commission shall prescribe standard forms of leases and other contracts for the use or occupancy of any rental property, and shall require their use by the owner thereof. Every such lease or contract entered into after the Commission has prescribed and promulgated a form for the tenancy provided by such lease or contract shall be deemed to accord with such standard forms; and any such lease or contract or in any proceeding before the Commission or in any court of the United States or of the District of Columbia shall be interpreted, applied, and enforced in the same manner as if it were in the form and contained the stipulations of such standard form.

SEC. 17. No tenant shall assign his lease of or sublet any rental property at a rate in excess of the rate paid by him under his lease without the consent of the Commission upon application in a particular case, and in such case the Commission shall determine a fair and reasonable rate of rent or charge for such assignment or sublease. This section shall not be construed as in any way authorizing the assignment of any lease or the subletting of any rental property in violation of the terms of the lease or other contract for the use or occupancy of the rental property or of such lease or contract as extends by operation of law.

SEC. 18. When requested by the Commission the owner of a rental property shall file with the Commission plans and other data under oath descriptive of the rooms, accommodations, and service in connection with such rental property, and a schedule of rates and charges therefor, and such other data as the Commission may deem relevant. The Commission may after consideration of such plans, schedules, data, or other information, determine, and fix a schedule of fair and reasonable rates and charges for such rental property and the rates and charges stated in such schedule shall thereafter constitute the fair and reasonable rates and charges for such rental property. The Commission's determination on such case shall be made after notice and hearing and shall have the same effect as any other determination of the Commission.

SEC. 19. The sum of $50,000, or as much thereof as may be necessary, is hereby authorized to be appropriated and made immediately available to carry out the provisions of this act, to be paid out of the revenues of the District of Columbia, and annually thereafter the Commissioners of the District of Columbia shall include in the estimate of appropriations for the District of Columbia such amount as may be necessary.

SEC. 20. The Commission may, upon the request of the President, or from time to time upon its own initiative, make and publish such factual investigations, surveys, and studies on the rental and housing conditions in the District as it may consider necessary and proper to effectuate the purpose of this act.

The Commission shall within 1 year following the enactment of this act report to the Congress the progress of the administration under the provisions of this act and shall make such report annually and upon the termination of the activities of the Commission. The Commission shall make such recommendations to the Congress as it deems necessary for the protection and preservation of the public good.

The Commission may publish its determinations, opinions, rulings, and regulations, all important court and administrative decisions in respect to this act, and such provisions of the law relating to landlords and tenants as the Commission deems advisable, together with a cumulative index digest thereof.

SEC. 21. The provisions of this act shall not apply to a new building in the course of construction at the time of the enactment of this act or commenced thereafter.

SEC. 22. Any violation of this act or of any order of the Commission, committed before the termination of this act, may, after such termination, be prosecuted by and in the name of the Attorney General in lieu of the Commission in the same manner and with the same effect as if this act had not been terminated.

In the case of any proceeding begun under the provisions of this act before the termination of this act, or any proceeding on appeal from a determination of the Commission begun before the termination of this act, such proceeding may, after such termination, be continued in the same manner with the same effect as if this act had not been terminated, and all powers and duties in respect to such proceedings (including the custody and disposition of moneys paid under section 13) vested in the Commission by this act shall for the purposes of such proceedings be vested in the Attorney General.

Any right or obligation based upon any provision of this act or upon any order of the Commission, accrued prior to the termination of this act, may, after the termination of this act, be enforced in the same manner and with the same effect as if this act had not been terminated.

The Attorney General shall, after the termination of this act, appoint the attorney last appointed by the Commission to assist in the enforcement of this act. Such attorney shall continue to receive compensation for such services at the rate of $3,500 per annum payable semimonthly.

SEC. 23. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 24. The right to alter, amend, or repeal any provision of this act is hereby reserved to the Congress.

SEC. 25. This act may be cited as the District of Columbia Emergency Rent Act.

SEC. 26. This act shall take effect immediately.

During the reading of the bill the following proceedings occurred:

Mrs. NORTON. Mr. Chairman, I move that further reading of the bill be dispensed with.

Mr. BLANTON. Mr. Chairman, I make the point of order that the motion of the lady from New Jersey is not in order.

The CHAIRMAN (Mr. UMSTEAD). The point of order is sustained.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

Mr. BLANTON. Mr. Chairman, believing this bill to be unconstitutional, I object. It ought to be read in order that Members may understand it.

(The Clerk continued the reading of the bill.)

Mr. EKWALL. Mr. Chairman, I move that further reading of the bill be dispensed with.

Mr. BLANTON. Mr. Chairman, I make a point of order against that motion.

The CHAIRMAN. The motion is not in order.

(The Clerk continued the reading of the bill.)

Mr. ELLENBOGEN. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BLANTON. Mr. Chairman, being convinced that the bill is unconstitutional, I am constrained to object.

Mr. O'BRIEN. Mr. Chairman, the regular order.

The CHAIRMAN. The regular order is that the Clerk will read.

(The Clerk continued the reading of the bill.)

Mr. TABER. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. TABER. I suggest that we ought to have a quorum present when such an important bill as this is being read.

The CHAIRMAN. Does the gentleman make the point of order that no quorum is present?

Mr. TABER. I do, Mr. Chairman.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and seventeen Members are present, a quorum.

(The Clerk continued the reading of the bill.)

Mr. HOUSTON. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

Mr. BLANTON. Mr. Chairman, being convinced that the bill is unconstitutional, I object.

(The Clerk continued the reading of the bill.)

Mr. ELLENBOGEN. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BLANTON. Mr. Chairman, reserving the right to object, there has been at last an understanding with the chairman of the committee with regard to time for debate.

Mr. DOBBINS. Mr. Chairman, the regular order.

The CHAIRMAN. The regular order is demanded. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BLANTON. Mr. Chairman, I object. We had an understanding with the chairman, and if that could have been stated, there would have been no objection.

The regular order was demanded.

Mr. BLANTON. Very well, Mr. Chairman. I object.

Mr. ELLENBOGEN. Mr. Chairman, I renew my request. I ask unanimous consent that the further reading of the bill be dispensed with.

Mr. MARTIN of Massachusetts. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The regular order is demanded. The Clerk will read.

The Clerk continued the reading of the bill.

Mrs. NORTON (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with; and pending that I wish to state that we have an agreement about the time.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

Mr. LORD. Mr. Chairman, the bill evidently is unconstitutional. I object.

The Clerk continued reading the bill.

Mr. BLANTON (interrupting the reading of the bill). Mr. Chairman, I move that the Committee do now rise.

The question was taken.

Mr. BLANTON. Mr. Chairman, I ask for a division.

The Committee divided; and there were—ayes 40, noes 33.

Mr. ELLENBOGEN. Mr. Chairman, I make the point of order there is not a quorum present.

The CHAIRMAN. The Chair will count.

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Mr. Chairman, I make the point of order that a point of no quorum is not in order after the Committee has determined to rise.

The CHAIRMAN. The point of order is sustained. The vote had already been announced.

Mr. ELLENBOGEN. Mr. Chairman, I ask for tellers.

Mr. BLANTON. Mr. Chairman, I make the point of order that the request comes too late, business having intervened.

The CHAIRMAN. The point of order is overruled. The question is on ordering tellers.

Tellers were ordered, and the Chair appointed as tellers Mrs. NORTON and Mr. BLANTON.

The Committee again divided; and there were—ayes 30, noes 61.

Mr. BLANTON. Mr. Chairman, I object to the vote on the ground there is not a quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and fourteen Members are present, a quorum.

The Clerk continued reading the bill.

Mr. BLANTON (interrupting the reading of the bill). Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. Section 24, which the Clerk is about to read, is so very important that we ought to have exceptionally good order so the membership may hear it.

The CHAIRMAN. The Committee will be in order.

Mr. WADSWORTH. Mr. Chairman, I ask unanimous consent that the Clerk be directed to read section 24 in a loud and resonant voice.

The Clerk read section 24 of the bill.

Mr. WADSWORTH. Mr. Chairman, I ask unanimous consent to make a brief statement.

Mr. ELLENBOGEN. Mr. Chairman, I object.

Mr. WADSWORTH. Mr. Chairman, tremendous issues are brought up in this section. I ask unanimous consent to proceed out of order for 1 minute.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed out of order for 1 minute. Is there objection?

There was no objection.

Mr. WADSWORTH. Mr. Chairman, it is very difficult, indeed, for me to express an opinion in a moment of time on a subject of such terrific importance as that involved in section 24 of this bill. The idea that the Congress should presume to declare in a statute of the United States that it has the right to legislate passes my comprehension, sir. This is going too far. I think something should be done about it, something in the way of a limitation. If I can bring myself to be here when the section is finally reached in the reading of the bill, I propose to offer an amendment by adding these words at the end of the section: "except in leap year." [Laughter.]

The Clerk concluded reading the bill.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that debate on the bill be limited to 2 hours, 20 minutes of which shall be controlled by the gentleman from Texas [Mr. BLANTON], 20 minutes by the gentleman from New York [Mr. TABER], 30 minutes by myself, and the remainder of the time by my colleague, who is opposed to the bill, the gentleman from Illinois [Mr. DIRKSEN].

Mr. TABER. Mr. Chairman, reserving the right to object, and I am not going to object, I am willing to have this done, but I am afraid it would not be valid, because the committee has not that power.

Mr. LEHLBACH. It has the power by unanimous consent to do anything.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

Mr. LEHLBACH. Mr. Chairman, I object.

The CHAIRMAN. The gentlewoman from New Jersey [Mrs. NORTON] is recognized for 1 hour.

Mrs. NORTON. Mr. Chairman, it is plainly evident that a few Members in this House have misrepresented this bill to so great an extent that they have been successful in wasting almost the entire afternoon in filibustering and in all the other tactics that have been employed to prevent this bill from coming up for consideration, which I regret very much. This is not my bill. I am simply chairman of the District of Columbia Committee, but I have always taken the position that any member of that committee is entitled to bring in a bill and have it fully considered, if and when it has

been fully considered by the committee and favorably reported. I believe that every fair-minded Member of the House will agree that should be done.

Mr. Chairman, the Committee on the District of Columbia has reported this bill out almost unanimously. Of course, I am perfectly well aware that that does not mean anything to certain Members of the House, but we have no dictator in our committee. We believe in fair play. We believe in allowing a bill to be considered on its merits, as I said before. If it is the wish of the Members of this House to vote down this bill, I can assure you that the committee will accept this decision, but I think every fair-minded Member of the House is with me when I say that when the District of Columbia Committee reports bills to the House they should be considered fairly and on their merits. It so happens it is rather remarkable when that does happen. I have seldom known bills which were important to the people of the District of Columbia not being objected to when brought up here for consideration.

We have a very strange sort of government in the District. The people here pay taxes. They are not allowed to say how their money shall be spent; in fact, they are not allowed to say anything about what they want done in the District of Columbia. They have to take what they get. It would seem that this sort of day is one of the best arguments that could be brought forth for giving the District of Columbia people the right to elect a Representative so that they may say for themselves, through their own Representative, what they want and bring into this House sufficient influence to have their bills considered fairly at least.

As I said before, I came here with an open mind on this bill. I think it is a good bill. If I can be convinced it is not a good bill, all right; but, for goodness sake, let us fairly consider the bill. I hold in my hand the correspondence which has come in during the last month from poor tenants who have not a voice in District affairs. These people have been gouged by certain real-estate men in the District. I am not one bit in doubt as to what the reason is for the attitude of certain Members of the House today. Of course, the real-estate people of the District have a lot of influence. They have a lot of influence on a few of the Members of the House, which is the reason this filibuster has been going on. That is the reason the bill has not been permitted to be considered on its merits.

I may say to the Members that last year, when this bill was brought up for consideration, the same thing happened. But we decided at that time that we would wait awhile and see whether or not the real-estate people would themselves do something about this condition. I asked them to consider the bill and to give the tenants some opportunity to present their case—to do something about this great injustice. I was simply laughed at and ignored. They thought there was no chance of the bill even coming before the House; so they did not take me very seriously. In the meantime hundreds of people came to the office and implored me and our committee to do something about the rents that have taxed the poor people in this District. I have hundreds of pathetic appeals in my files from people who knew not where to go for redress.

The real-estate men have been very cute about this matter. Most of them have seen to it that the rents in high-priced apartment houses and hotels have not been raised to any great extent. I do not think they have been. But when you come to the one- and two-room apartments in the city it is a different story. It amounts to a scandal that Federal employees who come here cannot live decently or get a place to cover their heads for less than $40 or $50 in any decent respectable community in this city. That $50 apartment includes one room with a Murphy bed, a bath, and a small kitchenette—just a place to move in.

I leave it to the Members of the House who come from big cities to say how the rents in their respective cities compare with rents in Washington. There is not a city in the country where rents are higher than in the city of Washington, and I know something about the situation. In my city, where we have a high tax rate, you can get three rooms in a very good neighborhood, heated and in splendid condition, for $50 a month. In New York City, where taxes also are very high, you can get the same kind of accommodations. Yet here in Washington the poor people cannot get any redress, and they cannot get a place that is decent to live in under $40 to $50 a room. Let me say that very few of you would want to live in places that can be secured at that price.

Mr. Chairman, I know the time is getting late, and that it probably will be impossible to vote on the pending bill today, but we are going to bring this bill in again, and we are going to ask the Members of the House to vote on it. I do not think it will be necessary to force the fair Members of the House to give this bill consideration, because I know they have an open mind and will vote as their conscience dictates. But to those who are opposed to the bill, and opposed to it for purely selfish reasons, some of whom own property in the city of Washington, may I say that we shall have a vote on this bill and will decide the bill on its merits? [Applause.]

Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. ELLENBOGEN], the author of the bill.

Mr. LEHLBACH. Mr. Chairman, I make a point of order that the lady has no time under her control which she may yield.

Mr. BLANTON. Mr. Chairman, I ask for recognition against the bill.

The CHAIRMAN. The gentlewoman from New Jersey [Mrs. NORTON] was recognized for 1 hour. The Chair rules that she does have time to yield.

The gentleman from Pennsylvania is recognized for 10 minutes.

Mrs. NORTON. Mr. Chairman, I reserve the balance of my time, outside of the 10 minutes yielded to the gentleman from Pennsylvania [Mr. ELLENBOGEN].

Mr. ELLENBOGEN. Mr. Chairman, I would like to say to my colleagues that some of them are very unfair today. This House organized the Committee on the District of Columbia so that the committee may perform the functions of the House in originating legislation for the District of Columbia. We are carrying your burden. We are doing something in which we have no personal interest, and you owe it to us to give us a fair hearing when we come before you. Let me also add that I have no interest in this bill whatsoever. You can vote it up or down. It does not mean one vote to me either way, but I have brought this bill before you under the leadership of the distinguished gentlewoman from New Jersey, because at least 95 percent of the people of the District demand it. The Washington Central Labor Union has endorsed it. Every organization of Government employees is for it.

Let me also tell you this. There are very few bills for the District of Columbia in which your constituents are interested, but they are interested in this measure because your constituents, composed of over 112,000 Government employees in the District of Columbia, are exploited by unscrupulous landlords, and they are asking your protection. They have a vote and they will go back to their districts and I hope when they judge you they will also consider your vote on this measure. I do not mean this as a threat at all, but the Government employees whom we have brought to Washington have a right to ask us for protection against exorbitant rents.

At the end of January 1936 the United States Bureau of Labor Statistics reported 112,349 Federal employees in the District of Columbia. This total does not include some 12,000 employees of the District government nor several thousand members in the military, legislative, and judicial branches of the Government.

The number of Federal employees in the District has increased from 65,437 in June 1933 to 112,349 in January 1936. This is an increase of 46,912 persons in less than 3 years. This is an increase of over 70 percent in the number of Federal employees since June 1933.

There has been an increase in the number of Federal employees here in the District every month for 32 consecu-

tive months since June 1933. There has been an increase every single month since that date.

This figure of 112,349 for January 1936 is within 5,411 of the all-time peak of Federal Government employment in the District of 117,760 on Armistice Day, 1918. There is every evidence that within 3 months we will have reached the wartime peak.

Are not these facts conclusive evidence that an emergency exists in the District relative to housing conditions? We cannot ignore these facts. Congress must take notice of these conditions and enact legislation to protect the welfare of District residents.

An emergency does exist here in the District. At the hearings on H. R. 3809, an identical bill was reported out by the committee. Mr. James Ring, who assisted the Senate Committee on the District of Columbia and its subcommittee on Rental Investigation in 1932, and who made the survey on "Rent and Housing Conditions in the District of Columbia" for the Public Utilities Commission in 1934, and who is now employed by the Alley Dwelling Authority, testified that in his judgment an emergency exists in the rental situation in the District. At page 11 of the hearings the following appears:

Mr. ELLENBOGEN. I gather from your testimony that in your opinion an emergency exists at this time in the rental situation here in the city of Washington?
Mr. RING. Yes; I certainly think so.

Mr. C. M. Maples, Mr. Robert M. Sentmen, and Mr. Wilbur J. Cohen, representing the Washington Central Labor Union, committee on rents and low-cost housing, all testified at the hearings that an emergency existed. Mr. William Kinney, Mr. Malkin, and Miss Cathryn Wood all supported this view that an emergency exists.

There are more Federal employees in the District right now than at any time during the existence of the former Rent Commission.

Considering all these facts, I am convinced that this legislation is constitutional under the decisions of the United States Supreme Court in *Block* v. *Hirsh* (256 U. S. 135) and *Marcus Brown Holding Co.* v. *Feldman* (256 U. S. 170). I am further convinced that this legislation is both socially desirable and necessary. I base my conclusions upon the data and evidence presented before the subcommittee and published in the hearings and the reports of the committee.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. I cannot yield now as I have only 10 minutes.

Let me say something about the constitutionality of the bill.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. I will be pleased to yield when I have finished. I have only 10 minutes.

First, about the constitutionality of the bill. Those who say this bill is not constitutional are absolutely wrong and they know it. The Supreme Court of the United States, in the case of *Block* v. *Hirsh* (256 U. S. 135), has declared a statute in the very same language, under the very same circumstances, constitutional, and now you are going to tell the Supreme Court that its own judgment is wrong.

Mr. DIRKSEN. Is the gentleman referring to the wartime measure?

Mr. ELLENBOGEN. It was not a wartime measure.

The CHAIRMAN. Does the gentleman yield to the gentleman from Illinois?

Mr. ELLENBOGEN. Not at this time. I will be pleased to yield later.

The CHAIRMAN. The Chair will ask that the speaker be not interrupted without first addressing the Chair to see whether the speaker will yield or not.

Mr. ELLENBOGEN. In October 1919 this House passed, and the Senate concurred, and the President signed a bill which is practically identical. This was 1 year after the armistice, and it was at a time when the emergency in the District of Columbia was not as great as it is today because, today, only one-half of 1 percent of the apartments in Washington are vacant. Do you mean to say that the law of supply and demand has any chance when only one-half of 1 percent of the property is vacant? Everybody knows that you cannot secure a decent apartment in Washington at a fair rental.

I know the motives of the gentleman from Texas [Mr. BLANTON] are good and I know he has done great things, but I say he is greatly mistaken in this case. This bill is constitutional under the decision of the highest court of the State of New York and the highest court of the United States. The United States Supreme Court in 256 U. S. 135 had substantially the same bill under consideration, and while some gentlemen were wasting time here this afternoon, one Member of the House asked me to see this book and he read this decision and said, "It is as clear as a bell that the bill is constitutional."

In that decision of the Court, delivered by Mr. Justice Holmes, it was said at page 156:

Congress has stated the unquestionable embarrassment of Government and danger to the public health in the existing condition of things. The space in Washington is necessarily monopolized in comparatively few hands, and letting portions of it is as much a business as any other. Housing is a necessity of life. All the elements of a public interest justifying some degree of public control are present.

The former Rent Commission in its report to President Coolidge on May 22, 1925, stated on page 47:

The only effective protection for tenants is rent regulations by an administrative body created by Congress * * *.

The former Rent Commission was even of the opinion that rent regulation could be made permanent legislation under the police power of Congress to legislate for the peace, safety, health, comfort, morals, and welfare of the District.

Now, what does the bill do? The bill sets up a commission of three and this commission is charged with the duty of determining a fair, reasonable rental for the apartments in cases that come before it upon complaint. The landlords are protected because in determining the rental, the Commission must base its decision upon the fair value of the property at the time of the decision and allow a fair return upon the property.

What else can anybody ask? If you own real estate in the District of Columbia, your property will be valued at a fair value and you will be allowed a fair return. Can anybody ask for more?

Oh, yes; some of the gentlemen are going to say that this is going to increase rents and not decrease them. If this is going to increase rents why is the real-estate lobby in Washington up in arms and using every means to defeat the legislation?

You may say that the bill will discourage new building. There is a paragraph in the bill that provides that the power of the Commission does not apply to new buildings. So it will not affect new buildings.

Those Members who think that these terrible rental and housing conditions in the District have existed here for only a short time should read the Report of the Public Utilities Commission on Rent and Housing Conditions in the District of Columbia, published as Senate Document No. 125, in the Seventy-third Congress, second session.

They should read the hearings before a subcommittee of the Senate District Committee on Senate Resolution 248 in the Seventy-second Congress, second session, in 1932. They will become acquainted with facts and conditions that will amaze them.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. In a moment; I shall be very happy to yield, but not at this time.

I now want to say to my distinguished friend from New York [Mr. WADSWORTH] that the purpose of section 24 is this: The Legislature of Maryland passed a statute long ago by which it conferred a charter upon a great university.

And after that had been done, a dispute arose about an amendment to the charter. The case was taken into court, and the court decided that the charter was a contract between the trustees of the University of Maryland and could not be changed.

In determining the value of the property in this bill we felt that it was ordinary caution to reserve the right to change it so that no question of contract would arise. I hope that will satisfy the gentleman from New York. Now, Mr. Speaker, I will yield back the balance of my time to the lady from New Jersey.

Mr. DIRKSEN. Will the gentleman yield?

Mr. ELLENBOGEN. If the gentleman from Illinois will yield me some time when he has it, I shall be most happy to answer any question that may be propounded.

Mr. DIRKSEN. The gentleman from Illinois has no time to yield now.

Mrs. NORTON. I yield the gentleman from Pennsylvania 3 minutes more.

Mr. ELLENBOGEN. I will yield to the gentleman from Illinois for a short question.

Mr. DIRKSEN. How does the gentleman explain away the discrimination in the bill, inasmuch as it does not apply to new buildings? You could have a new house here and an old house there in the same block, and there would be a clear discrimination.

Mr. ELLENBOGEN. I will agree with the gentleman that there is discrimination, but we considered it more important to encourage new building than to do away with the discrimination.

Mr. DIRKSEN. How can you justify that from the point of constitutionality?

Mr. ELLENBOGEN. I will yield to the gentleman from Texas for any question he may desire to propound.

Mr. BLANTON. I do not think there is any question I could ask the gentleman that he could answer satisfactorily to me.

Mrs. NORTON. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. BLANTON. The lady from New Jersey cannot do that.

The CHAIRMAN. The lady from New Jersey has yielded 10 minutes to the gentleman from Illinois [Mr. DIRKSEN]. The Chair recognizes the gentleman from Illinois.

Mr. DIRKSEN. Mr. Chairman and Members of the Committee, my first objection to the bill is that it carries a mixture of rent control and housing, when as a matter of fact, new housing is not at all involved. It is not a question of whether there is ample housing in the District of Columbia, for, if it were, you can find ample evidence in the want-ad section of any Sunday newspaper that ample shelter is available for all. Yesterday I went to the trouble of canvassing all the classified advertising in the Washington Star. I found there are available and for rent at the present time at all prices in a single Sunday edition 106 furnished apartments, 8 unfurnished apartments, 149 unfurnished apartments, 8 suburban apartments, 11 furnished houses, 50 unfurnished houses, 154 houses for sale, including many new houses, and 320 furnished rooms. That is only one of the many Sunday editions of the Washington newspapers, and I fancy that if I had consulted the other Washington newspapers a similar condition would have manifested itself. Nobody can, therefore, come here and contend that there is a shortage of housing in the sense that there is not ample shelter for all of the people who are presently domiciled in the Nation's Capital. That is why this is not a housing bill. This is very essentially and solely and fundamentally a bill to control rents and nothing more, and to that end I wish to address myself. First, may I point out the distinction, as I see it, between a control of rents in 1936 and the control of rentals during wartime? When the war came on there was insufficient housing in the city of Washington. It was not a question of rent, it was a question of not having enough rooms, apartments, and houses to take care of the military personnel that came to this city. A military emergency was involved. It was an outside emergency. We were at war. It was real war. Congress passed the Rent Commission bill that finally got by the Supreme Court, but it was not on all fours with the condition manifest at the present time. Rent was only a part of it, as a matter of fact. There they were dealing with the essential problem of adequate housing.

As a rent-control measure, this bill seeks to set up a commission of three men, who are to receive annual salaries of $5,000 each, a secretary for $3,000, and an attorney for $3,500. This commission is given the power to make every rule and regulation that they see fit in order to control rentals. That commission shall have power not only to make such rules and regulations, but to appoint appraisers, examiners, investigators, and everybody else necessary to get the data whereupon to predicate what they claim to be fair and reasonable rentals. The commission also has authority to call on anybody in the Government, whether it be an officer or an employee, and those people must give testimony. The commission has power to issue subpenas, and power to go into the court and to punish in case there is contempt of a subpena. That is a lot of power to confer upon any commission. In addition thereto they have a right to go into the books and records of accounts of anybody not only in Washington, D. C., but in any place in the United States in order to come to some determination on the question of fair and reasonable rentals. You will find that language on page 7. If you followed the reading of the bill at length a little while back, you will have found that it also provides that the commission may, on its own initiative or by complaint, examine into the fairness and reasonableness of established rentals, notwithstanding the existence of a lease. If the commission can dump over summarily a contract or a lease that has been negotiated between the landlord and the tenant, it occurs to me that it violates the due-process clause by taking property without due process of law and by impairing the validity of a contract. Not a person in this Chamber will contend that such a power is constitutional. That is another objection I have to this bill.

Next, Mr. Chairman, it will congest the courts with litigation. Here comes Jones, a tenant, and files a complaint against Joe Brown, the landlord, that his rent is too high. The commission takes jurisdiction. It goes into the matter and seeks to determine the value of the property, the necessity for repairs and services and maintenance, and so forth, and uses that as a basis for a rental, and then the bill provides that the commission shall have the power to fix and determine what the rent shall be. If you were a landlord, you know full well that if you felt that rental was not an adequate return on your invested capital, you would go into the courts and contest such action by the commission. You would appeal to the Supreme Court of the District of Columbia, and the first thing you know that court would be so full of landlord-and-tenant cases it would not have time for any other business.

Mr. ELLENBOGEN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. You have the right to appeal to the Supreme Court of the District of Columbia.

The CHAIRMAN. Does the gentleman yield to the gentleman from Pennsylvania?

Mr. DIRKSEN. I yield.

Mr. ELLENBOGEN. The bill says that the commission must so fix the rent that it allows a fair and reasonable return upon the property.

Mr. DIRKSEN. And that is only a permissive discretionary power in the hands of the commission.

Mr. ELLENBOGEN. That is mandatory on the commission under the form of the bill.

Mr. DIRKSEN. Your formula is as wide open as that door. The commission has all the discretion in the world within those limits. Who is to determine what is fair and reasonable, and who is to determine what the return on an investment shall be?

Mr. ELLENBOGEN. If the owner claims the return fixed is confiscatory the court can say it is too low, but the commission will probably fix 6 or 7 percent.

Mr. DIRKSEN. The gentleman explains it just as I have explained it. The commission might say that a landlord is entitled to 6 percent on $100,000 or 20 percent. Who is to determine except the commission?

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Will the gentlewoman from New Jersey yield me more time?

Mrs. NORTON. I yield the gentleman 5 additional minutes.

Mr. MAVERICK. I should like to know the gentleman's view on the proposition of leaving out new houses. I do not see why any type of houses should be left out, and I should like to know the gentleman's view upon that.

Mr. DIRKSEN. This bill specifically states, in section 21, on page 23:

> This act shall not apply to a new building in the course of construction at the time of the enactment of this act or commenced thereafter.

Now, if you have an existing building on this corner of a block, and I have a new building in the process of construction right next to yours, which will be completed 2 weeks after this act goes into effect, the housing commission can take jurisdiction of your existing building but cannot take jurisdiction of mine. I can discriminate just as freely as I please about rents but you cannot. Does the gentleman think for a moment a bill of that kind can be sustained in the courts, when it does not follow any system of uniformity whatsoever? Certainly not. That is another vital objection to the bill.

Mr. BOILEAU. Will the gentleman yield?

Mr. DIRKSEN. I yield for a question.

Mr. BOILEAU. The gentleman from Pennsylvania said this bill was identical with the bill enacted during the wartime. Was the provision to which the gentleman has just referred in the bill that was before the Supreme Court?

Mr. DIRKSEN. No. This section 21 was put into this bill as a sop to some people who came here and said, "Your housing bill will limit investments; it will frighten away invested capital; it will put a stop to the building boom." So they put that into the bill so that the effect of the activities of the housing commission would not attach to the new building. It is a case of where the subcommittee was between the devil and the deep sea and tried to take both.

Mr. BOILEAU. The gentleman from Pennsylvania [Mr. ELLENBOGEN] gave us his assurance that this bill was identical with the bill that was declared constitutional.

Mr. DIRKSEN. It is not.

Mr. BOILEAU. Does the gentleman say that is a misstatement?

Mr. DIRKSEN. How can it be the same? There was a bill during wartime that was drafted for the purpose of meeting a military exigency. Here is a bill with this euphonious language:

> It is hereby declared that the provisions of this act are made necessary by emergencies growing out of the war against the depression, resulting in rental and housing conditions in the District of Columbia dangerous to the general welfare, health, peace, and morals of the public and to public officers.

I wonder whether any court in the land would ever sustain that kind of language and say there is an emergency which the Congress must recognize because there is "a war against the depression"? What strange kind of language that is.

Mr. DOBBINS. Will the gentleman yield for a question?

Mr. DIRKSEN. I yield for a question.

Mr. DOBBINS. Will my colleague inform me to what extent this bill under consideration is identical with any bill which has been declared constitutional?

Mr. DIRKSEN. It just follows in a general way—I think the gentleman from Pennsylvania will bear me out—the wartime statute.

Mr. O'CONNOR. Will the gentleman yield to me?

Mr. DIRKSEN. I yield for a question.

Mr. O'CONNOR. I have had some familiarity with the New York case, which is the Supreme Court case. I had quite a little litigation in connection with it, and I recall it very well. I represented thousands of people under it. There was no suggestion that that was a war measure.

Mr. DIRKSEN. I was not speaking of the New York law.

Mr. O'CONNOR. I was speaking of the New York case. It had no connection with the World War, but the legislature declared an emergency, a shortage of tenements, high prices, and so forth, and the bill was sustained all along the line. I am not talking about the merits of the pending bill, but if this bill were founded upon the New York law, which was held constitutional by the Supreme Court, all this talk about unconstitutionality would not be to the point.

Mr. DIRKSEN. I was not discussing it from the standpoint of the New York case, but from the standpoint of the previous war statute that was in force in 1918 and 1919.

Mr. BOILEAU. Will the gentleman yield to me, Mr. Chairman?

Mr. DIRKSEN. I yield.

Mr. BOILEAU. I should like to ask the gentleman from New York [Mr. O'CONNOR] if the New York case contained a provision to which the gentleman from Illinois [Mr. DIRKSEN] referred about new houses?

Mr. O'CONNOR. I do not recall that.

Mr. BOILEAU. Then if it is dissimilar in that respect, the bills are not similar?

Mr. DIRKSEN. None of these other housing bills had that provision. That was put in there when some of these people were afraid they might put a crimp in the building boom. They came before the subcommittee with a protest and it was put in to beguile them. In so doing the subcommittee has written a discriminatory provision into the bill which simply will not stand up.

Now, before my time expires, may I say that I do not want anyone to feel that I am insensible to or ignorant of the housing conditions in Washington. I was a pioneer in this rent matter 2 years ago. I got out a questionnaire to the officials and stenographers and secretaries and everybody else, and assembled a lot of data. I had it up with the assessor's office down in the District Building in the hope that we could find something with which to get at this rental situation. After much study and consultation I came to the conclusion that a rental commission, instead of doing good, would do a lot of harm, because it would put a limit upon building operations in Washington. It would scare away all investments of capital, so you would be defeating your own purposes. The way to get rents down is to enlarge upon the available amount of housing. People are willing to do it now, because there is a return upon their investment. When you come along with a rent commission vested with plenary power over an investor's property you frighten them into believing that there is going to be a sumptuary, arbitrary limit placed upon the return on their investment, and they are not going to build any more buildings. You simply perpetuate an aggravated condition.

The remedy for this congested condition in Washington is to start demobilizing the alphabetical agencies. [Applause.] Let us send some of these other people out into other sections of the country. We can send some of the Agricultural Department workers down to Chicago and Peoria. We can send some of the T. V. A. workers down to Chattanooga, Nashville, and elsewhere. When we reduce the number of people in Washington we will make it possible for the law of supply and demand again to become operative, and rental conditions will take care of themselves.

We have something like 47,000 more people on the pay roll in Washington today than we had in March 1933, and this is one reason for the congestion in Washington at the present time. Decentralize these agencies and rents will topple overnight. This bill merely recognizes this congestion as a permanent condition.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. SHORT. Has the gentleman in mind the suggestion made by Secretary Ickes that we establish 10 small capitals throughout the United States?

Mr. DIRKSEN. That might be a very splendid suggestion.

Mr. SHORT. Does not the gentleman think it will be much better if we abolished the bureaus altogether?

Mr. DIRKSEN. Well, who knows? But looking at it dispassionately there is only one way we can cure the rental situation in Washington, and that is to decentralize or demobilize the little alphabetical brethren and send many of these people out of the city. By the same token we will be able to solve the traffic problem. The two seem to go together. I do not think we shall remedy either problem by any synthetic or artificial means.

A bill like this, which gives to a commission the power to pry into the records of every man who has a piece of rental property, which gives such a commission the power to subpena property owners and make them testify down to the smallest detail about their property and its income, together with the light, heat, janitor and maid service, laundry service, telephone service, and what not; which gives to a commission the power to appoint all the appraisers and investigators that it wants without other limitation than the appropriations which are made for it; which gives such a commission power to break leases and contracts in spite of all the law on that subject; which gives such a commission the power to arbitrarily fix rents; which limits all appeal from the actions of the commission to any legal errors in the hearing and testimony; which suspends every legal and equitable remedy which a landlord has is so bad, so vicious, and so unconstitutional that not a court in the land would sustain it, so why enact that kind of legislation. Every landlord and property owner in the city would go to court, with the result that the lawyers would have easy pickings, and no good would be accomplished for those who are the victims of a rent gouge.

May it be said also that there has been no general demand for this bill. In fact, only a few days ago the Federation of Citizens' Associations, representing over 60 public-spirited groups in this city, passed a resolution unequivocally opposing this bill. That would indicate that the citizens who stand to be the supposed beneficaries of this measure are opposed to it. They no doubt remember the experiences with the war-time Rent Commission, and want no more of it.

Finally, let me emphasize once more that with 112,349 people on the Government pay roll in Washington, which is 47,000 more than were on the rolls on March 9, 1933, when the present administration came into power, there will be no relief from this situation until the alphabet is demobilized or decentralized.

Just at a time when the Nation is clamoring for a widespread building program to lift the country out of the abyss of unemployment and despair, it would be the height of folly and stupidity to frighten investment capital and turn it away from the construction that is now taking place. Establish a rent commission in Washington and you create a precedent for establishing such a commission in every city in the country which may have a similar condition, and the ultimate result would be to bring on an even greater stagnation in the construction industry. This bill is bad, and should be overwhelmingly voted down.

Mrs. NORTON. Mr. Chairman, I reserve the balance of my time.

Mr. BLANTON. Mr. Chairman, I ask recognition.

The CHAIRMAN. Is the gentleman opposed to the bill?

Mr. BLANTON. I am opposed to the bill.

The CHAIRMAN. The gentleman from Texas is recognized for 1 hour.

Mr. BLANTON. Mr. Chairman, I was here during the war, when the other rent bill was passed.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Certainly.

Mr. TABER. I think the Members ought to have the bill explained to them. I have been waiting a long time to hear it explained.

Mr. BLANTON. I am going to explain a part of it in a moment.

Mr. Chairman, I repeat that I was here during the war, when the other rent bill was passed. I was heartily in favor of it. I thought it was outrageous that such rents should be charged as were charged then in Washington. I thought it would cut down rents, but to my surprise after that rent bill was passed my rent was raised $25 and "I could take it or leave it"; I could move or pay the increase, and I paid it for a long time.

An expensive bureau was created just like the expensive bureau this bill proposes, and if you think they did not have plenty of employees drawing high salaries, look through the records and see what the pay roll was at that time. Then, they wanted to extend it, and if you will get the record here you will see what kind of a fight Jim Begg, of Ohio, and several of us had over it, as several of us did everything we could on this floor to keep it from being extended.

The Supreme Court held that it being a wartime emergency—only because of that—it was constitutional; but if you will get the opinion you will see that they held clearly and unmistakably that if it had been a peacetime measure it would have been unconstitutional.

Mrs. NORTON. Mr. Chairman, will the gentleman yield at that point?

Mr. BLANTON. Excuse me just a minute, please. The gentlewoman from New Jersey intimates that all those who are opposing this bill, and 70 Members voted not to take it up, are linked up with real-estate men. I have not spoken to a real-estate man in 10 years to know him. If a real-estate man in Washington has spoken to me in 10 years I do not know it. Here is one Member who is not hooked up with them. I do not know to whom the gentlewoman was referring. I do not know why the gentlewoman from New Jersey saw fit to put those insinuations in here.

I want to ask the gentleman from Illinois [Mr. DIRKSEN] if these real-estate sharks have him in tow here?

Mr. DIRKSEN. Not one.

Mr. BLANTON. Have they got the gentleman under their domination?

Mr. DIRKSEN. I have not seen any of them.

Mr. BLANTON. Have they got the gentleman from New York [Mr. TABER] in tow? Why, no! Have they got the gentleman from Minnesota [Mr. KNUTSON]? Why, no! Have they got our friend, the gentleman from Michigan [Mr. HOFFMAN]?

Mr. HOFFMAN. No.

Mr. BLANTON. Have they got our friend, the gentleman from New York [Mr. WADSWORTH], the distinguished gentleman who objected to clause 24 of this bill? No. That insinuation will not hold water. There is nothing to it. There is no foundation for the statement.

Mrs. NORTON and Mr. HOFFMAN rose.

Mr. BLANTON. I shall not yield to the gentlewoman from New Jersey, because she has plenty of time of her own. I yield to the gentleman from Michigan.

Mr. HOFFMAN. I want to know if the charges she made are in violation of rule 363?

Mr. BLANTON. Oh! There is a different rule here for men. Our lady colleague can make any kind of a charge on the floor and get away with it, but we cannot do it.

Mrs. NORTON. Will the gentleman yield?

Mr. BLANTON. I am sorry I cannot.

I want to call attention to this bill. Mr. Chairman, I fought this kind of a bill a long time before the gentlewoman from New Jersey came to Congress. If she will look back to the time right after the war, she will find that I did everything on earth to stop that bill from being extended; and we finally did kill the bill. It took us years and years to get rid of that expensive bureau with men and women drawing $5,000, $6,000, and $7,500 a year.

I want to show you just one provision of this bill. Besides having three commissioners drawing $5,000 each, a secretary drawing $3,000 a year, and an attorney drawing $3,500 a year, let me show you what power they give to this bureau:

It may appoint and remove such other officers, examiners, engineers, appraisers, attorneys, employees, and agents, and make such expenditures for rent, printing, telegrams, telephone, law books, books of reference, periodicals, furniture, stationery, office equipment, and other supplies and expenses as may be necessary to the administration of this act.

They are the ones who are going to say what shall be necessary. Oh, they say the act of 1923 will govern salaries. Outrageous salaries under such act can be paid.

Mr. ELLENBOGEN. Will the gentleman yield? I know he wants to be fair.

Mr. BLANTON. If the gentleman knew the facts, he would realize that I have been fighting in the United States of America for 55 years before he ever started a fight here. For 55 years in the United States have I been fighting before he ever started one over here. He ought to stay here longer and get better acquainted with the institutions of this country before he tries to put European conditions and institutions in here. We do not want any of this European stuff here.

Mr. ELLENBOGEN. Will the gentleman yield? The gentleman spoke about me and fairness demands that he yield to me.

Mr. BLANTON. Certainly, I will, if the gentleman puts it that way. What has the gentleman to say?

Mr. ELLENBOGEN. I know the gentleman has made a splendid fight in the Congress and deserves to be returned here by his constituents.

Mr. BLANTON. Oh, I will be, unless slush funds from Townsendites and public-utility money keeps me from returning.

Mr. ELLENBOGEN. But sometimes the gentleman may be mistaken. On this point the gentleman knows that in section 19 the maximum amount to be spent by this commission is limited to $50,000, and the gentleman also knows they must come before the gentleman as chairman of the Subcommittee on Appropriations for the District of Columbia. If they cannot show that they need the money, they will not get it.

Mr. BLANTON. Here is the answer, if the gentleman——

Mr. ELLENBOGEN. Mr. Chairman, I ask that the language be taken down.

Mr. BLANTON. Oh, I want the gentleman to understand me.

Mr. ELLENBOGEN. Mr. Chairman, I demand that the gentleman's language be taken down.

Mrs. NORTON. Mr. Chairman, I move that the Committee do now rise.

Mr. ELLENBOGEN. Mr. Chairman, a point of order. I ask that the gentleman's language be taken down. It is a violation of the rules of the House, and in the meantime I demand that the gentleman take his seat.

The CHAIRMAN. The Clerk will report the words objected to.

The Clerk read as follows:

Mr. BLANTON. Here is the answer, if the gentleman can understand English.

The Committee rose and the Speaker pro tempore (Mr. O'CONNOR) having assumed the chair, Mr. UMSTEAD, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill (H. R. 11563), certain words used in debate were objected to and on request were taken down and read at the Clerk's desk and he reported the same to the House herewith.

The SPEAKER pro tempore. The Clerk will report the words objected to.

The Clerk read as follows:

Mr. BLANTON. Here is the answer, if the gentleman can understand English.

The SPEAKER pro tempore. The Chair is ready to rule. The Chair sees nothing objectionable in the words used.

The Committee will resume its session.

Accordingly, the Committee resumed consideration of the bill (H. R. 11563) with Mr. UMSTEAD in the chair.

The CHAIRMAN. The gentleman from Texas will proceed.

Mrs. NORTON. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The gentleman from Texas has the floor.

Mr. BLANTON. Mr. Chairman, in fairness to the gentleman from Pennsylvania, although the Chair has ruled that my words are in order, when I revise my remarks, I intend to eliminate those words from my remarks.

Mr. Chairman, the answer to my friend from Pennsylvania is this. Whenever you pass a law that authorizes an agency of the Government to make contracts with people, the Congress always backs up those contracts and appropriates sufficient money to pay them. Why, when the Supreme Court held the A. A. A. to be unconstitutional, you saw this Congress appropriate $277,000,000 to pay those contracts with the farmers, even when they were unlawful and unconstitutional. And should you pass this law, and this commission should appoint a lot of high-standard officers, Congress will pay the bill.

Under the 1923 Classification Act such an officer could get $7,500 a year and it would be lawful if they gave it to him. Who is going to say how many they shall appoint? They are, and they could appoint 500 if they wanted to. There is no limitation placed on them by the Congress.

Who is going to say how many examiners they shall appoint or what salaries they shall be paid? Why, there are some examiners here right now drawing $5,000 a year from this Government, who come under the 1923 Classification Act. This rent commission is to say how many shall be appointed and what they shall be paid.

Who is to say how many engineers they may appoint? Why, they can appoint 500 if they want to. They can pay them $7,500 a year if they want to. The 1923 act does not stop them from doing this, if they say the engineers are to be the kind that get such salaries. This act does not say how many they shall appoint and it is without number.

How many appraisers shall they appoint? As many as they want to, and under the act of 1923, they can make the salaries pretty high.

How many attorneys shall they appoint? Just as many as they want. How much shall they pay them? Just whatever they want, because under the Classification Act, under just such language, there was one attorney appointed who was paid $16,500 a year, and they can appoint just as many of them as they want.

This is the answer I make to the gentleman from Pennsylvania.

Let us see further. How many employees and agents shall they appoint? Just as many as they want, and the salaries can be large enough, under the Classification Act.

How large an expenditure can they make for rent? I can remember during the war when we appointed Herbert Hoover food administrator, do you know the first thing he did? He went down here on Pennsylvania Avenue NW. and rented that old red brick hotel there and paid three times what it was worth. He let the owner move out every bit of furniture from the top to the basement and he replaced it with fine, new furniture, and built a fine conservatory there that cost $25,000.

This is what they can do under such acts as this. I have been here a long time. I know what they can do better than my friend from Pennsylvania.

Look at all these expenses they can incur for printing and telegrams and telephones and law books and books of reference and periodicals and furniture and stationery and office equipment and other supplies. Under such general terms they could spend millions of dollars.

Are you going to vote for this kind of bill? I am not. I have no fight to make against the distinguished gentlewoman from New Jersey. She has a right to bring this bill in if she wants to. I would not have done it if I had been chairman. I would have stopped it in committee, but she has that right.

I have nothing against the distinguished gentleman from Pennsylvania. He knows that I protected him last week on a matter that was dear to his heart. He knows I protected him because I was his friend.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I am sorry, but I cannot now. I am going to finish in a moment.

Mrs. NORTON. I think in all fairness the gentleman ought to yield for a question.

Mr. BLANTON. I will yield if the lady will let me read a telegram she sent from Boston about 3 weeks ago.

Mrs. NORTON. I shall be glad to.

Mr. BLANTON. I yield.

Mrs. NORTON. I was about to say that "the lady from New Jersey" never believes in being a dictator on the committee, and that is the reason she brought the bill in so that the House could have a chance to vote the bill up or vote it down.

Mr. BLANTON. I am not a dictator. I suppose the lady refers to the appropriation bill that I brought in the other day as chairman of the subcommittee. The membership could have torn it all to pieces if they had wanted to, but they did not do it. The Members in this House control their own votes. Yet they passed it by the vote of 290 for to only 26 votes against when the lady forced the roll call.

Mrs. NORTON. You would not allow the lady from New Jersey to have anything to say on it.

Mr. BLANTON. Because debate had been exhausted. The Federation of Citizens' Associations here is composed of 63 organizations in Washington. The lady from New Jersey said that the people wanted this bill. The Federation of Citizens' Associations met last Saturday night and passed a resolution condemning this bill.

The doctors had a mass meeting here on February 16 and attacked the President's Budget. The meeting was a flop. There were only a few doctors there with their wives, nurses, and friends, yet here is a telegram the lady sent them from Boston, and it was read at that meeting:

BOSTON, MASS., *February 16, 1936, 2:42 p. m.*

DR. STERLING RUFFIN,
Medical Society Meeting, Central High School:

Regret engagement prevents my attending your meeting. Sincerely hope that from it will come a reaction so strong that it will compel adequate appropriations for the very necessary improvements to our hospital facilities in Washington.

MARY E. NORTON.

In other words, she wanted that mass meeting to "compel" Congress to do what the doctors wanted done.

Mrs. NORTON. Will the gentleman yield?

Mr. BLANTON. Did the lady send that telegram?

Mrs. NORTON. I certainly did, and I am very proud to acknowledge that I sent it. [Applause.] I wanted the membership of the House to know the condition in the hospitals, for I knew if they did they would rise up as one man and denounce the reduction of the hospital appropriation to help the poor people of this District. I thank the gentleman for reading the telegram. [Applause.]

Mr. BLANTON. I went there to keep them from attacking our President and his Budget. It was our President's Budget these doctors were attacking. I went there to keep these sixty-odd doctors who are on the District pay roll here from attacking the President's Budget.

Now, I am not going to take any more time. I am against this bill. I do not believe it ought to pass. I have been against it ever since I found out that it will raise rents and not lower them. It would increase rents, make times harder, put an expensive bureau in existence which would take 10 years to get rid of. It will be declared unconstitutional by the Supreme Court. I reserve the balance of my time, Mr. Chairman; how much time have I remaining?

The CHAIRMAN. The gentleman has used 20 minutes and has 40 minutes remaining.

Mr. BLANTON. I reserve the balance of my time.

Mrs. NORTON. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The lady from New Jersey has 27 minutes remaining.

Mrs. NORTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and Mr. O'CONNOR having taken the chair as Speaker pro tempore, Mr. UMSTEAD, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 11563, declaring an emergency in the housing condition in the District of Columbia, creating a rent commission for the District of Columbia, prescribing powers and duties of the commission, and for other purposes, and had come to no resolution thereon.

LEGISLATIVE APPROPRIATION BILL, 1937

Mr. SNYDER of Pennsylvania, from the Committee on Appropriations, reported the bill (H. R. 11691, Rept. No. 2147), making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes, which was read a first and second time, and with the accompanying papers referred to the Committees of the Whole House on the state of the Union and ordered printed.

Mr. POWERS. Mr. Speaker, I reserve all points of order on the bill.

VETERANS' ORGANIZATIONS SUPPORT PURCHASE OF AMERICAN-MADE GOODS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain correspondence between myself and the national commander of the American Legion, the national commander of the Veterans of Foreign Wars, and others, on the subject of Buy American.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following correspondence between myself and officers of veterans' organizations on the subject of Buy American. This correspondence includes a letter sent to the Honorable James E. Van Zandt, commander in chief, Veterans of Foreign Wars, and the Honorable Ray Murphy, national commander of the American Legion, with their replies, and also a letter received from national officers of the Army and Navy Union of the United States and my answer thereto:

FEBRUARY 5, 1936.

HON. JAMES E. VAN ZANDT,
Commander in Chief, Veterans of Foreign Wars,
Tower Building, Washington, D. C.

MY DEAR COMMANDER VAN ZANDT: Now that the bonus bill has been enacted into law and the payment of the adjusted compensation to the veterans becomes a reality, I want to take this opportunity to stress the great service our veterans can render by using this money to purchase American-made goods.

As you know, our American industries have suffered greatly from foreign competition and need the cooperation of our American people at this time to bring about industrial improvement, increased employment, and a return to prosperity.

I feel confident that the Veterans of Foreign Wars will want to render this further patriotic service and unite in an effort to make the "Buy American" campaign a real success.

Very sincerely yours,

JENNINGS RANDOLPH.

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
February 8, 1936.

HON. JENNINGS RANDOLPH,
Member of Congress, Washington, D. C.

MY DEAR CONGRESSMAN RANDOLPH: This will acknowledge your letter of February 5, and you may be sure that the Veterans of Foreign Wars will cooperate in an effort to make the Buy-American campaign a success.

Thanking you for writing to me, and with kind regards, I remain

Very sincerely,

JAMES E. VAN ZANDT,
Commander in Chief.

THE AMERICAN LEGION,
February 14, 1936.

HON. JENNINGS RANDOLPH,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN RANDOLPH: I thank you very much for your letter of February 5, in which you emphasize the great service veterans can render by using the money they receive through payment of the adjusted-service certificates for the purchase of American-made goods.

I think you will be interested to read the following standing mandate of the American Legion:

"*Resolved by the American Legion in convention assembled in Chicago, October 2–5, 1933,* That the Buy American movement be endorsed, and its endorsement and promotion by departments and posts be encouraged."

As you suggest, I think it is most fitting that we should call this mandate to the attention of the entire membership of the American Legion at this time and to give emphasis to its importance.

I am referring this matter to Mr. Harold K. Philips, national publicity director, with the request that he give publicity to the above mandate through all Legion channels, including our national newspaper, the National Legionnaire, which goes to all members.

Very sincerely yours,

RAY MURPHY,
National Commander.

NATIONAL CORPS,
ARMY AND NAVY UNION, U. S. A.,
March 6, 1936.

Hon. JENNINGS RANDOLPH,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: The following is a copy of the stand taken by our national organization on the "Buy American" campaign:

To buy American goods and products is tantamount to buying jobs for the unemployed.

We are pointing out to the American buying public that to buy American-manufactured goods means employment for the millions of Americans who want work so badly.

If every veteran receiving his bonus will endeavor to ascertain before he makes a purchase that the article bears the "Made in America" label, a real spurt will be seen in the sale of American goods.

It is our purpose to campaign and teach the gospel of buying American products, made and produced in America by American workmen, is the prime requisite, in the uphill battle to impress upon our citizens that by this peaceful method prosperous times can be with us again.

We also believe in: If charity begins at home, then surely the same rule applies as regards the purchasing of commodities.

The most important thing to remember in these troubled times is that American people want unemployment eliminated, and millions want jobs, and American business institutions want to sell what they have on their shelves.

In closing this letter to you we are for the following: "The theme song of our everyday buying should be until the ranks of unemployed Americans are thinned to a scattered few, we shall buy American goods and create jobs." We wish you to know how much we appreciate your action in taking the leading role in this great undertaking of teaching and bringing home to our people the need to "Buy American."

Yours for a worthy cause,

ROBERT SHRAGE,
National Commander.
JOHN J. CRIM,
National Legislative Chairman

MARCH 8, 1936.

Mr. JOHN J. CRIM,
1314 Vermont Avenue NW., Washington, D. C.

MY DEAR JOHN: I deeply appreciate your splendid communication of March 6 in which your organization expresses its splendid attitude on the "Buy American" campaign. I am certain your organization can be of much help.

Sincerely yours,

JENNINGS RANDOLPH.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. FITZPATRICK, for 4 days, on account of the death of his brother.

To Mr. LANHAM, for today, on account of illness.

To Mr. GRAY of Indiana, for 1 week, on account of illness.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3483. An act to provide for rural electrification, and for other purposes; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 8886. An act to authorize the coinage of 50-cent pieces in commemoration of the sesquicentennial anniversary of the founding of the capital of South Carolina at Columbia, S. C.; and

H. R. 10265. An act to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their national jamboree to be held during the summer of 1937.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 8886. An act to authorize the coinage of 50-cent pieces in commemoration of the sequicentennial anniversary of the founding of the city of Columbia, S. C.; and

H. R. 10265. An act to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their national jamboree to be held during the summer of 1937.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 31 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 10, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

701. A letter from the director of the national legislative committee of the American Legion, transmitting in accordance with the act of incorporation of the American Legion, Public Law No. 47, Sixty-sixth Congress, the report of the Seventeenth Annual National Convention; proceedings of that convention and financial statement covering the first 9 months of 1935, up to and including September 30, 1935; to the Committee on World War Veterans' Legislation.

702. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year ending June 30, 1936, to remain available until expended, amounting to $440,000,000, for the Department of Agriculture to carry into effect the provisions of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936 (H. Doc. No. 422); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DOBBINS: Committee on the Post Office and Post Roads. H. R. 9496. A bill to protect the United States against loss in the delivery through the mails of checks in payment of benefits provided for by laws administered by the Veterans' Administration; with amendment (Rept. No. 2143). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUCHANAN: Committee on Appropriations. House Joint Resolution 514. Joint resolution authorizing the completion of certain records and operations resulting from the administration of the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935 (repealed), and making funds available for those and other purposes; with amendment (Rept. No. 2144). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEMPSEY: Committee on the Public Lands. H. R. 11642. A bill to change the name of the Department of the Interior, to be known as the Department of Conservation; without amendment (Rept. No. 2146). Referred to the House Calendar.

Mr. SNYDER of Pennsylvania: Committee on Appropriations. H. R. 11691. A bill making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes; without amendment (Rept. No. 2147). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. PERKINS: Committee on the Judiciary. H. R. 399. A bill for the relief of A. F. Amory; with amendment (Rept. No. 2145). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAAS: A bill (H. R. 11681) to provide for the reorganization, administration, and maintenance of the United States Naval Reserve, the United States Marine Corps Reserve, and for other purposes; to the Committee on Naval Affairs.

Also, a bill (H. R. 11682) to establish a graded retired list for the enlisted men of the United States Navy; to the Committee on Naval Affairs.

By Mr. DIMOND: A bill (H. R. 11683) to provide for the establishment of a Coast Guard station on the coast of Alaska, at or near the city of Nome, Alaska; to the Committee on Merchant Marine and Fisheries.

Also, a bill (H. R. 11684) to amend the act of Congress approved June 30, 1932, entitled "An act providing for the transfer of the duties authorized and authority conferred by law upon the Board of Road Commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes" (47 Stat. 446); to the Committee on the Territories.

By Mr. GREENWOOD: A bill (H. R. 11685) to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. MEAD: A bill (H. R. 11686) fixing annual compensation for postmasters of the fourth class; to the Committee on the Post Office and Post Roads.

By Mr. CARTWRIGHT: A bill (H. R. 11687) to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Roads.

By Mr. TERRY: A bill (H. R. 11688) providing for a change in the design of the 50-cent pieces authorized to be coined in commemoration of the one hundredth anniversary of the admission of the State of Arkansas into the Union; to the Committee on Coinage, Weights, and Measures.

By Mr. STEAGALL: A bill (H. R. 11689) to amend title I of the National Housing Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. SUMNERS of Texas: A bill (H. R. 11690) relating to the admissibility in evidence of certain writings and records made in the regular course of business; to the Committee on the Judiciary.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 11691) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes; to the Committee on Appropriations.

By Mrs. NORTON (by request): A bill (H. R. 11692) to provide for lunacy proceedings in the District of Columbia; to the Committee on the District of Columbia.

By Mr. IGLESIAS: A bill (H. R. 11693) to amend the Revenue Act of 1926, as amended, to exempt persons traveling between Puerto Rico and the continental United States from the payment of a stamp tax on steamship tickets; to the Committee on Ways and Means.

By Mr. CALDWELL: Resolution (H. Res. 442) requesting the President, if not incompatible with the public interest, to inform the House of Representatives whether the Federal Communications Commission has ordered or requested the filing of contracts under section 211 (a) of the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. TERRY: Joint resolution (H. J. Res. 516) to extend the jurisdiction of the Mississippi River Commission to Fort Smith on the Arkansas River; to the Committee on Flood Control.

By Mr. MONTET: Joint resolution (H. J. Res. 517) to provide for the modification of the contract of lease entered into on June 12, 1922, between the United States and the Board of Commissioners of the Port of New Orleans; to the Committee on Military Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: A memorial of the Legislature of the State of Massachusetts memorializing Congress against legislation violating the letter or spirit of neutrality; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 11694) granting a pension to Inez Palmer; to the Committee on Pensions.

By Mr. BREWSTER: A bill (H. R. 11695) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ralph Charles Stuart; to the Committee on the District of Columbia.

By Mr. COLE of New York: A bill (H. R. 11696) granting an increase of pension to Elmira M. Webb; to the Committee on Invalid Pensions.

By Mr. CELLER: A bill (H. R. 11697) for the relief of Caroline V. Tucker; to the Committee on Claims.

By Mr. DUNCAN: A bill (H. R. 11698) granting an increase of pension to Martha Graves; to the Committee on Invalid Pensions.

By Mr. GILLETTE: A bill (H. R. 11699) to correct the enlistment record of Robert O. Anderson; to the Committee on Military Affairs.

By Mr. GREENWOOD: A bill (H. R. 11700) renewing and extending patent no. 980639; to the Committee on Patents.

Also, a bill (H. R. 11701) for the relief of the Indiana Limestone Corporation; to the Committee on Claims.

By Mr. JOHNSON of West Virginia: A bill (H. R. 11702) for the relief of James Monroe Caplinger; to the Committee on Claims.

Also, a bill (H. R. 11703) granting an increase of pension to Charles Adkins; to the Committee on Pensions.

By Mr. KEE: A bill (H. R. 11704) for the relief of the widow of Leslie Brandebury Rucker; to the Committee on Claims.

By Mr. MONAGHAN: A bill (H. R. 11705) for the relief of Margaret Murphy; to the Committee on Claims.

By Mr. O'CONNELL: A bill (H. R. 11706) for the relief of John W. Costigan; to the Committee on Military Affairs.

By Mr. PERKINS: A bill (H. R. 11707) for the relief of Amelia Corr; to the Committee on Claims.

Also, a bill (H. R. 11708) for the relief of Charles H. K. Riley; to the Committee on Claims.

By Mr. PATTERSON: A bill (H. R. 11709) for the relief of F. M. Loeffler; to the Committee on Claims.

Also, a bill (H. R. 11710) granting a pension to Eliza P. Cupp; to the Committee on Invalid Pensions.

By Mr. SMITH of Washington: A bill (H. R. 11711) granting a pension to Claud H. Weir; to the Committee on Pensions.

By Mr. SUMNERS of Texas: A bill (H. R. 11712) for the relief of Shelby S. Bruce; to the Committee on Military Affairs.

By Mr. SNELL: A bill (H. R. 11713) granting an increase of pension to Abbigial J. Brownson; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10411½. By Mr. BIERMANN: Petition signed by residents of Lake Istolpoga, Fla., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10412. By Mr. BLOOM: Petition of representatives of all the insular and municipal employees of Bayamon, P. R., favoring an amendment of the Organic Act so that a public welfare department may be created in Puerto Rico, requesting that Puerto Rico be included in any new legislation in regard to relief which might be presented in the House of Representatives, and urging that the Federal Social Security Act be extended to Puerto Rico; to the Committee on Insular Affairs.

10413. Also, petition of the farmers of Bayamon, P. R., urging that Puerto Rico be included in any new legislation relative to relief which might be presented in the House of Representatives; requesting an extension of the benefits of the Federal Social Security Act to Puerto Rico; and favoring an amendment to the Organic Act so that a public welfare department may be created in Puerto Rico; to the Committee on Insular Affairs.

10414. By Mr. DEROUEN: Petition of the New Orleans Spot Cotton Merchants Association, adopted February 28, 1936, regarding cotton-futures contracts; to the Committee on Agriculture.

10415. By Mr. DORSEY: Resolution of the State Council of Fraternal Patriotic Americans of the State of Pennsylvania, unalterably opposing the enactment of the Kerr-Coolidge bill (S. 2969 and H. R. 6795); to the Committee on Immigration and Naturalization.

10416. By Mr. EICHER: Petition signed by residents of Bridgewater, Va., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10417. By Mr. ELLENBOGEN: Petition by residents of New York City, N. Y., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10418. By Mr. FLETCHER: Petition signed by residents of Minneapolis, Minn., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10419. Also, petition signed by residents of Landisburg, New Bloomfield, Loysville, Green Park, and Elliotsburg, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10420. Also, petition signed by residents of New Haven, Conn., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10421. Also, petition signed by residents of Atlanta, Ga., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10422. By Mr. GEHRMANN: Petition signed by residents of Loma Vista, Pasadena, and Los Angeles, Calif., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10423. By Mr. GILLETTE: Petition signed by residents of Cincinnati, Ohio, protesting against the military disaffection bill (S. 2253) and Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10424. By Mr. GREENWOOD: Petition of residents of star route no. 33169, to extend existing star-route contracts and to increase the compensation of star-route carriers; to the Committee on the Post Office and Post Roads.

10425. By Mr. HAINES: Petition from Woman's Christian Temperance Union organizations in York County, Pa., urging enactment of House bill 8739; to the Committee on the District of Columbia.

10426. By Mr. LUCKEY: Petition signed by residents of Scranton, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10427. By Mr. LUDLOW: Petition signed by residents of New York City, N. Y., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10428. By Mr. McCORMACK: Memorial of the General Court of Massachusetts, memorializing Congress against legislation violating the letter or spirit of neutrality; to the Committee on Foreign Affairs.

10429. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, urging defeat of legislation violating the letter or spirit of neutrality; to the Committee on Foreign Affairs.

10430. By Mr. MONAGHAN: Petition signed by residents of Minneapolis, Minn., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10431. Also, petition of patrons of star route no. 63222, from Camas to Plains, Mont., favoring enactment of legislation at this session that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10432. By Mr. MAVERICK: Petition signed by residents of Arlington and Manchester, Vt., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10433. Also, petition of residents of Sharon, East Troy, Elkhorn, and Williams Bay, Wis., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10434. Also, petition of residents of Greencastle, Ind., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10435. Also, petition of residents of Shelton, Ansonia, Seymour, Orange, Norwalk, New Haven, and Putnam, Conn., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10436. Also, petition of residents of Lancaster, Akron, York, and Mount Joy, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 4627); to the Committee on Military Affairs.

10437. Also, petition of residents of Burbank, Pasadena, Glendora, San Gabriel, and Los Angeles, Calif., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10438. Also, petition of residents of Roanoke and Salem, Va., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10439. Also, petition signed by residents of Salem, South Salem, and Roanoke, Va., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10440. Also, petition of residents of Philadelphia, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10441. Also, petition of residents of Pasadena, South Pasadena, Hollywoood, and Los Angeles, Calif., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10442. By Mr. MARTIN of Colorado: Petition signed by Mr. Crawford and residents of Bridgewater and Meyers Cave, Va., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10443. By Mrs. O'DAY: Petition signed by residents of Sunnyside, Long Island, N. Y., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10444. Also, petition signed by residents of Palo Alto, Calif., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10445. Also, petition signed by residents of Denton, Md., protesting against the military disaffection bill (S. 2253) and

the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10446. By Mr. O'MALLEY: Petition signed by residents of New York City and Brooklyn, N. Y., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10447. By Mrs. ROGERS of Massachusetts: Petition of the General Court of the Commonwealth of Massachusetts, memorializing Congress against legislation violating the letter or spirit of neutrality; to the Committee on Foreign Affairs.

10448. By Mr. SCHNEIDER of Wisconsin: Petition signed by residents of Brooklyn, N. Y., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10449. By Mr. SCOTT: Petition signed by residents of Columbus, Ohio, protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10450. Also, petition signed by residents of Scranton, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10451. Also, petition signed by residents of Alhambra, San Gabriel, San Pedro, Los Angeles, and San Francisco, Calif., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10452. Also, petition signed by residents of Philadelphia, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10453. By Mr. SHORT: Petition of 39 patrons of star route no. 45420, Cato to Cassville, Mo., supporting legislation providing for permanent tenure of service on star routes and pay based upon that of other forms of United States mail transportation; to the Committee on the Post Office and Post Roads.

10454. Also, petition of 21 residents of Dallas County, Mo., supporting legislation providing for permanent tenure of service on star routes and pay based upon that of other forms of United States mail transportation; to the Committee on the Post Office and Post Roads.

10455. By Mr. THOMASON: Petition of citizens of Sierra Blanca, Tex., urging passage of House bill 3263, to amend the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

10456. By Mr. WEARIN: Petition signed by residents of Bridgewater and Dayton, Va., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10457. By Mr. WITHROW: Petition signed by residents of New York City, N. Y., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10458. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, memorializing Congress against legislation violating the letter or spirit of neutrality; to the Committee on Foreign Affairs.

10459. By the SPEAKER: Petition of the Alfred Gooding Guild, Young People's Religious Union of the South (Unitarian) Church, of Portsmouth, N. H.; to the Committee on Foreign Affairs.

10460. Also, petition of the Illinois Women's Auxiliary of the Progressive Miners of America, of Marissa, Ill.; to the Committee on the Judiciary.

10461. Also, petition of the Illinois Women's Auxiliary of the Progressive Miners of America, of Marissa, Ill.; to the Committee on Expenditures in the Executive Departments.

10462. Also, petition of the Illinois Women's Auxiliary of the Progressive Miners, of Marissa, Ill.; to the Committee on Banking and Currency.

10463. Also, petitions of the Illinois Women's Auxiliary of the Progressive Miners of America, of Marissa, Ill.; to the Committee on Military Affairs.

10464. Also, petition of the Illinois Women's Auxiliary of the Progressive Miners of America, of Marissa, Ill.; to the Committee on Agriculture.

10465. Also, petition of the United Korean Christian Society of Hawaii; to the Committee on Foreign Affairs.

10466. By Mr. BUCKLER of Minnesota: Petition signed by residents of Pittsburgh, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10467. By Mr. PATMAN: Resolution of delegates representing the independent retail grocers and food dealers of the entire city of New York, assembled at the Hotel Commodore on March 1, 1936, in the Fifteenth Annual Convention of the United Independent Retail Grocers and Food Dealers Association, Inc., favoring the passage of the Robinson-Patman bill in its present form; to the Committee on the Judiciary.

SENATE

TUESDAY, MARCH 10, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, March 9, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Radcliffe
Ashurst	Costigan	La Follette	Reynolds
Austin	Couzens	Lewis	Robinson
Bachman	Davis	Logan	Russell
Bailey	Dickinson	Lonergan	Schwellenbach
Barbour	Dieterich	Long	Sheppard
Barkley	Donahey	McAdoo	Shipstead
Benson	Duffy	McGill	Smith
Bilbo	Fletcher	McKellar	Steiwer
Black	Frazier	McNary	Thomas, Okla.
Bone	George	Maloney	Thomas, Utah
Borah	Gibson	Minton	Townsend
Bulkley	Glass	Moore	Trammell
Bulow	Gore	Murphy	Truman
Burke	Guffey	Murray	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Van Nuys
Caraway	Hatch	Norris	Wagner
Carey	Hayden	O'Mahoney	Walsh
Clark	Holt	Overton	Wheeler
Connally	Johnson	Pittman	White
Coolidge	Keyes	Pope	

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS], is necessarily absent from the Senate.

Mr. AUSTIN. I announce that the Senator from Rhode Island [Mr. METCALF] is necessarily absent.

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD] continues to be absent because of illness, and that the Senator from Nevada [Mr. MCCARRAN], the Senator from New Hampshire [Mr. BROWN], the Senator from Virginia [Mr. BYRD], the Senator from Rhode Island [Mr. GERRY], and the Senator from New Mexico [Mr. CHAVEZ] are unavoidably detained from the Senate.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

W. W. COOK

The VICE PRESIDENT laid before the Senate the amendments of the House to the bill (S. 1837) for the relief of W. W. Cook, which were, on page 1, line 4, to strike out "refund" and insert "pay"; and, on page 1, line 6, to strike out all after "$30", down to and including "Cook" in line 8, and insert "in full settlement of his claim against the United States for the refund due him on two broker's special tax stamps, no liability to such special tax having been incurred

by him, and for which refund he has made timely claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. DICKINSON. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

BEND GARAGE CO. AND FIRST NATIONAL BANK, CHICAGO

The VICE PRESIDENT laid before the Senate the amendments of the House to the bill (S. 2889) to authorize settlement, allowance, and payment of certain claims, which were, on page 1, line 11, to strike out all after "Sec. 2." down to and including "1933", in line 6, page 2, and insert: "That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of the First National Bank of Chicago, for refund of $11.75 on account of loss of that amount contained in official registered letter no. 942194, caused by robbery of a letter carrier in Chicago, Ill., on December 6, 1932, such amount being the unexpended balance of a deposit made by the said bank with the Postal Service to defray the expense of a cablegram to a postal official of Yugoslavia directing the return of registered letter no. 531940, mailed at Chicago, November 25, 1932, by Ivan Markovic and addressed to Marija Markovic in Yugoslavia. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $11.75 for the payment of this claim", and to amend the title so as to read: "An act for the relief of the Bend Garage Co. and the First National Bank of Chicago."

Mr. SHEPPARD. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Council of the City of Portland, Oreg., favoring the enactment of legislation to complete the Columbia River development at Bonneville, Oreg., so as to provide power for domestic, agricultural, and industrial uses, which was referred to the Committee on Commerce.

He also laid before the Senate a resolution adopted at the annual meeting of the Association of American State Geologists, University, Va., favoring the enactment of legislation providing for the completion of the computations and adjustments of the existing field data for control surveys so as to prevent waste of public funds, which was referred to the Committee on Commerce.

He also laid before the Senate resolutions adopted by Burlington Local, Project Workers Union, of Burlington, and Project Workers Union Local, No. 2, of Pinehurst, in the State of Washington, requesting an investigation of the discharge of Z. H. Dobbs from the Everett, Wash., W. P. A. office, which were referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of the Association of Lithuanian Workers, No. 12, New York, favoring the enactment of the so-called workers' social insurance bill, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Alfred Gooding Guild, Young People's Religious Union of the South (Unitarian) Church, of Portsmouth, N. H., favoring the enactment of legislation providing a referendum on war and take the profits out of war, which was referred to the Committee on Military Affairs.

Mr. KEYES presented a resolution adopted by the Conference of State Health Officers of the New England States at Boston, Mass., favoring the enactment of Senate bill 3958, to prevent the pollution of the navigable waters of the United States, and for other purposes, which was referred to the Committee on Commerce.

Mr. COPELAND presented a resolution of the Polish Branch of the Socialist Party, New York City, N. Y., favoring the enactment of the so-called workers' social insurance bill, which was referred to the Committee on Finance.

REGULATION OF WATER CARRIERS

Mr. WAGNER presented a letter from Millard Division, No. 104, Order of Railway Conductors of America, of Middletown, N. Y., which was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

ORDER OF RAILWAY CONDUCTORS,
MILLARD DIVISION, No. 104,
Middletown, N. Y., March 7, 1936.

Hon. ROBERT F. WAGNER,
Senate Office Building, Washington, D. C.

DEAR SENATOR: At regular meeting of Millard Division 104, Order of Railway Conductors of America, held March 1 a resolution was passed asking for your support in having the following bills enacted into law at this session of Congress:

Senate bill 1632, Wheeler bill, covers regulation of water carriers.

House bill 3263, Pettengill bill, eliminates long- and short-haul clause from Interstate Commerce Act.

With kindest regards, I am,

Very truly yours,

A. L. VAUGHAN,
Legislative Committeeman, Division 104.

PREVENTION OF POLLUTION OF NAVIGABLE WATERS

Mr. WAGNER presented a resolution adopted by the Board of Trustees of the Village of Pulaski, N. Y., which was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

VILLAGE OF PULASKI,
Pulaski, N. Y., March 3, 1936.

Hon. ROBERT F. WAGNER,
Capitol Building, Washington, D. C.

DEAR SIR: At a meeting of the Board of Trustees of the Village of Pulaski, held last evening, I was instructed to forward to you the following copy of a resolution adopted at that meeting:

Resolved, That the Board of Trustees of the Village of Pulaski, Oswego County, N. Y., are opposed to legislation designed to transfer to the Federal Government control of water pollution resulting from the discharge of sewage and industrial waste into navigable waters and upon areas that drain into such streams, it being the opinion of the members of this board that such control can best be exercised by the several States acting separately or in combinations as may be necessary to control such pollution insofar as it may affect waters bordering upon or passing through the respective States, and that by retention of control by the States affected greater economy and less interference with industrial activity and the administration of State public-health agencies will result; and be it further

Resolved, That this board is opposed in particular to Senate bill 3958, known as the Lonergan bill, and Senate bill 3959, which bills have been introduced with the purpose of transferring control of water pollution to the Federal Government; and be it further

Resolved, That the clerk of the village of Pulaski be directed to transmit a copy of this resolution to the chairman and members of the subcommittee of the Senate Committee on Commerce now considering such proposed legislation, and also to the Honorable ROBERT F. WAGNER and the Honorable ROYAL S. COPELAND, Senators representing the State of New York, and to the Honorable FRANCIS D. CULKIN, Congressman from the Thirty-second District of said State.

Very truly yours,

MERRITT A. SWITZER, *Clerk.*

MISSISSIPPI RIVER FLOOD CONTROL

Mr. BILBO. I present a letter from G. F. Seals, secretary-treasurer of the Board of Levee Commissioners, of Clarksdale, Miss.; a transcript of order of the Board of Levee Commissioners for the Yazoo-Mississippi-Delta Levee District; and resolutions of the Chamber of Commerce, the Rotary Club, and the Kiwanis Club, of Greenville, Miss., pertaining to and in support of the Overton flood-control bill now pending on the calendar and ready for consideration. I ask that the letter and other papers may be printed in the RECORD and lie on the table.

There being no objection, the letter, order, and resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

BOARD OF LEVEE COMMISSIONERS FOR THE
YAZOO-MISSISSIPPI DELTA,
Clarksdale, Miss., February 17, 1936.

Hon. THEODORE G. BILBO,
Senate Office Building, Washington, D. C.

DEAR SIR: I am enclosing herewith a certified copy of an order passed by the Yazoo-Mississippi-Delta Levee Board at its meeting

held on February 11, 1936, in which they are formally withdrawing their membership from the Mississippi River Flood Control Association.

For your information, I will state that Mr. W. H. Dick, president of the Mississippi River Flood Control Association, has mailed from his office letters to various parties in Tennessee, Mississippi, Arkansas, and Louisiana, in which he has expressed his views in opposition to the bill which has been introduced by Senator OVERTON for the flood-control program along the lower Mississippi River. This levee board is in thorough accord with the program as set out in the bill of Senator OVERTON, and for that reason does not wish to be affiliated with any organization that is opposing that bill. The board wishes you, as a Member of the National Congress, to know that they do not in anywise sanction any statements made by Mr. Dick in regard to flood control in recent months.

With kindest personal regards, I am

Sincerely yours,

G. F. SEALS, *Secretary-Treasurer.*

Transcript of order—The Board of Levee Commissioners for the Yazoo-Mississippi-Delta District

FEBRUARY 11TH SESSION, 1936.

Be it remembered, that at the above-stated session of the Board of Levee Commissioners for the Yazoo-Mississippi-Delta an order was then and there made by said board, which was in the following words and figures, to wit:

WITHDRAWAL OF MEMBERSHIP IN THE MISSISSIPPI RIVER FLOOD CONTROL ASSOCIATION

The president stated to the board that a considerable amount of controversy had arisen among interested parties due to the fact that W. H. Dick, president of the Mississippi River Flood Control Association, had mailed a letter in January to a large number of people, in which he expressed his view as being opposed to the Overton bill, which has been introduced in the National Congress by Senator OVERTON, of Louisiana, which bill embodies flood-control plans in accordance with those advocated by the Chief of Engineers of the United States Army. The president stated that this board had paid the annual dues as a member in the Mississippi River Flood Control Association for the year ending June 1, 1936. He stated that this being true, that any expression written by W. H. Dick as president of the Mississippi River Flood Control Association would carry the implied meaning that he was speaking for this levee district as well as for other members of the association. The president requested an expression of the views of the members of the board in regard to the matter. Commissioner Magruder stated that as a commissioner of this levee board he was entirely loyal to the levee district and was in entire accord with the Overton bill, but that he was of the opinion that Mr. Dick was being unduly criticized by certain parties. After further discussion of the matter by various members of the board, Commissioner Sherard made a motion, which was duly seconded by Commissioner Parker, that this board withdraw its membership in the Mississippi River Flood Control Association and that the secretary be instructed to write a letter to this effect to W. H. Dick as president of the Mississippi River Flood Control Association, and that this board place itself on record as being in thorough accord with the provisions embodied in the bill introduced by Senator OVERTON, of Louisiana, for the completion of flood protection in the lower Mississippi Valley, which motion was unanimously carried.

I, G. F. Seals, secretary of the Board of Levee Commissioners for the Yazoo-Mississippi-Delta, do hereby certify that the above and foregoing is a just, true, and perfect copy of an order of said board of levee commissioners made and entered at their February 11th session, A. D. 1936, as the same appears of record in my office in the minute book G of said board, on page 408.

Given under my hand and the official seal of said Board of Levee Commissioners for the Yazoo-Mississippi-Delta this 17th day of February, A. D. 1936.

[SEAL] G. F. SEALS, *Secretary.*

Whereas the Board of Mississippi Levee Commissioners of Greenville, Miss., representing the counties of Bolivar, Washington, Sharkey, Issaquena, and a part of Humphreys, was for a long number of years a member of the Mississippi River Flood Control Association of Memphis, Tenn., of which Mr. W. H. Dick is president; and

Whereas said Board of Mississippi Levee Commissioners withdrew from said association and is no longer a member thereof; and

Whereas Mr. W. H. Dick, as president of said association, has recently issued a circular letter to the business interests of the city of Memphis, reciting that there will be introduced in Congress a bill for the expenditure of approximately $125,000,000 in river work in the Memphis territory, and that unless the proposed bill is enacted the business interests of the city of Memphis will suffer a great loss in that no river work will be carried on and many of the employees of the district engineer's office in the Memphis territory will be out of employment, and further reciting that certain interests in Louisiana are opposed to the proposed bill and calling on the business interests of the city of Memphis for donations of $10 each; and

Whereas as the result of the untiring efforts of a committee representing the States of Mississippi, Arkansas, and Louisiana, composed of J. S. Allen, Greenville, Miss., chief engineer of the Board of Mississippi Levee Commissioners; J. W. Bradford, Itta Bena, president of the Yazoo Delta Levee Board; J. G. Burk, Helena, Ark., attorney of the White River Levee Board; Wade O. Martin, chairman of the Louisiana Public Service Commission, chairman of the Louisiana Flood Control Association; and Harry Jacobs, of the Louisiana State Board of Engineers, a bill known as the Overton bill has been introduced in the present session of the United States Senate providing for the completion of flood control in the middle section of the Mississippi River by the execution of the adopted project as modified by the recommendations of Major General Markham, Chief of Engineers, at a cost of approximately $300,000,000, which bill has been referred to the Commerce Committee of the Senate, and upon which very favorable hearings were had during the week of January 27, 1936, before a subcommittee of the Commerce Committee; and

Whereas the Overton bill has the support of the Senators from Mississippi, Arkansas, and Louisiana, and also the support of Representatives WHITTINGTON, of Mississippi; MCCLELLAN, of Arkansas; and ZIMMERMAN, of Missouri, all of whom are members of the Flood Control Committee of the House of Representatives; and Congressman W. J. DRIVER, of Arkansas; and

Whereas we feel that the enactment of the Overton bill is vital to the prosperity and safety of the middle section of the Mississippi Valley, extending from southern Missouri to the Atchafalaya Basin, and that any effort at this time for the enactment of local flood-control legislation, such as that proposed by Mr. W. H. Dick, will jeopardize the enactment of the Overton bill; and

Whereas the Mississippi River Flood Control Association has not been designated to speak officially for the Board of Mississippi Levee Commissioners: Now, therefore, be it

Resolved by the Chamber of Commerce of Greenville, Miss., in session with the officers of the Board of Mississippi Levee Commissioners of Greenville, Miss., That the business interests of this territory disclaim any interest in the endeavors of Mr. W. H. Dick as president of the Mississippi River Flood Control Association; and be it further

Resolved, That the foregoing facts be communicated to the Chamber of Commerce of the city of Memphis, Tenn., with the request that the same be communicated to the business interests of the city of Memphis; and be it further

Resolved, That a copy of this resolution be published in the Greenville Democrat Times and in the Commercial Appeal.

Resolution of the Rotary Club of Greenville, Miss.

Whereas the Mississippi River Flood Control Association has suggested the necessity of further river legislation; and

Whereas the Mississippi River Flood Control Association is not officially authorized to speak for the levee boards of this district; and

Whereas the Overton Senate bill has the unqualified support of the Board of Mississippi Levee Commissioners, and the Yazoo-Mississippi Delta Levee Board and of the United States Army Engineers: Be it

Resolved, That we approve and urge the passage of the Overton bill without consideration of further legislation at present.

Resolution of the Kiwanis Club of Greenville, Miss.

Whereas the Overton Senate bill for the completion of flood control in the middle section of the Mississippi Valley has the endorsement of the two levee boards of the Yazoo-Mississippi Delta, as well as the great majority of the affected areas of Arkansas and Louisiana; and

Whereas the Mississippi River Flood Control Association has suggested the submission of additional flood-control legislation in the present session of Congress; and

Whereas we feel that such legislation at this time might interfere with the consideration and enactment of the Overton Senate bill: Now, therefore, be it

Resolved, That we endorse and urge the passage of the Overton bill.

REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (S. 3581) for the relief of Henry Thornton Meriwether, reported it without amendment and submitted a report (No. 1671) thereon.

Mr. BONE, from the Committee on Naval Affairs, to which was referred the joint resolution (H. J. Res. 179) authorizing the President to present in the name of Congress a Medal of Honor to J. Harold Arnold, reported it with an amendment and submitted a report (No. 1672) thereon.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (H. R. 11053) authorizing the President to present the Distinguished Service Medal to Commander Percy Tod, British Navy, and the Navy Cross to Lt. Comdr. Charles A. deW. Kitcat, British Navy, reported it with amendments and submitted a report (No. 1673) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 223) relating to the employment of the personnel of the Agricultural Adjustment Administration in carrying out cer-

tain governmental activities, reported it with an amendment and submitted a report (No. 1674) thereon.

Mr. HATCH, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 4232) to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects, reported it without amendment.

Mr. COOLIDGE, from the Committee on Immigration, to which was referred the joint resolution (H. J. Res. 443) to amend Public Resolution No. 31 of the Seventy-fourth Congress, first session, approved June 17, 1935, so as to extend its provisions to cover the National Boy Scout Jamboree now scheduled to be held in 1937, reported it without amendment and submitted a report (No. 1676) thereon.

Mr. McGILL, from the Committee on Pensions, to which was referred the bill (H. R. 9074) granting pensions to certain soldiers and sailors of the Regular Army and Navy, and so forth, and certain soldiers and sailors of wars other than the Civil War, and to widows and dependents of such soldiers and sailors, reported it with amendments and submitted a report (No. 1677) thereon.

Mr. HALE, from the Committee on Naval Affairs, to which was referred the bill (S. 3720) to authorize the Secretary of the Navy to accept on behalf of the United States the bequest of the late Henry H. Rogers, and for other purposes, reported it without amendment and submitted a report (No. 1678) thereon.

ARMY DAY

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the concurrent resolution (S. Con. Res. 30) to recognize April 6, 1936, as Army Day, reported it without amendment and submitted a report (No. 1675) thereon.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on March 9, 1936, that committee presented to the President of the United States the following enrolled bills:

S. 2219. An act for the relief of D. A. Neumann; and

S. 2875. An act for the relief of J. A. Jones.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DICKINSON:

A bill (S. 4226) authorizing the redemption by the United States Treasury of certain documentary revenue stamps now held by L. J. Powers; and

A bill (S. 4227) for the relief of Marc L. Severe; to the Committee on Claims.

By Mr. McNARY:

A bill (S. 4228) to authorize a preliminary examination of the Salmon River in the State of Oregon with a view to the control of its floods; to the Committee on Commerce.

By Mr. LONERGAN:

A bill (S. 4229) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the incorporation of Bridgeport, Conn., as a city; to the Committee on Banking and Currency.

By Mr. HAYDEN:

A bill (S. 4230) to amend section 28 of the Enabling Act for the State of Arizona, approved June 20, 1910; and

A bill (S. 4231) to authorize the Secretary of the Interior to accept unsurveyed lands in numbered school sections in the State of Arizona in exchange for certain other lands, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. BORAH and Mr. HATCH:

A bill (S. 4232) to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects; to the Committee on Irrigation and Reclamation.

By Mr. TYDINGS:

A bill (S. 4233) for the relief of William H. Brockman; to the Committee on Naval Affairs.

A bill (S. 4234) to amend section 40 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes"; to the Committee on Territories and Insular Affairs.

By Mr. VANDENBERG:

A bill (S. 4235) to grant a renewal of patent no. 59560 relating to the emblem of the Disabled American Veterans of the World War; to the Committee on Patents.

(Mr. THOMAS of Oklahoma introduced Senate bill 4236, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. STEIWER:

A bill (S. 4237) conferring jurisdiction upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon the claim of Corbin Edgell; to the Committee on Claims.

A bill (S. 4238) authorizing the naturalization of Joseph Brian Grant Ingoldsby, and for other purposes; to the Committee on Immigration.

A bill (S. 4239) to provide for physical examinations of certain veterans, and for other purposes; and

A bill (S. 4240) for the relief of Clint E. Williams; to the Committee on Military Affairs.

A bill (S. 4241) to provide for the sale of a certain isolated tract of the public domain in the State of Oregon; to the Committee on Public Lands and Surveys.

A bill (S. 4242) granting a pension to Elizabeth Fahrenwald;

A bill (S. 4243) granting a pension to Mary Nightingale; and

A bill (S. 4244) granting a pension to Christiana L. Todd; to the Committee on Pensions.

By Mr. POPE:

A joint resolution (S. J. Res. 227) to authorize the completion of work contemplated by Executive Order No. 7075; to the Committee on Commerce.

RETIREMENT OF UNITED STATES NOTES

Mr. THOMAS of Oklahoma. I introduce a bill to provide for the retirement of United States notes, and for other purposes, and ask that it be printed in full in the RECORD and referred to the Committee on Banking and Currency.

There being no objection, the bill (S. 4236) to provide for the retirement of United States notes, and for other purposes, was read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to provide for the immediate retirement of all United States notes outstanding on the date of enactment of this act, and to issue in exchange for any such notes presented to the Treasury for retirement silver certificates in an equal amount. Any United States notes so retired shall not be reissued.

SEC. 2. The silver certificates to be issued in exchange for United States notes under this act shall be in an amount sufficient to retire all such outstanding notes, and such certificates shall be issued against the monetary value of silver to be hereafter purchased by the Secretary of the Treasury after deducting the cost of such silver.

SEC. 3. The silver purchased for the purposes of this act shall not be counted as part of the silver authorized or required to be purchased and coined under the provisions of existing law.

SEC. 4. The Secretary of the Treasury is authorized to make such rules and regulations as may be necessary to carry out the purposes of this act.

SEC. 5. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

JOHN N. HUNTER AND OTHERS—AMENDMENT

Mr. COPELAND (by request) submitted an amendment intended to be proposed by him to the bill (H. R. 8799) for the relief of John N. Hunter and others, which was referred to the Committee on Claims and ordered to be printed.

HEARINGS ON INVESTIGATION OF SO-CALLED RACKETS

Mr. COPELAND submitted the following resolution (S. Res. 247), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures under Senate Resolution 74, Seventy-third Congress, first session, authorizing an investigation of the matters of so-called rackets with a view to their suppression, agreed to June 12, 1934, is hereby increased by $800, to complete the final report.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to each of the following bills of the House:

H. R. 8458. An act to provide for vacations to Government employees, and for other purposes; and

H. R. 8459. An act to standardize sick leave and extend it to all civilian employees.

W. P. A. DOG-POUND PROJECT IN MEMPHIS, TENN.

Mr. McKELLAR. Mr. President, on February 25, 1936, the senior Senator from Delaware [Mr. HASTINGS], my good personal friend, but who is always extremely partisan, when he thinks or talks about the present administration, at any rate, had this to say, as shown on page 2746 of the RECORD:

Let me read from a speech delivered by Representative LEHLBACH, and I think the Senator from Tennessee [Mr. MCKELLAR] will be interested in this. He said:

"You think this Passamaquoddy project is a sole exception and not typical of the insensate spending orgy now going on? Well, let's look at the dog pound in the city of Memphis, Tenn., for the building of which $25,000 of W. P. A. money has been allocated. I saw some days ago in the New York Sun a reproduction of the architect's sketch of this dog house, and I certainly wish I could live in as handsome a building as the Memphis dogs will occupy. The dogs will have individual pens with fresh bedding every day, exercise runways, shower baths, and every other imaginable comfort of home."

Then the Senator from Delaware, always vitriolic where the present administration is concerned, after making that quotation, further said:

These dogs are not valuable dogs. These are just stray dogs brought in there. If the owner does not claim them in 3 days, after they have had a bath and a night's rest, they are taken into a gas chamber and the gas is turned on and they are killed.

Mr. President, not knowing about this particular project, I did not reply at the time, but I immediately wrote the mayor of Memphis to give me the facts. I have a letter from him, in which he enclosed a copy of his telegram sent the New York Times on February 7 about this project. I cannot better explain the facts to the Senate than to read Mayor Overton's telegram at this point:

FEBRUARY 7, 1936.

EDITOR OF THE NEW YORK TIMES,
New York City, N. Y.:

I am reliably informed that the New York Times carried a story ridiculing a W. P. A. project of the city of Memphis to provide a dog pound for our city. The city of Memphis takes full responsibility for this project, and we deeply resent your biased, partisan, and unfair story in regard to this project. The city of Memphis is building a dog pound in cooperation with W. P. A. to protect the lives and safety of the people of Memphis. This project has the approval of the Memphis health department, the Memphis Humane Society, and our citizens. In the last 3 years our city health department has given 827 Pasteur treatments, mostly to children who have been bitten by mad dogs. During the same time our health department reported 1,500 people bitten by dogs, and our city laboratory has found 372 of these dogs to be rabid. Six people have suffered horrible deaths as a result of being bitten by rabid dogs in this city. In a constructive effort to protect our children we are constructing as a health measure a dog pound with concrete walls, steel pens, gas chamber, and a central office to conduct our campaign for the proper control of rabies and the handling of small animals, the total cost of the project being $19,000, of which the city of Memphis is contributing $6,000. The project is further giving employment to citizens of this community who are in need and furnishing a building which will protect the men, women, and children of this city for many years to come. We cannot conceive that any newspaper would be so partisan as to ridicule a project so essential to the health and safety of any community. I again reiterate that the city of Memphis takes full responsibility for this project, and it is not an example of waste on the part of W. P. A. but an outstanding example of the constructive projects being undertaken for the benefit of the average citizen. This is one of 201 city projects we are advocating to provide work for honest men seeking a living and to benefit the people of our city. We destroyed over 10,000 dogs in 1935 because they were a menace to the health and safety of this community, at a large cost to the taxpayers. The construction of this building will ultimately not only protect the health and safety of our children, but will make possible an actual saving to the taxpayers. If the New York Times is fair and not seeking to merely spread false propaganda, you will give the same publicity to this telegram as you gave to the biased, unfair, and unfounded story which you published on February 7.

WATKINS OVERTON, *Mayor.*

Mr. President, I ask at this point to insert in the RECORD as a part of my remarks the letter written by Mayor Overton to me under date of March 6, 1936.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMISSION GOVERNMENT,
Memphis, Tenn., March 6, 1936.

Hon. KENNETH MCKELLAR,
Senate Office Building, Washington, D. C.

DEAR SENATOR: The attempt to belittle and ridicule the construction of the Memphis dog pound as a W. P. A. project is malicious, vicious, and inspired. I have received letters from all over the country, which show that the propaganda has been widespread. Of course, the purpose is to try to create in the public mind a false impression of the W. P. A. program.

The city of Memphis sponsored the project and accepts full responsibility. The stories that we are building a "haven for homeless dogs with shower baths" is false. We are building a substantial concrete building, on property donated by the county, for the purpose of aiding us in the control of rabies.

For years the newspapers were insisting that we do something. Hundreds of children in our city were bitten by rabid dogs and were forced to take Pasteur treatment. Six horrible deaths have occurred in the last 3 years. As a health measure approved by the Memphis Health Department and the Memphis Humane Society, we are constructing this dog pound in order to have a place as headquarters for our campaign against rabies and to keep these dogs until they are reclaimed by their owners or put to death in a humane manner at the end of 3 days. Of course, the propaganda that we are building it for the benefit of the dogs is silly and ridiculous. Certainly, we intend to treat them humanely while they are being held either to be reclaimed by the owner or put to death.

I am enclosing herein copy of a telegram which I sent to the New York Times, which was published in that paper in the column labeled "Letters to the editor" on February 10, 1936. This telegram will give you the facts in regard to the situation. All modern and progressive cities have dog pounds. The city of Memphis recently purchased three automobiles for the very purpose of eliminating dangerous dogs from our streets where our children play, and each year we have spent thousands of dollars giving Pasteur treatments and in our efforts to rid our streets of dangerous animals.

The former location of the dog pound was in Highland Heights on the old workhouse site, but as this was a residential neighborhood it became necessary to remove it.

If there is any further information I can furnish I will be delighted to do so. How anyone would attempt to ridicule a project designed to aid a city in protecting its people from rabies and mad dogs is beyond my conception. It certainly shows to what extent they are willing to go in an attempt to find fault with the W. P. A. program.

With kindest personal regards, I am
Sincerely yours,

WATKINS OVERTON, *Mayor.*

Mr. McKELLAR. Mr. President, the incident shows to what extremes of partisanship even United States Senators can go. I myself am a partisan, but I hope that in all my partisanship I have never wantonly attacked, as has the senior Senator from Delaware, a project intended to protect human beings from death by rabies. Of all the horrible deaths in the world, I am told that a death caused from the bite of a mad dog is the most horrible. I cannot conceive how any man in the Senate or any newspaper would be willing to make fun of, to cast aspersions on, and to utter jibes at efforts of the government of a great city, aided by the National Government, to protect its citizens, and especially the women and children, from the ravages of hydrophobia. I am sure the Senator from Delaware was not informed as to the project, just as he has not been informed as to many other projects which he ridiculed on that occasion. I hope this will teach him a lesson, not just because of his biased partisanship to attack proposals of this kind—this absolutely necessary proposal to protect the lives and health of the people of a great city.

Mayor Overton is right in having built this pound. He is right in protecting the lives and persons of the citizens of Memphis against the ravages of this awful dog disease. His statement is a splendid refutation of the ridiculous and foolish charges of Representative LEHLBACH and of the Senator from Delaware. If all the other charges they have made concerning the projects of the W. P. A. are as unfounded as the charges concerning the dog pound at Memphis, it is perfectly evident that what they say should not be considered by anyone. I am surprised and astonished at my distinguished friend for taking such an untenable and inhumane position in regard to this project.

I hope that even the reactionary city administration in the Senator's home city has a dog pound and is taking the same sane and safe measures to prevent mad dogs from running loose in Wilmington. Vitriolic as is the senior Senator from Delaware, I would not have him bitten by a mad dog for anything on earth, and I hope his city will protect the citizens of Wilmington as Mayor Overton is protecting the citizens of Memphis, and also at the same time protect the senior Senator from Delaware from rabies.

THE UNEMPLOYMENT PROBLEM—ADDRESS BY SENATOR THOMAS OF UTAH

Mr. BACHMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting address delivered by the junior Senator from Utah [Mr. THOMAS] over the Columbia Broadcasting System in connection with their public-opinion program on Monday evening, March 9 last.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

One time in ancient Rome conditions got so bad that most of those who were not doing well moved out. They went across the Tiber and started a city of their own where they would not be oppressed. Once they were gone, all business stopped, and even those who enjoyed every economic and political advantage discovered that their wealth began leaving them, and the great lesson of man's interdependence was brought home. Merchants learned that they could not sell without buyers, and owners of great wealth learned that there was no joy in life or security in their wealth if there were no workers or guardians. That condition was overcome by the logic and the leadership of a great statesman, who built a new order on self-restraint and self-control by teaching one of Aesop's fables and building the new state upon its great fundamental truth.

Christian Paul taught the same fable. If there is one lesson above all others that the war and its subsequent depression have taught the world, it is the fallacy of the discord that made the ancient fable so apt. Ancients everywhere did not, and we moderns do not, challenge the truth of the fable. Paul said, "The eye cannot say unto the hand, 'I have no need of thee.'" But mankind and nations do not live by this philosophy.

A parent who teaches his child the slogan, "There is always room at the top", teaches an untruth.

This expression starts a child in life with the mistaken notion that life is an end in itself, rather than a means to an end. It breeds hate when we know that hate begets hate. The history of European nations is one of war and competition expressed in terms of exploitation and overdoing. Men and nations have thoughtlessly accepted the theory that he who survives is the most fit and that they who win are right. The outcome of such thinking resulted in an almost universal acceptance of the idea that might makes right and success rests on the attainment of power. It is no wonder, then, that we have taught our children that they, too, must go to the top. Tomorrow, if our people are thoughtful, it will be old-fashioned to tell a boy or girl that he must fight his way to a mythical top through sheer strength. The mythical top invites hate and envy to the man who gets there and self-satisfaction over an ability which should be called luck. This lesson is one, too, for nations.

By means of machinery and social organization, man has learned to gain many of the blessings of work without working. He has worked out such economic ideas as interest. As a result he who can lend money gains wealth even though he sleeps, but he who borrows must give over part of his earning to payment of interest, which is a handicap in the gaining of wealth. The lender thus gains leisure, the borrower loses it. The aim of science, efficient organization, and labor-saving devices has been to produce leisure. In the light of the objective, that aim has been accomplished well, for even in our country nearly 12,000,000 persons are enjoying an enforced leisure. Actually one-tenth of our population cannot find work. Our economic structure can carry one-tenth of our population in leisure, but note what this particular tenth means. Under our standard of life not more than one person out of every five should be a wage earner. Wives and mothers should be relieved of that responsibility, childhood and youth should know nothing of it, and old age should be freed from it. If, then, only one of every five should be a provider, it follows that a nation having 125,000,000 people should have only 25,000,000 wage earners.

Now, if there should be only 25,000,000 wage earners and if out of these 25,000,000 who should be employed 12,000,000 of these same people are unemployed, the consuming power of the Nation is not reduced by a mere 10 percent but dangerously near 50 percent, because the consumption of the 125,000,000 depends upon the ability of the 25,000,000 workers to earn. The idleness, therefore, of 12,000,000 persons who should be, in the natural scheme of things, workers, means roughly the reduction of the consuming power of 60,000,000 souls.

That is a simple analysis of our chief industrial ill. How may this condition be remedied? He who has the solution is the man of the hour, for the problem is much the same in every nation. Modern industry has worked so well in its endeavor to produce leisure that we have actually been forced into undesired leisure, which, hateful to all, is now sadly evident on all sides. Governments, suddenly alarmed, have failed in their desperate attempts to cure this condition. To illustrate, the United States has been able to decrease its unemployment only by 19 percent since the peak of unemployment was reported. Japan, despite her ability to act as a unit both as to money and industry, has been able to decrease her unemployment only by 18 percent. Great Britain, whose many new deals antedated our own New Deal by several years, has decreased unemployment by only 24 percent and has become definitely reconciled to the dole; Belgium, by 27 percent; Sweden, a country which has had unemployment insurance and guaranteed employment for a number of years, 36 percent; and Canada, 42 percent.

These facts challenge the slogan, "There's plenty of room at the top." In America the Government has borrowed to overcome this situation, and industry has dipped into its reserves. Actually industry and Government have used identical methods, and through their joint efforts the gain we have made has been accomplished. The American Government has expended large sums in trying to overcome unemployment, and American industry has tried to do the same thing; in fact, the spokesman for one large industry has stated that American industry has used $27,000,000,000 of reserves in attempting to bring about recovery. This sum is in excess by many billions the amounts spent by Government, Federal, State, and local. These facts show that both official government and private industry accepted the theory of spending as a proper way to produce recovery.

Yet, despite the fact that we may have made gains, we have not solved the problem. The key to the problem lies in changing completely, first in industry and then in our lives, our attitude concerning what constitutes efficiency. Efficiency must furnish new values. There is nothing new in that statement. The Chinese learned to honor the scholar, the Hindu the holy man, the Hebrew taught the key to success through absolute justice, the Greek made beauty an ideal, the Roman stressed law. We have gone in for "success." When our Government was set up the founding fathers thought they were establishing a new order, for on the United States seal they proclaimed the fact, and they also asked God's blessings on the beginnings of this undertaking. A new order for whom? The preamble of the Constitution implies for the people, and the chief purpose of the new order was to gain the "blessings of liberty." Liberty for whom? For the people, the men, women, and children of America. Liberty can only be sustained by the people's being secure in life, in mind, in aspiration, in property. Can we not make these things the Government's chief reason for existence?

Here, then, is where we should find our values: The man free to come and go, to acquire and to sell, to work and enjoy the profits of his labor; secure in his home, in the education of his children; free from dulling worry over dependency in old age. How can these things be accomplished? Probably by no single way. First of all, we must accept some changed attitudes. If the true value is the human one, we have the key to changed attitudes. In industry we have assumed that that organization is the most efficient which is able to function with the least labor and at the least cost. We have measured our industrial efficiency by dollars of profits and by units of energy. But if we think of human values entirely, that organization is the most efficient that is willing to use all of the men it can and give all the work it can and still make ends meet.

Let me state that in another way. If an industrial organization's objective is the betterment of human beings, it is not an end in itself but merely a means to an end. The question will not be how much do you make but how many men, women, and children's lives are you making worth living. This country, therefore, must come to realize that the objective of our industrial life must be, not to get along with as few as possible but to use as many as possible. On first thought that seems economically unsound, but on second thought we realize that industry thrives as its products are consumed. There are two ways of increasing profits, one by cutting costs, the other by increasing consumption. In this machine age the cutting of costs may destroy the ability to consume. Thus in our day we have seen the vision of those who were fearful of the results of the machine age come true. The early writers pointed out that when the machines became so efficient that they could reproduce themselves they would destroy men and thus make themselves useless. We may keep men masters of machines by giving all our objectives human values.

Does such a suggestion attempt to overcome years of experience? Yes; it does. For until now we have stressed the rights of industry instead of the duties of industry. When we consider the inherent duties of industry we are tapping a virgin field. Industry has owned no duties except to obey the law. The next question arises: Can we build our industrial system upon the spirit of self-control and self-restraint? If we do, can we make it pay? A changed attitude, a changed objective, and a given trial will answer the question. Those who have tried it say it has paid. Using excess reserves and what would be spent for excess-profits taxes to employ more people would increase consumption. It is worthy of a trial. It is not wholly experimental, for great things have been done in this direction in some of the smaller countries of the world. In the past year we have made great advances in extending the spirit of self-control and self-restraint. Internationally some remarkable things have occurred. The League of Nations is trying slow collective economic pressure to accomplish its objectives. The United States has given the Philippines their independence. England has lately given up her mandate over Irak. France is now ready to give up her mandate over Syria. The Allies accepted the plebiscite in the Saar and the League of Nations control has been withdrawn. Europe today is faced with two alternatives. The first, self-restraint; the second, war. Which will she choose?

Our new neutrality is built upon the spirit of self-control and self-restraint. No longer are we stressing rights at the point of a gun. America knows our old theory did not pay. It cost us billions in wealth and hundreds of thousands in lives. We have faith that the new theory will pay. In the development of manhood it will pay, for war makes a Caesar or a Napoleon. Peace makes happy men, women, and children. Have you ever figured how much a Caesar has cost the world in blood and wealth?

Caesars do not develop by self-control and self-restraint. Should America make the happiness of the few or the many its objective? Our Constitution answers that question. Its opening words are "We the people."

We are rapidly approaching the time when we may wholeheartedly support a new attitude toward money. Many leaders are demanding international stabilization of moneys. The last two meetings of such leaders held in England and America both demanded it. International stabilization must, though, follow domestic stabilization. Before we can have international agreement a common denominator must be found. In this we may lead the way. The denominators should be the two precious metals. Their relationship should be established and redemption in specie in either gold or silver, as our Treasury may decide, should start with coinage in accordance with new values at the established coinage ratio. In the spirit of self-restraint we can afford to keep our money values slightly higher than the rest of the world because of our credit position and because of our great reserves. This will cause gold-based money countries to peg values close to ours. The use of either gold or silver will make it possible for silver countries to peg their values near ours.

With gold and silver countries following our lead, the managed-currency countries may attempt tense competition, but they will not do it, as the slight advantage given them will cause them to keep values as high as possible.

Thus, even in money matters, we are in a position to use self-control and self-restraint and build that good neighborly attitude as we have asserted we would. Through self-control and self-restraint America thus can take leadership the world over without arousing suspicion. This is an aim worth striving for. In its wake will follow peace and good will.

GOVERNMENTAL EXPENDITURES AND TAXATION—ADDRESS BY SENATOR GEORGE

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the RECORD a very informative address delivered by the senior Senator from Georgia [Mr. GEORGE] during the National Radio Forum arranged by the Washington Star, and broadcast over the National Broadcasting Co. network on Monday evening, March 9.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REVENUE LEGISLATION

When, on January 3 last, the President submitted to the Congress his annual Budget message the Budget was in balance with the exception of the single item of relief. Estimated receipts during the fiscal year just ahead—beginning July 1—were sufficient to take care of all other regular expenses of the Government. But in the meantime the Budget situation has been upset by two occurrences. In the first place, the Agricultural Adjustment Act was declared unconstitutional by the Supreme Court of the United States. This resulted in a considerable loss of revenue which would have come in from the processing tax, a levy laid on the processors of various agricultural commodities. It necessitated also the raising of revenue with which to pay benefits under any new farm program which might be adopted for next year and the years to come.

In the second place, the Congress passed the veterans' bonus bill over the veto of the President. It had originally been planned to pay the veterans in 1945, and the funds were being gradually accumulated for that purpose. Advancing the date of payment meant an increase in the amount included for that purpose in the 1937 Budget.

Naturally enough, during the years of depression just past the expenditures of the Government have been heavy. Nevertheless, the yearly deficits have been growing smaller, and had it not been for the events of which I have just spoken our advance toward a balanced Budget would have proceeded uninterrupted. For, as a matter of fact, the revenues of the Federal Government have been on the increase. And with the spread of recovery, the increase in national income generally, the better business which is evident everywhere, both in volume of turnover and in earnings, it can be predicted confidently that Treasury receipts will expand accordingly.

On March 3 the President transmitted to the Congress a message calling for more revenue. A part of our revenue loss resulting from the decision of the Supreme Court in the A. A. A. case is purely temporary in character. It consists of the decrease in receipts during the current fiscal year, represented by processing taxes that will not now be paid. The amount involved is approximately $517,000,000. To take care of this the President has suggested two possible sources—one a "windfall" tax on those unjustly enriched as a result of the decision of the Supreme Court, and, second, a processing tax at a low rate on a wide variety of agricultural products—and spread over a 3-year period.

To take care of the more permanent necessities with respect to new revenue, to take care of the added requirements for the "bonus," about $120,000,000, running for 9 years, and to provide for expenditures under the new farm plan, about five hundred million, as set up in the Soil Conservation and Domestic Allotment Act, recently passed by the Congress and signed by the President, his suggestion is that we provide a tax on the undistributed earnings of corporations. At the same time the present corporate income tax, the capital-stock tax, and the excess-profits tax might be repealed, as well as the present exemption of dividends from the normal tax on individual incomes.

This suggestion of the President is widely misunderstood. It is not a tax on present accumulated surplus. That would be untouched. While the President does not suggest it, it may well be considered whether the exemption of tax on present accumulated surplus may not stimulate activity in the capital-goods industries in which reemployment is most needed, where such surplus is used for permanent betterments, replacements, and expansion. The President's recommendation, however, relates to future net earnings only. It recognizes the principle that business profits, no matter from what source derived and no matter when received, should bear the same tax burden. They do not now.

It is not the province of the Government to say in what form business shall be carried on, whether as an individual enterprise or as a partnership, or under the corporate set-up. Neither is it for the Government to say whether the earnings of corporations shall be distributed. But it is in the concern of government that structural devices shall not be used for the purposes of tax avoidance. Present tax laws make the corporate form of organization advantageous to some and a disadvantage to others, and encourage the accumulation of unreasonable surpluses which, if distributed, would have brought greater revenue to the Government through the taxes on the incomes of the shareholders to whom the dividends would have gone.

A revision of our tax laws such as the President has suggested will not only remove undoubted inequalities in our taxing system, but will bring more revenue into the Treasury. Nor is the proposal a new one. It was seriously considered in the Congress as much as 15 years ago. Eleven years ago a similar proposal passed the Senate.

The present tax on the incomes of corporations is on a scale of from 12½ to 15 percent of their net profits. They pay other taxes on capital and on excess profits to the Federal Government. When earnings are distributed in the form of dividends the dividends are subject to surtaxes on the incomes of the individuals. The small stockholder particularly is penalized by this situation. He has been charged a higher tax than he would have been had he been engaged in business for himself as an individual.

But some profit from this situation. It makes it possible for the management of the corporation to withhold profits from distribution for reinvestment in the business. No personal income taxes are paid on such earnings at all. This process is referred to as plowing back earnings into the business, and it makes it possible for large and wealthy stockholders to place their earnings directly into good investments without the necessity of paying a personal income tax upon them. Had they been engaged in business as individuals or as members of a partnership they could not have done so. The corporation thus affords a refuge from taxation for big incomes.

If withheld corporation income was subjected to the same surtax rates that apply to income of individuals and partnerships, the Treasury Department has estimated that in the calendar year 1936 the Government would collect $1,700,000,000 additional revenue. This is the biggest leak in our tax system. The proposal of the President would put a stop to this practice.

Substitution for the existing corporate taxes of a graduated tax on undistributed corporation earnings would bring about four definite benefits. First, it would result in a substantial increase in the Federal revenues; second, it would eliminate three existing types of discrimination inherent in the present tax structure; third, it would prevent current tax evasion of considerable magnitude; and fourth, it would greatly simplify the existing tax structure, and therewith the tasks of corporate accounting. Let us consider these beneficial effects of the suggested change in order. If the corporation income, capital stock, and excess-profits taxes were repealed it is estimated that the aggregate corporate net income available for dividend distributions in the calendar year 1936 would exceed $8,300,000,000. The anticipated dividend disbursements to individuals by such corporations from the earnings of 1936 amounts to $3,540,000,000, thereby leaving $4,778,000,000 available for additional dividend disbursements. If, by reason of the proposed tax, this additional amount were distributed, and all dividends were made subject to the 4-percent normal tax, it is estimated that the Treasury's collections under the individual income tax would be increased by approximately $1,732,000,000. The repeal of the corporation income, capital stock, and excess-profits taxes would make the net gain in Federal revenues about $620,000,000.

If, on the other hand, corporations decided to withhold from their stockholders any part of the extra $4,778,000,000 of earnings available for distribution, and paid the proposed graduated tax thereon, the net increase in Federal revenues, inclusive of the 4-percent normal tax on such dividends as were declared, would approximate the same figure. In other words, the proposed graduated tax on withheld corporate earnings would approximately equalize the loss in Federal revenues occasioned by the withholding from the personal income tax of reinvested corporate earnings. Whether the $4,778,000,000 of earnings were distributed in their entirety, in part, or not at all, the changes under discussion would

increase Federal revenue in the coming year by upward of $620,000,000.

Turning now to the second consideration, analysis shows that under existing corporation taxes three types of unfair discrimination between different classes of taxpayers are now unavoidable. At present all the earnings of a partnership or of an enterprise owned by a single individual, whether reinvested or not, are subject to income surtaxes. Corporate earnings, likewise, when distributed to stockholders, are subject to these surtaxes, which range up to 75 percent. Corporate earnings which are not currently distributed in dividends, however, escape these surtaxes for long periods or altogether, thereby creating an unfair discrimination. The proposal under discussion would tend to place all business, whether incorporated or not, on the same basis for income-tax purposes.

Moreover, there exists under the present laws an equally unfair discrimination against stockholders in the low-income groups. Earnings of corporations which are creditable to such stockholders are now subject to the corporate income tax of 12½ to 15 percent, while the dividend receipts of these individuals are exempted only from the 4-percent normal income tax. Under the proposed law, however, the earnings applicable to their stock, if distributed, would be subject to the same treatment as in any other portion of their income. Thus these earnings would in many cases bear no income tax at all or would bear only the normal tax or very moderate surtaxes at rates below those that they now pay.

A further form of discrimination is to be found in the differing incidence of income taxes upon shareholders in corporations that pursue liberal dividend policies and upon shareholders in corporations that do not pursue liberal dividend policies. The former are often discriminated against because they are not permitted to reinvest tax free the corporate earnings received as dividends, whereas the latter are enabled under the present law to reinvest their share of the corporate earnings without payment of individual income taxes thereon. The unfairness of the discrimination is to be seen in the fact that the earnings withheld by corporations add no less to the wealth and tax-paying power of the shareholders than the earnings distributed in dividends. The reinvestment of corporate earnings becomes reflected in the market price of the stock and in the increased earning power of the corporation. Thus owners of stock in a corporation that fails to distribute earnings liberally pay no taxes on undistributed earnings, but gain in wealth nonetheless, while stockholders of a corporation that does distribute earnings liberally pay heavier taxes.

The substitution for the existing corporate taxes of a graduated tax on withheld corporate earnings would eliminate these serious sources of unfair tax discrimination. Such a tax would go far to encourage the full distribution of current earnings to stockholders, thereby subjecting all such earnings to individual income tax at the rates established for the various groups. Further, it is estimated that such a rate of tax would equalize, on the average, the taxes paid by shareholders in withholding corporations with those paid by shareholders in corporations distributing all their earnings, and with those paid by individual firms or partnerships. The removal of the corporation income tax would eliminate the reason for present exemption of dividends from the normal individual income tax.

The third chief beneficial effect of the suggested change, namely, the elimination of serious tax evasion, is equally clear. At the present time the ability of corporations and of their controlling stockholders to choose the timing of dividend distributions, without penalty and without reference to current earnings, often results, in a loss of revenue to the Federal Government and an unjust avoidance of taxation by stockholders of large personal incomes. The earnings withheld by a corporation would often, if distributed, raise the surtax brackets of many stockholders, thereby subjecting such earnings to the higher surtax rates. When withheld for a time and then paid out in years when the other income of important stockholders is smaller, such earnings escape the higher rates to which they would have been subject.

Finally, adoption of the measure under consideration would greatly simplify our corporation tax structure and carry with it a correlative simplification in corporate accounting. For, in place of three separate and somewhat complex taxes, there would be substituted just one tax. Moreover, it is clear that the proposal under discussion, far from imposing any new taxes on business, actually removes the largest single tax paid by business enterprises. The tax on withheld corporate earnings could not be passed on to consumers nor passed back to workers. No corporation need pay this tax. To avoid it the corporation need only pass on to its stockholders, as earned, the earnings that belong to them anyhow. Nor does the proposal involve any increase in the individual income-tax rates. Its primary result would be to make effective the present income-tax rates on a very large volume of income that now escapes an important part of ordinary income taxation.

The Ways and Means Committee of the House of Representatives, which, under the Constitution, must originate revenue measures, is holding hearings preparatory to the drafting of a revenue bill for the consideration of the Congress. The Finance Committee of the Senate will also consider in public hearings the recommendations submitted by the President.

These recommendations must be carefully examined to determine whether new loopholes to tax evasions will not be opened up; whether the estimates of added revenue are correct; whether the proposed graduated tax rates should not be based upon the percentage of net income undistributed instead of the amounts of money withheld by the corporations, and what is yet more important, whether the proposal must not be substantially modified so that it will not prevent the reasonable accumulation of a surplus sufficient to carry a corporation through the fluctuations of economic conditions and to safeguard the opportunity of American labor to find employment in times of economic stress.

As to the so-called windfall tax, one must heartily approve its objective while he may be extremely skeptical as to its practicability. Certainly no one should profit by passing on to his customers a tax which he did not in fact pay. Whether the tax in a given case was passed on and other questions difficult of determination will probably result in crowding our courts with a mass of litigation. If the processor did not pass the tax on to his vendees, or if he has accounted for money collected by him, provision for credit against the tax is obviously just.

To supplement the revenue from the undistributed profits tax, the President suggests moderate processing taxes on a wider range of agricultural products. In order to work justice, the processing taxes should be placed on all products which enter into substantial competition with each other. It would seem that this suggestion is beyond reasonable objection when it is remembered that under our protective system the farmer has helped to carry industry and to enable the general consumer, including the labor of industry, to maintain an American standard of living.

It is timely to insist that current revenues should equal all current expenditures, except for the single purpose of relief, and that expenditures for relief should be reduced wherever possible.

ECONOMIC AND POLITICAL CONDITIONS—ADDRESS BY SENATOR TYDINGS

Mr. RADCLIFFE. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by my colleague the senior Senator from Maryland [Mr. TYDINGS] before the Young Democratic Clubs of Maryland, in Baltimore, on March 5, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Toastmaster, distinguished guests, ladies, and gentlemen, I wish above all things to pay tribute to the wise counselor who, had not death taken him from our midst, would have been with us tonight. All of us deeply miss the commanding presence and courageous leadership of Albert C. Ritchie. He was the most distinguished man of his generation in our State and was regarded throughout this country as one of America's greatest citizens. He was recognized as Presidential timber and was the greatest Governor the State of Maryland ever had. A great thinker, he was a renowned exponent of fundamental political principles and policies. I choose to think that he is with us tonight in spirit. We shall never cease to revere his memory, and his great achievements will be a constant reminder of his unparalleled service to our people.

Three weeks ago the officers of your organization very kindly extended to me an invitation to speak here tonight. I am greatly honored by that invitation.

Everywhere upon the face of the earth humanity stands at the crossroads. Everywhere normal government has given way more or less to new and extraordinary measures and policies. The standards of money have been altered during the last 10 years by nearly every important nation in the world. Nearly every government has adopted tariffs and embargoes which have restricted the volume of trade and business between peoples. Nearly every nation has had some program for assisting the unemployed and for alleviating the widespread distress of the people.

Wars are being fought, and rumors of new and larger wars yet to come force us into serious reflection of the future.

The business of government has become extremely complex, for governmental problems are not only more numerous but more difficult to solve for the general welfare of humanity. The economic machine—that is, business, trade, work—which is the lifeblood of nations, has greatly slowed down. Both at home and abroad it is generally recognized that the times are without a parallel and are ominous, tempestuous, and distressing.

In such an atmosphere it is difficult to think and to act with clarity and comprehension. It is difficult to weigh all of the important factors which will have to be considered and to chart a course which eventually will bring order out of chaos and progress and well-being to mankind.

In one sense, what you have asked me to say tonight and what I shall say is addressed to those who belong to the Democratic Party. But in a broader sense what I have to say is addressed to all the people, for it is my intention to review the recent records of the Republican and Democratic administrations in this country since the close of the World War.

The two-party system, over a period of more than a hundred years, has become a vital part of our national existence. Indeed, this Nation has been governed by one of two great political parties since the administration of President George Washington. Since the Civil War either the Democratic or the Republican Party has been in control of the Government. Therefore, as we approach another Presidential election, it is proper that we review the records of these two parties to decide which of the two is better equipped and circumstanced to be entrusted for the next 4 years with the power and authority to govern this Nation. That primarily is the question upon which the people will have to pass in the coming Presidential election.

The present Democratic administration in Washington has held office for exactly 3 years today. It came into power in one of the

darkest periods of our national history, at a time when the institutions of government and the foundations of business were threatened and after our people had gone through many years of unprecedented business and personal difficulties. The new Democratic administration on March 4, 1933, was immediately faced with a multitude of problems of the greatest concern, problems which had to be met and solved quickly.

Let me take just a minute to carry you back to the national scene as it existed on March 4, 1933, when President Roosevelt was inaugurated.

Thousands of banks had closed their doors all over the United States. Bank holidays had been declared in a score of States. The total collapse of the entire banking system of our country was a matter of hours, and in these banks there were deposited the accumulated savings of our people.

Again, approximately 750,000 farms had been sold in the preceding 3 years, either for delinquent taxes or under mortgage foreclosure. In the towns and cities hundreds of thousands of homes had likewise been sold under the auctioneer's hammer.

Since the depression began in 1929 the army of unemployed had been steadily growing by millions. For each of several years under President Hoover we had been expending every year more money than our income. Factories all over the country were either closed or operating on part time. Trade, business, commerce, finance, employment, both national and international, had reached a low ebb.

Our people were dispirited. They had seen conditions grow steadily from bad to worse and many were losing faith not only in their Government but quite often in themselves. The future was dark indeed.

You know that what I have said is nothing but a brief outline, but an accurate outline, none the less, of the conditions existing on March 4, 1933.

This description briefly portrays the inheritance of 12 years of Republican rule resulting from the policies adopted by the three preceding Republican administrations of the state of the Nation when the present Democratic administration came into power.

Let this fact stand out in letters of fire—that whatever may be said either pro or con about the present administration, or some of its policies, it cannot be truthfully said about it that either it or its policies brought on the depression—for that depression started under President Hoover in October 1929, nearly 3½ years before the Roosevelt administration came into power.

Let it be remembered that the depression reached its lowest ebb on the very day President Roosevelt was inaugurated.

In any discussion, therefore, of the relative merits of the two political parties in this country, these important and outstanding facts cannot be ignored, nor should they be forgotten in the election which is approaching.

I think it will be generally conceded by the men and women of all parties that in those first months of the Roosevelt administration there was little to criticize. The first business was to open the banks of the country so that the people in distress would again have access to the billions of dollars they had deposited in these closed banks. Nearly all of the banks were opened, by groups and sections, and what is more important, they were kept open, and have not closed since. The administration moved to meet this break-down of the banking system comprehensively, courageously, and vigorously.

We can well remember the hotels of Washington at that time. They were literally jammed with men connected with our banking institutions, who were looking for Federal aid and assistance. This was given with almost unbelievable speed and with matchless governmental administration.

That was a distinct accomplishment of the very first rank and magnitude, and should not be forgotten by the millions affected.

Next, measures were speedily adopted to assist individuals, hard-pressed by the force of circumstances, to hold their farms in the country and their homes in the city. Action came quickly, resulting in the saving of millions of homes and farms to the people of this country, who in most cases would have lost them without Government help.

This, too, was an achievement of the first rank and magnitude, and should not be forgotten either by the people whose homes were saved or by society as a whole.

The railroads, insurance companies, and other large financial and commercial institutions were likewise helped with billions by the Federal Government, and thousands of investors were saved from ruin, while the work these concerns afforded to all classes of people was saved for the employed.

That, too, was an achievement of the first rank and magnitude, and should not be forgotten either by those whose investments and employment were saved or by society as a whole.

Many States and cities were on the verge of bankruptcy or without credit. The relief agencies in these local political units were breaking down, leaving thousands of people who had deposited in banks that could not be opened, without food, clothing, or shelter for themselves and families. The Federal Government again stepped in to meet these ravages of the depression. It quickly augmented the work of the local political units with a program for relief and economic stability, and the morale of millions of our people was at once considerably improved.

That, too, was an achievement of the first rank and magnitude, and should not be forgotten either by the direct beneficiaries of that policy or by society as a whole.

In general, all of these early steps taken in the first few months of the Roosevelt administration brought from the people of all parties in the United States, and indeed from the people of many foreign lands, praise, admiration, affection, and respect for our President which few men in public life have ever received in greater abundance.

It is not too much to say that in the early part of the Roosevelt administration the courageous leadership, vision, comprehension, and executive ability of the President and his party in Congress saved this Nation and its people from a great catastrophe, the far-reaching consequences of which need not be conjectured.

So however we may differ in opinion over later policies of the administration, about some of which I think there is considerable ground for difference of opinion, we should not for an instant let these later policies dim the magnitude of the achievement of Mr. Roosevelt and his party at a time when hope was flying rapidly from the hearts of millions of our people.

So we now come to the second period of the Roosevelt administration, during which some measures were adopted which have caused marked difference of opinion among our people. Regulation of the sale of securities, known as the stock-exchange control bill; various kinds of social legislation; and the reciprocal trade policies have met with almost universal approval. On the other hand, some of these major policies, among them the N. R. A. and the A. A. A., have not been sustained by the courts. I did not support these two measures, first, because I did not believe that the courts would hold them within the scope of the Constitution; and second, while I was sympathetic to the ultimate objectives to which these measures pointed, I felt that the method of achieving these objectives would in the end prove unwise.

I now stand on these measures, as they were written, exactly where I stood then, for I believe it to be my duty as a United States Senator to vote in line with the traditions of my party and my own convictions, and not to be a rubber stamp for anyone. I further conceive it to be my duty as a United States Senator, if I may be personal, to offer constructive criticism, for I realize that from such constructive criticism largely must democratic government progress, and that such constructive criticism aids wise legislation and makes lasting progress.

The legislative branch of the Government, under our Constitution, is equal with all other branches. It is the forum in which measures affecting the people are debated and enacted into law. So long as I am a Member of the national legislative body it shall be my purpose to oppose measures which I do not think will redound to the ultimate benefit of the entire people, whether they be labeled Democratic or Republican measures, liberal or conservative measures. On this principle of independent legislative action rests the difference between democracy and dictatorship.

Those who advocate that the Congress should without question enact into law every proposal emanating from the executive department of the Government say in effect that they favor a dictatorship rather than a democracy. Personally, I take this opportunity to affirm my own adherence to the principles of the democratic form of government.

I would not be candid were I to let pass the subject of the Agricultural Adjustment Administration without some comment. The professed purpose of the Agricultural Adjustment Act was to bring into parity—that is, to a common level—the prices of farm products and farm earnings with the scale of prices and of salaries and wages paid to workers in industry.

So long as the prices of the products of American industry and commerce are held by the acts of Congress above the level of world prices by the high tariff wall erected by the Republican administrations, as a matter of justice have the products of agriculture an equal right to be held above the level of world prices by any sound and constitutional means.

Bear in mind it was the Republican administrations of Harding and Hoover which attempted through high tariffs to hold the prices of products of American industry above the level of world prices. In so doing, they automatically forced the farmer into a position where much that he sold was frequently sold in the world market where the lowest prices prevailed, while what he bought he had to buy in the home market where the highest prices prevailed. This was one of the reasons that over three-quarters of a million farms were sold for taxes and under mortgage foreclosure during the Hoover administration, and was one of the most important factors that contributed to the depression.

Therefore, while a good many of us might rightly criticize or disagree with the method by which the President sought to correct this injustice—and I am one who did—sheer logic and fairness compels me to assert that his objective was a fair one even if the method of approach was not upheld by the courts. Agriculture and industry must share equally in the profits and progress of the country.

In this brief review you have found both approbation and, I hope, constructive criticism of the Roosevelt administration.

Now that I have commented briefly on the record of the Democratic administration for the past 3 years of the Nation, let us go to the record and from it determine how well the Republican Party has met its obligation to the people when it was entrusted with the power to govern.

Since the World War we have had three Republican administrations, those of Mr. Harding, Mr. Coolidge, and Mr. Hoover.

The most significant thing about these administrations were the economic policies of the Republicans which laid the foundation for and eventually brought on the greatest depression in the history of the United States.

And in order to portray clearly the situation, I shall briefly discuss what some call "economics", but what we call "trade."

We all know that before the World War the people of the United States owed hundreds of millions to foreign investors, for these

foreigners had placed their money in our railroads, financial and industrial enterprises, and in the bonds of our National and State Governments. Consequently hundreds of millions of dollars each year were shipped abroad to pay interest or principal on the bonds held by foreign investors or as dividends upon their stock investments in this country.

Before the World War we were a borrowing Nation, paying off our debts to the citizens of foreign nations.

Likewise, before the war, we were an exporting Nation, selling more of our goods to foreigners than we bought of their goods. Consequently they had to pay this difference, called the balance of trade, which was in our favor, in gold. So while hundreds of millions of dollars in gold were sent abroad each year to pay interest and dividends to foreigners with investments in this country, hundreds of millions of dollars in gold came back to this country each year to pay us for the goods we were selling abroad greater in quantity than those we were buying abroad. Thus, before the war, trade and finance, represented by money, were in balance and the position of our country was economically sound.

After the war this situation changed. We were no longer a borrowing Nation. During the war foreigners had largely liquidated or cashed in their investments in this country and had taken their money home.

In addition to that, during the war we had loaned to foreign governments approximately eleven and one-half billions of dollars, so that after the war we were no longer a borrowing Nation, but had become a lending Nation, with the world owing our Government about eleven and one-half billions of dollars.

After the war, when the administration of President Harding first came into power, we became a lending and an exporting Nation rather than a borrowing and exporting Nation, as we had been before. And under Presidents Harding, Coolidge, and Hoover a new governmental policy was established, for under these three Presidents the State Department commenced to approve huge loans made by American citizens to foreign governments.

During the period from 1921 to 1929 approximately fourteen and one-half billions of dollars in gold were loaned by the people of this country to foreign governments with the stamp of approval of the United States Department of State upon most of the loans.

During the same period of time America sold more goods abroad than ever before in its peacetime history.

We made these large sales of goods to foreigners because we were lending them the money with which to buy our goods; lending it to foreigners who already owed us more than they could pay under existing tariff barriers created by us.

These large sales of our products, amounting to about $5,000,000,000 each year, were paid for by foreigners with the money we were lending to them, thereby creating the illusion of prosperity. When these loans stopped this trade fell off 70 percent almost overnight, throwing people out of work by the millions all over this country.

We had enjoyed only illusory or paper prosperity. We had in reality given our customers the money with which to pay for our goods. When we stopped giving our customers this money they could no longer pay for them under existing tariff barriers, and then and there unemployment started and the depression set in.

Today the world owes to the Government of the United States or to its people eleven and one-half billions of dollars in war debts, plus approximately fourteen and one-half billions of dollars of loans to foreign governments made under Republican administrations since the war, a total of $26,000,000,000, almost the full amount of our national debt. Indeed the fourteen and one-half billions of dollars in gold loaned to foreigners under three Republican administrations is almost half of our entire national debt, and it is generally conceded that under existing tariff barriers the repayment of this money is extremely doubtful; for, as there is only about $6,000,000,000 in gold in all the world outside of this country, obviously the only other way these loans can be repaid is either in goods or services or in both.

Therefore from a business standpoint the net result of those 12 years of Republican rule was that the people of this country stand to lose a large part of fourteen and one-half billions of dollars in foreign investments, while the damage done as a result of this policy has resulted in economic chaos to business generally and has made millions of unemployed among the workers of the country.

I have said repeatedly on the floor of the Senate since I took my seat there in 1927 that neither our own country nor the world could recover under the tariff and loan policies put into effect by the three Republican administrations.

To summarize, the so-called prosperity under the Republican administration was a false prosperity induced by the purchase of our goods by foreigners with fourteen and one-half billions of dollars of money that was loaned to foreign governments under the aegis of three Republican administrations, thereby creating an artificial stimulation of production of commodities that was not sound and could not be continued and which inevitably resulted in a crash.

This brought on the problems with which the Roosevelt administration was confronted. Justice compels me to say that it was the curtailment of production thus forced upon the Nation in October 1929 by Republican policies which caused Mr. Roosevelt 4 years later to adopt some of the policies for which he has been criticized. The real philosophy of scarcity was an inheritance of Republican policies, placed upon the President's doorstep by preceding administrations. They undoubtedly caused him to embark upon measures for the reorganization of business and agriculture which otherwise could have been wholly avoided.

So much in brief has been the legacy of the Republican Party to the people of the United States; and let me repeat that the depression came on after that party had been in power 9 years, and 3½ years before the inauguration of Roosevelt.

We come now to a consideration of the situation with which Maryland Democrats are faced in the coming national election.

Admittedly, some of the policies of the Roosevelt administration are not popular in Maryland with a considerable element of the Democratic Party. What can be done about it?

There are only three courses open.

We can support the Democratic ticket, we can support the Republican ticket, or we can "take a walk."

To "take a walk", as I understand it, is to stay out of the campaign and go fishing on election day. So "taking a walk" will not solve the dilemma or discharge our duty as citizens.

I do not propose to "take a walk."

Such a course would serve no useful purpose and would be evasive of the responsibility of citizenship.

Democratic government will live only so long as citizens take part in its national elections. It will die when the people are apathetic or evasive of the responsibilities of citizenship.

This is a country of the two-party system of government. As stated, ever since the Civil War either the Democratic or the Republican Party has been elected to administer the Federal Government. No third-party movement has ever succeeded and no person with any knowledge of politics believes at the present time that any third-party movement will succeed this year. In fact, at the present time there seems to be little likelihood of any real third-party movement even getting started.

It accordingly follows that the next National Government will be either Democratic or Republican, and it further follows that the coming Presidential campaign will be fought out between the Democratic Party and its candidates and the Republican Party and its candidates.

Democrats cannot sit on the side lines or fail to participate in this coming election, which is of such vital national importance.

We cannot, should not, and must not support the Republican Party on its record. Throughout the 12 years that intervened between the World War and the inauguration of President Roosevelt the Republicans controlled and guided the Federal Government, and, as I have pointed out, their period of power provided the build-up for the depression.

For it has been conclusively demonstrated that no Democratic administration was responsible for the conditions which brought on the depression.

Moreover, there is nothing in the recent Republican record and little in the current Republican utterances that can give the American people hope for better times or for better government through the election of a Republican President.

Remember, that the Democratic Party goes before the voters of the country in the approaching election not on a part of the record but on the entire record of the past 3 years, and it is universally conceded that in the aggregate the record of the party and the record of President Roosevelt are one and inseparable.

It is equally plain that President Roosevelt will be the nominee of the Democratic Convention at Philadelphia; for trained political observers and most of the responsible Democratic leaders agree that he will be the nominee of the Democratic Party for President.

As a Member of the United States Senate, I have not been able to support, to agree with, and vote for a number of the recommendations and policies of the President. I need not change my position on these matters to support President Roosevelt and the Democratic Party. I am conscious of the fact that our President took office with the business and trade of the country paralyzed and the banks closed. He recommended, and the Congress enacted, a program to save the banks, the railroads, the insurance companies, and business and industry generally, and at the same time to put men to work everywhere, and so clothe the needy and feed the hungry.

Judging his record as a whole, and that is the only fair way to judge it, the results of the first 3 years of the Roosevelt Democratic administration, have been so much better for the American people than the results of the preceding 12 years of Republican administration, that we, as Democrats, must, and I believe the people should, regardless of party, support the Democratic candidates.

We Maryland Democrats believe that President Roosevelt should substantially modify a number of the emergency activities inaugurated to meet the depression, and we should urge upon the convention a platform that will insure such a course. We can urge upon the Philadelphia convention the balancing of the Budget, a divorcement of the Federal Government from local problems and a return of them to the States, a widening rather than a restriction of the base of trade at home and abroad, and other matters of like import.

A number of recent happenings indicate that President Roosevelt himself favors such a course.

We can best serve Maryland and the country by participating in the Democratic Party councils and by urging those councils to accept and adopt such modifications of policy at the Philadelphia convention as the times allow, and then by diligently working throughout the campaign for the reelection of President Roosevelt and a Democratic Congress.

And when President Roosevelt is reelected by the course suggested, our party and the people of this State will be in a position to continue to exert their influence to keep the Democratic Party within the bounds of its traditional principles—and to that end I now pledge myself.

NATIONAL PLANNING—EDITORIAL FROM THE PHILADELPHIA RECORD

Mr. MURPHY. Mr. President, on yesterday it was my pleasure to introduce for the RECORD a speech by the distinguished Senator from Pennsylvania [Mr. GUFFEY]. Today I take pleasure in presenting an editorial from the Philadelphia Record commending Senator GUFFEY'S speech, which I ask unanimous consent may also be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record, Mar. 9, 1936]

WHERE THERE IS NO VISION—

Senator GUFFEY'S brilliant radio speech on national planning lays down a challenge this Nation cannot ignore.

"Where there is no vision, the people perish."

That famous phrase from the Bible crystallizes a warning to our civilization, as it has to so many others.

What is vision? It embraces not only the ability but the will to look ahead and anticipate the needs of the future, so far as humanly possible; and, as Senator GUFFEY points out, "the needs of the future of the United States are pretty clearly defined in the minds of intelligent men."

We have wasted our water, coal, and soil resources for years—and we know it.

We know that we can control floods, to a great extent; that we can preserve our soil resources; that we are far behind most other major powers in reforestation.

We know that the fate of China is the fate of a nation with bare, eroded hills, vast, uncontrolled rivers—in short, dissipated national resources.

The challenge, as Senator GUFFEY puts it, is "whether the United States of America is to become China-ized."

One of our great modern triumphs is that of achieving results through organization. Are we to permit our national resources to be wasted because, either through prejudice or stupidity, we fail to apply the principles of organization to effect their rescue?

In his speech Senator GUFFEY declared:

"The American democracy must plan. If it does not, it will all too soon have very little to plan with or plan for, and it will not be a democracy.

"Planning is not a new thing in America. Businessmen have been at it for a long time, with a lawful and legitimate object of increasing their profits. It is only the public's business that, in a large way, has never been planned.

"* * * and we can have planning under a democratic system without blue-penciling any constitutional guaranties or taking a single comma out of the bill of rights."

Here's a typical example of the crying need for planning, as cited by GUFFEY:

"Pennsylvania is a great producer of coal, and the coal business is not so good as we wish it were. New York is a great producer of water power. * * * There is coal and also water power in Ohio and West Virginia.

"All these States are consumers as well as producers of power or potential power. Why shouldn't they be linked in a 'grid' system, under proper public control, which would take full advantage both of the 'white' coal and the black?"

The answer is obvious. We can only ignore the necessity for organizing and conserving these resources at terrific future cost.

We can—if we will—apply organization to flood control, to elimination of such disgraces as the pollution of the Delaware River, to replenishment of the soil in our farm lands and the trees in our forests.

We in the East regard water supply as something inexhaustible. But it isn't. Senator GUFFEY warns that:

"Water is no more an inexhaustible free asset than gold. West of the one hundredth meridian it is so limited in its relation to developed needs that it is the critical resource upon which organized society depends. Let the water supply in those regions be permanently * * * impaired and the Indians and the buffalo might as well repossess them—they will never again support a civilized society. And this can happen; make no doubt of that."

The National Resources Board recently estimated that the Nation has only about 25 years' grace to deal realistically with this problem.

Reactionaries cry that our grandchildren may have a legacy of Federal debt, incurred for recovery purposes (one-tenth the burden left by the World War). But these same reactionaries have long been both wasters of our resources and foes of intelligent efforts to conserve them.

Let someone call for sensible planning for the future and Wall Street cries "communism!" Let an earnest President tackle the problem of reforestation, as Roosevelt has done, and the Tory press holds it up to mock and ridicule.

But, as Senator GUFFEY makes clear, the Nation is awakening.

People are learning to look behind the bogeys of self-interest, to recognize that we Americans must apply our God-given intelligence to the conservation of our God-bestowed resources.

There is vision in American statesmanship today.

LINCOLN'S PURPOSES

Mr. COPELAND. Mr. President, I ask leave to have printed in the RECORD portions of an address delivered by Emanuel Hertz before the Lafayette Post of the American Legion at the Hotel Shelton, New York City, February 10, 1936, on the subject of Lincoln's Purposes.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am one of those who believe that for every great crisis in world history Divine Providence seems to have provided the leader called for by the time. Such a crisis occurred in 1861. The Lord was mindful of his own. The crisis produced the man. And that man was Abraham Lincoln.

An unidentified admirer painted the mystery of Lincoln in the words of this symbolic prose:

"The angels said: 'Let us hide Abraham Lincoln where the world would never find him.' They hid that great big, kind, generous humanitarian, God-fearing, sympathetic soul in that long, lean, lanky, homely, gaunt, ungainly body; they bronzed his cheek until he looked like an Indian; they hardened his hands with toil; for employment they gave him common work, poling a flatboat on the Ohio and working in a country store. For a home they gave him a log cabin in the wilderness; for parents, common people whose names were unknown 5 miles away.

"They never knew how it happened, but they could not keep him hidden; and one morning this sleepy, dreary, drowsy old world crawled out of bed, rubbed her eyes, and started on a still hunt for a great man. She struck a new scent and a new trail and it led out through the woods to a log cabin in the wilderness, on a hill, among the trees, and the world waked up and rapped on the door. Abraham Lincoln arose, so big, so high, so manly, so tall, that the roof fell off and the logs rolled down. He stepped forth, a giant among men, where he towered above all human beings."

He met the problems of the day honestly, courageously, and successfully. He was the product of the time, the place, the circumstances to which he was born. He stood out above the common ruck of human pilgrims of his day because he set an abiding milestone along that finite road stretching between the barren peaks of two eternities which we call life.

How long his fame will last has been repeatedly estimated in ever-recurring eulogy. Of all those I prefer Governor Black's: "How long the names of men will last no human foresight can discover, but I believe that even against the havoc and confusion in which so many names go down the fame of Lincoln will stand as immovable and as long as the pyramids against the rustle of Egyptian winds."

It is not usually recognized that Lincoln originated a distinct view of our constitutional law. "The Union is older than any of the States, and, in fact, created them as States. * * * The States have their status in the Union, and they have no other legal status. If they break from this they can only do so against law and by revolution. * * * Our States have neither more nor less power than that reserved to them in the Union by the Constitution, no one of them ever having been a State out of the Union." Lincoln said the Union is the Nation, the Constitution is the organic law made by the Nation, and in the Constitution the Nation distributes the powers of government between the central Government and the States of the Union and reserves the liberties of the individual against all governmental power. This is the modern conception of the Federal system, and it alone made the Federal system permanent. Were it a union of sovereignties it would make it a temporary plan, and would end in disruption.

Lincoln enunciated a principle 75 years ago which not only preserved the Union against secession, but which is the only principle that can preserve the States of the Union from becoming provinces of a completely centralized government.

Lincoln was, also, the first American statesman to bring out clearly the distinction between the social, political, and civil spheres within our system.

"Chief Justice Taney and Judge Douglas argue that the authors of the Declaration of Independence did not intend to include Negroes in their assertion that all men are created equal, since they did not as a fact place them on an equality with the whites. I think the authors of that notable instrument intended to include all men, but they did not intend to declare all men equal in all respects. They did not mean to say that all men were equal in color, size, intellect, moral development, or social capacity. They defined with tolerable exactness in what respects they did consider all men created equal—equal with certain inalienable rights, among which are life, liberty, and the pursuit of happiness. This they said, and this they meant. They did not mean to assert the obvious untruth that all were then actually enjoying that equality, nor yet that they were about to confer it immediately upon them. * * * Judge Douglas finds the Republicans insisting that the Declaration of Independence includes all men, black as well as white, and forthwith he denies that it includes Negroes at all, and proceeds to argue gravely that all who contend it does, do so only because they want to vote and eat and marry with Negroes. He will have it that they cannot be consistent else. Now I protest against the counterfeit logic which concludes that, because I do not want a black woman for a slave I must necessarily want her for a wife. I need not have her for either. I can just let her alone. In some respects she certainly is not my equal; but in her natural right to eat the bread she earns with her own hand,

she is my equal and Judge Douglas' equal, and the equal of all others."

In his speech at Springfield, in 1857, he said: "And now, as to the Dred Scott decision, * * * Judge Douglas denounces all who question the correctness of that decision as offering violent resistance to it. But who resists it? Who has, in spite of the decision, declared Dred Scott free and resisted the authority of his master over him? * * * We believe as much as Judge Douglas (perhaps more) in obedience to, and respect for, the judicial department of the Government. We think its decision on constitutional questions, when fully settled, should control not only the particular cases decided but the general policy of the country, subject to be disturbed only by amendments to the Constitution as provided in that instrument itself. More than this would be revolution. But we think the Dred Scott case is erroneous We know the Court that made it has often overruled its own decisions, and we shall do what we can to have it overrule this. We offer no resistance to it."

The Lincoln doctrine upon this point, the most important point in our entire constitutional system, was, thus, in a single sentence, that a judicial decision upon a constitutional question is to be overcome only by the Supreme Court itself, which has given the decision, or by a constitutional amendment, and by no other method. But every person in a free country may argue the question on its merits for the peaceable purpose of inducing the same Court to reverse the decision, always obeying the same until such change shall have been made. This is sound to the very core and is the very foundation of American constitutional liberty. "We let this property abide by the decision, but we will try to reverse that decision * * * somebody has to reverse that decision, since it is made; and we mean to reverse it and we mean to do it peaceably. * * * They decide in this case that Dred Scott is a slave. Nobody resists that. * * * They say that when a question comes up upon another person, it will be so decided again unless the Court overrules its decision. Well, we mean to do what we can to have the Court decide the other way. That is one thing we mean to try to do.

"The sacredness that Judge Douglas throws around this decision is a degree of sacredness that has never been thrown around any other decision; * * * it is the first of its kind; it is an astonisher in legal history. It is a new wonder of the world. It is based upon falsehood in the main as to facts—allegations of facts upon which it stands are not facts at all in many instances * * * the first instance of a decision made under so many unfavorable circumstances—thus placed, and it has always needed confirmation before the lawyers regarded it as law. * * * I am opposed to that decision, * * * but not in the sense in which he puts it. I say that insofar as it decided in favor of Dred Scott's master * * * I do not propose to disturb or resist the decision. I have never proposed to do such a thing. * * * He would have the citizen conform his vote to that decision; the Member of Congress, his; the President his use of the veto power. He would make it a rule of political action for the people and all the departments of the Government. I would not. By resisting it as a political rule, I disturb no right of property, create no disorder, excite no mobs." And then he concludes with a definite declaration that "If the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by decisions of the Supreme Court in ordinary litigation between parties in personal actions, the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal. * * * Why should there not be a patient confidence in the ultimate justice of the people? Is there any better or equal hope in the world?"

The strange thing about these references to the Dred Scott decision is that one of the most pertinent statements by Lincoln has been left unquoted, when Lincoln ventured a prophecy as to the fatal results of the Dred Scott decision. He did not seem to be much afraid of the Dred Scott decision in itself, as may be seen from his comments on it, but he was very much afraid of the results, or, as he called it, the new Dred Scott decision, should another case of like character come before the Supreme Court, and which he asserted would bring slavery not only into the Territories but into the States as well: "My own opinion is that the new Dred Scott decision, deciding against the right of the people of the States to exclude slavery, will never be made if that party is not sustained by the elections. I believe further that it is just as sure to be made as tomorrow is to come, if that party shall be sustained. I have said upon a former occasion, and I repeat it now, that the course of argument that Judge Douglas makes use of upon this subject—I charge not his motives in this—is preparing the public mind for that new Dred Scott decision. I have asked him again to point out to me the reasons for his first adherence to the Dred Scott decision as it is. I have turned his attention to the fact that General Jackson differed with him in regard to the political obligation of a Supreme Court decision. I have asked his attention to the fact that Jefferson differed with him in regard to the political obligation of a Supreme Court decision. Jefferson said that 'judges are as honest as other men, and not more so.' And he said, substantially, that whenever a free people should give up in absolute submission to any department of government, retaining for themselves no appeal from it, their liberties were gone."

What were Lincoln's purposes in fighting the Civil War to a finish?

He certainly did not covet land; he was not land hungry; with his great army of veterans he could have conquered Mexico and Canada and his new navy of steel could have shattered the wooden hulks of the navies of the world. He had greater power than any other ruler of his time. He certainly did not seek a dictatorship. Lincoln, the man of peace, wielding a dictator's sceptor, seems a paradox. He did not pack his Congress nor "purge" Congress, as did Cromwell his Parliament. Elections were not controlled; violence was not employed after the fashion of modern bellowing dictators. Lincoln's attitude toward freedom of thought was not that of a dictator. Lincoln submitted to election by the people; the election of 1862 went heavily against him. He certainly did not seek perpetuation in office. The moment Appomattox became history he regretted his reelection and decided to return to Springfield the moment his second term was over. He had no particular plans for his family. He considered reconstruction—the bête noire of his successors—a mere incident to the war—the States were coming back—the soldiers were going home—there was to be no wholesale punishment.

Why, then, did he fight the great war?

Why throw a half a million precious lives into the balance?

It could not have been military glory which he sought—military glory—"that attractive rainbow that arises in showers of blood; that serpent's eye that charms to destroy."

And, on the other hand, those who would have us believe that all that Lincoln strove for was achieved at Appomattox do not understand his purposes. At that time all he accomplished was to save the Union; that was his first step—the indispensible step. He hardly would have permitted the war to be fought for the sordid ends that resulted so soon after his passing. What, then, were the real purposes for which he fought? He must have known. You cannot fail seeing his vision if you read his words at Gettysburg and at the second inaugural. Olive Schreiner tells of the hunter who saw and sought the bird of truth and followed it over the mountains. Height after height he scaled only to see other mountains beyond. Finally he comes to a sheer wall of rock and climbs, painfully hewing the steps as he rises, with perspiration and groans. At last, out of breath, he reaches the top, only to find another height still to climb. His last words are: "Where I lie down worn out, other men will stand young and fresh. By the steps that I have cut they will climb; by the stairs I have built they will mount. They will never know the name of the man who made them. But they will mount, and by my work; they will climb, and by my stairs. For no man liveth to himself." He must have meant that in his reflections after his defeat by Douglas, "I am proud, in my passing speck of time, to contribute an humble mite to that glorious consummation, which my own poor eyes may not last to see."

When the question was raised, "Would the Nation fight for national righteousness; would it sacrifice property, life, possibly existence, that justice might reign?" In answer, the whole Nation rose to greatness, but that greatness was embodied in this one man more than in the whole Nation. It had been no uncommon thing for a people to fight for their own freedom. We had fought for freedom, but not till then did we fight to make others free. The people may not have known at the time that they were under his spell and under his authority. Now we see it all and understand that no less an authority and no other kind of authority could have wrought out the issue. One of his successors aptly said: "My dream is that as the years go on and the world knows more and more of America it will turn to America for those moral inspirations which lie at the basis of all freedom; that the world will never fear America unless it feels that it is engaged in some enterprise which is inconsistent with the rights of humanity; and that America will come into the full light of the day when all shall know that she puts human rights above all other rights and that her flag is the flag not only of America but of humanity." This was Lincoln's dream. He was the first Chief Magistrate who had such a dream. Little wonder that his contemporaries were slow to keep up with him. The other day the eloquent and scholarly Senator from Arizona—HENRY F. ASHURST—quoted from one of his own speeches, which fits in with Lincoln's aims and ideals:

"If our country is to retain, as I believe she will, her historic position as the leader and noble pioneer in the vanguard of progress and human liberty, if she is to remain the beautiful exampler, we must keep her, in Senate, in court, in camp, in field, and in home, true to the principles upon which she was founded.

"What shall it profit a nation if by keeping an unpunctured skin it rots its heart? What shall it profit a nation to keep a full pocket and lose its soul? America must not only rear temples, build cities, conquer deserts, enchain the bolts of Olympian Jove, hew down mountains, and harness waters that pour destructive floods; she must also heal sore wounds, crush bigotry and race hatred; struggle for liberty, endow the youth of the land with standards of courageous patriotism, and constantly pour forth her long-enduring strength for the vindication of American rights and the preservation of human justice on these shores."

"I can almost hear Lincoln when I read this program for the future of America.

There had been a sufficient number of commonplace executives before him—too many, perhaps—with similar records of blunders and blindness—normal members of the tribe called "available"—so that it was difficult at the time to catch up with one who was so magnificently different; a personality of such fascinating splendor, the kind of a man whose deeds, whose intelligence, and whose energy almost justify the existence of the human race.

In outlining his purposes we must gather them from isolated statements which he made from time to time; from these we can plainly see that he was neither selfish nor narrow in endeavoring to enact his vast and far-flung plans.

In the accomplishment of those purposes the colossal central figure is, of course, Lincoln. Therefore his views on his own role in the function of his office are interesting. What was Lincoln's conception of that community which he calls in his messages our National Union?

His conception of the permanent form of our National Union was a federal one. He did not hesitate to declare "that the maintenance inviolate of the rights of the States, and especially the right of each State to control its domestic institutions according to its own judgment exclusively, is essential to that balance of powers on which the perfection and endurance of our political fabric depend."

Lincoln conceived our National Union as a people's government. This is too often forgotten. We must see Lincoln as a statesman of the masses. Thus he conceived himself. With startling explicitness he committed himself to the belief that the mass, the laborers, were the part of the Nation entitled to the greatest share of its benefits. On February 13, 1861, he said "the workingmen are the basis of all government." On August 18, 1864, he said: "We have, as all will agree, a free government, where every man has a right to be equal to every other man. * * * There is involved in this struggle the question whether your children and my children shall enjoy the privileges we have enjoyed. I say this in order to impress upon you, if you are not already so impressed, that no small matter should divert us from our great purpose."

On August 22, 1864, he said: "I happen temporarily to occupy the White House. I am a living witness that any one of your children may look to come here as my father's child has."

In his letter to the New York workingmen he says: "The strongest bond of human sympathy, outside the family relation, should be one uniting all working people of all nations and tongues and kindreds. Nor should this lead to a war upon property or the owners of property * * *. That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise. Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example insuring that his own shall be safe from violence when built."

Another feature of Lincoln's conception of the National Union is involved in his attitude toward the source of political authority. Asserting the right of the President to assume in emergency vast authority, he concludes that "if he uses the power justly, the * * * people will probably justify him; if he abuses it, he is in their hands to be dealt with by all the modes they have reserved to themselves in the Constitution." Elsewhere he asks: "Must a government of necessity be too strong for the liberties of its own people, or too weak to maintain its own existence?" In his own mind the assumptions of arbitrary power were to him part of the general right to wage war. His election for four years was to him an irrevocable mandate. What should be noted here is Lincoln's boldness with which he planted himself on the idea of delegated authority. He refused to be the mere spokesman of the people. He was in his own mind their representative, on whom, for the duration of his term, certain powers had been bestowed. For that time these powers were his. He took upon his own shoulders the decision of how the situation should be met, launched a whole series of war measures, and irrevocably committed the country to a definite war policy months before Congress was even called into session.

There is another feature of Lincoln's conception: "A nation", he asserts, "may be said to consist of its territory, its people, and its laws. The territory is the only part that is of certain durability. 'One generation passeth away and another cometh, but the earth abideth forever.' It is of the first importance to duly consider and estimate this ever-enduring part." To Lincoln America was at that time infinitely more than an aggregate of 30,000,000 people; to Lincoln America was the concrete realization of what the ages have hoped for and labored for. Rabbi Abba Hillel Silver has perhaps best expressed this idea:

"God built a continent of glory and filled it with treasures untold. He carpeted it with soft rolling prairies and pillared it with thundering mountains. He studded it with soft-flowing fountains and traced it with long-winding streams. He graced it with deep-shadowed forests and filled them with song.

"Then he called unto a thousand people and summoned the bravest among them. They came from the ends of the earth, each bearing a gift and a hope. The glow of adventure was in their eyes, and the glory of hope within their souls. And out of the labor of men and the bounty of earth, out of the prayers of men and the hopes of the world, God fashioned a nation in love, blessed it with a purpose sublime, and called it 'America.'"

And Lincoln is the type of this American. In one of his lectures Professor Burgess states what he conceives to be the chief characteristics of the typical American. He indicates his dominating understanding, free from passion and prejudice; his sense of humor, coupled with an earnestness firmer than a wall of granite. He dwells upon his strong ethical character; his spirit of enterprise; and finally the principle which activates him, that the government of a free people must always gather its financial resources from taxes levied with justice and equality upon all those subject to its jurisdiction, and then he concludes by saying: "I am compelled to say that I have described to you a character all of whose traits are or have been manifested by but few persons even in my own country. It is the character of a people, rather than of particular individuals, which I have discussed. Among all the great personalities of our history I know only one who has exhibited all of these qualities in distinctness and harmony. It was not Washington; he was too rich, too aristocratic, and a slaveholder. It was not Hamilton; he was not sufficiently strict in his morality. It was not Jefferson; he was too pedantic and also a slaveholder. It was not Clay nor Webster nor Calhoun; the first and second lived too freely and the third had too little appreciation of the rights of men. Neither was it Jackson; he was too violent in thought and speech. Nor was it Grant; he lacked too much the correct estimate of men. It was Abraham Lincoln."

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Indiana [Mr. MINTON] to reconsider the vote by which the so-called Bailey amendment in the nature of a substitute was agreed to.

Mr. McNARY. Mr. President, I am advised the Senator from North Carolina [Mr. BAILEY] desires to discuss the matter at this time. I observe his absence and therefore suggest the absence of a quorum.

Mr. BARKLEY. The Senator from North Carolina will be here in a few minutes.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Radcliffe
Ashurst	Costigan	La Follette	Reynolds
Austin	Couzens	Lewis	Robinson
Bachman	Davis	Logan	Russell
Bailey	Dickinson	Lonergan	Schwellenbach
Barbour	Dieterich	Long	Sheppard
Barkley	Donahey	McAdoo	Shipstead
Benson	Duffy	McGill	Smith
Bilbo	Fletcher	McKellar	Steiwer
Black	Frazier	McNary	Thomas, Okla.
Bone	George	Maloney	Thomas, Utah
Borah	Gibson	Minton	Townsend
Bulkley	Glass	Moore	Trammell
Bulow	Gore	Murphy	Truman
Burke	Guffey	Murray	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Van Nuys
Caraway	Hatch	Norris	Wagner
Carey	Hayden	O'Mahoney	Walsh
Clark	Holt	Overton	Wheeler
Connally	Johnson	Pittman	White
Coolidge	Keyes	Pope	

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

The question is on agreeing to the motion of the Senator from Indiana [Mr. MINTON] to reconsider the vote by which the Senate adopted what is known as the Bailey amendment to the Panama Canal tolls bill.

The motion to reconsider was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from North Carolina [Mr. BAILEY] for the committee amendment.

Mr. BAILEY. Mr. President, first of all I wish to address my remarks to repeated statements on the floor, in the course of the debate, to the effect that the opposition to the proposed legislation comes from the shipping interests.

I am not going to say anything about that sort of argument in the Senate of the United States. I do not intend, as long as I live, to respond to that sort of argument; but I am going to show from the record that insofar as we have any evidence whatever, the shipping interests are supporting the proposed legislation.

That is a bald statement; but how is it supported? It is supported by the report of the committee, no. 1565, filed by the chairman of the committee, the junior Senator from Oklahoma [Mr. GORE].

I read from the report, first, on page 4:

That the dual system is unsatisfactory is conceded by all concerned.

Now, hear me—

The steamship interests have so testified before committees considering this legislation on numerous occasions in no uncertain terms.

There is one record as to where the steamship interests stand. Let us go further.

On page 8 of the report of the committee, being the same report I have just mentioned, I find the following:

Representatives of the steamship interests recognize that the dual system is unsatisfactory and favor a single system.

There the steamship interests again are put down in the record as favoring this proposed legislation. The whole argument for the measure has been that it changes the system of measurement from the dual system to the single system.

Again, on page 9 of the report we have extracts from the testimony of two representatives of the shipping interests, Mr. Peterson and afterward Mr. Duff. Concerning Mr. Duff it is stated that—

Mr. Duff was associated with the American Steamship Owners' Association.

I take it that Mr. Peterson has some connection of the same kind, as it appears that he was a witness on behalf of the steamship interests.

Again, from the same report of the same committee, on page 11, I read the following:

This whole subject has been so well summarized in an editorial of the March 1935 issue of the Marine Review, a journal devoted to the interests of shipping, that your committee begs leave to quote the following paragraphs from said editorial—

And these paragraphs are paragraphs recommending the proposed legislation. That is the evidence as to where the shipping interests are in this matter.

Mr. ADAMS. Mr. President——

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Colorado?

Mr. BAILEY. I do.

Mr. ADAMS. May I call the Senator's attention to another very important reason as to why the shipping interests should be for the bill? The bill reduces the rates of toll. That is the very unusual thing in the bill. It fixes, not a minimum toll, but a maximum toll. In other words, if the shipping interests are not for the bill they are overlooking their own advantage, because we are fixing for the use of a Government agency not a minimum but a maximum charge per ton.

Mr. BAILEY. Mr. President, I thank the Senator. That is further evidence; but I am contending——

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Oklahoma?

Mr. BAILEY. Let me finish. Of course, I am going to yield to the Senator, but I have just started a sentence.

Mr. GORE. I merely wanted to put in the RECORD in connection with what the Senator from Colorado said the fact that the bill fixes both a maximum and a minimum.

Mr. BAILEY. I am content to repeat the statement made in the argument by the proponents of the legislation by their own evidence, and it is absolute and unqualified. It cannot be contradicted.

Mr. President, of course votes on legislation may be obtained in the Senate by suggesting that there are motives here other than the national interest. I shall not give arguments of that sort the dignity to deny them, but when they are refuted by the report of the committee itself I am content to lay on one side of the measure the statements from the committee that the shipping interests are opposing the bill, and on the other the statements from the same source that the shipping interests are supporting the bill. I will leave it to the other side to reconcile those contradictory statements.

Again I wish to call the attention of the distinguished senior Senator from Nebraska [Mr. NORRIS], if he will listen to me for just one moment, to the fact that he, a true and just man, as we all recognize him to be, was so affected by this argument that in a conciliatory spirit he made the following statement:

I am inclined to agree with the Senator that perhaps someone is hiding under that chip—

The word "chip" there refers to the substitute.

but as the Senator from Wisconsin said, "it would at least clear that chip away if we should adopt the substitute."

I wish to assure the distinguished Senator that nothing is being hidden under any chip. There is no reason to suspect that anything is being hidden under a chip. I do not know whether my friend found his simile or his metaphor in the woodpile or the poker game [laughter], but I hope he understands that here in the Senate, even if we should play poker, there would be nothing under the chips.

Mr. President, I brought that out for one purpose. That just goes to show how far a good man's mind, a just man's mind, may be affected by the insinuation that those of us who oppose the measure, not absolutely but only by way of asking for facts and further investigation, have some ulterior motive, something "under a chip."

Of course, I will say that the Senator from Nebraska was very kindly. He said, as he always has said in the Senate, that he would impugn no man's motives, and would give each man here the same credit for good faith which he hoped they would give to him; but there is your illustration. I am saying that there is nothing under a chip here. Now, hear me: My substitute is precisely the same language that the committee wrote in their bill; and if there is a chip under my substitute, then there is a chip under their bill.

That is the fact. That is the way the bill came in here; and the Senate adopted that portion of the bill. So, I take it, that clears that matter.

Now, however, I am going into the other argument.

My substitute was described here repeatedly as a sham. That struck me as a strange thing. I do not know any Senator here who introduces sham legislation.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. WAGNER. As I understand the Senator's attitude—and it is my attitude—what the Senator desires to do is to have an investigation of the facts first, in order to ascertain whether it is wise to enact the proposed legislation, whereas the proponents seem to take the position that the legislation should be enacted first, and then the Senate ascertain by investigation as to whether what they did was wise or not.

Mr. BAILEY. Yes; and I am going to raise the question. When heretofore in the Senate did argument descend to the depths of describing amendments or substitutes or bills as "shams"? I think gentlemen lose their tempers, and I will forgive them for losing their tempers; I will not quarrel with them for losing their tempers. It was not described as a "sham" until it had prevailed in the Senate; and that explains a lot to me. If it was a sham, then 35 Senators voted for a sham. If it was a sham, then 62 Senators voted for a sham 3 weeks ago. I am going to exonerate the Senators. I do not think they meant to insult me. I think they lost their tempers. I believe I am justified in saying that. If the substitute had been described as a sham in the debate on the merits, the situation would have been different, but said in a moment when the Senate had voted against the wishes of these Senators, it may be excusable.

Mr. President, it is not a sham. Let us look into it. How did it come into the Senate in the first instance? It came into the Senate in the committee's bill, and the committee will not be heard to say to the Senate that it introduced here a sham piece of legislation.

Where did I get the suggestion that there should be an investigation? I got it from section 2 of the committee's bill. Where did I get the suggestion that a commission should be appointed? I got it from section 2 of the committee's bill. And now the committee chairman tells me that that was a sham. He can say all he pleases about its being a sham in his bill, and I think that that is as far as I would go in the matter.

I do not intend to raise any feelings, but I do intend to clear this matter. Now, to clear the matter as to the shipping interests, the evidence from the committee's report is that the shipping interests are for the committee bill, and the evidence from the legislation itself is that if the demand for an investigation is a sham, then the committee has proposed a sham.

Am I right in saying that there ought to be an investigation of this matter before so serious a step is taken as the abandonment of the system which we have followed successfully for 22 years, that before we do that there should be an investigation and the facts found? If so, the com-

mittee is wrong again, and I will read again from the report. On page 2, paragraph 5, I find this language—and this is from the committee's report supporting the bill:

> The assurance that a detailed study of the rules and all other factors pertaining to toll rates will be made to enable the President to prescribe toll rates which will be equitable both to shipping interests and the Government renders unnecessary any legislative requirement.

So the committee reports that there must be a detailed study of the rules and all other factors. Yet when I ask, by my substitute, that the study be made first and the legislative action be taken thereafter, I am accused of sponsoring a policy of delay. My substitute, calling precisely for what the committee say is necessary, is described as a sham. I think that I am very fortunate in having this report here. It destroys every insinuation that has been made, and it is the best argument for the support of my substitute.

What does the substitute provide? The substitute asks that the President be authorized to appoint a commission to study this grave question of the management of the Panama Canal and the shipping through it, and report back by January 1, 1937; and that is less than 10 months off.

The argument against that is that we are trying to bring about delay. At the same time the committee say study is necessary. They say they have assurance. I do not know where they got it; it does not appear here. They say every factor is to be looked into. They themselves are not asking that the legislation shall be effective until January 1, 1937. Under the substitute we will get the report January 3, 1937, and we can legislate in 30 days. Yet we have the picture painted to us of Queen Elizabeth standing on the floor of her bedroom, dying and crying "A kingdom for a moment of time."

Mr. President, that is where that argument goes out of the window. There could not be a delay of 30 days. Shall we not give 30 days' time for the study of a change in the structure of the tolls charged at the Panama Canal? Is that an unimportant matter? Now, hear me about that.

The Panama Canal is related to all the freight rates in the United States. I do not know where the interests of the transcontinental lines of railway lie in this matter. I should like to know. Nobody can tell us now. The rates across the continent are relative to the rates of tolls charged at the Canal. If we change the Canal tolls, what will be the effect upon the rates? I do not know; and if there is a Senator who does know, I should be very grateful to him if he would inform the Senate, because, without taking any liberties, I suspect the Senate does not know, either.

When I ask that we shall take 6 months of time to have a study made by a commission formally appointed, I am asked to vote for the bill, and a study is promised. I have no assurance of it, and I do not know who will make it, but if my substitute shall be agreed to, the President will appoint the commission, it will report by January 1 next, and we will know what we are doing.

The Panama Canal relates itself directly to the merchant marine of the United States, and if there is a sore spot in our national defense and our national economy, the merchant marine is the sore spot. I do not intend to discuss the merits of that question now. It is conceivable that we might erect a system of tolls charged at the Panama Canal whereby the coastwise shipping of the United States would receive rates so low that the merchant marine could be built without a subsidy.

I have always thought it was wrong, in making the arrangements in response to the treaty with Great Britain, to put our coastwise shipping on the level of the world shipping. Now, hear me. I honor President Woodrow Wilson for the high position he took, one of great generosity, one of ultimate justice, I think, in refusing to have a quarrel with Great Britain about the interpretation of the Hay-Pauncefote treaty.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. McADOO in the chair). Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. BAILEY. I yield.

Mr. BORAH. May I ask the Senator from North Carolina what possibility there was of having a quarrel with Great Britain about the Hay-Pauncefote treaty?

Mr. BAILEY. What the possibility of the quarrel was?

Mr. BORAH. Yes; about the Hay-Pauncefote treaty.

Mr. BAILEY. That was the Panama Canal tolls treaty.

Mr. BORAH. Yes; I know; but how could there possibly be any quarrel with Great Britain about that?

Mr. BAILEY. Mr. President, I probably used the wrong word when I said "quarrel." There was a protest made by Great Britain. I was using the word "quarrel" in the sense of "protest." There was a formal protest filed in 1912.

Mr. BORAH. But there would naturally be a protest where the interest of Great Britain was involved.

Mr. BAILEY. Yes.

Mr. KING. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. KING. It was contended that a proper construction of the Hay-Pauncefote treaty precluded discrimination in the matter of tolls as between the United States and Great Britain. Whether the position of Great Britain was just or unjust, I do not state, but there was the contention made by her that there would be a violation of the terms of the treaty.

Mr. BORAH. Mr. President, I could not understand what the Senator from Utah said.

Mr. KING. Will the Senator from North Carolina yield further?

Mr. BAILEY. I yield.

Mr. KING. I stated that there was a protest, because Great Britain contended—whether her contention was just or unjust, I make no observation—that the treaty was violated in that there would be discrimination against her in the matter of tolls.

Mr. BORAH. Of course, that was the protest that Great Britain made, but that protest had been settled by the action of the Senate, and it was not really open to consideration any longer. The protest was not founded upon a fair construction of the treaty.

Mr. BAILEY. The Senator is correct. I have here in my hand a book entitled "The Isthmian Highway", by Hugh Gordon Miller, in the Monroe centennial edition. I read from page 190 as to this protest. I know the Senator from Utah [Mr. KING] will be particularly interested in this. Here is the language of the protest:

> As to the proposal that exemption shall be given to vessels engaged in the coastwise trade, a more difficult question arises. If the trade should be so regulated as to make it certain that only bona-fide coastwise traffic, which is reserved for United States vessels, would be benefited by this exemption, it may be that no objection could be taken.

Mr. President, Great Britain herself did not protest against favoring the coastwise traffic of the United States in our own canal. Even Great Britain conceded that right.

Mr. LEWIS. Mr. President, will the Senator from North Carolina allow me to interpolate a suggestion to him for his consideration?

Mr. BAILEY. I shall be delighted.

Mr. LEWIS. President Wilson during his campaign in a speech in New Jersey on a question which was something of a foundation issue, asserted there would be the exemption from tolls in behalf of the American ships. As the matter proceeded, as the Senator from Idaho [Mr. BORAH] has called attention, there was a great deal of protest against that provision being withdrawn. The President sent a message to the Senate in which he sought with great freedom and frankness to overcome his previous prediction on the subject and to announce that there could not be the change; that the tolls would have to remain as before ascribed, but I beg to call the attention of the Senator from North Carolina to how much more a serious question of practical import it was at that time. If we assumed to give to our ships such advantage of exemption how far would there be the

retaliation on the part of Great Britain as to the Suez Canal or other waters in which she claimed sovereignty as against the American vessels? The business feature of the matter superseded, if I am not in error, the mere construction of the treaty.

Mr. BAILEY. I thank the Senator. I am now going to read one other bit of evidence. This is from the late Theodore Roosevelt:

> I believe that the position of the United States is proper as regards the coastwise traffic. I think that we have the right to free, bona-fide coastwise traffic from tolls. I think that this does not interfere with the rights of any other nation, because no ships but our own can engage in coastwise traffic, so that there is no discrimination against other ships when we relieve the coastwise traffic from tolls.

And to the same effect Mr. Taft, and also to the same effect Mr. Philander C. Knox. Yet here we have gone on otherwise, and the pending bill proposes that we shall continue so to go on, and it goes still further. We adopt the rules of Panama and reject the rules of the United States, and at the same time the world shipping and the coastwise shipping are all put in the same boat and under the same conditions. And the Canal is our canal.

So Mr. President, I think I have some reasons for being interested in this question, and since there are questions here as to that interest I do not intend to claim too much for myself, but I speak in the national interest.

I cannot express myself concerning people who intimate to the contrary either.

Mr. President, there is the state of the matter. We propose to abandon the United States rules and take over the Panama rules. We propose to abandon a system which has operated magnificently for 22 years. The Canal is a paying institution. We propose to change the thing from the foundation, and no man can tell us what the consequences may be, and when we ask that there be a delay of 30 days, so far as final legislation is concerned, in order that the President may appoint a commission and find the facts and tell us what the consequences will be, we are told that the shipping interests are the interests which are speaking with us, and that our substitute is a sham.

Is there a Senator in the body who could tell me what the consequences will be of the passage of the pending bill? If there is, he has not spoken yet in this debate. Is there a Senator who can tell me what will be the difference as between the oil tankers and the cargo and passenger ships? If so, he has not made it clear to the Senate.

Let me now recall an instance. When this bill first came on the floor of the Senate I did oppose it on the ground—which was not the whole reason, but one reason—that it transferred the burden of the tolls onto the passenger and the cargo ships and off the oil carriers. That was denied at the time, but when the bill came back after the Senate had recommitted it there was a concession of 10 cents a ton put on the oil tankers. Was that "sham"?

The VICE PRESIDENT. Will the Senator from North Carolina suspend in order to permit the managers on the part of the House of Representatives in the impeachment proceedings to appear and present the articles of impeachment?

Mr. BAILEY. Mr. President, may I take my seat with the right to resume at the end of the impeachment proceedings?

The VICE PRESIDENT. The Senator will have the floor when the Senate resumes legislative session.

IMPEACHMENT OF HALSTED L. RITTER

At 1 o'clock p. m. the managers on the part of the House of Representatives of the impeachment of Halsted L. Ritter appeared below the bar of the Senate, and the secretary to the majority, Leslie L. Biffle, announced their presence, as follows:

I have the honor to announce the managers on the part of the House of Representatives to conduct the proceedings in the impeachment of Halsted L. Ritter, United States district judge in and for the southern district of Florida.

The VICE PRESIDENT. The managers on the part of the House will be received and assigned their seats.

The managers, accompanied by the Deputy Sergeant at Arms of the House of Representatives, William K. Weber, were thereupon escorted by the secretary to the majority to the seats assigned to them in the area in front and to the left of the Chair.

The VICE PRESIDENT. The Chair understands the managers on the part of the House of Representatives are ready to proceed with the impeachment. The Sergeant at Arms will make proclamation.

The Sergeant at Arms, Chesley W. Jurney, made proclamation, as follows:

Hear ye! Hear ye! Hear ye! All persons are commanded to keep silent, on pain of imprisonment, while the House of Representatives is exhibiting to the Senate of the United States articles of impeachment against Halsted L. Ritter, United States district judge in and for the southern district of Florida.

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk (Emery L. Frazier) called the roll, and the following Senators answered to their names.

Adams	Copeland	La Follette	Reynolds
Ashurst	Couzens	Lewis	Robinson
Austin	Davis	Logan	Russell
Bachman	Dickinson	Lonergan	Schwellenbach
Bailey	Dieterich	Long	Sheppard
Barbour	Donahey	McAdoo	Shipstead
Barkley	Duffy	McGill	Smith
Benson	Fletcher	McKellar	Steiwer
Bilbo	Frazier	McNary	Thomas, Okla.
Black	George	Maloney	Thomas, Utah
Bone	Gibson	Minton	Townsend
Borah	Glass	Moore	Trammell
Bulkley	Gore	Murphy	Truman
Bulow	Guffey	Murray	Tydings
Burke	Hale	Neely	Vandenberg
Byrnes	Harrison	Norbeck	Van Nuys
Capper	Hatch	Norris	Wagner
Caraway	Hayden	O'Mahoney	Walsh
Carey	Holt	Overton	Wheeler
Clark	Johnson	Pittman	White
Connally	Keyes	Pope	
Coolidge	King	Radcliffe	

Mr. LEWIS. I announce that the Senator from Colorado [Mr. COSTIGAN] is necessarily detained.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present. The managers on the part of the House will proceed.

Mr. Manager SUMNERS. Mr. President, the managers on the part of the House of Representatives are here present and ready to present the articles of impeachment which have been preferred by the House of Representatives against Halsted L. Ritter, a district judge of the United States for the southern district of Florida.

The House adopted the following resolution, which, with the permission of the Senate, I will read:

House Resolution 439

IN THE HOUSE OF REPRESENTATIVES,
March 6, 1936.

Resolved, That HATTON W. SUMNERS, RANDOLPH PERKINS, and SAM HOBBS, Members of this House, be, and they are hereby, appointed managers to conduct the impeachment against Halsted L. Ritter, United States district judge for the southern district of Florida; that said managers are hereby instructed to appear before the Senate of the United States and at the bar thereof in the name of the House of Representatives and of all the people of the United States to impeach the said Halsted L. Ritter of high crimes and misdemeanors in office and to exhibit to the Senate of the United States the articles of impeachment against said judge which have been agreed upon by this House; and that the said managers do demand that the Senate take order for the appearance of said Halsted L. Ritter to answer said impeachment, and demand his impeachment, conviction, and removal from office.

JOSEPH W. BYRNS,
Speaker of the House of Representatives.

Attest:

SOUTH TRIMBLE, *Clerk.*

[Seal of the House of Representatives.]

Mr. President, with the permission of the Vice President and the Senate, I will ask Mr. Manager HOBBS to read the articles of impeachment.

The VICE PRESIDENT. Mr. Manager HOBBS will proceed, and the Chair will take the liberty of suggesting that he stand

at the desk in front of the Chair, as from that position the Senate will probably be able to hear him better.

Mr. Manager HOBBS, from the place suggested by the Vice President, said:

Mr. President and gentlemen of the Senate:

ARTICLES OF IMPEACHMENT AGAINST HALSTED L. RITTER

House Resolution 422, Seventy-fourth Congress, second session

Congress of the United States of America

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,

March 2, 1936.

Resolved, That Halsted L. Ritter, who is a United States district judge for the southern district of Florida, be impeached for misbehavior and for high crimes and misdemeanors; and that the evidence heretofore taken by the subcommittee of the Committee on the Judiciary of the House of Representatives under House Resolution 168 of the Seventy-third Congress sustains articles of impeachment, which are hereinafter set out; and that the said articles be, and they are hereby, adopted by the House of Representatives, and that the same shall be exhibited to the Senate in the following words and figures, to wit:

Articles of impeachment of the House of Representatives of the United States of America in the name of themselves and of all of the people of the United States of America against Halsted L. Ritter, who was appointed, duly qualified, and commissioned to serve, during good behavior in office, as United States district judge for the southern district of Florida, on February 15, 1929

ARTICLE I

That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and while acting as a United States district judge for the southern district of Florida, was and is guilty of misbehavior and of a high crime and misdemeanor in office in manner and form as follows, to wit: On or about October 11, 1929, A. L. Rankin (who had been a law partner of said judge immediately before said judge's appointment as judge), as solicitor for the plaintiff, filed in the court of the said Judge Ritter a certain foreclosure suit and receivership proceeding, the same being styled "Bert E. Holland and others against Whitehall Building and Operating Company and others" (No. 678-M-Eq.). On or about May 15, 1930, the said Judge Ritter allowed the said Rankin an advance of $2,500 on his fee for his services in said case. On or about July 2, 1930, the said Judge Ritter by letter requested another judge of the United States District Court for the Southern District of Florida, to wit, Hon. Alexander Akerman, to fix and determine the total allowance for the said Rankin for his services in said case for the reason as stated by Judge Ritter in said letter, that the said Rankin had formerly been the law partner of the said Judge Ritter, and he did not feel that he should pass upon the total allowance made said Rankin in that case, and that if Judge Akerman would fix the allowance it would relieve the writer, Judge Ritter, from any embarrassment if thereafter any question should arise as to his, Judge Ritter's favoring said Rankin with an exorbitant fee.

Thereafterward, notwithstanding the said Judge Akerman, in compliance with Judge Ritter's request, allowed the said Rankin a fee of $15,000 for his services in said case, from which sum the said $2,500 theretofore allowed the said Rankin by Judge Ritter as an advance on his fee was deducted, the said Judge Ritter, well knowing that at his request compensation had been fixed by Judge Akerman for the said Rankin's services in said case, and notwithstanding the restraint of propriety expressed in his said letter to Judge Akerman, and ignoring the danger of embarrassment mentioned in said letter, did fix an additional and exorbitant fee for the said Rankin in said case. On or about December 24, 1930, when the final decree in said case was signed, the said Judge Ritter allowed the said Rankin, additional to the total allowance of $15,000 theretofore allowed by Judge Akerman, a fee of $75,000 for his services in said case, out of which allowance the said Judge Ritter directly profited. On the same day, December 24, 1930, the receiver in said case paid the said Rankin, as part of his said additional fee, the sum of $25,000, and the said Rankin on the same day privately paid and delivered to the said Judge Ritter the sum of $2,500 in cash; $2,000 of said $2,500 was deposited in bank by Judge Ritter on, to wit, December 29, 1930, the remaining $500 being kept by Judge Ritter and not deposited in bank until, to wit, July 10, 1931. Between the time of such initial payment on said additional fee and April 6, 1931, the said receiver paid said Rankin thereon $5,000. On or about April 6, 1931, the said Rankin received the balance of the said additional fee allowed him by Judge Ritter, said balance amounting to $45,000. Shortly thereafter, on or about April 14, 1931, the said Rankin paid and delivered to the said Judge Ritter, privately, in cash, an additional sum of $2,000. The said Judge Halsted L. Ritter corruptly and unlawfully accepted and received for his own use and benefit from the said A. L. Rankin the aforesaid sums of money, amounting to $4,500.

Wherefore the said Judge Halsted L. Ritter was and is guilty of misbehavior and was and is guilty of a high crime and misdemeanor.

ARTICLE II

That the said Halsted L. Ritter, while holding the office of United States district judge for the southern district of Florida, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and while acting as a United States district judge for the southern district of Florida, was and is guilty of misbehavior and of high crimes and misdemeanors in office in manner and form as follows, to wit:

On the 15th day of February 1929 the said Halsted L. Ritter, having been appointed as United States district judge for the southern district of Florida, was duly qualified and commissioned to serve as such during good behavior in office. Immediately prior thereto and for several years the said Halsted L. Ritter had practiced law in said district in partnership with one A. L. Rankin, which partnership was dissolved upon the appointment of said Ritter as said United States district judge.

On the 18th day of July 1928 one Walter S. Richardson was elected trustee in bankruptcy of the Whitehall Building & Operating Co., which company had been adjudicated in said district as a bankrupt, and as such trustee took charge of the assets of said Whitehall Building & Operating Co., which consisted of a hotel property located in Palm Beach in said district. That the said Richardson as such trustee operated said hotel property from the time of his said appointment until its sale on the 3d of January 1929, under the foreclosure of a third mortgage thereon. On the 1st of November and the 13th of December 1929, the said Judge Ritter made orders in said bankruptcy proceedings allowing the said Walter S. Richardson as trustee the sum of $16,500 as compensation for his services as trustee. That before the discharge of said Walter S. Richardson as such trustee, said Richardson, together with said A. L. Rankin, one Ernest Metcalf, one Martin Sweeney, and the said Halsted L. Ritter, entered into an arrangement to secure permission of the holder or holders of at least $50,000 of first-mortgage bonds on said hotel property for the purpose of filing a bill to foreclose the first mortgage on said premises in the court of said Halsted L. Ritter, by which means the said Richardson, Rankin, Metcalf, Sweeney, and Ritter were to continue said property in litigation before said Ritter. On the 30th day of August 1929, the said Walter S. Richardson, in furtherance of said arrangement and understanding, wrote a letter to the said Martin Sweeney, in New York, suggesting the desirability of contacting as many first-mortgage bondholders as possible in order that their cooperation might be secured, directing special attention to Mr. Bert E. Holland, an attorney, whose address was in the Tremont Building in Boston, and who, as cotrustee, was the holder of $50,000 of first-mortgage bonds, the amount of bonds required to institute the contemplated proceedings in Judge Ritter's court.

On October 3, 1929, the said Bert E. Holland, being solicited by the said Sweeney, requested the said Rankin and Metcalf to prepare a complaint to file in said Judge Ritter's court for foreclosure of said first mortgage and the appointment of a receiver. At this time Judge Ritter was holding court in Brooklyn, N. Y., and the said Rankin and Richardson went from West Palm Beach, Fla., to Brooklyn, N. Y., and called upon said Judge Ritter a short time previous to filing the bill for foreclosure and appointment of a receiver of said hotel property.

On October 10, 1929, and before the filing of said bill for foreclosure and receiver, the said Holland withdrew his authority to said Rankin and Metcalf to file said bill and notified the said Rankin not to file the said bill. Notwithstanding the said instructions to said Rankin not to file said bill, said Rankin, on the 11th day of October 1929, filed said bill with the clerk of the United States District Court for the Southern District of Florida, but with the specific request to said clerk to lock up the said bill as soon as it was filed and hold until Judge Ritter's return so that there would be no newspaper publicity before the matter was heard by Judge Ritter for the appointment of a receiver, which request on the part of the said Rankin was complied with by the said clerk.

On October 16, 1929, the said Holland telegraphed to the said Rankin, referring to his previous wire requesting him to refrain from filing the bill and insisting that the matter remain in its then status until further instruction was given; and on October 17, 1929, the said Rankin wired to Holland that he would not make an application on his behalf for the appointment of a receiver. On October 28, 1929, a hearing on the complaint and petition for receivership was heard before Judge Halsted L. Ritter at Miami, at which hearing the said Bert E. Holland appeared in person before said Judge Ritter and advised the judge that he wished to withdraw the suit and asked for dismissal of the bill of complaint on the ground that the bill was filed without his authority.

But the said Judge Ritter, fully advised of the facts and circumstances hereinbefore recited, wrongfully and oppressively exercised the powers of his office to carry into execution said plan and agreement theretofore arrived at, and refused to grant the request of the said Holland and made effective the champertous undertaking of the said Richardson and Rankin and appointed the said Richardson receiver of the said hotel property, notwithstanding that objection was made to Judge Ritter that said Richardson had been active in fomenting this litigation and was not a proper person to act as receiver.

On October 15, 1929, said Rankin made oath to each of the bills for intervenors which were filed the next day.

On October 16, 1929, bills for intervention in said foreclosure suit were filed by said Rankin and Metcalf in the names of holders of approximately $5,000 of said first-mortgage bonds, which intervenors did not possess the said requisite $50,000 in bonds required by said first mortgage to bring foreclosure proceedings on the part of the bondholders.

The said Rankin and Metcalf appeared as attorneys for complainants and intervenors, and in response to a suggestion of the said Judge Ritter, the said Metcalf withdrew as attorney for complainants and intervenors and said Judge Ritter thereupon appointed said Metcalf as attorney for the said Richardson, the receiver.

And in the further carrying out of said arrangement and understanding, the said Richardson employed the said Martin Sweeney and one Bemis, together with Ed Sweeney, as managers of said property, for which they were paid the sum of $60,000 for the management of said hotel for the two seasons the property remained in the custody of said Richardson as receiver.

On or about the 15th of May 1930 the said Judge Ritter allowed the said Rankin an advance on his fee of $2,500 for his services in said case.

On or about July 2, 1930, the said Judge Ritter requested Judge Alexander Akerman, also a judge of the United States District Court for the Southern District of Florida, to fix the total allowance for the said Rankin for his services in said case, said request and the reasons therefor being set forth in a letter by the said Judge Ritter, in words and figures as follows, to wit:

JULY 2, 1930.

Hon. ALEXANDER AKERMAN,
United States District Judge, Tampa, Fla.

MY DEAR JUDGE: In the case of *Holland et al.* v. *Whitehall Building & Operating Co.* (No. 673–M–Eq.), pending in my division, my former law partner, Judge A. L. Rankin, of West Palm Beach, has filed a petition for an order allowing compensation for his services on behalf of the plaintiff.

I do not feel that I should pass, under the circumstances, upon the total allowance to be made Judge Rankin in this matter. I did issue an order, which Judge Rankin will exhibit to you, approving an advance of $2,500 on his claim, which was approved by all attorneys.

You will appreciate my position in the matter, and I request you to pass upon the total allowance which should be made Judge Rankin in the premises as an accommodation to me. This will relieve me from any embarrassment hereafter if the question should arise as to my favoring Judge Rankin in this matter by an exorbitant allowance.

Appreciating very much your kindness in this matter, I am,

Yours sincerely,

HALSTED L. RITTER.

In compliance with said request the said Judge Akerman allowed the said Rankin $12,500 in addition to the $2,500 theretofore allowed by Judge Ritter, making a total of $15,000 as the fee of the said Rankin in the said case.

But notwithstanding the said request on the part of said Ritter and the compliance by the said Judge Akerman and the reasons for the making of said request by said Judge Ritter of Judge Akerman, the said Judge Ritter, on the 24th day of December 1930, allowed the said Rankin an additional fee of $75,000.

And on the same date when the receiver in said case paid to the said Rankin as a part of said additional fee the sum of $25,000, said Rankin privately paid and delivered to said Judge Ritter out of the said $25,000 the sum of $2,500 in cash, $2,000 of which the said Judge Ritter deposited in a bank and $500 of which was put in a tin box and not deposited until the 10th day of July 1931, when it was deposited in a bank with an additional sum of $600.

On or about the 6th day of April 1931, the said Rankin received as a part of the $75,000 additional fee the sum of $45,000, and shortly thereafter, on or before the 14th day of April 1931, the said Rankin paid and delivered to said judge Ritter, privately and in cash, out of said $45,000 the sum of $2,000.

The said Judge Halsted L. Ritter corruptly and unlawfully accepted and received for his own use and benefit from the said Rankin the aforesaid sums of $2,500 in cash and $2,000 in cash, amounting in all to $4,500.

Of the total allowance made to said A. L. Rankin in said foreclosure suit, amounting in all to $90,000, the following sums were paid out by said Rankin with the knowledge and consent of said Judge Ritter, to wit, to said Walter S. Richardson, the sum of $5,000; to said Metcalf, the sum of $10,000; to Shutts and Bowen, also attorneys for the receiver, the sum of $25,000; and to said Halsted L. Ritter, the sum of $4,500.

In addition to the said sum of $5,000 received by the said Richardson, as aforesaid, said Ritter by order in said proceedings allowed said Richardson a fee of $30,000 for services as such receiver.

The said fees allowed by said Judge Ritter to A. L. Rankin (who had been a law partner of said judge immediately before said judge's appointment as judge) as solicitor for the plaintiff in said case were excessive and unwarranted, and said judge profited personally thereby in that out of the money so allowed said solicitor he received personally, privately, and in cash $4,500 for his own use and benefit.

While the Whitehall Hotel was being operated in receivership under said proceeding pending in said court (and in which proceeding the receiver in charge of said hotel by appointment of said judge was allowed large compensation by said judge) the said judge stayed at said hotel from time to time without cost to himself and received free rooms, free meals, and free valet service, and, with the knowledge and consent of said judge, members of his family, including his wife, his son, Thurston Ritter, his daughter, Mrs. M. R. Walker, his secretary, Mrs. Lloyd C. Hooks, and her husband, Lloyd C. Hooks, each likewise on various occasions stayed at said hotel without cost to themselves or to said judge, and received free rooms, and some or all of them received from said hotel free meals and free valet service; all of which expenses were borne by the said receivership to the loss and damage of the creditors whose interests were involved therein.

The said judge willfully failed and neglected to perform his duty to conserve the assets of the Whitehall Building & Operating Co. in receivership in his court, but to the contrary, permitted waste and dissipation of its assets, to the loss and damage of the creditors of said corporation, and was a party to the waste and dissipation of such assets while under the control of his said court, and personally profited thereby, in the manner and form hereinabove specifically set out.

Wherefore the said Judge Halsted L. Ritter was and is guilty of misbehavior and was and is guilty of a high crime and misdemeanor in office.

ARTICLE III

That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and while acting as a United States district judge for the southern district of Florida, was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

That the said Halsted L. Ritter, while such judge, was guilty of a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373), making it unlawful for any judge appointed under the authority of the United States to exercise the profession or employment of counsel or attorney, or to be engaged in the practice of the law, in that after the employment of the law firm of Ritter & Rankin (which, at the time of the appointment of Halsted L. Ritter to be judge of the United States District Court for the Southern District of Florida, was composed of Halsted L. Ritter and A. L. Rankin) in the case of Trust Co. of Georgia and Robert G. Stephens, trustees, against Brazilian Court Building Corporation and others, no. 5704 in the Circuit Court of the Fifteenth Judicial Circuit of Florida, and after the final decree had been entered in said cause, and after the fee of $4,000 which had been agreed upon at the outset of said employment had been fully paid to the firm of Ritter & Rankin, and after Halsted L. Ritter had on, to wit, February 15, 1929, become judge of the United States District Court for the Southern District of Florida, Judge Ritter on, to wit, March 11, 1929, wrote a letter to Charles A. Brodek, of counsel for Mulford Realty Corporation (the client which his former law firm had been representing in said litigation), stating that there had been much extra and unanticipated work in the case; that he was then a Federal judge; that his partner, A. L. Rankin, would carry through further proceedings in the case, but that he, Judge Ritter, would be consulted about the matter until the case was all closed up; and that "this matter is one among very few which I am assuming to continue my interest in until finally closed up"; and stating specifically in said letter:

"I do not know whether any appeal will be taken in the case or not; but if so, we hope to get Mr. Howard Paschal or some other person as receiver who will be amenable to our directions, and the hotel can be operated at a profit, of course, pending the appeal. We shall demand a very heavy supersedeas bond, which I doubt whether D'Esterre can give."

and further that he was "of course, primarily interested in getting some money in the case", and that he thought "$2,000 more by way of attorneys' fees should be allowed"; and asked that he be communicated with direct about the matter, giving his post-office box number. On, to wit, March 13, 1929, said Brodek replied favorably, and on March 30, 1929, a check of Brodek, Raphael & Eisner, a law firm of New York City, representing Mulford Realty Corporation, in which Charles A. Brodek, senior member of the firm of Brodek, Raphael & Eisner, was one of the directors, was drawn, payable to the order of "Hon. Halsted L. Ritter" for $2,000, and which was duly endorsed "Hon. Halsted L. Ritter. H. L. Ritter" and was paid on, to wit, April 4, 1929, and the proceeds thereof were received and appropriated by Judge Ritter to his own individual use and benefit, without advising his said former partner that said $2,000 had been received, without consulting with his said former partner thereabout, and without the knowledge or consent of his said former partner, appropriated the entire amount thus solicited and received to the use and benefit of himself, the said Judge Ritter.

At the time said letter was written by Judge Ritter and said $2,000 received by him, Mulford Realty Corporation held and owned large interests in Florida real estate and citrus groves, and a large amount of securities of the Olympia Improvement Corporation, which was a company organized to develop and promote Olympia, Fla., said holdings being within the territorial jurisdiction of the United States district court, of which Judge Ritter was a judge from February 15, 1929.

Which acts of said judge were calculated to bring his office into disrepute, constitute a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373), and constitute a high crime and misdemeanor within the meaning and intent of section 4 of article II of the Constitution of the United States.

Wherefore, the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office.

ARTICLE IV

That the said Halsted L. Ritter, while holding the office of United States district judge for the southern district of Florida, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commis-

sioned, and while acting as a United States district judge for the southern district of Florida, was and is guilty of misbehavior and of high crimes and misdemeanors in office in manner and form as follows, to wit:

The said Judge Ritter by his actions and conduct, as an individual and as such judge, has brought his court into scandal and disrepute, to the prejudice of said court and public confidence in the administration of justice in his said court, and to the prejudice of public respect for and confidence in the Federal judiciary:

1. In that in the Florida Power Co. case (Florida Power & Light Co. against City of Miami and others, No. 1183–M–Eq.), which was a case wherein said judge had granted the complainant power company a temporary injunction restraining the enforcement of an ordinance of the city of Miami, which ordinance prescribed a reduction in the rates for electric current being charged in said city, said judge improperly appointed one Cary T. Hutchinson, who had long been associated with and employed by power and utility interests, special master in chancery in said suit, and refused to revoke his order so appointing said Hutchinson. Thereafter, when criticism of such action had become current in the city of Miami, and within 2 weeks after a resolution (H. Res. 163, 73d Cong.) had been agreed to in the House of Representatives of the Congress of the United States authorizing and directing the Judiciary Committee thereof to investigate the official conduct of said judge and to make a report concerning said conduct to said House of Representatives, an arrangement was entered into with the city commissioners of the city of Miami or with the city attorney of said city by which the said city commissioners were to pass a resolution expressing faith and confidence in the integrity of said judge, and the said judge recuse himself as judge is said power suit. The said agreement was carried out by the parties thereto, and said judge, after the passage of such resolution, recused himself from sitting as judge in said power suit, thereby bartering his judicial authority in said case for a vote of confidence. Nevertheless, the succeeding judge allowed said Hutchinson as special master in chancery in said case a fee of $5,000, although he performed little, if any, service as such, and in the order making such allowance recited: "And it appearing to the court that a minimum fee of $5,000 was approved by the court for the said Cary T. Hutchinson, special master in this cause."

2. In that in the Trust Co. of Florida cases (Illick against Trust Co. of Florida et al., no. 1043–M–Eq., and Edmunds Committee et al. against Marion Mortgage Co. et al., no. 1124–M–Eq.) after the State banking department of Florida, through its comptroller, Honorable Ernest Amos, had closed the doors of the Trust Co. of Florida and appointed J. H. Therrell liquidator for said trust company, and had intervened in the said Illick case, said Judge Ritter wrongfully and erroneously refused to recognize the right of said State authority to administer the affairs of the said trust company, and appointed Julian S. Eaton and Clark D. Stearns as receivers of the property of said trust company. On appeal, the United States Circuit Court of Appeals for the Fifth Circuit reversed the said order or decree of Judge Ritter, and ordered the said property surrendered to the State liquidator. Thereafter, on, to wit, September 12, 1932, there was filed in the United States District Court for the Southern District of Florida the Edmunds Committee case, supra. Marion Mortgage Co. was a subsidiary of the Trust Co. of Florida. Judge Ritter being absent from his district at the time of the filing of said case, an application for the appointment of receivers therein was presented to another judge of said district, namely, Honorable Alexander Akerman. Judge Ritter, however, prior to the appointment of such receivers, telegraphed Judge Akerman, requesting him to appoint the aforesaid Eaton and Stearns as receivers in said case, which appointments were made by Judge Akerman. Thereafter the United States Circuit Court of Appeals for the Fifth Circuit reversed the order of Judge Akerman, appointing said Eaton and Stearns as receivers in said case. In November 1932 J. H. Therrell, as liquidator, filed a bill of complaint in the Circuit Court of Dade County, Fla.—a court of the State of Florida—alleging that the various trust properties of the Trust Co. of Florida were burdensome to the liquidator to keep, and asking that the court appoint a succeeding trustee. Upon petition for removal of said cause from said State court into the United States District Court for the Southern District of Florida, Judge Ritter took jurisdiction, notwithstanding the previous rulings of the United States Circuit Court of Appeals above referred to, and again appointed the said Eaton and Stearns as the receivers of the said trust properties. In December 1932 the said Therrell surrendered all of the trust properties to said Eaton and Stearns as receivers, together with all records of the Trust Co. of Florida pertaining thereto. During the time said Eaton and Stearns, as such receivers, were in control of said trust properties, Judge Ritter wrongfully and improperly approved their accounts without notice or opportunity for objection thereto to be heard. With the knowledge of Judge Ritter, said receivers appointed the sister-in-law of Judge Ritter, namely, Mrs. G. M. Wickard, who had had no previous hotel-management experience, to be manager of the Julia Tuttle Hotel and Apartment Building, one of said trust properties. On, to wit, January 1, 1933, Honorable J. M. Lee succeeded Honorable Ernest Amos as comptroller of the State of Florida and appointed M. A. Smith liquidator in said Trust Co. of Florida cases to succeed J. H. Therrell. An appeal was again taken to the United States Circuit Court of Appeals for the Fifth Circuit from the then latest order or decree of Judge Ritter, and again the order or decree of Judge Ritter appealed from was reversed by the said circuit court of appeals, which held that Judge Ritter, or the court in which he presided, had been without jurisdiction in the matter of the appointment of said Eaton and Stearns as receivers. Thereafter, and with the knowledge of the decision of the said circuit court of appeals, Judge Ritter wrongfully and improperly allowed said Eaton and Stearns and their attorneys some $26,000 as fees out of said trust-estate properties, and endeavored to require, as a condition precedent to releasing said trust properties from the control of his court, a promise from counsel for the said State liquidator not to appeal from his order allowing the said fees to said Eaton and Stearns and their attorneys.

3. In that the said Halsted L. Ritter, while such Federal judge, accepted, in addition to $4,500 from his former law partner as alleged in article I hereof, other large fees or gratuities, to wit, $7,500 from J. R. Francis, on or about April 19, 1929, J. R. Francis at this said time having large property interests within the territorial jurisdiction of the court of which Judge Ritter was a judge. On, to wit, the 4th day of April 1929 the said Judge Ritter accepted the sum of $2,000 from said Brodek, Raphael & Eisner, representing Mulford Realty Corporation, through his attorney, Charles A. Brodek, as a fee or gratuity, at which time the said Mulford Realty Corporation held and owned large interests in Florida real estate and citrus groves, and a large amount of securities of the Olympia Improvement Corporation, which was a company organized to develop and promote Olympia, Fla., said holdings being within the territorial jurisdiction of the United States District Court of which Judge Ritter was a judge from February 15, 1929.

4. By his conduct as detailed in articles I and II hereof.

Wherefore, the said Judge Halsted L. Ritter was and is guilty of misbehavior, and was and is guilty of high crimes and misdemeanors in office.

Attest:

JOSEPH W. BYRNS,
Speaker of the House of Representatives.
SOUTH TRIMBLE,
Clerk.

Mr. Manager SUMNERS. Mr. President, the House of Representatives, by protestation, saving themselves the liberty of exhibiting at any time hereafter any further articles of accusation or impeachment against the said Halsted L. Ritter, district judge of the United States for the southern district of Florida, and also of replying to his answers which he shall make unto the articles preferred against him, and of offering proof to the same and every part thereof, and to all and every other article of accusation or impeachment which shall be exhibited by them as the case shall require, do demand that the said Halsted L. Ritter may be put to answer the misdemeanors in office which have been charged against him in the articles which have been exhibited to the Senate, and that such proceedings, examinations, trials, and judgments may be thereupon had and given as may be agreeable to law and justice.

Mr. President, the managers on the part of the House of Representatives, in pursuance of the action of the House of Representatives by the adoption of the articles of impeachment which have just been read to the Senate, do now demand that the Senate take order for the appearance of the said Halsted L. Ritter to answer said impeachment, and do now demand his impeachment, conviction, and removal from office.

The VICE PRESIDENT. The Senate will take proper order and notify the House of Representatives.

Mr. ASHURST. Mr. President, I move that the senior Senator from Idaho [Mr. BORAH], who is the senior Senator in point of service in the Senate, be now designated by the Senate to administer the oath to the Presiding Officer of the Court of Impeachment.

The motion was agreed to; and Mr. BORAH advanced to the Vice President's desk and administered the oath to Vice President Garner as Presiding Officer, as follows:

You do solemnly swear that in all things appertaining to the trial of the impeachment of Halsted L. Ritter, United States district judge for the southern district of Florida, now pending, you will do impartial justice according to the Constitution and laws. So help you God.

Mr. ASHURST. Mr. President, at this time the oath should be administered to all the Senators, but I should make the observation that if any Senator desires to be excused from this service, now is the appropriate time to make known such desire. If there be no Senator who desires to be excused, I move that the Presiding Officer administer the oath to the Senators, so that they may form a Court of Impeachment.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. Senators will now be sworn.

Thereupon the Vice President administered the oath to the Senators present, as follows:

You do each solemnly swear that in all things appertaining to the trial of the impeachment of Halsted L. Ritter, United States district judge for the southern district of Florida, now pending, you will do impartial justice according to the Constitution and laws. So help you God.

The VICE PRESIDENT. The Sergeant at Arms will now make proclamation that the Senate is sitting as a Court of Impeachment.

The SERGEANT AT ARMS. Hear ye! Hear ye! Hear ye! All persons are commanded to keep silence on pain of imprisonment while the Senate of the United States is sitting for the trial of the articles of impeachment exhibited by the House of Representatives against Halsted L. Ritter, United States district judge for the southern district of Florida.

Mr. ASHURST. Mr. President, I send to the desk an order, which I ask to have read and agreed to.

The VICE PRESIDENT. The clerk will read.

The Chief Clerk (John C. Crockett) read as follows:

Ordered, That the Secretary notify the House of Representatives that the Senate is now organized for the trial of articles of impeachment against Halsted L. Ritter, United States district judge for the southern district of Florida.

The VICE PRESIDENT. Without objection, the order will be entered.

Mr. ASHURST. Mr. President, I send another proposed order to the desk, and ask for its adoption.

The VICE PRESIDENT. The clerk will read the proposed order.

The Chief Clerk read as follows:

Ordered, That the articles of impeachment presented against Halsted L. Ritter, United States district judge for the southern district of Florida, be printed for the use of the Senate.

The VICE PRESIDENT. Without objection, the order will be entered.

Mr. ASHURST. Mr. President, I send a further order to the desk, and ask for its adoption.

The VICE PRESIDENT. The clerk will read the proposed order.

The Chief Clerk read as follows:

Ordered, That a summons to the accused be issued as required by the rules of procedure and practice in the Senate, when sitting for the trial of the impeachment against Halsted L. Ritter, United States district judge for the southern district of Florida, returnable on Thursday, the 12th day of March 1936, at 1 o'clock in the afternoon.

The VICE PRESIDENT. Is there objection? Without objection, the order will be entered.

Mr. McNARY. Mr. President, permit me to make an inquiry.

The VICE PRESIDENT. The Senator will make it.

Mr. McNARY. What record is being made of the Senators who have taken their oaths as jurors?

The VICE PRESIDENT. No record has been made so far as the Chair knows; but the Chair assumes that any Senator who was not in the Senate Chamber at the time the oath was administered to Senators en bloc will make the fact known to the Chair, so that he may take the oath at some future time.

Mr. ASHURST. The Chair is correct in his statement in that any Senator who was not present when the oath was taken en bloc, and who desires to take the oath, may do so at any time before the admission of evidence begins.

Mr. McNARY subsequently said: Mr. President, I am advised that the able Senator from New Jersey [Mr. BARBOUR] will be absent from the city on next Thursday, and would like to be sworn at this time.

The VICE PRESIDENT. The Senator from Oregon asks unanimous consent that the Senator from New Jersey may take the oath at this time as a juror in the impeachment trial of Halsted L. Ritter.

Mr. SMITH. Mr. President, in order to save time, I ask the same privilege. I was absent when Senators were sworn as jurors en bloc.

The VICE PRESIDENT. If there are any other Senators in the Senate Chamber at the moment who did not take their oaths as jurors when Senators were sworn en bloc, it would be advisable that they make it known; and, if agreeable to the Senate, they may all be sworn as jurors at one time.

Mr. ASHURST. The Senator from Texas [Mr. SHEPPARD], who was not present when other Senators were sworn, is now present, and wishes to be sworn.

The VICE PRESIDENT. Is there objection to such action being taken at this time? The Chair hears none. Such Senators as are in the Chamber at this time who were not present when Senators were sworn en bloc as jurors will raise their right hands and be sworn.

Mr. BARBOUR, Mr. OVERTON, Mr. SHEPPARD, Mr. SMITH, and Mr. TOWNSEND rose, and the oath was administered to them by the Vice President.

Mr. ASHURST. Mr. President, I move that the Senate, sitting as a Court of Impeachment, adjourn until Thursday next at 1 p. m.

The motion was agreed to; and (at 1 o'clock and 50 minutes p. m.) the Senate, sitting as a Court of Impeachment, adjourned until Thursday, March 12, 1936, at 1 p. m.

IMPEACHMENT OF HALSTED L. RITTER—EXPENSES OF TRIAL

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, without amendment, Senate Resolution 244, providing for defraying the expenses of the impeachment proceedings relative to Halsted L. Ritter. I ask unanimous consent for the present consideration of the resolution.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read Senate Resolution 244, submitted by Mr. ASHURST on the 9th instant, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That not to exceed $5,000 is authorized to be expended from the appropriation for miscellaneous items, contingent expenses of the Senate, to defray the expenses of the Senate in the impeachment trial of Halsted L. Ritter.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. BAILEY. Mr. President, when the interruption occurred I was drawing to my conclusion, and had mentioned the fact that when the bill first came upon the floor of the Senate for discussion the point was made that manifestly the effect of the bill, if passed, would be to transfer from one character of ships to another a very considerable portion of the toll charges. There was a dispute about that. Some of us had argued that there will be an unjust discrimination in favor of the oil tankers upon the passage of the bill as reported. This argument was resisted with considerable force and some indignation; but when the bill was recommitted, the committee itself recognized the force of the argument, and the new bill recognizes that those of us who opposed it were right, and now the bill carries 10 cents a ton additional for the oil tankers.

Senators, hear me! How was that charge arrived at? Wherein is that right? Should it be 5 cents? Should it be 10 cents? Should it be 30 cents? We do not know. Just the arbitrary figure of 10 cents is drawn in by way of trying to meet a serious argument.

The fact of the matter, Mr. President, is that it is recognized that there will be a tremendous shifting of the burden of the tolls upon the enactment of the proposed legislation. Upon whom, or upon what type of vessel, will that burden fall? Who knows? The minority report says one thing. The majority says another. But who speaks with authority here on that subject? So there is one other ground for investigation. I should like to know.

I raise this question very seriously. What will be the effect of the passage of the pending bill upon the coastwise merchantmen of our country? I do not think it will be denied that it will very greatly increase the tolls to be paid by them. I do not think anyone will contend that that will not be its effect.

What is the condition of the coastwise merchantman running in and out of the ports of the United States? I am informed that it is bad, but I do not know; and if anyone in the Senate knows, I should like to be told.

What is going to be the ultimate effect of the enactment of the bill upon the merchant marine of the United States, and, therefore, upon our national defense? Nobody knows. Nobody can tell us. Yet it is said we should enact the bill upon a vague assurance from some department that an investigation will be had and the facts found. Why should we not know before we take the step? That is the issue in this whole matter.

Mr. President, I have undertaken to cover the matter thoroughly. I have only one interest in the matter, and that is the national interest. I have only one desire in putting forward my substitute, and that is that before committing my country to a certain course concerning its Canal I shall be informed as to what I am doing.

Mr. KING. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. KING. I understood during the discussion—and I was not privileged to hear all of it, having been compelled to attend committee meetings—that investigations had been made, and that full and complete data were available as to the results which would follow the charges provided for in the pending bill. Is there any foundation for that view?

Mr. BAILEY. I think I may say to the Senator from Utah that the junior Senator from Oklahoma [Mr. GORE] produced here the other day what he called a tome containing the report of an investigation made 22 years ago, and then a little book containing the report of an investigation made since. I am saying, however, that nobody is prepared to tell us what will be the effect upon the coastwise shipping of American ships by reason of the change of the rules of measurement from the United States rules plus the Panama rules to the Panama rules exclusively. Nobody knows what that effect will be. Nobody knows what the effect will be upon the freight rates in the United States or what will be the effect upon the transcontinental roads. I do not know.

Mr. KING. Mr. President, will the Senator yield further?

Mr. BAILEY. I yield.

Mr. KING. During the Senator's very able argument a while ago he propounded a question, stating, in the form of an interrogation, that no one knew just what the effect would be upon the transcontinental freight rates in the event the pending bill should be passed.

I may say that a railroad man approached me, perhaps 2 years ago, stating that if the tolls through the Panama Canal were changed the result would be beneficial to the railroads; and he was very desirous of having this whole subject placed under the control of the Interstate Commerce Commission, so that it might fix the tolls and the rates through the Canal in order to benefit the railroads. I was wondering just what effect there would be upon the transcontinental freight rates—the rates, for instance, from interior points to the coast, or coast-to-coast rates—if the pending bill should become law.

Mr. BAILEY. That is just my point, Mr. President. I do not know. Very probably the railroad man who spoke to the Senator did not know. I hope I do not reflect upon the Senate when I say that the Senate itself does not know, because it has no information whatever on the subject.

It is my judgment that the passage of my substitute and the creation of the commission will inure vastly to the benefit of this country.

I want the whole subject reconsidered. I am not for any special plan. I should like to see considered the subject of giving our coastwise shipping an advantage over foreign ships. Great Britain has practically informed us that she would not protest against that. I think that would be one way to build up the merchant marine, one way to serve the American people from port to port. But I am not committing myself to that. I wish to know. But every means is brought to bear upon us to induce us to vote for this change in the rules of measurement and therefore in the tolls, this shifting of the burden, without telling us what the consequences will be.

Mr. SMITH. Mr. President——

Mr. BAILEY. I yield to the Senator from South Carolina.

Mr. SMITH. This matter, of course, was gone into very fully during the Wilson administration, and the very points the Senator is now arguing were then argued. However, I wanted to ask him, Is not our coastwise shipping an integral part of domestic transportation system, and on what ground of international relations could any foreign government undertake to dictate to us concerning any part of our domestic system of transportation?

We are now developing a commercial airplane which will take its place in our system. Surely we are not going to allow a foreign government to interfere in case some of our airplanes might cross the ocean.

Mr. BAILEY. Except on only one principle, Mr. President, the principle stated by the late Will Rogers—that whenever the United States sits around a table with the other nations it gets up with its pockets picked.

Mr. SMITH. That is correct.

Mr. BONE. Mr. President, will the Senator yield?

Mr. BAILEY. I am going to conclude in a moment.

Mr. BONE. I wish to ask the Senator a question.

Mr. BAILEY. Very well.

Mr. BONE. I wonder if the Senator has ever seen or the committee that has had this bill in charge has ever had before it a break-down of the figures or any comparative table showing the relationship of rates on shipping lines between intercoastal ports and the transcontinental rail lines? For instance, if we are going to ship lumber or cotton or any stable commodity, whether there are available any tables showing the relative charge on a rail haul from coast to coast contrasted with the charge by water through the Canal from coast to coast?

Mr. BAILEY. I think not. I have the report here.

Mr. BONE. That would be very enlightening for us.

Mr. BAILEY. Here is the report of the hearings, and certainly I have the two majority reports and one minority report.

Mr. BONE. The reason I ask, if I may intrude again, is that I have heard it stated here on the floor—and if I am in error I know the Senator will correct me, although it may have been merely the conclusion of the speaker—that the added cost for the transportation of a bale of cotton would be one-half cent and perhaps a mill for a sack of potatoes. I understand a bale of cotton contains about 500 pounds. That would be one-thousandth of 1 cent a pound on cotton. I thought of the old Latin legal maxim, "De minimis non curat lex." Certainly an added cost of one-thousandth of a cent a pound could hardly be a factor in transportation, if there is a very great gap between the cost of transporting materials from coast to coast by water as against such transportation by rail. I know the rail transportation is much higher. That is why I asked whether or not this additional cost, if it is to be imposed or might be imposed under the bill, would be a real factor in a competitive way between rail and water carriers.

Mr. BAILEY. I cannot answer the Senator's question, and no one else can. That is my point. No one knows. The junior Senator from Oklahoma says that the effect of the bill would be to increase freight rates on cotton one-half cent a bale. How does he know? Just listen to his own report:

> A detailed study of the rules and all other factors pertaining to toll rates will be made.

He does not know and no one else knows what that study will bring out. I am asking for the facts before I vote, and I think it is a reasonable request. I repudiate the suggestion that I am trying to bring about a delay. My amendment by way of a substitute cannot delay this matter 30 days more than would the pending bill delay it. Meanwhile we will have the facts.

Now I wish to develop a thought. This is what strikes me most about it: This is our Canal, and I want it to be run as our Canal. I want it to be run primarily in the interest of the United States of America in matters of national defense and in the interest of the American people in the matter of transportation. I am willing to recognize the treaty with Great Britain; but I believe a reconsideration of this matter will bring lower rates to our coastwise shipping than are enjoyed by the international ocean lines or that are enjoyed by Japanese ships or British ships. I should like to see the whole subject reconsidered. Then I wish to know just what the consequences will be.

Mr. President, I have no purpose of defeating good legislation; I very deeply regret the necessity imposed upon me by my study of this subject of opposing the report of the committee; such things are not agreeable to me; but I have a duty to perform, and I have discharged it, I think, so far as I can. I am merely asking that the Senate of the United States before taking this step, and abandoning the system which has operated pretty well for 22 years, shall provide the means whereby it may be informed of the consequences of its action. The proposition in the bill is to act before knowing; my proposition is to know before acting. That is the issue in this case; and I rest my case there. I am ready to vote.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from North Carolina [Mr. BAILEY] for the amendment reported by the committee.

Mr. BAILEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Radcliffe
Ashurst	Costigan	La Follette	Reynolds
Austin	Couzens	Lewis	Robinson
Bachman	Davis	Logan	Russell
Bailey	Dickinson	Lonergan	Schwellenbach
Barbour	Dieterich	Long	Sheppard
Barkley	Donahey	McAdoo	Shipstead
Benson	Duffy	McGill	Smith
Bilbo	Fletcher	McKellar	Steiwer
Black	Frazier	McNary	Thomas, Okla.
Bone	George	Maloney	Thomas, Utah
Borah	Gibson	Minton	Townsend
Bulkley	Glass	Moore	Trammell
Bulow	Gore	Murphy	Truman
Burke	Guffey	Murray	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Van Nuys
Caraway	Hatch	Norris	Wagner
Carey	Hayden	O'Mahoney	Walsh
Clark	Holt	Overton	Wheeler
Connally	Johnson	Pittman	White
Coolidge	Keyes	Pope	

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Eighty-seven Senators having answered to their names, a quorum is present.

PRINCIPLES AND PURPOSES OF WORKS PROGRESS ADMINISTRATION

Mr. ROBINSON. Mr. President, from time to time there has been discussion of the Works Progress Administration. I think that discussion has disclosed at least on some occasions a lack of understanding of the primary principles and purposes of that form of unemployment relief. In my remarks today the purpose is to point out the circumstances which make necessary the program comprehended by the Works Progress Administration, the manner in which that program has been formulated, and the errors and criticisms which have come to my attention as having been made by the Liberty League and the Republican National Committee. The subject is very comprehensive, and no attempt will be made to exhaust it.

There has been much discussion of Works Progress projects, and some discussion of the manner in which they have been carried on. Critics of high social and business standing have maintained that many of the projects are unnecessary and of little value, and that a large portion of the funds allotted to Works Progress projects is being wasted. The primary responsibility for the selection of the projects erroneously has been cast by the critics on Federal authorities.

The theory underlying the system of unemployment aid embraced in the Works Progress Administration is unavoidably affected with limitations as to time and location of projects and skill or lack of skill of workers.

Stated in another way, and perhaps more clearly, work must be found for the unemployed in the vicinity of their residence, since it is impracticable to concentrate large groups of unskilled workers where projects universally admitted to be of value may be located.

In selecting projects, the Federal authorities have relied on local agencies in the communities where the unemployed are found.

For instance, in a southern city a few months ago there were approximately 4,000 persons in need of work. Unless they could be given employment, the continuance of some form of dole seemed imperative. Indeed, all of them were on emergency relief. They belonged to the 3,500,000 to be transferred from relief to subsistence wages under the $4,800,000,000 Emergency Works Relief appropriation of 1935.

Of the 4,000 mentioned, only 170 could be classified as skilled workers, or helpers of skilled workers. The remainder had no experience whatever in construction of any form. A large number of them belonged to the "white collar" group. It, therefore, became necessary for the city authorities to create 76 local Works Progress projects, and this was done so that practically the entire number were given opportunity to earn a livelihood for themselves and their dependents. The projects created were, of course, different from those which would have been adopted for skilled workers. If the persons who were to be given the employment had received the experience or training that would have enabled them to perform tasks requiring some degree of skill, quite naturally the effort would have been to devise projects that would have conformed to their training. But because of their inability to do construction work and perform related forms of service, it was necessary to work out such projects as the persons to be employed could effectively engage in.

The projects referred to included the construction of waterworks, sewer systems, the paving of streets and highways, the improvement of public parks, the erection of school buildings, and the beautifying of playgrounds.

They also included a large number of projects ordinarily considered of lesser magnitude and importance. All of them were advantageous to the community and were sponsored by the city authorities.

It is by no means an easy or simple task to find work for large numbers of unskilled laborers in the communities in which they reside—that is, work suitable to their training and capacity.

Overlooking these controlling facts by many uninformed individuals has resulted in criticism not justified by the circumstances which fairness requires shall be taken into consideration. It has resulted in criticisms which would not be made if the primary or fundamental necessity underlying the work I have attempted to describe were fully comprehended.

The purpose of these remarks is to supply information, accurate and reliable, to those who are willing to know the truth. It is hardly to be expected that they who designedly misrepresent will correct the false or misleading statements which they may have made, although anyone should be ready to correct error when it becomes known to him.

It is opportune to speak at this time of the record now being made by the Roosevelt administration in handling one of the most difficult tasks facing this country, or any other country, in modern times. I refer to the administration of the $4,880,000,000 work-relief fund voted by Congress to provide work for the unemployed.

The scope of the work involved is of such magnitude that it seems almost unbelievable that it could be handled so well as it is being handled by the officials placed in charge by the President of the United States. We all know the appalling conditions that make such a program necessary, the bread lines and the soup kitchens, the hunger, the misery, and the poverty of millions of good American citizens who, through no fault of their own, found themselves unable to earn a living in private employment.

The work-relief program is now in operation on a major scale. It is preventing a vast amount of suffering among unfortunate people, and in addition, the money is being spent in such a way that it will confer benefits for generations to come. Roads, schools, and public buildings are being constructed; necessary repairs are being made to other buildings; and perhaps for the first time in our history a national effort is being made for the elimination of disease spots and pest holes and germ-carrying animals and insects. What the Works Progress Administration is doing will improve public health, both in the urban and rural areas, and it will result in a healthier and happier generation to come after us. Such a program was necessary because the depression, with its poverty and misery, proved a heavy strain upon the morale and the physical well-being of perhaps one-third of our population.

We recall that a few years ago, because something had to be done without delay, the Civil Works Administration was organized, and for the first time a program of providing employment on a broad scale was placed in operation. The organization was put together rapidly, and in most cases there was insufficient time to plan the best type of project to be undertaken. But the people generally recognized the unfavorable conditions under which it was started, and they cooperated wholeheartedly. The fact that something was at last being done proved a fine tonic for the national spirit, and the program won pretty general approbation. Now the statistics prepared by health authorities disclose that in 1934 the death rate from typhoid fever dropped to the lowest point on record; and it is generally agreed that this notable achievement was due, in part at least, to the sanitation work carried on by C. W. A. in rural areas.

Senators on both sides will agree that if there is one issue concerning which we should be as nonpartisan as possible, it is this business of providing a living and providing employment for the large army of the unemployed who are still unable to find places in private life. Notwithstanding statements to the contrary, the result of my investigation shows that the authorities of the Roosevelt administration, under express instructions from the President, have consistently and persistently tried to keep politics out of relief, and I think, after inquiry, every fair-minded man will acknowledge that fact.

I do not mean to say that others have not sought to inject politics into the subject—quite the contrary—but I know of no method by which the Administration could prevent them from doing so.

No matter what may be said on that phase of the subject about Mr. Hopkins, the Administrator, the record speaks for itself. He has cooperated with State and local officials, regardless of party, and he has done everything in his power to keep politics and inefficiency out of the work-relief program.

I suppose it would be too much to expect that this fine spirit of nonpartisanship might be observed by everyone, in view of the fact that a national election is approaching, and the gentlemen in control of the opposition party are casting about wildly for any kind of argument which they can build up and get the people to believe is an "issue." That is quite natural. Our opponents have tried all kinds of fake issues, only to find the public cannot be fooled any longer. They screamed about socialism and communism, and the people responded, "That's nonsense." They tried to shake confidence in the credit of the Federal Government, and got badly spanked for doing it; and just when they were in the middle of their confidence-shaking campaign the banks and business leaders gave concrete evidence that they think Uncle Sam's credit is the best in the world; so that false issue had to be abandoned. But now they have a new talking point which they hope to build up into a big national issue. They are unloosing a terrific national campaign against what they call "waste and inefficiency" in the work-relief fund.

There is no objection, there can be no objection, to honest, fair-minded criticism based on facts, but objection is not justified when the criticism is rested on the misrepresentation or misunderstanding of facts. Those who are seeking to make this a national issue have discovered a word pronounced "boondoggling." By distorting its meaning they hope to perform a feat of political magic and by constant repetition of the word to distract the attention of the American people from the real picture of the Works Progress Administration.

The National Republican Congressional Committee, in one of its momentous press releases—and the one to which I now refer is not one of those which had to be recalled—gave the following definition:

> "Boondoggling" is a comparatively new word on the American tongue. It is "frankly destructive"—Roosevelt's pet way of wasting money. It turns the so-called New Deal into an ordeal.

Note the subtle humor of this great Republican humorist. I continue the quotation:

> "Boondoggle" means gadget. In that respect, it is synonymous with the New Deal. It was born of it. It may well die with it; in fact, its demise is certain. Sheer waste is killing it.

When the foregoing statement was called to my attention I asked those in a position to know, for the facts about the word "boondoggle", and how it originated. The word "boondoggle" means a useful work, and it had its origin in the name of that sturdy American woodsman, Daniel Boone, who certainly knew as much about practical, useful things as the advertising writers now employed by the Republican National Committee and the miscalled American Liberty League.

In their efforts to discredit the Roosevelt administration with the American people the Republican National Committee and the Liberty League are now engaged in a desperate effort to throw mud on the relief program by holding up certain projects to ridicule. These two organizations together have singled out 100 projects from a total of more than 170,000 approved by the Works Progress Administration throughout the 48 States. These critics have singled out just one-seventeenth of 1 percent of relief projects for their target. They cited these particular projects and flaunted them before the country as examples of the way in which the taxpayers' money is being "wasted and squandered" by the Roosevelt administration.

Both the Republican committee and the Liberty League were careful to describe each of these projects in short sentences, in the very worst light possible. On first reading, these reports would disturb anyone not in possession of the actual facts. I saw these reports, and, as a Member of Congress who voted the funds, decided it was time to investigate. I went to the Works Progress Administration and asked, first, for a report on projects approved and under way in my own State of Arkansas, and, second, a detailed report with facts on these projects which were being ridiculed as wasteful by the Republican National Committee and the Liberty League.

Before me here is a report from the Works Progress Administration regarding the projects under criticism. In some cases the information has not come in from the field, but in most cases the project is described in detailed fashion, and alongside is the statement of the Republican National Committee or the Liberty League. More than that, we find in virtually every case a statement by local officials asserting that they sponsored these projects and why they will prove of lasting benefit to their communities.

On the basis of this factual report from the Works Progress Administration, I now charge the Republican National Committee and the miscalled Liberty League with "playing politics with human misery" and with attempting to make a political football out of the unfortunate unemployed in this country. They aim at President Roosevelt, but in reality they hope to ridicule and drive back into the soup lines the great number of unemployed men and women who are simply asking an opportunity to earn a living for themselves and their families in the old-fashioned and respectable American way.

These Republican spokesmen and Liberty Leaguers go about the country crying over what they call the break-down of local responsibility and local self-government. As a mat-

ter of fact, this report shows that every project undertaken by the Works Progress Administration was first sponsored by local authorities. Let me add at this point that local officials, regardless of party, have been very frank and fair in assuming responsibility for the origin of work-relief projects, and, more than that, they are proud to do so. It is my purpose to read some of these letters for the edification of the senior Senator from Delaware [Mr. HASTINGS] and others who seem so greatly disturbed over the relief program.

It has been a custom in Mohammedan countries from time immemorial to make sure that no man or woman goes hungry. But when the Roosevelt administration first put that policy into effect in this country, we were solemnly warned that it was socialistic and communistic. I cannot understand why some people persist in giving all the credit for humane government to the Socialists and Communists. It was always my belief that the relief policy squared with wholesome American principles, and with the traditional policies of the Democratic Party.

I am not going to burden the Senate by reading all of these reports in detail, but it is my intention to read some of them in order to give Senators an idea of the work being done by the Works Progress Administration, and, at the same time, to give them an appraisal of the kind of criticism being directed against that organization.

It is my intention to place additional material in the RECORD. To my mind there is no more important issue before the country than this perplexing problem of unemployment, and the methods now being used by the administration to assist these people, while at the same time benefiting the country.

Let me say at this point that there is no disposition to hide anything, or to conceal anything from the public. On the contrary, the administration has taken care to gather all the available facts, and to have them handy and ready for any person or any group desiring them. About a week ago, the noted thinkers who control the destiny of the Republican Party issued a statement to the newspapers, in which, to use their own language, they laid some "astonishing facts" before the country. The Republican National Committee very gravely charged President Roosevelt with not spending relief money fast enough!

I recall that the Senator from Texas [Mr. CONNALLY] had something to say about that, and it resulted in a correction by the committee, a virtual admission of the mistake or falsity involved in the declaration. They accused the President of violating the law because the money will not all be gone by June 30, hinted that the administration was holding up the money in order to put a lot of folks to work just before election, and then added the further charge that Mr. Roosevelt's report to Congress on the relief program was being suppressed and held under lock and key.

Well, of course, that was nonsense, and most of the newspapers would not even bother to print it. In a local newspaper, the Washington News, a reporter wrote a story pointing out that the statement was all wrong, and adding that he personally had read the report in the office of the National Emergency Council 3 weeks before the Republican statement appeared. In other words, that newspaper reporter wanted facts, and he got them. Describing how Mr. Francis Brown, of the Emergency Council, gave him the President's report, this reporter said:

> Mr. Brown led me into a quiet office and supplied me with paper. Then he laid before me a copy of the President's report to Congress on expenditures under the Relief Act of 1935.
>
> The President's relief report is a comprehensively prepared volume, complete with charts. It takes up a good many pages printed on one side. Every cent spent or obligated from the $4,880,000,000 appropriated by Congress is accounted for in table after table. Expenditures of every agency are listed in detail.
>
> I worked for more than an hour with the report, collecting the data I wanted. Nobody bothered me. When I was through, I gave the President's report back to Mr. Brown with thanks.

When news correspondents asked the ad writers of the Republican National Committee about these misstatements they confessed themselves in error. But I have seen no statement as yet in which the committee has been fair enough to retract this effort to falsify the record against the President. The thing was so disturbing that even the friends of the committee got alarmed and lifted a finger in warning. I am now going to quote in part an editorial from a Washington newspaper:

> The Republican National Committee was doubly ill-advised in its criticism of President Roosevelt and his "spending master general" for being able to spend "only one-third" of the work-relief appropriation up to the end of last calendar year. The implication was that much of the fund is being held back for campaign effect.
>
> In the first place, as G. O. P. headquarters later admitted, the fact is that this appropriation, under the terms of the act, is "to remain available until June 30, 1937." Since one-third of the money was spent in one-fourth of the allotted period, the rate has been actually ahead of the schedule set by Congress. Furthermore, the President indicated yesterday that by the end of this year all the present work-relief fund will be obligated.

Our Republican friends are always talking about Abraham Lincoln and quoting his wise sayings to justify their own policies. It is far wiser for them to quote Mr. Lincoln than it is to quote some of their contemporary party leaders. I am going to give them a quotation now from Mr. Lincoln and I trust their ad writers will place it on the wall in a conspicuous place so they will not go so far wrong on other things as they have on work relief. The quotation is:

> You can fool some of the people all of the time and you can fool all of the people some of the time, but you can't fool all of the people all of the time.

I desire to return now to these "boondoggling" projects which have been made the target of ridicule by the humorists employed by the Republican National Committee and its corporate affiliate, the DuPont Liberty League. Some of them are so witty and clever they must have been written personally by Mr. Jouett Shouse, the $50,000-a-year front man of the Liberty League, who spends his time telling the President and Congress how to run the country. I predict he will win the title of the "great American humorist" on the basis of these witty reports about the poor fellows on relief projects.

First, take the now-famous $25,000 dog pound in Memphis, Tenn., which so exercised my good friend the Senator from Delaware [Mr. HASTINGS] that he took the time to hold it up before the Senate as a classic example of the way the taxpayers' money is being squandered. He quoted a Republican Member of the House of Representatives as saying:

> I saw some days ago in the New York Sun a reproduction of the architect's sketch of this dog house, and I certainly wish I could live in as handsome a building as the Memphis dogs will occupy. The dogs will have individual pens with fresh bedding every day, exercise runways, shower baths, and every imaginable comfort of home.

The Senator from Delaware and the Member of the House of Representatives who wanted to live in the dog house and the Republican National Committee all made the same mistake of failing to look up the facts. They sent their ridicule of this project all over the country. The story reached Memphis, and the people were aroused. Mayor Overton sent a telegram to one newspaper which printed the story, and he gave the correct version. The dog pound will cost $19,000, of which $6,000 will be contributed locally. It is giving employment to a number of men and it happens to be just about the best project that a human being could conceive for the city of Memphis.

For the past several years Memphis has been scourged with recurrent cases of mad dogs. I do not have to dwell on the terror which that particular disease causes to the anxious mothers and fathers of that city. The United States Public Health Service has been concerned about conditions in Memphis. In his telegram Mayor Overton pointed out that in the last 3 years alone the city health service has given 827 Pasteur treatments, mostly to children, who had been bitten by mad dogs. Mayor Overton pointed out that the city health service reported 1,500 people bitten by dogs in that period, that 362 of the dogs involved were definitely established to have been rabid, and that at least six persons suffered horrible deaths from rabies. Can one imagine the haunting fear of the people of Memphis over such conditions? Can one imagine any better way to expend Federal funds?

I am going to put Mayor Overton's telegram into the record so that those interested may read it and learn the truth about a project which is being held up as an object of mirth and merriment by these great wits of the Republican Party and the Liberty League.

Let us pass on now to a project which has been held up to ridicule by the Republican National Committee. In one of its outpourings the committee said:

> The little things do not escape the New Dealers in their ridiculous expenditures. W. P. A., with the aid of President Roosevelt, allocated $1,349 to paint the fire hydrants in Wilmington, Del.

For the sake of keeping the record clear, I am going to adopt the language of a newspaper correspondent who, paraphrasing a famous expression, described Wilmington as "the city where the Raskobs speak only to Du Ponts and the Du Ponts speak only to God." The Republican committee was quite right in saying the W. P. A. had supplied funds to paint fire hydrants. That project was proposed by the administration of Mayor Walter W. Bacon, a Republican, and by the president of the board of water commissioners, Mr. Crichton, another Republican. Here is what Mayor Bacon said:

> You will note that these fire hydrants were painted in 1927 and again in 1931, and I simply want to call your attention to the fact that, under our ordinary procedure, they would have been painted in 1935. However, on account of the necessary expenditures made by former administrations for relief, our funds allotted to the water department would not have allowed them to have been painted in 1935, 1936, or possibly 1937.
>
> It seems to me to have been a necessary project, and certainly I cannot understand the criticism that seems to have been directed against it.

Just think of that. After 12 years of Republican prosperity, the city of Wilmington was in such financial straits that it was too poor to buy some Du Pont paint for its fire hydrants.

Turn now to one of the projects listed by the American Liberty League as a horrible example of the way Government funds are being squandered and wasted. This one was for repairing shoes for the needy school children in Mineola, Long Island. Unfortunately, the information from local authorities failed to arrive in time for inclusion in this report, but the Members of the Senate, of course, can see right away how demoralizing such a project would be to the people of that community. In its pamphlet describing these projects—perhaps I should have said distorting these projects—the Liberty League says they are promoted by "crack-brained theorists", and that they offer "no stimulus to the relief recipients." I think we have all read the accounts of the severe winter through which we have just passed. As the Liberty League implies, think how demoralizing it must have been with the thermometer 10 degrees below zero, to have Uncle Sam supplying funds to repair the damaged shoes of children who were forced to trudge daily back and forth to school. The Du Pont brothers must have been shocked when Shouse showed them that classic example of undermining the moral fiber of children on relief.

I am going to take another project which the Liberty League gave as an example of the demoralizing influence of the works-relief program. The league's pamphlet called it instruction of housekeepers with a view to rehabilitation of homes of needy families in New Hampshire. This Works Progress report says:

> This State-wide project is typical of a series of similar projects, operating throughout the country, which send women trained in cooking, cleaning, hygiene, child care, laundering, shopping, etc., into the homes of needy families, particularly when the mother is ill or the family is so large that the mother requires aid.
>
> Training centers are organized for the teaching of cooking and sewing to housewives of the various communities. In this respect the idea is far from an innovation and is of proven value, since in scores of communities the teaching of domestic science to housewives has been carried on for years as part of municipal educational programs by the Y. W. C. A. and by other public and private bodies.

Let me add at this point that the Liberty League has pointed out a number of similar projects in their efforts to discredit the public-works program. The arrogance of the Liberty League in attacking and ridiculing needy men, women, and children on relief is amazing, to say the least. I cannot conceive a better way of expending funds than to teach the less fortunate people of the country how to get the best out of their meager resources.

The Liberty League pounced on a project out in Colorado for the reconstruction of old Fort Vasquez as an example of the type of project on which money is being squandered, while the task itself is lowering the morale of the workers. Again I quote from the Works Progress report:

> Citizens of Platteville, the State historical society, the D. A. R. and a leading Denver newspaper have been agitating for this historical restoration for several years.
>
> Fort Vasquez was one of the early fur-trading posts to be established in Colorado. "The local inhabitants feel", in the words of one of their number, "that it is a great service to the community, to the State of Colorado, and to the entire West to be able to commemorate the acivities of our western pioneers."
>
> When the fort is entirely restored, it will be used to house a collection of relics of early fur-trading, cattle-raising, and Indian-fighting days.

I digress at this point to ask if any one of my Republican colleagues would like to defend the league in its assertion that the Daughters of the American Revolution are encouraging the waste of public funds and the demoralization of workers in sponsoring a project of that type?

Because of the limitations of time, it is not my purpose to read in detail from the report as to every project which the Republican National Committee and the Liberty League have seen fit to criticize.

In this discussion I have chosen for mention those projects which on their face, as represented by the critics referred to, are most calculated to arouse lack of confidence in their soundness. As to the others that have been so severely criticized, the facts will be placed in the RECORD.

For some strange reason both the Republican committee and the league has seized on a number of projects in Cleveland as illustrations of what they call fund-wasting projects. These are mostly health projects approved by the Cleveland Food and Drug Administration, and by other public bodies, and I cannot see how they are open to criticism. Of course, the Liberty League does it by concealing the facts and merely printing a short criticism which fails to describe the project. As an example let us take the project of poisoning rats which irked the Liberty League.

This report shows that E. B. Buchanan, head of the Cleveland Food and Drug Administration, estimated that 100,000 rats were killed by the setting of approximately 350,000 poisoned baits by P. W. A. workers in the downtown slum areas. Assuming the correctness of the estimate of authorities that one rat does $2 worth of damage a year, then Cleveland has a potential saving of $200,000 on a project which cost Uncle Sam $8,869 and the city $438.

Of course, the projects to which I am now referring, projects of the kind last mentioned, are of an exceptional character; they are perhaps the only ones of their kind in the 170,000 projects that have been worked out by the localities, with the approval of the Public Works Administration, for the purpose of giving those who are without the means of subsistence or the opportunity of earning a livelihood the chance of going off the dole and earning a living. Rats, as we all know, are carriers of the germ which causes bubonic plague, and they have been the enemies of mankind from the beginning of time.

Under the conditions that existed, considering the circumstances that are set forth in the record, this project, while it has been ridiculed by the critics I have mentioned, is a sound project. Of course, when it is stated nakedly that that the Works Progress Administration is going into the business of "catching rats" it sounds funny, and it does not inspire confidence, but when we take the actual circumstances of that particular project, the fact that it is the only one of the character involved in the list of 170,000, we can see that, after all, it is not so funny as the humorists try to make it appear.

I am going to take up now a few of the projects which were ridiculed by the Republican National Committee. A committee pamphlet described one of these projects in the following fashion:

In the Borough of Queens, N. Y., early in October, Federal funds amounted to $500,000 to make bridle paths more attractive for horsemen.

This report shows that the statement by the Republican committee was grossly exaggerated, that only $20,000 was allotted for the project last August, and that another $10,000 was allotted for similar work in Hillside and Alley Pond Parks. These projects were sponsored by the Long Island State Park Commission, with the Department of Parks of New York City as a cooperating agency.

In its pamphlet on work relief, the Republican National Committee described another project as follows:

At Waltham, Mass., drainage of piggery on Winter Street, Federal funds, $9,478.

Any person reading that description of the project would, of course, hold the project in contempt; but the point is that the facts, the significant facts, in connection with the subject were omitted from the statement.

The press release of the P. W. A. describing the approval of that particular project stated very plainly that its purpose was "the drainage of piggery on Winter Street to avoid contamination of water supply." Note the sly way in which the Republican committee left out that all-important fact about the health menace in order to create the impression that the Roosevelt administration was sending men around to drain piggeries just for the sheer joy of doing it.

I read from this report, and perhaps this will give the big minds of the Republican National Committee something to think about. I quote:

The run-off from the piggery has been emptying into a stream which feeds the water-supply reservoir of the adjoining city of Cambridge.

Danger of contamination was so great that the Massachusetts State Board of Health ordered the piggery drained. The city engineer of Waltham said:

"By building a drain we can intercept this water and cause it to drain without reaching the Cambridge water basin, which holds the domestic water supply for the whole city."

I have placed the facts before the Senate, and they show beyond doubt that the Republican National Committee and the miscalled American Liberty League are guilty of playing politics with the tragic fate of people who are on relief rolls.

By first-hand evidence I have shown that both the committee and the league are guilty of suppressing the facts, of distorting the facts, and of misrepresenting the facts. The Roosevelt administration has never made the claim that its administration of this monumental task is above reproach; that every project is perfect; or that what it is attempting to do is above criticism. But the administration is entitled to be judged on the facts alone, and that is the only method which our political opponents refuse to follow. They seek to do by ridicule and innuendo what they would not dare to try openly.

A newspaperman, Mr. Robert S. Brown, who, I think, represented that great chain known as the Scripps-Howard newspapers, wanted the facts about work-relief projects, and he made a survey for his newspapers. He reached these conclusions:

Fully 80 percent of the P. W. A. projects now under way involve improvements which taxpayers would eventually have undertaken regardless of the unemployment crisis.

The remaining 20 percent is open to criticism largely because P. W. A. has fallen down in providing worth-while projects for the white-collar unemployed.

W. P. A.—the third attempt of the Federal Government at work relief—is accomplishing most of the things it set out to do.

Three million have been put to work.

I suggest that the Republican Party and the Liberty League might try the refreshing method of hearing the evidence before reaching a verdict based on prejudice alone.

Now, let us take up briefly the contention of the news correspondent just quoted, that the W. P. A. has failed to provide the right type of projects for white-collar workers. We must concede that to find such projects is a task requiring almost superhuman ability. Quite obviously, actors, musicians, or newspapermen cannot be expected to show efficiency in using a pick and shovel to keep body and soul together.

Such a policy would be futile, and as to men of middle or advanced age, it might be dangerous. Notice that almost every one of the projects criticized by the Republicans and the Liberty League come in the class I am now describing. One of the surveys which received hostile treatment by the Liberty League was undertaken to provide employment for newspapermen, and it is proving of real value.

I should like to emphasize now that it may seem a very easy thing to find work for one whose whole life has been devoted to the performance of sedentary duties, like a bookkeeper or an accountant, who cannot obtain private employment and who cannot find the opportunity for employment in any department of government. It is difficult to find something that he is able to do.

The difficulty of finding these "white collar" projects must be admitted by anyone who has given thought to the subject. It does not appear in the surface and does not suggest itself at first, but when we consider the hundreds of thousands who are in that class who can get nothing to do which they are trained to do, and who have no means of livelihood, we realize that it is difficult for the localities in which they live to provide them with useful employment. Bear in mind also that these projects all originate in the various localities and as a rule are not suggested by the national administrative authorities.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Arkansas yield to the Senator from Texas?

Mr. ROBINSON. I yield.

Mr. CONNALLY. In connection with the statement the Senator just made, is it not one of the requirements that the various localities through their authorities must contribute their share of the funds?

Mr. ROBINSON. Yes; where they are able to contribute they are required to do it; and in proportion to their ability. However, the point that is being made or attempted to be made is that localities or their governing authorities are expected or required to create or plan projects to give employment to the so-called white-collar workers.

I have even heard some say during the last few days that there ought not to be any provision made for white-collar workers; that any man who is able to wear a white collar ought to be able to provide for himself. Of course, we all understand the real significance of the term. It means persons who are not accustomed to hard manual or physical labor and yet persons who have been in the habit of working for a livelihood as, for instance, in offices.

Our Republican friends are so critical and become so indignant over trifles that I am now certifying every utterance. Indeed, it is high time to get the facts concerning these so-called white-collar workers. Are they entitled to work relief like other classes of citizens? Now, our Republican friends and the Liberty League are highly incensed because the Roosevelt administration decided that musicians, writers, and artists out of employment should be accorded relief the same as any other group. So the Liberty League argument boils down to this: In case of war the artists, musicians, and writers may have the privilege of being destroyed by Du Pont gunpowder, but in time of peace they must not be given aid through Federal funds.

In many other arguments advanced by the Republican Party and the Liberty League this attempt to discredit projects for white-collar workers comes down to an absurdity.

Undoubtedly, in some jurisdictions blunders are being made, and it is the privilege and duty of right-minded individuals to expose and correct maladministration wherever and whenever it is exposed or can be brought to light. The point is that sound corrections can only be based on facts. They cannot be made if the facts are perverted or misrepresented.

Members of Congress may rest assured that when they voted for a broad work-relief program to be executed under the President's direction they set in motion humane forces which are being guided in such a manner as to reflect credit

upon the purposes of those who conceived and supported the plan to substitute helpful employment for doles or gratuities.

It may be added that throughout the period of the depression there have been many citizens who did not believe in work-relief methods of affording assistance to the unemployed. They have preferred the dole. The theory of work relief is, as I assume every Senator understands, that it will maintain the morale, the courage, the hope of the citizen who is given an opportunity to perform work, and that if he should be required to rely upon the dole his morale would likely be destroyed and he would be driven toward mendicancy. The problem of relief would increase in difficulty until it would become impossible of solution.

Mr. President, I ask leave to have printed in the RECORD the telegram from the mayor of Memphis to which I referred and an analysis of the projects criticized by the American Liberty League and the Republican National Committee.

There being no objection, the telegram and analysis were ordered to be printed in the RECORD, as follows:

[From the New York Times of Feb. 10, 1936]

THE MEMPHIS DOG FOUND—TENNESSEE CITY'S MAYOR AROUSED BY AN UNPUBLISHED STORY

MEMPHIS, TENN., February 8.—I am reliably informed that the New York Times carried a story ridiculing a W. P. A. project of the city of Memphis to provide a dog pound for our city. The city of Memphis takes full responsibility for this project, and we deeply resent your biased, partisan, and unfair story in regard to this project.

The city of Memphis is building a dog pound in cooperation with the W. P. A. to protect the lives and safety of the people of Memphis. This project has the approval of the Memphis health department, the Memphis Humane Society, and our citizens.

In the last 3 years our city health department has given 827 Pasteur treatments, mostly to children who have been bitten by mad dogs. During this same time our health department reported 1,500 people bitten by dogs, and our city laboratory has found 372 of these dogs to be rabid. Six people have suffered horrible deaths as a result of being bitten by rabid dogs in this city.

In a constructive effort to protect our children we are constructing as a health measure a dog pound with concrete walls, steel pens, gas chamber, and a central office to conduct our campaign for the proper control of rabies and the handling of small animals, the total cost of the project being $19,000, of which the city of Memphis is contributing $6,000.

The project is further giving employment to citizens of this community who are in need and furnishing a building which will protect the men, women, and children of this city for many years to come.

We cannot conceive that any newspaper would be so partisan as to ridicule a project so essential to the health and safety of any community.

I reiterate that the city of Memphis takes full responsibility for this project, and it is not an example of waste on the part of W. P. A. but an outstanding example of the constructive projects being undertaken for the benefit of the average citizen.

This is one of 201 city projects we are advocating to provide work for honest men seeking a living and to benefit the people of our city. We destroyed over 10,000 dogs in 1935 because they were a menace to the health and safety of this community, at a large cost to the taxpayers. The construction of this building will ultimately not only protect the health and safety of our children but will make possible an actual saving to the taxpayers. If the New York Times is fair and not seeking to merely spread false propaganda, you will give the same publicity to this telegram as you gave to the biased, unfair, and unfounded story which you published on February 7.

WATKINS OVERTON,
Mayor of Memphis.

(The New York Times published no article about the Memphis dog pound on Feb. 7. It did publish a 3-column reproduction of the architect's drawing for the edifice. The caption on the picture read, "A $25,000 boondoggling dog pound for Memphis. An architect's drawing of the building under construction as a W. P. A. project. It will be equipped with shower baths, outside exercise runways, and pens supplied with fresh straw bedding daily for the dogs. A sealed gas chamber will be used to execute all unclaimed animals after 3 days."—Editor Times.)

The American Liberty League attacks this project: Draining basement of schoolhouse by digging trench 300 feet by 4 feet and laying 4-inch drain tile in Harmony, Oreg.

The facts are:

1. The directors of school district 49, sponsor of this project, declare that they "are entirely satisfied with the job as completed—cost, workmanship, and value received."

2. They point out that, if done by day labor or contract, the job would have cost more than the $97 supplied by the W. P. A.

3. The sponsor spent $21.46 for the materials used.

The American Liberty League attacks this project: Survey of down-town district of river in Portland, Oreg.

The facts are:

1. The Portland Planning Commission, the project sponsor, states that this is a city planning project which is invaluable for the future development of Portland.

2. Traffic regulation requires a study of existing conditions, the commission points out.

3. The work includes surveying all streets and sidewalks in Portland's down-town area for the location and mapping of all obstructions to traffic, such as fire hydrants, traffic signals, loading zones, "no parking" zones, theater entrances, garage entrances, street-car safety islands, etc.

4. Lack of funds kept the commission from undertaking the work until this time.

5. For the past 10 years city planning commissions have been using municipal appropriations and private contributions to carry on similar surveys in almost every important city in the country. Wherever the flow of city traffic has been improved by planning, savings in time and money have resulted for individuals and business firms.

The American Liberty League attacks this project: Construction of an aerohydrocraft ambulance and harbor patrol boat in Portland, Oreg.

The facts are:

1. "The city of Portland has approximately 30 miles of water front to patrol and lacked a light, fast river craft capable of handling first-aid cases, rescues, fires on small river craft, police work, and so forth," declares the city engineer of Portland, agent for the sponsor, the city of Portland. "This boat is a valuable addition to the city of Portland's equipment and could not have been otherwise constructed because of lack of funds to employ the necessary skilled labor."

2. Public-spirited citizens, realizing the need for the boat, agreed to contribute the necessary boat-building materials for this uniquely designed ambulance boat, provided the W. P. A. would furnish the labor.

3. Aerodynamic design, eliminating any possibility of capsizing at high speeds, is the boat's outstanding feature.

The American Liberty League attacks this project: Manufacturing of cotton and woolen garments and distribution to families on relief in Hartford, Conn.

The facts are:

1. This project is a part of the women's sewing program.

2. One hundred relief women are given employment.

3. The sponsor declares that "continuance of the project is essential because it is the only project in the city which furnishes employment to semiskilled women."

The American Liberty League attacks this project: An inventory of all State property in Oregon.

The facts are:

1. The Property Comptroller of Oregon, chief of the State office sponsoring this project, makes it clear that the work being done is not merely an inventory of the physical property owned by the State, but entails the establishing of property-control records. These records will show the flow of property in and out of the State's possession, including its bonds, credits, taxes, and accounts receivable and payable.

2. Such records have been kept in many departments of the Federal Government for years and have saved thousands of dollars for the Government.

3. The new property-control system is based on Federal practice, entailing property inventories for every department and the placing of responsibility for this property on department heads.

4. The work resembles the inventory and accounting systems set up by many large corporations.

5. "This project is justifiable and necessary for the immediate preservation of State property", declares the State property comptroller.

The American Liberty League attacks this project: Providing nurses at the Multnomah County Hospital, Portland, Oreg.

The facts are:

1. Multnomah County Hospital, which serves the city of Portland and the surrounding county, has been exceeding its normal hospital capacity for a long time, according to the chairman of the board of county commissioners, which is sponsoring this project.

2. At present "as many as 50 to 60 in excess of the normal capacity are being cared for under adverse conditions. This has caused a serious need of extra nurses", the sponsors' agent points out.

The American Liberty League attacks this project: Use of stenographer in county-school superintendent's office in Portland, Oreg.

The facts are:

1. The sponsor's agent, the superintendent of Multnomah County schools, declares that increase of office work, incurred by partial supervision of a number of W. P. A. projects on county schools to which the county is contributing funds, has made an additional stenographer necessary in his office.

2. "The stenographer's work has been most satisfactory, and we do appreciate this extra help", the superintendent says.

3. Of the county W. P. A. projects, he states: "They have been of such nature that they are permanent and will mean a saving to taxpayers in the future."

The American Liberty League attacks this project: Sewing of garments for relief families in Danville, N. H.

The facts are:

1. This work project has helped maintain the morale of many women who hitherto worked in women's shoe factories.

2. It has meant a substantial saving to the city in relief costs. This, one of the village selectmen states, has been applied to the municipality's bonded debt, "which had reached near the peak due to new borrowing for road work for our unemployed through the first 3 years of the depression, and in a town of this small size had us nearly swamped.

3. "Since we have been allowed to give things made on the project to our needy here in town, especially to the aged and the children, the school teachers have informed me of a marked change in the appearance and morale of children of poorer families who were never decently dressed by their parents. I suppose the kids feel that they must act as they look, all dressed up.

4. "I have watched through storekeepers how the women spent their money and can state that it has done an immense lot of good to undernourished children. Women seem to be better able in most cases to handle a small pay check. Children are seldom hungry if the woman gets the money here.

5. "I believe that a most important thing about these projects is that the local authorities must cooperate and take a constant active interest, both financial and moral, keep politics out, and demand honesty and efficiency.

6. "In closing, I find two things stand out in my mind constantly: Elderly women struggling through snowdrifts in our worst storms determined to get to the project against my advice, and several taking work home nights to sew buttonholes because they were not satisfied with the amount of work accomplished during the day. Surely such characters merit more than a dole."

The American Liberty League attacks this project: Repairing shoes for needy school children in Mineola, N. Y.

The facts are:

1. Three men are being given employment on this project.

2. The work is sponsored by the Emergency Relief Bureau of Nassau County.

The American Liberty League attacks this project: Supplying clerks for old-age pension assistance office in Butler, Pa.

This project was rescinded on September 21, 1935.

The American Liberty League attacks this project: Operation of portable cannery for relief purposes in Lane County, Oreg.

The facts are: Authorization of approval for this project was received too late in the last canning season to warrant beginning operations.

The American Liberty League attacks this project: A workroom to make mattresses and comforters for families on relief in Vermont.

The facts are:

1. E. B. Armstrong, overseer of the poor of the city of Montpelier and supervisor of this project, writes that he personally investigates the homes to which the products of the work go. "It is unbelievable", he says, "the number of homes where children and adults are using only coats for covering. My personal opinion is that the mattress and comforter projects have furnished real relief to the needy, and are hitting a spot in the relief program where dire need exists."

2. The Montpelier Charity Department provides the workroom, heat, light, and storage space for the project.

3. Thirty-five comforters are being manufactured daily by the sixteen full-time adult workers and two N. Y. A. workers employed.

The American Liberty League attacks this project: Physical instruction classes in Waco, Tex.

The facts are:

1. These classes train the persons who attend them in various forms of recreation.

2. The city of Waco is the sponsor. W. C. Torrence, city manager, says: "We consider the recreation project very worthy and hope it will be continued."

3. Thirty-five people are employed in directing the recreational activities.

The American Liberty League attacks this project: Production of comforters, towels, pillowcases and sheets in Mankato, Minn.

The facts are:

1. This activity is being carried on under the sponsorship of the Board of Commissioners of Blue Earth County.

2. Sixty-three women are supporting their families through the work.

3. W. C. Minch, chairman of the board of commissioners, gives it as his opinion that the problem of poor relief would have been far more serious during the past severe winter if there had been no W. P. A. sewing project.

4. "Many not now on relief would have been recipients of county or community-chest aid," he declares. "This would have cost the taxpayers many thousands of dollars."

The American Liberty League attacks this project: Organization and administration of a recreational project during the summer season, including life guards, play leaders, musicians, dramatists, etc., in Cleveland.

The facts are:

1. This project was carried on in general recreational centers all over the city until November 29, 1935, when it was completed.

2. Three hundred and sixty-eight persons were employed in the work.

3. As a result of the project thousands of unemployed men and women and their children were enabled to obtain pleasure and enjoyment that otherwise would have been denied them.

The American Liberty League attacks this project: Revision of catalog in Central Library in Hartford, Conn.

The facts are:

1. The project, on which five workers have been employed, has been completed.

2. The work consisted of checking and revising all the cards in the library catalog.

3. The result will be a much more accurate index to the contents of the library.

The American Liberty League attacks this project: Classifying books, rearranging, sorting, and checking books at statehouse in Providence, R. I.

The facts are:

1. The sponsor of this project states that the work will bring the Providence State and city library catalogs into conformity with Library of Congress classifications.

2. Fifty-six women and 22 men are given employment.

3. In addition to the tasks enumerated above the work includes placing book plates in volumes for circulation, repair of books by untrained workers under supervision of trained instructors, providing field workers for understaffed libraries in the State library system, a bibliographical study of newspaper collections, and the cleaning and filing of old documents in the Rhode Island Department of State Archives.

The American Liberty League attacks this project: Training and work centers for women in Pineville, Ky.

The facts are:

1. "As sponsor for Bell County," writes Judge D. M. Bingham, "I have been delivering clothes to the Salvation Army in the Middlesboro territory and to Miss Coniff, of the Kentucky Children's Bureau, in the Pineville area. Those two agencies are giving the clothes to the poor people in Bell County. The program as now outlined is perfectly satisfactory."

2. In Pineville 64 women from the relief rolls are employed in making the garments. In Middlesboro 79 white and 18 colored women are employed.

3. Garments manufactured up to March 1 included 1,019 dresses, 1,405 baby clothes, 378 dozen diapers, 365 shirts, 254 overalls, 69 overall jackets, 676 coveralls, 3,271 suits of underwear, and 516 sleeping garments.

4. Total monetary value of the product, $4,316.

The National Republican Congressional Committee attacks this project: In Louisville, Ky., among the work-relief projects approved by the President, is one calling for the expenditure of $4,368 to renovate books in the city's libraries.

The facts are:

1. "This is a continuously valuable project", declares Harold Brigham, city librarian, "in employing an average of seven relief women who could not sew or work on other types of projects."

2. Between November 6 and the end of February, 4,245 books were mended, 2,084 magazine covers were made, and 2,406 books were perforated, pocketed, labeled, and stamped.

The National Republican Congressional Committee attacks this project: Community-service program, Tempe, Ariz., Federal funds $35,036.

The facts are:

1. Arizona State Teachers' College is sponsoring the project and is contributing $2,400 toward the work, which includes: Nursery schools for malnourished and indigent Mexican children and Yaqui Indians; an educational program under which Indian and Mexican women are taught sewing, cooking, laundering, and child care; and a night school at which Indian and Mexican men are taught carpentering, arts and crafts, and English.

2. More than 100 children and 60 adults are accommodated by the program and student teachers at the college obtain practice training in the nurseries. This will prove valuable to them after graduation since the Bureau of Indian Affairs employs graduates of Arizona State Teachers' College in great numbers in Arizona, giving preference to those with experience in teaching Indians.

3. The findings of this project are to be made available for application throughout the State in solving the problem of the Yaquis, whose condition is desperate in several parts of Arizona, partly because they are not eligible for care by the Bureau of Indian Affairs.

4. "Our people here at the college are definitely of the opinion that this is a very worthwhile project, and I am convinced it is being well managed and is accomplishing definite results", declares Grady Gammage, president of State Teachers' College.

5. Educational and physical improvement of the Indians of Tempe is a boon because 50 percent of the town's population is Indian.

The National Republican Congressional Committee attacks this project: To paraphrase an old axiom, the New Dealers evidently believe that inconsistency is a jewel. While the Agricultural Adjustment Administration is sending benefit checks to Texas farmers for crops they have not grown, W. P. A. announced that it will spend $2,226,500 on a community garden program in the Lone Star State.

The facts are:

1. This is in reality a State-wide canning program, designed to save surplus food from being wasted, not a program to stimulate production.

2. The fruits, meats, and vegetables to be canned are obtained from community and individual gardens.

3. The program is now operating on a partial basis in 14 counties, involving 34 plants employing 480 relief workers.

4. The total project authorization up to March 1, was $230,017.

5. Through canning their food surpluses, Texas farm families are learning for the first time the advantages of preserving food that otherwise would be lost.

6. Out of the food canned by the relief factories for the farmers a portion is withheld as a "toll" and distributed among unemploy-

able destitute families and inmates of State and county institutions.

The National Republican Congressional Committee attacks this project: Leisure is to be more abundant in Duluth. Orders were issued by Administrator Hopkins to "develop athletic fields, grade tennis courts and ball fields, build field house and grandstands. Federal funds, $117,429; sponsors' contribution, $4,494."

The facts are:

1. Mr. Hopkins issued no "orders" to undertake this work. The Duluth park department requested the project.

2. F. Rodney Payne, manager of this department, declares that "this development will be the only one of its kind in the entire eastern half of the city, which contains more than 50 percent of the population."

3. The average employment on this project is 110 men.

The National Republican Congressional Committee attacks this project: To "clean shoulders, banks, and gutters" in Delaware County, Pa., $11,755.

The facts are:

1. Twenty-two men are employed in this work.

2. The road supervisor of the township in which the project is operating declares that no money was available for the work until the W. P. A. came along.

3. The work has for its purpose the removal of dangerous hazards through widening, straightening, and grading the roads.

The National Republican Congressional Committee attacks this project: For a community-service program in the courthouse at Erie, Pa., $780.

The facts are:

1. Two persons have been employed on this project.

2. The work has consisted in filing common-pleas records covering the period from 1843 to 1900.

3. The work was about 60 percent completed when the allotment was exhausted.

4. In urging approval of a supplementary appropriation to continue the work, the county clerk states: "This work is of the utmost importance and is very badly needed and should be completed; in fact, the work to date has met with the approval of everyone having business to do with this department of our office."

The National Republican Congressional Committee attacks this project: At Moscow, Pa., $1,206, to clear the brush.

The facts are:

1. The sponsor of this project, the Covington Board of Township Supervisors, writes as follows regarding this project: "We have been hit quite hard during the past several years and taxes have not been paid. Therefore, we have not been able financially to carry out any extensive construction program.

2. "We want to thank you for the fine cooperation you have shown in starting the brush-clearing project along Frytown Road. Prior to the starting of this project the thickness and height of this brush was such that it was a menace to traffic because of poor visibility. Also, the brush was so thick that it started to overhang the road, causing a possible fire hazard.

3. "The project is manned 100 percent with relief men, all of whom are residents of our township. Surely you can see what a position we would be in with these families on our hands and no money in the treasury."

4. Ten men have been employed on this project.

The National Republican Congressional Committee attacks this project: Construction of two concrete shuffle boards and a giant concrete checker board at Brookside Park, Ashland, Ohio; Federal funds, $744; local funds, $909.

The facts are:

1. The project also included repair of a grandstand and landscaping.

2. Sixteen men completed the park improvements in 1 month.

3. The sponsor states: "The community is looking forward to recreational activities this summer that would have been deprived if the Federal Government had not furnished labor for the installation of shuffle and checker boards and general park beautifications."

The National Republican Congressional Committee attacks this project: At Meridian, Pa., to construct handball and tennis courts, running track for school athletic field, and stone drain; Federal funds, $12,589; sponsors' contributions, $880.

The facts are:

1. "This playground will be a needed health recreational field for the school children," says the secretary of the local school board which is sponsoring the project.

2. "It will landscape the grounds west of the school in keeping with the attractiveness of the building."

3. The project will not be started before May 1, when the weather will permit steady work without interfering with the normal functioning of the schools.

Mr. VANDENBERG. Mr. President, the able Senator from Arkansas [Mr. ROBINSON] has confined himself to a discussion of so-called "boondoggling" in respect to the widespread, current criticisms of W. P. A.

I know nothing about the boondoggling exhibits which the Senator has presented. I have no desire at present to discuss boondoggling, although it has interesting and frequently ridiculous aspects. I certainly do not propose to debate with the Senator from Tennessee as to whether or not the luxurious Memphis dog pound has put the "dog" in "boondoggling." But I should not want the subject to be left with the impression that the only complaint against W. P. A. is this charge against so-called "boondoggling." It seems to me that the situation is infinitely more challenging in at least two other directions, which the able Senator from Arkansas did not touch at all.

The Senator said very frankly in his opening observations that he did not propose to exhaust the subject. He kept his word. I make no complaint that he did not enter the two fields which I think particularly demand the consideration of any responsible Congress. It seems to me that this consideration is demanded quite without respect to partisanship.

Obviously, the first consideration is the question whether or not W. P. A. is being subjected to political exploitation and political manipulation in behalf of partisan objectives, as is so often and so earnestly asserted. So far as I know, a far more formidable challenge in that aspect has been leveled against W. P. A. from the Democratic side of the Senate than from the Republican side. I refer to that fact chiefly to show that the consideration can be nonpartisan, and that the Senator's intimation that all W. P. A. complaints flow from partisan Republican sources is scarcely tenable.

I know perfectly well that the able Senator from Arkansas, as well as the Administrator of relief himself, unquestionably would condemn any political exploitation of W. P. A. The fact remains that charges are heard up and down this country, and often sustained, in respect to political exploitation, which never in this world can be downed or diverted until there is a complete investigation which will conclusively indicate the right and wrong of the matter. Without any reference to political considerations within the Senate, I hope that for the sake of the fine relief objective which the Senator from Arkansas describes, we may have the general investigation of W. P. A. which has been repeatedly suggested and demanded for the purpose of general ventilation.

Mr. President, the other consideration which it seems to me is of paramount importance in respect to W. P. A. involves the basic question of policy as to whether or not it is wise that an emergency work-relief authority should have the power to commit the country and the Government to long-time permanent improvement programs which are only commenced by the work-relief appropriation and are then left to the Congress subsequently to finance through general and regular appropriation means.

Let me illustrate what I have in mind.

It seems to me that it is bad policy to proceed under a system whereby the W. P. A., through the use of $5,000,000 of emergency-relief allocation, may commit the Congress and the country and the Government to an ultimate possible $200,000,000 investment in order to complete the thing which is commenced with the $5,000,000 allocation. Manifestly, I am referring at the moment to the Florida canal.

It seems to me that precisely the same challenge rests in respect to the commencement of the Passamaquoddy tidal power project, which was started not by direct congressional authority but by an emergency relief allocation of $5,000,000, which then leaves us confronting the open question as to whether we are not so committed to the undertaking that it will be necessary for us, out of regular funds, to provide the additional $30,000,000 to carry on. This manifestly becomes government by Executive decree instead of government by legislative process unless these trends are sharply checked.

The same situation was involved in a series of five major reclamation projects which were belatedly validated last week in an appropriation bill. They were not started by order of Congress. They were started by Executive order through the W. P. A.; and the expenditure of a comparatively few million dollars is used as a springboard to commit the Congress to the wider, larger investment.

I heard it said that the reclamation projects which have thus been started by Executive order, and not by act of Congress, may easily involve a total expenditure of $500,000,000 before the program is completed. We know that in the case of the Florida canal, the expenditure from the W. P. A. fund is only $5,000,000. Congress is left to answer for the

balance which may be from $145,000,000 to $195,000,000, and to provide it if we are prepared to concede that we are thus committed to the permanent work, regardless of what we conclude to be its intrinsic merit or alarming lack of it.

In the case of the Florida exhibit, it will take 6 or 8 years to complete the undertaking; and it seems to me illogical that an emergency work-relief fund should be used in the inception of an undertaking which certainly we hope will far outlive the emergency and the relief we are now attempting to administer. It seems to me that the vice of the particular situation I am discussing is that to all intents and purposes Congress is robbed of its opportunity to pass upon these things de novo, and to decide whether or not the country should be committed to these amazingly large permanent works programs.

I fully realize, Mr. President, that all work-relief projects cannot be specifically and individually authorized by act of Congress. So long as this method of attempting to handle the relief problem persists, there manifestly must be some latitude in the administrators. But I am arguing that when major, long-time public-works projects, in categories heretofore commenced only by congressional authority, are undertaken, they should be confined to projects that have had congressional approval. This is particularly true in respect to river and harbor and waterway projects. There are ample lists of approved projects without entering the realm of unapproved projects. I insist it is for Congress to determine whether a major waterway shall be started when such a waterway will take many years to build, and when it must be completed largely out of subsequent regular appropriations, and when it involves an annual charge for maintenance and upkeep which will run on in perpetuity. I insist that no such enterprise should be launched by mere Executive order. Oh, yes; the President has the power to launch them. Congress made the colossal blunder of delegating its powers 1 year ago to make this Executive latitude possible. But I am insisting that we should reclaim our power, and that no further W. P. A. adventures of this nature should be undertaken.

In the case of many of these projects they have been rejected by P. W. A.; they have been rejected by the engineers of the Public Works Administration. Yet in spite of their rejection by P. W. A., in spite of the fact that Congress never has had an opportunity to pass upon them through enabling acts, they are finally launched under Executive order through W. P. A.!

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Tennessee.

Mr. McKELLAR. I wish to call the Senator's attention to the reclamation projects.

As the Senator knows, for 50 years, under both Republican and Democratic administrations, reclamation projects have been carried on as a permanent policy of the Government. The Senator says we are committed by the starting of these projects. Instead of that being true, the Congress has the absolute control of them; and the truth is that it is more difficult to give the authority in the situation the Senator has suggested than it would be in the beginning if initiation processes were begun in the Congress, for this reason:

Take the case of the five projects regarding which the Senator from Arizona [Mr. HAYDEN] offered committee amendments to the Interior Department appropriation bill just a few days ago. Those five projects had to have a two-thirds vote of the Senate in order to be continued. Take the case of the Florida project, of which the Senator from Michigan speaks. If it is continued, no doubt it will be continued in the same way. It will take a two-thirds vote of the Senate to add it to an appropriation bill when the appropriation bill comes up. It is a question of votes. It is a question of whether the project, in the Senate at least, has a two-thirds vote; and apparently that is the case with reference to the reclamation projects, because just 2 or 3 days ago two-thirds of the Senate voted to put those five projects into the Interior Department appropriation bill.

So I say to the Senator that so far as the permanency of those particular projects is concerned, if the Senator is opposed to them, it seems to me the thing for him to do would be to get a little more than one-third of the Senate to agree that they are not proper projects to be carried on; and if they are not proper projects to be carried on they can be very easily defeated by less than one-half of the Members of the Senate.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. No; not until I shall have answered the Senator from Tennessee. Then I shall gladly yield.

The Senator from Tennessee used to be a pretty stanch economist, and I hate to see him change. I repeatedly followed him under my own administration in trying to cut appropriation bills 10 percent under blanket amendments, which I was proud to have him offer then, and which I am sorry he has not been offering in the present administration.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. VANDENBERG. Yes; I yield.

Mr. McKELLAR. Of course, I am a little embarrassed in offering advice to a possible President of the United States.

Mr. VANDENBERG. The Senator should not be at all embarrassed on that account.

Mr. McKELLAR. I am quite embarrassed about it; but, at the same time, if the Senator would follow my lead generally I think he would vote better.

Mr. VANDENBERG. Mr. President, let us get at the point which the Senator from Tennessee has presented, and let us get at it factually, and I desire his attention.

Mr. McKELLAR. I shall be glad to give it.

Mr. VANDENBERG. I have not the remotest political consideration in my head as I present this matter to the Senate. I call the Senator's attention to the fact that it is now being argued before the Appropriations Committee, of which the Senator from Tennessee is a distinguished member, that because Congress sublet to the President the power to initiate these projects, it thereby authorized the projects themselves, and that it is no longer necessary even to ask for an authorization, and that Congress is foreclosed from objecting. That is my complaint.

Mr. McKELLAR. Mr. President, I happen to be a member of the subcommittee of which the Senator from Arizona [Mr. HAYDEN] is the chairman, which had under consideration the amendments to which reference has been made. The five projects of which the Senator speaks were gone into most elaborately. The evidence regarding them was heard; and, as I recall one of those projects especially, I took the position that it ought not to be carried on, certainly beyond the limitation that had been fixed for it in the very beginning when it was proposed to increase that limitation.

But those five projects were discussed and passed on, as I recall, without the slightest suggestion that because the President had started them as a part of the emergency relief work it was our duty to continue them. What was done? The subcommittee, and later on the full committee, authorized the chairman of the subcommittee to offer the amendment as an independent amendment, so that a two-thirds vote of the Senate would be required. The Senator from Arizona is present, and I am quite certain he will agree that I have correctly stated the facts.

Mr. VANDENBERG. Mr. President, let me save the Senator some time and effort. What he is now saying about the five reclamation projects is entirely correct. Since then, in the more recent argument before the Committee on Appropriations in respect to five other projects, including the Florida Canal and the Passamaquoddy undertaking, the whole case rests primarily upon the proposition as submitted by the proponents of these undertakings, that because Congress sublet the original power to the President, and he in turn to W. P. A., we are bound by any such allocation, and that that constitutes an authorization which we can neither review nor escape.

Mr. McKELLAR. The Senator must be speaking of projects coming under the military department of the Government, the Army.

Mr. VANDENBERG. I am speaking of projects coming under the Board of Rivers and Harbors Engineers.

Mr. McKELLAR. That would be in the military appropriation bill.

Mr. VANDENBERG. Oh, yes.

Mr. McKELLAR. I do not happen to be a member of the subcommittee having that in charge, and I cannot say of my own knowledge what the facts are about that; but the Senator was talking about reclamation, and he was so entirely in error about reclamation that I fear just a little that the Senator may be somewhat in error about the matters coming under the jurisdiction of the subcommittee having charge of military matters.

Mr. VANDENBERG. If I tell the Senator I was there and know what I am talking about, he will agree that I properly stated the facts.

Mr. McKELLAR. I will not dispute the Senator's word.

Mr. VANDENBERG. Whether the Senator agrees or not, I have stated the facts.

Mr. HATCH. Mr. President——

The PRESIDING OFFICER (Mr. MURPHY in the chair). Does the Senator from Michigan yield to the Senator from New Mexico?

Mr. VANDENBERG. I yield.

Mr. HATCH. It happens that I am one of the Senators who appeared before the subcommittee which considered the five projects the Senator has mentioned.

Mr. VANDENBERG. The Senator means the five reclamation projects, not the five subsequent projects.

Mr. HATCH. I am talking about the Florida Canal project, the Passamaquoddy project, the Conchos Dam, the Sardis Dam, and the Bluestone Dam in West Virginia. I was present at the meeting of the subcommittee when the Senator from Michigan outlined his proposition.

The statement just made, that the sole argument was based on the fact that Congress had authorized the President to make certain allocations, and that therefore Congress was bound, is not altogether correct. Other arguments were advanced. The argument the Senator has repeated was made. It was stated before the subcommittee that the Congress in the 1935 Emergency Relief Act, a copy of which I hold in my hand, authorized the President of the United States to make certain allocations for reclamation purposes, for work on rivers and harbors, and various other projects, and other projects of that nature and kind. It was stated that, within the limitations set forth in that act, Congress having authorized the President, did itself authorize those projects when the President had acted.

Mr. VANDENBERG. That is all I am trying to say.

Mr. HATCH. That was done, and it was argued that the authorization was made "within the limitations of the act." I conceive that that argument is correct. When Congress especially authorizes an agent to do a thing, it acts through the agent, and it makes the authorization. But that was not the only argument.

Mr. VANDENBERG. If the Senator will pardon me, let me reclaim the floor for a moment at that point to thank the Senator for absolutely confirming the protest I am making. The Senator is now saying that it is his interpretation that when the President has acted under a delegated power to start one of these projects, that ipso facto validates the project, precisely as though it had been passed upon by Congress. I think that is the wrong way for Congress to handle its responsibility. On any such hypothesis the President could start a thousand permanent projects, involving ultimate billions. He could start them with $1,000 apiece, and forthwith we would be bound to pursue them to a conclusion regardless of cost.

Mr. HATCH. "Within the limitations of the act." That was the statement I made.

Mr. VANDENBERG. Yes.

Mr. HATCH. But the point being discussed before the subcommittee, as I recall, was that a point of order could be made against this proposition, and rule XVI of the Senate was submitted in support of such point of order. On that point I merely wish to call the attention of the Senator to the first paragraph of rule XVI, the last sentence, which makes an exception to the rule, in these words, "or proposed in pursuance of an estimate submitted in accordance with law."

I call the Senator's attention to the fact that the projects, especially the one in which I am interested, and possibly it is true as to others as well, was included in the estimates submitted by the Budget Director, and in accordance with law. A point of order clearly could not be maintained. That is the point to which I desire to call the attention of the Senator.

Mr. VANDENBERG. Mr. President, the only point I wanted to make was that I think there are some challenges to procedure under W. P. A. which rise entirely above any partisan consideration, which certainly are unrelated to any of the partisan instrumentalities which the Senator from Arkansas was challenging, and which the Senate cannot ignore. One of them, I repeat, is the question which is so frequently brought to the floor by the junior Senator from West Virginia [Mr. HOLT], which specifically personifies a general feeling regarding the political exploitation of W. P. A., which ought to be liquidated for the benefit of the W. P. A. itself. Of that I know very little. I think I do know something about these enormous projects, these enormous undertakings which are put not only upon this Congress but will be problems for the Congresses in the future, by commitments to great, long-time, permanent undertakings in the guise of temporary, present allocations from relief funds.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield, and I apologize to the Senator for not having yielded before.

Mr. O'MAHONEY. I desire merely to call attention to the fact that all these matters were laid before Congress at the time the specific appropriations were made. The provision in the Emergency Appropriation Act, to which the Senator from New Mexico [Mr. HATCH] alluded a while ago, was inserted, as I recall, upon the floor of the Senate, giving specific authority for the construction of reclamation projects and other projects; and when that authority was written into the law it was understood by the Senators then, and by Members of the House of Representatives, that the projects which would be undertaken were those projects which the Bureau of Reclamation and the Army engineers and other departments of the Government had under consideration at the time. So it seems to me that there can be no doubt that when Congress made the appropriation it made it with the specific intention that the President should inaugurate sound public works of the character of those which have been inaugurated.

With respect to the reclamation projects, I personally examined into the justification for some of them, though not of all of them; and with respect to those as to which I have examined I can say that I am perfectly well satisfied that they are excellent projects, that they should be carried out, and that the executive arm of the Government has made no mistake in carrying them out.

Mr. VANDENBERG. May I ask at that point whether the statement just made includes the Grand Coulee Dam?

Mr. O'MAHONEY. I have not examined into the Grand Coulee Dam.

Mr. VANDENBERG. I was sure the Senator had not.

Mr. O'MAHONEY. I was going to say that, had all the emergency funds been expended on works of this kind, which are permanent, substantial, public improvements, and allocations had been made only to P. W. A., and not to W. P. A., there would be no cause, not even the shadow of cause, for some of the criticism which has been made with respect to expenditures of public funds on W. P. A. projects.

There were two classes of criticisms: First, that the work which is being done is permanent and substantial and cannot be completed within a short period. The other criticism is that the work is too insubstantial and should not be undertaken at all. So we would be between two horns of the dilemma if this argument were good.

Mr. VANDENBERG. I think the Senator is between two horns of the dilemma right now unless he tells me that this survey he has made does not include the Passamaquoddy project and the Florida Canal project.

Mr. O'MAHONEY. I was interested in reclamation. I am not on the committee which deals with War Department appropriations. But I have observed, I may say to the Senator, that in all the criticism of the expenditures on

public works the project which is subjected to criticism is always one which is beyond the domain of the person who is making the criticism. If the Senator from Michigan should make the criticism with respect to expenditures for public works within the State of Michigan, I think possibly some greater attention might be paid to what he said.

Mr. VANDENBERG. Mr. President, I wish that some of this extravagance had been for the benefit of some of my Michigan constituents, if extravagance there must be; but I must plead that I cannot do what the Senator from Wyoming asks me to do because we have no chance to level such a criticism. There have been no targets at which to aim at. None of these W. P. A. major projects are allocated to Michigan.

I now conclude, Mr. President, what I undertook to say. First, that entirely outside and beyond the limited field of discussion which the able Senator from Arkansas submitted today there are at least two other fields which deserve serious consideration respecting W. P. A. One is the question of whether or not there is exploitation, and I leave it at that point without undertaking to say. The other is whether or not Congress wants to commit itself to this method of permitting permanent improvements to be conducted out of temporary emergency funds, with far-reaching decisions and commitments made solely by Executive discretion. This is a fundamental proposition in representative government.

Mr. HAYDEN obtained the floor.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER (Mr. ADAMS in the chair). Does the Senator from Arizona yield to the Senator from Arkansas?

Mr. HAYDEN. I yield.

Mr. ROBINSON. The Senator from Arizona is very kind, and I will not prolong the discussion indefinitely.

The Senator from Michigan complains that permanent projects have been undertaken under the Works Progress Administration, thus creating an obligation on the Government to proceed with them. He did not complain of that class of projects to which many of my remarks this afternoon were directed, and which have come to be known as "boondoggling." The fact is that by his statement the Senator has become one of the champions of boondoggling. He has expressed a preference for that class of projects which can be quickly accomplished in contradistinction to that class of projects which are of a permanent character and require a considerable period for their consummation.

The Senator complains that projects have been initiated that will require long time for completion.

I have been impressed with that feature of the Senator's statement. Nevertheless, much criticism has been directed by others at the administration because it did not choose all of the projects as of permanent character. I have heard that criticism made as frequently as any other. The question is asked, "Why not do something that will endure for other periods, something that the public will enjoy for a long time?" I make no complaint as to that criticism made by the Senator from Michigan. The authorities were forced to make choice of projects, and they did authorize allotments for projects which cannot be quickly completed. In doing that they probably met the standards raised by a large number of persons who have criticized the Works Progress Administration.

It is not easy to say just how prolonged work on a project should be before it can qualify under the Public Works Administration or the Works Progress Administration. It may be true that the approval of Congress should have been procured before certain projects were entered upon. But it is also true that no project can be undertaken without authority of Congress. The law does forbid expenditures on projects that cannot be quickly completed. The Senate and the House authorized a very large appropriation for work relief and charged the President with the responsibility of making the allotments controlling the expenditures and selecting the projects for the reason that the Congress did not possess the information necessary to specify the projects. If the Senator from New Jersey [Mr. BARBOUR] had been required to name projects, he could probably have put to work on engagements which he regarded as wholesome in New Jersey one-tenth of the people who were unemployed in that State. And if I had been called upon to select projects, whether of a permanent or a temporary character, I could not have devised wholesome projects sufficient to provide for work for a material portion of the number in my State requiring it. On the whole, the task has been well done.

Now, with respect to the subject of politics. There were references to that in my previous remarks. The Senator from Michigan may not have heard them. From this investigation I have made there has been no effort, no willingness on the part of the President or the national authorities, to use these funds for political purposes. There may be instances in which others have sought to do that. It is perhaps natural that the attempt would be made. But from the information I have, the national authorities have been clean and free from abuses of that character, and, I respectfully suggest to the Senator from Michigan, have probably been as free from political influence from any source as would occur under any administration.

Mr. HAYDEN. Mr. President, I desire to confirm the statement made by the Senator from Tennessee [Mr. MCKELLAR] concerning the care and the consideration which was given by the Senate Committee on Appropriations with respect to the appropriations for reclamation projects contained in the Interior Department appropriation bill. They were reported to the Senate on their merits without reference to allotments of public works or relief funds.

Again, in order adequately to meet the criticism made by the Senator from Michigan [Mr. VANDENBERG], by direction of the Committee on Appropriations, I was authorized to file a motion to suspend the rules and include in the bill the necessary authorizing legislation for all projects which had not heretofore been passed upon specifically by Congress. In what I have to say today I desire to refer to another public-works feature which I am sure the Senator from Michigan will find very little opportunity to criticize.

Mr. President, on February 12, 1936, the Senate approved a resolution which I introduced calling upon the Federal Emergency Administration of Public Works for certain information. The Administrator has complied with that resolution promptly by furnishing the Senate the information requested, including a list of all pending applications for loan-and-grant projects and all such applications which have been examined and for which no funds are now available. I believe that all Members of the Congress will be interested in this report, which on yesterday was ordered to be printed as Senate Document No. 183, Seventy-fourth Congress, second session.

What I intend to say today concerns not only the facts that the Public Works Administrator has presented in answer to the Senate resolution, but concerns itself with reviewing briefly the accomplishments of that branch of the national recovery organization.

The Public Works Administration, beyond question, has made a splendid record, especially in the field of what has become known as non-Federal projects, projects of States, municipalities, and other local public bodies. The reasons for this success are perfectly clear. In the first place, the projects which have been authorized and those which are still pending originated within the local communities themselves.

If a municipality, through its responsible officials or by a vote of its people, decided that it needed a schoolhouse it went to the Public Works Administration for that schoolhouse. If it was decided that an increased supply of water was more necessary or the extension of a sewerage system was a matter of more pressing local concern, the political subdivision applied for that. In other words, the need for the project, its type, and its cost have been questions for the local communities to pass upon, and nothing is done without their formal approval.

Generally speaking, the result has been that applications have been received from within virtually every county in the United States for useful and needed projects which the local communities themselves have been willing to build under Public Works Administration regulations and, by contract, have agreed to pay the major share of the cost. This is of importance from several standpoints, which I shall enumerate briefly.

First. Projects of the Public Works Administration are selected by the local communities.

Second. All such projects must pass rigid examination as to social desirability, economic and financial soundness, legality, and engineering feasibility.

Third. Construction of such projects is almost invariably done by contract with the lowest responsible bidder under open competition.

Fourth. Workers on such projects are paid the wages that prevail in the locality.

Fifth. The types of construction thus financed have resulted in a vast amount of indirect labor, an intangible benefit which, while difficult to record, nevertheless has actually occurred and is reflected in increased orders for equipment, materials, and supplies oftentimes placed in communities far removed from the site of the project itself.

I am informed that more than 60 percent of the public-works money thus far expended has gone for purchases of materials that have blanketed the country with indirect industrial and transportation employment far exceeding the direct employment given on construction sites where materials were used.

The records of the Public Works Administration show that approximately $2,000,000,000 worth of stone, steel, cement, lumber, and hundreds of other building materials are being required to complete the thousands of projects which have been aided by allotments made by that Administration under the National Industrial Recovery Act of 1933 and the Emergency Relief Act of 1935.

Expenditures for materials up to February 1 of this year amounted to approximately a billion and a quarter dollars. These expenditures have been a major factor in the revival of the heavy industries where unemployment during the depression has been greatest. The manufacture of materials and equipment required to finish the Public Works Administration program as set forth in Senate Document 183 will help to sustain the heavy industries until complete recovery has been attained.

The latest available reports of the Bureau of Labor Statistics show that nearly $600,000,000 worth of iron and steel products, including machinery and transportation equipment, have already been purchased for Public Works Administration projects, while industries furnishing cement, brick, stone, glass, gravel, and similar materials for Public Works Administration jobs have received orders amounting to $328,566,000 and for lumber and forest products something in excess of $59,000,000.

At least 70 percent of the money already spent for materials has gone directly into the pockets of the hundreds of thousands of men called back to work in mines, mills, factories, and on transportation lines throughout the country.

No one will dispute the fact that the Public Works Administration has been a potent factor in generally improved economic conditions. Not all of the increased employment in the durable goods industries can be attributed to the public-works program, but it is certain that a substantial part of the increase is due to the purchase of materials, equipment, and supplies that have gone into the thousands of schoolhouses and other public buildings, bridges, sewers, water systems, hospitals, municipal power plants, street and highway improvements, and other types of useful-works projects authorized by the National Industrial Recovery Act of 1933.

When the Public Works Administration program is considered it should be kept in mind that the local communities selected the projects and that they have borne and are bearing the major portion of the cost. All of the more than 8,000 non-Federal projects approved since the summer of 1933 originated with the local communities, and in every instance formal application for allotment was made to the Public Works Administration.

In the first public-works program the direct grant was 30 percent of the cost of labor and materials involved in the project; and the repayable loan was approximately 70 percent. Under the current Public Works Administration program the grant is 45 percent of the total cost, and the loan is 55 percent.

In connection with all such loans it is important to remember that the Public Works Administration came to the aid of local communities at a time when private capital could not, or would not, venture into the municipal bond market. I am advised that already $341,500,000 worth of municipal and railroad bonds thus taken as security for construction loans have been sold at a profit to the Government of more than $5,400,000.

These bonds represent a cross section of securities bought by the Public Works Administration ranging from a $10,000 issue of the village of Blooming Prairie, Minn., to the $41,600,000 bonds of the Chicago Sanitary District, acquired at a time when bankers and private investors were hesitant to buy similar bonds of that district at 80 cents on the dollar. The Public Works Administration, being satisfied after thorough analysis that the loan would be repaid, purchased the issue, thereby making possible the construction of sewage disposal plants to comply with the mandate of the United States Supreme Court in the Great Lakes water-diversion case. Some of the same bankers have just purchased these bonds from the Reconstruction Finance Corporation at 101, justifying the confidence of the Public Works Administration in the soundness of the loan. Had it not been for the assistance of the Public Works Administration this vital improvement could not have been started.

Similarly a loan of $37,500,000 at 4 percent was authorized to the Port of New York Authority for a vehicular tunnel under the Hudson River. After a portion of the bonds was bought by the Public Works Administration, a banking syndicate was willing to finance the project, including repayment of the bonds purchased by the Public Works Administration on a basis more favorable to the authority. Examples could be multiplied, but time does not permit.

Senators know of projects which have been so financed in their own States—projects which were wholly unattractive to the private bankers, but which, after they had been analyzed and met the requirements of the Public Works Administration, aroused the interest of the same bankers, who have purchased the same bonds either before the Government consummated the loan or from the Government at a much lower interest yield than the bankers could have obtained originally.

There are millions of dollars of prime securities of the same kind still in the portfolios of the Public Works Administration and the Reconstruction Finance Corporation which investors might well look into when seeking an outlet for their funds. Wise investors are purchasing these sound 4-percent municipal bonds from the Reconstruction Finance Corporation in increasing amounts and the supply is limited in comparison with the billions of idle money deposited in banks.

These municipal securities, sold through the Reconstruction Finance Corporation, consist for the most part of obligations acquired by the Public Works Administration during a period when market conditions made their sale to others either impossible or prohibitively costly. Recipients of loan and grant allotments from that Administration have not only been permitted, but have been encouraged, to finance their loan requirements in the private-investment market, particularly when a rate equal to or more attractive than the 4 percent charged by the Public Works Administration is obtainable. Receipts from bond sales constitute a revolving fund from which other loans are made

for deserving projects. Only loans—no grants—are made from this revolving fund.

Experience indicates that the overwhelming majority of the loans so made will be repaid in full with interest, thus putting no burden on the Federal Treasury.

Many of the Public Works Administration projects are self-liquidating in the strictest sense of the word since they are payable wholly from the income they produce. Toll bridges, light plants, and other revenue-producing undertakings will pay for themselves out of earnings from the services rendered over a period of years and in the long run will contribute to the general funds of the municipality, thereby reducing the burden of property taxes and improving the credit structure of the local community.

Schools, hospitals, water, and sewer systems and similar serviceable facilities financed by public-works funds become public assets to the community in which they are located. Money invested in education and health is not wasted. Permit me to direct special attention to the Public Works Administration allotments that have been made for educational buildings, including college and secondary school buildings, libraries, and other educational structures. I have a summary which shows that allotments have been made for more than 3,000 educational projects, involving a total estimated cost of more than $466,000,000. The grants amounted to $119,790,321. The applicants raised $346,468,118, either by borrowing from the Public Works Administration or elsewhere or by using funds on hand. As a result of this initiative by local communities and with this Federal help, the value of the Nation's school plants has increased almost a half billion dollars in less than 3 years.

Some further idea of the popularity of useful public works may be obtained from a recent survey of the results of bond elections where public-works projects were submitted to the voters.

A canvass made of every State showed that Public Works Administration projects received direct popular approval from the electorate in 83 percent of the proposals submitted at the polls. This was not any weekly magazine poll or any straw vote. More than 10,000,000 ballots of regularly registered voters were actually cast and counted with the result that as local taxpayers the voters assessed themselves to bear the major part of the cost of projects voted on in 2,166 out of 2,613 elections. In the 447 elections where the voters disapproved, the Public Works Administration immediately dropped further consideration of the projects. If projects were not worthy enough to receive the major portion of their financial support from local funds, that Administration has consistently refused to finance any part of them with Federal money. These figures are based on reports from the State directors who reported on all bond elections held in their States relating to projects in the current Public Works program.

The record shows that, out of the $4,000,000,000 appropriated by Congress last April for relief of unemployment, the Public Works Administration received approximately $328,000,000 for grant allotments. That Administration also made loans from its revolving fund amounting to approximately $140,000,000, which will be repaid to the Government by the borrower. In addition to such loans, the local communities are putting up more than $318,000,000 derived from other sources, so that the grant of $328,000,000 through the Public Works Administration will result in total construction estimated at more than $786,000,000. This is a striking example of the vast amount of direct and indirect labor that is created by this system of Federal Public Works grants.

As of March 2, the Public Works Administration under the current program has made allotments for 4,113 projects. Senate Document 183 shows that additional projects to the number of 6,801 involving grants of $1,166,744,296, loans of $1,492,332,772, and other contributions from the applicants amounting to $459,821,332, are still pending before the Public Works Administration. The estimated total value of all non-Federal Public Works projects pending at the Public Works Administration is $3,118,898,400. A further detailed break-down of these pending projects by States, and their status, may be obtained from the Senate document to which I have referred.

Three years' experience has given the Public Works Administration a smoothly running and efficient central organization in Washington with branch offices in every State manned by competent engineers, lawyers, and finance examiners. In addition to the merits of the projects from an engineering and legal standpoint, any bond issue has to be financially sound to get approval.

Earlier delays were largely due to deficiency of statutory powers of local communities. These deficiencies have been corrected through legislation suggested by the President and drafted by the Public Works Administration at the request of the governors of the States. In my own State, for example, bills were submitted by Governor Moeur to the legislature which conferred broad powers upon cities and towns to borrow money and issue bonds, with appropriate safeguards against extravagance.

This State legislation eliminated technical difficulties which tended to impede the beginning of construction on public-works projects, and clarified the powers of cities and towns. One bill in particular authorized the issuance of bonds by cities and towns for the purpose of financing the construction of self-liquidating projects, the bonds being payable solely from the revenues of the projects without any recourse to taxation. Another bill authorized State educational institutions to borrow money for the purpose of constructing much-needed dormitories and similar revenue-producing improvements without any liability being incurred by the State. The Supreme Court of Arizona upheld the constitutionality of each of these measures, and public officials and the Arizona bar recognize these laws as substantial contributions to the public law of the State.

What Arizona did was followed in approximately 30 other States. Such States were thus in a better position to take advantage of the money appropriated by the Congress in the 1935 Relief Act. During last summer and early fall the States and their municipalities proceeded to file with the Public Works Administration about 12,000 applications for funds; but of these 12,000 applications the Public Works Administration has been able to finance only a few more than 4,000. About a thousand applications have been rejected, and there remain today nearly 7,000 projects which have either been approved or have not been disapproved by the Public Works Administration. There is no money now available for these sound and useful projects, and there never will be unless Congress provides the required appropriation.

States and municipalities went to considerable expense in preparing their applications, in retaining engineers and architects to draw plans and specifications. With the aid of the State laws that have recently been enacted, they are ready and willing to put up 55 percent of the cost of the projects. Unless Congress takes some action, these communities will be denied an opportunity to share the cost of the President's recovery program. These municipalities had a right to expect that if the projects for which applications were submitted met the high standards of social, economic, and financial desirability of the Public Works Administration, and complied with all legal and engineering requirements, Federal funds would be made available to aid in their construction.

The Federal Government is under a moral obligation to these communities which have attempted, without success, to cooperate in a Nation-wide public-works program in which they will let the contracts, they will construct the projects, and they will contribute at least 55 cents of every dollar spent. I am not speaking of any projects which are remote possibilities but of projects for which applications have been filed, for which blueprints are ready, and for which, in many cases, bonds have been voted. Without the aid of the Public Works Administration, these projects certainly will not be constructed at this time, when the problem of unemployment is still acute. Without such aid many of them will never be built.

Consideration should be given by Congress to ways and means of promptly financing the best of the loan and grant projects listed in Senate Document 183. In my opinion, this can be accomplished by an appropriation of not to exceed $700,000,000, to be devoted exclusively to that purpose. That is about the amount of Federal funds which the Public Works Administration is best equipped properly and expeditiously to expend during the next 12 or 15 months. With that sum, over $1,500,000,000 worth of construction can be accomplished.

There should be a short, concise bill enacted at this session of the Congress to enable the Public Works Administration to aid in the construction of those projects which are most useful and worthy. The Public Works Administration is the appropriate agency to supervise this work, just as the Bureau of Public Roads is the Federal agency best equipped to help the States in financing highway construction.

A law such as I have in mind would leave the Public Works Administration free to make rules and regulations which would not be inconsistent with the laws of the different States under which the projects are constructed. The act should contain but two limitations: First, that the prevailing rate of wages shall be paid on all such projects; and, second, that in the selection of labor, preference shall be accorded in the first instance to unemployed American citizens listed by the National Reemployment Service and residing in the community which is financing the project, regardless of whether or not they are on relief.

Under present regulations it is frequently impossible for a self-respecting American citizen who has struggled to keep off the relief rolls to obtain employment on a public construction job because of the preference which is given to those on relief. I fully realize that another Federal work-relief program is not only required but cannot be avoided; but, standing alone, it is not enough. Work relief must be supplemented by a public-works program of the character I am suggesting in order that our attack on the unemployment problem shall be coordinated and well balanced.

After caring for projects now approved or ready for early approval, it might be well to consider in any future public-works program the advisability of reducing the grant below 45 percent of the project cost, so that even more than 55 percent will be returned to the Federal Treasury. Congress might compensate municipalities in part for this reduction in the grant by lowering the interest rate on loans from 4 percent to 3 or 3½ percent, whichever rate is more desirable, in order to insure a lively market for the bonds which the Public Works Administration agrees to buy.

Considering the ultimate cost to the Federal Government, more substantial results can be accomplished under a Public Works Administration program than in any other way of providing work for the unemployed. For every dollar which must be finally repaid by Federal taxation there is expended at least $2.20 for labor and materials, and oftentimes considerably more. Experience has shown that many municipalities contribute more than 55 percent of the cost of the project by putting up their own funds to meet unanticipated expense or to make more elaborate the original project.

My point is simply this: When the Government spends $100,000 on some Federal project it gets no more than $100,000 worth of work done; but when the Public Works Administration grants $100,000 for a non-Federal project, such as a county tuberculosis sanitarium or a municipal sewage-disposal plant, it gets nearly a quarter of a million dollars' worth of work done. This puts more than twice as many men to work for the same final cost to the Federal taxpayer, not to speak of the resulting intangible social benefits to the local community as well as the tangible increase in its capital assets.

In conclusion, I desire to commend to Senators and to the American people the record which the Public Works Administration has established. That organization has demonstrated to the country that the money entrusted to it has been economically and honestly spent on projects of unchallenged worth. The expenditure of vast sums has been marred by no scandal. The organization undertook a tremendous task with vision and courage. The Public Works Administration has good reason to be proud of its achievements.

Mr. President, I ask leave to insert two tables at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The tables are as follows:

TABLE 1.—*What P. W. A. has done to Feb. 1, 1936—N. I. R. A. and E. R. A. 1935 programs*

P. W. A. has allotted funds for public works in 3,067 of the Nation's 3,073 counties for—	
15,553 Federal projects, costing	$1,566,844,612
3,975 non-Federal projects under N. I. R. A., costing	1,361,730,590
4,119 non-Federal projects under E. R. A., costing	748,843,921
50 Federal low-cost housing projects	129,725,100
23,697 Projects costing (total)	3,807,144,223
Status of these projects:	
16,233 projects completed, costing	1,083,047,483
3,959 projects under construction, costing	2,063,876,579

COST OF WORK UNDER CONTRACT

	Percent of total cost	Cost
On Federal projects	97.6	$1,529,392,407
On non-Federal projects under N. I. R. A.	89.9	1,224,54[illegible],910
On non-Federal projects under E. R. A.	83.8	627,438,377
On Federal low-cost housing	95.2	123,547,100
Total	92.1	3,504,923,794

P. W. A. has spent:	
For wages	$639,887,583
For materials	1,223,490,655
Other expenditures	122,467,109
Total expenditures	1,985,845,347

EMPLOYMENT PROVIDED BY EXPENDITURES

	Average number men employed		Total man-months used to date
	1934	1935	
At site of construction	496,483	284,297	10,505,361
In manufacturing $1,223,490,655 of materials (primary indirect)	496,483	284,297	10,505,361
Demand for consumers' goods (secondary indirect)	992,966	568,594	21,010,722
Total	1,985,932	1,137,188	42,021,444

TABLE 2.—*Summary of allotments for educational buildings under the original and present program, Public Works Administration, Jan. 31, 1936*

ALLOTMENTS MADE UNDER EMERGENCY RELIEF ACT OF 1935

Type	Number of projects	Allotment			Amount raised by applicant	Total cost
		Loan	Grant	Total		
Educational buildings (total)	2,130	$56,670,950	$126,831,944	$183,502,894	$100,963,598	$284,466,492
Secondary schools	1,989	45,942,950	111,549,538	157,492,488	91,636,943	249,129,431
Colleges and universities	104	10,568,500	12,458,024	23,026,524	6,085,549	29,112,073
Other educational systems	17	57,000	2,095,429	2,152,429	2,505,482	4,657,911
Libraries	20	102,500	728,953	831,453	735,624	1,567,077

TABLE 2.—*Summary of allotments for educational buildings under the original and present program, Public Works Administration, Jan. 31, 1936*—Continued

ALLOTMENTS MADE UNDER NATIONAL INDUSTRIAL RECOVERY ACT AND DEFICIENCY APPROPRIATION ACT OF 1934

Type	Number of projects	Allotment			Amount raised by applicant	Total cost
		Loan	Grant	Total		
Educational buildings (total)	964	$63,119,371	$49,812,138	$112,931,509	$68,860,438	$181,791,947
Secondary schools	831	47,940,906	41,378,727	89,319,633	60,754,471	150,074,104
Colleges and universities	112	14,916,165	7,550,611	22,466,776	5,935,983	28,402,759
Other educational systems	5	161,000	268,000	429,000	498,907	927,907
Libraries	16	101,300	614,800	716,100	1,671,077	2,387,177

GRAND SUMMARY OF ALLOTMENTS FOR EDUCATIONAL BUILDINGS

Educational buildings (total)	3,094	$119,790,321	$176,644,082	$296,434,403	$169,824,036	$466,258,439
Secondary schools	2,820	93,883,856	152,928,265	246,812,121	152,391,414	399,203,535
Colleges and universities	216	25,484,665	20,008,635	45,493,300	12,021,532	57,514,832
Other educational systems	22	218,000	2,363,429	2,581,429	3,004,389	5,585,818
Libraries	36	203,800	1,343,753	1,547,553	2,406,701	3,954,254

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 11365) relating to the filing of copies of income returns, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1837. An act for the relief of W. W. Cook;

S. 2889. An act for the relief of the Bend Garage Co. and the First National Bank of Chicago;

H. R. 8458. An act to provide for vacations to Government employees, and for other purposes; and

H. R. 8459. An act to standardize sick leave and extend it to all civilian employees.

HOUSE BILL REFERRED

The bill (H. R. 11365) relating to the filing of copies of income returns, and for other purposes, was read twice by its title and referred to the Committee on Finance.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. GORE. Mr. President, I am advised that the Senator from Tennessee [Mr. McKELLAR] desires to have the Senate proceed with the consideration of the Treasury and Post Office Departments appropriation bill. In order to facilitate that purpose, I ask unanimous consent that the unfinished business may be temporarily laid aside.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the unfinished business is temporarily laid aside.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS

Mr. McKELLAR. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 10919, making appropriations for the Treasury and Post Office Departments.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, I shall have no objection, but I do not wish to have the consideration of the bill commenced this afternoon.

Mr. McKELLAR. It will not be commenced this afternoon. I desire to have the bill taken up, and that is as far as we shall go this afternoon.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the bill (H. R. 10919) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1937, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

EXECUTIVE BUSINESS

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers for appointment in the Regular Army.

The PRESIDING OFFICER (Mr. ADAMS in the chair). The reports will be placed on the calendar.

If there be no further reports of committees, the calendar is in order.

STEVE M. KING

The legislative clerk read the nomination of Steve M. King to be United States attorney, eastern district of Texas.

Mr. CONNALLY. Mr. President, I move that the nomination of Mr. King be confirmed.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 20 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 11, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 10 (legislative day of Feb. 24), 1936

UNITED STATES ATTORNEY

Steve M. King to be United States attorney, eastern district of Texas.

POSTMASTERS

ALABAMA

Agnes Bonds, Adamsville.
Violet A. Yeend, Chickasaw.
Hosea F. Downs, Clanton.
William E. P. Lakeman, Haleyville.

Louie Glenn Collier, Huntsville.
William B. Hardegree, Talladega.
Minnie L. Garrett, Uriah.

CALIFORNIA

Lois E. Walton, Monte Rio.
Marshall E. Walden, Newman.

FLORIDA

Joe Sidney Savary, Inverness.
Ethel L. Hadsock, Newberry.

GEORGIA

Sara A. Sandifer, Locust Grove.
Marie E. Harrell, Pearson.
Nancy A. W. Griffis, Screven.
Etta Sneed Arnall, Senoia.
Pearl E. Hughs, Stillmore.
Morine Allgood, Temple.
Jesse W. Slade, Zebulon.

IDAHO

Elsie H. Welker, Cambridge.

IOWA

Hiram L. Mann, Adel.
Laurence E. Kucheman, Bellevue.
Allen Wise, Decorah.
Mabel J. Arnold, Garden Grove.
John Vanderwicker, Grundy Center.
Otis H. O. Nelson, Humboldt.
Wallace H. Blair, Lamoni.
Ernest H. Ross, Logan.
Kathryn D. Eden, Manning.
William B. Perkins, Seymour.

MARYLAND

Evelyn B. McBride, Street.

MISSISSIPPI

Cecil W. Tinnin, Isola.
Isaac M. Jackson, Iuka.
Roy S. Burroughs, Kosciusko.
Robert H. Redus, Starkville.
Charles M. Jaco, Winona.

MISSOURI

Birdie Lee See, Corder.
Earl L. Smithson, Exeter.
Roy Carter Hendren, Hamilton.
John Earle Lyons, Higginsville.
Elton C. Cook, Lathrop.
Kathryn Barry, Mendon.
John P. Martin, Monett.
Lula Young, Niangua.
Max L. Kelley, Steele.

NEW MEXICO

Ruth L. Thomas, Corona.

NEW YORK

Charles W. Dunn, Calcium.
Albert Werner, Gardenville.
Truman E. Brown, Wells.

SOUTH CAROLINA

Katie Lee McIntyre, Clio.
Fred L. Timmerman, Graniteville.
Dixon D. Davis, Greenville.
Oleda H. Garrett, North Charleston.

TEXAS

Maggie P. Rhew, Anderson.
Ella Bartlett, George West.
Ira S. Koon, Hallsville.
Nellie Magowan, Mathis.
Albert C. Finley, Meadow.
Otto V. Hightower, Odem.
Grover C. Stephens, Sierra Blanca.
Thomas C. Murray, Sonora.
Clara M. Bean, Van Horn.
James Mitchell Pittillo, Waco.

UTAH

Raymond F. Walters, Price.

WASHINGTON

Andrew H. Byram, Millwood.

WEST VIRGINIA

Howard E. West, St. Marys.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 10, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Master of eternal light and love, breathe upon our waiting souls and give courage and vision for this day. Teach us to lay hold on the duty of each hour that the bow of the morning may become the promise and prophecy of the evening. O God, this turbulent world, torn and battle-scarred through ages of greed and lust, is facing the barren desolation of war. O give it deliverance from the hands of pagan jealousy, distrust, and the chaff of disaster, which is the only bread that will be served its perishing soul. Almighty God, it needs not better machinery nor organization but better men and regeneration; O lift it up from its threatened barbarities and cruelties. Gracious Lord, be with our Speaker and the entire Congress. Endow them richly with good health, wisdom, and knowledge. Lead them on through the daylight for which our country and the world have been waiting. As a loving Heavenly Father, dwell in our homes as our guest and benefactor at our firesides. Give Thy abiding grace to the mind, soul, and body of our President. Through Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

CALENDAR WEDNESDAY

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday may be dispensed with this week.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. RICH. Reserving the right to object, Mr. Speaker, I would like to ask the majority leader in reference to the bills that are to come up. I understand we are going to have the appropriation bills and a couple of other small bills, but nothing is ever mentioned about the tax bill. Does the majority leader expect to have a tax bill on the floor of the House soon?

Mr. BANKHEAD. Of course the gentleman knows we are going to bring in a tax bill as soon as it can be properly considered.

Mr. RICH. The gentleman expects to have that?

Mr. BANKHEAD. Certainly.

Mr. RICH. I hope you will have a good one.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. BANKHEAD]?

There was no objection.

SPECIAL COMMITTEE TO INVESTIGATE OLD-AGE-PENSION PLANS

Mr. BELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of a resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from Missouri asks unanimous consent for the immediate consideration of a resolution which the Clerk will report.

The Clerk read as follows:

House Resolution 443

Resolved, That the Speaker appoint a select committee of eight Members of the House and that such committee be instructed to inquire into old-age-pension plans with respect to which legislation has been submitted to the House of Representatives, and particularly that embodied in H. R. 7154 in the United States Congress, with special reference to the acts and conduct of any person, partnership, group, trust, association, or corporation claiming or purporting to promote, organize, or further old-age-pension legislation

or schemes, and that such committee be further instructed to inquire into the history and records of the various proponents, operators, promoters, or schemers now engaged in promoting such legislation or schemes and to gather and collect all facts and information relative thereto which would not only be of public interest but which would aid Congress in enacting any remedial legislation upon said subject, including any lobbying and propaganda in connection therewith, and inquire into their various methods of raising and collecting money, and to examine their books, papers, and records, and to inquire as to the disposition, holding, spending, or appropriation of such moneys so collected. That said inquiry and investigation are material and necessary to the proper performance by Congress of its legislative functions and duty relative to the legislation hereinbefore mentioned and as an aid to such legislation. And the committee shall have the right to report to the House at any time the results of its investigations and recommendations for other or additional legislation upon said bill or any other proposed legislation relative to old-age pensions.

That said committee or any subcommittee thereof is authorized to sit and act during the present Congress at such times and places within the United States whether or not the House is sitting, has recessed, or adjourned; to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpena or otherwise, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the Speaker of the House of Representatives or the chairman of said committee and shall be served by any person designated by them or either of them. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any questions pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102, chapter 7, of the Revised Statutes of the United States, second edition, 1878.

Resolved further, That in the event the committee transmits its report to the Speaker at a time when the House is not in session, as authorized in House Resolution No. 418, current session, a record of such transmittal shall be entered in the proceedings of the Journal and CONGRESSIONAL RECORD of the House on the opening day of the next session of Congress and shall be numbered and printed as a report of such Congress.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. BELL]?

Mr. ZIONCHECK. Reserving the right to object, Mr. Speaker, would the gentleman from Missouri [Mr. BELL] explain the difference between this resolution and the resolution that was adopted by which we authorized the committee to conduct hearings and make an investigation of the Townsend movement and other old-age-pension movements?

Mr. BELL. Mr. Speaker, there is a paragraph added right at the end of this amended resolution providing for the method of filing the report. The chairman of the Committee on Accounts thought that should be added in order to clarify the manner in which the report is to be printed.

Then in the body of the resolution there is specific mention of H. R. 7184—or whatever the number of the McGroarty bill is. It was felt that would clarify the situation by specifically mentioning that bill.

Mr. ZIONCHECK. May I further ask this question of the gentleman from Missouri? It is the gentleman's understanding that I have filed petitions, but at no time have I expressed myself as being in opposition to the Townsend plan or like plans? Is that the gentleman's understanding?

Mr. BELL. As far as I know, that is correct. I do not know.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. MASSINGALE. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman from Missouri whether or not there is any appropriation carried in this resolution?

Mr. BELL. Not in this resolution. There will be a separate resolution covering the appropriation.

The SPEAKER. Is there objection to the request of the gentleman from Missouri for the immediate consideration of the resolution?

There was no objection.

The resolution was agreed to, and a motion to reconsider was laid on the table.

WORLD COTTON SITUATION

The SPEAKER laid before the House the following communication, which was read and, together with the accompanying papers, referred to the Committee on Agriculture:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 7, 1936.

The honorable the SPEAKER OF THE HOUSE.

DEAR MR. SPEAKER: There is submitted herewith, pursuant to House Resolution 430, a copy of the first draft of the World Cotton Situation, part II, Cotton Production in the United States, as mimeographed for reading within the Department. This copy has been marked to show all changes between this first draft and the report as issued February 1936. For convenience in comparison, changes in the original draft are marked with red. The inserts and substitutions are taken from a copy of the final report to show where and how they appeared in that report. The changes are listed in a typed summary, page by page. A copy of the final report as issued is also attached.

Sincerely yours,

R. G. TUGWELL,
Acting Secretary.

The SPEAKER. Under the special order of the House the Chair recognizes the gentleman from Pennsylvania [Mr. STACK] for 15 minutes.

Mr. STACK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a short letter I just received this morning in relation to my record on labor legislation during my time in Congress.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. STACK. Mr. Speaker, ladies and gentlemen of the House, I am loathe to trespass on the valuable time of the House concerning my picayune difficulties with the usurpers of the Democratic leadership back home. If it were only I that were involved, I would not do so, but my constituents in the district are also involved.

Coming home from church last Sunday morning a friend of mine handed me a copy of the Sunday Morning Inquirer, that mouthpiece of Republicanism and Toryism in Philadelphia. He called my attention to an article written by John M. Cummings captioned "Psychological Aspects of McCloskey-Stack Feud", which said, among other things:

> Mr. McCloskey is said to have a few other counts in his indictment. For one thing, the Congressman, because he performed so well in voting for administration measures, was able to grab off a few jobs for friends on his own account.
>
> That got under the skin of Senator GUFFEY; and if there's anything that irritates GUFFEY more than the alloting of patronage without his knowledge or consent, it hasn't been discovered. So the Senator stands behind McCloskey in the demand for STACK's scalp.
>
> STACK got the goat of the whole Democratic outfit the other day. When he received word that he had been tagged for political execution, he added his name to the list of Members demanding release of the Frazier-Lemke bill from committee. That constitutes his first and only offense against the orders of the President.

Mr. Cummings in his article, inadvertently or otherwise, has digressed from the truth in what I have just read for you. First, he said "STACK got the goat of the whole Democratic outfit the other day", and so forth.

I did not know that we Democrats had a goat that could be gotten. I thought we had a donkey. [Laughter and applause.]

Second, he erred when he said that I did not sign the Frazier-Lemke petition until I was "tagged for political execution", and so forth. That is not so. I signed the Frazier-Lemke petition long before my so-called political execution.

And thirdly, he erred—and I think, ladies and gentlemen, you will agree with me—when he said that my signing of the Frazier-Lemke petition was my "only offense against the orders of the President."

I never heard our President give those orders. Did any of you ladies and gentlemen here in the House hear him give those orders? If so, for my sake, and for the sake of the Frazier-Lemke bill, tell us. My first offense against the so-called orders of the President was when, fortified by a campaign pledge, I voted for the bonus and voted to override the President's veto.

My second offense, and, I believe, my only other offense, was when I refused to vote on the administration's banking bill the last session. I did this because in that bill I did not think our President lived up to the promise he made to you and to me and to the people of the United States and to the

world, when he was inducted into office on March 4, 1933, when he said he would chase the money changers out of the temple.

Again quoting Mr. Cummings' article, which is a very well written article, you will agree, I would like to ask at this point unanimous consent to have it inserted in the RECORD because I think you will all enjoy reading it.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ZIONCHECK. Reserving the right to object, who is this Mr. Cummings?

Mr. STACK. He is a political newspaper writer back home.

Mr. ZIONCHECK. I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The article referred to is as follows:

PSYCHOLOGICAL ASPECTS OF M'CLOSKEY-STACK FEUD

By John M. Cummings

Some authorities, both in Europe and America, maintain that many of the ills with which the human race is afflicted can be traced quite definitely to a neurosis springing from an unhealthy psychosis. Others just as stoutly insist the reverse is true and support their contention with proof which, on the surface at least, looks plausible enough.

This latter school of thought prefers to place primary emphasis on the psychosis. Otherwise, it is argued, and leaving the neurosis out of consideration for the moment, the proposition, as stated, if carried to its logical conclusion, means, if it means anything, that there could be no halitosis, and that certainly would wreak untold havoc on the manufacturers of mouth wash.

The controversy between the advocates of neurosis and the proponents of psychosis has been going on for centuries. Herodotus, the father of history, in his immortal work, The Battle of the Boyne, tells us this very question plunged the Seminole Indians into such frightful internecine warfare that the tribe was split into two branches which to this day live in separate swamps in the Florida Everglades.

Jack Kelly, by the way is in Florida, but he's not living with the Seminoles. He likes the Tammany Tribe.

History is replete with instances of earthquakes, floods, and other untoward manifestations of Nature, due, in whole or in part, to the terrible consequences of this interminable argument.

Years and years ago a man named Schultz popped the question at the annual clambake and ox roast of the New Jersey Society of Psychologists in a picnic grove at the foot of Mount Vesuvius.

Heat engendered by the lively discussion that followed blew the top off the hill. Fire and brimstone were scattered for miles around, virtually ruining a couple of prosperous towns; and from the bowels of the earth there was belched the bones of citizens, many of them laid away with pomp and ceremony when the world was young.

It is worth recording here that when Napoleon set foot on the soil of France on his return from Elba March 1, 1815, his first question to a saluting gendarme was:

"Who's ahead—neurosis or psychosis?"

"Nuts," said the gendarme.

"Well said," said Napoleon.

* * * * * * *

Lack of space forbids further elaboration of well-authenticated historical instances in which neurosis v. psychosis has played a prominent part in shaping the destinies of mankind. These few facts are set down here not with any intention of parading the profound knowledge with which this department is crammed but merely to emphasize it is no small, mean, or paltry issue that has split the Democrats of West Philadelphia just as you would cleave a hard-boiled egg with a hatchet.

Old men stroked their whiskers and young men scratched their heads a few days back when Matthew H. McCloskey astounded the world by announcing MICHAEL J. STACK is to be denied renomination for Congress on the Democratic ticket. No one could figure what it was all about.

To begin with, Mr. McCloskey is not an official of the Democratic Party. Neither is he a resident of the district which Mr. STACK represents at Washington.

But here was Mr. McCloskey, blandly and with no apparent effort to conceal his assurance, telling Mr. STACK his days as a Congressman were numbered.

Mr. STACK didn't like that. He expressed his displeasure to many people. He even told Mr. McCloskey he didn't like it. He went further and said he wasn't going to take to the woods on the mere say-so of Mr. McCloskey.

The Congressman protested he has been voting for everything demanded by President Roosevelt, even to the "death sentence" in the defeated utility bill. He wanted to know what a Congressman had to do to maintain his standing as a Democrat.

Nobody seemed able to answer that question.

Now it comes out that Mr. McCloskey belongs to the school of psychologists that places neurosis before psychosis, and that Mr. STACK is enrolled in the school that gives psychosis priority over neurosis. At least that's the best explanation that has been offered so far.

Thus it would appear the match that touched off Vesuvius, the issue that split the Seminole Indians, and the question that was on Napoleon's tongue when he returned from Elba now rises to plague the Democrats in the region beyond the Schuylkill.

Mr. McCloskey is said to have a few other counts in his indictment. For one thing the Congressman, because he performed so well in voting for administration measures, was able to grab off a few jobs for friends on his own account.

That got under the skin of Senator GUFFEY, and if there's anything that irritates GUFFEY more than the allotting of patronage without his knowledge or consent, it hasn't been discovered. So the Senator stands behind McCloskey in the demand for STACK's scalp.

STACK got the goat of the whole Democratic outfit the other day. When he received word that he had been tagged for political execution he added his name to the list of Members demanding release of the Frazier-Lemke bill from committee. That constitutes his first and only offense against the orders of the President.

These, of course, are mere political phases of the West Philadelphia situation. Most people prefer to believe Mr. McCloskey and Mr. STACK drifted apart because of a difference of opinion on the neurosis-psychosis issue.

Again quoting from Mr. Cummings' article:

Mr. STACK didn't like that. He expressed his displeasure to many people. He even told Mr. McCloskey he didn't like it. He went further and said he wasn't going to take to the woods on the mere say-so of Mr. McCloskey.

The Congressman protested he had been voting for everything demanded by President Roosevelt, even to the "death sentence" in the defeated utility bill. He wanted to know what a Congressman had to do to maintain his standing as a Democrat.

Nobody seemed able to answer that question.

My dear Mat, in the name of the decent people west of the Schuylkill to the county line, and from Overbrook and Wynnefield to the municipal airport in Eastwick, which is now being constructed by W. P. A. funds, I shall answer the question for them and accept your challenge to drive me out of Congress.

My dear Mat, for your information the days of Matt Quay, Boies Penrose, Jim McNichol, and Bill Vare have gone forever in my district. I do not think the people in my district will stand for slate-making behind closed doors and vote for whomsoever you may wish. You did not want me down here in Congress in the first place, Mat. You opposed me last May a year ago in my own ward when you sent your henchmen, Jim Shields, Turk Connolly, and others to defeat me. You remember well, Mat, the methods you used. But the people of my district, God bless them, want me, and the result then showed they wanted me. I feel satisfied they want me now, also my associates who are running for office with me.

They appreciate the fact that I am trying to be of service to them; and, after all, that is the only way and the best way that I know how to represent them. They appreciate the fact that I am in my office here in Washington every day until 8 or 9 o'clock at night. They appreciate the fact that I go home every week end and sit down in my little office and listen to their trials and troubles. They appreciate the fact that I am trying to take care of all the unemployed in my district regardless of party or politics.

Well, now, Mat, if you do not like that kind of a Congressman, it is too bad. But I do not think you can do anything about it, for I am satisfied that when the smoke of battle is over next April 28 that I will be renominated, and every candidate from the Schuylkill to the county line and from Overbrook and Wynnefield to the municipal airport in Eastwick associated with me will also be nominated.

My dear Mat, as a veteran who fought and bled for his country, I am interested in the veterans because I know their needs. As a veteran who was signally honored by his country and your country, I have taken care of some 800 actual veteran cases in the short time that I have been down here.

My dear Mat, do you not like my 100-percent labor record? Well, I do not think it will make any difference, for organized labor will answer that question for me and for you at the polls April 28.

Do you not want me down here because of my record for postal employees, and particularly the substitute post-office employees? They, too, will answer that question for you, because they have benefited directly by my work down here. And now, Mat, you really are not against me personally; I think you are just a wee bit afraid of me.

Mr. Speaker, in my district there is under construction a municipal airport financed by W. P. A. money—your money, my money, the people's money—and if you please, I am directing my remarks at this point to the Honorable Harry Hopkins, National Administrator of the Works Progress Administration, and to Mr. Ed Jones, Pennsylvania State Administrator of the Works Progress Administration, to please not let Mat McCloskey and his henchmen try to club the W. P. A. workers into voting for whom Mat McCloskey wants them. I am also asking those gentlemen to please not to show political favoritism to the new workers that are now being hired in the airport.

Mr. MORITZ. Mr. Speaker, will the gentleman yield?

Mr. STACK. I yield.

Mr. MORITZ. I want to say that the gentleman from Pennsylvania has made a very fine record in Congress—even voted for the utility-bill "death sentence", which some of the "big shots" of the Democratic Party did not do.

Mr. STACK. I thank the gentleman for his contribution. I voted for these recovery measures and the relief measures, and, as a Democrat, I am telling you right now that I know no party lines when it is a question of suffering and want. I am hoping that the people, the decent people of my district, who, through no fault of their own, are hungry and without jobs, will be given help through the W. P. A. [Prolonged applause.]

Mr. Speaker, I wish to read the letter to which I referred earlier in my remarks setting forth my legislative record on measures of interest to labor.

WASHINGTON, D. C., *March 2, 1936.*

Hon. MICHAEL J. STACK,
Member, Sixth Congressional District of Pennsylvania,
House Office Building, Washington, D. C.

DEAR MR. STACK: I herewith submit your legislative record on measures of interest to labor as compiled by the legislative department of the American Federation of Labor:

Pennsylvania, Sixth Congressional District, Representative Michael J. Stack, Democrat, residence, Philadelphia

Seventy-fourth Congress:	Attitude toward labor
Apr. 19, 1935: Passage of Social Security Act	Favorable.
July 17, 1935: Vote on Clark amendment to security bill introduced in Senate to kill the measure	Favorable.
July 17, 1935: Instructing House conferees to continue opposing Clark amendment to security bill	Favorable.
Aug. 19, 1935: Vote on passage of Guffey-Snyder coal bill	Favorable.

Favorable to labor	4
Paired favorable to labor	0
Unfavorable to labor	0
Paired unfavorable to labor	0
Not voting	0
Answered "present"	0
Total	4

The Wagner-Connery Act is not listed above because it did not require a roll-call vote in the House. We have observed that you voted favorable to labor against all amendments introduced which would have destroyed the rights of labor to organize and bargain collectively with their employers. Your support of the bonus bill was also commendable.

We of labor, judging from your past performances, have confidence in you to continue this grand labor record, so that all the millions of working men and women of this Nation will benefit by your courage and devotion in giving expression to your principles to support constructive labor legislation.

Your constituents should be well proud of your achievements during this unemployment crisis, to be recorded with a 100-percent labor legislative record in the past Congress.

With best wishes for success, I remain,

Sincerely yours,

JAMES M. MYLES,
Vice President, Legislative Representative.

[Here the gavel fell.]

TO COMPLETE RECORDS AND OPERATIONS UNDER THE TOBACCO, COTTON, AND POTATO ACTS

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 514, authorizing the completion of certain records and operations resulting from the administration of the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935—repealed—and making funds available for those and other purposes.

Mr. TABER. Mr. Speaker, I think under the circumstances the resolution ought to be reported in full before we take up the question of its consideration; and I make the reservation of the right to object to ask that the Clerk read it.

The SPEAKER. The Clerk will read the resolution.

The Clerk read as follows:

[H. J. Res. 514, Rept. No. 2144, 74th Cong., 2d sess.]

Joint resolution authorizing the completion of certain records and operations resulting from the administration of the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935 (repealed), and making funds available for those and other purposes

Resolved, etc., That not to exceed $1,068,825 (to be available until Sept. 1, 1936) of the appropriation of $296,185,000 for "Payments for Agricultural Adjustment" contained in the Supplemental Appropriation Act, fiscal year 1936, approved February 11, 1936 (Public Act No. 440, 74th Cong.), may be used by the Secretary of Agriculture for the following purposes:

(1) So much as may be necessary, not to exceed the sum of $1,026,000 (notwithstanding the repeal by Public Act No. 433, 74th Cong., of Public Law No. 483, 73d Cong., as amended, known as the Kerr Tobacco Act, and Public Law No. 169, 73d Cong., as amended, known as the Bankhead Cotton Act of 1934, except sec. 24 thereof, and secs. 201 to 233, both inclusive, of Public Law No. 320, 74th Cong., known as the Potato Act of 1935), for the redemption of tax-payment warrants as provided in such Kerr Act, including administrative expenses necessary therefor; for salaries and administrative expenses incurred on or before February 10, 1936, under such three acts, or sections of acts, repealed; for such personal services and means in the District of Columbia and elsewhere, including rent, printing and binding, travel, and other administrative expenses incurred after that date as the Secretary of Agriculture and the Commissioner of Internal Revenue, respectively, deem necessary, in order expeditiously to complete and preserve all of the administrative records showing the various transactions and activities involved in the administration of such acts; and, if no other funds are available, for such salaries and administrative expenses as were incurred on or before February 10, 1936, in the operation of the several cotton tax-exemption certificate pools established pursuant to regulations prescribed under said Bankhead Act, and such salaries and administrative expenses thereafter incurred as the Secretary of Agriculture finds to be necessary for the purpose of completing the work relating to and liquidating, as soon as may be, such pools.

(2) So much as may be necessary, not to exceed the sum of $42,825, for salaries and necessary administrative expenses, to complete the work of auditing vouchers and payment of freight bills in transactions entered into by the Secretary of Agriculture with relation to the purchase and sale of seed as a result of the allocations to the Secretary of Agriculture authorizing the purchase and sale of seed made pursuant to the Emergency Appropriation Act, fiscal year 1935.

The Secretary of Agriculture shall transfer to the Treasury Department, out of the funds made available by this joint resolution, such sums (not to exceed a total of $175,000) as are required for the Bureau of Internal Revenue to carry out the above-stated purposes.

SEC. 2. The sum of $453,100 of the appropriation of $296,185,000 referred to in section 1 hereof shall be returned to surplus immediately upon the enactment of this joint resolution.

With the following committee amendment:

Page 3, line 9, after the word "expenses", insert "in the District of Columbia and elsewhere."

Mr. TABER. Mr. Speaker, further reserving the right to object, I think the chairman of the Committee on Appropriations ought to explain the resolution briefly before consent is given for its consideration.

Mr. BUCHANAN. Mr. Speaker, this is a resolution making available $1,068,825 for the purpose of winding up the Bankhead Cotton Act, the Kerr-Smith Tobacco Act, and the Potato Act. You will recall we enacted a law repealing these three acts on February 10, 1936, but we did not pass legislation authorizing the winding up of outstanding affairs under these acts and the payment of any salaries that had been earned but not paid. We left the whole thing up in the air. There are now several thousand people who worked in the field under these acts who have not been paid from November 15 to February 10, the date on which the acts were repealed.

The major part of this money is to pay these earned salaries that are honestly due these people for labor performed for the Government and to settle other due obligations.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. BUCHANAN. Yes.

Mr. SNELL. It was given out to the country through newspaper reports, I understand, that nothing special had been done toward enforcing the Potato Act. Can the gentleman inform us as to how many men were employed under the provisions of the Potato Act?

Mr. BUCHANAN. Yes; something was done to enforce the Potato Act. For several months they tried to enforce the Potato Act, or tried to administer the Potato Act, but those months were not during the season for the sale of potatoes. The revenue coming from it was infinitesimal. It will be remembered that the Committee on Appropriations brought in a bill to make temporary provision for administration of the Potato Act, but the House knocked it out. Something was done under that act. This appropriation carries only $11,000 for clean-up under the Potato Act.

Mr. SNELL. Is that all that has ever been expended in connection with carrying out the terms of that act?

Mr. BUCHANAN. No; there was some expenditure theretofore, when the act first went into effect and prior to the time Congress convened this session, but not much, because it was not the potato season.

Mr. SNELL. A small amount of money was spent during the last fall and summer under the Potato Act, was there not?

Mr. BUCHANAN. Yes.

Mr. SNELL. Can the gentleman give us those figures?

Mr. BUCHANAN. I do not have them with me, but I can find out for the gentleman.

Mr. SNELL. But there are practically none under it at the present time, as I take it from this statement.

Mr. BUCHANAN. None at all since February 10.

Mr. TABER. Mr. Speaker, if the gentleman will yield, I think the expenditures under the Potato Act down to the time we had our hearings on the supplemental bill ran about $25,000. I do not attempt to give these figures accurately, but that is my recollection.

Mr. BUCHANAN. I will say to my colleague that the $11,000 in this resolution for that act is for the liquidation of outstanding obligations, most of which was for printing the potato stamps.

Mr. SNELL. As I understand, practically all these people are to be retired immediately. Is that the idea of this resolution?

Mr. BUCHANAN. The idea is to wind up the activities under all three acts. Many of these employees in the field had to give bond for the proper handling of potato stamps, tobacco stamps, and tax-exempt certificates and exemption certificates for cotton. We must wind this up so these people can be discharged from their bonds.

Mr. SNELL. There will be no more field employees in connection with these acts after this date?

Mr. BUCHANAN. After the expenditure of this money there will be no more field employees.

Mr. SHORT. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Missouri.

Mr. SHORT. Of course, all three of these acts were a part of the original A. A. A.

Mr. BUCHANAN. No. They were separate acts.

Mr. SHORT. But under the A. A. A. program?

Mr. BUCHANAN. It might be said under the New Deal program.

Mr. SHORT. Since the Agricultural Adjustment Act has been declared invalid by the Supreme Court, I understand 5,600 employees of that agency are still on the pay roll. This includes all of them, with the exception of possibly 1,000 that were laid off this morning.

Mr. BUCHANAN. It will be recalled that we passed an appropriation on February 11 appropriating $296,185,000 for the liquidation of contracts that had been entered into under the A. A. A., where the farmers had entered into obligations, therefore there are men employed in the process of liquidating these obligations.

Mr. SHORT. I was asking the gentleman for information.

Mr. BUCHANAN. I am giving it.

Mr. SHORT. I want to know how many men were employed to administer these three acts who are still on the pay roll?

Mr. BUCHANAN. There are none on the pay roll under these specific acts. Everything has been suspended and stopped.

Mr. RICH. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Pennsylvania.

Mr. RICH. As I understood it, the purpose of the A. A. A. was to curtail production. From May 12, 1933, to December 31, 1935, according to the crop report of the Department of Agriculture, the Government paid over $250,000,000 to wheat growers to curtail the production of wheat, but the wheat acreage increased 17,577,000 acres. There was a similar increase in tobacco acreage of 187,700 acres, and in cotton 402,000 acres. Why did the A. A. A. so miserably fail? It was a mighty fine thing that somebody stopped this worthless expenditure of funds to accomplish certain things when it did just the opposite.

Mr. BUCHANAN. The farmers of the Nation do not think the A. A. A. failed.

Mr. Speaker, there is one more item in this bill. Under the emergency appropriation granted to the President he made an allotment to the Secretary of Agriculture for the purpose of buying seed grain with which to supply drought-stricken areas. Under this allotment there was bought about $19,000,000 worth of seed, including wheat, corn, flax, oats, sorghum, and so forth. This seed was distributed, and in distributing it grain elevators were employed as agents. There were 2,200 grain elevators so utilized. The grain was in the grain elevators. There was a charge for putting the grain in the elevators and taking it out of the elevators and there are freight bills to be paid. The fiscal year has passed and the money with which to wind up this act is not available. The Comptroller General has ruled that the money is not available. Therefore there is money due for the shipment of this grain by the railroads, and so forth. These accounts have not been audited, and they must be audited and straightened out. There is $42,000 provided for that.

There is one more feature connected with this resolution about which I should speak. When the matter first came up the Department estimated that it would take $1,521,925 for these purposes. As the result of the committee's hearings, we ascertained that $1,068,825 would be sufficient. This was accomplished by a revision of the amounts for the Department of Agriculture and the Bureau of Internal Revenue, reducing the total by $453,100. This amount, by the terms of the resolution, will be taken away from the appropriation and carried to surplus. The committee felt that if $1,521,925 could be spared from the $296,185,000 that whatever part of the $1,521,925 that was not needed for these purposes should be saved, and we so provided. The Secretary of Agriculture, in a letter printed in the hearings, said that the $296,185,000 was sufficient to cover the $1,521,925, as well as to cover the other purposes for which it was appropriated.

This covers generally the entire situation.

Mr. Speaker, there is an amendment to the joint resolution, and I ask for a vote.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, line 9, after the word "expenses", insert "in the District of Columbia and elsewhere."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1837. An act for the relief of W. W. Cook; and

S. 2889. An act to authorize settlement, allowance, and payment of certain claims.

The message also announced that the Senate had ordered that the Secretary be directed to notify the House of Repre-

sentatives that the Senate is now organized for the trial of impeachment against Halsted L. Ritter, United States district judge for the southern district of Florida; also that a summons to the accused be issued as required by the rules of procedure and practice in the Senate when sitting for the trial of the impeachment against the said Halsted L. Ritter, United States district judge for the southern district of Florida, returnable on Thursday, the 12th day of March 1936, at 1 o'clock in the afternoon.

PENSIONS TO WIDOWS AND ORPHANS OF WORLD WAR VETERANS

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker, I want to call the attention of the Members of the House to H. R. 11715, which I have introduced. This bill provides pensions to widows and orphans of World War veterans regardless of the cause of the veteran's death. We have a large number of border-line cases whose dependents, under existing law, cannot participate in any pension or allowance benefit.

This benefit has by the Congress heretofore been given to the dependents of Spanish-American War veterans and to the veterans of other wars. I believe it is now time for the Congress to favorably consider this relief for the dependents of deceased World War veterans.

Under existing law, for the widows and orphans of World War veterans to obtain compensation or pension benefits the veteran must die either from service-connected disability or at the time of his death be receiving service-connected compensation in the degree of 30 percent or greater.

Recently in my district we have had several very pathetic cases where the veteran died while not receiving service-connected compensation, and where under existing law the Veterans' Administration is unable to allow service connection as the cause of the death of the veteran. These widows and orphans are left without pension or compensation or support.

It has now been 17 or 18 years since the close of the World War, and I believe that it is only fair and just that this bill should be enacted providing for these benefits. The particular necessity for it has been increased during the past depression years, when so many widows and orphans have been placed in dire financial need.

During the Seventy-first Congress I introduced a bill similar to H. R. 11715, and the House of Representatives later passed the substance of this bill, but it did not pass in the Senate. Practically everyone agrees that this legislation is just and should be reenacted, and I hope my colleagues will cooperate for its immediate enactment before the Congress adjourns.

There is also pending H. R. 9164 which I introduced and which would reestablish the disability allowance for disabled World War veterans. This would give pension to those who are disabled, not service connected, to a degree less than 100 percent. For 25-percent disability they would be allowed $12 per month; 50 percent, $18; 75 percent, $24; and for total disability not service connected they would be allowed $40 instead of the $30 which is now received under existing law.

Mr. Speaker, I believe we should reestablish this allowance. There are a large number of World War veterans today who are disabled less than 100 percent and now existing on W. P. A. and other Federal relief-works organizations. I believe it is not only economy but justice that we reenact this disability allowance act which was repealed in 1933.

There are a large number of border-line cases where the veteran has less than 100-percent disability and where evidence has been submitted purporting to establish service connection, but it has been held by the Veterans' Administration not sufficient to allow service connection of disability. This bill would allow pension in such cases providing the veteran has 25 percent or greater disability. Practically all border-line cases would be taken care of through the passage of this bill. In addition to border-line cases, all veterans who are disabled 25 percent or greater from any cause would share in these small benefits. Veterans of other wars have been given, in the due course of time, disability pensions regardless of the service connection of such disability, and I think it only fair and just that we should pass at this session of Congress this bill. I urge the cooperation of my colleagues for passage before adjournment.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 437.

The Clerk read as follows:

House Resolution 437

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 11365, a bill relating to the filing of copies of income returns, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, this is an open rule for the consideration of the bill H. R. 11365, pertaining to income-tax returns.

The Rules Committee gave two hearings on it and heard not only the members of the committee but representatives of the Treasury Department. As explained to us, when in the last session we repealed the pink-slip law, there was inserted in that bill in the Senate, and agreed to by this House, a provision permitting State and local taxing authorities to inspect the returns of taxpayers on application to the Governor or the State taxing commission for the purpose of checking taxes in their own communities. That bill as passed provided for the issuance of regulations of the Internal Revenue Bureau requiring copies of income-tax returns to be filed. On the blanks sent out this year, both on the original and the duplicate or green sheet, it is stated at the top, "A copy must be filed." It was found there was no penalty in case a duplicate or copy was not filed and that some taxpayers were not filing the duplicate, and that some organizations even were advising taxpayers not to file the duplicate.

The Treasury Department and the Committee on Ways and Means convinced the Rules Committee that the best interests of the Government required the filing of a duplicate return and that it was not an imposition on the taxpayer. I may say we started out in the Rules Committee a little reluctant to grant the rule for the consideration of this bill, until we were finally convinced that the best interests of the Government required that we do so. We were told that of the 6,000,000 returns which will be filed this year, as estimated, about two and a half million are sent to Washington, they being the returns on incomes over 5,000. About 750,000 of these returns are then sent into the field for investigation. About 400,000 are investigated each year, and there is only 1 year in which to investigate them, because another income tax comes along a year later. It is estimated that by reason of this investigation the Government receives $300,000,000 a year in additional taxes, If the local taxing authorities were entitled to inspect the return and there was only one copy, this would interfere with the investigations in the field and the collection of this additional tax for inspection, as the original returns would have to be retained; whereas, under the regulation requiring a duplicate copy, the copy may be kept in the local collector's office and the originals of the larger returns sent to Washington.

By this procedure there is no interference with the operations of the Commissioner of Internal Revenue. The Treasury informed us that if they did not have the advantage of this duplicate return, they estimated the Government would lose about $100,000,000 in taxes a year. After

thoroughly considering the matter and after taking into account whatever little added burden there was on the taxpayer to make out a duplicate return, the Rules Committee decided that this $100,000,000 of possible loss to the Government was worth while saving and that the average taxpayer could not complain of the necessity of making out a copy of his return.

The penalty involved is minor. In case of failure to file such a duplicate return the individual is assessed $5 and a corporation $10, but this penalty is not inflicted until the Commissioner has given notice and 15 days in which to file the copy, if it has not been filed with the original return.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. SNELL. Is there not a criminal provision still on the statute books?

Mr. O'CONNOR. There is a criminal provision on the statute books—section 145 of the Revenue Act of 1934—under which, in case of failure to file a copy, the taxpayer can be convicted and sentenced to 1 year imprisonment or a fine not in excess of $10,000, or both. Of course, it is obvious that on failure to file a copy, if the Treasury Department attempted to enforce that penalty, it would be very cumbersome and might even be unpopular. [Laughter.] They have that right of punishment now, but they want this lesser penalty; and they figure, as they told us, that if the taxpayer prefers to pay the $5 rather than file a copy, the $5 will go toward the expense to the Treasury of making a copy for the purposes indicated.

Mr. SNELL. While you are straightening out the matter, if you say you cannot impose the other penalty, why did you not repeal it?

Mr. O'CONNOR. That was not suggested. I suppose that is one of the hundreds of laws, blue laws and red laws, on the statute books which has never been enforced, but some day some industrious Representative in Congress will sit down and tabulate them and offer a bill repealing them.

Mr. SNELL. Why did you not do the whole thing at one time?

Mr. O'CONNOR. That was not suggested to the Rules Committee, and, of course, we have no jurisdiction to legislate.

Mr. COOPER of Tennessee. Mr. Speaker, will the gentleman from New York yield on that point?

Mr. O'CONNOR. I yield to the gentleman from Tennessee.

Mr. COOPER of Tennessee. I should like to invite the gentleman's attention to the fact that section 145 of the Revenue Act, which contains the penalty provision mentioned here, also relates to many other phases of failure to comply with the internal-revenue law, and does not relate to this one instance alone.

Mr. SNELL. Could you not have excepted this provision when you were drawing this new law?

Mr. COOPER of Tennessee. That is the practical effect and purpose of this bill.

Mr. DONDERO and Mr. MAY rose.

Mr. O'CONNOR. I yield to the gentleman from Michigan.

Mr. DONDERO. What will happen to the taxpayer who has already filed his return, but failed to file a duplicate?

Mr. O'CONNOR. He will be notified that he must file a copy within 15 days or pay a penalty of $5. If he wants to save the $5, he can go to the collector's office and copy his return and file the copy.

I now yield to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. The gentleman has answered the inquiry that I had in mind.

Mr. O'CONNOR. Mr. Speaker, in connection with income taxes imposed on corporations and referred to in the resolution under discussion, on March 3, 1936, following the message of the President relating to taxes, I introduced H. R. 11589, relating to the taxation of corporate surpluses. That bill was similar to bills introduced by me in the Seventy-second and Seventy-third Congresses.

Today I have introduced H. R. 11714, a bill for the same purpose, to correct some errors in H. R. 11589.

THEORY OF CORPORATE SURPLUS TAX

The proposal to levy a special tax on the surplus incomes of large corporations is based on the following facts and principles:

First. Income taxation to promote prosperity: Taxes on net income—unlike customs duties and sales taxes—do not burden industry or increase the cost of doing business, but rather tend to promote and stabilize prosperity.

Particularly an income tax puts a brake on the overexpansion of productive facilities and at the same time keeps money in circulation and enlarges the buying power of the general public, thereby counteracting the tendency of production to outrun the purchasing power of consumers.

Second. Accumulation of corporate surpluses: The beneficial influence of the income tax is offset in large measure, however, by the fact that wealthy individuals are taxed at much higher rates than corporations without adequate credit for the taxes already paid by the corporations upon income distributed in dividends.

This penal and double taxation upon distributions of corporate income reinforces the human tendency of professional corporate managers to withhold from the stockholders and keep under their own control the wealth represented by corporate earnings. The obvious remedy is to increase the tax rates on corporate incomes.

Third. Dividend credits to stockholders: Such an increase, however, is practicable only if accompanied by reasonable exemptions to avoid hardship and injustice to small concerns and by proper credit to stockholders for taxes which their corporations have already paid upon the income represented by dividends.

Fourth. Credits for taxes paid to States: Moreover, our States and municipalities are rapidly reaching an impasse on account of the inadequacy and burdensome character of property and excise taxes.

The allowance of a credit against the Federal estate tax for the inheritance taxes paid to the States has been of substantial assistance to the States, and similar credits for income taxes paid to the States by corporations and individuals would go far toward solving the fiscal problems of the States.

It is submitted that any program for the solution of the general tax problem should therefore at least make a beginning in the way of providing such credits.

It now develops that individual incomes are being severely diminished by dividend reductions, and that by use of arbitrary accounting methods our corporations are reporting much less than their actual incomes. The apparent sources of income-tax revenue have therefore dried up to an extraordinary extent, far beyond the shrinkage of actual incomes even in a period of depression.

Current asset position of 313 corporations as of June 1932: It is a striking fact that net current asset positions of our large corporations are in most instances unimpaired, notwithstanding heavy losses shown in recent income statements. Thus a compilation by Standard Statistics Co. with reference to 313 leading industrial corporations showed current assets in the ratio of 6.5 to current liabilities at the end of 1931 as compared with 5.8 at the end of 1930 and 4.6 at the end of 1929. This compilation showed greater shrinkages in current liabilities and in inventories than in other current assets, the detailed figures being as follows:

Dec. 31	1931	1930	1929
Inventories	$2,757,830,000	$3,320,950,000	$3,701,570,000
Other current assets	3,500,120,000	3,785,130,000	4,125,840,000
Total	6,257,950,000	7,106,080,000	7,827,410,000
Current liabilities	957,790,000	1,228,990,000	1,707,880,000
Total	5,290,160,000	5,877,090,000	6,119,530,000

Similarly a recent survey by Moody of 334 leading industrial corporations shows that in the 2 years 1930 and 1931 the ratio of current assets to current liabilities has risen from 4.8 to 6.3, while the percentage of cash assets to total current assets has risen from 29.4 to 34.6.

METHODS BY WHICH INCOME IS UNDERSTATED

It is believed that the flood of discouraging income statements, in the face of this steady strengthening of the financial position to our leading corporations, is due, first, to the practice of charging income with all shrinkages in the value of inventories—an illogical practice, because such inventories consist chiefly of permanent stock in trade and constitute permanent capital as much as real estate and buildings in which the business is carried on, so that fluctuations in such stock in trade should no more be carried into income account than would fluctuations in the value of such real estate and buildings—and, second, to the charging against earnings of arbitrary reserves for depreciation and depletion, in addition to liberal expenditures for maintenance and repairs.

It is not recommended that any present attempt be made to rectify the concealment of income involved in these methods of treating inventory. The necessary adjustments would be complex, and the theory of constant or base-stock inventories is not generally recognized in the United States, so that it would not be accepted without considerable debate. One should bear in mind, however, that even if depreciation and depletion deductions be disallowed, there would still remain the important item of inventories, by which the earnings of American corporations are much understated.

OBJECTIONS TO DEPRECIATION AND DEPLETION ALLOWANCES

The abuse of depreciation and depletion allowances is a more serious matter and more easily remedied. Depreciation reserves are customarily set up on a straight line or time basis; for example, if a machine is estimated to have a useful life of 10 years, one tenth of its cost is charged into the expenses of each year, regardless of whether the output of such year be large or small.

This use of the straight-line basis results in a double absurdity, in that replacement funds, which should be reserved out of actual income, are frequently set up out of bookkeeping deficits, and in that each unit of product produced in a year of depression is assigned a much larger share of capital costs than a corresponding unit produced in a year of prosperity. Thus in the cost accounting of American corporations every ton of steel produced in 1931 carried four times as great a loading for depreciation as was borne by a ton produced in 1929. The strictly scientific way to apportion the burden of depreciation is by units of output, and on this basis the depreciation deducted by American corporations in 1931 was at least three or four times too great. See Scovell on Cost Accounting and Burden Application, pages 71, 178. Also see Overhead Expenses: How to Distribute Them in Good and Bad Times, issued by the Chamber of Commerce of the United States in 1921.

There is, in fact, if not in theory, a close relation between the charges for maintenance and repairs and for depreciation, and as most of our large corporations make very liberal expenditures—sometimes of a capital nature—under the guise of repairs and replacements, they have little need for depreciation reserves. In the case of the larger corporations, with their extensive and diversified assets and activities, disallowance of such reserves involves no inconsistency with the theory of taxing net incomes, so long as actual expenditures for replacements remain deductible. On the contrary, the deduction of such reserves generally involves duplication and tends to conceal net income.

The allowance of deductions for depreciation necessitates the estimating of useful life and often of capital values, and experience has shown that inequalities, injustice, and corruption frequently occur where estimates enter so largely into the computation of taxes.

In England, where the income tax has been employed for more than two generations, and where advisability of depletion and depreciation allowances has been frequently investigated and considered, the proposal to allow for wasting assets has been repeatedly rejected on the ground that it would be impracticable of just administration, and even the allowance of depreciation has been kept within very narrow limits. (H. Doc. 332, 70th Cong., 1st sess., 156.) Cf. Koustam, Law of Income Tax (3d ed. 1926) 86, 171–176. McBain, Complete Practical Income Tax (1928), 175 ff.

UNITED STATES STEEL CORPORATION AS AN ILLUSTRATION

The injustice to the Government which results from our present depreciation and depletion allowances is well illustrated by the case of the United States Steel Corporation. At page 6 of its annual report for 1931 the Federal income tax of the Steel Corporation and its subsidiaries is estimated at only $80,000, although its income shown at page 18 of the report amounted to $46,484,000 "earnings" and $19,341,000 "special income", or an aggregate of $65,825,000 net income, less $6,303,000 interest on bonds and mortgages.

The expectation that with such earnings the corporation would contribute only $80,000 to the support of the Federal Government is doubtless based chiefly on the provision of $47,318,000 for depletion, depreciation, amortization, and obsolescence, in addition to $59,461,000 charged in 1931 for maintenance and repairs.

The extremes to which the Steel Corporation has carried this method of accounting are shown by the fact that in the 5 years (1927–31) the Steel Corporation has charged income accounts with $777,000,000 for maintenance, repairs, depreciation, and depletion—in addition to special appropriations from tax refunds, and so forth, for such purposes—whereas its net "property investments" is now stated at only $1,684,000,000.

ILLUSORY CHARACTER OF DEPLETION RESERVES

The fictitious or artificial character of depletion reserves in our income-tax practice is too well known to require much discussion. The abuses arising from "discovery depletion" were exposed by the Couzens committee some years ago—report, pages 3, 10—and the increasing tendency to make arbitrary provisions for "percentage depletion", where the capital value of wasting assets has been largely recovered through ordinary depletion, is a transparent means of legal evasion.

In the case of the steel corporation and many others, the mineral deposits are actually so enormous and will last for so many generations that the setting up of replacement reserves from the earnings of such a year as 1931 would be purely farcical were it not for the tragic effects upon Federal revenues.

PROVISIONS OF CORPORATE SURPLUS TAX ACT

In the proposed act an attempt is therefore made to levy a tax upon the actual earnings of our larger corporations. The rate proposed is 33⅓ percent—section 2—which is high enough to produce large revenues and stimulate dividend payments, but which, after allowance of various credits described below, amounts to but a small percentage of gross sales.

To reach this actual income, depreciation and depletion are disallowed, with special exceptions for financial institutions and for cases like the moving-picture film industry, where rapid obsolescence is a frequent factor, and with further exceptions to prevent hardship in the retroactive taxation of 1935 incomes—section 5.

For both economic and administrative reasons, it is important that there be granted a large specific exemption, or a reasonable exemption. My bill, therefore, provides an exemption of $500,000 for each corporation or affiliated group of corporations—section 4 (c). Incidentally, these exemptions eliminate all but 1,000 out of the 500,000 corporations which annually report to the Bureau of Internal Revenue. It is believed that the tax as thus framed will bear precisely on the large corporations which are dominated by professional corporation managers with little responsiveness to their stockholders, and that the funds from which the tax will be paid would, in the ordinary course of corporate administration, never reach the stockholders in any event, so that no actual burden is laid upon stockholders by the tax.

To place a premium upon the distribution of dividends, a corporation is allowed by the proposed act to deduct not only the amount of dividends received by it—as is provided

in the Revenue Act of 1928—but, in addition, one-half of all dividends paid out in excess of dividends so received. For the same purpose this additional deduction may be disallowed if the corporation has unreasonably reduced its dividend rate (sec. 4 (d)). In addition, commencing with returns for 1936, individual stockholders are permitted to credit against their income taxes 16⅔ percent of all dividends received by them (sec. 14).

These provisions with reference to dividends will place strong pressure on corporations to revise their dividend policies and make generous distributions, abandoning the niggardly dividend polices heretofore followed.

For the further relief of individuals and to assist in collecting State revenues, the normal tax is reduced to 1 and 2 percent (secs. 13, 16), instead of 4 and 8 percent as in the new revenue act; individuals are permitted to credit against their income taxes for 1936 and subsequent years any State taxes paid by them up to 3 percent on their income (sec. 15), and corporations are permitted to credit against the proposed corporate surplus tax for 1936 and subsequent years one-third of any taxes paid by them to the States (sec. 7 (b)), further provision being made that, commencing with 1938, these credits for State taxes shall be limited to income taxes, or franchise-income taxes, paid to the States.

The adoption of the capital surplus tax should make possible the repeal or reduction of certain other taxes imposed by the present revenue laws. Among these should be the higher surtaxes, which are quite unjust in their application to earned income and which will prove quite uncollectible so far as the rich are concerned, because of the ready avenue of escape under the lower rates applied to corporations. In fact, the present revenue act with its graduated rate on corporations will almost inevitably fail to produce the expected revenue from higher surtaxes, while the increased surtax rates will accentuate the existing tendency of directors to discontinue dividend distributions.

Section 11 of the proposed act directs the Commissioner to grant liberal extensions of time (up to 2 years) for paying the tax in cases of hardship and further directs that the tax be subordinated to existing and future creditors where necessary to avoid financial complications to a taxpayer corporation.

CONSTITUTIONALITY OF THE PROPOSED TAX

The fairest measure of present ability to contribute to the revenues is to be found in the past year's earnings.

The disallowance of depreciation and depletion is justified by *Burnet* v. *Thompson Oil & Gas Co.* (1931) (283 U. S. 301, 304); *United States* v. *Biwabik Mining Co.* (1918) (247 U. S. 116); *Goldfield Consolidated Mines Co.* v. *Scott* (1918) (247 U. S. 126); Cf. *Weiss* v. *Wiener* (1929) (279 U. S. 333, 335).

In addition, depreciation and depletion deductions were expressly or tacitly disallowed in the Civil War income-tax laws and the law of 1894, yet no point was made of this by the learned counsel who argued the Pollock case. *Pollock* v. *Farmers' Loan & Trust Co.* (1895) (157 U. S. 429; 158 U. S. 601); *Railroad Co.* v. *Collector* (1879) (100 U. S. 595, 597); *Bailey* v. *Railroad Co.* (1882) (106 U. S. 109, 115).

As was observed in a note to the concurring opinion of Mr. Justice Brandeis in *Missouri ex rel. Southwestern Bell Telephone Co.* v. *Public Service Commission* (1923) (262 U. S. 276, 294):

> Several different methods are used for measuring depreciation: (1) The replacement method; (2) the straight-line method; (3) the compound-interest method; (4) the sinking-fund method; (5) the unit-cost method. It is largely a matter of judgment whether, and to what extent, any one of these several methods of measuring depreciation should be applied. They may give widely different results.

PRODUCTIVITY OF CORPORATE SURPLUS TAX

The yield of the proposed tax cannot be estimated except within wide ranges. It is conservative to say, however, on the basis of careful calculations, that the act would produce at least $600,000,000 and perhaps $1,000,000,000 or more revenue in a year, after making full allowance for the reduction in normal tax rates, the dividend credit to individuals, and the credits to both corporations and individuals for State taxes.

RELATION OF THIS TAX TO SALES TAX

The sales tax carried a complicated system of licenses to avoid snowballing or pyramiding of the tax. An alternative method of sales taxation is to tax every successive sale but allow each vendor to deduct from the price received his direct costs for labor, materials, and supplies.

In the proposed bill the same deductions would be allowed, plus interest, rent, and so forth. Certainly no advocate of the sales tax should object to a tax on surplus income excluding depreciation and depletion reserves.

In their economic effects, however, the proposed tax differs widely from a sales tax, since the corporate surplus tax would be a powerful influence toward ending the depression and bringing about a stable condition of prosperity.

Mr. Speaker, I reserve the balance of my time.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, until recently it was the traditional policy of the Federal Government—and it was a proper policy—to hold inviolate the information obtained from a citizen for the purpose of levying a Federal tax against him. This information was not properly obtainable by the Federal Government on any other excuse or for any other reason than to levy an income or excise tax.

An apt illustration is the fact that until prohibition the Federal Government levied an excise tax of $25 a year upon all persons selling intoxicating beverages at retail. But it was the policy of the Federal Government not to disclose who paid the $25 tax, either for taxing purposes or criminal purposes, to any State or any other authority in the United States.

Inasmuch as the Federal Government after having the information for no other purpose except for levying the tax, it has no business to make that information available for any other purpose whatever. That was the policy of the Federal Government until within the last few years.

Then we had the "pink slip" legislation, which allowed such information in income-tax returns to be made indiscriminately public; and as a result of a popular uprising the Treasury reluctantly consented to allow Congress to repeal the "pink slip" legislation last year.

With that we thought we had wiped out the divulging of such information for all purposes to all persons; but we find there is still a provision in the law that the income-tax returns are available to States and local taxing authorities. The law says that those authorities on making proper application shall have a proper opportunity to examine the returns. It does not impose on the Treasury the duty of making copies for these people who have no real right to the information in the first place. There is no reason why the Treasury should come here and ask us at this time to pass enforcement legislation to compel the taxpayer himself to make copies for the use of the local taxing officials, when the Treasury itself is under no obligation to furnish such copies.

If under the law the taxing authorities of the State or the local government have the right to inspect these records, let them inspect them when the opportunity for such inspection is present, and they can avail themselves of their legal rights.

But there is no reason why the Treasury of the United States should facilitate such inspection by making copies, and certainly it is an imposition to force people to make the copies themselves. It is not the business of the taxpayer morally, legally, or equitably to furnish these copies.

I think this bill is vicious, contrary to sound fundamental principles, and ought to be defeated, and the rule ought to be defeated so that we will not waste our time considering such legislation.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Tennesee [Mr. COOPER].

Mr. COOPER of Tennessee. Mr. Speaker, after conference with the chairman of the Committee on Ways and Means and the chairman of the Committee on Rules, it was thought advisable that some member of the Committee on Ways and Means should at least make a brief statement of

explanation of the real purpose to be accomplished by the bill sought to be made in order by the rule under consideration. The distinguished gentleman from New Jersey [Mr. LEHLBACH] is evidently very much confused about the purpose sought to be accomplished. That is the reason for feeling that somebody should give a brief explanation of the real situation that we have to deal with, and that is my purpose in asking your indulgence at this time.

Apparently the desire of the gentleman from New Jersey would be to not have any publicity of any type or character of income-tax returns, and we have no quarrel with him for having that desire, but that just does not happen to be what the law is today. The situation is this. Last year the House passed a bill repealing the so-called "pink slip" provision. The bill passed by the House contained only four or five lines. It was a clean, clear-cut repeal of the publicity provision of the income-tax law, thereby abolishing the filing of the pink slip by the taxpayer. When that bill went to the other body, it did not meet with favorable consideration. The result was that an amendment was placed upon it in that body requiring the information to be furnished to the States and local taxing authorities under certain regulations provided, and that amendment having been adopted in the other body, the bill went to conference. The result was that what is now provided by law was all that the House conferees could get out of the conference. In order to accomplish the repeal of the pink slip, it was necessary to agree to these other provisions, and the conference report was adopted by the two Houses. That is the situation we have.

The ask your indulgence for a moment further, I invite your attention to the present provisions of existing law which make this necessary. The act approved April 19, 1935, which was the act repealing the pink slip, contained the following provision:

That section 55 (b) of the Revenue Act of 1934 relating to filing and making public certain income statements is amended to read as follows:

"(b) (1) All income returns filed under this title for any taxable year beginning after December 31, 1934 (or copies thereof, if so prescribed by regulations made under this subsection), shall be open to inspection by any official, body, or commission, lawfully charged with the administration of any State tax law, if the inspection is for the purpose of such administration or for the purpose of obtaining information to be furnished to local taxing authorities as provided in paragraph (2). The inspection shall be permitted only upon written request of the Governor of such State, designating the representative of such official, body, or commission to make the inspection on behalf of such official, body, or commission. The inspection shall be made in such manner, and at such times and places, as shall be prescribed by regulations made by the Commissioner with the approval of the Secretary.

Then section 2 following provides a penalty for divulging the information received to some outside sources. The situation presented here is simply this: That being the law, the Commissioner of Internal Revenue has to provide for these authorities designated by the Governors of the States, to inspect these returns or copies of them. As has been pointed out by the chairman of the Committee on Rules, if these returns have to be taken out of the usual channels and held there for inspection by these authorities, it will greatly disrupt the administration of the income-tax law by the Revenue Department. It is estimated they will lose something like $100,000,000 a year by reason of the delay necessary, and in addition to that it will cost perhaps $1,000,000 a year for the Federal Government to make these copies.

Mr. BACON. Mr. Speaker, will the gentleman yield?

Mr. COOPER of Tennessee. Yes.

Mr. BACON. Can the gentleman tell the House as to the number of demands for inspections that have occurred in the last year?

Mr. COOPER of Tennessee. Of course, I do not have the exact figures, but the demands are large.

Mr. BACON. I am asking for information.

Mr. COOPER of Tennessee. As the gentleman knows, many States have State income-tax laws, and it is expected and thought by the Treasury Department that the demands will be very large.

This is decidedly in the interest of the taxpayer. Under section 145 of the Revenue Act of 1934, the taxpayer is subjected to a penalty of not more than 1 year imprisonment and not more than $10,000 fine for failure to comply with the provisions therein stated, and the regulations issued by the Commissioner of Internal Revenue. The practical purpose of this bill is to provide that the taxpayer shall file a copy with his return at the time it is made. If he fails to do that for this year, he is issued a letter calling his attention to it. Years in the future, if he fails to do it, he will have to pay $5 in the case of an individual or $10 in the case of a corporation.

The SPEAKER. The time of the gentleman from Tennessee [Mr. COOPER] has expired.

Mr. O'CONNOR. I yield the gentleman 2 additional minutes.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. ZIONCHECK. The statement which the gentleman made, if I understood him correctly, is that the provision in the present law which it is attempted to enact is embodied in departmental regulations, and if they fail to furnish a copy, under the departmental regulations they are subject to 1 year in prison or a fine of $10,000. This law makes it only a $5 or $10 fine?

Mr. COOPER of Tennessee. Yes. In substance and in practical effect the gentleman states it correctly.

Mr. ZIONCHECK. In other words, it is for the protection of all taxpayers to make a definite, small penalty instead of a department putting an excessive penalty on them for a minor infraction?

Mr. COOPER of Tennessee. In substance, the gentleman states the situation correctly.

Mr. BACHARACH. Well, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. BACHARACH. That statement is not correct, because we are not changing the criminal action at all. I understood the gentleman from Washington to say it did change the law.

Mr. COOPER of Tennessee. My answer to the gentleman from Washington [Mr. ZIONCHECK] was that in substance the practical effect is just what he states. In other words, this provides for a requirement by law, instead of by regulation, of the filing of a copy of the return, and provides for the assessment of $5 or $10, as the case may be, for failure to do that.

Mr. KENNEY. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. KENNEY. We are passing this law on the eve of the tax-return date. Ordinarily the provisions would take effect as far as current returns are concerned, except an amendment has been offered, as I understand it. Am I correct in assuming that that amendment provides that no penalty shall attach unless first a notice is sent to the taxpayer to provide a duplicate?

Mr. COOPER of Tennessee. That is provided for in the bill itself. That amendment was offered in the committee, and was accepted by the committee, and the bill is here now with that provision in the body of the bill.

Mr. KENNEY. It is true that no penalty will attach until a notice has been given to file the duplicate?

Mr. COOPER of Tennessee. That is correct for this year.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11365) relating to the filing of copies of income returns, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11365, with Mr. BERLIN in the chair.

The Clerk read the title of the bill.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. DOUGHTON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, in my judgment, there is less reason for opposing this bill than any bill respecting the revenues of the Government since I have been a Member of Congress.

There seems to be a complete misunderstanding and misapprehension of the purposes of this legislation. Congress passes laws providing for raising revenues for the support of the Government. Those laws are not effective unless they can be efficiently, economically, and expeditiously administered. It was found this could not be done with respect to the law that it is proposed to amend now, and that is the reason for this bill.

As has been explained by my colleague on the committee, the gentleman from Tennessee [Mr. COOPER], this legislation is made necessary by an amendment to the revenue law of 1934, which amendment was adopted in 1935, amending section 55 of the revenue law of 1934, providing for the repeal of the pink slip. When the pink slip was repealed, which provided for making certain data open for inspection, the law was broadened, making it the duty of the Secretary of the Treasury to make returns of income taxpayers available for inspection not only by States but by local taxing authorities. If the Secretary of the Treasury is to obey the mandate of the law by making these returns available, of course, he cannot make them available to the local taxing authorities and at the same time use them for the purposes needed in the collector's office. As they must be open for the inspection of the local taxing authorities, as the law provides, they must either have a copy or delay the auditing and investigation of the same, and this can only be done by having a copy that is accessible to the local taxing authorities.

If the taxpayer does not furnish the copy, then the Government must either make a copy or allow inspection of the original return. To do this will entail a large expense. If the Congress is not willing to pass this law, then the Members must get ready to make the appropriation necessary to furnish these copies or must take the responsibility of tying up the auditing and inspection of these returns, and also the delay that will be incident to this procedure. The Treasury Department says, furthermore, it will result in the loss of many millions of dollars by reason of the delay in the auditing of the returns and proper work of the Treasury of the United States in the collection of the taxes. The Congress should provide and must provide for making these copies so they can be available and the provisions of the law be carried out.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Gladly.

Mr. SNELL. I do not quite understand how it affects the assessment and collection of Federal taxes to have this extra return filed. How does it in any way affect the collection of Federal taxes?

Mr. DOUGHTON. If the Treasury Department has to make the originals available for inspection of the local taxing authorities, they cannot promptly audit these returns, inspect them, and do the work necessary for the collection of the taxes.

Mr. SNELL. They do not send them to any of the States for local inspection until they have completed their examination here, do they?

Mr. DOUGHTON. A brief inspection is first made in the collector's office and then sent to Washington for auditing, and later about 750,000 are returned to field agents for further examination of various items and schedules shown on the return.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. COOPER of Tennessee. The gentleman will bear in mind that out of 6,000,000 returns it is estimated will be filed this year, about 2,500,000 will come to Washington to be audited.

Mr. SNELL. I understand that.

Mr. COOPER of Tennessee. About 750,000 returns are sent to the field for investigation. In the year's time they are able to investigate or examine only 400,000 of this number, but this 400,000 yield $300,000,000 additional revenue to the Government by reason of the investigation.

Mr. SNELL. I understand that perfectly well, but how is the filing of this additional return going to add to the facilities of collecting the tax from the standpoint of the Federal Government?

Mr. COOPER of Tennessee. It means simply that when the income-tax return is filed in the local collector's office instead of having to keep it there to be available for inspection by the Governor's representative and these local authorities, they can keep the copy there to be inspected and send the original on to Washington; it will come through the usual channels and in the regular way; it will go to the field for investigation, if necessary, and they will not have to disrupt the whole machinery by holding the original return in the collector's office for the local authorities to investigate.

Mr. SNELL. The gentleman just stated a few moments ago that comparatively few returns were sent to Washington. How, then, would it disrupt the whole machinery if an additional copy was not filed?

Mr. COOPER of Tennessee. Almost half are sent to Washington.

Mr. DOUGHTON. Right at that point, they have to be inspected and audited in the collectors' offices, and the collectors cannot use the returns if some local taxing authority has them.

Mr. SNELL. An order must be obtained from the Governor before they can be inspected. How often is this being done?

Mr. DOUGHTON. I understand from the Treasury Department that many, many requests are being made to inspect returns, so that it will be necessary for them to have copies of the returns available or else seriously interrupt the work of the Treasury.

I may say to my good friend from New York that taxpayers in many cases are being advised that there is no penalty that attaches for not making these copies. Consequently many returns are being made without furnishing copies. The tax-return blanks that are sent out are accompanied by a notice that they should make these copies, that the copies are required by law; but the taxpayers are told that there is no penalty attached. Therefore some are not sending the copies.

Mr. SNELL. If they want a copy of the income-tax return, why should they not make it rather than put this burden on the individual taxpayer?

Mr. COOPER of Tennessee. Simply because the law requires the Federal Government to provide that information for them.

Mr. SNELL. Does it provide that the Government shall make a separate copy?

Mr. COOPER of Tennessee. It provides that the Revenue Department must have that information available.

Mr. SNELL. It provides that an individual may look at the original tax report, but it does not provide that the Department must make an extra copy?

Mr. COOPER of Tennessee. No. But they want to have the original to work on.

Mr. SNELL. The originals are left there anyway and they are working on them all the time.

Mr. DOUGHTON. It is impossible to obey this law without these copies. Does the gentleman think the experience

of the Treasury Department in the administration of this law is worth nothing?

Mr. SNELL. The law says that these returns shall be open for inspection. If you have an original, that is open for inspection.

Mr. DOUGHTON. But they must be made available to the local taxing authorities and they cannot serve that purpose and the purposes of the Department at the same time.

Mr. SNELL. I do not see how it will in any way interfere with the collection of the Federal taxes, as the gentleman stated.

Mr. DOUGHTON. If the Treasury Department, from their experience, said it is interfering with their work and that copies would necessarily have to be made, costing millions of dollars and also entailing the loss of revenue, would that carry any weight with the gentleman?

Mr. SNELL. Did they not give the same testimony with regard to the pink-slip proposition?

Mr. DOUGHTON. No.

Mr. SNELL. I think the gentleman agreed with me on that proposition.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. These returns cannot be in both places at the same time. They cannot be in the collector's office in the field and here in Washington at the same time. When these returns are sent to Washington they are audited. A number of State taxing authorities, it may be State, counties, or cities, have the legal right to see these returns.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield myself 5 additional minutes.

Mr. VINSON of Kentucky. This taxing authority comes to Washington to inspect the original return. At that particular time the officials in the Internal Revenue Department may be working on this particular return. If the local authority has the right to disrupt the work, the Internal Revenue Department must stop the work upon that return and turn it over to the local auhority. They may start working upon that return the next day and some other taxing authority comes in and wants to inspect it. When you multiply the people who have the right to make these inspections, not only by the 48 States, but by all the taxing authorities of the States, I do not think there is a building large enough in Washington in which they could do the job. It disrupts the officials also in connection with their work so far as the collection of the taxes is concerned.

There is one other angle to this matter, and that is the question of the statute of limitations. If you are going to allow this return to stay in a collector's office for 6 months or a year, the statute of limitation is running all the time. When you send it to Washington and check up on it there will be a lot of revenue lost because of the running of the statute of limitations.

Mr. SNELL. Does the gentleman mean to state he thinks more than one tax authority would want to look at an individual income-tax return?

Mr. VINSON of Kentucky. Undoubtedly. Let us assume a corporation doing business in a number of States. There may be one corporation doing business in 48 States. The tax authorities of these States may want this copy made available. One copy under the bill is furnished to the internal-revenue collector's office in the State where the return is made.

Mr. SNELL. According to the gentleman's statement then, we ought to have one copy made to file in every State in the Union?

Mr. VINSON of Kentucky. They know where they can get these returns, and if they can go there and get them and not disrupt the operation of the Bureau insofar as collecting these taxes is concerned, I think it is a reasonable provision to have a copy filed.

Mr. DOUGHTON. The whole purpose of the legislation is to make practicable the administration of the present law, so that they can carry out the purposes and provisions of that law. The gentleman from New Jersey stated that the Treasury Department and the Government are under no obligation to furnish these returns for inspection. If he considers that the law directing this to be done places the Government under no obligation, of course, that is his right. I maintain they have to do it. Now, in order to facilitate their own work they must have these copies. Of course, they could turn over the originals, but in doing that their own work would be interfered with and delayed.

Mr. LEHLBACH. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from New Jersey.

Mr. LEHLBACH. A lot of papers must be filed and made available in various governmental agencies for Federal, State, and local authorities throughout the country. These are public records and open to inspection. Does the gentleman mean to say that when those papers are in court or in use, for instance, in connection with a pleading that is filed with the clerk of the court, or when actually in use by the court, that the court must surrender the document or documents to one who is exercising his right of inspection? A person who has the right to inspect may inspect when the paper is not properly in other use. Therefore, there is no reason why the Treasury Department should have these copies.

Mr. DOUGHTON. Of course, that would nullify the whole purpose and provision of the law. The gentleman knows that could not be done and at the same time carry out the spirit and purpose of the law. He knows that very well.

Mr. MILLARD. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from New York.

Mr. MILLARD. Does not the distinguished chairman of the Ways and Means Committee feel if this bill is passed the criminal provisions should be repealed also? They are drastic, unreasonable, and practically unenforcible.

Mr. DOUGHTON. So far as they relate to this requirement, I would say yes; but, as explained heretofore, the criminal provisions refer to other portions of the law that may be violated. This is a penalty for the violation of other provisions as well.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield myself 5 additional minutes.

Mr. CLAIBORNE. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Missouri.

Mr. CLAIBORNE. Am I to understand that this act provides that the collector in Washington may prescribe any set of records that he deems necessary for the taxpayers to keep in making returns?

Mr. DOUGHTON. I did not understand the question. Will the gentleman please state that again?

Mr. CLAIBORNE. I can put it in the form of a hypothetical question. A lawyer makes a return on the white and on the green and the collector summons him and states, "I would like to see your books and records." He replies, "I keep no books and records", and then the collector prescribes such books and records for lawyers throughout the country.

Mr. DOUGHTON. There is nothing of that kind involved here. There is nothing here that is a forty-ninth cousin to that proposition. Only the returns that the taxpayer is required by law to make must be made available to the various taxing authorities, and in order to make this effective he is required by the pending bill to pay a penalty of $5 for not sending a copy, and this copy is made available through the collector's office, not of some lawyer.

Mr. CLAIBORNE. I understand that; but I saw an article in the paper that prompted that question.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Tennessee.

Mr. COOPER of Tennessee. The gentleman will agree, I am sure, that the only way any person in the United States can get an income-tax blank is from the Government. The Government issues the blanks to the taxpayers

and that blank provides for the original return and for the duplicate that is held by the taxpayer. Now, all this bill does is to insert this green sheet, which is a copy of the original return. With every blank that has been sent out this year the Department has included this green sheet to be used in making the copy by the taxpayer.

Mr. DOUGHTON. And if the green sheet is not returned, then the taxpayer is given 15 days in which to send the copy, and if he does not do it then, only a mild penalty not a drastic penalty or a harsh penalty, but only a mild penalty of $5 is imposed in order to reimburse the Treasury if it has to make the copy itself. This is a big to do over nothing.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield for a question in reference to something that the gentleman from Tennessee said?

Mr. DOUGHTON. I yield.

Mr. O'CONNOR. The gentleman had in his hand one of the small returns, under $5,000, but there is a green single sheet for the large returns over $5,000 with the schedules on it and I am not sure that the green sheet of the large return contains all the schedules of the original return, and the States may want to see the original return because they are always asking for a break-down of the schedules. What is the fact about that?

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield to me to answer the gentleman from New York?

Mr. DOUGHTON. I yield.

Mr. COOPER of Tennessee. The fact is it is only a difference in the size of the paper with respect to the individual return over $5,000. The original that goes to the Government is one sheet, and the other part, which is two sheets, is what you retain as a duplicate. I filed mine last Saturday and I know what I am talking about, because the green sheet was included with the blank form and I filed one sheet like this, only it was larger, and the green sheet went along with it.

Mr. O'CONNOR. I am talking about schedules and I am quite sure in the large return it is more than one sheet.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. In regard to that matter, ordinarily the corporations would be affected by the schedules. I think it is fair to say that a carbon copy of the schedules could be attached to the copy of the return without any trouble. It occurred to some of us that the corporation would want that carbon copy rather than to have someone attempt to make a copy and, possibly, have errors creep in.

Just one further statement. Has the statement been made to the House that in several instances requests of the taxing authorities have been made for the filing of copies of all the returns from that State?

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield myself 2 additional minutes.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. KENNEY. The bill provides an arbitrary period of 15 days for filing the return after notice from the collector.

Mr. DOUGHTON. No; that is for sending in the copy. After the return has been received and the copy does not accompany it, then 15 days from date of notice from the collector is allowed for sending in the copy.

Mr. KENNEY. And if it is not done within that time the penalty attaches.

Mr. DOUGHTON. Yes.

Mr. KENNEY. Of course, that is arbitrary; and the time begins to run from the time of mailing by the collector. If the individual should be away there is nothing in this law that would permit the Commissioner to remit the fine. Does not the gentleman think we ought to add there, "unless the time be further extended by the collector"?

Mr. DOUGHTON. I would have no objection to that amendment; but, of course, they are expected to send the copy with the original return, and this is a second notice.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Of course, that is a minor matter and could only happen in very few cases, and you cannot meet every contingency.

There is one more observation I should like to make. The evidence before the committee was that unless this copy is filed or permitted to remain in the various district offices for inspection it would compel everyone to come to Washington, both from the State and the political subdivisions of the State, necessitating expense in looking over the original, with the possibility of destruction; and, in any event, it would require the setting aside of special facilities in Washington to accommodate the representatives of the several States and the political subdivisions thereof; and the Treasury Department has already received a request from the representatives of the mayors or from the mayors' association asking that space be allotted in Washington for their representatives to go over these returns. This bill will also meet this situation.

Mr. DOUGHTON. Mr. Chairman, in conclusion I may say that we should do one of three things. We should pass this bill or repeal the provision of the present law requiring that these returns be made available to local taxing authorities or we should make an appropriation to pay for the making of these copies. We should certainly do one of these three things, because if we do not the Department is required to do an expensive and unreasonable thing.

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, I shall vote against this bill. I voted against it in the committee. My reasons for voting against it primarily are two. In the first place, the bill is not necessary; in the second place it violates one of the principles of American government. Those, gentlemen, are the reasons for my opposition.

I will take up the last reason first. I oppose it because by its provisions an assessment, which in effect is a fine, is inflicted upon a taxpayer for the infraction of a regulation of a department, which regulation is not a law. In other words, a department chief can present a regulation and for the violation of that regulation he can fix a fine. He can do more than any judge of a court can do. A judge might fix a fine, but he cannot make a law and then fine a man for a breach of that law.

I say it violates a principle of Americanism. There is no question about it.

The bill gives the department the authority to make regulations, and if a man fails to live up to it, it gives authority to assess him $5 or $10 fine without giving him a chance to do anything or to say anything in his behalf or to appeal from the decision.

Mr. McCORMACK. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. McCORMACK. There is no discretion given the department. The bill provides a mandatory provision for the fine or assessment of $5 or $10. My friend does not make a proper construction of the bill.

Mr. JENKINS of Ohio. I maintain that the Department should have no right to fix a penalty. It would not be so bad if they had the right to fix it on the basis of a law, but to fix it on the basis of a regulation is bad. They could change the regulations any time they saw fit, and every taxpayer would be subject to the whims of the Department.

I say that no department should have the right to make an assessment on a regulation.

If the Department has the right to make a regulation for the filing of a copy, they could change that regulation any time they saw fit. It is not permanent law, it is a regulation.

Mr. DOUGHTON. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. DOUGHTON. Congress passes this law; it is an administration law.

Mr. JENKINS of Ohio. If it is to be a law I would not have any argument. If you provide that copies must be filed, and if not filed there shall be a fine of $5 or $10, if that is the law I would not have any argument about it.

Mr. DOUGHTON. That is all this does.

Mr. JENKINS of Ohio. The gentleman does not see the point. Here is a regulation and not a law; it has not the dignity of a law.

Mr. DOUGHTON. They cannot make it a regulation without the law behind it.

Mr. JENKINS of Ohio. The gentleman will not say that there is a law that we must file a green copy; the law does not say that we must make a copy.

Mr. McCORMACK. The law allows the making of the regulation, and they have the power now; and for violation a person can be sentenced to prison for at least 1 year or a fine of not more than $10,000, or both, which is ridiculous.

Mr. JENKINS of Ohio. I repeat that this is my position, and you can take it or leave it—that there is nothing upon which these people can assess this $5 or $10 except a regulation which may be changed at any time.

Let us go to the other phase of the bill. My other objection is this: It is not necessary. Why is it not necessary? Let us go over it to see what was done last year. It will be remembered that 2 years ago this same group of people came before our committee and said that they must have the "pink slip" proposition, and when that "pink slip" provision was passed and went out to the country there was such an intense revolution against it that everybody on the Ways and Means Committee of the House last year was anxious and ready to repeal it. That was repealed, but something else was put in place of it.

It was provided that the taxing authorities in the States should have the right to come to Washington or to go wherever the returns were and investigate those returns and inspect them for their own benefit. I am not one of those who oppose some publicity of taxation returns. I believe some official in each State ought to have the right to come to Washington, where the returns are, and look over the returns, but that privilege, which we gave last year, has been abused. It has been shamefully abused all over the United States. Any snooper who wants to do so can go to the statehouse or to the office of the State taxing officials and get access to these returns, and it is a shame and a disgrace that the law is circumvented in that way. We thought we wrote something that was fair and reasonable. I think I probably voted for that part of it, if I had the opportunity. I am not against some publicity, but I am against this indiscriminate publicity which snoopers, who have no business to know what anybody pays, can exercise. The only reason they want to know it is to scatter the information around or to blackmail people, and it ought to be stopped.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. Yes.

Mr. COOPER of Tennessee. I am sure the gentleman from Ohio does not want to state that any officials in the Treasury Department ever appeared before the Ways and Means Committee and asked for the "pink slip" law.

Mr. JENKINS of Ohio. I do not know exactly who did ask for it, and that is not material. I did not ask for it. It came from somebody that wants a lot of regulation, and it was overwhelmingly desired, and the people rose up against it, and we threw it out with the same overwhelming condemnation.

Mr. COOPER of Tennessee. The gentleman must know that the requirements of publicity of tax returns was put on in the 1934 revenue bill in the Senate.

Mr. JENKINS of Ohio. Oh, I know about the La Follette amendment, and I never was in favor of it. It is too drastic.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. Yes.

Mr. McCORMACK. Does the gentleman take the position that the officials of his State or any political subdivision thereof should not have the right to examine income-tax returns of the Federal Government, made by citizens of the gentleman's State, to see whether or not the State income-tax returns made to the State by the same people are consistent?

Mr. JENKINS of Ohio. If the gentleman had been listening, he would have known that I said specifically that I was in favor of some authority having access to these returns.

Mr. McCORMACK. That is all that this is designed to accomplish.

Mr. JENKINS of Ohio. No; there is something else. Do not let us be misled on that. After we repealed the pink slip we provided that the authorities in the State, the proper taxing authorities, should have the right to come and look over the returns in Washington, or to wherever the returns were available. That was agreed to. We gave the Department the right to issue the regulations, and one regulation that the Department has issued is that each blank return that goes out shall have sent with it a green slip, requesting the taxpayer to fill it out and send it in. This is to be a duplicate. Here is where I say this proposed legislation is not necessary. The regulation requiring the filling out of the green copy has never been tried. This is the first time they have ever been sent out and how does anyone know how many people will fill them out and how many will not fill them out. They have just been sent out. They have just tried these regulations. I repeat for emphasis, this is the first time, and just think of it, before it has been tried, it has to be changed. Half of you gentlemen have not filled out your income-tax returns, and nine-tenths of the people of the United States have not done that as yet.

How does anybody know who and how many are going to refuse to fill these out? Yet here they come along and ask us to pass a law which is founded on a regulation that will fine people from $5 to $10 before they give them a chance to see how many will make the return. That is why I say it is unnecessary.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. No.

Mr. BROOKS. I will answer the question.

Mr. JENKINS of Ohio. That question cannot be answered.

Mr. BROOKS. Oh, yes; it can. After they repealed the pink slip this provision was put in in the Senate.

Mr. JENKINS of Ohio. I appreciate that.

Mr. VINSON of Kentucky. The gentleman says that the people have not made out their returns and they probably will fill out this green slip.

Mr. JENKINS of Ohio. Yes.

Mr. VINSON of Kentucky. If that is done, is there any burden at all placed on the taxpayer?

Mr. JENKINS of Ohio. If it is done, there will be no trouble, and if it is not done there will be no trouble under the law as it is now. Why not wait until next year, until we see how many of them will do this? If a large majority fill them out, then this bill will not be necessary. Until this is determined it is useless.

Mr. VINSON of Kentucky. If we pass it now, they will all do it, and there is no burden placed upon them.

Mr. JENKINS of Ohio. I say it is a farce for a great department to make a regulation and, before they try it out, come to the Congress and say, "We want the power to fine them", without the sanction of a statutory law. I say it is unnecessary; it is un-American; it is unjust and unreasonable and should be defeated. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio [Mr. JENKINS] has again expired.

Mr. BACHARACH. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. THOMPSON].

Mr. THOMPSON. Mr. Chairman, I regret very much that I find myself in opposition to my chairman and other good friends of the majority on the Ways and Means Committee on this legislation. A year ago this House was in an uproar

about the so-called "pink slip" provision and its repeal. Now at this time we are in another uproar about another color, the "green slip" bill. In my opinion, this bill is entirely mistitled. It should be called the "green slip validating act of 1936", for that is just what it is.

In my opinion the Treasury Department attempted to force the taxpayers of this country to file this so-called "green slip", and apparently someone called their bluff on it; so they run up to Congress, like they always do when they want something that will irritate or aggravate the taxpayers of this country, and ask us to bring in legislation legalizing what they attempted to do by regulation. I say it is entirely wrong. I think that we as a Congress should pass sensible legislation and stop passing these silly nuisance bills that only irritate the taxpayer of the United States. [Applause.]

It has been said this afternoon that there is no responsibility upon the Treasury to furnish State officials, upon the request of the various Governors, with copies of the returns of individuals or corporations. I say if the Governor of my State or the assessor in my township or the State Tax Commission of the great State of Illinois want to see what CHESTER THOMPSON's return or that of any other individual or corporation, let them send somebody down and make a copy. Why should that burden be placed upon the taxpayers themselves? I, therefore, hope that this legislation will be voted down.

I do not particularly cherish the idea of opposing my committee, but sincerely believe that this bill is unnecessary. It comes in just on the eve of the time when 90 or 95 percent of the taxpayers of this country will be making their returns, and after those who have filed their returns and have neglected to file a copy. If this bill becomes a law, they will get a notice from some collector of internal revenue to make a copy. I think that is wrong and that the people of this country are entitled to notice. If a bill of this nature is passed, it should be made effective a year from now and not upon the current returns. I think we should find out, as the gentleman from Ohio [Mr. JENKINS] said, just how many people refuse to file these duplicate returns. We do not know. We are taking the word of the bureaucrats in the Internal Revenue Service, who do not care anything about the people of the country and just about the same for Members of Congress. They run up here and they say, "Pass this. We have to have it for the revenue. We need this to protect the revenue."

Oh, how many injustices have been done to the people of this country under the guise of protecting the revenue?

Mr. KNUTSON. Will the gentleman yield?

Mr. THOMPSON. I yield.

Mr. KNUTSON. The highjackers and kidnapers should have some place where they can go to get information as to whom they might profitably operate upon. I know of no other way.

Mr. McCORMACK. Now, that is not a fair statement in connection with this bill, and my friend who is sincere in his opposition knows it. The gentleman knows that the only one who can inspect that return is the Governor of a State or his representative, or the representative of a municipality. The gentleman's statement is not a fair one, and the gentleman ought to withdraw it.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. THOMPSON] has expired.

Mr. BACHARACH. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, the United States Government is a sovereign nation acting upon the individual citizen. The sovereign States act directly upon their citizens. The policy we adopt in collecting our taxes is a Federal policy. As a Federal Government we should be concerned with the collection of Federal taxes and it should not be our concern to supply copies of records to the States necessarily. Our records are public records, and the State authorities know where to find them and where to inspect them. Once in a great while it seems to me we ought to keep faith with the American people. When the sixteenth amendment was adopted, or when it was submitted to the people of the United States for adoption, the Democratic Party was then in power. That amendment was prepared and introduced by Mr. Cordell Hull, who is now the great Secretary of State. You, as a party, went out to the various States and made an appeal to the people to adopt the sixteenth amendment. In all of your debates in Congress, in your presentation to the people in the States, you assured them by one of your so-called sacred covenants that you would keep income-tax reports inviolate; that you would not permit their inspection; that nobody would have access to them. Upon that assurance the people of the States finally ratified the sixteenth amendment. Now, what do we find? We find that you are not keeping faith with the people. This is simply another case of opening the records of a private individual to the snoopers, to the people who want to pry into the private affairs of the people. I say the time has come for you Members, if you are ever to keep a pledge with the American people, to look over the record of the assurances you gave the people at the time you asked them to ratify this amendment. Had you told the people at that time that you were going to open up these records to public inspection you never would have had the sixteenth amendment adopted, never in the wide world. [Applause.]

Now, let us keep faith for once with the American people.

This is only the beginning—divulging information to the curious. In a little while access to private affairs will be thrown wide open; you will not only be making one copy but a series of copies, and you will be furnishing copies to Rotary Clubs and women's clubs, and all at the expense of the taxpayer; and income-tax payers will be fined unless they furnish and pay for these extra copies. That is not all. In this bill you are not repealing the criminal law at all. It stands there, a fine of $10,000 or 1 year's imprisonment, or both, if they fail to file a copy. I object to this assessment and to the drastic criminal feature to which a citizen is subjected.

I shall vote against this bill.

[Here the gavel fell.]

Mr. LEHLBACH. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, the person who is most likely to be dilatory in getting his tax return under the wire is the little man who does not have expert tax advice. He includes by far the larger number of taxpayers. The records for 1933 show that there were 398,000 returns where the tax averaged less than $10; there were 1,480,000 returns where the average tax was less than $14.02; and there were 900,000 returns where the tax was less than $29.01. So you have, in round numbers, about 2,780,000 returns where the tax is less than $30.

By this bill you will add a 50-percent penalty for failure or delay in making a copy of the return where the tax was only $10.60; you will add 33⅓ percent where the tax was only $14.02. These groups make up the huge aggregate of the people who might be reached by this bill. They are the small taxpayers. They are the ones to whom this penalty will automatically attach if they do not file the copy with their tax return. In the case of almost 400,000 returns this penalty will be equal to one-half of the tax paid. In the case of 1,480,000 returns it would be equal to 33⅓ percent of the tax paid. Why put this unjust burden upon the little fellow everywhere in the country who makes up the bulk of those who send in returns and who is the most likely to be penalized by this kind of measure?

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, there seems to be a misunderstanding with regard to the purpose of this green slip. It has been asked for by the Treasury that they may in a more efficient and less expensive way carry out the law. No more information will be divulged by this green slip than may be obtained today. That is not the purpose of the green slip. The purpose is to satisfy the States who are requesting the originals.

The Treasury Department advises that today they have blanket orders from the States for every tax return. The

Treasury Department states that if they have this green-slip copy to send to the States it will help them run the Department of Internal Revenue more efficiently and economically.

It is difficult to send the original returns to the States when they are needed here in Washington. I cannot see any reason for opposition to this act.

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Chairman, earlier in the debate this afternoon the chairman of the Committee on Ways and Means said that this would facilitate the collection of the tax here in Washington and facilitate the examination of the returns. I asked the gentleman several questions, for I could not quite understand it; and the gentleman from Kentucky volunteered the information that if an inspector in Washington was looking over the returns and a request for them came from a State, he would have to turn them over to the State, thus delaying the work of inspection in Washington.

The law relative to inspection reads:

> The inspection shall be made in such manner and at such times and places as shall be prescribed by regulation made by the Commissioner with the approval of the Secretary.

So following the law, all they have to do is to say to the States that these reports are not open to their inspection until the Department has completed inspection here in Washington. There is absolutely nothing to the statement made by the gentleman from Kentucky in answer to my question.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. SNELL. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. I am certain my friend from New York recognizes the fact that after this inspection work is done here, very often, and in many, many cases, perhaps thousands of cases, the report is sent to the field for a field investigation.

Mr. SNELL. Yes; but the gentleman stated in reply to my question that they would have to stop their work of examination here in Washington. Then somebody else would come along the next day and want to look at the return and the Department would not complete its work. That is not so under this law; so there is nothing to that argument.

Mr. McCORMACK. Will the gentleman yield?

Mr. SNELL. Let me ask the gentleman a question first.

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. McCORMACK. I have not any time to yield, but I yield to the gentleman in whatever time I may have.

Mr. SNELL. The gentleman said a little while ago that this is for the protection of the individual taxpayer. Will he tell me how it protects the taxpayer as long as the criminal part of the statute is still on the books and unrepealed?

Mr. McCORMACK. Why, this bill here succeeding in its passage existing provisions which have been referred to, and which, I am frank to say, I have serious doubt applies, but, in any event, being passed and succeeding the other provision, it also supersedes it.

Mr. SNELL. No; it does not; and it is not so held by the courts.

Mr. McCORMACK. Yes.

Mr. SNELL. This does not supersede unless it also repeals. The criminal provision is still on the statute books. If it is desired to repeal it, why do we not repeal it and leave no doubt?

Mr. McCORMACK. That criminal provision relates to a number of different offenses. This here involves the penalty for this specific violation only.

Mr. SNELL. I know that; but you could repeal it in this respect, and unless you do it still stands, and what you are doing today in no way affects it.

Mr. McCORMACK. May I express my appreciation to the gentleman for asking me to yield in his time?

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. McLEAN].

Mr. McLEAN. Mr. Chairman, the right of privacy is a private right inherent in American citizenship under the Constitution. The Revenue Act of 1934, insofar as it provides for publicity of income-tax information, violates that right. It was guaranteed to the American people when the income-tax system was adopted that all information incidental to the collection of the tax would remain confidential with the Government officials in charge. A year ago, in response to universal demand, the so-called "pink slip" provision was repealed, and the American people had the idea that the matter was disposed of. Every argument made a year ago in favor of repealing that provision is applicable here today. The thing to be done at this time comes from the lips of the chairman of the Committee on Ways and Means, who a few moments ago suggested that one of three things should be done. The first of his suggestions was to repeal the law which would eliminate the necessity for this legislation. I concur in this suggestion. It is the thing that should be done if the American Congress is to keep faith with the American people in this matter.

Mr. DOUGHTON. Will the gentleman yield?

Mr. McLEAN. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. The gentleman realizes, of course, we intended to do that, but it cannot be done by this House alone.

Mr. McLEAN. With all the power and influence of the Democratic Party in the Congress of the United States today, if it is necessary to keep faith with the American people, certainly you ought to be able to find the means and power to enact the kind of law which ought to be enacted to meet this situation.

Mr. DOUGHTON. The gentleman must remember that he is not the only judge of keeping faith with the American people. Some other people have views on that also.

Mr. McLEAN. I will leave that to the American people. If it was the thought of Congress last year in repealing the "pink slip" provision of the revenue act to preserve the privacy of the income-tax returns—and that was not accomplished—then we should carry the idea further and defeat this bill and provide the necessary legislation to guarantee that privacy.

Mr. BACHARACH. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, following the remarks of the gentleman from Illinois in reference to these small taxpayers, they will probably be greeted, as I was a day or two ago, by the announcement of the notary public to the effect that, instead of 50 cents, two documents have been attested and therefore the charge will be $1. It is a simple matter, but it is still another one of those annoyances accompanying the payment of this disputed tax.

In closing I want to pay my acknowledgment to the gentleman from New York [Mr. REED], who has again reminded the Members of Congress of promises made to the American people relative to the secrecy of returns, when ratification was being urged. I have reminded Members on the floor of this House many times of those promises. I have also often reminded the Members of the House of the $400,000,000 that it costs the taxpayers to make these returns.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the remainder of my time to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Chairman, we now have plank no. 1 for our Republican friends. Having adopted it, I feel certain they will not have any trouble finding someone who will accept the nomination and suffer an overwhelming defeat in November.

Mr. Chairman, I never in all my life saw such a tempest in a teapot. Why, the gentleman from Massachusetts [Mr. GIFFORD] talks about a 50-cent notary fee that a taxpayer will have to pay for notarizing the copy. God bless him, he was trying to take care of his small taxpayers, and yet he simply overlooked the fact the Treasury regulations do not require the taxpayer to make oath to this copy which he files. In his paying 50 cents to the notary the gentleman was generous, as usual.

Let us look at this situation. It is most difficult to try to agree with our Republican friends during a campaign year.

One of the best friends I have in the House, TOM JENKINS, criticizes this bill because it deals with a regulation. My recollection is, and I am certain about it, the original bill introduced had a direct, affirmative charge. It was an amendment to section 55 (b), and it required the filing of a copy. Some of the boys on the committee thought they saw a "nigger in the woodpile." They did not want that. We tried to agree with them. A new bill was introduced amending section 55 (c), that dealt with existing law.

Now, what is the situation? My friends on this side of the aisle talk about publicity. There is no need to talk about publicity of income-tax returns, since it is not involved herein. The Democratic membership of this House passed the repeal of the "Pink Slip" Act. I will say that many distinguished gentlemen on the Republican side agreed with us. The history of such legislation is pertinent. A bill was offered to repeal the "pink slip" provision. It passed the House and went to another body. The La Follette amendment calling for full publicity was written into the law, and the bill went to conference, and this legislation was the result of that compromise in conference.

Now, it is undoubtedly true that if the pound of flesh were desired for failure to file the copy called for by Treasury regulation, the small taxpayer, the medium sized taxpayer, and the large taxpayer, each and every one, could be indicted in Federal court and subjected to this fine or this imprisonment, or both.

In view of this situation, while I would not go so far as to say that the enactment of this law would be in lieu of that criminal law, I think it is fair to say that the Treasury officials, the Department of Justice, and the district attorneys would certainly recognize that while this assessment of $5 for individuals and $10 for corporations for failure to file the required copy of returns is not a fine, it is, in effect, in lieu of the criminal proceedings.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I have copies of these returns on which I mentioned I paid $1 or 50 cents each.

Mr. VINSON of Kentucky. And it has a blank place where you can sign. It has blanks for oath; but I may say to the gentleman, my good friend, that the Treasury regulation does not require making an oath to the copy, requiring his paying that 50 cents. I will say further that if it galls him because he paid the 50 cents, I will pay it for my friend.

Mr. GIFFORD. That is the kind of argument we hear so much.

Mr. BACHARACH. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. BACHARACH. If they are not enforcing the criminal portion of the act, why do you not repeal it? You have a majority both in this body and in the other body.

Mr. VINSON of Kentucky. The gentleman knows that the act which contains the criminal penalty deals with many other violations of the internal-revenue law.

Mr. BACHARACH. Why not repeal the part about the income tax?

Mr. MILLARD. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. MILLARD. Could we not add to this bill that that provision of the law shall not apply here?

Mr. VINSON of Kentucky. The gentleman could do that. I am very happy we have the issue for the 1936 campaign. [Laughter and applause.]

[Here the gavel fell.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 54 of the Revenue Act of 1934, as amended, is amended by inserting at the end thereof the following new subsection:

"(d) Copies of returns: If any person, required by law or regulations made pursuant to law to file a copy of any income return for any taxable year beginning after December 31, 1934, fails to file such copy at the time required, there shall be due and assessed against such person $5 in the case of an individual return or $10 in the case of a fiduciary, partnership, or corporation return, and the collector with whom the return is filed shall prepare such copy. Such amount shall be collected and paid, without interest, in the same manner as the amount of tax due in excess of that shown by the taxpayer upon a return in the case of a mathematical error appearing on the face of the return. In case of a person who filed a return for any taxable year not beginning after December 31, 1935, such amount of $5 or $10 shall be due and assessed only if the copy is not filed before the expiration of 15 days after the mailing by the collector in whose office the return is filed of a request to such person for the filing of the copy. Copies of returns filed or prepared pursuant to this subsection shall remain on file for a period of not less than 2 years from the date they are required to be filed, and may be destroyed at any time thereafter under the direction of the Commissioner."

Mr. THOMPSON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 1, line 9, strike out the figures "1934" and in lieu thereof insert "1935."

Mr. THOMPSON. Mr. Chairman, the purpose of this amendment is to postpone the effect of this legislation for the current income-tax filing period. It seems to me that the taxpayers of the country, both individual and corporate, are entitled to some notice that they are obliged to file copies of this kind.

Mr. DOUGHTON. Will the gentleman yield?

Mr. THOMPSON. I yield.

Mr. DOUGHTON. They are given one notice when the green slip is forwarded to them, and this provides for a second notice.

Mr. THOMPSON. They had the notice when they received the return with the green slip saying it must be filed——

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. THOMPSON. I yield.

Mr. COOPER of Tennessee. If the gentleman will look on page 2, line 10, of the bill, he will see that it says the amount of $5 and $10 will be due and assessed only if a copy is not filed before the expiration of 15 days after the mailing by the collector in whose office the return is filed of a request to such person for the filing of the copy.

Mr. THOMPSON. I know; and my purpose is to make inoperative the legislation against the returns now being filed.

I propose to later offer an amendment advancing the date in line 8, page 2.

Mr. COOPER of Tennessee. There can be no confusion or difference between us. The bill provides that for this year if any taxpayer fails to include the green slip or copy, the duty is imposed on the collector to mail him a notice calling his attention to it and asking him to send it in. It is only then that the assessment of $5 and $10 can be made.

Mr. THOMPSON. That is true, but my purpose is to postpone the whole proceeding for 1 calendar year.

Mr. DOUGHTON. Will the gentleman yield?

Mr. THOMPSON. I yield.

Mr. DOUGHTON. If the taxpayer ignores the two notices, then the assessment of $5 or $10 takes place. The gentleman would not defend prosecution under the provision that has been alluded to indicting a man and fining him $10,000——

Mr. THOMPSON. Oh, no; and the great majority of district attorneys would throw the collectors or deputies out of the office who attempted it. [Applause.]

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. The purpose of the gentleman's amendment is to give the present law a chance to be tried.

Mr. THOMPSON of Illinois. For 1 year; yes.

Mr. DONDERO. I call the gentleman's attention to the fact that there are only 5 days left for filing returns.

Mr. THOMPSON of Illinois. Yes; and this bill has to get through the other body so that there will not be any time left. It will be retroactive. I think it is due to our constituents

that this enactment be postponed for 1 year, if not killed entirely. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. JENKINS of Ohio)—there were ayes 44, noes 67.

So the amendment was rejected.

Mr. JENKINS of Ohio. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. JENKINS of Ohio: At the end of the bill insert a new section, as follows:

"Section 145 of the Revenue Act of 1934 be amended as follows:

"'After the last word and period of subsection (a) add the following: This section shall not apply to a failure on the part of any taxpayer to file a copy of his income-tax return.'"

Mr. COOPER of Tennessee. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill or to the section to which it is offered.

Mr. JENKINS of Ohio. Mr. Chairman, I maintain that the amendment is in order for this reason: The primary purpose of this section is to place a penalty on an individual for not doing a certain thing. There is already a statutory law, as I stated in my remarks, providing a penalty for not doing that identical thing. All in the world this does is to say, in effect, that if this bill is passed, then there shall not be two means of punishment of an individual who may violate this provision. If this bill passes it provides a penalty, that is, an assessment to be levied by the Department; and, assuming that the bill will pass, then the man who fails to file his green slip will be confronted with two punishments and the Department may have a chance to punish him twice, because when it levies this assessment it will not be a criminal punishment, such as a man might take advantage of under the Constitution as having placed him twice in jeopardy, but, in effect, it will be the same thing. The bill before us proposes to amend the revenue law of 1934. My amendment proposes to amend the same law by providing that if a taxpayer fails to file the copy he will be amenable to but one assessment. It is surely germane and clearly applicable.

Mr. COOPER of Tennessee. Mr. Chairman, of course, the gentleman's argument does not in any sense touch the point of order made. He has made an argument entirely outside of the scope of the point of order. The point of order is that the pending bill seeks to amend section 54 of the Revenue Act of 1934. It does not in any way relate to, refer to, or have anything to do with section 145, which is referred to in the amendment offered by the gentleman from Ohio. The provision of law, the section of the act sought to be amended by the gentleman from Ohio, is not even under consideration here; it is not even referred to as a part of the bill. There can be no doubt that the amendment offered by the gentleman from Ohio is not germane to the pending bill. Therefore, I make the point of order.

The CHAIRMAN. The Chair is ready to rule. This bill relates to section 54, which provides for special returns. The gentleman's amendment relates to section 145, which pertains to penalties. The Chair does not think the amendment is germane and therefore sustains the point of order.

Mr. KENNEY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. KENNEY: Page 2, line 12, after the word "copy", strike out the period, insert a comma, and add: "But such amount as may be due and assessed hereunder may be remitted by the collector for good cause shown in failing to file a copy within the 15-day period."

Mr. KENNEY. Mr. Chairman, the bill as written, according to my understanding, provides for an arbitrary penalty. An individual might be subject to the assessment or fine even though he acted in perfect good faith. In the first place, of course, the taxpayer must file his copy with the return, but there is the provision that in case of a person who filed a return for any taxable year not beginning after December 31, 1935, the amount of $5 for an individual return and $10 for a fiduciary, partnership, or corporation return shall be due and assessed only if the copy is not filed before the expiration of 15 days after the mailing by the collector in whose office the return is filed of a request to such person for the filing of the copy. An individual must file it after being notified by the collector within 15 days of the mailing of the request for the copy, and if he does not file it within that arbitrary period he is subject to the stated fine and assessment. It may well be that a man might be ill or away from home when the notice is sent by the collector, and the time begins to run from the day that the collector mails out the letter. If he should happen to be ill or away and the 15-day period should elapse before the request came to his attention, although he immediately sent in his copy to the collector, he would still be compelled to pay the fine and assessment. He might go to the collector and explain the circumstances. They would be extenuating circumstances, and the collector might feel there should be no penalty in a case like that, but the official would be compelled to say that he must collect the fine because it is mandatory under the provisions of the bill. I feel some discretion ought to be given the collector where the taxpayer proves to his satisfaction that he has filed his copy as soon as he could reasonably in the circumstances of any given case. In a proper case the collector ought to be in a position where he could, if the circumstances warranted, remit the five- or ten-dollar fine. It was said by one of the members of the committee today that this is a minor matter. These minor matters are important. In the section where I live people come to me from time to time on matters like this, only to find that public officials have no discretion in many worthy causes where discretion should be used. I ask that my amendment be adopted.

Mr. McCORMACK. Mr. Chairman, the opposition to this bill by some of our Republican friends is consistent with the tactics that are being generally employed, which, in the common language of the day, are known as "sniping."

The gentleman from Ohio [Mr. JENKINS] undertakes to call this harmless bill "un-American." It is a favorite word today. It is the favorite practice to hurl the charge of un-Americanism against any bill or any person favoring progressive legislation.

This is a simple bill. Its history is simple. In 1934 we passed a tax bill to close up certain gaps in tax evasions. That bill passed the House. It went to the Senate. The Senate amended that bill and put in the "full publicity" provision. That was put in by a member of the Republican Party, the distinguished senior Senator from Wisconsin [Mr. LA FOLLETTE].

That bill went to conference with certain differences existing between the two Houses. The conferees brought back a report which was signed by the gentleman from Massachusetts [Mr. TREADWAY] and the gentleman from New Jersey [Mr. BACHARACH]. They did the best they could under the circumstances. They whittled down the "full publicity" provision, and I agreed with them. I am against full publicity. They did the best they could—not what they would like to have done, but they did the best they could under the circumstances. They brought about what was known as the "pink slip" law. Last year the Ways and Means Committee reported out a bill repealing the "pink slip" law, and that bill went to the Senate. In the Senate the bill met "full publicity" again. It went to conference, and the conferees did the best they could. They brought back and reported to the House a compromise that was agreed upon last year. I would like to have seen them go further, personally, but they did the best they could under the circumstances. This bill is simply to clarify the act of last year which the conferees brought back with a united report, both Republicans and Democrats, on an amendment put in in the Senate by a Republican Senator.

You and I know that where practical differences exist between the two branches of Congress the conferees must do the best they can. They did it last year, and the House accepted their report. The conferees recommended to us that the Commissioner of Internal Revenue have the power by

rule and regulation to require a copy of the return. That is provided for under the present law, and if a person did not file a copy he could be punished by imprisonment for not more than a year or by a fine of not more than $10,000, or both. Nobody wants that. Nobody would stand for that. Yet, there was that possibility staring taxpayers who innocently or otherwise might not file their copy, in the face. I am not saying whether or not I agree that a copy should be filed. I am not saying whether I agree in the right of States to inspect the copy. That is not the question. The regulation has been issued. Criminal proceedings are staring our taxpayers in the face who do not file a copy, and the purpose of this law is to minimize the possible harshness of the existing statute, which might affect any person who does not file his return.

Mr. TABER. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. TABER. Does not the gentleman think that this provision for a fine and imprisonment that is now on the statute books should be repealed, and would not the gentleman join in an effort to repeal it?

Mr. McCORMACK. That is not the question before us today.

Mr. TABER. Well, it should be.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. That is not the question before us today. We are not confronted with that question. I might join with the gentleman, but that is not the question, and that is where many Members are confused. A regulation has been issued calling for a copy. We must consider our local governments. As long as this law is on the statute books are we going to compel our States, cities, and towns to spend money sending men down to Washington to examine the returns?

Mr. FIESINGER. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. FIESINGER. When was the regulation adopted, about which the gentleman is speaking?

Mr. McCORMACK. The regulation was adopted by the Commissioner of Internal Revenue by reason of the act of last year.

Mr. FIESINGER. But when was it adopted?

Mr. McCORMACK. I could not answer that; but it was subsequent to the law of last session, a compromise between the two Houses on the differences existing, going into effect.

Mr. FIESINGER. We did not file any green slips last year, did we?

Mr. McCORMACK. No.

Mr. CRAWFORD. If the gentleman will yield, regulation no. 6 came out just a few days ago.

Mr. McCORMACK. I think it was longer than that. In any event, the regulation was issued subsequent to the going into effect of the law of last year. Our local officials are entitled to consideration as long as this law is on the statute books. Why compel them to come to Washington to examine these returns? This is not a question of the repeal of a law. As the matter presents itself today, we have to consider the expenses of our local governments, and the convenience of both Federal and State and local officials. I am just as jealous as any other Member of protecting the rights of American citizens. I oppose full publicity. I opposed the pink slip of last year. I might join in the repeal of the existing law, which is not before us today; but looking at the evidence honestly as it presents itself to me, I see this bill as helping the taxpayer and helping our local governments. I can see nothing offensive about this bill at all. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. KENNEY].

The question was taken; and on a division (demanded by Mr. KENNEY) there were—ayes 33 and noes 71.

So the amendment was rejected.

Mr. JENKINS of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENKINS of Ohio: Page 2, after line 16, insert the following:

"*Provided*, That all penalties herein provided shall be in lieu of all other fines, penalties, and imprisonment provided for the same defaults."

Mr. COOPER of Tennessee. Mr. Chairman, I make the point of order against this amendment that it is not germane to this section or to the bill. Certainly by indirection it cannot do something that cannot be done directly, as was pointed out a few moments ago in the argument I made in support of the point of order made at that time.

The CHAIRMAN. Does the gentleman from Ohio desire to be heard on the point of order?

Mr. JENKINS of Ohio. Yes; I do.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. JENKINS of Ohio. Mr. Chairman, this amendment has been prepared carefully and logically fits in at the close of the last word of this proposed legislation. It deals with material that is included in the resolution and nothing else. The bill provides some sort of fine or penalty. One might feel that there is some question as to whether it provides a fine or a penalty or an assessment, but whatever would be the proper denomination, there is no question that if a taxpayer fails to file this copy, something will happen to him.

All this amendment does is to specify specifically whether this man who violates this law is going to be up against both barrels of the same gun or whether he is going to be shot by one barrel at a time; that is all it does. It has no extraneous implication or uncertain literary effect. It is not hard to understand. It means but one thing, and that it it limits what you propose to do in the bill. It must be germane.

Mr. COOPER of Tennessee. Mr. Chairman, I simply want to supplement my previous statement by inviting the attention of the Chair to the fact that all this bill does is to provide an additional assessment. It does not relate to any question of penalty or any question of imprisonment. None of the subject matter incorporated in the gentleman's amendment is either incorporated in or referred to in the pending bill.

Mr. TABER. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from New York.

Mr. TABER. Mr. Chairman, this act provides a penalty of from $5 to $10 for violation of certain things, that is for failure to file this copy of the return. It, therefore, makes germane any amendment which deals with the penalty for that violation. An amendment, therefore, which provides that this particular fine and imprisonment shall be in lieu of other fines and imprisonment is germane.

The CHAIRMAN. The Chair is ready to rule.

The Chair believes this bill does not deal with penalties in any way. The point of order, therefore, is sustained.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, briefly, when a person displays ignorance, of course, he likes to be corrected. I made a remark that one of the annoying things in connection with this duplicate return was that, instead of charging 50 cents, the notary public would charge $1, as was done to me. The gentleman from Tennessee in his joking way said it was no argument that I should feel badly about the 50 cents; that if I did, he would pay it back to me.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Not yet; I will yield in a moment.

Mr. COOPER of Tennessee. I think the gentleman is honoring me unjustly with his references. He should pay the honor to whom it is due.

Mr. GIFFORD. Perhaps I am wrong about that; but anyway, I carefully looked over a tax blank and found that I apparently acted quite correctly. I then walked over to the gentleman and asked him about the information. I think we all should have it. Certainly the gentleman from Tennessee is a tax expert and he gets his knowledge immediately.

It was seemingly regarded of sufficient importance, so that on February 18, 1936, the Treasury did make a regulation that one need not pay the notary public for making out that duplicate return; but that regulation came rather late. All these blanks have been put out. The people do not know it and they will probably pay for two affidavits. It is a small matter, but it is another of those very annoying things connected with the income tax, as I said before. The hiring of somebody to help you make out the return, the bookkeeping, the difficulty of recovering overpayments—all these things added together, according to the figures of one of the greatest experts on the subject, amount to $400,000,000. This is the cost to our citizens merely for making out the returns.

I have simply called attention to another little irritation. I hope I have now apologized sufficiently for my lack of information, but the gentleman himself only knew it on February 18, just a few days ago.

Mr. VINSON of Kentucky. Mr. Chairman, if the gentleman will yield, I did not know it until today, and I gave the gentleman the source of my information at that time. I do not think the gentleman from Massachusetts should be blamed for not knowing about that regulation. I do not think we ought to hold it against him for a split second.

Mr. GIFFORD. I am glad to have the gentleman's statement, but he did so delight in showing up my ignorance. [Laughter and applause.]

[Here the gavel fell.]

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BERLIN, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill (H. R. 11365) relating to the filing of copies of income returns, and for other purposes, pursuant to House Resolution 437, he reported the same back to the House.

The SPEAKER. Under the rule the previous question is ordered on the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BACHARACH) there were—ayes 110, noes 63.

Mr. BACHARACH. Mr. Speaker, I make the point of no quorum and object to the vote on that ground.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-three Members present, a quorum.

Mr. SNELL. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 268, nays 96, answered "present" 1, not voting 65, as follows:

[Roll No. 32]

YEAS—268

Adair	Cannon, Mo.	Cross, Tex.	Duncan
Ashbrook	Cannon, Wis.	Crosser, Ohio	Dunn, Miss.
Bankhead	Carmichael	Crowe	Dunn, Pa.
Barry	Carpenter	Cullen	Eagle
Bell	Cartwright	Cummings	Edmiston
Berlin	Cary	Curley	Ellenbogen
Biermann	Castellow	Daly	Evans
Binderup	Celler	Darden	Faddis
Bland	Chandler	Deen	Farley
Blanton	Chapman	Delaney	Fernandez
Boehne	Citron	Dempsey	Fiesinger
Boileau	Claiborne	DeRouen	Fletcher
Boland	Clark, N. C.	Dickstein	Ford, Calif.
Boykin	Cochran	Dies	Ford, Miss.
Boylan	Coffee	Dietrich	Frey
Brooks	Colden	Disney	Fuller
Brown, Ga.	Colmer	Dobbins	Gambrill
Brown, Mich.	Connery	Dockweiler	Gasque
Buchanan	Cooper, Tenn.	Doxey	Gavagan
Buck	Cox	Drewry	Gehrmann
Buckler, Minn.	Cravens	Driscoll	Gilchrist
Burch	Crawford	Driver	Gildea
Burdick	Creal	Duffey, Ohio	Gillette
Caldwell	Crosby	Duffy, N. Y.	Gingery
Goldsborough	Lambeth	O'Malley	Smith, Va.
Granfield	Lanham	O'Neal	Smith, Wash.
Gray, Pa.	Larrabee	Owen	Smith, W. Va.
Green	Lea, Calif.	Palmisano	Snyder, Pa.
Greenway	Lee, Okla.	Parks	South
Greenwood	Lemke	Patman	Spence
Greever	Lesinski	Patterson	Stack
Gregory	Lewis, Md.	Patton	Starnes
Griswold	Lucas	Pearson	Stefan
Haines	Luckey	Peterson, Ga.	Stubbs
Hamlin	Ludlow	Pettengill	Sumners, Tex.
Hancock, N. C.	Lundeen	Peyser	Sweeney
Harlan	McClellan	Pfeifer	Tarver
Harter	McCormack	Pierce	Taylor, Colo.
Hennings	McFarlane	Polk	Taylor, S. C.
Higgins, Mass.	McGehee	Rabaut	Terry
Hildebrandt	McGrath	Ramsay	Thom
Hill, Ala.	McKeough	Ramspeck	Thomason
Hill, Knute	McLaughlin	Randolph	Tolan
Hill, Samuel B.	McSwain	Rankin	Tonry
Hobbs	Mahon	Rayburn	Turner
Houston	Maloney	Reilly	Umstead
Huddleston	Mansfield	Richards	Utterback
Hull	Marcantonio	Richardson	Vinson, Ga.
Imhoff	Martin, Colo.	Robertson	Vinson, Ky.
Jacobsen	Mason	Robinson, Utah	Wallgren
Jenckes, Ind.	Massingale	Rogers, N. H.	Walter
Johnson, Okla.	Maverick	Rogers, Okla.	Warren
Johnson, Tex.	May	Rudd	Wearin
Johnson, W. Va.	Mead	Ryan	Weaver
Jones	Merritt, N. Y.	Sabath	Welch
Keller	Miller	Sadowski	Werner
Kennedy, Md.	Mitchell, Tenn.	Sanders, Tex.	West
Kennedy, N. Y.	Monaghan	Sandlin	Whelchel
Kerr	Moran	Sauthoff	White
Kleberg	Moritz	Schneider, Wis.	Whittington
Kloeb	Mott	Scott	Wilcox
Kniffin	Murdock	Scrugham	Williams
Knutson	Nelson	Secrest	Withrow
Kocialkowski	O'Brien	Shannon	Wood
Kopplemann	O'Connell	Sirovich	Woodrum
Kramer	O'Connor	Sisson	Young
Lambertson	O'Leary	Smith, Conn.	Zimmerman

NAYS—96

Allen	Engel	Lehlbach	Rich
Andresen	Englebright	Lewis, Colo.	Risk
Andrew, Mass.	Fish	Lord	Robsion, Ky.
Arends	Focht	McAndrews	Rogers, Mass.
Bacharach	Fulmer	McLean	Schaefer
Bacon	Gearhart	McLeod	Schuetz
Beam	Gifford	McMillan	Shanley
Blackney	Goodwin	Maas	Short
Bolton	Guyer	Main	Snell
Brewster	Gwynne	Mapes	Stewart
Burnham	Halleck	Martin, Mass.	Sullivan
Carlson	Hancock, N. Y.	Merritt, Conn.	Sutphin
Carter	Hart	Michener	Taber
Church	Hartley	Millard	Taylor, Tenn.
Cole, N. Y.	Hess	Norton	Thompson
Collins	Hoffman	Parsons	Thurston
Cooper, Ohio	Hollister	Perkins	Tinkham
Costello	Holmes	Pittenger	Turpin
Culkin	Hope	Plumley	Wigglesworth
Darrow	Jenkins, Ohio	Powers	Wilson, Pa.
Dirksen	Kahn	Ransley	Wolcott
Dondero	Kelly	Reece	Wolfenden
Eicher	Kenney	Reed, Ill.	Wolverton
Ekwall	Kinzer	Reed, N. Y.	Woodruff

ANSWERED "PRESENT"—1

Doughton

NOT VOTING—65

Amlie	Crowther	Hook	Russell
Andrews, N. Y.	Dear	Kee	Sanders, La.
Ayers	Dingell	Kvale	Schulte
Barden	Ditter	Lamneck	Sears
Beiter	Dorsey	McGroarty	Seger
Bloom	Doutrich	McReynolds	Somers, N. Y.
Brennan	Eaton	Marshall	Steagall
Buckbee	Eckert	Meeks	Thomas
Buckley, N. Y.	Fenerty	Mitchell, Ill.	Tobey
Bulwinkle	Ferguson	Montague	Treadway
Casey	Fitzpatrick	Montet	Underwood
Cavicchia	Flannagan	Nichols	Wadsworth
Christianson	Gassaway	O'Day	Wilson, La.
Clark, Idaho	Gray, Ind.	Oliver	Zioncheck
Cole, Md.	Healey	Peterson, Fla.	
Cooley	Higgins, Conn.	Quinn	
Corning	Hoeppel	Romjue	

So the bill was passed.

The Clerk announced the following pairs:

On the vote:

Mr. Doughton (for) with Mr. Treadway (against).
Mr. McReynolds (for) with Mr. Wadsworth (against).
Mr. Schulte (for) with Mr. Crowther (against).
Mr. Gray of Indiana (for) with Mr. Ditter (against).
Mr. Romjue (for) with Mr. Seger (against).
Mr. Bloom (for) with Mr. Christianson (against).
Mr. Gassaway (for) with Mr. Higgins of Connecticut (against).
Mr. Amlie (for) with Mr. Thomas (against).
Mr. Beiter (for) with Mr. Buckbee (against).
Mr. Fitzpatrick (for) with Mr. Tobey (against).

Mr. Flannagan (for) with Mr. Eaton (against).
Mr. Steagall (for) with Mr. Andrews of New York (against).
Mr. Somers of New York (for) with Mr. Marshall (against).
Mr. Dingell (for) with Mr. Cavicchia (against).

General pairs:

Mr. Bulwinkle with Mr. Doutrich.
Mr. Oliver with Mr. Fenerty.
Mr. Sears with Mr. Kvale.
Mr. Nichols with Mr. Eckert.
Mr. Lamneck with Mr. Dear.
Mr. Cooley with Mr. Kee.
Mr. Sanders of Louisiana with Mr. Quinn.
Mr. Corning with Mr. Wilson of Louisana.
Mr. Meeks with Mr. Montet.
Mr. Cole of Maryland with Mr. Clark of Idaho.
Mr. Mitchell of Illinois with Mr. Buckley of New York.
Mr. Ferguson with Mr. Healey.
Mr. Russell with Mrs. O'Day.
Mr. Barden with Mr. Hook.
Mr. Casey with Mr. Montague.
Mr. Zioncheck with Mr. Brennan.
Mr. Underwood with Mr. McGroarty.

Mr. O'BRIEN changed his vote from "nay" to "yea."

Mr. CONNERY. Mr. Speaker, my colleague the gentleman from Massachusetts, Mr. HEALEY, is unavoidably absent on official business. If present, he would vote "yea."

Mr. BOLAND. Mr. Speaker, my colleague the gentleman from Pennsylvania, Mr. DORSEY, is absent on account of illness in his family. If present, he would vote "yea."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I wish to announce that my colleague the gentleman from Oklahoma, Mr. GASSAWAY, is unavoidably detained on account of illness. If present, he would vote "yea" on the bill.

Mr. DOUGHTON. Mr. Speaker, I voted "yea", but I have a general pair with the gentleman from Massachusetts, Mr. TREADWAY. I note that he did not vote, and I do not know how he would have voted if present. I therefore withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded, and a motion to reconsider was laid on the table.

COMMODITY CREDIT CORPORATION

Mr. DRIVER, from the Committee on Rules, reported the following privileged resolution which was referred to the House Calendar and ordered printed:

House Resolution 446

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3998, a bill "To enable the Commodity Credit Corporation to better serve the farmers in orderly marketing and to provide credit and facilities for carrying surpluses from season to season." That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a statement filed by certain small businessmen with the President of the United States in regard to legislation for their benefit.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SNELL. May I inquire just what is this request?

Mr. PATMAN. It is not a long statement, I may say to the gentleman from New York. The representatives of small businessmen were here a few days ago and called on the President of the United States. They delivered to him a statement in reference to what they would like to see passed in the form of legislation. The retail grocers, retail druggists, and other small enterprises of the Nation were represented. The statement is not long, and I should like to include it in the RECORD.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, are not the same statements included in the hearings held before the committee?

Mr. PATMAN. No; they are not in the record, and they do not appear in the report of the hearings.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE NATIONAL CONFERENCE OF INDEPENDENT BUSINESSMEN, INDEPENDENTS' DAY AT THE NATIONAL CAPITAL, MARCH 4, 1936

Mr. PATMAN. Mr. Speaker, to demonstrate their interest in the enactment of the Robinson-Patman bill now pending in Congress, some 1,700 independent distributors and producers came to Washington and met at Constitution Hall March 4 for the National Conference of Independent Businessmen, independents' day at the National Capital. They came from 37 States especially to attend this gathering and to see their Congressmen and Senators in behalf of the Robinson-Patman bill which is designed to end the long era of price discrimination. Many of those attending, particularly from the more distant States, were specially delegated by groups of independent businessmen to represent them and understand their expenses were paid by these groups. Among the more distant States represented were California, Idaho, Colorado, Arizona, Nebraska, North Dakota, New Hampshire, Texas, Oklahoma, and Florida.

At the two sessions held on March 4 addresses were made by Senator JOSEPH T. ROBINSON who introduced the bill in the Senate, Senator MILLARD E. TYDINGS, of Maryland, Congressman GERALD J. BOILEAU, of Wisconsin, an ardent supporter of the bill, and myself.

In addition to addresses by these national legislators, illuminating and enthusiastic talks were made by Mr. John M. Pohlhaus, director of the National Association of Retail Grocers; Mrs. H. J. Holmes, the wife of Mr. H. J. Holmes, of Holmes-Wildhaber Co., wholesale grocers of Omaha, Nebr., and a director of the Omaha Women's Club; Mr. B. S. Smith, a retail druggist of Ottumwa, Iowa; Mr. Herbert P. Sheetz, managing director of the National Retail Hardware Association; Mr. C. J. Burger, secretary of the National Independent Tire Dealers' Association; and H. C. Petersen, secretary-manager of the National Association of Retail Grocers.

State delegations were organized at the close of the morning session, March 4, and many dinners, luncheons, and conferences with Senators and Representatives were arranged and held on both March 4 and March 5. These delegations sent to the headquarters of the sponsoring associations most encouraging reports of their interviews with Congressmen and Senators. No effort was made to intimidate any Member of Congress. They merely presented their problems and asked for relief.

As the climax of the great gathering a committee for the conference, and representing also their individual associations, called upon President Roosevelt at the White House on Thursday afternoon, March 5, and presented to him a statement on the need for the enactment of the Robinson-Patman bill at the present session of Congress.

The committee representing the conference and also the associations of which the members of the committee are officials was as follows: Mr. J. A. O. Preus, ex-Governor of Minnesota, and now general counsel of the National Association of Retail Druggists, who made the presentation to the President in behalf of the committee; Mr. J. W. Dargavel and Mr. Rowland Jones, Jr., secretary and Washington representative, respectively, of the National Association of Retail Druggists; Mr. J. H. McLaurin, president, Mr. A. C. McCune, director, and Mr. R. H. Rowe, executive vice president of the United States Wholesale Grocers' Association; Mr. R. H. Huber, president, and Mr. Paul Fishback, secretary, of the National Food Brokers' Association; Mr. H. C. Petersen, secretary-manager, and Mr. L. E. Foy, director, of the National Association of Retail Grocers; and Mr. C. J. Burger, secretary of the National Independent Tire Dealers' Association.

The presentation to the President, made by this committee, was as follows:

The platform adopted by the Democratic National Convention in 1932 contains the following paragraph:

"We advocate the strengthening and impartial enforcement of the antitrust laws, to prevent monopoly and unfair trade prac-

tices, and revision thereof for the better protection of labor and the small producer and distributor."

That same platform "favored the restoration of agriculture" and the "spread of employment" for labor, and the "full measure of justice and generosity for all war veterans."

The platform closed with the pledge of the nominees of the convention to the philosophy of "Equal rights to all; special privileges to none."

A convention of delegates now here in Washington assembled, sent by smaller producers, distributors, and other independent business units in all parts of the Union, respectfully brings to your attention:

1. Commendable efforts have been made by the administration to accomplish the restoration of agriculture.

2. Commendable efforts have likewise been made to improve the situation of labor.

3. Certainly, the veterans, disabled and sound, have been treated with a "full measure of generosity."

4. On this third anniversary of the inauguration of the present administration there remains unfulfilled the pledge to strengthen and revise the antitrust laws for the better protection of the small distributor and producer. There are no "equal rights to all." There are special privileges to few at the expense of many. There is a real threat of monopoly.

The little man in business, the small merchant and manufacturer here in conference, asks only equal rights to all. He asks no special privilege. He wants no special privilege. He asks an opportunity to compete on an equal basis with all his competitors, both large and small.

This conference represents to you, Mr. President, that more than 20 years ago the Congress enacted the Federal Trade Commission Act and the Clayton Act, designed to control the situation now become intolerable. These two laws, because of their narrowing provisions and exemptions, have been ineffective to cure or even control unfair-trade practices.

The need for their strengthening and enforcement was apparent to the writers of the platform of the Democratic Party, as it was apparent to all.

There is now before the Congress proposed legislation to accomplish the results earnestly desired and requested by small producers and distributors. The Robinson bill (S. 3154), as reported with revisions by the Committee on the Judiciary, is now before the Senate, and is accepted by this conference as effective for the purpose.

The purpose of this bill is the elimination of oppressive discriminations in the nature of price discounts, rebates, and allowances, and it attacks them in the forms that have been more prevalent and hurtful in actual practice, while it carefully safeguards real efficiency and economy wherever they may be found or however devised in the stream of production and distribution.

A copy of the committee report, containing the bill as revised in the light of its studies, is furnished herewith for your convenience.

The companion and identical bill, the Patman bill (H. R. 8442), now before the House of Representatives, is still detained for study in the Committee on the Judiciary of the House.

These bills can be enacted into law and the relief promised the little man in business can be effected if Congress will proceed to their consideration, debate, and vote without further delay.

It must be borne in mind that this impending legislation does not call for appropriations. The existing bodies of the Government—the Federal Trade Commission and the Department of Justice—with existing personnel can make it fully effective.

Therefore, Mr. President, this conference of small-business men does most earnestly request and urge that you give this proposal your immediate consideration.

It is hoped that if necessary you will address a message to the Congress urging that this business be considered of primary importance and brought forward for consideration and passage without further delay. All of industry needs and must have this relief from unfair methods of competition. These representatives of the small-business men in industry do now plead with you for your cooperation and support.

PHILIPPINE PROBLEMS AFFECTING THE UNITED STATES: OUTLINE OF—I. EFFECT OF PHILIPPINE INDEPENDENCE ON OUR INTERNATIONAL RELATIONS IN THE ORIENT; II. COMPETITION OF FOREIGN SUGAR WITH BEET SUGAR; III. COMPETITION OF PHILIPPINE COPRA AND COCONUT OIL WITH DAIRY PRODUCTS AND WITH LARD AND ANIMAL GREASES

Mr. RYAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RYAN. Mr. Speaker, these remarks are made in order to give an account of the trip which the Vice President, the Speaker, the minority leader, and many other Members of the House and Senate made to the Philippines on the occasion of the inauguration of the Philippine Commonwealth.

I feel that this trip was made by me in the capacity of the Representative of the people of the Second Congressional District of Minnesota, and I feel that they are entitled to a full report on the journey.

During the course of the trip I was able to view conditions in the Orient which are of grave significance to farmers in the United States and to those business interests in our country which compete with oriental producers.

It was not possible to view the conditions which our party saw in Japan, China, and the Philippines without drawing conclusions as to their economic importance to the United States, and I am going to briefly state my views on the important questions wherein our district may be affected by Philippine independence. These problems, in my opinion, are:

First. The general effect of Philippine independence upon the international relations of the United States in the Orient.

Second. Competition of Philippine sugar with beet sugar.

Third. Competition of Philippine copra and coconut oil with dairy products and with lard and animal greases.

INTERNATIONAL RELATIONS

As to the general effects of Philippine independence and our relations in the Orient:

The population of the Philippine Islands is approximately that of New York State—about 14,000,000. The islands are about 114,000 square miles in area. The Philippine Islands were ceded to the United States by Spain on April 11, 1899, at the conclusion of the Spanish-American War. Since that time it has been the avowed purpose of the United States to grant freedom to the islands when the Philippine people demonstrated their ability to govern themselves under a democratic form of government.

Filipino leaders have repeatedly requested independence, and on March 24, 1934, President Roosevelt approved the Tydings-McDuffy bill, which provided for the granting of complete independence to the Philippines. Under the terms of the bill all laws enacted by the Philippine Legislature are subject to the approval of the President of the United States, and the United States maintains supervision over Philippine affairs through a high commissioner stationed on the islands for a period of 10 years.

The bill further provides for gradual increases in the tariffs on Philippine exports to the United States commencing in 5 years, and provides for absolute withdrawal of American intervention in the islands on July 4, following the expiration of 10 years from the enactment of the bill. Since the United States has consistently maintained that she is not interested in territorial expansion, I believe that granting of freedom to the Philippines is in line with our foreign policy.

The Japanese Nation is, at the present time, exerting itself in a program of expanding its trade relations and its territorial limits. Japanese nationals have made great strides in their commerce and business relations in the Philippines. The members of our party were amazed at the extent to which the Japanese influence is felt in the islands. It is probable that, if American control of the Philippines continued, an eventual clash between American and Japanese interests would occur. Withdrawal of our flag will aid our Nation to avoid becoming embroiled in oriental international complications and from that standpoint is, in my opinion, a desirable step. If democratic government in the Philippines is a success, it may have an effect upon the growth of democracy in other oriental nations. If this occurs, the United States will have performed a world service by the establishment of the first successful oriental democracy.

SUGAR

As to Philippine sugar:

The consumption of sugar in the United States averages about 6,000,000 tons annually.

Under the provisions of the Jones-Costigan Act quotas are established based upon past production which allow the beet-sugar areas of the United States an annual production of approximately 1,555,000 short tons and the cane-sugar areas of Louisiana and Florida an annual production of 260,000 short tons, raw value.

The Philippines are allowed a quota of approximately 50,000 long tons refined sugar and 800,000 long tons raw sugar.

Hawaii is allowed approximately 956,000 tons raw value. Cuba is allowed approximately 1,900,000 tons. Philippine sugar is duty-free, while Cuban sugar pays a duty reduced by reciprocal trade agreement to 90 cents per hundred pounds. The balance of our consumption of sugar in this country come from Costa Rica and other areas.

There are great areas in the United States adaptable for sugar-beet production and there is great room for expansion of beet-sugar production in this country.

The effect of the Jones-Costigan quota law is to restrict further expansion of beet-sugar production in the United States in favor of Cuban and Philippine producers. This is an injustice to the farmers in the beet-sugar area and the potential beet-sugar area of the United States. Sugar beets return a comparatively high profit to producers as compared to other farm products. Therefore it is my opinion that beet-sugar production in the United States should be allowed to expand to its broadest limits, and insofar as the Jones-Costigan Act restricts this tendency it is, in my opinion, faulty.

American sugar-beet farmers should be permitted to name their own quotas and to produce to their full capacity before quotas are allowed to other territories.

Under the Tydings-McDuffy bill, which is the law which grants independence to the Philippines, provision is made that at the end of 5 years an excise tax of 5 percent of the full duty shall be imposed on Philippine sugar. This tax is to increase 5 percent per year until it reaches 25 percent in the tenth year of Philippine freedom. The effect of this will undoubtedly have a tendency to place beet-sugar producers in a better competitive position than heretofore.

It is my position on the sugar question that domestic sugar-beet farmers should be allowed to determine the capacity of their own production and to name their own quotas. Domestic beet producers should have the first call on the domestic market.

The ending of our connection and moral responsibility to the Philippines will no doubt encourage this result.

COPRA AND COCONUT OIL

As to Philippine copra and coconut oil:

Copra, which is the meat of the coconut, is exported to the United States in large quantities for pressing for the extraction of oil, which is used in the manufacture of oleomargarine, soap, and lard.

Copra and coconut oil, insofar as they are used for oleomargarine and lard, compete with American dairy and animal products.

Under an act now in force, an excise tax of 3 cents per pound is imposed upon these products. This tax is collected as a processing tax and is repaid by the United States to the producers in the Philippines. Its purpose and effect is to raise the price of butter and lard substitutes so that domestic products can successfully compete.

It has been argued that since the Philippines have been under our flag we should impose no penalties on their products. We had an opportunity in the Philippines to see coconut and copra mills in operation. Coconuts are very easily produced in large quantities and the labor employed has very low standards. The wages paid to the workers in the coconut mills which we visited was approximately 1 peso, or about 50 cents per day.

I believe in the maintenance of the excise taxes on such portions of copra and Philippine oils as compete with our agricultural products, because American farmers must be protected from competition with labor which works under the low standards existing in the Philippines.

The granting of independence to the islands will tend to relieve the United States from granting preferred treatment in this regard.

THE LEGISLATIVE APPROPRIATION BILL, 1937

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11691) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes; and, pending that, I ask unanimous consent that general debate continue for today, and at noon tomorrow we can, perhaps, arrive at a decision with respect to concluding the general debate, the time, of course, to be equally divided and controlled by the gentleman from New Jersey [Mr. POWERS] and myself.

Mr. POWERS. Mr. Speaker, may I say to the gentleman from Pennsylvania I have now a number of requests for time, and I expect considerably more tomorrow. In view of this, could we not go on with general debate today and tomorrow and come to an understanding on Thursday as to just what we intend to do?

Mr. SNYDER of Pennsylvania. That will be agreeable to me, and I amend my request in that respect.

The SPEAKER. The gentleman from Pennsylvania moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11691, and, pending that, asks unanimous consent that general debate continue during today and tomorrow, to be equally divided and controlled by the gentleman from New Jersey [Mr. POWERS] and himself. Is there objection?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11691, the legislative appropriation bill, with Mr. BUCK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield myself such time as may be necessary for me to complete my statement.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 1 hour.

Mr. SNYDER of Pennsylvania. Mr. Chairman and Members of the Committee of the Whole, the bill which is before you today is that making appropriations for the legislative branch. We feel that it makes adequate provisions for our activities up here, and, at the same time, we feel that it is a bill that has been prepared with due regard for the Public Treasury.

This is not a departmental measure. It is our own housekeeping, and while there are a few activities that are not strictly legislative in character, they have by custom been regarded as a part of the legislative establishment. This is particularly true of the Library of Congress, which has become a great national library, developed and fostered under the intimate direction of Congress. Also in this category is the Botanic Garden and some of the activities of the Government Printing Office. While these agencies fall in the general class of "legislative", they are not, strictly speaking, except in a limited way, an actual expense incident to the functioning of Congress.

The bill contains 103 appropriation items. In only one instance in that total number has there been an increase above the amount of the estimate for the item. That concerns a matter of service to the House, about which I will speak later. It is fair to state, however, that the Budget estimates for this bill do not pass the scrutiny or revision of the Executive as do departmental estimates. The law prohibits that, so the estimates we consider here are the estimates of the respective officials in charge of our activities in this branch of the Government.

The total carried by the bill before you is $23,294,468. This sum is a net decrease under 1936 of $640,092.73, and a decrease under the estimates of $877,203.

The bill may be termed, except for two items, a strictly maintenance and operation measure. The only unusual items are the amount of $2,225,000 for continuing construction of the Library Annex and $210,000 for permanent improvements in connection with the power plant. With those eliminated, we have left a total of $20,859,568.

Not all of this, however, can be regarded as truly the cost of Congress and the maintenance of our legislative buildings. If we deduct from this total the Library of Congress, that part of the Government Printing Office which is not concerned with printing and binding for Congress, and the

Botanic Garden, we have left the sum of $16,242,387, which comes more nearly telling the story of the actual appropriation in this bill for the Congress than the amount of $23,294,468, which is the grand total of the measure. When we visualize the maintenance of these fine buildings—the Capitol Building, the House Office Buildings, the Senate Office Building—and the fine park comprising more than 100 acres which surrounds them, and then realize that this amount of $16,000,000 covers also the salaries and mileage of all Members and Senators, the pay of their secretaries and the committee employees, the telegraph and telephone, and other operating expenses, the vast amount of printing and binding incident to the business of the two Houses, I believe it can truthfully be said that $16,000,000 is not an extravagant figure.

We have not changed the Senate. In accordance with our past practice, we have appropriated for Senate items either the Budget estimate or the amount of the current law, whichever was the lower figure, and left to the determination of that body any question involving any increases over the 1936 appropriations. Wherever there were decreases in Senate items coming as an estimate we have taken the decreased figure.

HOUSE OF REPRESENTATIVES

The total for the House is $8,302,108, a net decrease of $101,602 under 1936 and $68,156 under the estimates.

We made a few increases, totaling $45,566, which consist of the following: Two additional telephone operators, at $1,560 each; six additional pages during the session, at a cost of $724 each; to carry out House Resolution 313 of last session increasing the pay of certain employees, $5,020; filing cases for Members' offices, $2,250; reserve operating fund, House restaurant, $15,000; telegraph and telephone, $5,000; reporting committee hearings, $5,000; folding speeches, $6,000.

These increases, we feel, are thoroughly justified. The telephone switchboard is badly crowded and two additional positions need to be cut in, and the new operators are for that purpose. They are urgently asked by the chief operator, Mrs. Daly. We have prompt and efficient service, and we want to keep it so. The six pages were earnestly asked by the Doorkeeper. This is the only item in which we raised the estimates, as I mentioned earlier in my statement. The number of pages is the same as in the Fifty-sixth Congress, when there were about 100 less Members than we have now. Since that time the two office buildings have been constructed. The Doorkeeper says there are occasions now when the page benches are almost empty because of the boys being engaged in getting bills and documents and delivering them to the other buildings. He believes six more boys will help greatly to improve the service. They will be paid only when Congress is in session. We have also added small amounts to the telegraph and telephone items and one or two other miscellaneous appropriations where experience has demonstrated that existing appropriations are habitually insufficient.

We have added $15,000 on account of the House restaurant at the solicitation of Chairman WARREN of the Committee on Accounts, who has charge of it. He appeared before the subcommittee and outlined to us some of his difficulties, and we felt that he should have this sort of a fund as a reserve against an operating deficit. For a time he was able to make ends meet down there. But since salaries have gone back to a 100-percent level, foodstuffs have gone up in price, the House is adjourning regularly from Friday to Monday, and it is impossible with the five meals a week to break even at all times. Mr. WARREN is doing a good job with that institution. We must have it for our convenience, and if there is a loss we must stand it. You cannot raise prices sufficiently to break even. If you do no one will eat there. I might say that prior to Mr. WARREN'S time we customarily had a regular deficit, and I think we will always have one of some degree. Credit is due the chairman of the Committee on Accounts for handling a rather discouraging and sometimes unappreciated job very well. He has accepted his responsibility and is rendering a service to us as Members that we should perhaps more fully give him due credit for.

We have not allowed all the amounts that were asked by the officers of the House. We cut $33,906 from their estimates.

There is a further reduction in the estimates of $34,250 resulting from the decrease of the Resident Commissioners of the Philippine Islands from two to one and the transfer of the expenses of that one from the United States to the Philippine Government. That comes about as the result of the Philippine Independence Act and enabled us to eliminate the salary, mileage, stationery, and clerk-hire allowances for these two offices.

ARCHITECT OF THE CAPITOL

For all of the activities under the Architect's direction, we provide a total of $4,202,924, a net decrease of $344,738 under 1936, and a decrease under his estimates of $375,057.

I will not weary you with the details of all the changes we have made in these appropriations, but several of them stand out and I shall mention those. There is an item of $108,750 for replacement of electrical substation switching equipment. There are three of such substations—one in the Capitol Building, one in the Senate Office Building, and one in the old House Office Building. They have about the same equipment, and about the same amount is involved for the machinery for each. This equipment consists of motor-generator sets, circuit breakers, and controlling devices for converting the 6,600 volts, alternating current, to a safe working voltage for use about the various buildings for light and power. The machinery in use is the original installation and is more than 25 years old. We were advised that it is inadequate and hazardous and obsolete. In case of a break-down, spare parts have to be made to order. These stations are the keys to our light and power in these buildings. In case of a serious short circuit or break-down, the particular building involved would be up against it for light and for power for elevators until it could be put in service again. The chief electrical engineer strongly recommends the rehabilitation of these stations and relying on his judgment we have concurred in the recommendation.

A smaller item, but somewhat important, is $25,000 for renovation of the sewer within the north side of the Capitol Grounds, extending from the Supreme Court Building on the east to the west boundary of the old grounds. This is a brick sewer, built sometime prior to 1875. It is sagging and out of shape. Several collapses have occurred in its walls and caused overflows of the Capitol Grounds.

At the Capitol power plant we have made provision for some roof repairs and also inserted an item of $210,000 for improvements consisting of work at the intake and pump house at the Potomac River, additional pumping facilities and piping changes at the power plant, and additional water-supply connections. This change is primarily brought about by the installation of the air-conditioning system which will take place this summer in the Capitol and office buildings. The refrigerating machinery will be driven by steam and it will take 100,000 pounds of steam per hour for that. A tremendous amount of water will also be needed for the air-conditioning system. In addition to the necessity of caring for the air conditioning there is a shortage of water supply for the power plant. It is not possible to operate both of the large turbines at once because of the shortage of water. The power plant will shortly be called upon to service the new Library Annex and the new buildings at the Government Printing Office. While not all of the $210,000 is required for the air conditioning, it does involve improvements needed for these new buildings I have mentioned, and the committee felt it good business to combine the two, inasmuch as they involve parallel operations in each case. While on the subject of the power plant, I would call attention to an item of $200,000 for cinder-catching equipment to eliminate the soot and smoke nuisance. We did not allow that item.

Congress recently passed a new smoke law for the District of Columbia. I doubt if anyone knows whether it is applicable to Federal property. The Architect seemed to feel that he should make an effort to comply with it. There was some testimony of complaints from persons in that neighborhood of smoke and cinders in the summertime, but the subcom-

mittee was not convinced that the plant was a nuisance, and has eliminated the amount for the time being at least. The new smoke law here is not in full effect yet because the Commissioners have not made the regulations, but it will soon be in operation, and we may learn something about it later. If the plant constitutes a real nuisance to the neighborhood and is a menace to the citizens there we should make this installation, but it is a very costly proposition and should only be undertaken after most careful study.

Mr. BOLTON. Mr. Chairman, will the gentleman yield for a question at that point?

Mr. SNYDER of Pennsylvania. I yield.

Mr. BOLTON. I simply want to ask the gentleman in connection with the smoke nuisance here whether he thinks the attitude of the committee in disallowing this item may prejudice any future action in favor of a proper smoke-control law in the city of Washington.

Mr. SNYDER of Pennsylvania. I may say, in answer to the question of the gentleman from Ohio, that this was looked upon by the subcommittee from every angle, and, inasmuch as we did not have any definite information as to whether this law applied to Government buildings or not, we did not feel justified in adding this additional $200,000 at this time, or until we got something definite from the Commissioners having charge of the enforcement of this law.

Mr. BOLTON. I assume the gentleman is in favor of proper regulation of the smoke nuisance here.

Mr. SNYDER of Pennsylvania. I am, and I may say that your committee is in favor of that.

Mr. LORD. Mr. Chairman, will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield.

Mr. LORD. I notice there is an item here for telephones and telegrams, which is some $5,000 more than last year. On account of this session being, perhaps, a short one, I wondered why this item is increased over the amount carried last year. I would have presumed it would be decreased.

Mr. SNYDER of Pennsylvania. I shall ask the gentleman from California, a member of this subcommittee, Mr. DOCKWEILER, to answer that question.

Mr. DOCKWEILER. If I understood the gentleman's question correctly, it was why the telephone and telegraph item was not decreased rather than increased in this particular supply bill. I may say that during the last few years it appeared from the testimony before our committee that the use of telephone and telegraph services had increased to such an extent that we were really asked to supply more money than we did. I believe the amount requested was somewhat in excess of $100,000, but we reduced it to $95,000, which, of course, is an increase over last year of $5,000.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield.

Mr. LUDLOW. This appropriation would be applicable to the next fiscal year and not this fiscal year, and therefore the gentleman's point is not well taken.

Mr. LORD. Last year, Mr. Chairman, as I read the bill, we only needed $90,000, and we are increasing this for the next year. Why not practice a little economy? Where is the money coming from?

Mr. TABER. Mr. Chairman, if the gentleman will permit, as I understand it there was $105,000 appropriated for last year, including the deficiency, but only $92,000 was spent. In view of the fact we had a long session last year and the probabilities are the session will be 4 or 5 months shorter this year, and we will not have a summer session, I notice the papers are commenting on our increasing this amount, and I am wondering if it would not be better if we could cut this down to $90,000, the amount that was provided last year.

Mr. SNYDER of Pennsylvania. I will say to my friend from New York that we took that under advisement.

The Library Annex comes in this bill for the first time and we provide $2,225,000 for continuing construction. Under authority of an act approved June 6, 1935, the contract for the superstructure was entered into on June 12, 1935, at a cost of $6,269,400. There is nothing we can do but appropriate the money to make the progress payments under that contract. The entire cost of the building, including furnishings and equipment, is $9,366,400, of which $2,975,000 has heretofore been made available. The total cost of the building and site is estimated at $10,284,141.94.

Mr. BOLAND. Will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield.

Mr. BOLAND. The gentleman from New York asked a question in relation to raising the item for telegraph and telephone and said that the committee would take it under advisement. Did not the committee consider that question when they were considering the bill?

Mr. SNYDER of Pennsylvania. Yes; otherwise we would not have put the item in.

Mr. BOLAND. It seems to me that answers the question of the gentleman from New York.

Mr. SNYDER of Pennsylvania. I might say to the gentleman from Pennsylvania that I thought that perhaps the gentleman from New York had some additional information that he could present to the committee, and the committee is always open-minded.

Mr. BOLAND. I understood the gentleman to intimate that it might be taken up in the committee.

Mr. TABER. No; I brought the matter up because I thought it ought to be considered when we reached that item in the bill. I had no idea of its being changed until we reached the consideration of the bill.

Mr. LUDLOW. Will the gentleman yield to me?

Mr. SNYDER of Pennsylvania. I yield.

Mr. LUDLOW. This telephone and telegraph item last year had an appropriation of $105,000. We are going to have a deficiency in 1936. It was on the basis of these facts that the amount was fixed for the next fiscal year, provision being made in the face of past experience. The amount which we have allowed is not too large, and there is some question whether it is large enough.

Mr. SNYDER of Pennsylvania. I may say, in addition to what my colleague from Indiana has said, that if I recollect correctly the Architect asked for $115,000.

Mr. TABER. The expenditure last year was $92,000, and there was a balance left over of $13,000.

Mr. LUDLOW. That was only a part of it. There were a lot of bills left over that were not included, so that that does not express the whole expenditure. These bills are very slow about coming in. They come from all over the country, and there are a lot of unpaid obligations that are not included in the statement the gentleman has.

Mr. DOCKWEILER. Will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield to the gentleman.

Mr. DOCKWEILER. The Budget estimate was $115,000, and we only allowed $95,000 in this bill.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I would call your attention also to two items under the Architect which we did not allow. A request was presented for $64,000 to install two additional elevators at the east entrance to the Senate wing. We did not approve it. There are four elevators in the Senate wing, of which two are especially set aside for use of Senators, leaving only two for the public and employees. There are four elevators in the House wing. With a larger membership and a larger gallery capacity than the Senate, the House gets along very well with four. I think the Members have only one elevator set aside exclusively for their use, and they share that with the press. This would be a very expensive installation. In my judgment it would disfigure somewhat the Senate wing and require an immense amount of expensive cutting through solid stone, as well as to require redecorating. The subcommittee did not see any justification for it.

Another item we eliminated is $22,200 for new shelving of steel design and other modernization in the library under the space formerly occupied by the Supreme Court. Some of us felt that there was not enough use made of that library by Members and Senators to justify its continuance now that the Court has moved way. It is used largely by members of the District of Columbia bar and students, but they do not justify its continuance. We have asked to have a check made of its patronage and in the meantime have stricken out this item for these improvements. We have a

small library here on the floor, there is a library in the House Office Building, there is a library for the Senate on the Senate side, there is this law library, there is one in the Library of Congress, and one in the new Supreme Court Building. We should determine the future of this library before making these improvements costing $22,000.

I will not enter into all of the details of the changes in the Architect's Department. We have added some mechanics to operate the new air-conditioning system, we have provided for necessary structural repairs in the various buildings, and taken care of the maintenance of the grounds. We did eliminate some requests of the Architect, among them salary increases totaling $14,280. In no instance have we left out any item essential to the proper upkeep of the property or to its efficient functioning.

LIBRARY OF CONGRESS

The Library of Congress is a growing institution. It had added to it last year, by purchase of material and by the additions that come through copyright deposits, an increase of 167,000 printed books and pamphlets. In addition, it secured nearly 18,000 more maps and views, 15,000 volumes or pieces of music, and over 6,000 prints. The contents of the Library on June 30 last consisted of nearly 5,000,000 printed books and pamphlets, 1,337,000 maps and views, 1,131,000 pieces or volumes of music, and 534,000 prints.

We have carried in this bill, aside from the mechanical operation of the building, a total of $2,509,025, which is a net increase of $10,134.45 over 1936 and $183,680 less than the estimates. The net increase of $10,134 over 1936 really provides a larger increase. There were in 1936 nonrecurring items amounting to $50,500, so that in reality we have granted the Library for 1937 increases amounting to $60,634.45. The Librarian presented a request for 41 new positions with salaries aggregating $66,900. These the committee did not allow.

We did allow money to cover the reallocation of positions under the grades of the Classification Act. That is a mandatory claim upon us under the Comptroller's decisions, and, while we feel that it should be soon completed, we did not feel that we could deny what has been done pursuant to law.

One matter of especial interest should be called to your attention. Last session the committee placed an item of $10,000 in the bill to give a weekly digest to Members and Senators of general public bills. That publication is now coming to your offices. I believe it only started the last week in January or the first week in February. We ask you to make a check of its use in your office, so that next session you can advise us candidly whether it is of value. It was put in last session at the request of a number of Members who felt a need for some such service. The committee felt that the time for a trial was too short to determine its value, and the Librarian advised that $10,000 was not enough, so we have increased the amount to $15,000. Next session we will ask you for your sincere expression of opinion upon its continuance.

Mr. LAMBETH. Mr. Chairman, will the gentleman yield?

Mr. SNYDER of Pennsylvania. Yes.

Mr. LAMBETH. The gentleman just referred to a digest of public bills, which is very interesting. I do not recall having seen such a publication.

Mr. SNYDER of Pennsylvania. This was authorized last year. It was supposed to have started the first of this year. The first issue did not come out until about 6 weeks ago.

Mr. LAMBETH. Are we supposed to receive it in our offices?

Mr. SNYDER of Pennsylvania. Yes; the gentleman should receive it in his office.

Mr. LAMBETH. I thank the gentleman for his courtesy and patience. I just want to say that the gentleman's discussion of the matter interested me greatly, because I can see that such a publication would be of immense value to the Members. We are busy here with many duties, and to have such a service available would undoubtedly be helpful. I was prompted to rise because the gentleman stated the publication is now being issued and distributed to Members, though I have not seen it.

Mr. SNYDER of Pennsylvania. If my information is correct, six issues have gone out and they must have reached the gentleman's office.

Mr. LAMBETH. What is the exact title of it?

Mr. LUDLOW. If I may be permitted, the exact title is Digest of Public General Bills With Index.

Mr. SNYDER of Pennsylvania. Its color is just about like our calendars; and as it comes to the gentleman's office, I suppose his secretary might have mixed it up with something else and has not called it to his attention. As chairman of the committee I shall write to each of the secretaries of the Members and tell them to call it to the attention of the Members.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. SNYDER of Pennsylvania. Yes.

Mr. BOLTON. Only to comment on the remarks of the gentleman from North Carolina [Mr. LAMBETH]. Like him, I am interested in this; but I am wondering if the distribution of it has been confined to gentlemen of the majority side of the aisle. I have never received any to my knowledge.

Mr. SNYDER of Pennsylvania. I can say to the gentleman that at least six copies must have come to his office in the last 6 weeks. It is nonpartisan.

Mr. COSTELLO. Mr. Chairman, will the gentleman yield?

Mr. SNYDER of Pennsylvania. Yes.

Mr. COSTELLO. I believe the sixth number of that Digest arrived in the office this morning.

Mr. SNYDER of Pennsylvania. Mr. Chairman, an increase of $40,000 was asked for law books for the Supreme Court law library. We have been providing $50,000 a year for several years past. Last year we raised it to $90,000 to buy additional books for the new library in the Supreme Court Building. The additional $40,000 was sought again this year as a permanent addition to the law-book purchase fund. The subcommittee understood it as a nonrecurring item and has denied the increase. We believe that $50,000 for law books is a generous sum when compared to the $115,000 which is provided for the purchase of all books other than law. If we should increase the permanent law-book fund to $90,000 we should in fairness raise the amount for other book purchases by a proportionate amount, and this we feel is neither necessary nor desirable, considering the congested condition of the present building.

An increase of $25,000 is carried for printing catalog cards for sale to other libraries. This service is not self-sustaining, but it is a revenue producer of some $210,000 a year and provides a very valuable service to the libraries generally throughout the United States, in that it furnishes them the cataloging of a book for a cent and a half which would cost them a great deal more to perform otherwise.

GOVERNMENT PRINTING OFFICE

The appropriations for the Government Printing Office are unchanged except in one particular. At its last session Congress provided for the issuance and printing of a Federal register in which should be published daily for 5 days a week all Executive orders and regulations having the force of law and of general application. The publication of the Register was delayed due to the failure of the appropriation last session in the bill which was filibustered to death. It is scheduled to start this month under an appropriation made at this session. There was requested in this bill $300,000 for that purpose for the next fiscal year. We ascertained that $225,000 of that amount was for publishing the current Register and $75,000 for printing and binding in volumes the past accumulations—that is, orders and regulations in effect at the time the Daily Register is first issued. The appropriation for the present year was cut down by the committee from $295,000 to $100,000 so as to eliminate the publication of these accumulations, and your subcommittee has acted accordingly. We feel that before a vast amount of accumulated material is printed we should have a definite knowledge of how valuable it is, what it will cost to publish, and then determine whether we want to make that appropriation. So we cut out the $75,000. We also did another thing. Some of

us feel that this publication may not be as valuable as its sponsors thought it would be. Consequently we have provided only $150,000 to carry it on until March 1, 1937. That will cover 8 months. We will have had nearly a year's opportunity to find out what use it is. If it is as valuable as it was supposed to be, the Congress will be in session and we can appropriate to continue it. If we feel that it is not valuable, it will perish for lack of funds.

I have given you the important items and perhaps too much of detail. There are many minor items I have not touched on, but the report on the bill is replete with those details and the hearings are explanatory. If there are any questions, I shall be glad to answer them and I thank you for being so considerate of this presentation. [Applause.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Chairman, ladies and gentlemen of the Committee, war clouds are again hovering over the world. The nations of Europe are engaged in a feverish competition to determine which one can build up the most formidable and efficient war machine in the quickest possible time. Billions of dollars are being spent for this purpose and the productive genius of these unhappy people is being diverted from peaceful pursuits to the turbulent channels of war. Stern and autocratic dictators have seized the reins of power in many countries, and they are driving their unfortunate subjects nearer and nearer to the precipice of destruction and the whirlpool of blood. The smoldering embers of hate left by the last war are being fanned into the consuming flames of another world-wide conflagration, compared with which all previous wars will take on the appearances of a sham battle.

The nations who refused to pay the honest debt they owe us experience no difficulty in raising billions for military purposes. Even children of tender age are snatched from the schoolroom and subjected to rigorous military training. Women who furnish civilization with its humanizing and sobering influences are taught the uses of steel. The tender notes of the lullaby are transformed into the battle cry of hate and death. Once again Europe is separating into two armed camps. On one side may be Germany, Italy, Japan, and Austria-Hungary. On the other will be England, France, and Russia.

Where will America be? This is the most important question that confronts us. Upon its determination will depend the welfare and happiness of every American, and even the generations unborn. It is possible that the answer to this question will determine the continuation of free government in America. The answer of profit-seeking interests, meddling internationalists, and alien-minded groups will be war. To the predatory interests war holds out its filthy promise of enormous profits, gained at the expense of orphaned children, forlorn widows, and maimed soldiers. To the internationalists it presents the lure of meddling with the affairs of Europe. To the alien-minded groups it affords an opportunity to promote foreign interests, to the detriment of America and to gratify prejudices and hates imported from native lands.

But the answer of every patriotic American should be strict neutrality. The cry of the selfish may be war, but let the slogan of every citizen be "Keep America out of Europe and Europe out of America." With such a policy firmly fixed upon our statute books and in the administration of our foreign affairs, we can be assured of honorable peace and normal prosperity for ourselves and our children.

No other nation has more reason to maintain neutrality than America. The horrible ravages of the last war have left their indelible imprint upon the very soul of America. We are still staggering under the crushing burdens of war debts. Many of our veterans still drag their broken bodies through a world made desolate for them. There are still widows and orphans who grieve for the hero who never came back. The war threw out of gear our whole economic machinery and we have not been able to make it function properly since then. It created an artificial and temporary demand for the products of our farms and factories. To supply this demand we expanded our productive capacity to the highest point ever attained. Land that was intended for grazing was planted to wheat or cotton. The scarcity of labor accelerated the invention and use of labor-saving devices. Mass production was substituted for the more orderly and dependable methods of former days. Young men were lured from farm to factory. The whole credit and financial structure was blown up like a balloon. Wild speculation took the place of sound investment. Conservative values were succeeded by fictitious appraisals. Aliens were imported by the thousands to furnish cheap pauper work for farm and factory.

Then came the crash with its dire consequences—bankruptcy, unemployment, hunger, debt, and despair.

It would seem that in view of this experience everyone in America could unite upon the principle and policy of strict neutrality, except where it is necessary to defend ourselves. But it is becoming evident every day that this is too much to be hoped for even from a people who paid the terrific price that America did. At this very moment there are powerful groups and blocs and interests who oppose real neutrality and who apparently want us to involve our Nation in the next war.

God forbid that their sinister influence shall prevail. One more foreign war will shake this Republic to its very foundation and put into jeopardy the liberty and freedom which we justly prize and which other countries have permitted to be stifled under the mailed fist and iron heel of militarism.

Mr. Chairman, I do not preach a doctrine of complete isolation. I am anxious for us to be a good neighbor to all nations and all peoples. I would cooperate with them in any sane plan to curtail armaments and maintain peace on earth, and I would cultivate the good will and friendship of every nation. But under no circumstances would I permit my country to become enmeshed in foreign entanglements. You can do business with a customer without involving yourself in his family or political disputes. The greatest contribution we can make to the peace and happiness of the world is to stay on our own shores, mind our own business, and work out our own salvation. It will not profit the cause of peace and freedom for us to follow the tragic example of Germany and Japan. Let us keep the torch of freedom and peace burning on the western shores so that the battle-scarred and unhappy children of men may see and take heart. One by one the nations of the earth are losing their liberty and reverting to medieval tyranny. In nearly every instance war was their downfall. Let us heed this tragic experience and avoid the path that leads to certain death and destruction.

We are separated by thousands of miles of ocean and natural barriers from Europe and Asia. God has been good to us. He gave us expansive prairies, mighty lakes, woodland stretches, fertile soils, and inexhaustible resources. There is no reason for us to wage a foreign war.

Mr. Chairman, I regard the neutrality bill that we passed in the previous session and continued this session as one of the greatest steps ever taken in the direction of American peace. Let us strengthen this measure from time to time and, more important still, let us crystallize public sentiment in favor of its proper administration. This bill prohibits the shipment of arms and ammunitions to belligerent countries. It declares our firm policy of remaining neutral. American interests who invest money abroad or who travel in war zones do so at their own peril. In the next war we have provided a method whereby wealth will be conscripted the same as man power. All alike will be required to serve unselfishly and without profit.

KEEP EUROPE OUT OF AMERICA

Not only must we keep America out of Europe, but we must keep Europe out of America. The very fact that one-third of our population is of foreign stock and that we have 16,500,000 foreign-born people in our midst and about 8,000,000 aliens proves that we have failed to do this in the past. The most acute problem that confronts us and the one which baffles every legislative attempt and administrative measure is unemployment. In spite of the 52-percent

increase in farm income and the 300-percent increase in the earnings of 166 great corporations, unemployment is still with us. The latest figures estimate that more than 12,000,000 men are out of work in spite of the billions of dollars that have been spent to furnish employment. The plain truth is, Mr. Chairman, that we imported unemployment from foreign countries. Since the World War more aliens entered this country than we have unemployed today. So long as our economic machinery was geared up to the highest peak ever known this imported labor could be employed without displacing American labor. But when the balloon exploded we were left with our imported unemployment problem.

I have shown, Mr. Chairman, in numerous newspaper articles that I have written for some of the great newspapers of this country that our unemployment was caused largely by immigration. My purpose in showing this was not to arouse hatred against our foreign-born people, nor to subject them to any character of persecution. It was natural for them to come to the United States where they could secure freedom and a higher standard of living. But I do condemn the policy and law which permitted them to enter, and I have pointed out in detail the serious results of immigration in an attempt to persuade the Congress to adopt a firm and permanent policy that will prevent this in the future.

There are today 50 percent more persons out of work in the United States than in all Europe. In Europe unemployment shrank by 8,000,000 last year. While we have given haven to 8,000,000 aliens—given them jobs or supported them on relief—8,000,000 employable Americans are jobless. In a remarkable degree it appears that European nations have recovered and brought about reemployment in proportion as we have taken over their surplus population. Figures from the International Labor Office in Geneva covering the year 1934 show:

Germany reduced unemployment by 671,897 that year, and she has sent us 665,000 immigrants since the armistice.

England put 188,614 back at work that year—171,801 of her citizens had come here since the war.

Italy's relief-rolls reduction was 238,235, and of her crowded population 250,000 came to our shores in a decade.

Is it any wonder, therefore, that we have 1,500,000 aliens on public and private relief and that approximately 6,000,000 aliens are holding jobs that would be filled by our own citizens if these aliens had not been imported to America?

By aliens, let me make it clear that I am speaking of unnaturalized foreign-born people in the United States.

Since I have been in Congress I have done everything in my power to stop the importation of foreign labor and to deport undesirable aliens. That the campaign I have vigorously waged has been successful insofar as legal entries are concerned can be proved by the immigration statistics. Before I came to Congress immigrants were entering this country legally at the rate of about 400,000 a year for the 10-year period prior to 1931. Since 1931, due to our insistence that the consuls reject all applicants who were likely to become public charges, legal entries have been reduced to a few thousand each year. Of course, this does not take into account the illegal entries who have continued to enter in large numbers, but it does show that substantial progress has been made. In addition to this, the record will show that I led the fight in opposition to the Dickstein bill, which would have virtually destroyed our immigration and deportation laws. We defeated this bill on the floor of the House and defeated similar measures which would have greatly weakened our present restriction.

Due to the strong opposition of powerful groups, I have not yet been able to get a vote on the Dies bill, H. R. 5921. The Immigration Committee refused to report this bill. After vainly attempting for several years to get the committee to report this bill and afford the House an opportunity to vote upon it, I was compelled to resort to the only other parliamentary method available to secure consideration of a bill. I filed a petition with the Speaker asking for the discharge of the Immigration Committee from further consideration of this bill and an immediate vote. Of course, under the rules of the House, 218 Members have to sign this petition before the bill will come to a vote. In view of the strong opposition to my bill, it is very difficult to get 218 Members to sign it, but nearly a hundred have signed it, and eventually public sentiment is going to demand that this bill be acted upon by Congress.

The Dies bill will accomplish the following results:

First. Put the Western Hemisphere upon a quota basis the same as European countries. At present there is no numerical restriction insofar as the entrance of people from Mexico, Canada, South America, and Central America are concerned. There are millions of people living in these countries, and in the future millions of them will come to the United States unless we prohibit their entrance.

Second. The Dies bill will reduce all quotas 60 percent.

Third. Seventy-five percent of the remaining 40 percent will be required to be used to reunite families.

Fourth. Criminal aliens such as dope peddlers, gangsters, racketeers, and the like will be promptly deported.

Fifth. All aliens who fail to make a bona-fide effort to become American citizens within a reasonable time will be deported.

Sixth. The bill will practically solve illegal entries in the future.

Unless this bill is enacted into law millions of aliens will enter the United States in the next decade or so. This will mean that it will be impossible for us to solve the unemployment and relief problem. It will mean that American labor will continue to be displaced by foreign workers. It will mean that the big plantation and corporation farms will be able to cultivate thousands of acres with cheap pauper labor and thereby increase crop surpluses.

The Dies bill will not hurt any naturalized foreigner or any law-abiding alien who wants to become an American citizen. It will help these people just the same as it will the native-born Americans.

Practically every other nation has closed their doors to foreign immigration. In countries like Germany, France, Italy, Netherlands, Mexico, and so forth, no employer of labor can hire an alien until he can show the government that he cannot get a native citizen to fill the job. These other countries will not permit American citizens to hold jobs within their borders.

Few people realize that there are now some 2,500,000 aliens—mostly Mexicans—in our Southwest. Largely because of this about an equal number of American citizens are on relief there. Mexicans will work for less; every Mexican alien at work within our borders means an unemployed citizen. Fifteen million dollars a month is the relief bill for Texas, Arizona, New Mexico, and California. What a subsidy to pay in order that Mexicans may earn American dollars to send back home while tax burdens force American homes under the hammer and our citizens are forced into the bread lines.

KEEP EUROPEAN SYSTEMS OF GOVERNMENT OUT OF AMERICA

Not only must we keep Europe out of America in the form of cheap pauper labor, but we must prevent European ideas of government from succeeding in this country. In such countries as Germany, Italy, and Russia liberty is unknown. The citizen has no rights which cannot be taken away from him by a dictator. He can be arrested and thrown in jail without a warrant or legal cause. He can be tried without a jury. He is no more than a chattel in the hands of autocratic rulers. According to the European system of government, everything is for the state, nothing outside the state, and nothing against the state. Neither life nor liberty is safe in these countries.

There are groups and blocs in this country who would like to establish the European idea of government in America. There are those who would like a communistic form of government, while others want dictatorship. These ideas are all un-American and we must resist them to the limit of our power.

Mr. Chairman, in conclusion, permit me to say that while I do not profess the gift of prophecy, I am sure that if we will keep America out of Europe and Europe out of America, it will not be long until prosperity and happiness are restored in the United States. If we do not follow this wise

policy I can foresee nothing but misery and disaster for our beloved country. It is not Providence that is responsible for our woes. God has lavished upon this country the bounties and riches of nature. He has given us more than any other country on earth possesses. If we do not make a success of governing ourselves in a peaceful and prosperous manner it will be our own fault. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, for several months the spokesmen for the New Deal, both in and out of Congress, have been on the defensive. The confident assertion that "we are on our way" which characterized the first year or two of the present administration is no longer heard. In its place we hear almost every day an attempted explanation of some New Deal misconduct which has been pointed out to and grasped by a people who are tiring rapidly of broken promises and a search for Utopias which do not exist.

Attacks on the New Deal by Democrats of unquestioned standing, experience, and judgment have done much to put this administration on the defensive. Criticism from Republicans is expected and more easily discounted. Criticism from outstanding Democrats is nothing short of devastating and utterly unanswerable.

The familiar defensive cry, "How would you like to go back to 1932?" will not turn the trick. It is not a question of going back, because our people know that natural forces for recovery are strong, and that, given 3 or 4 years, some recovery would inevitably occur, particularly after the Supreme Court reestablished constitutional rights and guarantees.

The social experimentations and reckless extravagance of the New Deal are on the way out because the common sense of the people is reasserting itself. They are not asking, "Has there been any recovery?" They are asking, "Are we as far along on the road to recovery as we should be or would have been but for the un-American fallacies of the New Deal?" To the latter question an increasing majority is answering "No", and therein lies the reason for the very obvious nervousness of New Dealers when they contemplate next November. They read the figures on increasing unemployment, reflect on the billions uselessly spent to prime the pump, plead guilty to an unprecedented growth of spoils and bureaucracy, and tremble in their boots at the increasing wrath of an overburdened and disillusioned people.

In a tremendous effort to regain lost confidence on at least one front, the New Dealers, headed by the President himself, are now loudly proclaiming their belief in and support of the merit system in Federal appointments. What a travesty! Hypocrisy is a hard word, but what else fits when we consider that this administration has done more to tear up the merit system and apply the spoils system than any administration the country has ever seen? Is it possible that the defendant, after being tried and found guilty at the bar of public opinion, charged with the greatest raid of Federal jobs in our country's history, has finally decided to "go straight"?

Human experience has proved that the motives back of hasty reformations must be examined if we are to know whether the reformation is sincere, or just another promise. In the close personal intimacy so often displayed among those high in our Government, do you suppose that someone might have said, "Jim, that idea of putting the faithful in every possible job seemed like a good idea at the time. Why, it looked like the best way in the world to perpetuate ourselves in office. But a terrific kick-back is developing. The people do not seem to like it. They are afraid that it is wasteful and inefficient. And to make matters worse, one of the great nonpartisan women's organizations is starting a national campaign for the merit system which is arousing a lot of comment. Can it be possible that the declaration of our great predecessor, Jackson, about the spoils going to the victors has been overplayed?"

And do you suppose that Jim might have answered, "Now, now, do not be disturbed. There is plenty of time left. We now have, or will have in the next few months, good New Dealers in all of the post offices. And we have given hundreds of thousands of jobs to the faithful in the many branches of government. We will now come out strong for the merit system, telling everybody that we are for it. We can just blanket all of these appointees into civil service, giving them jobs for life. That, of course, will prove that we are for the merit system and will take the fire out of that attack."

Now, that conversation might have taken place. All of this might be good strategy and might work, except that our people are waking up. My guess is that they will conclude that the promisor is at it again, and will not be taken in any last-minute reformation which is so obviously a sham.

While this seems to be an effort on the part of the New Deal spoilsmen to manifest good faith, not only to the people of the country but to the civil-service employees as well, the reason back of this effort is as clear as crystal. There is a catch in it. The new-found devotion of Mr. Roosevelt and Mr. Farley to the merit system is the basest sort of strategy. It is intended solely to give permanency to the quarter of a million political henchmen this administration has put into office. That and that alone tells the real story back of the sudden disposition of the New Deal to try to convince the public that at long last it intends to keep one of the promises made when it was seeking office. [Applause.]

The recently expressed desire on the part of the administration to put the postmasters under civil service is perhaps the biggest part of the fraud the administration is attempting to perpetrate upon the public. As a matter of fact, the seeming conversion of the President to this idea was effected soon after he became President. He then directed his Postmaster General and chief spoilsman, Mr. Farley, to draw up a bill for Congress for that purpose. But Mr. Farley was more than one of Mr. Roosevelt's Cabinet officers. He also was, and still is, chairman of the Democratic National Committee. Therefore Mr. Farley was not particularly anxious to go along with his President—at that time. The reason is obvious. When Mr. Roosevelt first suggested this rather drastic step for the New Deal there still were a number of Republican postmasters. Mr. Farley soon remedied this. He put in their place New Dealers who would go along with the Roosevelt administration. While these substitutions were being made, and in face of the fact that one of his official family defied, or at least publicly ignored, his instructions, the President, so far as is known to the public, never once took Mr. Farley to task for his declination to move on the President's instructions.

Time passed. Republican postmasters disappeared. New Dealers took their place. And now that the first, second, and third postmasterships are occupied mostly by gentlemen of Mr. Farley's picking, Mr. Roosevelt once more makes a gesture to the American people. That gesture is designed to convince them that he is against the spoils system, of which since March 4, 1933, he has been the chief advocate. It is notable that this new advocacy did not come until Mr. Farley had filled the offices with deserving New Dealers. It is equally notable that in putting the postmasterships under civil service at this time Mr. Roosevelt and Mr. Farley would thereby perpetuate in office the henchmen of their own picking not for a day, nor for an administration's term of office, but for life.

In an effort to regain lost prestige, the President, in a message to the National League of Women Voters, which was also read over the radio, said that he was not only glad to assure the organization of his support in its effort to eliminate the spoils system in government but that "there can be no question of greater moment or broader effect than the maintenance, strengthening, and extension of the merit system."

A comparison of this statement with the record of this administration's violation of the merit system challenges the sincerity of the statement. In the words of Candidate Roosevelt himself:

> Remember well that attitude and method—the way we do things, not the way we say things—is the measure of our sincerity.

The civil-service laws went on the statute books in 1883. Their greatest violators since have been New Dealers who rode into office under the masquerade of being Democrats. In building up the greatest bureaucracy of all time and thus

harassing the already overburdened taxpayers with hundreds of millions more to pay in taxes, Mr. Roosevelt and his spoilsmen at the start of the current year had 815,789 Federal employees listed. This vast army of workers did not include employees in the legislative or judicial branches. An untold number of temporary Government employees were not included, nor were persons in the Army or the Navy, the District of Columbia government, the near half a million enrolled in the C. C. C., and other numbers of those who are employed by the Federal Government.

Out of this number there were but 611,397 subject to civil-service rules. There were 204,392 not subject to the Civil Service Act and its rules. And the figures of the Civil Service Commission show that from June 30, 1933, to December 31, 1935, the New Deal spoilsmen added 252,312 employees. These did not all go to the emergency organizations set up by Mr. Roosevelt. The regular organizations of Government were infiltrated by these New Deal henchmen. Up to last month 44,000 employees had been added to the regular establishments of Government, and the Federal pay roll had been increased 46 percent. In addition, since he has been President, Mr. Roosevelt has increased the Federal pay roll $542,000,000, and the taxpayers are now paying a billion and a half dollars a year to keep this New Deal, top-heavy Government going.

Apparently, in another effort to delude the public, there recently has been a tremendous shifting of employees from one bureau to another. Evidently there has been considerable manipulation in this process of shifting employees in order to make it appear that there has been a big decrease in numbers employed. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, our policy to aid the farmer is somewhat confusing, and the more one studies it the firmer becomes the conviction that we are defeating our own ends. Mr. Wallace takes millions of acres out of production and curtails as much as possible the yields from our fields, while Mr. Ickes, on the other hand, encourages large projects with Public Works money to put more land into cultivation and increase production, and Mr. Hull complicates and confuses the issue by reducing the tariffs so that foreign commodities may be shipped in and sold at a lower rate.

To those of us who are accustomed to thinking in simple terms these policies appear contradictory, nor can they be reconciled. The late lamented Agricultural Adjustment Act was based on two broad policies: (a) Destruction of so-called excess; (b) taking of acreage out of production.

The theory of this policy of destruction of so-called surplus crops was this: That inasmuch as millions of our people were hungry, the way to relieve that hunger was to destroy food; millions of our people being poorly and thinly clad, the way to remedy the defect was to destroy crops from which clothing was made. As a result large quantities of food were taken off the market.

The theory of destruction of wealth was supplemented by the further policy of taking agricultural acreage out of production. It has been said that under this policy 50,000,000 acres of land were taken out of production in 1935. As a result various foreign countries promptly stepped in and raised crops to take the place of those barren acres which we have withdrawn from production. When the Supreme Court of the United States declared the Agricultural Adjustment Act unconstitutional, we rushed to the rescue with another so-called Farm Aid Act, which, it has been said, will take twenty-five to thirty million acres out of production for the year 1936. We hope to supplement this withdrawal of acreage by providing Government funds with which to purchase surplus stocks and thereby stabilize the price of our respective commodities; and in order that this fund might not lay idle, and so as to insure its complete success, we provided through so-called reciprocal-trade agreements that foreign countries might ship in their agricultural products at a lower tariff rate.

The theory of this economic philosophy was that we could purchase our own excess of cream, butter, cheese, and so forth, and thereby make it possible for chain stores and food speculators to buy cheaper goods from abroad and make larger profits.

We also decided that certain lands were not suitable for cultivation. These were known as submarginal lands, and in order to further aid our policy we decided to purchase millions of acres of submarginal lands and move the farmers from those lands to more fertile fields. We even transplanted some of these families to Alaska.

Well, that theory seemed to have been a good plan, and when we had it operating and well in hand we decided that it would be a good idea to hunt out some sterile lands and make them bloom like the rose. So we looked around for some places where there were not any people, at least not many, because we did not want to be too close to a good market, and start a reclamation project, and shortly there will be a bill before us making appropriations for the Interior Department for the year 1937; and when you review the report of the committee you will be surprised to find the amount of the bill as passed by the House was $81,221,330, and there has been added by the Senate $62,717,427, making the total amount of the bill as reported to the Senate $143,938,757, or approximately an appropriation bill for 1937 of $144,000,000. Even to a Member of Congress this looks like a lot of money, but no doubt it will serve a useful purpose. It will supply drinking water and a place to bathe to the horned toad and the desert rat, and possibly at the next session we can vote an appropriation for a scientific investigation to look into the habits and customs of these two inhabitants of the desert and to see how they care for their young.

No doubt this will permit the increase of a million or two acres of irrigated lands for productive excess, and after we have spent the money to reclaim this acreage we can then include these new-found acres under our present farm-aid plan and invoke the theory of soil erosion and give benefit payments to those who live on these acres if they will plant them to grasses and legumes and let other things alone. It forms an interesting cycle that may be quite a puzzle to an inquiring mind, but nevertheless is very interesting.

I have been interested to read an Associated dispatch out of Chicago recently which quoted Secretary Wallace as saying that the removal of approximately 30,000,000 acres would still leave ample acreage in the United States at average yields to provide the Nation a supply of food and fiber equal to domestic consumption for the 1920–29 period. These 30,000,000 acres so retired are to be devoted to legumes and similar crops. The dispatch added that problems still to be worked out included, "How to apply the plan in dairy States, like Wisconsin, where a high percentage of the land already is in grass and legumes."

It was stated here recently on the floor that the reciprocal trade agreement with Canada did not affect our State, but that we had a considerable increase in the value of farm commodities, particularly butter. So I wrote to my friend, Prof. J. L. Sammis, of the department of dairy industry of the College of Agriculture, University of Wisconsin, referring the matter to him. He said:

> There can be no question but that the price of cheese went down 2 cents, causing $6,500,000 loss to the cheese industry, particularly to Wisconsin farmers, as a result of the Canadian treaty. It is claimed by proponents of the treaty that there was, as a result of the treaty, a rise in the price of butter which offset the loss on cheese, and gave a net profit to the United States. The real causes of the rise in butter price were low stocks of butter in storage; second, low production of butter, since more milk has been going into cheese lately; and third, the complete blocking of transportation by the present winter snows, which prevented the normal shipment of butter to market from all dairy States, which further reduced market stocks, and could not fail to raise butter prices.

I also wish to call your attention to the statement of Agricultural Commissioner J. D. Beck, of Wisconsin, who for many years was a Member of this body. He says in regard to the Canadian cheese tariff:

> The price of cheese dropped on the 1st of January this year exactly that the amount of the duty on that article was reduced.
>
> Cheese dealers tell us that the recent price drop was because cheese was not moving. If that was true, then the farmers want to know why three of the leading buyers of cheese in this country rushed off to Canada nearly a month before this treaty went into

effect and bought the available supply of cheese from that country to be shipped in immediately after this treaty became effective.

These are some of the things which economists should explain to the farmers of the State while they are telling those farmers that the importation of cheese will not depress the price. The farmers know the price was depressed and they are asking why.

[Applause.]

It has been rumored on Capitol Hill that there will be some slight sop thrown to the dairy farmer by the way of small benefit payments for 5 acres planted to grass or legumes.

Of course, this does not meet the larger problem of the importation of cheaper dairy products from abroad or the problem of millions of additional acreage of pasturage taken out of cotton, wheat, corn, and so forth, which will be devoted to feeding dairy cows, nor to the problem of the competition of oleomargarine and other cheap butter substitutes. The dairy farmer surely is intelligent enough not to be fooled by any such pitiful pittance. What he wants, first, last, and all the time, is his home market to be preserved for his home product and he has a right to be protected from the cheaper competition brought in from abroad. Only a few years ago the United States Tariff Commission found that New Zealand dairymen and creameries could turn out butter at 18 cents a pound under the average cost in the United States.

Mr. Charles W. Holman, secretary of the National Cooperative Milk Producers Federation, has just recently issued a pamphlet entitled "Present Day Problems of Dairy Farmers." In that pamphlet, Mr. Holman points out, on page 13, the following facts:

The proponents of the Canadian agreement argued that the imports of cream represent less than one-tenth of 1 percent of our total annual production and only eight-tenths of 1 percent of the production of the North Atlantic States. They do not point out, however, that this cream will come largely into the Boston and New York markets where figures show that for 6 months out of every year it is profitable to bring in Canadian cream. If all of this cream is brought into the Boston and New York markets it will represent considerably above the percentages used by the defenders of the Canadian agreement and will have a tremendous downward effect on the cream prices in these two markets, with a resultant effect on middle western as well as eastern cream producers.

Whether or not the 1,500,000 gallons of cream pour over the border each year, the result to dairy farmers will be the same. Either the domestic-price structure will be broken down to a figure that keeps it out, or the butterfat in the cream will come in to displace an equivalent amount of western and southern cream now being sold in eastern markets.

In this connection it is interesting to study the effect of these imports upon cream producers of the Middle Western and Southern States. It is reasonable to assume that the cream produced in the eastern area will continue to be used in those markets even though the Canadian agreement tears down the price structure. Middle western and southern dairy farmers, however, are likely to feel not only the result of a lowered cream price but are also likely to lose a substantial portion of their cream market in New York, Philadelphia, and Boston. Shipments of cream from Middle Western and Southern States to New York, Boston, and Philadelphia in 1934 totaled 336,079 cans. Under the agreement with Canada 150,000 cans will be permitted to come into the country annually, thus displacing nearly 50 percent of the cream which the New York, Philadelphia, and Boston markets purchased last year from Middle Western and Southern States. Dairy farmers in the Middle Western and Southern States losing 50 percent of their market in New York, Boston, and Philadelphia will gain small comfort out of the statistical arguments that the imports represent less than one-tenth of 1 percent of the total annual production of the United States.

In addition to the foregoing I would like to add another paragraph from Mr. Holman's interesting pamphlet. On page 14 we find the following:

I have been advised by the president of one of our large livestock producer organizations that in a conference with livestock interests in Canada during the period when negotiations were going on he was told by the Canadian producers that if a way could be found to get rid of about 200,000 head of Canadian cattle the problem of the Canadian livestock producer would be solved. Apparently it was solved to the entire satisfaction of the Canadian livestock producer by our agreement to permit approximately 226,000 head of Canadian cattle to be imported into the United States annually.

Mr. George N. Peek, former Administrator of the A. A. A. and until a few months ago president of the Export-Import Banks and adviser to the President upon foreign trade, made the following analysis:

Distribution of concessions by commodity groups	Value of 1929 trade in articles upon which concessions are bound	
	Concessions by United States, $307,894,400	Concessions by Canada, $244,653,000
	Percent	*Percent*
Agricultural and forest products	83.8	22.6
Fishery products	2.0	.2
Mineral products	7.1	3.4
Manufactured and miscellaneous products	6.2	73.8

An examination of this analysis will disclose that the agricultural and forest products were sacrificed for the benefit of the manufactured and miscellaneous products. This is the outstanding fact against which we of the agricultural districts protest with all our might. It is idle and futile to prattle to us about the weaknesses of the Smoot-Hawley Tariff Act and the increases of prices since 1932 as neither statement squarely faces the issue which we raise.

Our main point of contention is this: The dairy interests of the United States should not be sacrificed for the sake of any other industry in the United States. We claim a right to furnish all the dairy products that are needed by our people and we have the ability and the desire to do so. To deprive us of that opportunity which rightfully belongs to us is an outrageous injustice against the dairy interests of our country. Our opponents on the Democratic side of the House have argued these matters by the hour but not one of them has made a defense or set up a justification for the sacrificing of the dairy interests for the benefit of somebody else. That is the outrage against which we raise our voice in protest. [Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. SAUTHOFF] has expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. BLACKNEY].

Mr. BLACKNEY. Mr. Chairman, during the recent consideration of H. R. 11581, the District of Columbia appropriation bill for 1937, I was particularly interested in the educational features developed in the hearings of the subcommittee before whom this appropriation bill was considered, and was also interested in the debate that occurred upon the floor of the House with reference to education.

Perhaps this is because that for a period of 10 years I was a teacher in the public schools of Michigan; perhaps it is because as the father of two boys now in the public schools of my State I still retain my interest in education; perhaps it is because that for 14 years it was my privilege to devote from 1 to 3 nights a week to instructing more than 3,000 factory men and women in the General Motors Institute of Technology in Flint.

Education and the organization of our Government as exemplified by the adoption of our Constitution are identical in point of time.

In 1787 the ordinance of that year in creating the Northwest Territory specifically said:

Religion, morality, and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged.

So that with the inception of this Government one of the heritages that we gave our boys and girls is that of an education. Therefore the hearings on this bill were of particular interest to me in its educational fields.

For some 15 years it was my privilege to serve upon the school board in the city of Flint and to become interested in the many educational problems that confronted our school system. We were fortunate in our staff of teachers and as a result of the splendid personnel that has developed there, our schools have been successful in the highest degree. There has been no taint of communism or radicalism connected with those schools. Our teachers were imbued with the ideas of Americanism and felt that their full problem was to instruct the pupils of our schools in the problems of Americanism. No question of facism, of socialism, of communism arose; just the plain everyday Americanism.

The Michigan educational system has had a similar experience. Our teachers in the public schools of Michigan have been real Americans and have been imbued with the principles of America. Michigan has had a wonderful career from the educational standpoint. Very few States in the Union can rival her in her pioneering in education. In fact, several of the great educational authorities of this country have placed Michigan in the forefront in the development of not only the common schools but the higher schools and universities. Michigan surely is one of the leaders in the educational program of America.

In 1817 the legislature sketched in detail a full program of education from primary school to university.

In 1827 she laid the foundations for the common schools of the State.

In 1837 the great University of Michigan was created with four departments—literature, science and arts, law, and medicine. This was pioneer work in many respects for all the world.

In 1848 Michigan added an institution for the instruction of the deaf, dumb, and blind, thus one of the first States in the Union to provide for the education of handicapped children.

In 1855 it organized an agricultural and industrial college, one of the first of such colleges organized in the United States.

In 1870 the doors of our university were opened to women, thereby completing the democracy of the scheme.

In the consideration of H. R. 11581 the testimony before the subcommittee disclosed the fact that there were 99,000 school children in the city of Washington.

In our State of Michigan we have 704,435 boys and girls in the elementary schools, up to and including the eighth grade. In the high schools we have a total of 223,705. In the colleges and universities, junior colleges, and teachers colleges we have a total of 38,981, making a grand total of 967,221 boys and girls, men and women enrolled in the school system of Michigan.

The boys and girls enrolled in the elementary schools of the United States, up to and including the eighth grade, according to the latest statistics available from the Office of Education, numbered 20,729,511. In the high schools a total of 5,656,412. In the colleges and normal schools, 1,154,117, making a grand total of boys and girls, men and women enrolled in the schools of the United States of 27,540,040.

How important it is that this splendid army of young people should be wisely instructed in those fundamentals that tend to produce thoroughgoing men and women.

During the last few years there has been apparent in this country certain radical tendencies, evidenced by socialistic and communistic talk, which have begun to make themselves apparent in a limited sense in some of the schools of our country.

In the report of the hearings on the District of Columbia appropriation bill I was surprised to find that certain textbooks and magazines contained statements communistic in their nature, or at least un-American in their nature. In one of the books available for use in the District of Columbia public schools the author, who has written several reports on education, said: "That the teachers should deliberately reach for power and then make the most of their conquest is my firm conviction." Further quoting, the author said: "Finally to be prepared as a last resort, in either the defense or the realization of this purpose, to follow the method of revolution." These quotations are taken from the writings of George S. Counts, who boldly advocates "the method of revolution" to establish a new pretense of democracy without "popular election of officials" or "the practice of universal suffrage."

I cannot conceive how the philosophy contained in these statements is applicable to our American public-school system. Up until a very recent time in American history our public schools were comparatively free from anything of a radical nature. During the last 2 or 3 years there has developed a certain type of educator who thinks that it is the proper thing to instill in the minds of American boys and girls doubts as to the efficiency of American institutions and to supplant in their minds, if possible, the thought that the communistic practices of certain European countries are worth emulation. I have no use for any such doctrine. I have the utmost faith and confidence in the rank and file of the American teachers. I think that the great majority of our teachers are, first, American citizens and, second, desirous of instilling American principles in the minds of our pupils. I am not in sympathy with the movement toward communistic and socialistic propaganda centering around our schools.

There has been criticism of late upon the floor of the House because certain States have passed laws requiring the constitutional oath to be taken by the teachers of the public schools. I see no reason for the criticism of these laws. Our public-school teachers are paid from public money; they are to that extent public officers. It is the duty of a public officer to take an oath to support the Constitution of the United States and the State under which he is serving. All of the Members of this House took the constitutional oath to support the Constitution of the United States, and I feel sure that each Member took this oath gladly and willingly because we are American citizens and because we recognize that the Constitution is the fundamental law of the land.

Why, then, should a teacher have any objection to taking this constitutional oath? He, too, is a public official. He has the grave responsibility of instructing our boys and girls in their ideals of democracy and of Americanism. If our teachers are Americans, if they believe in the American system of government, if they are devoted to our Constitution and our laws, then they should gladly take the oath of office as willingly and as freely as we the Members of this House have taken it? I am always suspicious of any public official or public servant who hesitates to take the oath of office. I am wondering whether or not he has any secret evasions of mind that he does not want to divulge.

The State of Michigan has such a law, and I am glad to state that the great overwhelming majority of our teachers in the State have taken the constitutional oath freely and willingly. They have not felt that it has been subjecting them to any suspicions of disloyalty but is imposed upon them because they are public servants.

We all recognize the fact that in these days of depression the fathers and mothers of our public-school children are making supreme sacrifices to keep those boys and girls in school. Surely no hard-working father or mother would knowingly tolerate for a moment the teaching of communism in the public schools. They have a right to expect that every teacher drawing public pay is imbued with the American spirit and interested in the inculcation of those great principles which have produced America.

In conclusion I want to reaffirm my faith in the Constitution of the United States and to express my disapproval of insidious attacks upon it. I want to express my disapproval of fostering fascism and communism in this country. I want to keep the American schools free and clear of any foreign isms for the proper education of American boys and girls.

I am heartily in sympathy with the American's Creed, so ably formulated by William Tyler Page:

> I believe in the United States of America as a Government of the people, by the people, for the people; whose just powers are derived from the consent of the governed; a democracy in a Republic; a sovereign Nation of many sovereign States; a perfect Union, one and inseparable; established upon those principles of freedom, equality, justice, and humanity for which American patriots sacrificed their lives and fortunes.
>
> I therefore believe it is my duty to my country to love it; to support its Constitution; to obey its laws; to respect its flag; and to defend it against all enemies.

[Applause.]

The CHAIRMAN. The time of the gentleman from Michigan [Mr. BLACKNEY] has expired.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, the legislative appropriation bill which we are bringing before you for your consideration today has been explained thoroughly and in a most

illuminating way by the chairman of our subcommittee, Hon. J. BUELL SNYDER, of Pennsylvania, and later Mr. POWERS, the minority member of the subcommittee, will treat the subject in his usual brilliant way, and I think there is very little, indeed, for me to say.

I feel that I should arise, however, if for no other purpose than to express a few words of merited praise for our subcommittee chairman, who is discharging this year for the first time the heavy duties devolving upon one who has charge of a supply measure. I have now accumulated some years' experience as a member of the Appropriations Committee and chairman of a subcommittee, and I want to say for Mr. SNYDER that I have never known a subcommittee chairman who had a higher regard for his responsibilities, whose aims and purposes were more conscientious, or whose performance was more faithful than his has been.

He is cast in such a mold that he could never be content with a mere perfunctory attention to the task at hand. His motto is thoroughness and to attain thoroughness he has spared no physical or mental exertion.

He has personally visited and inspected the various activities and services appropriated for in this bill, sometimes at hours when visits appeared to be unseemly, but when a personal call was best calculated to get a correct picture of the operations and needs of the service. With painstaking care he has checked up on everything that comes within the scope of this bill to ascertain whether the taxpayers' money is being well spent, and if not, why not; also to get a line on the actual need, if any, for additional appropriations and increases of appropriations requested in the estimates.

I think Mr. SNYDER'S constituents and the people of the country ought to know that he has done a fine job on this bill. Eliminating, of course, any reference to myself, I may add that he has had perfect cooperation from a capable subcommittee including Mr. ZIONCHECK, of Washington, Mr. DOCKWEILER, of California, and Mr. MORAN, of Maine, on the Democratic side, and Mr. POWERS, of New Jersey, who, with charming good humor, upholds the dignity of the minority party at the opposite end of the table. Strictly and truthfully speaking, there has been no politics in the deliberations of our subcommittee. We have sought to weigh factors in their true proportions and to reason together earnestly in order that we might reach conclusions that would be in the best interest of the entire country.

PHILOSOPHY OF ECONOMY

Briefly, this bill is framed in accordance with the philosophy which I think should govern the drafting of all of our appropriation bills, except when uncontrollable factors will not permit, and that is the philosophy of retrenchment in the cost of government, which is so important and vital at this time.

The bill before you does not "up" either the appropriations for the current fiscal year or the Budget estimates for the fiscal year 1937. On the contrary the total carried by this bill, $23,366,168, is $640,092.73 below the appropriations for the current fiscal year and $877,203 below the Budget estimates for the next fiscal year. That is as it should be.

It will be encouraging to the taxpayers and to the business interests of the country, which are looking toward an ultimately balanced budget, to know that this bill carries no increase over either current appropriations or the budget and that on the contrary, the trend of appropriations carried by it is downward. It is true that the decreases projected into the totals of this bill are small, compared with the vast governmental outlays of recent times, but nevertheless I believe it will be welcome news to the country to learn that these totals are really decreases rather than increases.

On a bill in which so many items are statutory and therefore beyond the control of the appropriations subcommittee and so many others are fixed and rigid because they are maintenance and operation items, there is not a great deal of leeway to wield the pruning knife. We have made the most of the leeway we had.

ADVANCES WITHIN GRADES DISAPPROVED

In keeping with our determination to hold this bill down to minimum proportions we disapproved all estimates for advances of salary within the grades. Altogether, in the various services and activities covered by the bill, there are 232 positions for which advances of salary within the grades were sought in the budget estimates and these advances would have imposed on the Treasury a total additional annual charge of $18,020.

In view of the general situation throughout the country, the large public debt and the obvious necessity of retrenchment if we are ever to reach the goal of a balanced Budget, we did not feel that these advances in salaries could be justified at this time.

ELEVATOR ITEM DISALLOWED

At the expense, perhaps, of reducing our popularity in certain quarters not far removed from here we disallowed a large estimate of $64,000 to construct two new elevators at the Senate wing, because we could not find any sound reason either in economy or necessity for such an improvement. On the contrary it seemed to us that this proposed project involves such a disruption of the structural features of the Capitol Building and so many major difficulties of construction, and seemingly has so little argument to justify it from the standpoint of actual necessity, that it should not be considered for a moment.

I think I may go farther and say that we were surprised that such a proposal had been seriously made. An idea of the extent to which the Capitol Building structure would have to be cut into and made over, in order to install these two proposed new elevators may be obtained from the testimony of David Lynn, Architect of the Capitol, who said in reply to a question by myself:

> They would be placed alongside of each of the two existing elevators at the east entrance, Senate side. The work would consist of the construction of two new shafts extending from the third floor to the subbasement through heavy bluestone masonry and involving the cutting of walls and floors, as well as underpinning walls and footings. There is some ornamental decoration of ceilings and walls that may have to be disturbed. It will be necessary to support these walls and floors by heavy shoring during operations. It is estimated that each of the shaft openings will cost about $12,000 and each elevator equipment about $20,000, or a total of $64,000.

There are 435 Members of the House and 96 Members of the Senate. The House gallery has a great deal larger capacity than the Senate gallery, yet despite these disparities there are now as many elevators in the Senate wing of the Capitol as in the House wing or, to be exact, four elevators in each wing.

Senators now have two private elevators, while Members of the House, though exceeding Members of the Senate more than four times in number, have only one private elevator. Your subcommittee could not see any justification for constructing two more Senate elevators, especially in view of the costly and difficult structural changes that would necessarily be involved. It seems that this is truly a type of expenditure which, if justified at all, could well await the return of better times and a more redundant Treasury.

CAUTION EXERCISED IN REGARD TO FEDERAL REGISTER

Another rather notable reduction in estimates by our subcommittee is in connection with the publication known as the Federal Register. This publication, which is authorized by act of Congress, is said to have had its origin in a side comment made by a distinguished Justice of the United States Supreme Court in connection with the famous "hot oil" case. The justice is credited with having made the observation that there are many orders issued by New Deal agencies, carrying penalties, which are unknown to the persons and business organizations who may violate them and the reason they are unknown is that they never have been published.

On this germ of an idea the Congress has provided by law for the broadest kind of publication of Executive orders, departmental regulations, and so forth, in a publication to be called the Federal Register.

There was presented to us the very practical problem of reaching some sort of a conclusion as to how much money shall be spent for this purpose, and this involved interpretations of the law which are made especially difficult by reason

of the fact that N. R. A. and A. A. A. have gone out of the picture through adverse Supreme Court decisions.

An idea of the tremendous magnitude of this publication enterprise may be obtained by the testimony of A. E. Giegengack, the Public Printer, in regard to the number of accumulated orders, proclamations, and regulations which would have to be printed in the Federal Register if the Act of Congress is to be obeyed literally. On this point Mr. Giegengack said:

> It is impossible to give any idea as to what it will eventually cost to print the present accumulation of existing orders, proclamations, and regulations that now have the force and effect of law. It has been stated that there are literally truck loads of them and that the Archivist would need to increase his building 100 percent in order to hold them all.

You can see into what deep water we would be getting and what an enormous charge would be imposed upon the United States Treasury if this project is carried out to the full extent and implications of the act. Up to date, none of this material has been published.

The Budget sent us an estimate of $300,000, of which, as nearly as we could ascertain, it was proposed that $225,000 would be spent in printing the Federal Register daily during the next fiscal year and the remaining $75,000 would be used as a start toward publishing the existing accumulation.

We decided not to attempt to publish any of the vast accumulation until the matter can be given further consideration, and we allowed $150,000 to publish the Federal Register, covering orders issued daily, from July 1 next, the beginning of the next fiscal year, until February 28, 1937. It is believed that before the latter date Congress will have time to give further attention to the advisability and wisdom of putting a drain on the Federal Treasury the end of which no man can foresee.

FACTORS OF SAFETY INSURED

While our constant aim has been to economize, we have recognized that governmental activities cannot remain dead and dormant, but that certain appropriations are required to harmonize with progress and that equipment will wear out, requiring replacements. We have given the Doorkeeper of the House six additional pages, the first increase in the force of pages in this Chamber since the Fifty-sixth Congress, when there were 357 Members of the House. Now there are 435.

In recent years pages are used more than ever for messenger service which, although a great convenience to members of the House, has placed a heavy burden on the time and energies of the pages—a burden that has been increased by the construction of the New House Office Building. We believe this increase in the force of pages is amply justified. Where hazard to human life is involved we have made the appropriations necessary to insure the factors of safety, as, for instance, in an item of $108,750, which we have allowed for new electrical substation switching equipment in the Capitol, Senate, and old House Office buildings, the testimony being that the existing equipment is obsolete, inadequate, and hazardous. In short, we have sought, in framing this bill, to provide every dollar to enable the various activities to function satisfactorily and to provide proper maintenance without appropriating a single dollar unnecessarily. [Applause.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. BUCK, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill H. R. 11691, the legislative appropriation bill, 1937, had come to no resolution thereon.

THE FEDERAL BUDGET

Mr. BACON. Mr. Speaker, the other day I received permission to extend my remarks in the RECORD. I was informed by the Government Printing Office that the extension exceeded the allowable amount by a quarter of a page, and that the cost involved is $102. I, therefore, renew my request to extend my remarks in the RECORD by inserting the matter referred to.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

(The new Federal Budget and the Roosevelt administration's fiscal policies are discussed here in a critical analysis by the former Director of the Budget.)

By Lewis W. Douglas, former Director of the Budget

The Budget for 1937 is confused and open on both ends.

Fully to understand any event or act, it is necessary that there be an understanding of the environment in which that event or act occurs. So it is with the annual Federal Budget just submitted to Congress by the Executive. Consequently, before attempting an analysis of the Budget, it is appropriate to recall the historical setting in which it occurs. No attempt will be made to evaluate either the setting or the consequences of the performance. This is only a recitation of facts as nearly as they can be determined.

In July 1932 the Democratic Party in convention adopted a platform—"a covenant with the people to be faithfully kept by the party when entrusted with power"—which contained the following explicit commitment:

"We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate executive estimates within revenues."

"ONE HUNDRED PERCENT" FOR ECONOMY

The Presidential candidate of the Democratic Party, in his speech to the convention, accepted the pledges of the party platform in the following unqualified language:

"I have many things on which I want to make my position clear at the earliest possible moment in this campaign. That admirable document, the platform which you have adopted, is clear. I accept it 100 percent."

On October 19, 1932, in Pittsburgh, the Presidential candidate of the Democratic Party said:

"Would it not be infinitely better to clear this whole subject of obscurity—to present the facts squarely to the Congress and the people of the United States and secure the one sound foundation of permanent economic recovery—a complete and honest balance of the Federal Budget?

"In all earnestness I leave the answer to your common sense and judgment. * * *

"Now, I am going to disclose to you a definite personal conclusion which I adopted the day after I was nominated in Chicago. Here it is: Before any man enters my Cabinet he must give me a twofold pledge of:

"'1. Absolute loyalty to the Democratic platform and especially to its economy plank.

"'2. Complete cooperation with me, looking to economy and reorganization in his department.'

"I regard reduction in Federal spending as one of the most important issues of this campaign. In my opinion it is the most direct and effective contribution that Government can make to business."

To be sure, in the same speech he said:

"At the same time, if starvation and dire need on the part of any of our citizens make necessary the appropriation of additional funds which would keep the Budget out of balance, I shall not hesitate to tell the American people the full truth and recommend to them the expenditure of the additional amount."

But he also said in the concluding paragraph of the same speech, having to do with a balanced Budget and reduction of Federal expenditures:

"My friends, these have been unhealthy years for prophets, and I hasten to disclaim that role. But one thing I know. A powerful cause contributing to economic disaster has been this inexcusable fiscal administration and the obscurity and uncertainty that has attended and grown out of it.

"There it remains for all to see—a veritable cancer in the body politic and economic.

"Is it prophecy to assure you that if we remove this destructive growth we shall move on to better things?

"To my mind this is so plain and persuasive as scarcely to be open to argument. As I said in the beginning, this is the one field in which business is wholly in the grip of Government.

"By the same token, it is the one field where Government can make the greatest possible present contribution to recovery. To this contribution I here pledge the utmost of my faith and my ability.

"I am as certain as mortal man can be certain of anything in the future that from the moment that we set our hands openly and frankly and courageously to this problem, we shall have reached the end of our long, hard downward road and shall have started on the upward trail."

In 1932, when the Democratic platform was adopted, when that platform was accepted by the Demoratic nominee, and when that nominee made his commitments with respect to reduction of expenditures and the balancing of the Budget, there were some 12,000,000 unemployed and there was widespread human distress and suffering.

"IMMEDIATE ECONOMY"—AND LATER

On March 10, 1933, after the Democratic nominee had become the occupant of the White House, and when unemployment was at its peak, the Economy Act, accompanied by a message, was sent to the Congress. In that official document he stated:

"Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger. * * * We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy. * * *

"I ask that this legislation go into effect at once without even waiting for the beginning of the next fiscal year. I give you assurance that if this is done there is reasonable prospect that within a year the income of the Government will be sufficient to cover the expenditures of the Government."

But some 15 months later the expenditures had increased over $2,000,000,000, as compared with 1932, and the revenue fell short of covering expenditures by the sum of $3,989,496,035.

On January 3, 1934, the occupant of the White House submitted to the Congress his annual Budget message and Budget, in which he stated:

"My estimates for the coming fiscal year (1935) show an excess of expenditures over receipts of $2,000,000,000. We should plan to have a definitely balanced Budget for the third year of recovery (1936) and from that time on seek a continuing reduction of the national debt."

But the actual deficit for 1935 was $3,575,357,963, while the revised Budget for 1936, instead of being in balance, shows estimated expenditures to be in excess of revenues by $3,234,507,392.

On January 3, 1935, in the Executive's annual Budget message, no mention was made of an equilibrium between expenditures and receipts.

On January 6, 1936, in the annual Budget message and accompanying Budget schedules for 1937, there is given only the hope that at some time in the future deficits will be eliminated.

This is the whole setting necessary for an understanding of the Budget for 1937. No; this is not quite the whole setting.

When in the late spring of 1933 a great spending program was adopted, the expenditures were divided into two categories: First, those for the operation of the regular, permanent departments and agencies of government; second, those for relief and for the emergency. To be sure, the books showed but one deficit, but spokesmen have made much of the distinction, as though a government could conceal its financial operations by legerdemain better than could the Insull utilities.

This is the environment and the inheritance of the Budget for 1937.

SOME BUDGET FIGURES

The following analysis is divided into the following headings: (1) Expenditures, so-called regular Budget; (2) expenditures, so-called recovery and relief Budget; (3) expenditures, total Budget; (4) receipts; (5) deficit; (6) recoverables; (7) recapitulation.

(1) Expenditures, so-called regular Budget.

Among the regular expenditures, the Budget carried estimates of benefit payments to farmers under the Agricultural Adjustment Administration Act. At the very time that the Budget was being read to the Congress the Supreme Court was declaring the Agricultural Adjustment Administration Act to be unconstitutional.

As a consequence, revenues to be derived from processing taxes are no longer available, while newspaper accounts indicate that expenditures on account of contracts already made and refunds (if any) of taxes illegally collected are to continue.

Nor is this quite all. The Civilian Conservation Corps, heretofore during the regime of the New Dealers carried in the so-called emergency and relief Budget, has been transferred to the regular Budget. Moreover, Public Works expenditures, in part, though perhaps not in sufficient amount, have been shifted into the regular departmental Budget from the emergency Budget. And, finally, expenditures on account of the Social Security Act, the Bituminous (Guffey) Coal Act, the Railroad Retirement Pension Act have become permanent fixtures of the regular departmental expenditures.

I

The expenditures of the regular departments as estimated in the Budget are as follows:

Legislative, judicial, and executive	$41,835,627
Civil departments and agencies	1,006,220,145
National defense	937,791,966
Veterans' pensions and benefits	790,058,900
Agricultural Adjustment Administration	619,347,000
Civilian Conservation Corps	220,000,000
Debt charges	1,385,125,000
Supplemental items (social security, railroad pensions, etc.)	600,000,000
Refunds	49,403,100
Total	5,649,781,738

II

When these are adjusted to the Supreme Court decision on the Agricultural Adjustment Administration Act, they become as follows:

Legislative, judicial, and executive	$41,835,627
Civil departments and agencies	1,006,220,145
National defense	937,791,966
Veterans' pensions and benefits	790,058,900
Agricultural Adjustment Administration	[1] $250,000,000
(Amount necessary to pay farmers for contracts already performed.)	
Civilian Conservation Corps	220,000,000
Debt charges	1,385,125,000
Refunds	49,403,100
Supplemental items	600,000,000
Total	5,280,434,738

[1] Press account estimate.

III

In order that comparison may be had with previous regular Budgets, the following table contains expenditures for 1937 after eliminating expenditures for the recent additions to the regular Budget; that is, the so-called Security Act, the Guffey Coal Act, Railroad Pension Act, the Agricultural Adjustment Administration, and the Civilian Conservation Corps:

Legislative, judicial, and executive	$41,835,627
Civil departments and agencies	1,006,220,145
National defense	937,791,966
Veterans' pensions and benefits	790,058,900
Debt charges	1,385,125,000
Refunds	49,403,100
Total	4,210,434,738

IV

COMPARATIVE BUDGETS

(Trust funds excluded)

1927, total expenditures	$3,446,000,000
1928, total expenditures	3,581,000,000
1929, total expenditures	3,794,000,000
1930, total expenditures	3,947,000,000
1931, total expenditures	4,158,000,000
1933, total expenditures, exclusive of $500,000,000 for R. F. C. and $125,000,000 for Federal land banks	4,261,000,000
1933, total expenditures, exclusive of recovery and relief, etc	3,866,000,000
1934, total expenditures, exclusive of recovery and relief, etc	2,822,000,000
1935, total expenditures, exclusive of recovery and relief, etc	3,128,000,000
1936, total expenditures, exclusive of recovery and relief, etc., estimated	3,547,000,000
1937, total expenditures, exclusive of recovery and relief, etc., and new items for purpose of comparison; estimated	4,210,000,000

HOW GOVERNMENT COSTS INCREASE

The estimated cost of operating the regular departments of Government under the 1937 Budget, as submitted and adjusted to the Supreme Court A. A. A. decision, is $5,280,434,738, or $504,201,587 more than the estimate for 1936; $2,458,700,126 more than the actual for 1934; and over $1,800,000,000 more than the actual for 1927.

And according to the previous tables, under the most favorable construction, the estimated cost of operating the regular establishments for 1937, without the new additions, is $663,000,000 more than the estimate for 1936, $1,388,000,000 more than the actual for 1934, and $764,000,000 more than the actual for 1927.

(2) Expenditures, so-called recovery and relief budget in the extraordinary or relief and emergency category of expenditures, the 1937 Budget carries estimates of expenditures in the amount of $1,103,000,000. This item represents expenditures from unexpended balances of previous emergency appropriations. Supporting schedule 2B of the Budget shows the unexpended balances as of October 31, 1935, to be $6,539,676,706, and the unallocated funds to be only $23,852,131. What has become of, and what is to be done with the remaining $6,516,000,000?

The sum of $878,000,000 of the $1,103,000,000 is all absorbed in the following general categories: Public works, aids to home owners, miscellaneous, $225,000,000 is carried simply as unallocated funds, available October 31, 1935, and thereafter.

In the category of relief and emergency, no expenditure is estimated either for relief of the unemployed or for Works Progress Administration. The month of December Treasury daily statement shows an expenditure of $119,000,000 for Works Progress during that single month. This is at the rate of approximately $1,440,000,000 a year. The estimate for 1936 shows estimated expenditures for this purpose of $1,000,000,000. But the program was not fully operative until December, or until 5 of the 12 months of the fiscal year 1936 had elapsed. One billion five hundred million is, therefore, not an exaggerated estimate of the total annual cost. Assuming a reduction in unemployment of 25 percent during the fiscal year 1937 and a corresponding reduction of expenditures, an additional $1,100,000,000 is required to be appropriated for and expended during 1937. Given the standards of compensation and the present method of administering relief moneys, this figure represents the minimum.

RELIEF EXPENDITURES LATER

There are many reasons for doubting that this figure will be the actual one. For example, in the Budget message itself the following language is to be found: "* * * second, that if work-relief appropriations by this session of the Congress were made up to a total of $2,136,000,000, the total gross deficit for the fiscal year

1937 would not exceed that of 1936, which was the lowest gross deficit of the past 3 years. Therefore, it follows that by whatever amount the appropriation for work relief at this session is less than $2,136,000,000, the gross deficit for 1937 will be less than the deficit for 1936 by the same amount.

"With this limitation and this excellent prospect clearly in mind, I am not including in this Budget estimates for additional relief appropriations. I shall transmit such estimates with far greater knowledge and, therefore, with greater accuracy in sufficient time before the adjournment of this session to give the Congress full opportunity to examine into the subject and to make the necessary appropriations."

Several questions arise: First, is this language an invitation to appropriate $2,136,000,000 instead of the $1,100,000,000 here estimated? Second, if it is difficult in January of 1936 to estimate the expenditure for relief during 1937, why was it so easy in January of 1935 to make an estimate of $4,880,000,000 for relief expenditures in 1936? And, third, is it such an "excellent prospect" to look forward to a deficit in 1937 approximating the deficit of 1936? Three billion dollars and more is still a staggering sum of money, and in 1937 is as "destructive" a deficit as it was in 1932.

But notwithstanding doubts and questions "however reasonable", it is only fair—perhaps too fair—to assume an additional expenditure of $1,100,000,000 for relief and Works Progress Administration. On this basis, the unemployment relief, P. W. A., C. W. A., and W. P. A. expenditures for the years 1932–37 are as follows:

1932	$507,000,000
1933	772,000,000
1934	2,157,000,000
1935	2,954,000,000
1936 (estimated)	2,536,000,000
1937 (Budget estimate plus $1,100,000,000)	2,203,000,000

If, of course, the expenditures for unemployment relief and W. P. A. exceed $1,100,000,000 in 1937, then the total will be correspondingly increased. But it is only fair to give the Budget every benefit of reasonable doubt.

It is to be noted that in the emergency Budget, net R. F. C. repayments and other repayments amount to $251,139,100 and are credited against emergency and relief expenditures.

BUDGET FORECASTS

Thus the emergency and relief budget looks somewhat as follows:

Agricultural aid:	
Federal land banks	$64,000,000
Relief	
Public works	887,963,732
Aids to home owners, including resettlement	231,000,000
Miscellaneous	10,000,000
Unallocated funds available Oct. 31, 1935, and thereafter	225,000,000
Total	1,417,963,732
Add W. P. A. and relief	1,100,000,000
	2,517,963,732
Deduct:	
Excess credits: F. C. A. and Commodity Credit Corporation	190,139,100
R. F. C.	125,000,000
Total	315,139,100
Total, emergency and relief budget	2,202,824,632

(3) EXPENDITURES, TOTAL BUDGET

When the regular expenditures are added to the emergency budget the total is somewhat as follows:

Regular (A. A. A. payments only in amount $250,000,000)	$5,280,434,738
Emergency	2,202,824,632
Total	7,483,259,370

If to this there be added the bonus of $2,000,000,000, no matter how paid, and A. A. A. refunds, and expenditures for any purpose not estimated, then the expenditures will be even greater.

COSTS AND REVENUES

But even at best, and deciding every doubt in favor of lower expenditures, the following table shows how the cost of Government has been continuously mounting:

Total expenditures

	In millions
1927	$3,446
1931	4,158
1932	4,886
1933	5,143
1934	7,105
1935	7,376
1936 (estimated)	7,645
1937 (estimated)	7,483

(4) RECEIPTS

The total estimated revenue for 1937 is $5,654,217,650. Perhaps the increase other than from new taxes is optimistic. From this total, however, A. A. A. processing tax revenues amounting to $547,300,000 must be deducted because of the Supreme Court decision. Thus the estimated revenues are $5,106,917,650. After deducting processing taxes from the 1936 estimates that represents an increase of $1,225,165,704 over the 1936 estimates. But $769,100,000 is due to the following new taxes levied in 1935:

Social security taxes	$433,200,000
Railroad employees' retirement taxes	101,600,000
Bituminous coal tax	12,300,000
Increased taxes, 1935 Revenue Act	222,000,000
Total	769,100,000

Thus only $456,065,704 is due to recovery.

Comparative receipts

	In millions
1933	$2,080
1937	5,107

URGES ADDITIONAL TAXES

It will be recalled that the Budget contains no 1937 estimate of expenditures for relief or Works Progress Administration. Yet the Budget message contains the following language: "If the Congress enacts legislation at the coming session which will impose additional charges upon the Treasury for which provision is not already made in this Budget, I strongly urge that additional taxes be provided to cover such charges."

Does this mean that the additional estimate of appropriations and expenditures for relief to be submitted later to the Congress is to be accompanied by a corresponding increase in taxes?

(5) DEFICIT

A reconstruction of the Budget based on the foregoing analysis is as follows:

Expenditures:	
Regular (A. A. A. only to fill contracts)	$5,280,434,738
Relief and emergency	1,102,824,632
Additional W. P. A. and unemployment relief	1,100,000,000
Total expenditures	7,483,259,370
Receipts:	
Total (omitting A. A. A.)	5,106,917,650
Deficit	2,376,341,720

Obviously, unless additional taxes are imposed, any additional expenditures, whether for the bonus, farm subsidies, or what not, will correspondingly increase the deficit.

(6) RECOVERABLES

The following table shows the deficits for the years 1931–37 and the amount of the deficits accounted for by Reconstruction Finance Corporation recoverable expenditures:

Deficit

Year	In millions	Recoverable Reconstruction Finance Corporation expenditures
1931	$902	None
1932	3,148	$767
1933	3,063	979
1934	3,989	1,274
1935	3,575	[1] 135
1936	3,234	[1] 215
1937	2,376	[1] 251

[1] Net repayment (including agricultural items, Commodity Credit Corporation).

Consequently recoverables are now being used to meet current expenditures.

(7) Recapitulations.

In concise form, the record discloses:

(1) An administration committed in 1932 and 1933 to "a complete and honest balance of the Federal Budget and reduction of expenditures as the greatest possible present contribution to recovery."

(2) During the last of the 4 years of responsibility regular expenditures greater than during any preceding peacetime year.

(3) Total expenditures for the last year of office approximately two and a quarter billion dollars greater than in 1933.

(4) Liquidation of assets to pay for current expenditures.

(5) An accumulated 4-year deficit of more than $13,000,000,000.

(6) For the last of the 4 years of responsibility a deficit of approximately $2,400,000,000.

(7) Revenues during the last of the 4 years of responsibility approximately $3,000,000,000 more than in 1933.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ROMJUE, indefinitely, on account of illness in his family.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 8458. An act to provide for vacations to Government employees, and for other purposes; and

H. R. 8459. An act to standardize sick leave and extend it to all civilian employees.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1837. An act for the relief of W. W. Cook; and

S. 2889. An act for the relief of the Bend Garage Co. and the First National Bank of Chicago.

ADJOURNMENT

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 11, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

703. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 7, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Manomet Point, Plymouth Harbor, Mass., with a view to constructing a breakwater, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

704. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 7, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Lewis Creek, Ohio County, Ky., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WALTER: Committee on the Judiciary. H. R. 11072. A bill authorizing the appointment of an additional district judge for the eastern district of Pennsylvania; without amendment (Rept. No. 2148). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 10985. A bill to repeal Public Law No. 246 of the Seventy-second Congress; without amendment (Rept. No. 2149). Referred to the Committee of the Whole House on the state of the Union.

Mr. DRIVER: Committee on Rules. House Resolution 446. A resolution for the consideration of S. 3998; without amendment (Rept. No. 2150). Referred to the House Calendar.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 11669) granting a pension to Annie Callahan, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. O'CONNOR: A bill (H. R. 11714) to equalize taxation, prevent evasion, and provide revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. GREEN: A bill (H. R. 11715) to amend the World War Veterans' Act, 1924, as amended, by providing allowances for widows and children and dependent parents of veterans of the World War; to the Committee on World War Veterans' Legislation.

By Mr. DIMOND: A bill (H. R. 11716) to extend the Independent Offices Appropriation Act, 1935; to the Committee on the Territories.

By Mr. LEMKE: A bill (H. R. 11717) prohibiting the making of any form of vaccination or inoculation a condition precedent to admission to any public or private school or college or the exercise and enjoyment of any right or privilege in the District of Columbia; to the Committee on the District of Columbia.

By Mr. McCLELLAN: A bill (H. R. 11718) authorizing the Secretary of War to correct certain records relating to the service of officers and enlisted men of the Union and Confederate Armies; to the Committee on Military Affairs.

By Mr. McSWAIN (by request): A bill (H. R. 11719) to readjust the pay of warrant officers; to the Committee on Military Affairs.

Also (by request), a bill (H. R. 11720) relating to pay and promotion of noncommissioned officers of the Army; to the Committee on Military Affairs.

By Mr. SMITH of Washington: A bill (H. R. 11721) to provide for the construction of a post-office building at Winlock, Wash.; to the Committee on Public Buildings and Grounds.

By Mr. TERRY: A bill (H. R. 11722) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928; to the Committee on Flood Control.

By Mr. CONNERY: A bill (H. R. 11723) to provide educational employees of the public schools of the District of Columbia with leave of absence with part pay for purposes of educational improvement, and for other purposes; to the Committee on the District of Columbia.

By Mr. MAVERICK: A bill (H. R. 11724) to authorize appropriations for construction at military posts, and for other purposes; to the Committee on Military Affairs.

By Mr. PIERCE: A bill (H. R. 11725) for the taxation of oleomargarine; to the Committee on Agriculture.

By Mr. BULWINKLE: A bill (H. R. 11726) to continue in effect a certain lease for the quarters of the post office, at Grover, N. C., and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. McSWAIN: A bill (H. R. 11727) to provide for the national defense by promoting the development and improvement of military aircraft, and for other purposes; to the Committee on Military Affairs.

By Mr. ELLENBOGEN: A bill (H. R. 11728) to provide for the removal of the monument to Casimir Pulaski from the triangle at Pennsylvania Avenue, Thirteenth Street, and E Street NW. to the east end of the triangle formed by Pennsylvania Avenue, E Street, and Fifteenth Street, in the city of Washington, D. C., and to authorize the appropriation therefor; to the Committee on the Library.

By Mr. McGEHEE: A bill (H. R. 11729) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Natchez, Miss., and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LEA of California: A bill (H. R. 11730) to amend the Agricultural Adjustment Act, and for other purposes; to the Committee on Agriculture.

By Mr. KENNEY: Resolution (H. Res. 444) authorizing the Committee on the Judiciary to investigate the feasibility of rehabilitating convicted criminals by requiring them to live a pioneer life on penal islands; to the Committee on Rules.

By Mr. MAY: Resolution (H. Res. 445) authorizing the Committee on Military Affairs to investigate the removal from command of Maj. Gen. Johnson Hagood; to the Committee on Rules.

By Mr. BELL: Resolution (H. Res. 447) authorizing the expenditure of not more than $50,000 by the select committee of eight Members of the House instructed to inquire into the acts and conduct of any person, partnership, group, trust, association, or corporation claiming or purporting to promote, organize, or further old-age-pension schemes, authorized by House Resolution 443; to the Committee on Accounts.

By Mr. McGROARTY: Resolution (H. Res. 448) to make H. R. 7154, a bill which has for its purpose the paying of a reasonable old-age pension and more liberal distribution of the purchasing power of the people of this Nation, a special order of business; to the Committee on Rules.

By Mr. BLOOM: Joint resolution (H. J. Res. 518) making appropriations for the fabrication, transportation, and erection of the Navy and Marine Memorial Monument; to the Committee in Appropriations.

Also, joint resolution (H. J. Res. 519) to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes; to the Committee on the Library.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New York, regarding the hospitalization and treatment of honorably discharged war veterans; to the Committee on World War Veterans' Legislation.

Also, memorial of the Legislature of the State of Mississippi, regarding the allocation of Works Progress Administration funds for the erection of cold-storage plants and warehouses in the State of Mississippi; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of New York: A bill (H. R. 11731) for the relief of LaVantia H. Simmons; to the Committee on Claims.

By Mr. CASEY: A bill (H. R. 11732) for the relief of Minnie M. Sears; to the Committee on Claims.

By Mr. DOXEY: A bill (H. R. 11733) for the relief of Henry Thornton Meriwether; to the Committee on Naval Affairs.

By Mr. EKWALL: A bill (H. R. 11734) granting an increase of pension to Mary A. Ballard; to the Committee on Invalid Pensions.

By Mr. MEAD: A bill (H. R. 11735) for the relief of Charles H. Kinzie; to the Committee on Military Affairs.

By Mr. PARSONS: A bill (H. R. 11736) granting a pension to Kelly Rister; to the Committee on Pensions.

By Mr. WILCOX: A bill (H. R. 11737) for the relief of the National Surety Co.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10468. By Mr. ANDREW of Massachusetts: Memorial of the General Court of Massachusetts, protesting against legislation violating the letter or spirit of neutrality; to the Committee on Foreign Affairs.

10469. By Mr. COLDEN: Letter signed by H. A. Farmer, secretary, Industrial Union of Marine and Shipbuilding Workers of America, Local No. 9, 401 Harbor Boulevard, San Pedro, Calif., dated February 29, 1936, with copy of resolution mentioned therein alleging noncompliance of the Bethlehem Shipbuilding Corporation and its subsidiaries with the Wagner-Connery Act, and asking that the House of Representatives call upon the Navy Department to cancel all existing contracts and refuse to enter into other contracts with the Bethlehem Shipbuilding Corporation or its subsidiaries until such time as this corporation complies with the law; to the Committee on Labor.

10470. By Mr. FISH: Petition of 44 residents residing on the main highway, on the outskirts of Newburgh, N. Y., protesting against the statements of a number of members of the Committee on the Post Office and Post Roads eulogizing the services of the Post Office Department; their grievances are that the Post Office Department formerly had four rural carriers, serving these patrons, who received their mail between the hours of 9 and 11 a. m., whereas now there are only three rural carriers, and mail service is unsatisfactory, the morning mail being delivered in some instances as late as 6 p. m.; to the Committee on the Post Office and Post Roads.

10471. By Mr. GOODWIN: Petition of the Livingston Manor Grange, No. 1426, Sullivan County, N. Y., unanimously opposing the so-called water-carriers bill; to the Committee on Interstate and Foreign Commerce.

10472. By Mr. GRAY of Pennsylvania: Petition of citizens and patrons of star route no. 10272, from Indiana to Cherry Run, Armstrong County, Pa., requesting enactment of legislation that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10473. By Mr. JOHNSON of Texas: Petition of J. E. Hintz, of Mexia, Tex., favoring extension of title I of the National Housing Act; to the Committee on Banking and Currency.

10474. By Mr. LAMBETH: Petition signed by 54 patrons of star route no. 18388, Denton to Eldorado, N. C., asking for the enactment of legislation that will indefinitely extend all existing star-route contracts and for increase in compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10475. By Mr. LESINSKI: Resolution of the directors of the Oil and Gas Association of Michigan, urging the enactment of House bill 10483, providing for a limitation of the imports of crude petroleum and increase in the excise tax for crude oil and refined products imported into this country; to the Committee on Interstate and Foreign Commerce.

10476. Also, resolution of the Michigan Association of Road Commissioners and Engineers, urging the Michigan Representatives to Congress to support the continuation of Federal aid to the States at the minimum of $125,000,000 per year; to the Committee on Appropriations.

10477. Also, resolution of the Michigan Retail Lumber Dealers Association, Lansing, Mich., urging the extension of title 1 of the National Housing Act for a 2-year period beyond April 1, 1936; to the Committee on Banking and Currency.

10478. By Mr. MAVERICK: Petition of residents of Berea, Ky., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10479. Also, petition of residents of Toledo, Ohio, protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10480. Also, petition of residents of Madison, Wis., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10481. Also, petition of residents of Cincinnati, Ohio, protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10482. Also, petition of residents of Summerfield, Kans., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10483. Also, petition of residents of Yellowspring, Ohio, protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10484. Also, petition of residents of Newark, Wilmington, Elmhurst, and Richardson Park, Del., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10485. Also, petition of resident of Durand, Mich., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10486. Also, petition of residents of Bloomington, Ind., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10487. Also, petition of residents of Altoona, Pa., protesting against the military disaffection bill (S. 2253) and the

Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10488. Also, petition of residents of Pontiac, Mich., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10489. By Mr. SCOTT: Petition of residents of Penryn and Newcastle, Calif., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10490. Also, petition of residents of Pittsburgh, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10491. Also, petition of residents of Pittsburgh, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10492. Also, petition of residents of Altoona, Pa., protesting against the military disaffection bill (S. 2253) and the Kramer sedition bill (H. R. 6427); to the Committee on Military Affairs.

10493. By Mr. SHORT: Petition of 31 residents of Douglas County, Mo., supporting legislation providing for permanent tenure of service on star routes and pay based upon that of other forms of United States mail transportation; to the Committee on the Post Office and Post Roads.

10494. By Mr. TAYLOR of Colorado: Petition of citizens of Clark and Hahns Peak, Colo., requesting passage of legislation indefinitely extending all existing contracts for star-mail routes, etc.; to the Committee on the Post Office and Post Roads.

10495. By Mr. THOMASON: Petition of citizens of Valentine, Tex., urging passage of House bill 10663, seeking to amend the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

10496. By Mr. WOLVERTON: Petition of residents of the First Congressional District of New Jersey, favoring the enactment of a prohibition law for the District of Columbia; to the Committee on the District of Columbia.

10497. Also, petition of residents of the First Congressional District of New Jersey, favoring the enactment of a prohibition law for the District of Columbia; to the Committee on the District of Columbia.